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United States District Court  
Northern District of California

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

FELIX INVESTMENTS, LLC,

Defendant.

Case No. [16-cv-01386-EMC](#)

**ORDER RE: PROGRESSO VENTURES,  
LLC AND GLOBAL GENERATION  
GROUP, LLC'S CLAIMS**

Docket Nos. 359, 360

For the reasons stated on the record and which will be set forth in detail in a separate order, the Court will not permit Progresso Ventures, LLC and Global Generation Group, LLC to file claims both as money judgment creditors and investors under any distribution plan. All interested parties are ordered to file briefs regarding the following questions by **July 24, 2018**:

1. Whether the Court may adjust the priority of a money judgment (or portions thereof such as principal versus interest) relative to shareholder claims in a distribution plan.
2. Whether the Court may ignore or discount any portion of a money judgment to permit recovery, *e.g.*, of only the original out-of-pocket loan/investment (as under the SEC’s proposed plan with respect to Progresso); and,
3. Whether Progresso and Global can be permitted to “choose” between investor or creditor status, or must be treated as creditors based on their judgment.

The briefs should not exceed 6 pages. The parties shall identify illustrative statutes and case-law

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1 in support of their positions. Vague references to abstract principles of equity, which have already  
2 been invoked in several rounds of briefing, will not assist the Court at this juncture.

3 **IT IS SO ORDERED.**

4 Dated: July 17, 2018



EDWARD M. CHEN  
United States District Judge

United States District Court  
Northern District of California

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