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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

KENT R.E. WHITNEY, *et al.*,

Defendants.

and

HA T. "KELLY" HOANG, *et al.*,

Relief Defendants.

Case No. 8:19-CV-499-JVS-KES

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR APPROVAL OF
SETTLEMENT AGREEMENT AND
RETENTION AND PAYMENT OF
COUNSEL; AND DECLARATION
OF ROBERT P. MOSIER**

[Notice of Motion and Motion
Submitted Concurrently Herewith]

DATE: _____, 2020

TIME: 1:30 p.m.

CTRM: 10C

JUDGE: Hon. James V. Selna

**TO THE HONORABLE JAMES V. SELNA, UNITED STATES DISTRICT
JUDGE, AND ALL PARTIES AND THEIR COUNSEL OF RECORD:**

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1 **I. INTRODUCTION**

2 Subject to this Court's approval, the Receiver has entered into a
 3 settlement agreement that resolves litigation initiated by Mr. Parrish against
 4 a former employer (the "Settlement Agreement"). The Settlement
 5 Agreement only tangentially relates to the merits of this case in that it
 6 provides for a payment to the receivership estate of Mr. Parrish. In addition,
 7 the Receiver seeks to employ Patrick Walsh of The Walsh Law Group, P.C.,
 8 who represented Mr. Parrish in the underlying litigation, to represent the
 9 receivership estate's interest in these claims. Under the Settlement
 10 Agreement, The Walsh Law Group, P.C. will receive one-third of the amount
 11 to be paid under the Settlement Agreement plus outstanding costs, so the
 12 Receiver seeks authority to permit that payment to be made. The Receiver
 13 believes that the Settlement Agreement and the retention and payment of
 14 The Walsh Law Group are in the best interests of Mr. Parrish's receivership
 15 because they provide a certain outcome and payment to the receivership
 16 estate in contrast to the risk and expense of further litigation.

17 18 **II. BACKGROUND**

19 **A. General Background**

20 On March 13, 2019, the Securities and Exchange Commission ("SEC")
 21 commenced this litigation against defendants Kent R.E. Whitney, David Lee
 22 Parrish, The Church for the Healthy Self aka CHS Trust, and CHS Asset
 23 Management, Inc., alleging that they were operating a Ponzi scheme that
 24 defrauded investors out of at least \$25 million. Based on the evidence
 25 presented to the Court by the SEC, on March 14, 2019, the Court entered an
 26 order appointing Mr. Mosier as the permanent receiver of the defendants
 27 identified in the March 13, 2019 complaint. (See Order Appointing Receiver,
 28 Docket No. 16.) On September 11, 2019, the SEC filed an amended

1 complaint that added a number of defendants and relief defendants,
 2 including Ngoc Ha T. Nguyen and iCare Financial Solution, Inc. (together,
 3 the "iCare Defendants"). (See First Amended Complaint, Docket No. 75.)
 4 On September 12, 2019, based on the evidence presented by the SEC to
 5 the Court, the Court entered an order appointing Mr. Mosier as the
 6 permanent receiver of the iCare Defendants and continuing his role as
 7 permanent receiver over the defendants identified in the March 13, 2019
 8 complaint. (See Amended Order Appointing Receiver, Docket No. 85.)

9 **B. The Receiver's Authority to Compromise Claims and Retain**
 10 **Counsel**

11 Under the orders appointing the Receiver, "[t]he Receiver is
 12 authorized, empowered and directed to . . . compromise . . . any state,
 13 federal or foreign court or proceeding of any kind as may in his discretion . . .
 14 be advisable or proper to recover and/or conserve Receivership Property."
 15 (Amended Order Appointing Receiver [Docket No. 85] at 16:22-27; Order
 16 Appointing Receiver [Docket No. 16] at 15:21-26.) Receivership Property is
 17 defined to include "all property interests of the Receivership Defendants,
 18 including, but not limited to, monies, . . . claims . . . which the Receivership
 19 Defendants own, possess, have a beneficial interest in" (Amended
 20 Order Appointing Receiver [Docket No. 85] at 3:27-4:6; Order Appointing
 21 Receiver [Docket No. 16] at 3:26-4:5.) Further, the orders appointing the
 22 Receiver also authorize the Receiver to retain counsel to assist him in
 23 carrying out the duties and responsibilities described in the orders.
 24 (Amended Order Appointing Receiver [Docket No. 85] at 19:21-25; Order
 25 Appointing Receiver [Docket No. 16] at 19:20-24.)

26 **C. The Parrish Action**

27 Prior to this case, in April 2017, Mr. Parrish filed a lawsuit against a
 28 former employer, the Community and Economic Development Association of

1 Cook County, Inc. ("CEDA"), and a related individual, Harold Rice, with
 2 claims of retaliatory discharge, violations of the Illinois Whistleblower Act,
 3 and abuse of process. The Settlement Agreement only tangentially relates
 4 to the merits of this case in that it provides for a payment to the receivership
 5 estate of Mr. Parrish. Mr. Parrish is a party to the Settlement Agreement,
 6 although he has retained the right to object to the allocation of the settlement
 7 payment to his receivership estate.

8 9 **III. THE SETTLEMENT AGREEMENT**

10 Subject to Court approval, the Receiver, Mr. Parrish, CEDA, and Mr.
 11 Rice have entered into the Settlement Agreement. The Settlement
 12 Agreement contains a confidentiality provision prohibiting the disclosure of
 13 certain terms. Attached hereto as Ex. "1" is a true and correct copy of a the
 14 Settlement Agreement with the confidential terms redacted. Pursuant to the
 15 *Order Granting Ex-Parte Application of Receiver, Robert P. Mosier, for In*
 16 *Camera Review of Settlement Agreement Pursuant to Local Rule 79-6.2 and*
 17 *Related Relief* [Docket No. 132], the Receiver has also submitted an
 18 unredacted Settlement Agreement to the Court for *in camera* review
 19 concurrently herewith. The salient terms of the Settlement Agreement are
 20 as follows¹:

21 1. District Court Approval. The Settlement Agreement shall
 22 become effective and binding on the later of the following two events: (a) the
 23 Settlement Agreement has been fully executed by the Parties; and (b) the
 24 District Court has entered an order approving the Settlement Agreement.

25
26
27 ¹ The summary of the Settlement Agreement's terms is provided solely for informational purposes and
 28 the provisions of the Settlement Agreement are controlling should any discrepancy between the terms
 discussed in the Motion and the Settlement Agreement arise.

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2. Payment Terms. The Settlement Agreement provides for certain payments to the receivership estate of David Parrish² and to The Walsh Law Group, P.C, who represented Mr. Parrish in the underlying litigation. The amount of the settlement payment is not disclosed herein due to the Settlement Agreement's confidentiality provision. The Walsh Law Group, P.C. will receive a one-third contingency fee, plus outstanding costs, to be paid directly to it from the amount of the settlement payment.

3. Releases. The parties are exchanging the releases provided in sections 4 and 5 of the Settlement Agreement.

4. Dismissal of Litigation. Mr. Parrish and the Receiver will dismiss, with prejudice, all claims for relief in Case No. 2017 L 8064, *David Parrish v. The Community and Economic Development Association of Cook County*.

5. Parrish's Reserved Right to Oppose Recipient of Settlement Proceeds. Mr. Parrish has reserved the right to oppose this Motion *solely* to argue that the settlement proceeds are not property of the receivership estate. The District Court's determination of whether the net settlement proceeds are property of the receivership estate shall not affect the binding nature of the Settlement Agreement. If the District Court determines that the settlement proceeds are property of Mr. Parrish and not the receivership estate, Mr. Parrish shall substitute for the receivership estate as the settling plaintiff.

IV. ARGUMENT

The orders appointing the Receiver expressly authorize, empower and direct the Receiver to compromise any proceeding in his discretion to

² At this time, the Receiver is not taking a position on whether the amount to be recovered by the receivership estate of David Parrish should be credited against any disgorgement order against Mr. Parrish. That issue will be resolved at a later date, if necessary.

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1 recover receivership property. (See Amended Order Appointing Receiver
 2 [Docket No. 85] at 16:22-27.) Nonetheless, a federal equity receiver's power
 3 to compromise claims is generally subject to court approval. As noted by
 4 the Ninth Circuit Court of Appeals in *SEC v. Hardy*, 803 F.2d 1034, 1037
 5 (9th Cir. 1986), "[a] district court's power to supervise an equity receivership
 6 and to determine the appropriate action to be taken in the administration of
 7 the receivership is extremely broad." With regard to settlements entered into
 8 by a federal equity receiver, the Court's supervisory role includes reviewing
 9 and approving those settlements in light of federal court policy to promote
 10 settlements before trial. See Fed. R. Civ. P. 16(c), Advisory Committee
 11 Notes.

12 Federal courts of equity often look to bankruptcy law for guidance in
 13 the administration of receivership estates. See *SEC v. Capital Consultants,*
 14 *LLC*, 397 F.3d 733, 745 (9th Cir. 2005); see also Local Civil Rule 66-8 ("a
 15 receiver shall administer the estate as nearly as possible in accordance with
 16 the practice in the administration of estates in bankruptcy").

17 "The bankruptcy court has great latitude in approving compromising
 18 agreements." *In re A & C Properties*, 784 F.2d 1377, 1380-81 (9th Cir.
 19 1986). In approving a settlement agreement, the Court must find that it is
 20 fair and equitable, and the product of good faith negotiations. See *id.* To
 21 this end, the Court must consider the following criteria:

22 (a) the probability of success in the litigation; (b) the
 23 difficulties, if any, to be encountered in the matter of
 24 collection; (c) the complexity of the litigation involved,
 25 and the expense, inconvenience and delay necessarily
 26 attending it; (d) the paramount interest of the creditors
 and a proper deference to their reasonable views in the
 premises.

27 *Id.*

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Generally speaking, the court may defer to the business judgment of the debtor-in-possession or trustee in deciding whether to settle a matter. *See In re Mickey Thompson Entertainment Group, Inc.*, 292 B.R. 415, 420 (9th Cir. BAP 2003). The Court need not conclude that the proposed settlement is the best possible compromise, but only that the settlement is "within the reasonable range of litigation possibilities." *See In re World Health Alternatives, Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006). Similarly, the court need not, and should not conduct a "mini-trial" on the compromised claims but simply determine that disputes related to those claims exist. *See In re Schmitt*, 215 B.R. 417, 423 (9th Cir. BAP 1997) ("When assessing a compromise, courts need not rule upon disputed facts and questions of law, but rather only canvass the issues. A mini-trial on the merits is not required."). A court should approve a compromise, despite any objections, if it is in the best interests of the estate and creditors. It is enough that the court conclude the probability of success is uncertain. *See, e.g., In re America West Airlines, Inc.*, 214 B.R. 382, 386 (Bankr. D. Ariz. 1997).

A. The Settlement Agreement Is the Product of Good Faith Negotiations and Is Fair and Equitable

The Settlement Agreement is the product of extensive good faith, arm's length negotiations between the parties. (See Mosier Decl. at ¶ __.) The Receiver believes that the terms reflect the Receiver's assessment of the costs and risks associated with the parties pursuing their respective positions. The Receiver negotiated the settlement in an attempt to minimize the costs to the estate were the Receiver forced to continue litigation. Depending on the outcome of the litigation and whether Mr. Parrish continued to cooperate with its prosecution, the estate might not fare any better than it would with the settlement, and could fare worse, especially when costs are taken into account. Moreover, the settlement also helps the

Receiver to expeditiously administer the estate. Having weighed the potential benefits, costs, and risks associated with their positions, the Receiver has concluded that the Settlement Agreement is preferable to incurring the cost and risk of not entering into the Settlement Agreement, and is in the best interests of the estate and its creditors.

Accordingly, the Receiver believes that the settlement is fair and equitable and in the best interests of the estate, and requests that it be approved. The Receiver and the SEC, through their counsel, have met and conferred and the Receiver understands that the SEC supports this Motion.

V. The Receiver Requests the Approval of the Retention of Walsh Law Group, P.C.

Paragraph 58 of the Amended Order Appointing Receiver [Docket No. 85] authorizes the Receiver to solicit persons and entities to assist him in carrying out the duties imposed upon him by that order and requires that the Receiver obtain an order authorizing their engagement. The Receiver is seeking approval for the retention of Walsh Law Group, P.C. as his special counsel. The Receiver is seeking the approval of Walsh Law Group, P.C.'s employment effective as of the date of the Receiver's appointment.

Although the Walsh Law Group, P.C. was initially hired by Mr. Parrish on an hourly basis, in order to get this settlement done, it has agreed to instead accept a one-third contingency fee plus outstanding costs. The Receiver believes that the estate will fare better under this contingency arrangement.

The retention of Walsh Law Group, P.C. is in the best interest of the estate. The Walsh Law Group's services in the litigation initiated by Mr. Parrish against Mr. Parrish's former employer, including preparing and negotiating the Settlement Agreement, assisted the Receiver with his duty to maximize the estate for the benefit of the defrauded investors. Accordingly,

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1 the Receiver requests that Walsh Law Group, P.C.'s employment retroactive
2 to March 14, 2019 be approved and that it be permitted to retain one-third of
3 the settlement payment that would otherwise be paid to the receivership
4 estate as full payment for its legal services.

5
6 **VI. CONCLUSION**

7 In light of the foregoing, the Receiver requests that the Court enter an
8 order:

- 9 1. Granting the Motion;
10 2. Authorizing the Receiver to enter into the Settlement Agreement
11 described in the Motion;
12 3. Approving the terms of the Settlement Agreement;
13 4. Authorizing the Receiver to execute any and all documents
14 reasonably necessary to effectuate the terms of the Settlement Agreement;
15 5. Approving the retention of and payment to The Walsh Law
16 Group, P.C.; and
17 6. Granting such other and further relief as the Court deems just
18 and proper.

19
20
21 Respectfully submitted,

22 DATED: December 13, 2019 SMILEY WANG-EKVALL, LLP
23
24

25 By: /s/ Michael L. Simon
26 Kyra E. Andrassy
27 Michael L. Simon
28 Counsel for Robert P. Mosier, Receiver

DECLARATION OF ROBERT P. MOSIER

I, Robert P. Mosier, declare:

1. I am the Receiver (the "Receiver") appointed by this Court over the assets of Kent R.E. Whitney, David Lee Parrish, Church for the Healthy Self a/k/a CHS Trust, CHS Asset Management, Inc., Ngoc Ha T. Nguyen, and iCare Financial Solution, Inc. I know the facts contained in this declaration to be true of my own personal knowledge and, if called as a witness, could and would competently testify with respect thereto. I make this declaration in support of the *Motion for Approval of Settlement Agreement and Retention and Payment of Counsel* (the "Motion"). Unless otherwise defined in this declaration, all terms defined in the Motion are incorporated herein by this reference.

2. Prior to my appointment as Receiver, David Parrish sued a former employer. In my capacity as Receiver over the assets of Mr. Parrish, I have entered into a settlement agreement that resolves the suit brought by Mr. Parrish (the "Settlement Agreement").

3. The Settlement Agreement contains a confidentiality provision prohibiting the disclosure of certain terms. A true and correct copy of a redacted version of the Settlement Agreement is attached hereto as Exhibit "1."

4. In my opinion, the Settlement Agreement only tangentially relates to the merits of this case in that it provides for a payment to the receivership estate of Mr. Parrish. In my opinion, none of the claims being settled through the Settlement Agreement relate to the causes of action in the instant case.

5. The Settlement Agreement was negotiated at arm's length and in good faith.

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7. I believe that the proposed retention and payment of Walsh Law Group, P.C., as set forth in the Motion and the Settlement Agreement, is in the best interest of the estate. I believe that Walsh Law Group, P.C.'s services in the litigation initiated by Mr. Parrish, assisted me in my duty to maximize the estate for the benefit of the investors.

Executed this 13th day of December, 2019, at COSTA MESA,
California.


ROBERT P. MOSIER

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Orange, State of California. My business address is 3200 Park Center Drive, Suite 250, Costa Mesa, CA 92626.

On **12/13/2019**, I served true copies of the following document(s) described as

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT AND RETENTION AND PAYMENT OF COUNSEL; AND DECLARATION OF ROBERT P. MOSIER

on the interested parties in this action as follows:

(X) (BY COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")) – Pursuant to United States District Court, Central District of California, Local Civil Rule 5-3, the foregoing document will be served by the court via NEF and hyperlinked to the document. On **12/13/2019**, I checked the CM/ECF docket for this case and determined that the aforementioned person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated.

(X) (BY MAIL). I enclosed the document(s) in a sealed envelope or package and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with the practice of Smiley Wang-Ekvall, LLP for collecting and processing correspondence for mailing. ~~On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with USPS in a sealed envelope with postage fully prepaid.~~ I am a resident or employed in the county where the mailing occurred. ~~The envelope was placed in the mail at Costa Mesa, California.~~

() (BY E-MAIL). By scanning the document(s) and then e-mailing the resultant pdf to the e-mail address indicated above per agreement. Attached to this declaration is a copy of the e-mail transmission.

() (BY FACSIMILE). I caused the above-referenced documents to be transmitted to the noted addressee(s) at the fax number as stated. Attached to this declaration is a "TX Confirmation Report" confirming the status of transmission. Executed on _____, at Costa Mesa, California.

() STATE I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

(X) FEDERAL I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on December 13, 2019, at Costa Mesa, California.

/s/ Lynnette Garrett
Lynnette Garrett

SERVICE LIST

BY COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):

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BY OVERNIGHT MAIL (Via First Legal):

The Honorable James V. Selna
United States District Court
411 West 4th Street, Room 10C
Santa Ana, CA 92701-4516

EXHIBIT "1"

SETTLEMENT AGREEMENT AND GENERAL RELEASE

David Parrish (“Parrish”), Robert P. Mosier, solely in his capacity as the Receiver over the assets of Parrish (the “Receiver”), Harold Rice (“Rice”) and The Community and Economic Development Association of Cook County, Inc. (“CEDA” or “the Company”) (collectively “the Parties”) voluntarily agree to completely settle and resolve all claims Parrish and his receivership estate may have against Rice and the Company and the Released Parties, as defined herein, as of the time Parrish and the Receiver execute this Settlement Agreement and General Release (the “Agreement”), in accordance with the following terms:

WHEREAS, on August 9, 2017, Parrish filed a four-count Complaint in the Circuit Court of Cook County, Illinois, captioned David Parrish v. The Community and Economic Development Association of Cook County, Illinois, Case No. 2017 L 8064, with claims of common law retaliatory discharge, violations of the Illinois Whistleblower Act and for abuse of process (hereafter “Pending Claim”);

WHEREAS on March 14, 2019, the Securities and Exchange Commission filed a complaint in the U.S. District Court, Central District of California, Southern Division (the “District Court”) against a number of parties, including Parrish. The case remains pending as Case No. 8:19-cv-499-JVS-KES (the “SEC Action”). As a result of the Order Appointing Receiver that the District Court entered on that same day, the Receiver was appointed. As a result of the Receiver Order, the Receiver was authorized to pursue and settle any claims of the receivership defendants, including Parrish. Under the terms of the Receiver Order, all assets of Parrish belong to the receivership estate (the “Receivership Estate”).

WHEREAS, the Parties want to avoid further controversy, litigation, costs, legal fees and inconvenience;

NOW, THEREFORE, for and in consideration of the provisions, covenants and mutual promises contained herein, the Parties hereby agree as follows:

1. District Court Approval. Within a reasonable period of time after execution of this Agreement by the Parties, the Receiver will file a motion for an order approving the Agreement with the District Court. If the District Court denies approval of that motion, then this Agreement shall be void and of no further force or effect. The effective date of this Agreement shall be the first business day after the occurrence of the later of the following two events (the “Effective Date”): (a) the Agreement has been fully executed by the Parties; or (b) the District Court has entered an order approving this Agreement and authorizing the Receiver to consummate the settlement and implement the compromises embodied herein.

2. Payment Terms. The Company shall pay the Receiver and Parrish’s attorney the amounts set forth below within 21 days after the effective date of the Agreement described in Paragraph 20 below, and after receipt by the Company’s counsel of a) an original of this Agreement executed and dated by Parrish, b) a date-stamped copy of an Order dismissing the Pending Claim with prejudice, and c) IRS Form W-9s executed and dated by the Receiver’s and Parrish’s attorney’s law firm.

The payment ("Settlement Payment"), totaling [REDACTED] shall be made in the following manner:

a. The Company will pay and cause to be delivered to the Receiver a check made payable to David Parrish in the gross amount of [REDACTED]

[REDACTED] The Receiver intends to treat this check as an asset of the David Parrish Receivership Estate. An IRS Form W-2 will be issued to Parrish by the Company. Parrish's back-pay amount was limited by his subsequent employment earnings in excess of his compensation level while employed at CEDA.

b. In addition to the foregoing payment, the Company will pay the David Parrish Receivership Estate the sum of [REDACTED] less the mediation fee referenced in Section 2.d. [REDACTED]

[REDACTED] This amount may be paid, at the Company's option, either by separate check made payable to the Receiver or as an addition to the amount listed above, and the Company will issue an IRS Form 1099 to the Receivership Estate reflecting this amount.

c. The Company will pay and cause to be delivered to Parrish's attorney, Patrick Walsh, a check made payable to Walsh Law Group, P.C., in the amount of [REDACTED]

[REDACTED] The Company will issue IRS Forms 1099 reflecting this payment.

d. Parrish will reimburse CEDA for one-half of all mediation costs [REDACTED] by way of a deduction in the amount of the Settlement Payment to the David Parrish Receivership Estate.

e. Parrish acknowledges that in this Agreement and absent the involvement of the Receiver, he would be receiving more money, compensation and benefits than he would otherwise be entitled to receive from the Company.

f. Payments to the David Parrish Receivership Estate and to Parrish shall be mailed to the Receiver's office at 3151 Airway Avenue, Suite A-1, Costa Mesa, California 92626.

3. Protected Rights.

a. Nothing contained in this Agreement prohibits Parrish from communicating with any government agency, filing a complaint with a government agency, or otherwise participating in any investigation or proceeding that may be conducted by any government agency. However, as provided in Paragraph 3(a), Parrish further waives any right to any form of damages (including, but not limited to lost wages, compensatory damages, liquidated damages, or punitive damages), reinstatement, attorneys' fees and costs, or other remedy in any action brought by him or on his behalf.

b. Parrish reserves the right, and the Parties acknowledge such reservation and right, to file a pleading in the SEC Action in opposition to the Receivership Estate's motion to

approve this settlement to argue only that the settlement proceeds described in Paragraphs 2(a)-(b) are not properly part of the Receivership Estate. The Parties further acknowledge and agree that the District Court's determination of whether the settlement proceeds described in Paragraph 2(a)-(b) are properly part of the Receivership Estate shall not affect the binding nature of this Agreement and that if Mr. Parrish timely raises and prevails on this argument by a final order, he shall substitute for the Receivership Estate as the settling plaintiff.

4. Release by Parrish.

a. Except as to any claims that cannot be released under applicable law, Parrish and the Receivership Estate release, waive, settle, comprise and forever discharge any and all claims against the Company and the Released Parties that they have as of the time of the execution of this Agreement, whether known or unknown to Parrish and the Receivership Estate and whether asserted or unasserted. Except as expressly agreed in Paragraph 2, Parrish and the Receivership Estate further waive any right to any form of damages (including, but not limited to lost wages, compensatory damages, liquidated damages, or punitive damages), reinstatement, attorneys' fees and costs, or other remedy in any action brought by him or on his behalf.

b. Without limiting the foregoing, this release specifically includes all claims of Parrish for wrongful and retaliatory discharge, as well as abuse of process. This release also includes any and all claims based directly or indirectly upon Parrish's employment with the Company, the cessation of his employment, and any alleged act or omission to act by the Company or the Released Parties, whether related or unrelated to his employment. This release also includes any and all claims under the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act of 1963, the Americans with Disabilities Act, the Civil Rights Act of 1866, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Illinois Whistleblower Act, the Illinois Human Rights Act, the Illinois Equal Pay Act, the Cook County Human Rights Ordinance, and the City of Chicago Human Rights Ordinance. This release also includes any and all tort claims and claims Parrish may have arising from any federal, state, or local constitution, statute, regulation, rule, ordinance, order, public policy, contract, or common law.

c. This release also includes all equitable and legal relief, attorneys' fees, and costs. In particular, this Agreement is intended to be a resolution of any possible claims and the Parties agree that neither party is a "prevailing party." Moreover, Parrish and the Receivership Estate specifically intend and agree that this Agreement fully contemplates all claims for attorney's fees and costs, and hereby waives, compromises, releases and discharges any such claims.

d. Parrish and the Receivership Estate agree that this release includes all claims and potential claims against the Company and any affiliated companies, including their parents, subsidiaries, divisions, partners, joint venturers, sister corporations, and as intended third-party beneficiaries, their predecessors, successors, heirs and assigns, and their past, present and future owners, directors, officers, members, agents, attorneys, employees, representatives, trustees, administrators, fiduciaries and insurers, jointly and severally, in their individual, fiduciary and corporate capacities (collectively referred to as the "Released Parties").

5. Release by CEDA and Rice.

a. Except as to any claims that cannot be released under applicable law, CEDA and Rice release, waive, settle, comprise and forever discharge any and all claims against Parrish and the Receivership Estate they have as of the time of the execution of this Agreement, whether known or unknown to them and whether asserted or unasserted. Except as expressly agreed in Paragraph 2, CEDA and Rice further waive any right to any form of damages (including, but not limited to compensatory damages, liquidated damages, or punitive damages), attorneys' fees and costs, or other remedy in any action brought by them or on their behalf.

b. Without limiting the foregoing, this release specifically includes all claims of CEDA and Rice based directly or indirectly upon Parrish's employment with the Company, the cessation of his employment, and any alleged act or omission to act by Parrish, whether related or unrelated to his employment. This release also includes any and all tort claims and claims CEDA and Rice may have arising from any federal, state, or local constitution, statute, regulation, rule, ordinance, order, public policy, contract, or common law.

6. Promise Not to Sue. The Parties promise and covenant that they will not file any lawsuit against each other or the Released Parties based upon any claim covered under the foregoing releases in Paragraphs 3 and 4, except that Parrish and the Receivership Estate are not prohibited from bringing any claim under the Age Discrimination in Employment Act, as amended, wherein Parrish seeks to challenge whether he knowingly and voluntarily entered into this Agreement, or from exercising his protected rights under Paragraph 2. Nothing in this Agreement restricts any Party's right to enforce this Agreement and the promises set forth herein.

7. Dismissal. Parrish and the Receivership Estate agree that they and their attorneys will dismiss, with prejudice, all claims for relief (including attorneys' fees) in the Pending Claim, and that this dismissal is a condition precedent to the Company's obligations under this Agreement, including the payment of monies. If the Receiver does not execute the dismissal, the dismissal shall nevertheless be construed as having been signed by him. Parrish represents and warrants that he does not have any other claims against the Company or the Released Parties and that no such claims are pending before any court, agency, or other person/entity other than those identified herein.

8. Nonassignment. Parrish expressly promises the Company that he has not assigned or transferred, or purported to assign or transfer, and will not assign or otherwise transfer: (a) any claims, or portions of claims, against the Company or the Released Parties; (b) any rights that he has or may have had to assert claims on his behalf or on behalf of others against the Company or the Released Parties; and (c) any right he has or may have to the Settlement Payment. Parrish promises that any monies, benefits or other consideration he receives from the Company are not subject to any liens, garnishments, mortgages or other charges, and no one else has any claim to any portion of the Settlement Payment other than the Receivership Estate as described herein.

9. No Reinstatement. Parrish recognizes that his employment with the Company has ended. Parrish agrees that he will not apply for employment with the Company or any related or successor company and that such companies will not be obligated to process any application submitted by or on his behalf. Parrish waives any and all rights to rehire with the Company and

to reinstatement of Parrish's employment with the Company, which shall have no obligation, contractual or otherwise, to rehire, reinstate, recall, or hire him in the future.

10. Mutual Confidentiality. Except as necessary to obtain the approval of the District Court, Parrish and the Receiver agree that neither they nor their agents will disclose the terms of this Agreement to any third party. This Paragraph shall not apply to communications between Parrish and his spouse, accountants and attorneys, any disclosure or statement relating to any proceeding to enforce the terms of this Agreement or to a government agency as allowed under Paragraph 2, or as expressly authorized by law or lawful process. Parrish represents further that in negotiating the terms of this potential agreement, Parrish has not already disclosed the proposed terms to any third parties. If any non-party identified in this Paragraph asks about the status of the Pending Claim, Parrish will respond only that "the matter has been resolved" or "I do not want to talk about it."

11. Mutual Nondisparagement. The Parties agree that they will not make any false and/or disparaging statements about Parrish's employment with the Company, its work product, its employees, the termination of Parrish's employment or any other dealings of any kind between Parrish and the Company, to any third party. This Paragraph shall not apply to communications between Parrish and his spouse, accountants and attorneys, any disclosure or statement relating to any proceeding to enforce the terms of this Agreement or to a government agency as allowed under Paragraph 2, or as expressly authorized by law or lawful process. This paragraph shall not apply to communications between CEDA and Rice and their attorneys and accountants or within CEDA for a proper business purpose. For purposes of this paragraph only, CEDA is limited to its Board of Directors.

12. Mutual Indemnification. Parrish, Rice, and CEDA agree to indemnify and hold each other harmless from and against any and all loss, cost, damage or expense, including, without limitation, attorneys' fees, incurred by each other, arising out of any breach of this Agreement, the fact that any representation made herein by a Party was material and false when made, or a Party's successful enforcement of this Agreement, except that this Paragraph shall not apply to a lawsuit challenging the validity of this Agreement under the Age Discrimination in Employment Act, as amended.

13. Neutral Construction. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties, regardless of who drafted the Agreement.

14. Neutral Reference. Parrish agrees that any reference requests will be directed to CEDA's Human Resources staff. In response to any such request, CEDA will only provide Parrish's dates of employment and position(s) held.

15. Complete Agreement. This Agreement sets forth all of the terms and conditions of the agreement between the Parties concerning the subject matter hereof and any prior oral communications are superseded by this Agreement. The Parties understand and agree that all of the terms and promises of this Agreement, other than the "Whereas" clauses which are informational, are contractual and not a mere recital. This Agreement supersedes any and all prior agreements, understandings and communications between the Parties.

16. Amendment. This Agreement may be amended only by a written document signed by Parrish and the Receiver and an authorized Executive Officer of the Company.

17. Severability. In the event that any of the provisions of this Agreement are found by a judicial or other tribunal to be unenforceable, the remaining provisions of this Agreement will, at the Company's discretion, remain enforceable.

18. Nonadmission. This Agreement is being entered into solely for the purpose of settling disputed claims, and shall not be construed as: (a) an admission by the Company or the Released Parties of any (i) liability or wrongdoing to Parrish, (ii) breach of any agreement, or (iii) violation of a statute, law or regulation; or (b) a waiver of any defenses as to those matters within the scope of this Agreement. The Company specifically denies any liability or wrongdoing.

19. MMSEA. Parrish represents that Parrish has never been enrolled in Medicare Part A or Part B, or applied for such benefits. Further, Parrish represents that Parrish has no claim for Social Security Disability benefits nor is Parrish appealing or re-filing for Social Security Disability benefits. Parrish further represents that Parrish did not incur any physical injuries or receive medical care arising from or related to any of the claims released by this Agreement. Parrish also warrants and represents that Medicare has not made any payments to or on behalf of Parrish, nor has Parrish made any claims to Medicare for payments of any medical bills, invoices, fees, or costs, related to any of the claims released by this Agreement. Parrish agrees to indemnify and hold the Company and the Released Parties harmless from any claims by Medicare with respect to the Settlement Payment and from any penalties levied by Medicare based upon any failure to report or late reporting of the settlement payment to Medicare caused by misrepresentations made by Parrish in this Paragraph. Parrish agrees to hold harmless the Company and the Released Parties for any loss of Medicare benefits or Social Security benefits (including Social Security Disability) that Parrish may sustain as a result of this Agreement.


20. Time to Consider Agreement. Parrish understands that he has been given twenty-one (21) days to consider and sign this Agreement (the "consideration period"), and Parrish acknowledges and agrees that this consideration period has been reasonable and adequate. Parrish will have seven (7) days from the date he signs this Agreement to revoke it if he so desires. This Agreement shall not become effective or enforceable until this seven (7) day revocation period has expired, without revocation, provided the Parties have also continued to meet all of the conditions in this Agreement. If Parrish has not communicated his acceptance of this offer to the Company before the expiration of this consideration period, this offer automatically expires at that time, and the Company is not required to take any further action to rescind or otherwise withdraw the terms of this Agreement.

21. Right to Counsel. Parrish acknowledges that he was informed that he has the right to consult with an attorney before signing this Agreement and that this Paragraph shall constitute written notice of the right to be advised by legal counsel. Additionally, Parrish acknowledges that he has been advised by competent legal counsel of his own choosing in connection with the review and execution of this Agreement and that he has had an opportunity to and did negotiate over the terms of this Agreement.

22. Employee Acknowledgment. Parrish declares that he has completely read this Agreement and acknowledges that it is written in a manner calculated for Parrish to understand. Parrish states that he does fully understand its terms and contents, including the rights and obligations hereunder, and freely, voluntarily and without coercion enters into this Agreement. Further, Parrish agrees and acknowledges that he has had the full opportunity to investigate all matters pertaining to his claims and that the waiver and release of all rights or claims he may have under any local, state or federal law is knowing and voluntary.

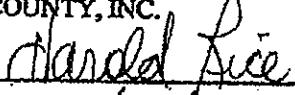
**PLEASE READ CAREFULLY. THIS DOCUMENT INCLUDES
EMPLOYEE'S RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

DAVID PARRISH



Date: 11/25/19

THE COMMUNITY AND ECONOMIC
DEVELOPMENT ASSOCIATION OF COOK
COUNTY, INC.



Date: 11/25/2019

Approved as to form and substance:




Attorney for Employee




Attorney for the Company 11/26/19

ROBERT P. MOSIER, RECEIVER FOR THE
ASSETS OF DAVID LEE PARRISH



Date: 12-4-19

HAROLD RICE



Date: 11/25/2019