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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**EMILIO FRANCISCO, *ET AL.*,**

**Defendants.**

**Case No.: SACV 16-02257-CJC(DFMx)**

**ORDER GRANTING RECEIVER’S  
MOTION TO APPROVE CLAIMS  
FORMS, SETTING CLAIMS BAR  
DATE, AND ESTABLISHING  
SUMMARY CLAIMS PROCEDURES  
[233]**

The Court assumes the parties’ familiarity with the facts underlying this action. Before the Court is the Receiver’s motion for an order approving the proposed claims forms, setting a claims bar date, and establishing summary claims procedures. (Dkt. 233.) The SEC filed a response in support of the Receiver’s proposed order and claims procedures. (Dkt. 247.) For the following reasons, the Court GRANTS the Receiver’s motion.<sup>1</sup> The Court will issue a separate order regarding the claims process forthwith.

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<sup>1</sup> Having read and considered the papers presented by the parties, the Court finds this matter appropriate for disposition without a hearing. *See* Fed. R. Civ. P. 78; Local Rule 7-15. Accordingly, the hearing set for May 21, 2018, at 1:30 p.m. is hereby vacated and off calendar.

1 District courts have broad equitable powers to determine the appropriate action in  
2 the administration and supervision of an equity receivership. The proposed claims  
3 process is in the best interest of the Receivership. Permitting the Receiver to initiate a  
4 claims process will allow him to determine the scope of the claims against the  
5 Receivership Entities, efficiently resolve disputes regarding those claims, and prepare the  
6 estate for the distribution of assets and proceeds. The claims process does not establish a  
7 distribution plan. The Receiver has also created a simple process for EB-5 investors to  
8 confirm their claims on the Receivership Estate, which will ensure that each investor's  
9 claim is established. Additionally, the proposed claims bar date, at least 60 days from the  
10 date of the Receiver's first publication of notice, provides adequate time for individuals  
11 or entities to submit a claim to the Receiver for consideration.

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13 Additionally, the Court DIRECTS the Receiver to send the proposed EB-5 investor  
14 letter, (Dkt. 233 Ex. A), to each relevant investor in English, as well as a Chinese  
15 translation. In any communication sent in relation to the claims process, the Receiver  
16 should indicate a date certain by which claims must be submitted, rather than indicate the  
17 number of days the individual or entity has to respond.<sup>2</sup>

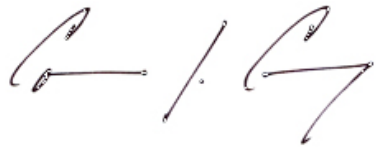
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19 Mr. Richardson objects to the Receiver's proposed summary claims procedures.  
20 (Dkt. 245.) Specifically, he argues that his lien on the Carmichael Property should be  
21 excluded from the claims process and that if he is forced to go through that process, he  
22 will be deprived of his due process rights and right to discovery. The Court overrules Mr.  
23 Richardson's objection. Mr. Richardson, like every other individual or entity who  
24 purportedly has a claim against the receivership estate, must make a claim against that  
25 estate. Mr. Richardson may conduct full discovery in connection with the Receiver's  
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28 <sup>2</sup> The Court notes that on page 23 of Exhibit C to the Receiver's motion, the proposed notice for  
publication of the claims bar date, already contains a date certain for submitting a claim form—June 29,  
2018. This date should be corrected to reflect the actual claims bar date.

1 action against him, which contests the validity of Mr. Richardson's lien. (See Case No.  
2 8:18-cv-00538-CJC(DFM), styled *Thomas A. Seaman v. Neil Richardson et al.*)

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DATED: May 4, 2018



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CORMAC J. CARNEY  
UNITED STATES DISTRICT JUDGE