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8 STEPHEN J. DONELL

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11
12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 ROBERT YANG, et al.
16 Defendants,

17 AND

18
19 YANROB'S MEDICAL, INC., et al.
20 Relief Defendants,

Case No. 5:15-cv-02387-SVW (KKx)

STIPULATION TO RESOLVE PROOF
OF CLAIM OF CELTIC BANK
CORPORATION AND TO VACATE
HEARING THEREON

[Proposed] Order submitted concurrently
herewith

Ctrm: 10A
Judge: Stephen V. Wilson

21 **STIPULATION**

22 The following Stipulation to Resolve Proof of Claim of Celtic Bank
23 Corporation and to Vacate Hearing Thereon (the "Stipulation") is made by and
24 between Stephen J. Donell (the "Receiver"), the Court-appointed receiver for
25 Defendants Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC,
26 and their respective subsidiaries and affiliates (collectively, the "Receivership Entities") in
27 the above-entitled action and creditor Celtic Bank Corporation ("Celtic Bank"), by
28

1 and through their respective counsel of record, and with respect to the following
2 facts:

3 A. The Receiver was appointed as permanent receiver for the Receivership
4 Entities on December 11, 2015 (Dkt. No. 18);

5 B. Among other things, and by virtue of his appointment, the Receiver
6 was charged with marshaling and preserving the assets of the Receivership Entities
7 (Id.);

8 C. In or around February 2012, Celtic Bank made two loans, numbered
9 xxxx9992 and xxxx0079 (collectively, the "Loans"), to the Receivership Entities
10 secured by, among other things, the real property located at 7227 Oleander Avenue,
11 Fontana, California 92336 (the "Property") and \$2 million in cash from the
12 Receivership Entities, deposited into two certificate of deposit accounts, numbered
13 xxxx2962 and xxxx0821 (collectively, the "Accounts"), maintained at Celtic Bank;

14 D. After the Receiver's appointment, and based on the parties
15 representations to the Court, on or around June 6, 2016, the Court entered an order
16 regarding the turnover of the \$2 million in the Accounts to the Receiver, which was
17 subsequently amended (Dkt. Nos. 83, 94). Based on the terms and conditions of that
18 order, Celtic Bank turned over \$2 million from the Accounts to the Receiver, subject
19 to a reservation of rights, per the order, as amended. Celtic Bank did not turn over
20 any accrued interest, if any, associated with the Accounts. Since the turnover, the
21 Receiver has maintained the \$2 million in a separate receivership account, pursuant
22 to an order of the Court, which account has accrued at least \$11,971.85 in interest as
23 of the date of this Stipulation;

24 E. On December 9, 2016, the Receiver petitioned this Court for an order
25 approving and authorizing his proposed summary claims procedures, whereby
26 investors in and creditors of the Receivership Entities could submit claims for
27 payment to the Receiver (Dkt. No. 148). The Court approved the Receiver's
28 proposed summary claims procedures by order dated December 22, 2016 (Dkt. No.

1 149). In accordance with the Court's order, a bar date for all claims of March 15,
2 2017 was established.

3 F. Celtic Bank submitted a timely claim for payment with the Receiver for
4 \$2,223,650.70 (the "Celtic Bank Claim");

5 G. On October 3, 2017, the Receiver filed his Omnibus Motion for Order:
6 (1) Approving Receiver's Recommended Treatment of Claims; and (2) Authorizing
7 Recommended Distribution on Allowed Claims (the Receiver's "Omnibus Claims
8 Motion") (Dkt. No. 189-190). The Receiver contemporaneously filed a Specific
9 Objection to Proof of Claim of Celtic Bank (the Receiver's "Objection to Celtic
10 Bank Claim") (Dkt. No. 191), in which the Receiver recommended that the Celtic
11 Bank Claim be denied, in its entirety;

12 H. Celtic Bank has challenged the Receiver's Objection to Celtic Bank
13 Claim, and the Receiver has responded (see Dkt. Nos. 192-195, 199-204). There is
14 presently a hearing scheduled before this Court for December 11, 2017, at 1:30 p.m.,
15 for further argument on the Receiver's Objection to Celtic Bank Claim; and

16 I. By and through their respective counsel of record, the Receiver and
17 Celtic Bank have conferred regarding the Receiver's and Celtic Bank's competing
18 claims to the \$2 million turned over to the Receiver from the Accounts, including as
19 reflected in the Receiver's Omnibus Claims Motion and Objection to Celtic Bank
20 Claim, and the supplemental briefing submitted in connection therewith. In order to
21 resolve their competing claims to the \$2 million turned over from the Accounts and
22 to limit the uncertainty and cost associated with further litigating their competing
23 claims, the Receiver and Celtic Bank have agreed to resolve their dispute as
24 provided for below.

25 **STIPULATION AND AGREEMENT**

26 Accordingly, and in consideration of the foregoing, and incorporating the
27 defined terms, above, the Receiver and Celtic Bank STIPULATE and AGREE as
28 follows:

1 1. Within ten (10) days after the entry of an order approving this
2 Stipulation, the Receiver shall pay to Celtic Bank the amount of \$1,600,000.00 (the
3 "Claim Payment"), via any payment method reasonably designated by Celtic Bank,
4 in complete satisfaction of the Celtic Bank Claim. Celtic Bank shall also be entitled
5 to retain any interest accrued in connection with the Accounts and not previously
6 turned over to the Receiver;

7 2. The Receiver shall be entitled to retain \$400,000 from the funds turned
8 over by Celtic Bank from the Accounts, along with any interest accrued during the
9 period during which the funds were in his possession, which funds shall become
10 immediately and freely available to the estate of the Receivership Entities upon the
11 payment of the Celtic Claim Payment;

12 3. Upon the Receiver's payment of the Celtic Claim Payment, as provided
13 for in Paragraph 1, above, and without further order of the Court, Celtic Bank, its
14 agents, attorneys, employees, partners, directors, officers, successors and assigns
15 shall be deemed to have forever, irrevocably and unconditionally released and
16 discharged the Receiver, in his professional and personal capacities, along with his
17 agents, attorneys, employees, partners, directors, officers, successors and assigns,
18 from any and all claims, demands, debts, obligations, liabilities, fees, costs,
19 expenses, rights of action, causes of action, awards and judgments arising from, or
20 in connection with the above-entitled receivership case, the Receivership Entities,
21 the Loans, the Property, the Accounts, and the Celtic Bank Claim, including a full
22 release under Cal. Civ. Code § 1542, which provides as follows:

23 "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
24 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
25 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
26 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
27 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
28 HER SETTLEMENT WITH THE DEBTOR."

1 4. Upon the Receiver's payment of the Celtic Claim Payment and his
 2 retention of \$400,000 of the funds turned over from the Accounts, along with any
 3 accrued interest, as provided for in Paragraphs 1 and 2, above, and without further
 4 order of the Court, the Receiver, his agents, attorneys, employees, partners,
 5 directors, officers, successors and assigns shall be deemed to have forever,
 6 irrevocably and unconditionally released and discharged Celtic Bank, along with its
 7 agents, attorneys, employees, partners, directors, officers, successors and assigns,
 8 from any and all claims, demands, debts, obligations, liabilities, fees, costs,
 9 expenses, rights of action, causes of action, awards and judgments arising from, or
 10 in connection with the above-entitled receivership case, the Receivership Entities,
 11 the Loans, the Property, the Accounts, and the Celtic Bank Claim, including a full
 12 release under Cal. Civ. Code § 1542, which provides as follows:

13 "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
 14 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
 15 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
 16 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
 17 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
 18 HER SETTLEMENT WITH THE DEBTOR."

19 5. Subject to the terms of this Stipulation and its receipt of the Celtic
 20 Claim Payment, and while preserving its claims, if any, only against defendant
 21 Robert Yang and relief defendant Yanrob's Medical, Inc. in the above-entitled
 22 action, arising in connection with the guaranties on its Loans, Celtic Bank shall be
 23 deemed to have the Celtic Bank Claim allowed in the amount of \$1,600,000.00, to
 24 be paid via the Celtic Claim payment, and to have otherwise withdrawn its objection
 25 to the relief requested in the Receiver's Omnibus Claims Motion and Objection to
 26 Celtic Bank Claim, and consented to the entry of an order granting the Omnibus
 27 Claims Motion;
 28

6. The Receiver shall file a notice with this Court upon his payment of the Celtic Claim Payment, along with a revised proposed order on the Omnibus Claims Motion consistent with the Stipulation, after which the Court will enter the order on the pending Omnibus Claims Motion;

7. Following the entry of an order approving this Stipulation, and without further order of the Court, the Receiver and Celtic Bank shall execute such documents as may be reasonably necessary to effect this Stipulation;

8. The Receiver and Celtic Bank shall each bear their own attorneys' fees and costs incurred in connection with the Loans, the Property, the Accounts, the Celtic Bank Claim, the Omnibus Claims Motion, the Objection to Celtic Bank Claim, and this Stipulation, including with respect to all briefing thereon; and

9. The currently scheduled December 11, 2017 hearing on the Receiver's pending Omnibus Claims Motion and Objection to Celtic Bank Claim shall be vacated.

SO STIPULATED.

Dated: December 6, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
DAVID R. ZARO
JOSHUA A. DEL CASTILLO
MELISSA K. ZONNE

By: /s/ Joshua A. del Castillo
JOSHUA A. DEL CASTILLO
Attorneys for Receiver
STEPHEN J. DONELL

Dated: December 6, 2017

FITZGERALD YAP KREDITOR LLP
ERIC D. DEAN

By: /s/ Eric D. Dean
ERIC D. DEAN
Attorneys for Creditor
CELTIC BANK CORPORATION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ROBERT YANG, et al.
Defendants,

AND

YANROB'S MEDICAL, INC., et al.
Relief Defendants,

Case No. 5:15-cv-02387-SVW (KKx)

[PROPOSED] ORDER ON
STIPULATION TO RESOLVE PROOF
OF CLAIM OF CELTIC BANK
CORPORATION AND TO VACATE
HEARING THEREON

Ctrlm: 10A
Judge: Stephen V. Wilson

ORDER

The Stipulation to Resolve Proof of Claim of Celtic Bank Corporation and to Vacate Hearing Thereon (the "Stipulation"), made by and between Stephen J. Donell (the "Receiver"), the Court-appointed receiver in the above-entitled action and creditor Celtic Bank Corporation ("Celtic Bank"), by and through their respective counsel of record, having been considered by this Court and good cause appearing therefore, this Court ORDERS as follows:

1. The Stipulation is approved, in its entirety;

ORDER ON STIPULATION TO RESOLVE
PROOF OF CLAIM AND VACATE HEARING

1 2. Within ten (10) days after the entry of this order, the Receiver shall pay
2 to Celtic Bank the amount of \$1,600,000.00 (the "Claim Payment") from the
3 \$2 million previously turned over by Celtic Bank to the Receiver from two certificate of
4 deposit accounts numbered xxxx2962 and xxxx0821 (collectively, the "Accounts")
5 maintained at Celtic Bank, by wire transfer to an account designated by Celtic Bank
6 or via any other payment method reasonably designated by Celtic Bank, in complete
7 satisfaction of Celtic Bank's claim against the Receivership Entities (the "Celtic
8 Bank Claim"). Celtic Bank shall be entitled to retain any interest accrued in
9 connection with the Accounts and not previously turned over to the Receiver;

10 3. The Receiver shall be entitled to and shall retain \$400,000.00 from the
11 \$2 million turned over by Celtic Bank from the Accounts, along with any interest
12 accrued during the period during which the funds were in his possession, which
13 funds shall become immediately and freely available to the estate of the
14 Receivership Entities, upon the payment of the Celtic Claim Payment;

15 4. Upon the Receiver's payment of the Celtic Claim Payment, as provided
16 for herein, and without further order of the Court, Celtic Bank, its agents, attorneys,
17 employees, partners, directors, officers, successors and assigns shall be deemed to
18 have forever, irrevocably and unconditionally released and discharged the Receiver,
19 in his professional and personal capacities, along with his agents, attorneys,
20 employees, partners, directors, officers, successors and assigns, from any and all
21 claims, demands, debts, obligations, liabilities, fees, costs, expenses, rights of
22 action, causes of action, awards and judgments arising from, or in connection with
23 the above-entitled receivership case, the Receivership Entities, the Celtic Bank loans
24 to certain Receivership Entities numbered xxxx9992 and xxxx0079 (collectively,
25 the "Loans"), the real property located at 7227 Oleander Avenue, Fontana,
26 California 92336 (the "Property"), the Accounts, and the Celtic Bank Claim,
27 including a full release under Cal. Civ. Code § 1542, which provides as follows:
28

1 "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
2 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
3 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
4 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
5 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
6 HER SETTLEMENT WITH THE DEBTOR."

7 5. Upon the Receiver's payment of the Celtic Claim Payment and his
8 retention of \$400,000.00 of the funds turned over from the Accounts, along with any
9 accrued interest, as provided for herein, and without further order of the Court, the
10 Receiver and his respective agents, attorneys, employees, partners, directors,
11 officers, successors and assigns shall be deemed to have forever, irrevocably and
12 unconditionally released and discharged Celtic Bank, along with its agents,
13 attorneys, employees, partners, directors, officers, successors and assigns, from any
14 and all claims, demands, debts, obligations, liabilities, fees, costs, expenses, rights
15 of action, causes of action, awards and judgments arising from, or in connection
16 with the above-entitled receivership case, the Receivership Entities, the Loans, the
17 Property, the Accounts, and the Celtic Bank Claim, including a full release under
18 Cal. Civ. Code § 1542, which provides as follows:

19 "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
20 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
21 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
22 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
23 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
24 HER SETTLEMENT WITH THE DEBTOR."

25 6. Subject to the terms of the Stipulation and its receipt of the Celtic
26 Claim Payment, and while preserving its claims, if any, only against defendant
27 Robert Yang and relief defendant Yanrob's Medical, Inc. in the above-entitled
28 action, arising in connection with the guaranties on its Loans, Celtic Bank shall be

1 deemed to have the Celtic Bank Claim allowed in the amount of \$1,600,000.00, to
2 be paid via the Celtic Claim Payment, and to have withdrawn its objection to the
3 relief requested in the Receiver's Omnibus Motion for Order: (1) Approving
4 Receiver's Recommended Treatment of Claims; and (2) Authorizing Recommended
5 Distribution on Allowed Claims (the "Omnibus Claims Motion") and Specific
6 Objection to Proof of Claim of Celtic Bank (the "Objection to Celtic Bank Claim"),
7 and consented to the entry of an order granting the Omnibus Claims Motion;

8 7. The Receiver shall file a notice with this Court upon his payment of the
9 Celtic Claim Payment, along with a revised proposed order on the Omnibus Claims
10 Motion consistent with this order, after which the Court will enter the order on the
11 pending Omnibus Claims Motion;

12 8. Following the entry of this order approving the Stipulation, and without
13 further order of the Court, the Receiver and Celtic Bank shall execute such
14 documents as may be reasonably necessary to effect the Stipulation;

15 9. The Receiver and Celtic Bank shall each bear their own attorneys' fees
16 and costs incurred in connection with the Loans, the Property, the Accounts, the
17 Celtic Bank Claim, the Omnibus Claims Motion, the Objection to Celtic Bank
18 Claim, and the Stipulation, including with respect to all briefing thereon; and

19 10. The currently scheduled December 11, 2017 hearing on the Receiver's
20 pending Omnibus Claims Motion and Objection to Celtic Bank Claim is vacated.

21 SO ORDERED.

22
23 Dated: _____

Stephen V. Wilson
Judge, United States District Court

PROOF OF SERVICE

Securities and Exchange Commission v. Robert Yang, Suncor Fontana, et al.
USDC, Central District of California – Case No. 5:15-cv-02387-SVW (KKx)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below:

STIPULATION TO RESOLVE PROOF OF CLAIM OF CELTIC BANK CORPORATION AND TO VACATE HEARING THEREON

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – the above-described document will be served by the Court via NEF. On **December 6, 2017**, I reviewed the CM/ECF Mailing Info For A Case for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- **Zachary T. Carlyle**
carlylez@sec.gov,kasperg@sec.gov,karpeli@sec.gov,
blomgrene@sec.gov,pinkstonm@sec.gov,NesvigN@sec.gov
- **Stephen J. Donell**
jdelcastillo@allenmatkins.com
- **Mark T. Hiraide**
mth@msk.com,kjue@phlcorplaw.com,
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- **Leslie J. Hughes**
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irwinma@sec.gov
- **Joshua Andrew del Castillo**
jdelcastillo@allenmatkins.com

- **David R Zaro**
dzaro@allenmatkins.com

2. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):** On **December 6, 2017**, I served the following person(s) and/or entity(ies) in this case by placing a true and correct copy thereof in a sealed envelope(s) addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion for party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 (one) day after date of deposit for mailing in affidavit. Or, I deposited in a box or other facility regularly maintained by FedEx, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelopes or packages designated by the express service carrier, addressed as indicated above on the above-mentioned date, with fees for overnight delivery paid or provided for.

Franchise Tax Board (FTB)
P.O. Box 2952
Sacramento, CA 95812-2952

Via U.S. Mail

Internal Revenue Service
880 Front Street
San Diego, CA 92101-8869

Via U.S. Mail

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. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **December 6, 2017** at Los Angeles, California.

/s/ Martha Diaz
Martha Diaz