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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. RALPH T. IANNELLI and ESSEX CAPITAL CORP., Defendants.	Case No. 2:18-cv-05008-FMO-AJRx **DECLARATION OF GEOFF WINKLER IN SUPPORT OF OPPOSITION OF RECEIVER TO MOTION TO CLARIFY, MODIFY, OR GRANT RELIEF FROM RECEIVERSHIP INJUNCTION; AND, TO INTERVENE OF PROPOSED INTERVENOR, JIM GALLY** [Opposition to Motion; and Declaration of Joshua A. del Castillo submitted concurrently herewith] Date: July 24, 2025 Time: 10:00 a.m. Ctrm: 6D Judge Hon. Fernando M. Olguin

DECLARATION OF GEOFF WINKLER

I, Geoff Winkler, declare as follows:

1. I am the Court-appointed permanent receiver (the "Receiver") for Essex Capital Corporation ("Essex") and its subsidiaries and affiliates (collectively, with Essex, the "Receivership Entities" or "Entities").

2. I make this Declaration in support of my Opposition to the proposed intervenor, Jim Gally's, *Motion to Clarify, Modify or Grant Relief from Receivership Injunction; and, to Intervene* (the "Motion", ECF No. 314, *et seq.*). Where the matters stated in this declaration are statements of fact that are within my personal knowledge, they are true and correct. Where the matters stated in this declaration are statements of fact that are not within my personal knowledge, they are (a) derived from my review of the books and records of the Receivership Entities that came into my custody as Receiver, as well as other records produced by third-party sources (including the Entities' investors, lenders, banks, financial institutions, and entities doing business with the Entities); (b) derived from my review of the records maintained by my office in connection with this receivership; (c) founded on additional information supplied to me by key personnel of my team and by third-party sources; or (d) based upon information and belief, and such statements are true and correct to the best of my knowledge, information, and belief. If called to testify, I could and would, without waiver of any applicable privilege, testify that the facts stated in this declaration are true and correct to the best of my knowledge and information.

3. On December 21, 2018, I was appointed the receiver for the Receivership Entities, pursuant to the *Order Regarding Preliminary Injunction and Appointment of a Permanent Receiver* (the "Appointment Order") entered by this Court in this action. Under the Appointment Order, upon my appointment, I was, and continue to be, authorized to take custody, control, possession, and charge of all assets of the Receivership Entities, including to sue, foreclose, marshal, collect,

receive, and take into possession all such assets. Pursuant to that authority, upon my appointment, I took immediate possession of some of the Receivership Entities' records, which consisted largely of documents physically located at the Receivership Entities' physical office location. I obtained additional documents during the course of the pending receivership, including via subpoena and similar document requests, and in the context of related litigation.

4. Among the documents I obtained were certain transactional documents relating to a sale of a lumber, hardware, and garden supplies business and its associated assets (collectively, the "Lumber Yard") by James Gally and two entities under his control (Carpinteria Valley Lumber Co. and J&G Properties, LLC) to 915 Elm Avenue CVL, LLC ("CVL"), an LLC owned and controlled by defendant Ralph Iannelli and non-party William Reyner. Those transactional documents (collectively, the "CVL Documents") included (a) that certain *Asset Purchase Agreement* dated December 7, 2015 (the "Asset Purchase Agreement"); (b) numerous amendments to the Asset Purchase Agreement; and (c) that certain *Promissory Note* dated January 14, 2016, pursuant to which Essex promised to pay Mr. Gally the original principal amount of $1.5 million (the "Essex Note"). A true and correct copy of the Essex Note is attached hereto as **Exhibit A**.

5. Based on my review of the CVL Documents, I understand and believe that Mr. Gally and his two entities entered into the Asset Purchase Agreement (as amended) with CVL, pursuant to which they agreed to sell to CVL (a) the Lumber Yard (excluding any inventory) for $4.175 million; and (b) its associated inventory for just over $900,000. Based on my review of those documents, I also understand and believe that the $4.175 million for the Lumber Yard was to be paid in two separate ways: (a) first, $2.675 million was to paid by CVL in cash at closing; and (b) second, $1.5 million was to be paid exclusively by Essex – which was not a party to the Asset Purchase Agreement – to Mr. Gally over time, pursuant to the terms of the Essex Note.

6. Based on my review of the books and records of the Receivership Entities and my forensic accounting analysis, it appears that (a) CVL paid $2.675 million in connection with its purchase of the Lumber Yard (thereby satisfying all of its payment obligations under the Asset Purchase Agreement); and (b) Essex paid Mr. Gally $453,683.56 on account of the Essex Note prior to the commencement of the above-entitled action and the entry of the Appointment Order. In other words, Essex only partially satisfied its repayment obligation to Mr. Gally under the Essex Note, leaving $1,046,316.44 in principal due and owing to Mr. Gally on the debt memorialized by the note. Accordingly, Mr. Gally has incurred total damages in the face value amount of $1,046,316.44, and, with CVL having fully met its payment obligation, all of Mr. Gally's damages arose exclusively from Essex's failure to make complete repayment to him in accordance with the terms of the Essex Note.

7. Based on my review of the books and records of the Receivership Entities and my forensic accounting analysis, I determined that the interests in CVL owned by defendant Ralph Iannelli and his son had been paid for with funds unlawfully diverted from the Receivership Entities, and were therefore subject to turnover to me as assets of the receivership estate (the "Estate") in accordance with the terms of the Appointment Order. Accordingly, Mr. Iannelli and his son entered into agreements with me to assign their respective interests in CVL to the Estate. More specifically, (a) on or about July 28, 2020, Mr. Iannelli and I entered into that certain *Assignment of Membership Interest* dated July 28, 2020 (the "Iannelli Assignment"), and (b) on or about October 13, 2022, Mr. Iannelli's, son Ralph Iannelli III, and I entered into that certain *Assignment of Membership Interest* dated October 13, 2022 (the "Iannelli III Assignment"). True and correct copies of the Iannelli Assignment and Iannelli III Assignment are attached hereto as **Exhibits B** and **C**, respectively.

8. My office administers a website for the instant receivership located at https://essex-receivership.com/, through which interested parties can access documents and filings related to the case, as well as contact my personnel. The website also permits interested parties to register for notice and, upon registration, registrants are provided with timely notice and copies of documents filed on my behalf in this action. Based on my review of my office's records relating to the receivership, Mr. Gally registered for notice on the website on January 7, 2019, at approximately 10:53 a.m., and, since then, has had timely access to the materials filed on my behalf, including all materials filed in connection with claims against the Receivership Entities and their Estate.

9. On April 20, 2020, I entered into a stipulation with plaintiff the Securities and Exchange Commission (the "Commission"), establishing the procedure by which holders of claims against the Receivership Entities could submit their claims to my office for review and evaluation, and establishing a bar date by which claims were to be submitted, which the Court subsequently approved. As part of the Court-approved claims procedures, my office transmitted claims "packets" to all known and suspected claims holders, including Mr. Gally. These "packets" included claim forms, instructions regarding the submission of claim forms, and – where the amount of a prospective claimant's claim had already been preliminarily determined by me – a form by which a claimant could agree to or dispute my determination of his or her claim amount. The instructions included in a "packet" specifically stated, in relevant part that "[i]n submitting a Proof of Claim, you agree to be bound by the actions of the District Court, including the District Court's approval of limiting or denying your claim, if any" and "you further agree that your participation in any distribution of the receivership estate may exclude or prevent you from pursuing any other remedies." In addition, the instructions also provided that "[i]f you submit a Proof of Claim form in this case, you consent to the jurisdiction of the United States District Court for the Central District of

California … for all purposes, agreed to be bound by its decisions, including a determination, among other things, as to the validity and amount of your claim against the Company, affiliates, subsidiaries or other persons or entities[.]" A true and correct copy of a generic claim "packet" is attached hereto as **Exhibit D**.

10. On or about November 9, 2020, my office received a signed claim form from Mr. Gally (the "Gally Claim"), which was assigned Claim No. 30. In the Gally Claim, Mr. Gally claimed that he was owed a total of $1,446,635 in damages. Mr. Gally's claim included an attached copy of the Essex Note, the breach of which precipitated his damages. A true and correct copy of the Gally Claim is attached hereto as **Exhibit E**.

11. Thereafter, my office reviewed the Gally Claim and determined that Mr. Gally's claim for damages should be in the amount of $1,046.316.44 – reflecting the difference between the face value owed by Essex to Mr. Gally on the Essex Note ($1,500,000) and the amount Essex had paid to him on the note in the pre-receivership period ($453,683.56). On or about April 26, 2021, my office delivered an amended claim determination letter to Mr. Gally stating as such, and on or about April 28, 2021, my office received the signed and returned amended claim determination letter from Mr. Gally (the "Claim Determination Letter"), acknowledging and accepting my determination of his claim for damages in the amount of $1,046,316.44. A true and correct copy of the Claim Determination Letter is attached hereto as **Exhibit F**.

12. In connection with my *Motion for Order: (1) Approving Proposed Distribution Plan; (2) Approving Recommended Treatment of Claims; and (3) Allowing Distributions on Allowed Claims* (the "Claims Allowance Motion") filed on December 21, 2021, I recommended that Mr. Gally's claim for $1,046,316.44 be allowed in full and also recommended that Mr. Gally's claim be allowed as a priority claim, on the same level as investor claims (Mr. Gally was one of only two non-investor creditors whose claims were recommended as such). My

rationale for that recommended treatment was that Mr. Gally's damages from Essex's incomplete payment of the Essex Note were akin to those suffered by Receivership Entity investors, who likewise were issued notes memorializing their investments which were not completely repaid.

13. On April 19, 2022, the Court entered its order granting the Claims Allowance Motion, adjudicating the claims at issue therein, including Mr. Gally's claim, and accepting my recommended treatment of claims. Thereafter, my office commenced making distributions to holders of allowed claims from funds then on-hand, recovered through litigation settlements and the monetization of other Estate assets. As of the date of this Opposition, my office has made two distributions to Mr. Gally on his allowed claim, which he has accepted. More specifically, Mr. Gally deposited (a) the first check in the amount of $44,735.48, which posted on or about August 9, 2022, and (b) the second check in the amount of $131,970.33, which posted on or about December 27, 2023. Altogether, Mr. Gally has received distributions totaling $176,705.81 from the Estate. I anticipate making at least one more distribution to holders of allowed claims, including Mr. Gally, contemporaneously with the wind-down of the instant receivership.

14. Since at least mid-2024, I have consistently reported to this Court my intention to market and sell the interest in CVL that I hold for the benefit of the Estate, in order to generate additional funds for distribution to holders of allowed claims. In mid-June 2025, I entered into a tentative agreement to sell the CVL interest for over $700,000, an amount that, in my estimation and in combination with other CVL-related settlement payments to the Estate, would result in virtually a complete reimbursement to the Estate of all Receivership Entity cash unlawfully diverted in connection with the purchase and administration of the Lumber Yard. However, my prospective sale of the CVL interest is expressly conditioned on a bar order preventing the re-litigation of claims arising from CVL's purchase of the Lumber Yard. In my reasonable business judgment, I believe that Mr. Gally's

Motion, and the claims he proposes to litigate against CVL, put this prospective sale directly at risk, to the detriment of all holders of allowed claims, including himself.

15. I understand that, during Mr. Gally's meet and confer efforts with the Commission, the Commission raised the fact that Mr. Gally's prior submission of a claim and the Estate's payments toward that claim prevented him from pursuing other remedies and weighed against his intervention request. I further understand that, like me, the Commission has determined Mr. Gally's proposed intervention be unwarranted.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 2, 2025, at Portland, Oregon.

Geoff Winkler

EXHIBIT A

PROMISSORY NOTE

$1,500, 000.00 January 14, 2016

Santa Barbara, California

For value received, Essex Capital Corporation, a California corporation ("Borrower"), hereby promises to pay to James Gally ("Registered Owner"), the principal sum of One Million Five Hundred Thousand Dollars ($1,500,000). Interest shall accrue from the date of this Note on the unpaid principal amount of this Note at a rate equal to the lesser of six percent (6%) per annum and the maximum legal rate, compounded annually, and shall be paid quarterly. This Note is subject to the following terms and conditions.

1. Maturity. The principal balance of this Note shall be paid as follows: $250,000.00 shall be paid one year from the date hereof and the remaining principal balance of $1,250,000.00 shall be paid on the third anniversary of the date hereof. All accrued interest, and all other amounts payable by Borrower under this Note, shall be immediately due and payable, upon the occurrence of an Event of Default (as defined in Section 7 below) and without the need for Registered Owner to make any demand or provide any notice under this Note (the "Maturity Date").

2. Payment; Prepayment. All payments under this Note shall be made in lawful money of the United States of America at Registered Owner's address set forth in Section 10, below, or such other place as Registered Owner may designate in writing from time to time. All payments under this Note shall be credited first to the accrued interest and other charges, costs and expenses then due and payable and the remainder applied to principal.

3. Guaranty. The obligations of Borrower under this Note are guaranteed by Ralph Iannelli, an officer, director and principal shareholder of Borrower ("Guarantor"), pursuant to the Guaranty set forth below.

4. Representations. Borrower hereby represents and warrants to Registered Owner that all of the following are true, correct and complete.

(a) Organization. Borrower is duly incorporated, validly existing and in good standing under the laws of the State of California.

(b) Authority. Borrower has the power and authority to execute and deliver this Note, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Borrower of this Note and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action by the Board of Directors of Borrower. This Note has been duly and validly executed and delivered by Borrower and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general principles of equity. Borrower has taken all action required by law and its charter documents to duly authorize the execution and delivery by Borrower of this Note and the performance of its obligations hereunder.

(c) No Conflicts. The execution and delivery by Borrower of this Note, the performance of its obligations under this Note and the consummation of the transactions contemplated hereby do not and will not: (i) conflict with or result in a violation or breach of any of the terms, conditions or, provisions of the charter documents of Borrower; or (ii) conflict with or result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, or require Borrower to obtain any consent, approval or action of, make any filing with or give any notice to any person or entity, the terms of, any law or order applicable to Borrower or any material contract, license or agreement to which Borrower is a party or by which any of its assets are bound which have not been obtained or made.

7. **Default.** (a) Events of Default. Upon the happening of any of the following events (an "Event of Default"), Registered Owner may, at his option, declare immediately due and payable the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums payable at the time of such declaration pursuant to this Note. Such events are the following:

(i) The failure of Borrower to pay in full when due any installment of principal or interest or both or Late Payment charges or Additional Payments, unless such failure is cured within five (5) days;

(ii) The default of Borrower in the performance of any of its obligations under this Note, whether or not requiring the payment of money, but excluding the payment of any installment of principal, interest or both, unless such default is cured to Registered Owner's reasonable satisfaction within thirty (30) days after Registered Owner's delivery to Borrower of written notice of such default;

(iii) The default of Guarantor in the performance of any of his obligations under the Guaranty Agreement, whether or not requiring the payment of money, unless such default is cured to Registered Owner's reasonable satisfaction within (A) if the failure of performance is the non-payment of money, five (5) days after the date on which Registered Owner fails to perform, and (B) if the failure is a failure of performance of any of Guarantor's obligations under the Guaranty Agreement, but excluding the payment of any monetary amount, thirty (30) days after Registered Owner's delivery to Guarantor of written notice of such default;

(iv) The occurrence of any event of bankruptcy of Borrower or Guarantor, including, but not limited to, the filing by or against Borrower or Guarantor of a voluntary of involuntary petition under any provision of the Federal Bankruptcy Code, Borrower's or Guarantor's consent to a general assignment for the benefit of creditors, or Borrower's or Guarantor's admission in writing of his inability to pay his debts generally as they come due; or

(v) The liquidation or dissolution of Borrower or the approval by the Board of Directors or shareholders of Borrower of the liquidation or dissolution of Borrower.

(b) Notice of Default. Upon the occurrence of an Event of Default described in any of clauses (ii) or (iii) of Section 7(a), above, Registered Owner may deliver to Borrower written notice of the occurrence of such Event of Default and, unless such Event of Default is cured prior to the end of the applicable cure period, the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums then payable under this Note, automatically shall be immediately due and payable and Registered Owner shall have no obligation to deliver to Borrower any further notice of default or acceleration of this Note. Upon the occurrence of an Event of Default described in any of clauses (i), (iv), (v) or (vi) of Section 7(a), above, the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums then payable under this Note, automatically shall be immediately due and payable upon the occurrence of such Event of Default and Registered Owner shall have no obligation to deliver to Borrower any further notice of default or acceleration of this Note.

(c) Delay. The delay or failure of Registered Owner to declare a default or to deliver written notice of default upon the occurrence of any Event of Default shall not constitute a waiver of Registered Owner's right to declare a default or to deliver notice of default at any subsequent time in respect of the same event or any other event. No exercise of the rights and powers granted in or held pursuant to this Note by Registered Owner, and no delays or omission in the exercise of such rights and powers shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

(d) Remedies Cumulative. Registered Owner's rights and remedies under this Note upon the occurrence of an Event of Default are cumulative and Registered Owner's exercise of any such remedies shall not limit or restrict in any way his right to exercise the same or any other remedy in respect of the same or any other Event of Default.

8. Payment to Registered Owner. Borrower is obligated to pay the principal amount and any stated interest thereon only to the Registered Owner of this Note and only the Registered Owner of the Note shall be entitled to payment of the principal amount and interest on the principal amount.

9. Transfer; Successors and Assigns. Borrower may not assign, pledge, or otherwise transfer this Note or any of its rights or obligations thereunder without the prior written consent of Registered Owner, which consent may be withheld for any reason or no reason.

10. Notices.

Any notice required or permitted by this Note shall be in writing and shall be deemed delivered (a) if delivered personally, upon receipt, or (b) if sent by recognized over-night courier service, one (1) business day after delivery to the courier or delivery service, or (c) if sent by facsimile or other form of electronic transmission that provides for confirmation of delivery or notice of non-delivery, one (1) business day after transmission, or (d) if sent by U.S. first class, certified or registered mail with postage prepaid and return receipt requested, five (5) days after deposit with the U.S. Postal Service addressed to the party to be notified at such party's address or facsimile number set forth below or as subsequently modified by written notice.

Company: Essex Capital Corporation
1486 East Valley Road
Santa Barbara, California 93108
Attention: Ralph T. Iannelli,
President
Fax No.: 805-565-0993
Email: Ralph@essexcapitalcorp.com

Registered Owner:
James Gally
777 Chalk Hill Road
Solvang, CA93463

11. **Payment Limitations.** The indebtedness reflected in this Note relates to the sale of assets by James Gally and certain entities owned by him to 915 Elm Avenue CVL, LLC ("Buyer") pursuant to an Asset Purchase Agreement entered into among those entities as of December 7, 2015 and subsequently amended on December 21, 2015, January 4, 2016 and January 13, 2016 (the "Agreement"). Any payments due to Owner hereunder may be off set by Borrower against claims made pursuant to the Agreement by the Buyer, but only to the extent provided for in the Agreement.

12. Miscellaneous Provisions.

(a) Officers and Directors Not Liable. Except for any liability that any officer or director may have by reason of being the Guarantor under the Guaranty Agreement, in no event shall any officer or director of Borrower be liable for any amounts due or payable pursuant to this Note.

(b) Loss of Note. Upon receipt by Borrower of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to Borrower (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), Borrower shall make and deliver in lieu of such Note a new Note of like tenor.

(c) Waiver of Notice of Protest, etc. Borrower hereby waives presentment, protest, notice of protest, notice of nonpayment, notice of dishonor and any and all other notices or demands relative to this Note, except as specifically provided herein.

(d) Amendments and Waivers. Any term of this Note may be amended only with the written consent of Borrower and Registered Owner. Any amendment or waiver affected in accordance with this Section 11(d) shall be binding upon Borrower, Registered Owner and each transferee of any Note.

(e) Severability. The unenforceability or invalidity of any provision or provisions of this Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

(f) Counterparts. This Note may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

(g) Interpretation. Borrower and Registered Owner have each had the opportunity to review and discuss with independent legal counsel this Note and the transactions contemplated herein. Therefore, the normal rule of construction that an agreement shall be interpreted against the drafting party shall not apply.

(h) Arbitration. Unless the relief sought requires the exercise of the equity powers of a court of competent jurisdiction, any dispute arising in connection with the interpretation or enforcement of the provisions of this Agreement, or the application or validity thereof, shall be submitted to arbitration. Such arbitration proceedings shall be conducted with JAMS/Endispute (www.JAMSADR.com) ("JAMS") in Santa Barbara County, California, in accordance with the Commercial Arbitration Rules then obtaining of JAMS. The arbitration shall be conducted before a single arbitrator. The parties shall use their reasonable efforts to select a mutually acceptable arbitrator. If the parties have not selected a mutually acceptable arbitrator within thirty (30) days after the commencement of the arbitration, the arbitrator shall be selected in accordance with the rules of the JAMS. The arbitrator shall establish discovery procedures reasonable in light of the amount in controversy and the nature of the dispute and discovery shall not be limited to the discovery procedures set forth in the JAMS Rules. This agreement to arbitrate shall be specifically enforceable. Any award rendered in any such arbitration proceedings shall be final and binding on each of the parties hereto, and judgment may be entered thereon in any court of competent jurisdiction. Any arbitration shall be conducted in private and neither party shall make any public announcement or disclosure about the conduct, status or result of any arbitration without the prior written consent of the other party; provided that, on not less than fifteen (15) days prior written notice thereof to the other party, which notice shall include a copy of the proposed announcement or disclosure, a party may make such public announcement or disclosure regarding the arbitration as may be required by law or court order.

(i) WAIVER OF JURY TRIAL. IN THE EVENT THE ARBITRATION PROVISION SET FORTH IN SECTION 11(h), ABOVE IS DETERMINED TO BE UNENFORCEABLE AND/OR REGISTERED OWNER IS NAMED IN ANY ACTION AT LAW WHICH WOULD OTHERWISE REQUIRE THE RESOLUTION OF ANY DISPUTE BETWEEN REGISTERED OWNER AND BORROWER TO BE HEARD IN A COURT OF LAW, THEN TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, BORROWER WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM,

DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS NOTE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT OR TORT OR OTHERWISE. BORROWER ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY REGISTERED OWNER THAT THE PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH REGISTERED OWNER HAS RELIED, IS RELYING AND WILL RELY IN ENTERING INTO THIS NOTE AND MAKING THE LOAN THEREUNDER. ANY PERSON MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 11(i) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF BORROWER TO THE WAIVER OF HIS RIGHTS TO TRIAL BY JURY.

(j) Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of California applicable to contracts made and to be fully performed in the State of California and without regard to any conflicts of laws.

ESSEX CAPITAL CORPORATION

By: Ralph T. Iannelli

Ralph T. Iannelli, President

AGREED TO AND ACCEPTED:

By: James Gally

James Gally

Guaranty

Ralph T. Iannelli, as President and the sole shareholder of Borrower, hereby personally, irrevocably and unconditionally guarantees to James Gally, as and for his own debt, until final and indefeasible payment thereof has been made, the full, prompt, and punctual payment of all amounts due under this Note when and as the same shall become due and payable.

By: Ralph T. Iannelli

Ralph T. Iannelli

EXHIBIT B

ASSIGNMENT OF MEMBERSHIP INTEREST

THIS ASSIGNMENT OF MEMBERSHIP INTEREST ("Assignment") is entered into as of July 28, 2020, by and between Ralph T. Iannelli Jr. ("Assignor"), and Geoff Winkler, in his capacity as permanent receiver for Essex Capital Corp., a California corporation and its subsidiaries and affiliates, pursuant to the Appointment Order and Permanent Injunction entered in the matter entitled *Securities and Exchange Commission v Ralph T. Iannelli and Essex Capital Corp.* ("Assignee"). This Assignment is made with reference to the following facts and circumstances:

RECITALS:

A. Assignor is a member of the 915 Elm Avenue CVL, LLC, a California limited liability company (the "Company").

B. In connection with Case No. 2:18-cv-05008-FMO-AFM, filed in the United States District Court, Central District of California, Western Division (the "**Court**"), entitled *Securities and Exchange Commission v Ralph T. Iannelli and Essex Capital Corp.* (the "**Receivership Case**"), and pursuant to the Order Regarding Preliminary Injunction and Appointment of a Permanent Receiver entered on December 21, 2018 (the "**Appointment Order**") and the Order Regarding Permanent Injunction entered on September 9, 2019 (the "**Permanent Injunction**"), the Receiver has been appointed as the permanent receiver of Essex Capital Corp. and its subsidiaries and affiliates. The term "**Receiver**" as used in this Agreement shall mean the Receiver, in his capacity as the federal equity receiver for Essex Capital Corp. and its subsidiaries and affiliates, including but not limited to in connection with the administration of the assets of Essex Capital Corp. and its subsidiaries and affiliates.

C. Assignor asserts that he purchased his interest in the Company with his personal funds. In connection with the Receivership Case, Assignor has agreed to voluntarily transfer all of Assignor's membership interest in the Company (the "Membership Interest") to Assignee for the benefit of the Essex Capital Corporation investors, and Assignee desires to accept the Membership Interest.

D. The parties hereto now desire to enter into this Assignment in order to effectuate the assignment of the Membership Interest from Assignor to Assignee, all upon such terms and conditions as are hereinafter set forth.

NOW, THEREFORE, with reference to the foregoing Recitals, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby absolutely and unconditionally assigns, transfers, grants, conveys, sets over and delivers to Assignee all of Assignor's rights, title and interest in and to the Company including, without limitation, Assignor's interest as a member of the Company and all of Assignor's rights, title, and Interest in and to the properties (real and personal, tangible or intangible, known or unknown, liquidated or unliquidated, absolute or contingent), management rights, capital, capital accounts, cash flow, distributions, profits and losses, and all other economic benefits of the Company allocable to the Membership Interest. Assignee understands that Assignor will seek a credit towards the judgment against Assignor by the SEC in whatever amount the Membership Interest is eventually valued at, and Assignee will not object to or oppose Assignor's efforts to obtain such credit from the SEC. Assignee hereby accepts the foregoing assignment of the Membership Interest.

2. Assumption. Assignee hereby assumes, from and after the date hereof, all of the terms, covenants, conditions and obligations imposed upon Assignor under the limited liability company agreements of Company (or otherwise).

3. Withdrawal. Upon and based on the effectiveness of Assignor's assignment of the Membership Interest to Assignee as provided for herein, (i) Assignor shall be deemed to have fully and completely withdrawn as a member of the Company, and (ii) Assignor shall have no further rights, powers, privileges, duties and/or obligations as a member of the Company.

4. Miscellaneous.

(a) Further Acts. Each party hereto agrees to perform any and all further acts, and/or to execute and deliver (with acknowledgment, verification, and/or affidavit, if required) any further documents and instruments, as may be reasonably necessary or desirable to implement and/or accomplish the provisions of this Assignment and the transactions contemplated herein.

(b) Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original Assignment, but all of which, taken together, shall constitute one (1) and the same Assignment, binding on the parties hereto. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

(c) Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal and legal representatives, heirs and legatees of the respective parties hereto.

IN WITNESS WHEREOF, the parties have executed this Assignment to be effective as of the date first set forth above.

"Assignor"

Ralph T. Iannelli Jr.

"Assignee"

Geoff Winkler, in his capacity as permanent receiver for Essex Capital Corp., a California corporation and its subsidiaries and affiliates, pursuant to the Appointment Order and Permanent Injunction entered in the matter entitled *Securities and Exchange Commission v Ralph T. Iannelli and Essex Capital Corp. et al.*

EXHIBIT C

ASSIGNMENT OF MEMBERSHIP INTEREST

THIS ASSIGNMENT OF MEMBERSHIP INTEREST ("**Assignment**") is entered into as of October 13, 2022, by and between Ralph T. Iannelli III ("**Assignor**"), and Geoff Winkler ("**Assignee**") in his capacity as permanent receiver for Essex Capital Corp., a California corporation and its subsidiaries and affiliates, pursuant to the Appointment Order and Permanent Injunction entered in the matter entitled *SEC v Ralph T. Iannelli and Essex Capital Corp.* This Assignment is made with reference to the following facts and circumstances:

RECITALS:

A. Assignor is a member of the 915 Elm Avenue CVL, LLC, a California limited liability company (the "**Company**").

B. In connection with Case No. 2:18-cv-05008-FMO-AFM, filed in the United States District Court, Central District of California, Western Division (the "**Court**"), entitled *Securities and Exchange Commission v Ralph T. Iannelli and Essex Capital Corp.* (the "**Receivership Case**"), and pursuant to the Order Regarding Preliminary Injunction and Appointment of a Permanent Receiver entered on December 21, 2018 (the "**Appointment Order**"), and Order Regarding Permanent Injunction entered on September 9, 2019 (the "**Permanent Injunction**"), the Receiver has been appointed as the permanent receiver of Essex Capital Corp. and its subsidiaries and affiliates. The term "**Receiver**" as used in this Agreement shall mean the Receiver, in his capacity as the federal equity receiver for Essex Capital Corp. and its subsidiaries and affiliates, in connection with the sale of its assets.

C. Assignor asserts that his interest in the Company (the "Membership Interest") was acquired with personal funds. Nonetheless, in connection with the Receivership Case, Assignor has voluntarily agreed to transfer all of Assignor's Membership Interest to Assignee, and Assignee desires to accept the Membership Interest.

D. The parties hereto now desire to enter into this Assignment in order to effectuate the assignment of the Membership Interest from Assignor to Assignee, all upon such terms and conditions as are hereinafter set forth.

NOW, THEREFORE, with reference to the foregoing Recitals, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby absolutely and unconditionally sells, assigns, transfers, grants, conveys, sets over and delivers to Assignee all of Assignor's rights, title and interest in and to the Company including, without limitation, Assignor's interest as a member of the Company and all of Assignor's rights, title, and Interest in and to the properties (real and personal, tangible or intangible, known or unknown, liquidated or unliquidated, absolute or contingent), management rights, capital, capital accounts, cash flow, distributions, profits and losses, and all other economic benefits of the Company allocable to the Membership Interest. Assignee hereby accepts the foregoing assignment of the Membership Interest.

2. Assumption. Assignee hereby assumes, from and after the date hereof, all of the terms, covenants, conditions and obligations imposed upon Assignor under the limited liability company agreements of Company (or otherwise).

3. Withdrawal. Upon and based on the effectiveness of Assignor's assignment of the Membership Interest to Assignee as provided for herein, (i) Assignor hereby fully and completely withdraws as a member of the Company, and (ii) Assignor shall have no further rights, powers, privileges, duties and/or obligations as a member of the Company.

4. Miscellaneous.

(a) Further Acts. Each party hereto agrees to perform any and all further acts, and/or to execute and deliver (with acknowledgment, verification, and/or affidavit, if required) any further documents and instruments, as may be reasonably necessary or desirable to implement and/or accomplish the provisions of this Assignment and the transactions contemplated herein.

(b) Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original Assignment, but all of which, taken together, shall constitute one (1) and the same Assignment, binding on the parties hereto. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

(c) Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal and legal representatives, heirs and legatees of the respective parties hereto.

[*Signatures on next succeeding page*]

PJ

IN WITNESS WHEREOF, the parties have executed this Assignment to be effective as of the date first set forth above.

"Assignor"

Ralph T. Iannelli III

"Assignee"

Geoff Winkler, in his capacity as permanent receiver for Essex Capital Corp., a California corporation and its subsidiaries and affiliates, pursuant to the Appointment Orders entered in the matter entitled *Securities and Exchange Commission v Ralph T. Iannelli and Essex Capital Corp. et al.*

EXHIBIT D

UNITED STATES DISTRICT COURT

Central District of California

PROOF OF CLAIM

SECURITIES AND EXCHANGE COMMISSION, Plaintiff
v.
RALPH T. IANNELLI and ESSEX CAPITAL CORPORATION, Defendants.

Case Number 2:18-cv-05008-FMO-AFM

1. **NAME AND ADDRESS OF CLAIMANT** :

____
Name
____
Address
____
City / State / Zip Code

Telephone No. of Claimant: ______________________

Tax I.D. No. or SSN: ______________________

Account or Reference No: ______________________

2. **CLAIMANT IS A(N):** ☐ **INVESTOR (Go to Box 3)** ☐ **CREDITOR (Go to Box 4)**

If Claimant is both an Investor and a Creditor, please file a single Proof of Claim form for all claim(s) and complete the form, per the instructions herein.

3. **INVESTORS ONLY**

3a. Entity In or With Which You Claim to Have Invested: (If you invested in or with several entities, provide separate Proof of Claim forms for each entity)

☐ Essex Capital Corporation
☐ Other: ______________________

3b. If Legal Action Pending, Date Commenced, Court and Case No:

____

3c. Total Amount of Claim as of December 21, 2018: $__________

☐ Check this box if you contend your claim includes amounts over principal invested, interest or other charges, such as attorneys' fees, damages, claims or late fees in addition to the principal amount of the claim. Attach itemized statement of all additional amounts, interest or charges.

☐ Check this box if you contend your claim is subject to a security interest. Attach copies of all documents that evidence the claim of secured status.

3d. Date and Amount of Funds Paid or Entrusted:

Date: __________ Amount: $__________

Date: __________ Amount: $__________

3e. Date and Amount of Any Distributions (including interest, dividends or returns of principal) or Withdrawals:

Date: __________ Amount: $__________

Date: __________ Amount: $__________

(Attach additional sheets as necessary to reflect the date and amount of all funds paid or distributions received.)

3f. Attach Supporting Documentation:

Attach supporting documentation per the instructions in Section 5 below.

***You Must Date and Sign the Claim at Sections 7 and 8 Below for This Claim to be Valid.**

4. **CREDITORS ONLY**

4a. Basis of Claim:

☐ Goods Sold
☐ Services Performed
☐ Money Loaned
☐ Taxes
☐ Wages, salaries or compensation (fill out below)
Unpaid compensation for services performed from __________ to __________ (dates)
☐ Benefits (provide a detailed explanation on attached sheet)
☐ Other (provide a detailed explanation on attached sheet)

4b. Entity/Person with whom claim was incurred: __________
____

4c. Date Claim was Incurred: ______________________

4d. If Legal Action Pending, Date Commenced, Court and Case No.:
____
____

If Court Judgment, Date Obtained: ______________________

4e. Total Amount of Claim as of December 21, 2018: $__________

☐ Check this box if you contend your claim is subject to a security interest. Attach copies of all security agreements and other documents that evidence the claim of secured status.

☐ Check this box if you contend your claim includes interest or other charges, such as attorney's fees, lost profits or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. **Supporting Documents:** If you are disputing the Receiver's determination of your claim, you must submit all supporting documents at this time. If this is a new claim that the Receiver has not previously issued a Determination of Claim Amount letter, please attach copies of supporting documents, such as cancelled checks (front and back), account ledgers, bank statements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, evidence of lien perfection, etc.DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, please explain.
6. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your Proof of Claim form, enclose a stamped, self-addressed envelope and copy of this Proof of Claim form when filing your original Proof of Claim.

7. Date

8. Sign and print the name and title, if any, of all Claimants or other persons authorized to file this claim (attach copy of power of attorney, death certificate, or other document as needed if co-owner is unable to sign). **By signing your name below, you certify that the information contained in this Claim Form and any back-up documentation provided is true and correct.**

Signature:__________ Name:__________ Title (if any):__________

Signature:__________ Name:__________ Title (if any):__________

INSTRUCTIONS FOR PROOF OF CLAIM FORM

UNITED STATES DISTRICT COURT
Central District of California

SECURITIES AND EXCHANGE COMMISSION, Plaintiff
v.
RALPH T. IANNELLI and ESSEX CAPITAL CORPORATION, Defendants.

Case Number 2:18-cv-05008-FMO-AFM

GENERAL INFORMATION

Geoff Winkler, the Receiver in the above-captioned case, has determined that there will likely be some assets to distribute to creditors and investors. The amount of funds available for distribution has not been determined; however, the Receiver believes that the best source of compensation to the investors and creditors is from the funds that the Receiver is bringing into the receivership estate and investors and creditors are strongly encouraged to file claims using the attached form. **If your Proof of Claim is not received before November 30, 2020 at 5:00 p.m. PST, you will be deemed to have accepted and agreed to the Receiver's valuation of your Claim Amount, if applicable. If the Receiver has not identified you as a Claimant and has not transmitted to you a Determination of Claim Amount letter, you will lose your right to receive any distributions from the Receiver or the receivership estate and your claim will be barred, if your Proof of Claim is not received before November 30, 2020.**

1. **WHO MUST FILE A PROOF OF CLAIM FORM?** You must file a Proof of Claim form if you: (1) dispute the Receiver's calculated Claim Amount, as set forth in the Receiver's Determination of Claim Amount letter to you, if applicable; or (2) did not receive a Determination of Claim Amount letter and you otherwise believe that you are owed money by Defendant ESSEX CAPITAL CORPORATION, or any of its subsidiaries and affiliates (collectively, the "Company"), or if you assert a claim against any other person or entity arising out of or based upon: (a) any investment with, through, or in the Company; (b) any interest in the Company or any of its assets or any claim against the Company or any entity under its control based on primary, secondary, direct, indirect, secured, unsecured, or contingent liabilities; or (c) any claim of any sort against the Company or any entity under its control whether such claim is based upon contract, tort, contribution, indemnity, reimbursement, subrogation theories or other legal or equitable theory.. If you are both an investor and creditor, or are an investor with or through more than one of the Companies, you must file a single Proof of Claim form for all claim(s) or interest(s) you allege to have against the Companies, collectively and individually. **Note that a failure to submit a signed Proof of Claim form and supporting documentation, in the event that you dispute the Receiver's calculated Claim Amount or otherwise assert a claim that has not been identified by the Receiver, will result in the denial of your claim.**

2. **CONSENT TO JURISDICTION OF THE COURT AND THE CONSEQUENCES THEREOF**. If you submit a Proof of Claim form in this case, you consent to the jurisdiction of United States District Court for the Central District of California ("District Court") for all purposes, agree to be bound by its decisions, including a determination, among other things, as to the validity and amount of your claim against the Company, or other persons or entities as identified in paragraph 1, above. In submitting a Proof of Claim, you agree to be bound by the actions of the District Court, including the District's Court approval of limiting or denying your claim, if any. By submitting a Proof of Claim, you further agree that your participation in any distribution of the receivership estate may exclude or prevent you from pursuing any other remedies.

3. **WHERE MUST THE PROOF OF CLAIM FORM BE SENT?** The completed Proof of Claim form, along with all supporting documentation, must be mailed to:

Geoff Winkler, Receiver
c/o Essex Capital Corporation Claims
PO Box 4364
Portland, OR 97208-4364

4. **WHAT IS THE DEADLINE TO FILE THIS PROOF OF CLAIM FORM?** The Proof of Claim form must be received by the Receiver before **November 30, 2020 at 5:00 p.m. PST**. Please note that any late filed claim will be objected to and denied in its entirety.

5. **AM I AN INVESTOR OR CREDITOR?** If you believe you have or allege you have loaned the Company money through promissory notes or otherwise invested with, through, or in the Company, you are an investor. If you have performed services for the Company, sold merchandise, loaned money, or were an employee of the Company, you are a creditor. All other Claimants to whom the Company may owe a debt, which debts are not based on the purchase of stocks or other investments, are also creditors. Based on your categorization as either an investor or creditor, fill in the appropriate section of the attached Proof of Claim form. If you believe that you are both an investor and a creditor, you need fill out only one (1) Proof of Claim form. In either case, you must sign the Proof of Claim form at line 8.

6. **SUPPORTING DOCUMENTS.** You must attach to the Proof of Claim form copies of all documents that show that the Company owes the debts or amounts claimed. If supporting documents are not available, you must attach an explanation of why they are not available. Failure to provide such documents may result in the denial of your claim.

7. **ADDITIONAL INFORMATION.** Note that additional information regarding filing the Proof of Claim form, along with additional blank forms, can be obtained at www.essex-receivership.com or you may write to the Receiver at the following address:

Geoff Winkler, Receiver
c/o Essex Capital Corporation Claims
PO Box 4364
Portland, OR 97208-4364

INFORMATION ON COMPLETING THE PROOF OF CLAIM FORM

1. **Information about Claimant.** Complete this section giving the name, address and telephone number of the Claimant to whom the Company allegedly owes money or property, and any account or reference number associated with such alleged debt.

2. **Claimant Type.** Indicate in this box whether you are an investor or creditor (as defined in the General Information section above). If you are both an investor and a creditor, please file a single Proof of Claim form for all claim(s). Upon completing this box, if you have marked investor, please proceed to box 3; if you have marked creditor, please proceed to box 4. If you have marked investor and creditor, please complete boxes 3 and 4.

3. **FOR INVESTORS ONLY.**
   - **3a.** Indicate the name of the entity with, through, or in which you claim to have invested funds.
   - **3b.** **Pending Legal Action**. If you have commenced a legal action against the Company, provide the details of said legal action here. Attach any additional pages of description and supporting documentation. Also, please provide any information regarding court judgments obtained against any of the above-captioned defendants.
   - **3c.** **Claim Amount**. State the amount you invested or paid to the Company as of December 21, 2018. If said claim amount includes amounts over principal invested, such as interest, attorneys fees, damages, claims or late fees, please mark the appropriate box below the claim amount and provide a detailed break-down of the claim. Also attach all documentation supporting said claim amount and the calculation of said claim. Also, if you allege that your claim is subject to a security interest, mark the appropriate box in this section and provide all supporting documentation evidencing the secured status of your claim.
   - **3d.** **Date and Amount of Funds Invested**. Indicate in this section each time you made an investment with the applicable Company by indicating the investment date and the investment amount. Attach additional sheets as necessary to reflect all investments.
   - **3e.** **Date and Amount of any Distributions or Withdrawals**. Indicate the date of any distributions or withdrawals from the applicable Company by indicating the date and amount of each said distribution or withdrawal. Attach additional sheets as necessary to reflect the date and amount of all transfers of money out of the applicable Company. (Investors go to Section 5 of the Proof of Claim and complete Sections 5 – 8.)
   - **3f.** Attach to your Proof of Claim copies of all Agreements, Certificates, and any other documents you contend reflect the terms of your agreement or investment with the Company.

4. **FOR CREDITORS ONLY.**
   - **4a.** Indicate the basis of your claim in this section.
   - **4b.** Company with whom claim was incurred: Identify the Company you believe owes you money.
   - **4c.** **Date the Claim was Incurred**. Indicate the date on which the amount you allege to be owed arose.
   - **4d.** **Pending Legal Action**. If you have commenced a legal action against the Company, provide the details of said legal action here. Attach any additional pages of description and supporting documentation. Also, please provide any information regarding court judgments obtained against any of the above-captioned defendants.
   - **4e.** **Total Claim Amount as of December 21, 2018**. State your claim amount as of December 21, 2018. Also, mark the applicable box if you contend your claim is subject to a security interest, and attach copies of all security agreements and other documents that evidence the claim of secured status. Mark the applicable box if your claim amount includes interest or other charges, such as attorneys fees, loss profits, or late fees in addition to the principal amount of your claim, and attach an itemized statement of all such additional charges.

5. **Supporting Documentation.** Note that in addition to filling out the Proof of Claim form, you must provide supporting documentation evidencing your claim. Supporting documentation may include, but need not be limited to, documents such as cancelled checks, bank statements, account ledgers, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, or evidence of perfection of liens. Furthermore, feel free to provide any additional pages of explanation or narrative discussing your claim and claim amount.

6. **Acknowledgement of Filing.** To receive an acknowledgement of the filing of your Proof of Claim form, enclose an additional copy of the Proof of Claim form, along with a self-addressed, stamped envelope when filing the original form.

7. **Date.** Insert the date on which you completed and signed the Proof of Claim form.

8. **Signature. Sign the Proof of Claim form and indicate your title, if applicable.**

EXHIBIT E

Geoff Winkler, Receiver
c/o Essex Capital Corporation Claims
P.O. Box 43645
Portland, OR 97208-4364

Dear Mr. Winkler

I have completed the proof of claim form and provided a copy of the note for the sale of my Lumber Yard, I do want to mention that when this deal was being made and I agreed to the secured note I, Ralph, Bill, and Dean Moray had a meeting in Ralph's office about this note being secured by both the business and the property at CVLC as well as a personal guarantee from Ralph. The deal was made knowing that CVLC had notes to Ralph and when Ralph was paid by CVLC, those notes were enough to cover the note to me. Exactly how Ralph and I recall the meeting. Dean was my CFO and an Attorney
he reviewed the note and gave his approval to sign but when Bill sent a copy to me it was a different note than the one Dean had approved, Just wanted to bring that up since this entire deal has turned out to be suspicious
and Bill continues to operate my Lumber Yard and has not made any attempt to pay me, in fact he has been trying to steal it from Ralph ever since he got into trouble with the SEC.
I should have been allowed to take the lumber yard back when the note went into default in October of 2018. Simply put if you purchase a car and fail to make payments it gets Repossessed, why wasn't I allowed to take my Business back?
Below is a breakdown of what was agreed upon with Bill and Ralph and it needs to be honored.

Also, there was an Interest payment Ralph missed for 10/2018 and late fees or continued interest owed.
Interest 6%

2018	$37,500.00
2019	$77,250.00
2020	$81,885.00

Total due with Interest$1,446,635.00

Sincerely
J Gally 10/8/2020
Jim Gally
[redacted]

UNITED STATES DISTRICT COURT
Central District of California

PROOF OF CLAIM

SECURITIES AND EXCHANGE COMMISSION, Plaintiff
v.
RALPH T. IANNELLI and ESSEX CAPITAL CORPORATION, Defendants.

030

Case Number 2:18-cv-05008-FMO-AFM

1. **NAME AND ADDRESS OF CLAIMANT:** JIM GALLY

Name [redacted]

Address

City / State / Zip Code

Telephone No. of Claimant: [redacted]

Tax I.D. No. or SSN: [redacted]

Account or Reference No:

2. **CLAIMANT IS A(N):** ☐ **INVESTOR (Go to Box 3)** ☒ **CREDITOR (Go to Box 4)**

AMERICAN FIDUCIARY SERVICES

NOV 09 2020

If Claimant is both an Investor and a Creditor, please file separate Proof of Claim forms for each claim.

RECEIVED

3. **INVESTORS ONLY**

3a. Entity In or With Which You Claim To Have Invested: (If you invested in or with several entities, provide separate Proof of Claim forms for each entity)

☐ Essex Capital Corporation
☐ Ralph T. Iannelli
☐ Other: ____________________

3b. If Legal Action Pending, Date Commenced, Court and Case No:

3c. Total Amount of Claim as of December 21, 2018: $____________

☐ Check this box if claim includes increases over principal invested, interest or other charges, such as attorneys' fees, damages, claims or late fees in addition to the principal amount of the claim. Attach itemized statement of all additional amounts, interest or charges.

☐ Check this box if you contend your claim is subject to a security interest. Attach copies of all documents that evidence the claim of secured status.

3d. Date and Amount of Funds Paid or Entrusted:

Date: ____________ Amount: $____________

Date: ____________ Amount: $____________

3e. Date and Amount of Any Distributions (including interest, dividends or returns of principal) or Withdrawals:

Date: ____________ Amount: $____________

Date: ____________ Amount: $____________

(Attach additional sheets as necessary to reflect the date and amount of all funds paid or distributions received.)

3f. Attach Supporting Documentation:

Attach supporting documentation per the instructions in Section 5 below.

***You Must Date and Sign the Claim at Sections 7 and 8 Below for This Claim to be Valid.**

4. **CREDITORS ONLY**

4a. Basis of Claim:

☐ Goods Sold
☐ Services Performed
☒ Money Loaned
☐ Taxes
☐ Wages, salaries or compensation (fill out below)
Your SS#____________
Unpaid compensation for services performed
from ________ to ________ (dates)
☐ Benefits (provide a detailed explanation on attached sheet)
☒ Other (provide a detailed explanation on attached sheet)

4b. Entity/Person with whom claim was incurred: SALE OF CARPINTERIA VALLEY LUMBER CO.

4c. Date Claim was Incurred: JAN / 14 / 2016

4d. If Legal Action Pending, Date Commenced, Court and Case No.:

If Court Judgment, Date Obtained: ____________

4e. Total Amount of Claim as of December 21, 2018: $ 1,250,000 + INTEREST & LATE FEES TO BE ADDED

☒ Check this box if you contend your claim is subject to a security interest. Attach copies of all security agreements and other documents that evidence the claim of secured status. Total 1,446,635.00

☒ Check this box if claim includes interest or other charges, such as attorney's fees, lost profits or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. **Supporting Documents:** If you are disputing the Receiver's determination of your claim there is no need to submit additional documents at this time (these documents may be required and requested later). If this is a new claim that the Receiver has not previously issued a determination letter, please attach copies of supporting documents, such as cancelled checks (front and back), account ledgers, bank statements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, evidence of lien perfection, etc. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, please explain. If the documents are voluminous, attach a summary.
6. **Date-Stamped Copy:** To receive an acknowledgment of the filing of your Proof of Claim form, enclosed a stamped, self-addressed envelope and copy of this form.

AMERICAN FIDUCIARY SERV

7. Date

NOV 09

RECEIVED

8. Sign and print the name and title, if any, of all Claimants or other persons authorized to file this claim (attach copy of power of attorney, death certificate or other document as needed if co-owner is unable to sign). By signing your name below, you are **certifying that the information contained in this Claim Form and any back-up documentation provided is true and correct under penalty of perjury under the laws of the United States.**

Signature: [signature] Name: JIM GALLY Title (if any): ____________

Signature: ____________ Name: ____________ Title (if any): ____________

INSTRUCTIONS FOR PROOF OF CLAIM FORM

UNITED STATES DISTRICT COURT
Central District of California

SECURITIES AND EXCHANGE COMMISSION, Plaintiff
v.
RALPH T. IANNELLI and ESSEX CAPITAL CORPORATION, Defendants.

Case Number 2:18-cv-05008-FMO-AFM

GENERAL INFORMATION

Geoff Winkler, the Receiver in the above-captioned case, has determined that there will likely be some assets to distribute to creditors and investors. The amount of funds available for distribution has not been determined; however, the Receiver believes that the best source of compensation to the investors and creditors is from the funds that the Receiver is bringing into the receivership estate and investors and creditors are strongly encouraged to file claims using the attached form. **If your Proof of Claim is not received before November 30, 2020 at 5:00 p.m. PST, you will lose your right to receive any distributions from the Receiver or the receivership estate and your claim will be barred.**

1. **WHO MUST FILE A PROOF OF CLAIM FORM?** You must file a Proof of Claim form if you believe that you are owed any money by Defendant: ESSEX CAPITAL CORPORATION (the "Company") or if you assert a claim against any other person or entity arising out of or based upon (a) any investment with, through, or in the Company; (b) any interest in any of the Company or any of its assets or any claim against any of the Company or any entity under its control based on primary, secondary, direct, indirect, secured, unsecured, or contingent liabilities; or (c) any claim of any sort against the Company or any entity under its control whether such claim is based upon contract, tort, contribution, indemnity, reimbursement, subrogation theories or other legal or equitable theory. Proof of Claim forms must be filed by Claimants who were Investors and/or Creditors of the above-listed Defendants and their affiliates and subsidiaries. If you are both an Investor and Creditor, or are an Investor with or through more than one of the Company or affiliates or subsidiaries, file separate Proof of Claim forms for each and every claim or interest you allege to have against them or any of them. **Note that a failure to submit a signed Proof of Claim form and supporting documentation may result in the denial of your claim.**
2. **CONSENT TO JURISDICTION OF THE COURT AND THE CONSEQUENCES THEREOF**. If you submit a Proof of Claim form in this case, you consent to the jurisdiction of United States District Court for the Central District of California ("District Court") for all purposes, agree to be bound by its decisions, including a determination, among other things, as to the validity and amount of your claim against the Company, affiliates, subsidiaries or other persons or entities as identified in paragraph 1. In submitting a Proof of Claim, you agree to be bound by the actions of the District Court even if that means that a claim is limited or denied. By submitting a Proof of Claim, you further agree that your participation in any distribution of the receivership estate many exclude or prevent you from pursuing any other remedies.
3. **WHERE MUST THE PROOF OF CLAIM FORM BE SENT?** The completed Proof of Claim form, along with all supporting documentation must be mailed to:

   Geoff Winkler, Receiver
   c/o Essex Capital Corporation Claims
   PO Box 4364
   Portland, OR 97208-4364

4. **WHAT IS THE DEADLINE TO FILE THIS PROOF OF CLAIM FORM?** The Proof of Claim form must be received by the Receiver before **November 30, 2020 at 5:00 p.m. PST**. Please note that any late filed claim will be objected to and denied in its entirety.
5. **AM I AN INVESTOR OR CREDITOR?** If you believe you have or allege you have loaned the Company money through promissory notes or otherwise invested with, through or in the above-listed Company or their affiliates and subsidiaries (see Paragraph 3a of the Claim for names of some of the other entities), you are an Investor. If you have performed services for the Company, sold merchandise, loaned money, or were an employee of the above-listed Company or their affiliates or subsidiaries, you are a Creditor. All other Claimants to whom the Company owe a debt, which debts are not based on the purchase of stocks or other investments, are also Creditors. Based on your categorization as either an Investor or Creditor, fill in the appropriate section the attached Proof of Claim form. If you believe that you are both an Investor and a Creditor, fill out two (2) separate Proof of Claim forms. In either case, you must sign the Proof of Claim form at line 8.
6. **SUPPORTING DOCUMENTS.** You must attach to the Proof of Claim form copies of all documents that show that the Company owe the debts or amounts claimed, or if the documents are to lengthy, a summary of those documents. If supporting documents are not available, you must attach an explanation of why they are not available. Failure to provide such documents may result in the denial of your claim.
7. **ADDITIONAL INFORMATION.** Note that additional information regarding filing the Proof of Claim form, along with additional blank forms, can be obtained at www.essex-receivership.com or you may write to the Receiver at the following address:

   Geoff Winkler, Receiver
   c/o Essex Capital Corporation Claims
   PO Box 4364
   Portland, OR 97208-4364

INFORMATION ON COMPLETING THE PROOF OF CLAIM FORM

1. **Information about Claimant.** Complete this section giving the name, address and telephone number of the Claimant to whom the Company owes money or property, and any account or reference number associated with such debt.

2. **Claimant Type.** Indicate in this box whether you are an Investor or Creditor (as defined in the General Information section above). If you are both an Investor and a Creditor, please file separate Proof of Claim forms for each claim. Upon completing this box, if you have marked Investor, please proceed to box 3; if you have marked Creditor, please proceed to box 4.

3. **FOR INVESTORS ONLY.**
   - **3a.** Indicate the name of the entity with, through, or in which you claim to have invested funds.
   - **3b.** **Pending Legal Action.** If you have commenced a legal action against the Company, provide the details of said legal action here. Attach any additional pages of description and supporting documentation. Also, please provide any information regarding court judgments obtained against any of the above-captioned defendants.
   - **3c.** **Claim Amount.** State the amount you invested or paid to the Company or their predecessors, affiliates or subsidiaries as of December 21, 2018. If said claim amount includes increases over principal invested, such as interest, attorneys fees, damages, claims or late fees, please mark the appropriate box below the claim amount and provide a detailed break-down of the claim. Also attach all documentation supporting said claim amount and the calculation of same. Also, if you allege that your claim is subject to a security interest, mark the appropriate box in this section and provide all supporting documentation evidencing the secured status of your claim.
   - **3d.** **Date and Amount of Funds Invested.** Indicate in this section each time you made an investment with the applicable Company by indicating the investment date and the investment amount. Attach additional sheets as necessary to reflect all investments.
   - **3e.** **Date and Amount of any Distributions or Withdrawals.** Indicate the date of any distributions or withdrawals from the applicable Company by indicating the date and amount of each said distribution or withdrawal. Attach additional sheets as necessary to reflect the date and amount of all transfers of money out of the applicable Company. (Investors go to Section 5 of the Proof of Claim and complete Sections 5 – 8.)
   - **3f.** Attach to your Proof of Claim, copies of all Agreements, Certificates, and any other documents you contend reflect the terms of your agreement or investment with the Company unless you are disputing the Receiver's determination of your claim. If you are disputing the Receiver's determination of your claim, there is no need to send additional documents at this point, although the Receiver may request additional documents later.

4. **FOR CREDITORS ONLY.**
   - **4a.** Indicate the basis of your claim in this section.
   - **4b.** Entity/Person with whom claim was incurred: Identify the person or entity you believe owes you the money.
   - **4c.** **Date the Claim was Incurred.** Indicate the date on which the amount you allege to be owed arose.
   - **4d.** **Pending Legal Action.** If you have commenced a legal action against the Company, provide the details of said legal action here. Attach any additional pages of description and supporting documentation. Also, please provide any information regarding court judgments obtained against any of the above-captioned defendants.
   - **4e.** **Total Claim Amount as of December 21, 2018.** State your claim amount of December 21, 2018. Also, mark the applicable box if you contend your claim is subject to a security interest, and attach copies of all security agreements and other documents that evidence the claim of secured status. Mark the applicable box if your claim amount includes interest or other charges, such as attorneys fees, loss profits, or late fees in addition to the principal amount of your claim, and attach an itemized statement of all such additional charges.

5. **Supporting Documentation.** Note that in addition to filling out the Proof of Claim form, you should provide supporting documentation evidencing your claim. Supporting documentation may include documents such as cancelled checks, bank statements, account ledgers, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, or evidence of perfection of liens. Furthermore, feel free to provide any additional pages of explanation or narrative discussing your claim and claim amount.

6. **Acknowledgement of Filing.** To receive an acknowledgement of the filing of your Proof of Claim form, enclose an additional copy of the Proof of Claim form, along with a self-addressed, stamped envelope when filing the original form.

7. **Date.** Insert the date on which you completed and signed the Proof of Claim form.

8. **Signature. Sign the Proof of Claim form and indicate your title, if applicable.**

Securities and Exchange Commission
v.
Essex Capital Corporation
Case No. 2:18-cv-05008-FMO-AFM

Claimant Contact Form

Claimant Name: JIM GALLY

Co-Claimant Name: ______

Address1: [redacted]

Address2:

City, State Zip:

Home Phone:

Cell Phone:

Alternative Phone:

Email:

Alternative Email:

TIN/SSN:

PLEASE DO NOT WRITE BELOW THIS LINE

Date Received:

Claim #:__ 030

030

JBA

AMERICAN FIDUCIARY SERVICES

NOV 09 2020

RECEIVED

PROMISSORY NOTE

$1,500, 000.00 *January 14, 2016*

Santa Barbara, California

For value received, Essex Capital Corporation, a California corporation ("Borrower"), hereby promises to pay to James Gally ("Registered Owner"), the principal sum of One Million Five Hundred Thousand Dollars ($1,500,000). Interest shall accrue from the date of this Note on the unpaid principal amount of this Note at a rate equal to the lesser of six percent (6%) per annum and the maximum legal rate, compounded annually, and shall be paid quarterly. This Note is subject to the following terms and conditions.

1. **Maturity.** The principal balance of this Note shall be paid as follows: $250,000.00 shall be paid one year from the date hereof and the remaining principal balance of $1,250,000.00 shall be paid on the third anniversary of the date hereof. All accrued interest, and all other amounts payable by Borrower under this Note, shall be immediately due and payable, upon the occurrence of an Event of Default (as defined in Section 7 below) and without the need for Registered Owner to make any demand or provide any notice under this Note (the "Maturity Date").

2. **Payment; Prepayment.** All payments under this Note shall be made in lawful money of the United States of America at Registered Owner's address set forth in Section 10, below, or such other place as Registered Owner may designate in writing from time to time. All payments under this Note shall be credited first to the accrued interest and other charges, costs and expenses then due and payable and the remainder applied to principal.

3. **Guaranty.** The obligations of Borrower under this Note are guaranteed by Ralph Iannelli, an officer, director and principal shareholder of Borrower ("Guarantor"), pursuant to the Guaranty set forth below.

4. **Representations.** Borrower hereby represents and warrants to Registered Owner that all of the following are true, correct and complete.

(a) Organization. Borrower is duly incorporated, validly existing and in good standing under the laws of the State of California.

(b) Authority. Borrower has the power and authority to execute and deliver this Note, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Borrower of this Note and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action by the Board of Directors of Borrower. This Note has been duly and validly executed and delivered by Borrower and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general principles of equity. Borrower has taken all action required by law and its charter documents to duly authorize the execution and delivery by Borrower of this Note and the performance of its obligations hereunder.

(c) No Conflicts. The execution and delivery by Borrower of this Note, the performance of its obligations under this Note and the consummation of the transactions contemplated hereby do not and will not: (i) conflict with or result in a violation or breach of any of the terms, conditions or, provisions of the charter documents of Borrower; or (ii) conflict with or result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, or require Borrower to obtain any consent, approval or action of, make any filing with or give any notice to any person or entity, the terms of, any law or order applicable to Borrower or any material contract, license or agreement to which Borrower is a party or by which any of its assets are bound which have not been obtained or made.

7. **Default.** (a) Events of Default. Upon the happening of any of the following events (an "Event of Default"), Registered Owner may, at his option, declare immediately due and payable the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums payable at the time of such declaration pursuant to this Note. Such events are the following:

(i) The failure of Borrower to pay in full when due any installment of principal or interest or both or Late Payment charges or Additional Payments, unless such failure is cured within five (5) days;

(ii) The default of Borrower in the performance of any of its obligations under this Note, whether or not requiring the payment of money, but excluding the payment of any installment of principal, interest or both, unless such default is cured to Registered Owner's reasonable satisfaction within thirty (30) days after Registered Owner's delivery to Borrower of written notice of such default;

(iii) The default of Guarantor in the performance of any of his obligations under the Guaranty Agreement, whether or not requiring the payment of money, unless such default is cured to Registered Owner's reasonable satisfaction within (A) if the failure of performance is the non-payment of money, five (5) days after the date on which Registered Owner fails to perform, and (B) if the failure is a failure of performance of any of Guarantor's obligations under the Guaranty Agreement, but excluding the payment of any monetary amount, thirty (30) days after Registered Owner's delivery to Guarantor of written notice of such default;

(iv) The occurrence of any event of bankruptcy of Borrower or Guarantor, including, but not limited to, the filing by or against Borrower or Guarantor of a voluntary of involuntary petition under any provision of the Federal Bankruptcy Code, Borrower's or Guarantor's consent to a general assignment for the benefit of creditors, or Borrower's or Guarantor's admission in writing of his inability to pay his debts generally as they come due; or

(v) The liquidation or dissolution of Borrower or the approval by the Board of Directors or shareholders of Borrower of the liquidation or dissolution of Borrower.

(b) Notice of Default. Upon the occurrence of an Event of Default described in any of clauses (ii) or (iii) of Section 7(a), above, Registered Owner may deliver to Borrower written notice of the occurrence of such Event of Default and, unless such Event of Default is cured prior to the end of the applicable cure period, the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums then payable under this Note, automatically shall be immediately due and payable and Registered Owner shall have no obligation to deliver to Borrower any further notice of default or acceleration of this Note. Upon the occurrence of an Event of Default described in any of clauses (i), (iv), (v) or (vi) of Section 7(a), above, the entire unpaid principal balance of this Note together with all interest and late charges thereon, plus any other sums then payable under this Note, automatically shall be immediately due and payable upon the occurrence of such Event of Default and Registered Owner shall have no obligation to deliver to Borrower any further notice of default or acceleration of this Note.

(c) Delay. The delay or failure of Registered Owner to declare a default or to deliver written notice of default upon the occurrence of any Event of Default shall not constitute a waiver of Registered Owner's right to declare a default or to deliver notice of default at any subsequent time in respect of the same event or any other event. No exercise of the rights and powers granted in or held pursuant to this Note by Registered Owner, and no delays or omission in the exercise of such rights and powers shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

(d) Remedies Cumulative. Registered Owner's rights and remedies under this Note upon the occurrence of an Event of Default are cumulative and Registered Owner's exercise of any such remedies shall not limit or restrict in any way his right to exercise the same or any other remedy in respect of the same or any other Event of Default.

8. Payment to Registered Owner. Borrower is obligated to pay the principal amount and any stated interest thereon only to the Registered Owner of this Note and only the Registered Owner of the Note shall be entitled to payment of the principal amount and interest on the principal amount.

9. Transfer; Successors and Assigns. Borrower may not assign, pledge, or otherwise transfer this Note or any of its rights or obligations thereunder without the prior written consent of Registered Owner, which consent may be withheld for any reason or no reason.

10. Notices.

Any notice required or permitted by this Note shall be in writing and shall be deemed delivered (a) if delivered personally, upon receipt, or (b) if sent by recognized over-night courier service, one (1) business day after delivery to the courier or delivery service, or (c) if sent by facsimile or other form of electronic transmission that provides for confirmation of delivery or notice of non-delivery, one (1) business day after transmission, or (d) if sent by U.S. first class, certified or registered mail with postage prepaid and return receipt requested, five (5) days after deposit with the U.S. Postal Service addressed to the party to be notified at such party's address or facsimile number set forth below or as subsequently modified by written notice.

Company: Essex Capital Corporation
1486 East Valley Road
Santa Barbara, California 93108
Attention: Ralph T. Iannelli,
President
Fax No.: 805-565-0993
Email: Ralph@essexcapitalcorp.com

Registered Owner:
James Gally
777 Chalk Hill Road
Solvang, CA93463

11. **Payment Limitations.** The indebtedness reflected in this Note relates to the sale of assets by James Gally and certain entities owned by him to 915 Elm Avenue CVL, LLC ("Buyer") pursuant to an Asset Purchase Agreement entered into among those entities as of December 7, 2015 and subsequently amended on December 21, 2015, January 4, 2016 and January 13, 2016 (the "Agreement"). Any payments due to Owner hereunder may be off set by Borrower against claims made pursuant to the Agreement by the Buyer, but only to the extent provided for in the Agreement.

12. Miscellaneous Provisions.

(a) Officers and Directors Not Liable. Except for any liability that any officer or director may have by reason of being the Guarantor under the Guaranty Agreement, in no event shall any officer or director of Borrower be liable for any amounts due or payable pursuant to this Note.

(b) Loss of Note. Upon receipt by Borrower of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to Borrower (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), Borrower shall make and deliver in lieu of such Note a new Note of like tenor.

(c) Waiver of Notice of Protest, etc. Borrower hereby waives presentment, protest, notice of protest, notice of nonpayment, notice of dishonor and any and all other notices or demands relative to this Note, except as specifically provided herein.

(d) Amendments and Waivers. Any term of this Note may be amended only with the written consent of Borrower and Registered Owner. Any amendment or waiver affected in accordance with this Section 11(d) shall be binding upon Borrower, Registered Owner and each transferee of any Note.

(e) Severability. The unenforceability or invalidity of any provision or provisions of this Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

(f) Counterparts. This Note may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single agreement.

(g) Interpretation. Borrower and Registered Owner have each had the opportunity to review and discuss with independent legal counsel this Note and the transactions contemplated herein. Therefore, the normal rule of construction that an agreement shall be interpreted against the drafting party shall not apply.

(h) Arbitration. Unless the relief sought requires the exercise of the equity powers of a court of competent jurisdiction, any dispute arising in connection with the interpretation or enforcement of the provisions of this Agreement, or the application or validity thereof, shall be submitted to arbitration. Such arbitration proceedings shall be conducted with JAMS/Endispute (www.JAMSADR.com) ("JAMS") in Santa Barbara County, California, in accordance with the Commercial Arbitration Rules then obtaining of JAMS. The arbitration shall be conducted before a single arbitrator. The parties shall use their reasonable efforts to select a mutually acceptable arbitrator. If the parties have not selected a mutually acceptable arbitrator within thirty (30) days after the commencement of the arbitration, the arbitrator shall be selected in accordance with the rules of the JAMS. The arbitrator shall establish discovery procedures reasonable in light of the amount in controversy and the nature of the dispute and discovery shall not be limited to the discovery procedures set forth in the JAMS Rules. This agreement to arbitrate shall be specifically enforceable. Any award rendered in any such arbitration proceedings shall be final and binding on each of the parties hereto, and judgment may be entered thereon in any court of competent jurisdiction. Any arbitration shall be conducted in private and neither party shall make any public announcement or disclosure about the conduct, status or result of any arbitration without the prior written consent of the other party; provided that, on not less than fifteen (15) days prior written notice thereof to the other party, which notice shall include a copy of the proposed announcement or disclosure, a party may make such public announcement or disclosure regarding the arbitration as may be required by law or court order.

(i) WAIVER OF JURY TRIAL. IN THE EVENT THE ARBITRATION PROVISION SET FORTH IN SECTION 11(h), ABOVE IS DETERMINED TO BE UNENFORCEABLE AND/OR REGISTERED OWNER IS NAMED IN ANY ACTION AT LAW WHICH WOULD OTHERWISE REQUIRE THE RESOLUTION OF ANY DISPUTE BETWEEN REGISTERED OWNER AND BORROWER TO BE HEARD IN A COURT OF LAW, THEN TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, BORROWER WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM,

DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS NOTE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT OR TORT OR OTHERWISE. BORROWER ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY REGISTERED OWNER THAT THE PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH REGISTERED OWNER HAS RELIED, IS RELYING AND WILL RELY IN ENTERING INTO THIS NOTE AND MAKING THE LOAN THEREUNDER. ANY PERSON MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 11(i) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF BORROWER TO THE WAIVER OF HIS RIGHTS TO TRIAL BY JURY.

(j) Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of California applicable to contracts made and to be fully performed in the State of California and without regard to any conflicts of laws.

ESSEX CAPITAL CORPORATION

By: Ralph T. Iannelli
Ralph T. Iannelli, President

AGREED TO AND ACCEPTED:

By: James Gally
James Gally

Guaranty

Ralph T. Iannelli, as President and the sole shareholder of Borrower, hereby personally, irrevocably and unconditionally guarantees to James Gally, as and for his own debt, until final and indefeasible payment thereof has been made, the full, prompt, and punctual payment of all amounts due under this Note when and as the same shall become due and payable.

By: Ralph T. Iannelli
Ralph T. Iannelli

EXHIBIT F

American Fiduciary Services

April 26, 2021

James Gally
[redacted]

Re: Securities and Exchange Commission v. Essex Capital Corporation --- Receiver's Determination of Claim Amount

Dear James Gally,

As you may know, Geoff Winkler (the "Receiver"), the Court-appointed permanent receiver for Essex Capital Corporation and its subsidiaries and affiliates (collectively, the "Receivership Entities" or "Entities") in the above-referenced Securities and Exchange Commission (the "Commission") enforcement action, pending in the United States District Court for the Central District of California (the "Court") was appointed on December 21, 2018. Pursuant to the Court's Order Regarding Preliminary Injunction and Appointment of a Permanent Receiver (the "Appointment Order") (ECF No. 66), the Receiver was authorized and empowered to, among other things: (1) assume exclusive authority and control over the Entities and their assets; and (2) conduct an investigation and accounting of the Entities' assets and financial activities.[1]

Pursuant to his duties under the Appointment Order, as reaffirmed by the Permanent Injunction, the Receiver has completed his investigation and accounting of the business and financial activities of the Receivership Entities, including a net money-in/money-out ("MIMO") accounting of their financial transactions, with a particular emphasis on those transactions reflecting funds raised from and paid out to investors in, and creditors of, the Receivership Entities. As a result of the Receiver's investigation and accounting efforts, he has identified at least 156 Entity investors and non-investor creditors who appear to have suffered net losses from their investments in, or contributions to, the Entities in the aggregate amount of approximately $40 million.

Having completed his investigation and accounting of the business and financial activities of the Receivership Entities, the Receiver submitted a Stipulation for Order: (1) Establishing Claims Procedures; and (2) Setting Claims Bar Date (the "Claims Stipulation") (ECF No. 168), in consultation with the Commission, in order to establish procedures for noticing, reviewing, and processing claims against the Receivership Entities. On July 31, 2020, the Court entered its Order granting the Claims Stipulation (the "Claims Order") (ECF No. 179).

[1] On September 9, 2019, the Court entered its Order Regarding Permanent Injunction (the "Permanent Injunction") (ECF No. 113), which reaffirmed the authority initially conveyed upon the Receiver via the Appointment Order.

AFS American Fiduciary Services

Based upon the Receiver's investigation and accounting, and pursuant to the Claims Stipulation, he has identified you as a prospective claimant against the Receivership Entities. The Receiver recognizes and does not dispute that as of April 26, 2021, you are owed $1,046,316.44, pursuant to your Promissory Note. As reflected below, the Receiver acknowledgement and agreement with regard to the foregoing obligations is independent of the formulation of the plan for distribution which involves separate claim payment calculations.

Solely for the purpose of calculating the first interim payment under the Receiver's distribution plan, the Receiver is allowing your claim in the amount of $1,046,316.44 (the "Claim Amount"). The Claim Amount simply represents the Receiver's MIMO calculation of your aggregate claim for reimbursement against the Receivership Entities, i.e., your aggregate MIMO net loss from your investment(s) in and/or contribution(s) to the Entities, as reflected in the Receiver's records.[2] For avoidance of doubt, the Claim Amount reflects the Court approved MIMO calculation of your claim. The details of the Receiver's determination are included as Exhibit A. If these amounts are consistent with your records, please check the box in the affirmative and sign on the next page.

If you dispute the Receiver's calculated Claim Amount, you must submit a completed Claim Form, attached hereto as Exhibit B, to the Receiver, by November 30, 2020 (the "Claims Bar Date"). If additional documentation is necessary, the Receiver will request specific information. It is not necessary to send additional documentation with your Claim Form. If you do not return a completed Claim Form to the Receiver on or before the Claims Bar Date, you will be deemed to have accepted and agreed to the Receiver's valuation of your Claim Amount, associated with your claim against the Receivership Entities. A copy of the Claim Form, along with information about the instant receivership, including the claims procedures discussed herein, is available on the Receiver's website for this matter, www.essex-receivership.com.

Finally, the Receiver has included a contact form as Exhibit C, which will allow claimants to update their contact information and provide information necessary to process your claim. This form must be completed by all claimants unless you disagree with the Receiver's determination of your claim and you will be filing a proof of claim.

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[2] In accordance with the Claims Order, the Claim Amount does not, and shall not, include accrued interest, late fees, contract or other damages, attorneys' fees, or similar contingent, consequential, or unliquidated damages.

AFS American Fiduciary Services

☒ **I agree with the Receiver's determination of my claim in the amount of $1,046,316.44. I have signed below acknowledging my agreement and completed the claimant contact form (Exhibit C).**

By signing your name below, you are certifying that the information contained in this Receiver's Determination of Claim Amount and any back-up documentation provided is true and correct under penalty of perjury under the laws of the United States.

Signature: Name: Title: James M Galley

Signature: Name: Title:

Dated this day of_,_. 04/28/2021

☐ **I disagree with the Receiver's determination of my claim in the amount of $1,046,316.44. I have completed and signed the Proof of Claim Form (Exhibit B).**

Please check the appropriate box above, complete the appropriate exhibits (Exhibit B or C), make a copy of all documents for your records, and send the original documents to:

Geoff Winkler, Receiver
c/o Essex Capital Corporation Claims
PO Box 4364
Portland, OR 97208-4364

AFS American Fiduciary Services

Please do not hesitate to contact the Receiver should you have any questions or wish to discuss the foregoing. Our phone number is (855) 880-0100 or you can email us at john@americanfiduciaryservices.com.

Sincerely,

Essex Capital Corporation Claims Team

715 NW Hoyt Street #4364
Portland, Oregon 97208
www.americanfiduciaryservices.com