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4 *Counsel to Temporary Receiver*  
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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **SAN FRANCISCO DIVISION**

11  
12 COMMODITY FUTURES TRADING  
13 COMMISSION,

14 Plaintiff,

15 v.

16 DENARI CAPITAL LLC, TRAVIS CAPSON,  
AND ARNAB SARKAR,

17 Defendants.  
18  
19  
20  
21  
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Case No. 19-cv-07284-EC

**DECLARATION OF KATHY BAZOIAN  
PHELPS IN SUPPORT OF MOTION FOR  
ENTRY OF AN ORDER APPROVING:**

- (1) RECEIVER’S PLAN OF DISTRIBUTION;**
- (2) SIERRA GOLD LLC AGREEMENT;**
- (3) FORM AGREEMENTS WITH INVESTORS; AND**
- (4) FORM AND MANNER OF NOTICE**

Date: October 1, 2020  
Time: 1:30 p.m.  
Place: Courtroom: 5  
450 Golden Gate Ave  
San Francisco, CA  
Judge: Edward M. Chen



1 I, Kathy Bazoian Phelps, declare:

2 1. Pursuant to this Court’s Order entered December 4, 2019, I was appointed as the  
3 temporary receiver (“Receiver”) in this case. I am also an attorney duly licensed to practice in the  
4 State of California and am senior counsel at the firm of Diamond McCarthy LLP (“Diamond  
5 McCarthy”). I have personal knowledge of the matters set forth below and if called as a witness, I  
6 would and could testify competently to the matters stated herein.

7 2. On December 4, 2019, this Court entered an order (Doc. No. 37) appointing me as  
8 temporary receiver and granting me full powers of an equity receiver over all funds, property and  
9 assets belonging to, being managed by or in the possession of or control of Denari Capital, LLC  
10 (“Denari”), Travis Capson (“Capson”) and Arnab Sarkar (“Sarkar” and, together with Denari and  
11 Capson, the “Receivership Defendants”) (the “Receivership Estate”).

12 3. This declaration is made in support of the Motion for Entry of an Order Approving:  
13 (1) Receiver’s Plan of Distribution; (2) Sierra Gold LLC Agreement; (3) Form Agreements with  
14 Investors; and (4) Form and Manner of Notice (the “Motion”).

15 4. Attached hereto as Exhibit “1” is a copy of my proposed Plan of Distribution (the  
16 “Plan”), subject to the Court’s approval, which contains a plan to distribute cash and non-cash  
17 assets of the Receivership Estate to claimants holding allowed claims.

18 5. Attached hereto as Exhibit “2” is a true and correct copy of the agreement with  
19 Sierra Gold, LLC (“Sierra Gold”) with personal address information redacted, that will: (i) settle  
20 any claims Sierra Gold may have against the legal and equitable interests of the Receivership  
21 Estate concerning the management of Sierra Gold; (ii) transfer management of Sierra Gold to an  
22 existing investor in Sierra Gold who elected not to pursue a claim against the Receivership Estate  
23 but rather retain his Sierra Gold interest (the “New Sierra Gold Manager”); (iii) surrender Denari’s  
24 interest in Sierra Gold (87% of the interests) in exchange for the transfer of the 400,000 shares (the  
25 “Indirectly Held National Gold Shares”) of National Gold Mining Co. (“National Gold”) to the  
26 claimants who have elected to receive National Gold shares; and (iv) provide for the cost-efficient  
27 distribution of the Indirectly Held National Gold Shares to those claimants or their designees.

28 6. Attached hereto as Exhibit “3” is a copy of the form of agreement that I negotiated

1 with certain claimants receiving National Gold Shares under the Plan, all of whom have designated  
2 Sierra Gold as the entity to receive some or all of their National Gold shares. All of the claimants  
3 receiving National Gold Shares have signed an agreement substantially in the form attached hereto  
4 as Exhibit “3.” Each of these investors advised me that they wished to receive National Gold  
5 shares in lieu of a cash distribution in the case.

6 7. Attached hereto as Exhibit “4” is a copy of the form of agreement that I negotiated  
7 with certain claimants receiving shares in United Resource Holdings Group, Inc. (“URHG”) that  
8 are held in the Receivership Estate directly, in lieu of cash on account of, or as a credit against  
9 their allowed claims. All of the claimants receiving URHG Shares have signed or will sign an  
10 agreement substantially in the form attached hereto as Exhibit “4.” Each of these investors advised  
11 me that they wished to receive URHG shares in lieu of some or all of their cash distribution in the  
12 case.

13 8. I have conferred with my tax advisor and securities counsel who have confirmed  
14 that the terms of the Plan and the proposed implementation of the Plan are and will be compliant  
15 with applicable tax and securities regulations.

16 9. I have met and conferred with the individual claimants regarding the amounts of  
17 their claims and the proposed treatment under the Plan. I am advised that the investors agree to the  
18 terms of the Plan.

19 10. As of the date of the Motion, the total unencumbered cash held by the Receivership  
20 Estate is approximately \$798,000. Additional funds totaling approximately \$309,000 are  
21 anticipated to be paid into the Receivership Estate in connection with the proposed sale of assets or  
22 settlements, which are the subject of separate motions filed concurrently herewith, and additional  
23 administrative claims have and will be incurred.

24 11. The Receivership Estate holds 87% of the membership interests in Sierra Gold. The  
25 sole assets of Sierra Gold are 400,000 shares of National Gold. Sarkar was the managing member  
26 of Sierra Gold as of December 4, 2019. Pursuant to the terms of the Plan, I propose to transfer the  
27 Indirectly Held National Gold Shares to the Investor Claimants who have elected to receive  
28 National Gold shares in lieu of a cash distribution and in full satisfaction of their claims. I have



1 executed an agreement with Sierra Gold that would: (i) settle any claims Sierra Gold may have  
2 against the Receivership Estate concerning the management of Sierra Gold; (ii) transfer  
3 management of Sierra Gold to the New Sierra Gold Manager; (iii) surrender Denari's interest in  
4 Sierra Gold (87% of the interests) in exchange for the transfer of the Indirectly Held National Gold  
5 Shares to the Investor Claimants who have elected to receive National Gold shares; and (iv)  
6 provide for the cost-efficient distribution of the Indirectly Held National Gold Shares to the  
7 investor claimants or their designees. I have also negotiated separate agreements with the investor  
8 claimants, all of whom have designated Sierra Gold as the entity to receive some or all of their  
9 National Gold Shares. Both of those agreements are subject to approval of the Motion and are  
10 attached hereto as Exhibits "2" and "3." Those claimants wishing to hold their National Gold  
11 interests through Sierra Gold will negotiate separate subscription agreements with the New Sierra  
12 Gold Manager under which they will receive Sierra Gold interests, and those agreements will be  
13 executed outside the Receivership.

14 12. In addition to the Indirectly Held National Gold Shares, Denari owns 77,593 shares  
15 of National Gold and Capson owns 80,000 shares in National Gold (the "Directly Held National  
16 Gold Shares"). Under the terms of the Plan, I propose to transfer the Directly Held National Gold  
17 Shares directly to an investor claimant in lieu of a cash distribution, as set forth in more detail  
18 below.

19 13. I have obtained an offer for the purchase of 10,144,506 of the URHG shares  
20 controlled by the Receivership Estate for the price of \$.01/share from a board member of URHG,  
21 which is the subject of a motion filed concurrently herewith. I offered the investor claimants the  
22 opportunity to receive noncash assets, including URHG shares on account of their allowed claims  
23 in lieu of cash distributions, with no representations, requirements or promises that such a  
24 distribution would be approved. Four investor claimants have expressed interest in receiving a  
25 portion of the distribution on their claims in the form of URHG shares. Pursuant to the Plan, the  
26 URHG shares controlled by the Receivership Estate will either be liquidated for the benefit of the  
27 Receivership Estate by a sale, or distributed directly to one or more holders of allowed claims who  
28 wish to receive URHG shares as a part of their distribution as set forth below. I have negotiated



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1 separate agreements with the claimant receiving URHG shares directly, and those agreements are  
 2 subject to approval of the Motion. The form agreement is attached hereto as Exhibit “4” and each  
 3 of the investors to receive URHG have signed this form of agreement.

4 14. I have entered into a settlement agreement with URHG and one of its subsidiaries,  
 5 United Milling and Refining Corp. (“UMRC”), subject to Court approval. The settlement will  
 6 result in: (i) payment to the Receivership Estate of approximately \$58,000; and (ii) payment to the  
 7 Receivership Estate of \$150,000 from the sale of the real property located at 399 Wild Horse,  
 8 Sparks Nevada. I also hold a deed of trust against the real property in the amount of \$205,000  
 9 which will be surrendered in connection with the settlement. The proceeds of the Settlement  
 10 constitute part of the funds being used to fund the distributions under the Plan.

11 15. I have categorized the allowed claims into certain classes, as follows:

- 12 Class 1: Administrative Claims
- 13 Class 2: Priority Claims
- 14 Class 3: Investor and Creditor Claims – Cash Distribution
- 15 Class 4: Investor Claims – Non-Cash Distribution
- 16 Class 5: Distribution of Surplus Funds

17 16. The claims bar date was set for April 6, 2020 (the “Bar Date”). I received 19 claims  
 18 prior to the Bar Date and one claim a few days late. I excused the tardiness of the one claim  
 19 because of an issue with service of the notice on the claimant. One of the submitted claims was  
 20 subsequently withdrawn. I have communicated with all claimants<sup>1</sup> regarding their claims and  
 21 believe that all claimants agree with the amount of their claims well as the proposed treatment of  
 22 their claim as set forth below:

I.D. No.	Allowed Net Claim Amount	Proposed Treatment of Claims
1	\$ 200,000	Class 3 pro rata cash distribution
2	\$ 107,020	Class 3 pro rata cash distribution on \$97,020 cash claim; Class 4 asset distribution of 1,000,000 URHG shares

28 <sup>1</sup> Each investor has been assigned an Investor I.D. Number to protect their confidentiality and they have been notified of their unique I.D. Number so that they can identify their claim in public filings.

3	\$ 20,000	Class 3 pro rata cash distribution
4	\$ 100,000	Class 3 pro rata cash distribution
5	\$ 100,000	Class 3 pro rata cash distribution on \$92,500 cash claim; Class 4 asset distribution of 750,000 URHG shares
6	\$ 405,845	Class 3 pro rata cash distribution on up to \$405,845 or; Class 4 asset distribution of up to 18,363,792 URHG shares, plus reduced Class 3 cash claim. Total consideration not to exceed allowed amount of claim
7	\$ 79,986	Class 3 pro rata cash distribution
8	\$ 177,720	Class 3 pro rata cash distribution
9	\$ 3,757	Class 4 asset distribution of 375,500 URHG shares
10	Settled	Class 4 asset distribution of 157,593 Directly Held National Gold Shares and 42,407 Indirectly Held National Gold Shares (200,000 total National Gold shares)
11	\$ 595,337.14	Class 4 asset distribution of 91,242 Indirectly Held National Gold Shares
12	\$ 769,950	Class 4 asset distribution of 118,454 Indirectly Held National Gold Shares
13	\$ 348,250	Class 4 asset distribution of 53,577 Indirectly Held National Gold Shares
14	\$ 106,750	Class 4 asset distribution of 16,423 Indirectly Held National Gold Shares
15	\$ 168,333	Class 4 asset distribution of 25,897 Indirectly Held National Gold Shares
16	\$ 80,000	Pro rata cash distribution
17	Withdrawn	No distribution
18	\$ 19,000	Pro rata cash distribution
19	\$ 800	Class 4 priority payment

17. I do not anticipate filing any objections to these claims. If a claim objection becomes necessary, I will provide notice and an opportunity to object and be heard pursuant to the Court's Local Rules to any claimant whose claim is affected.

18. I will endeavor to make an interim distribution as soon as practicable after final approval of the Plan of Distribution. I anticipate that a final distribution will occur after my receipt of final tax clearance from the IRS at the end of the case upon closure of the Receivership Estate.

19. Following the distribution of cash, securities, and other assets of the Receivership Estate pursuant to the terms of the Plan, I will prepare and file final tax returns and, upon receipt of final tax clearance, seek authority from the Court to make a final distribution of any funds remaining at the time that final tax clearance is received pursuant to the Plan as set forth herein.

1           20. I have provided the investor claimants receiving National Gold shares under the  
2 Plan (individually, each shall be referred to as a “National Gold Recipient” and, collectively, the  
3 “National Gold Recipients”) with disclosure information provided to me by the President of  
4 National Gold, and I informed the National Gold Recipients that I have not conducted any further  
5 due diligence with respect to National Gold. I received declarations from each of the National  
6 Gold Recipients that they are accredited investors, as defined in 17.C.F.R. § 230.501(a). In  
7 addition, the National Gold Recipients have provided me with written representations that an  
8 investment in National Gold is suitable based on their investment objections and financial needs  
9 and are in a position to withstand a complete loss of their investments in National Gold.

10           21. I advised the National Gold Recipients that they may designate who they wish to  
11 receive the distribution of their National Gold shares, and I have been informed that all but one of  
12 the National Gold Recipients have elected to designate Sierra Gold as the recipient of the National  
13 Gold share distributions. I make no representations or warranties with respect to Sierra Gold, its  
14 management, its investment strategy, or any other aspects of Sierra Gold’s ongoing business. A  
15 current member of Sierra Gold has agreed to assume the responsibility of Sierra Gold as managing  
16 member and has revised the operating agreement substantially with respect to Sierra Gold’s  
17 continued operation. I make no representations or warranties as to any aspect of the revised  
18 operating agreement or the management of Sierra Gold, and note that any decision by the National  
19 Gold Recipients to place their shares in Sierra Gold after distribution is a decision that is not  
20 subject to review by or advice from me.

21           22. I do not make any representation or warranty as to Sierra Gold’s compliance with  
22 applicable securities laws and regulations in the past or future.

23           23. I believe the proposed Distribution Plan is logical, fair, and reasonable. The  
24 expenses of administration of the Receivership Estate incurred for my services and my  
25 professionals’ services, and those who provided goods, services, and use of property to the me in  
26 my capacity as Receiver post-receivership as part of the administration of the Receivership Estate  
27 are properly paid as a priority before distribution of the receivership assets to investors or creditors  
28 because I collected the assets of the Receivership Estate.

1           24. I also believe that the Plan, which provides for payment in full of priority tax claims  
2 prior to distribution to investors or creditors, is necessary and appropriate. The Plan also provides  
3 for the best possible equitable distribution as between investors accepting a cash distribution and  
4 investors accepting securities or other property, and I have attempted to ensure that all holders of  
5 Allowed Investor Claims, whether in Class 3 or Class 4 will be treated equitably such that if  
6 holders of Allowed Investor Claims in Class 4 liquidated their non-cash distribution, they would  
7 receive a distribution on account of their Allowed Claims roughly equal to the same amount they  
8 would have received as if they were in Class 3. I recognize, however, that the treatment may not  
9 be identical and that there are factors that make an exact determination of the equities between  
10 Classes 3 and 4 impossible. There are inherent risks in accepting securities whose value may be  
11 speculative and subject to fluctuation, leaving the exact value of the Class 4 distributions unknown.  
12 It is also not present known whether Class 3 claimants will receive a 100% distribution, as the  
13 administrative and priority claims are not yet known. I have communicated extensively with the  
14 Receivership Defendants and their counsel, as well as the holders of Allowed Investor Claims in an  
15 effort to attain an equitable distribution of the Receivership Estate's assets.

16           25. I will file the Distribution Plan and a notice of hearing for approval of the  
17 Distribution Plan ("Plan Notice"). I will ensure service of the Plan Notice on all unsecured  
18 creditors, investors and parties in interest as set forth in the Motion. I request that the Court  
19 approve this form of notice as reasonable, appropriate, and the most cost-effective means of  
20 providing notice of the hearing under the circumstances, *i.e.*, working under certain government  
21 orders in the midst of a pandemic, and with investors across state lines. To the extent necessary, I  
22 request that the Court approve the notice given as reasonable, limited notice appropriate under the  
23 circumstances and in the interests of time and cost.

24           26. I have met and conferred with the CFTC and counsel to the Receivership  
25 Defendants, and they do not have any opposition to the Plan or the Motion. I also met and  
26 conferred with the claimants in this case and believe that they do not have any opposition to the  
27 Plan or the Motion.  
28





# EXHIBIT 1

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5 *Counsel for Temporary Receiver*

6 **UNITED STATES DISTRICT COURT**  
7 **NORTHERN DISTRICT OF CALIFORNIA**  
8 **SAN FRANCISCO DIVISION**

9  
10 COMMODITY FUTURES TRADING  
COMMISSION,

11 Plaintiff,

12 v.

13 DENARI CAPITAL LLC, TRAVIS  
14 CAPSON, and ARNAB SARKAR,

15 Defendants.  
16  
17  
18

Case No. 19-cv-07284-EC

**RECEIVER’S PLAN OF DISTRIBUTION**

19  
20 Kathy Bazoian Phelps, the Court-appointed temporary receiver herein (the “Receiver”) for  
21 Denari Capital, LLC (“Denari”), Travis Capson (“Capson”), and Arnab Sarkar (“Sarkar”)  
22 (collectively, the “Receivership Defendants”), presents her Plan of Distribution (the “Plan”) as  
23 follows:

24 **I. Procedural History**

25 1. On November 5, 2019, the CFTC filed a Complaint (Doc. No. 1) against the  
26 Receivership Defendants, alleging that, since at least 2012, the Receivership Defendants have  
27 fraudulently solicited and accepted at least \$8,300,000.00 from approximately twenty-eight  
28

1 participants, whose funds were subsequently commingled in a pooled investment scheme that  
2 included leveraged or margined off exchange foreign currency (“forex”) transactions.  
3 According to the Complaint, the pooled and commingled funds were deposited into a Denari bank  
4 account and used for, among other things, foreign exchange trading, real estate investments,  
5 securities transactions, and satisfaction of personal expenses. According to the Complaint, as of July  
6 2019, Denari owed its participants more than \$5,200,000.00, which it did not have sufficient funds or  
7 assets to satisfy.

8         2.         On December 4, 2019, this Court entered an order (Doc. No. 37) (“TRO”) appointing  
9 the Receiver as temporary receiver and granting her full powers of an equity receiver over all funds,  
10 property and assets belonging to, being managed by or in the possession of or control of the  
11 Receivership Defendants (the “Receivership Estate”). In addition, among other things, the TRO  
12 provides that the Receiver has been granted specific powers to make such payments and  
13 disbursements from the funds and assets taken into custody, control, and possession or thereafter  
14 received by her, and to incur, or authorize the making of, such agreements as may be necessary and  
15 advisable in discharging her duties as receiver.

16         3.         On February 6, 2020, the Court entered an Amended Order (Doc. No. 47) (“Bar Date  
17 Order”) granting the Receiver’s Administrative Motion (Doc. No. 42) and establishing, among other  
18 things, a claims bar date of April 6, 2020 (the “Bar Date”).

19 **II. Plan Definitions.** Unless otherwise defined in the Plan, the following defined terms apply  
20 throughout:

21         1.         “Administrative Claim” means an unsecured Claim for payment accrued and unpaid  
22 costs or expenses of administration of the Receivership Estate, including the actual, necessary costs  
23 and expenses incurred after entry of the TRO such as storage, insurance, or any other expenses  
24 attributable to the administration of the Receivership Estate, as well as the Receiver’s and her  
25 retained professionals’ fees and expenses. Administrative Claims shall not include Priority Claims.

26         2.         “Administrative Cash Reserve” means the amount of funds to be determined at the  
27 Receiver’s sole discretion that she may hold back from interim distributions until the time of a final  
28

1 distribution for purposes of paying expenses to wind down the Receivership Estate, for other  
2 unanticipated costs incurred in connection with the Receiver’s administration of the Receivership  
3 Estate, and for purposes of paying potential tax liability.

4 3. “Allowed Claim” means a Claim by an investor or creditor of the Receivership Estate  
5 that was timely submitted in advance of the Bar Date, or deemed timely filed, the Receiver has  
6 determined, in her sole discretion, is represented by a valid invoice, receivable, right to payment,  
7 interest or debt against the Receivership Estate, and is supported by the submissions of the investor or  
8 creditor claimant, the books and records of the Receivership Defendants, or other sources of  
9 information reasonably available to the Receiver. Allowed Claims will be classified under this Plan  
10 as Administrative Claims, Priority Claims, Investor Claims, Unsecured Creditor Claims or  
11 Subordinated Claims.

12 4. “Avoidance Action” means any and all causes of action, or defenses against an action,  
13 to avoid or recover a transfer of property of the Receivership Estate or interest of the Receivership  
14 Defendants in property, including actions, or defenses arising under applicable federal, state or  
15 common law.

16 5. “Cause of Action” means any and all actions, suits, claims for relief, causes of action,  
17 accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies,  
18 rights to payment, and claims, whether known or unknown, reduced to judgment, not reduced to  
19 judgment, liquidated, unliquidated, fixed, contingent, matures, unmatured, disputed, undisputed,  
20 secured, unsecured and whether asserted or assertable directly or derivatively, in law, equity or  
21 otherwise, whether arising prior to or after entry of the TRO.

22 6. “Claim” means a claim against any of the Receivership Defendants and includes (a) a  
23 right to payment, whether or not such right is reduced to judgment, liquidated or unliquidated, fixed,  
24 contingent, matures, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (b)  
25 right to an equitable remedy for breach of performance if such breach gives rise to a right to payment,  
26 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matures,  
27 unmatured, disputed, undisputed, secured, or unsecured.

1           7.       “Claim Objection” means an objection filed with the Court and served by the Receiver  
2 on any person or entity for which the Receiver disputes the claim filed by that person or entity against  
3 the Receivership Estate. The Receiver may also file a Claim Objection to any request for payment or  
4 transfer of assets even if a formal proof of claim was not submitted to the Receiver. The Receiver  
5 shall set a Claim Objection for hearing pursuant to the Court’s Local Rules.

6           8.       “Disputed Claim” means that portion (including, when appropriate, the whole) of a  
7 Claim, if any, that is not an Allowed Claim.

8           9.       “Distribution” means the disbursement of securities, money, or other interests from the  
9 Receivership Estate pursuant to the Distribution Plan.

10          10.       “Distribution Address” shall mean the address for a holder of a Claim set forth in a  
11 proof of claim, as amended or supplemented.

12          11.       “Distribution Account” means a checking account or other accounts established by the  
13 Receiver to receive the monies from the Receivership Defendants and third party entities that are  
14 scheduled to be disbursed in accordance with the Distribution Plan. Multiple such accounts may be  
15 necessary to ensure that the entire amount deposited is insured by the Federal Deposit Insurance  
16 Corporation.

17          12.       “Distribution Plan” or “Plan” means this Plan of Distribution for the resolution and  
18 distribution of funds on claims to investors and creditors harmed as a result of the violations alleged  
19 in the CFTC’s complaint.

20          13.       “Eligible Claimant” means any Investor or Creditor with an Allowed Claim.

21          14.       “Investors” means investors who transferred funds to or for the benefit of the  
22 Receivership Defendants for the purpose of investing in commodities, securities, or real estate  
23 through the Receivership Defendants.

24          15.       “Investor Claims” means claims by Investors who have Allowed Claims. Investor  
25 Claims shall be calculated as the principal amount invested in or through the Receivership  
26 Defendants for which there has been no distribution, less amounts previously returned to an investor.  
27 Investor Claims shall not include investments made through entities that are not expressly one of the  
28 Receivership Defendants.

1 16. “Investor Claimants” means Investors who hold an Allowed Investor Claim.

2 17. “Plan Fund” means the cash on hand in the Receivership Estate that is available for  
3 distribution.

4 18. “Priority Claims” means any tax, wage, or other Claims entitled to priority distribution  
5 under applicable state or federal law, including without limitation title 31 U.S.C. § 3713 and any  
6 similar state statute.

7 19. “Receivership Defendants” means Denari Capital LLC, Travis Capson, and Arnab  
8 Sarkar.

9 20. “Receivership Estate” means except as may be excluded under the TRO, the following  
10 property, wherever located and by whomever held: (a) all legal or equitable interests of the  
11 Receivership Defendants in property as of the date of entry of the TRO; (b) proceeds, product,  
12 offspring, rents, or profits of or from property of the Receivership Estate.

13 21. “Sierra Gold” means Sierra Gold, LLC, a Nevada limited liability company.

14 22. “Subordinated Claims” means and includes an Allowed Claim for: (1) penalty or other  
15 properly subordinated claims in connection with outstanding tax liabilities; and (2) claims which have  
16 been subordinated pursuant to Court order or agreement between the Receiver and an Eligible  
17 Claimant.

18 23. “Unsecured Creditor Claims” means holders of unsecured claims which are Allowed  
19 Claims that are not Investor Claims.

20 24. “URHG” means United Resource Holdings Group, Inc. a publicly traded company  
21 incorporated in Nevada.

22 25. “URHG Receivership Shares” means the 26,047,410 publicly traded shares in URHG  
23 which are held in the form of stock certificates, and 4,586,588 shares in certain TD Ameritrade  
24 accounts, owned by the Receivership Estate. For the avoidance of doubt, the URHG Shares do not  
25 include the 18,615 shares in Mr. Capson’s IRA account, or the 16,580 shares in Mr. Sarkar’s IRA  
26 account, both of which are currently subject to the TRO.

27 **III. The Assets of the Estate and the Receiver’s Proposal for Each.**

28 The assets of the Receivership Estate consist of cash, securities, and real property, as follows:

1       A. **Unencumbered cash:** As of the date of the filing of this Plan, the total unencumbered  
2 cash held by the Receivership Estate is approximately \$798,000. The unencumbered cash  
3 will be distributed pursuant to the Plan as set forth below, and will depend in part on how  
4 other assets of the Receivership Estate are liquidated and disbursed.

5       B. **Sierra Gold:** The Receivership Estate holds 87% of the membership interests in Sierra  
6 Gold. The sole assets of Sierra Gold are 400,000 shares (the “Indirectly Held National  
7 Gold Shares”) of National Gold Mining Co. (“National Gold”), a privately held  
8 corporation, which owns patented and unpatented mining claims. Upon her appointment,  
9 the Receiver was advised that Denari held an 87% interest in Sierra Gold and that two  
10 former investors of Denari owned the remaining 13% of the membership interests in  
11 Sierra Gold. Sarkar is listed in Nevada state records as the managing member of Sierra  
12 Gold.

13       C. **Shares of National Gold:** In addition to Sierra Gold’s 400,000 shares in National Gold,  
14 Denari and Capson also own shares in National Gold (the “Directly Held National Gold  
15 Shares”), which are now part of the Receivership Estate. The Receiver has obtained the  
16 original stock certificates in National Gold owned by the Receivership Defendants and  
17 Sierra Gold, which are identified as follows:

Number of Shares	Owner	Location
77,593	Denari Capital LLC	Stock certificate
80,000	Travis Capson	Stock certificate
400,000	Sierra Gold LLC	Stock certificate
557,593	<b>Total</b>	

22       The Receiver intends to distribute all of the Receivership Estate’s shares in National Gold,  
23 whether owned indirectly through Sierra Gold, or directly, to certain Investor Claimants who have  
24 elected to receive shares in lieu of a cash distribution, as set forth in more detail below.

25       D. **URHG Shares:** The Receiver is in control of the URHG Receivership Shares which are  
26 in the names of the following individuals and entities, most of which are Receivership  
27 Defendants, and held as follows:

	<b>Number of Shares</b>	<b>Owner</b>	<b>Location</b>
1	791,667	Denari	Stock certificate – restricted
2	7,450,000	Denari	Stock certificate - unrestricted
	1,100,000	Denari	Stock certificate – restricted
3	1,000,000	Denari	Stock certificate – unrestricted
4	1,666,667	Denari	Stock certificate – unrestricted
	333,334	Denari	Stock certificate –unrestricted
5	500,000	Denari	Stock certificate – unrestricted
	1,282,917	Denari	Stock certificate – unrestricted
6	50,000	Denari	Stock certificate – unrestricted
7	6,816,465	Denari	Stock certificate – unrestricted
	500,000	Denari	Stock certificate – unrestricted
8	300,000	Denari	Stock certificate – unrestricted
	1,800,000	Denari	Stock certificate – unrestricted
9	1,000,000	Denari	Stock certificate – restricted
10	1,000,000	Denari	Stock certificate – restricted
	143,860	Denari	Stock certificate- unrestricted
11	312,500	Denari	Stock certificate - unrestricted
	4,301,531	Denari	TD Ameritrade #5871
12	285,057	Travis and Jennifer Capson	TD Ameritrade #5789
13	30,633,998	<b>Total</b>	

14 On December 4, 2019, the date of the creation of the Receivership Estate and entry of the  
15 TRO, URHG stock was trading at \$.06/share. As of April 13, 2020, days after the reporting period in  
16 the Receiver’s First Status Report ended, URHG shares were trading at \$.02/share. The shares have  
17 fluctuated in value since then, not exceed \$.06/share. The Receiver has entered into an agreement to  
18 sell 10,144,506 of the URHG Receivership Shares to a third party, subject to approval by the Court  
19 and a motion is being filed concurrently with the Plan. Most, if not all, of the remaining URHG  
20 Receivership Shares will be distributed to Investor Claimants that have expressed an interest in  
21 receiving the shares as a credit against their Allowed Claims. In the event that such distribution  
22 cannot occur, the Receiver will attempt to liquidate the shares.

### 23 **E. URHG, UMRC, and the Sparks Real Property**

24  
25 The Receivership holds claims to recover approximately \$677,793.37 that was transferred by  
26 Denari to URHG, United Milling and Refining Corp. (“UMRC”), and Dun Glen Mining Corporation  
27 (“Dun Glen”), , which may be avoidable transfers which are recoverable for the benefit of the  
28 Receivership Estate. UMRC is a subsidiary of URHG and co-owns certain real property at 399 Wild

1 Horse, Sparks Nevada (the “Nevada Real Property”) with Springbok Development Inc., a Nevada  
 2 corporation (“Springbok”). A deed of trust recorded against the Nevada Real Property (the “Denari  
 3 Lien”) was given by UMRC (signed by Capson as President) in connection with a promissory note  
 4 given by Denari to a Denari investor. That Denari investor confirmed to the Receiver that the amount  
 5 due under that promissory note has been satisfied, and assigned the Denari Lien to the Receiver on  
 6 behalf of the Receivership Estate. Additionally, certain transfers were made by Denari to URHG,  
 7 UMRC, and/or Dun Glen in connection with loans or gifts, which may be avoidable transfers which  
 8 are recoverable for the benefit of the Receivership Estate. Last, entry of the TRO caused certain  
 9 funds in a URHG account in the amount of approximately \$58,000 to be frozen (the “Frozen Funds”).

10 The Receiver has entered into a settlement agreement with URHG and UMRC, subject to  
 11 Court approval. The settlement will result in: (i) payment to the Receivership Estate of approximately  
 12 \$58,000; and (ii) payment to the Receivership Estate of \$150,000 from the sale of the real property  
 13 located at 399 Wild Horse, Sparks, Nevada. The Denari Lien will be surrendered in connection with  
 14 the settlement. The proceeds of the settlement constitute part of the funds being used to fund the  
 15 distributions under this Plan.

#### 16 **IV. Claims; Classes; and Treatment.**

##### 17 **A. The Allowed Claims.**

18 The Claims Bar Date was set for April 6, 2020. The Receiver received 19 claims prior to the  
 19 Bar Date and one claim a few days late. The Receiver excused the tardiness of the one claim because  
 20 of a problem with service of the notice on the claimant. One of the submitted claims was  
 21 subsequently withdrawn. The Receiver has communicated with all claimants<sup>1</sup> regarding their claims  
 22 and believes that all claimants agree with the amount of their claims well as the proposed treatment of  
 23 their claim as set forth below:  
 24

25  
 26  
 27  
 28 <sup>1</sup> Each investor has been assigned an Investor I.D. Number to protect their confidentiality and they  
 have been notified of their unique I.D. Number so that they can identify their claim in public filings.

<b>I.D. No.</b>	<b>Allowed Net Claim Amount</b>	<b>Proposed Treatment of Claims</b>
1	\$ 200,000	Class 3 pro rata cash distribution
2	\$ 107,020	Class 3 pro rata cash distribution on \$97,020 cash claim; Class 4 asset distribution of 1,000,000 URHG shares
3	\$ 20,000	Class 3 pro rata cash distribution
4	\$ 100,000	Class 3 pro rata cash distribution
5	\$ 100,000	Class 3 pro rata cash distribution on \$92,500 cash claim; Class 4 asset distribution of 750,000 URHG shares
6	\$ 405,845	Class 3 pro rata cash distribution on up to \$405,845; or Class 4 asset distribution of up to 18,363,792 URHG shares, plus reduced Class 3 cash claim. Total consideration not to exceed allowed amount of claim
7	\$ 79,986	Class 3 pro rata cash distribution
8	\$ 177,720	Class 3 pro rata cash distribution
9	\$ 3,757	Class 4 asset distribution of 375,500 URHG shares
10	Settled	Class 4 asset distribution of 157,593 Directly Held National Gold Shares and 42,407 Indirectly Held National Gold Shares (200,000 total National Gold shares)
11	\$ 595,337.14	Class 4 asset distribution of 91,242 Indirectly Held National Gold Shares
12	\$ 769,950	Class 4 asset distribution of 118,454 Indirectly Held National Gold Shares
13	\$ 348,250	Class 4 asset distribution of 53,577 Indirectly Held National Gold Shares
14	\$ 106,750	Class 4 asset distribution of 16,423 Indirectly Held National Gold Shares
15	\$ 168,333	Class 4 asset distribution of 25,897 Indirectly Held National Gold Shares
16	\$ 80,000	Pro rata cash distribution
17	Withdrawn	No distribution
18	\$ 19,000	Pro rata cash distribution
19	\$ 800	Class 4 priority payment

## **B. Classes of Claimants.**

The Receiver has categorized the Allowed Claims into certain classes, as follows:

- Class 1: Administrative Claims
- Class 2: Priority Claims
- Class 3: Investor and Creditor Claims – Cash Distribution
- Class 4: Investor Claims – Non-Cash Distribution

1 Class 5: Distribution of Surplus Funds

2 **C. Treatment of Classes.**

3 The Receiver's proposed treatment of each class is set forth below. With respect to holders of  
4 Allowed Investor Claims, whether in Class 3 or Class 4, such Allowed Claims will be treated equally  
5 in that such holders will receive a pro rata distribution of assets from the Receivership Estate, only  
6 the form of that distribution will vary. Also, some Investor Claimants holding Allowed Claims have  
7 elected to receive URHG Receivership Shares as a credit against their allowed cash claim amounts,  
8 and those Investor Claimants shall have Allowed Claims in Classes 3 and 4.

9 **1. Class 1 – Administrative Claims.** Class 1 consists of the holders of Allowed  
10 Administrative Claims. It is contemplated these Administrative Claims will consist primarily of the  
11 Receiver's fees and costs and the fees and costs of professional retained by the Receiver. Except if a  
12 holder of an Allowed Administrative Claim agrees to a less favorable treatment of such Claim in full  
13 and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim, each  
14 holder of an Allowed Administrative Claim will receive a cash distribution in the full amount of its  
15 Allowed Administrative Claim; provided, however, that where required, a motion will be filed with  
16 the Court and entry of an order will be a condition precedent to distributions.

17 **2. Class 2 – Priority Claims.** Class 2 consists of Allowed Priority Claims.  
18 Allowed Priority Claims consist substantially, if not entirely, of tax claims. As of the filing of the  
19 Plan, one tax claim for \$800 was submitted by the California Franchise Tax Board. Other anticipated  
20 tax claims that would constitute Priority Claims are tax liability at both the federal and state levels  
21 attributable to the sale and disbursement of securities. Except if a holder of an Allowed Priority  
22 Claim agrees to a less favorable treatment of such Claim in full and final satisfaction, settlement,  
23 release, and discharge of, and in exchange for, such Claim, each holder of an Allowed Priority Claim  
24 will receive full payment on account of its Allowed Priority Claim, or funds will be reserved to pay  
25 such Allowed Priority Claim, prior to disbursement of any cash or securities to holders of Allowed  
26 Claims in Classes 3 and 4.

27 **3. Class 3 – Investor and Creditor Claims – Cash Distribution.** Class 3  
28 consists of holders of Allowed Investor Claims which have been calculated using the net investment

1 methodology approved by the Court by order entered on February 6, 2020 (Doc. No. 47), and one  
2 Creditor Claim. Holders of Allowed Investor Claims accepting URHG Receivership Shares as a  
3 credit against their cash distribution shall fall into both Class 3 and Class 4. Class 3 claimants will  
4 receive a pro rata cash distribution from the funds remaining following payment in full to Class 1 and  
5 2 claimants. Each of the claimants in Class 3 are investors, except for Claim No. 18 which is the  
6 claim of Duff & Phelps in the amount of \$19,000 for services provided to Denari pre-receivership.  
7 Except if a holder of an Allowed Investor Claim agrees to a less favorable treatment of such Claim in  
8 full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim, each  
9 holder of an Allowed Investor Claim in Class 3 will receive its *pro rata* share of the cash available,  
10 which shall also be pro rata with holders of Allowed Investor Claims in Class 4.

11 **4. Class 4 – Investor Claims – Non-Cash Distribution.** Class 4 consists of  
12 holders of Allowed Investor Claims accepting a non-cash asset distribution from the Receivership  
13 Estate. Holders of Allowed Investor Claims in Class 4 have agreed with the Receiver to this  
14 treatment. Holders of Allowed Investor Claims accepting URHG Receivership Shares as a credit  
15 against their cash distribution shall fall into both Class 3 and Class 4. Except if a holder of an  
16 Allowed Investor Claim agrees to a less favorable treatment of such Allowed Claim, in full and final  
17 satisfaction, settlement, release, and discharge of, and in exchange for, such Claim, each holder of an  
18 Allowed Investor Claim in Class 4 will receive its *pro rata* share of certain non-cash assets available  
19 to satisfy the Allowed Claims in such class, such that holders of Allowed Investor Claims in Class 4  
20 will be treated *pro rata* with holders of Allowed Investor Claims in Class 3.

21 **5. Class 5 – Surplus Funds.** Class 5 will include all Investor Claimants holding  
22 Allowed Claims who received payment as contemplated under the Plan in full under Class 3 and  
23 distribution of non-cash assets in Class 4, who will share on a *pro rata* basis based on the allowed  
24 amount of their Allowed Claims in any surplus funds that remain following distribution in full to  
25 Classes 1, 2, 3 and 4.

26 **V. Means for Implementation; Methods of Distribution.**

27 **A. Priority of Payment of Claims.**

28 Allowed Claims receiving cash shall be paid from the Plan Fund in the following priority:

1           **1. Class 1 – Administrative Claims:** Holders of Allowed Administrative Claims shall  
 2 be paid in full, in full and final satisfaction, settlement, release, and discharge of, and in exchange for  
 3 such Allowed Administrative Claims as first priority from the Plan Fund. The Receiver shall reserve  
 4 sufficient funds to pay projected Allowed Administrative Claims in Class 1 through the close of the  
 5 Receivership Estate.

6           **2. Class 2 – Priority Claims:** Holders of Allowed Priority Claims in Class 2 shall be  
 7 paid in full, in full and final satisfaction, settlement, release, and discharge of, and in exchange for  
 8 such Allowed Priority Claims as second priority from the Plan Fund after satisfaction in full of  
 9 Allowed Administrative Claims, including any reserve deemed necessary by the Receiver in her sole  
 10 discretion. The Receiver shall reserve sufficient funds to pay projected Allowed Priority Claims in  
 11 Class 2 through the close of the Receivership Estate.

12           **3. Class 3 – Investor and Creditor Claims – Cash Distribution:** Holders of Allowed  
 13 Investor Claims in Class 3 (*i.e.*, accepting cash distributions) shall be as third priority on a *pro rata*  
 14 basis up to the full amount of each holder’s Allowed Claim, in full and final satisfaction, settlement,  
 15 release, and discharge of, and in exchange for such Allowed Investor Claim. The Receiver shall not  
 16 be obligated to make any payment to holders of Allowed Claims in Class 3 if there are not sufficient  
 17 funds to pay all Allowed Claims in Class 1 and 2 Claims in full.

18           **4. Class 4 – Investor Claims – Non-Cash Distribution:** Holders of Allowed Investor  
 19 Claims in Class 4 will receive under the Plan either (i) shares of National Gold (as detailed below),  
 20 (ii) shares of URHG as a credit against their cash distribution, or (iii) in the Receiver’s sole  
 21 discretion, subject to Court approval, the Nevada Real Property or the Denari Lien.

22                   **a. National Gold Shares:** Certain Investor Claimants shall receive  
 23 National Gold shares in the amounts listed below, some of which will be distributed from the  
 24 Indirectly Held National Gold Shares that will be redeemed from Sierra Gold, and some of which will  
 25 be distributed from the Directly Held National Gold Shares, as follows:

Investor ID	Indirectly Held National Gold Shares	Directly Held National Gold Shares
10	42,407	157,593

11	91,242	0
12	118,454	0
13	53,577	0
14	16,423	0
15	25,897	0

The Receiver has executed an agreement that with Sierra Gold that would: (i) settle any claims Sierra Gold may have against the Receivership Estate concerning the management of Sierra Gold; (ii) transfer management of Sierra Gold to an existing investor in Sierra Gold who elected not to pursue a claim against the Receivership but rather retain his Sierra Gold interest (the “New Sierra Gold Manager”); (iii) surrender Denari’s interest in Sierra Gold (87% of the interests) in exchange for the transfer of the Indirectly Held National Gold Shares to the Investor Claimants who have elected to receive National Gold shares; and (iv) provide for the cost-efficient distribution of the Indirectly Held National Gold Shares to the Investor Claimants or their designees. The Receiver has also negotiated separate agreements with the applicable Class 4 Investor Claimants, all but one of whom have designated Sierra Gold as the entity to receive their National Gold Shares. Both of those agreements are subject to approval of the Plan. Those Investor Claimants wishing to hold their National Gold interests through Sierra Gold will negotiate separate subscription agreements with the New Sierra Gold Manager under which they will receive Sierra Gold interests, and those agreements will be executed outside the Receivership

**b. URHG Shares:** The Receiver filed a motion simultaneously with this Motion seeking authority to sell 10,144,506 of those URHG Shares at \$0.01/share. The Receivership Estate will then remain in control of 20,489,492 URHG Shares, which the Receiver proposes to distribute to the holders of Allowed Investor Claims in Class 4 as follows:

<b>Investor ID</b>	<b>URGH Shares</b>
2	1,000,000
5	750,000
6	Up to 18,363,792
9	375,700

1 (the “URHG Investors”). The Receiver may delay such distribution to holders of Allowed Claims in  
2 Class 4 until such time as the tax liability for the liquidation of the National Gold Shares and/or  
3 URHG Shares has been established. Distributions made to holders of Allowed Claims in Class 4  
4 shall comply with all securities law requirements.

5 **5. Class 5 – Surplus Funds.** To the extent there is any surplus of cash or assets  
6 available, with respect to holders of Allowed Investor Claims in Classes 3 and 4, such funds may be  
7 available to holders of such Allowed Investor Claims on a gross investment method basis, pro rata  
8 with all holders of Allowed Investor Claims.

9 **B. Interim Distributions.**

10 The Receiver shall endeavor to make an interim distribution as soon as practicable after final  
11 approval of the Plan of Distribution. The Receiver anticipates that a final distribution will occur after  
12 her receipt of final tax clearance from the IRS at the end of the case upon closure of the Receivership  
13 Estate. The Receiver shall have the authority to retain a reserve from the Plan Fund to ensure that  
14 sufficient funds will be available to pay: (i) Allowed Claims in Classes 1 and 2 in full through the  
15 close of the Receivership Estate; (ii) any and all estimated tax liability generated from the  
16 transactions contemplated under the Plan; (iii) the fees and costs to wind up the Receivership Estate,  
17 which shall constitute Allowed Administrative Claims in Class 1; and (iv) any unanticipated costs of  
18 the Receivership Estate, in an amount not to exceed \$20,000.00.

19 **C. Final Distribution.** Following the distribution of cash, securities, and other assets of  
20 the Receivership Estate pursuant to the terms of the Plan, the Receiver shall prepare and file final tax  
21 returns and, upon receipt of final tax clearance, shall seek authority from the Court to make a final  
22 distribution of any funds remaining at the time that final tax clearance is received pursuant to the Plan  
23 as set forth herein. Notwithstanding anything contained in the Plan to the contrary, the allowance,  
24 classification and treatment of all Allowed Claims and their respective distributions and treatments  
25 under this Plan take into account and conform to the relative priority and rights of the Claims and in  
26 each class with due regard to any contractual, legal and equitable subordination rights relating  
27 thereto. As of entry of an order approving the Plan, any and all such rights described in the preceding  
28 sentence are settled and compromised pursuant to the Plan. Entry of an order approving the Plan will

1 constitute the Court's finding and determination that the settlements reflected in the Plan are (1) in  
2 the best interests of the Receivership Estate and all holders of Claims, (2) fair, equitable and  
3 reasonable, (3) made in good faith, and (4) approved by the Court pursuant to applicable law

4 **D. Distribution of National Gold Shares and URHG Shares is Compliance with**  
5 **Securities Regulations.**

6 The Receiver intends to direct the transfer of the Indirectly Held National Gold Shares to  
7 certain holders of Allowed Investor Claims in Class 4, and to distribute the Directly Held National  
8 Gold Shares to a certain holder of an Allowed Investor Claim in Class 4. Certain holders of Allowed  
9 Investor Claims in Class 4 have agreed to accept, in full and final satisfaction, settlement, release, and  
10 discharge of, and in exchange for, their Allowed Investor Claims, those National Gold shares.

11 The Receiver has provided the Investor Claimants receiving National Gold shares with  
12 disclosure information provided to the Receiver by the president of National Gold, and the Receiver  
13 has informed those Investor Claimants that she has not conducted any further due diligence with  
14 respect to National Gold. The Receiver has received declarations from each of these Investor  
15 Claimants that they are accredited investors, as defined in 17.C.F.R. § 230.501(a). In addition, they  
16 have provided the Receiver with written representations that an investment in National Gold is  
17 suitable based on their investment objections and financial needs and are in a position to withstand a  
18 complete loss of their investments in National Gold.

19 The Receiver has advised these Investor Claimants that they may designate who they wish to  
20 receive the distribution of their National Gold shares, and the Receiver has been informed that all but  
21 one of them have elected to designate Sierra Gold as the recipient of the National Gold share  
22 distributions. The Receiver makes no representations or warranties with respect to Sierra Gold, its  
23 management, its investment strategy, or any other aspects of Sierra Gold's ongoing business. A  
24 current member of Sierra Gold has agreed to assume the responsibility of Sierra Gold as managing  
25 member and has revised the operating agreement substantially with respect to Sierra Gold's  
26 continued operation. The Receiver makes no representations or warranties as to any aspect of the  
27 revised operating agreement or the management of Sierra Gold, and notes that any decision to by  
28 these Investor Claimants to place their shares in Sierra Gold after distribution is a decision that is not

1 subject to review by or advice from the Receiver. The Receiver has been advised that Sierra Gold  
2 does not intend to register with the Securities and Exchange Commission (the “SEC”) as an  
3 investment company, nor does it intend to register the membership interests issued by Sierra Gold,  
4 and the Receiver makes no representation or warranty regarding the appropriateness of the  
5 designation of Sierra Gold as the holder of the National Gold shares by an Investor Claimant .

6 Otherwise, the distribution of National Gold shares to these Investor Claimants or their  
7 designees (including Sierra Gold) complies with applicable securities laws and regulations. *See* 15  
8 U.S.C. § 77d(a)(1) (exempting “transactions by any person other than an issuer, underwriter, or  
9 dealer”). The Receiver is not the issuer of National Gold interests, nor is the Receiver an underwriter  
10 within the meaning of 15 U.S.C. § 77b(a)(11) or 17 C.F.R. § 230.144 (commonly known as Rule  
11 144), nor is the Receiver a dealer within the meaning of 15 U.S.C. § 77b(a)(12). The Receiver  
12 understands that Sierra Gold intends to rely on Rule 506 of SEC Regulation D, which exempts an  
13 issuer from registering securities that it offers or sells so long as the offering is not accompanied by a  
14 general solicitation and is made only to accredited investors and a limited number of unaccredited  
15 investors. 17 C.F.R. § 230.506(b). However, the Receiver does not make any representation or  
16 warranty as to Sierra Gold’s compliance with applicable securities laws and regulations after the  
17 distribution is finalized.

18 Furthermore, the distribution of URHG Shares complies with applicable securities laws and  
19 regulations, and has received representations from the claimants receiving URHG Shares that (i) they  
20 are taking those shares for their own account and have no intent to dispose of their URHG shares in a  
21 manner contrary to the Securities Act of 1933, (ii) that they understand that URHG may be a “penny  
22 stock” within the meaning of the Securities Exchange Act of 1934, and (iii) that an investment in  
23 URHG is suitable for their investment needs.

#### 24 **E. Tax Treatment and Apportionment of Tax Liability**

25 The Receivership Estate shall be treated as a Qualified Settlement Fund (“QSF”) effective as  
26 of the date of the commencement of the Receivership Estate, December 4, 2019. The assets of the  
27 Receivership Defendants became property of the QSF as of December 4, 2019. The Receiver has  
28 valued the assets of the Receivership Entities as of December 4, 2019. The sale or distribution of

1 securities under the terms of this Plan shall be treated as taxable events if required by law. The  
2 Receiver is authorized to use the Plan Fund to pay any and all tax liability generated from the sale  
3 and transfer of securities in connection with this Plan. No distributions to holders of Allowed Claims  
4 in Classes 3, 4, or 5 shall be paid until such time as the Receiver, in her sole discretion, determines  
5 that sufficient funds are reserved to pay all taxes which constitute Allowed Priority Claims in full.

6 There are a number of material income tax considerations, risks, uncertainties associated with  
7 the Plan. The U.S. Federal income tax consequences of the Plan are complex. Nothing herein shall  
8 constitute tax advice. The tax consequences are in many cases uncertain and may vary depending on  
9 a holder's particular circumstances. Accordingly, holders are urged to consult their tax advisors  
10 about the U.S. federal, state, and local and applicable foreign income and other tax consequences of  
11 the Plan.

#### 12 **F. Plan Notice**

13 1. The Receiver will file the Distribution Plan and a notice of hearing for approval of the  
14 Distribution Plan ("Plan Notice").

15 2. The Plan Notice will contain the principal elements of the Distribution Plan, an  
16 objection deadline, the hearing date, time and place, and the web address of where the complete Plan  
17 can be reviewed online. The Plan Notice will also offer interested parties the right to request a hard  
18 copy of the Plan by regular mail.

19 3. The Receiver will serve the Plan Notice on all Unsecured Creditors, Investors and  
20 parties in interest as follows:

- 21 a. By ECF on those parties that have an account on the District Court's website;
- 22 b. By email where the email address is known to be valid and current;
- 23 c. By regular mail where an email address is not known or is known to be invalid.

24 4. The Receiver shall post the Plan Notice and the Distribution Plan on the Receiver's  
25 website at: <http://www.diamondmccarthy.com/denarireceiver>.

#### 27 **VI. Administrative Matters**

1           **A. Disclaimer.** This Plan and its contents were compiled from and based upon  
2 information obtained from numerous sources believed to be accurate to the best of the Receiver's  
3 knowledge, information, and belief. Except as otherwise indicated, no governmental authority has  
4 passed on, confirmed or determined the accuracy or adequacy of the information contained herein.  
5 Nothing stated in the Plan shall be (i) deemed or construed as an admission of any fact or liability by  
6 any party, (ii) admissible in any proceeding involving the Receiver or any other party, or (iii) deemed  
7 conclusive evidence of the tax or other legal effects of the Plan on the Receiver, the Receivership  
8 Defendants, or holders of claims or interests. Certain statements contained herein, by nature, are  
9 forward-looking and contain estimates and assumptions. There can be no assurance that such  
10 statements will reflect actual outcomes. Each holder of a claim or interest should consult with its  
11 own legal, business, financial and tax advisors as to any such matters concerning the Plan and the  
12 transactions contemplated hereby.

13           **B. No Revesting of Assets.** Assets of the Receivership Estate shall not be vested in any  
14 of the Receivership Defendants on or following entry of an order by this Court approving the Plan,  
15 but shall be vested in the Receivership Estate, and continue to be subject to the jurisdiction of the  
16 Court following approval of the Plan until such property is distributed to holders of Allowed Claims  
17 in accordance with the provisions of this Plan.

18           **C. Preservation of Receivership Estate Litigation Assets.** Unless a Cause of Action  
19 which is an asset of the Receivership Estate is expressly waived, relinquished, released, compromised  
20 or settled in the Plan or any supplement or exhibit to the Plan, the Receiver expressly reserves for the  
21 benefit of the Receivership Estate such Cause of Action as a litigation asset to be vested in the  
22 Receivership Estate. The failure of the Receiver to list a claim, right, Cause of Action, cause of  
23 action, suit or proceeding shall not constitute a waiver or release on behalf of the Receivership Estate  
24 of such claim, right of action, suit or proceeding. No entity may rely on the absence of a specific  
25 reference in the Plan to any Cause of Action or other litigation asset against them as any indication  
26 that the Receiver will not pursue any and all such claims against them for the benefit of the  
27 Receivership Estate.

1           **D.       Compromise and Settlement.** Notwithstanding anything contained in this Plan to the  
2 contrary, the allowance, classification and treatment of all Allowed Claims and their respective  
3 distributions and treatments under this Plan take into account and conform to the relative priority and  
4 rights of the Claims and in each class with due regard to any contractual, legal and equitable  
5 subordination rights relating thereto. As of entry of an order approving this Plan, any and all such  
6 rights described in the preceding sentence are settled and compromised pursuant to this Plan. Such  
7 order will constitute the Court's finding and determination that the settlements reflected in this Plan  
8 are (1) in the best interests of the Receivership Estate and all holders of Claims, (2) fair, equitable and  
9 reasonable, (3) made in good faith, and (4) approved by the Court pursuant to applicable law.

10           **E.       Delivery of Distributions and Undeliverable or Unclaimed Distributions.**  
11 Distributions to holders of Allowed Claims shall be made at the addresses set forth on the submitted  
12 Proofs of Claim filed by such holders. If the distribution to any holder of an Allowed Claim is  
13 returned to the Receiver as undeliverable, no further distributions shall be made to such holder unless  
14 and until the Receiver is notified in writing of such holder's then-current address, at which time all  
15 missed distributions shall be made to such holder without interest. If a distribution is returned as  
16 undeliverable, the Receiver shall use reasonable efforts to determine such investor or creditor's then-  
17 current address. Any holder of an Allowed Claim that does not assert a claim pursuant to this Plan  
18 for an unclaimed distribution within three (3) months after final distribution date shall be deemed to  
19 have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred  
20 and enjoined from asserting any such Claim for an unclaimed distribution against the Receivership  
21 Defendants and the Receivership Estate. In any such cases, any cash otherwise reserved for  
22 unclaimed distributions shall become property of the Receivership Estate free of any restrictions  
23 thereon and notwithstanding any federal or state escheat laws to the contrary and shall be distributed  
24 in accordance with the terms of this Plan. Nothing contained in this Plan shall require the Receiver to  
25 attempt to locate any holder of an Allowed Claim.

26           **F.       Interest on Claims.** Interest shall not accrue or be paid on any Allowed Claims.  
27  
28

1           **G.     *De Minimis* Distribution Provisions.** No distribution shall be required to be made  
2 hereunder to any holder of an Allowed Claim unless such holder is to receive in such distribution at  
3 least \$50.00, except if such amount is the final distribution to such holder.

4           **H.     Conditions to the Effective Date of the Plan.**

5           a.     The following are conditions precedent to the occurrence of the effective date of the  
6 Plan, each of which must be satisfied or waived in writing:

- 7                   i.    A final Order approving this Plan shall have been entered by the Court, and  
8                   shall provide that the Receiver is authorized and directed to take all actions  
9                   necessary or appropriate to enter into, implement, and consummate the  
10                  transactions contemplated by the Plan;  
11                  ii.   Approval of the settlement agreement with Sierra Gold, the transfer  
12                  agreements with the Investor Claimants receiving National Gold shares, the  
13                  transfer agreements with the Investor Claimants receiving URHG shares, the  
14                  settlement agreement with Investor 10, and the sale agreement of URHG  
15                  shares to a third party.  
16                  iii.   All other actions, documents, and agreement necessary to implement this Plan  
17                  shall have been effected or executed; and  
18                  iv.   The Receiver shall have sufficient cash or other resources to fund the  
19                  distributions contemplated by the Plan.

20           b.     If an Order approving the Plan is entered but any of the above-listed conditions  
21 precedent are not satisfied within a reasonable time thereafter, in the Receiver's sole discretion, the  
22 Receiver reserves the right to seek an order from the Court directing that the Order be vacated and  
23 that this Plan be null and void in all respects.

24           **I.     Jurisdiction of Court.** Notwithstanding approval of this Plan, and except as  
25 otherwise provided by applicable law, the Court shall retain such jurisdiction as is legally  
26 permissible, including for the following purposes:

- 27                   1.   To interpret and enforce this Plan;  
28

2. Allowed Claims shall be subject to the jurisdiction of the District Court for the Northern District of California;
3. To determine any and all applications for Administrative Claims;
4. To modify the Plan to remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Order confirming the Plan so as to carry out its intent and purpose; and
5. To resolve any disputes concerning whether any entity or person had sufficient notice of the Receivership, the Claims Bar Date, and the hearing to consider approval of the Plan.

**J. Reports to the Court and to Claimants.** The Receiver shall file a written report with the Court no less than every 120 days regarding the status of efforts to implement this Distribution Plan. The Receiver shall post a copy of her written report, which may be part of the quarterly report, on the Receiver’s website in order to provide notice to claimants.

**K. Adjustments and Amendments.** To carry out the purposes of the Distribution Plan, the Receiver may make adjustments to the Distribution Plan, consistent with the purposes and intent of the Distribution Plan, subject to approval of the Court.

**L. Possible Avoidance Actions and Retained Claims.** All Causes of Action, including possible Avoidance Actions, are to be preserved by and for the Receivership Estate. The Receiver for the Receivership Estate expressly preserves such Causes of Action for later adjudication, and nothing herein waives the right to bring such Causes of Action unless the Cause of Action has been settled in this Distribution Plan.

**M. Notices.** All notices or requests in connection with this Plan shall be in writing and will be deemed to have been given when received by mail or email and addressed to:

Receiver: Kathy Bazoian Phelps, Receiver  
Diamond McCarthy LLP  
1999 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067  
[kphelps@diamondmccarthy.com](mailto:kphelps@diamondmccarthy.com)  
(310) 651-2997

1 With a copy to: CHRISTOPHER D. SULLIVAN (148083)  
2 csullivan@diamondmccarthy.com  
3 DIAMOND MCCARTHY LLP  
4 150 California Street, Suite 2200  
5 San Francisco, CA 94111  
6 Phone: (415) 692-5200

Counsel to Temporary Receiver

7 **N. No Admissions or Waiver.** Notwithstanding anything herein to the contrary, nothing  
8 contained in this Plan shall be deemed an admission or waiver by the Receiver with respect to any  
9 matter set forth herein, including liability on any Claim or the propriety of a Claim's classification.

10 **O. Completion of Plan.**

- 11 1. Provided that all of the investments have either had a liquidity event or have failed,  
12 the Receiver will complete the distributions required by the Plan within one year  
13 from date the Plan is approved by the Court, unless an application is filed with and  
14 approved by the Court to extend the time to complete the distributions.
- 15 2. If the Receiver determines that the Receiver has concluded her duties and  
16 obligations under the Receivership appointment orders issued by the Court, as may  
17 have been amended, the Receiver may apply to the Court for an Order terminating  
18 the Receivership.
- 19 3. Any order terminating the Receivership shall provide for the Receiver to file a  
20 final accounting providing schedules identifying: (i) all assets, their source and  
21 value; and (ii) all liabilities, the nature and amount of such claims.
- 22 4. The Receiver shall preserve all records and documents obtained during the  
23 Receivership until a date that is 1 year following the close of the Receivership.

1                   5. To the extent that it is not expressly superseded by, or clearly contrary to, the  
2                   provisions of this Distribution Plan, the TRO shall remain in full force and effect,  
3                   unless superseded by an Amended Order Appointing Receiver.  
4

5 DATED: August 27, 2020

DIAMOND McCARTHY LLP

6  
7 By: /s/ Christopher D. Sullivan  
8       Counsel for Kathy Bazoian Phelps, Temporary  
9       Receiver  
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# EXHIBIT 2

## SETTLEMENT AGREEMENT

This Settlement and Interest Transfer Agreement (the “Agreement”) is made as of August 24, 2020 among Kathy Bazoian Phelps, solely in her capacity as Temporary Receiver (the “Receiver”) in the case *Commodity Futures Trading Commission v. Denari Capital LLC, Travis Capson, and Arnab Sarkar*, Case No. 3:19-cv-07284-EC (the “Receivership Case”) pending in the U.S. District Court for the Northern District of California (the “District Court”), Arnab Sarkar (“Sarkar”), Alan Maeda (“Maeda”), Xiaoyan Wu (“Wu”), and Sierra Gold LLC (“Sierra Gold”) (each a “Party” and collectively, the “Parties”).

### RECITALS

A. On December 4, 2019, the District Court entered the Consent Order for Preliminary Injunction and Other Ancillary Relief Against Defendants (ECF No. 37) granting injunctive and other equitable relief against Denari Capital LLC (“Denari”), Travis Capson, and Arnab Sarkar (collectively, the “Receivership Defendants” and their estates created under the Consent Order, the “Receivership Estate”), and appointing Kathy Bazoian Phelps as the temporary receiver over the Receivership Defendants.

B. On February 6, 2020, the District Court entered an Amended Order (Doc. No. 47) granting the Receiver’s Administrative Motion (Doc. No. 42) and establishing, among other things, a claims bar date of April 6, 2020.

C. Denari holds an 87% interest in Sierra Gold, the primary purpose of which is to hold shares of National Gold Mining Corp. (“National Gold”). Sierra Gold’s sole asset is 400,000 shares of National Gold. Sierra Gold is currently managed by Sarkar.

D. The remaining 13% in Sierra Gold is held by Maeda and Wu. Maeda wishes to continue to operate Sierra Gold as its new managing member.

E. Certain claimants with a claim against the Receivership Estate have requested to receive shares in National Gold in whole or partial satisfaction of that claim (the “National Gold Claimants”).

F. The Receiver will move the court in the Receivership Case for a plan of distribution (the “Distribution Plan”) that includes as a component the transfer of certain National Gold shares held in Sierra Gold to the National Gold Claimants (the “Receiver’s Motion”).

G. The Receiver has requested a distribution of 87% of the National Gold shares from Sierra Gold. The Sierra Gold Current Operating Agreement (defined below) contains ambiguities regarding distribution of Sierra Gold property to the members. The Parties have all agreed that the distribution requested by the Receiver is acceptable on the terms set forth in this Agreement.

H. The Parties intend to take all actions necessary to effectuate the transfer of shares as set forth in the Distribution Plan.

NOW THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the Parties agree as follows:

## AGREEMENT

### 1. Additional Definitions

- a. All terms defined in the Preamble and Recitals shall have the meanings ascribed to them throughout this Agreement.
- b. The “Closing Date” shall be the date upon which all transfers required to be made under Section 6 of this Agreement have been completed and the Receiver is satisfied that all other Parties have performed their obligations under this Agreement.
- c. The “Current Operating Agreement” shall be the operating agreement of Sierra Gold in effect at the time of this Agreement.
- d. The “Effective Date” shall be the date upon which the District Court approves the Receiver’s Motion.
- e. The “Future Governing Documents” shall be the Future Operating Agreement, any subscription documents, any disclosures, or any other documents concerning the operation of Sierra Gold following the Effective Date.
- f. The “Future Operating Agreement” shall be that amended and restated operating agreement drafted by Maeda in or around July 2020, in which the Receiver and Receivership Defendants have taken no part.
- g. The “National Gold Transfer Agent” shall be the transfer agent designated by National Gold to effectuate the transfer of National Gold Shares as set forth in this Agreement.
- h. The “Non-Designee Claimants” shall be those National Gold Claimants who did not designate Sierra Gold as the National Gold Shares Designee pursuant to the terms of such claimant’s Share Transfer Agreement.
- i. The “Non-Designee Shares” shall be the total National Gold shares attributable to the Non-Designee Claimants.
- j. The “Receivership National Gold Shares” shall be the 348,000 National Gold shares held by Sierra Gold attributable to the Receivership Estate’s interest in Sierra Gold.
- k. A “Share Transfer Agreement” is an agreement that will be executed among the Receiver and each of the National Gold Claimants concerning the transfer of National Gold Shares currently held in Sierra Gold to those claimants or their designees, as provided therein.

1. The “Sierra Gold Designee Claimants” shall be those National Gold Claimants who designated Sierra Gold as the National Gold Shares Designee pursuant to the terms of such claimant’s Share Transfer Agreement.
2. **Subject to Court Approval.** This Agreement shall be subject to the District Court’s approval of the Receiver’s Motion. In the event that the District Court denies the Receiver’s Motion, in whole, or in part in a way that impacts this Agreement as determined by the Receiver in her sole discretion, this Agreement shall be void *ab initio*.
3. **Exchange of National Gold Shares for Sierra Gold Interests**
  - a. As of the Effective Date, Sierra Gold shall be deemed to have transferred the Receivership National Gold Shares to the Receivership Estate, the Receiver shall be deemed to have surrendered to Sierra Gold the 87% interest in Sierra Gold. Sierra Gold shall deliver such shares to the designees of the Receivership Estate as provided herein. The Parties acknowledge that if this Agreement is not performed in full, the foregoing transfers will be deemed to be void *ab initio*.
  - b. The transfers of the National Gold shares as set forth herein will be deemed to be a distribution of partnership property to a partner as of the Effective Date in exchange for redemption of Denari’s interest in Sierra Gold, and Parties agree that in lieu of the actual transfer of the Receivership National Gold Shares to the Receivership Estate, the Receivership National Gold Shares shall be transferred in accordance with Section 5 of this Agreement.
  - c. The Parties agree that the foregoing procedure, and the procedures set forth in the remainder of this Agreement, shall be permitted as valid corporate acts of Sierra Gold.
  - d. Between the Effective Date and the Closing Date: (i) the Receivership National Gold Shares shall be owned by the Receivership Estate; (ii) Sierra Gold shall hold the Receivership National Gold Shares in trust for the benefit of the Receivership; and (iii) Sierra Gold undertakes not to take any actions concerning the Receivership National Gold Shares inconsistent with this Agreement without the express written permission of the Receiver.
4. **Change in Managing Member of Sierra Gold.** As of the Effective Date, by operation of this Agreement and on the unanimous consent of the current Sierra Gold members as reflected in this Agreement: Sarkar shall relinquish all rights he has to manage or otherwise participate in Sierra Gold and Maeda shall be appointed manager of Sierra Gold.
5. **New Operating Agreement.** Immediately following the change in the managing member of Sierra Gold as set forth in Section 4, Maeda and Wu, as the only two Sierra Gold members at such time, unanimously agree to adopt the Future Operating Agreement as the operating agreement in effect and for the lawful operations of Sierra Gold, and the Current Operating Agreement shall be deemed to no longer be in effect. All Parties agree

that such adoption shall have occurred after the Receivership Estate shall have redeemed its interest in Sierra Gold and without the involvement of the Receivership Estate.

**6. Transfer of National Gold Shares**

- a. On or before the Effective Date, the Receiver shall disclose to Sierra Gold the identity of the Sierra Gold Designee Claimants and the number of National Gold shares to be transferred to said claimants.
- b. Within five business days following the Effective Date, Maeda and Sierra Gold shall execute a subscription agreement with each of the Sierra Gold Designee Claimants. Sierra Gold shall bear the sole responsibility for providing the Sierra Gold Designee Claimants with any disclosures required by any applicable law or regulation, and the Receiver shall have no responsibility to provide any such disclosure.
- c. Upon receipt of executed subscription agreements from the Sierra Gold Designee Claimants and the Effective Date, whichever is later, the transfer of National Gold Shares to the Sierra Gold Designees shall be deemed complete. The Parties agree and acknowledge that no movement of the shares out of Sierra Gold and back into Sierra Gold shall be required, and that notification to the National Gold Transfer Agent of those specific transfers may not be required.
- d. If for any reason the Sierra Gold Designee Claimants elect not to sign a subscription agreement with Sierra Gold and elect to receive their National Gold Shares directly instead of through Sierra Gold, then Sierra Gold shall transfer the National Gold Shares directly to the Sierra Gold Designee Claimants or another designee of their choice by notifying the National Gold Transfer Agent and paying all applicable transfer fees.
- e. Within five business days following the Effective Date, Sierra Gold shall initiate the transfer of the Non-Designee Shares to the Non-Designee Claimants by notifying the National Gold Transfer Agent and paying all applicable fees. All costs of such transfer shall be borne by the Non-Designee Claimants. Sierra Gold shall provide written confirmation to the Receiver within five days thereafter that the transfer to the Non-Designee Claimants has been initiated. The parties acknowledge that the transfer of National Gold Shares to the Non-Designee Claimants may require reissuance of the stock certificate in the name of Sierra Gold such that a portion of the shares can be reissued to the Non-Designee Claimant and the remainder will be reissued in the name of Sierra Gold.
- f. The date on which the National Gold Transfer Agent confirms the completion of the transfer of National Gold Shares to the Non-Designee Claimants, and the reissuance of shares to Sierra Gold, if necessary, shall be deemed the Closing Date.
- g. If Sierra Gold fails to complete the transfer contemplated by this section by the deadlines provided or to the satisfaction of the Receiver, or if necessary for the

Receiver to execute the Distribution Plan approved by the District Court, the Receiver may initiate such transfers herself, and Sierra Gold shall take all necessary actions in support of such transfer, with such costs to be borne by Sierra Gold.

7. **Return and Cancellation of Sierra Gold Certificates of Ownership.** Within 5 business days of the Closing Date and once the Receiver is satisfied that all Parties have performed under this Agreement and that all transfers and other actions contemplated by this Agreement have been performed to her satisfaction, the Receiver shall deliver to Sierra Gold any certificates of ownership the Receivership Estate has in Sierra Gold so that they may be cancelled by Sierra Gold.
8. **Release of Receiver and Receivership Estate.** Maeda, Wu, and Sierra Gold acknowledge that the transfer of National Gold Shares and surrender of the Sierra Gold interests pursuant to the terms herein shall constitute full satisfaction of any claims they may have against the Receiver, Receivership Estate or the Receivership Defendants. In exchange for the mutual promises and covenants set forth herein, Maeda, Wu, and Sierra Gold agree to fully and forever release and discharge the Receiver, the Receivership Estate, the Receivership Defendants and any agents acting on their behalf (the “Released Entities”), from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, fees, disbursements, costs, and expenses damages, warranties, actions, causes of action and claims for relief that each of them may have against the Released Entities, including but not limited to any claim they may have related to the management of Sierra Gold prior to the Effective Date.
9. **Representations and Warranties.** Each Party represents and warrants as follows:
  - a. Each Party has full power to execute this Agreement, has read this Agreement and is aware and understands the contents thereof, has had the opportunity to consult with counsel, and executes this Agreement freely and without duress or undue influence from any Party.
  - b. No Party has relied upon any statement, representation, or promise of any Party in entering into this Agreement other than those contained herein.
  - c. No Party is aware of any contractual, legal, or other impediment to the transfer of the National Gold Shares or any other provision of this Agreement.
  - d. The transfer of the National Gold Shares is exempt from registration with the Securities and Exchange Commission under 17 C.F.R. § 230.144 (Rule 144), and no Party is aware of no impediment to the Parties’ reliance on such exemption.
10. **Additional Sierra Gold and Maeda Representations and Warranties.** In addition to the Representations and Warranties set forth above, Sierra Gold and Maeda also represent and warrant as follows:
  - a. Sierra Gold and Maeda represent and acknowledge that they have sole responsibility for the Future Governing Documents, and acknowledge that the

Receiver and the Receivership Estate have not taken and will not take any part in their creation or distribution to the Sierra Gold Designee Claimants.

- b. Sierra Gold and Maeda further acknowledge that the Receiver and the Receivership Estate have undertaken no offer or solicitation concerning any investment or membership interests in Sierra Gold, with respect to the Sierra Gold Designee Claimants or otherwise.
- c. Sierra Gold and Maeda represent that they will comply with all federal and state securities laws in offering membership interests in Sierra Gold to the Sierra Gold Designee Claimants. Each of them acknowledges that the Receiver and the Receivership Estate are not and will not be offerors of, or otherwise participate in any manner in the offering of, the Sierra Gold membership interests.

#### 11. **Further Assurances**

- a. All Parties undertake that they will make best efforts to execute any additional documents or take any other actions reasonably necessary to effect the intent, terms, and conditions of this Agreement, including but not limited to cooperation with the National Gold Transfer Agent to effect the terms of this Agreement.
- b. Sierra Gold and Maeda bear sole responsibility for negotiating a separate subscription agreement with each of the Sierra Gold Designee Claimants. No part of this Agreement shall constitute a promise by the Receiver to transfer any of the Receivership Estate's interest in Sierra Gold to any of the Sierra Gold Designee Claimants. Any decision by a Sierra Gold Designee Claimant to invest or otherwise acquire a membership interest in Sierra Gold, whether by this Agreement or otherwise, shall be the sole decision of the Sierra Gold Designee Claimant, Sierra Gold, and Maeda, to be made purely of their own volition.
- c. If any part of this Agreement cannot be consummated, or is not performed to the satisfaction of the Receiver, the remaining provisions of this Agreement shall remain in effect, and the Parties shall undertake best efforts to effect an alternative to such transfer consistent with the terms and intent of the Distribution Plan. If no such alternative may be had, as determined by the Receiver in her sole discretion, this Agreement shall be void *ab initio*, in which case the Receiver shall retain her interest in Sierra Gold, the Current Operating Agreement will be in effect, and the Receiver shall designate a person to serve as managing member of Sierra Gold.

#### 12. **General Provisions**

- a. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California and the laws of the United States, without regard to conflict of law principles.
- b. **Consent to Jurisdiction; Waiver of Jury Trial.** Each Party consents and irrevocably submits to the jurisdiction to the federal and state courts of the State of California, and any appellate courts thereof, in any action, suit, or proceeding

arising from or relating to this Agreement. Each Party acknowledges that a final unappealable judgment in any such action may be enforced in other jurisdictions or in any other manner provided by law. Each Party hereby knowingly, voluntarily and intentionally waives any right it may have to trial by jury of any dispute arising under or relating to this Agreement.

- c. **Binding on Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.
- d. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, except as provided herein, and supersedes all prior agreements and understandings, discussions, negotiations, and communications.
- e. **Construction.** The terms, conditions and provisions of this Agreement shall be construed in accordance with their usual and customary meanings. Each Party expressly, knowingly and voluntarily waives the application, in connection with the interpretation and construction of this Agreement, any rule of law or procedure to the effect that ambiguous or conflicting terms, conditions, or provisions shall be construed against any Party.
- f. **Modification and Waiver.** This Agreement may not be amended, altered or modified, and no provision may be waived, except by written instrument executed by the Parties. No waiver shall constitute a waiver of any subsequent breach or failure to comply strictly with the provisions of this Agreement.
- g. **Unknown Claims.** The Parties and each of them do hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described above, as well as those known and anticipated, and upon advice of counsel, each party does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542, which section has been duly explained and read as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."
- h. **No Third Party Rights and Obligations.** No person or entity not a Party to this Agreement shall have any third-party beneficiary or other rights under this Agreement.

- i. **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, with communications by e-mail deemed to be an acceptable writing so long as actual receipt is acknowledged by the recipient.

**If to the Receiver:**

Kathy Bazoian Phelps, solely as Receiver  
1999 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067-4402  
kphelps@diamondmccarthy.com

with a copy to:

Diamond McCarthy LLP  
Attn: Christopher Sullivan  
150 California St. Suite 2200  
San Francisco, CA 94111  
csullivan@diamondmccarthy.com

**If to Sierra Gold, Maeda or Wu:**

Alan Maeda  
[redacted]

**If to Sarkar:**

Arnab Sarkar  
[redacted]

with a copy to:

Murphy & McGonigle  
Attn: Brian Walsh  
1001 G Street, N.W., 7th Floor  
Washington, D.C. 20001  
brian.walsh@mmlawus.com

**If to Capson:**

Travis Capson  
[redacted]

with a copy to:

Murphy & McGonigle  
Attn: Brian Walsh  
1001 G Street, N.W., 7th Floor  
Washington, D.C. 20001  
brian.walsh@mmlawus.com

- j. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement. This Agreement shall not be valid until all Parties have signed and delivered a counterpart of this Agreement to the other Parties.

k. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

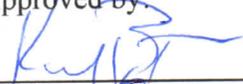
IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

SIERRA GOLD

RECEIVER

\_\_\_\_\_  
By: Arnab Sarkar  
Managing Member

  
\_\_\_\_\_  
By: Kathy Bazoian Phelps  
Title: Temporary Receiver

Approved by:  
  
\_\_\_\_\_  
Kathy Bazoian Phelps  
Temporary Receiver

ALAN MAEDA, on behalf of himself and  
Sierra Gold after the Effective Date:

XIAOYAN WU, individually

\_\_\_\_\_  
By: Alan Maeda

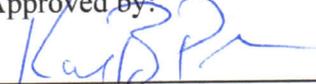
\_\_\_\_\_  
By: Xiaoyan Wu

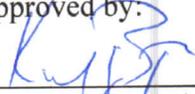
ARNAB SARKAR, individually and on  
behalf of Denari Capital LLC

TRAVIS CAPSON, individually and on  
behalf of Denari Capital LLC

\_\_\_\_\_  
By: Arnab Sarkar

\_\_\_\_\_  
By: Travis Capson

Approved by:  
  
\_\_\_\_\_  
Kathy Bazoian Phelps  
Temporary Receiver

Approved by:  
  
\_\_\_\_\_  
Kathy Bazoian Phelps  
Temporary Receiver

- k. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

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SIERRA GOLD

RECEIVER

  
 By: Arnab Sarkar  
 Managing Member

By: Kathy Bazoian Phelps  
 Title: Temporary Receiver

Approved by:

Kathy Bazoian Phelps  
 Temporary Receiver

ALAN MAEDA, on behalf of himself and Sierra Gold after the Effective Date:

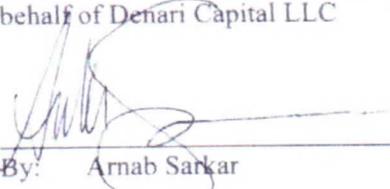
XIAOYAN WU, individually

By: Alan Maeda

By: Xiaoyan Wu

ARNAB SARKAR, individually and on behalf of Denari Capital LLC

TRAVIS CAPSON, individually and on behalf of Denari Capital LLC

  
 By: Arnab Sarkar

By: Travis Capson

Approved by:

Approved by:

Kathy Bazoian Phelps  
 Temporary Receiver

Kathy Bazoian Phelps  
 Temporary Receiver

- k. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

SIERRA GOLD

RECEIVER

\_\_\_\_\_  
 By: Arnab Sarkar  
 Managing Member

\_\_\_\_\_  
 By: Kathy Bazoian Phelps  
 Title: Temporary Receiver

Approved by:

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

ALAN MAEDA, on behalf of himself and  
 Sierra Gold after the Effective Date:

XIAOYAN WU, individually

\_\_\_\_\_  
 By: Alan Maeda

\_\_\_\_\_  
 By: Xiaoyan Wu

ARNAB SARKAR, individually and on  
 behalf of Denari Capital LLC

TRAVIS CAPSON, individually and on  
 behalf of Denari Capital LLC

\_\_\_\_\_  
 By: Arnab Sarkar

  
 \_\_\_\_\_  
 By: Travis Capson

Approved by:

Approved by:

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

- k. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

SIERRA GOLD

RECEIVER

\_\_\_\_\_  
 By: Arnab Sarkar  
 Managing Member

\_\_\_\_\_  
 By: Kathy Bazoian Phelps  
 Title: Temporary Receiver

Approved by:

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

ALAN MAEDA, on behalf of himself and Sierra Gold after the Effective Date:

XIAOYAN WU, individually



\_\_\_\_\_  
 By: Alan Maeda

\_\_\_\_\_  
 By: Xiaoyan Wu

ARNAB SARKAR, individually and on behalf of Denari Capital LLC

TRAVIS CAPSON, individually and on behalf of Denari Capital LLC

\_\_\_\_\_  
 By: Arnab Sarkar

\_\_\_\_\_  
 By: Travis Capson

Approved by:

Approved by:

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

\_\_\_\_\_  
 Kathy Bazoian Phelps  
 Temporary Receiver

k. Headings. All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

SIERRA GOLD

RECEIVER

By: Arnab Sarkar  
Managing Member

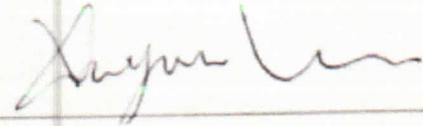
By: Kathy Bazoian Phelps  
Title: Temporary Receiver

Approved by:

Kathy Bazoian Phelps  
Temporary Receiver

ALAN MAEDA, on behalf of himself and  
Sierra Gold after the Effective Date:

XIAOY AN WU, individually



By: Alan Maeda

By: Xiaoyan Wu

ARNAB SARKAR, individually and on  
behalf of Denari Capital LLC

TRAVIS CAPSON, individually and on  
behalf of Denari Capital LLC

By: Arnab Sarkar

By: Travis Capson

Approved by:

Approved by:

Kathy Bazoian Phelps  
Temporary Receiver

Kathy Bazoian Phelps  
Temporary Receiver

# EXHIBIT 3

## SHARE TRANSFER AGREEMENT

This Share Transfer Agreement (the “Agreement”) is made as of August \_\_, 2020 between the undersigned Claimant identified in Exhibit A attached hereto (the “Claimant”) and Kathy Bazoian Phelps, solely in her capacity as Temporary Receiver (the “Receiver”) in the case of *Commodity Futures Trading Commission v. Denari Capital LLC, Travis Capson, and Arnab Sarkar*, Case No. 3:19-cv-07284-EC (the “Receivership Case”) pending in the U.S. District Court for the Northern District of California (the “District Court”).

### RECITALS

A. On December 4, 2019, the District Court entered the Consent Order for Preliminary Injunction and Other Ancillary Relief Against Defendants (ECF No. 37) (the “TRO”) granting injunctive and other equitable relief against Denari Capital LLC (“Denari”), Travis Capson, and Arnab Sarkar (collectively, the “Receivership Defendants” and their estates created under the Consent Order, the “Receivership Estate”), and appointing Kathy Bazoian Phelps as the temporary receiver over the Receivership Defendants.

B. On February 6, 2020, the District Court entered an Amended Order (Doc. No. 47) (the “Bar Date Order”) granting the Receiver’s Administrative Motion (Doc. No. 42) and establishing, among other things, a claims bar date of April 6, 2020.

C. Denari Capital, LLC (“Denari”) and holds an 87% interest in Sierra Gold, the primary purpose of which is to hold shares of National Gold Mining Corp. (“National Gold”). Sierra Gold’s sole asset is 400,000 shares of National Gold. Sierra Gold is currently managed by Arnab Sarkar (the “Current Sierra Gold Manager”).

D. The remaining 13% in Sierra Gold is held by two other investors. One of them (the “Future Sierra Gold Manager”) wishes to continue to operate Sierra Gold as its new managing member.

E. Claimant has a claim against the estate of the Receivership Defendants (the “Receivership Estate”) and has requested to receive shares in National Gold in whole or partial satisfaction of that claim;

F. The Receiver will move the court in the Receivership Action for a plan of distribution (the “Distribution Plan”) that includes as a component the transfer of certain National Gold shares held in Sierra Gold to the Claimant in the amounts specified in Exhibit A attached hereto, in full satisfaction of the Claimant’s claim against the Receivership Estate (the “Receiver’s Motion”).

G. The Parties intend to take all actions necessary to effectuate the transfer of shares as set forth in the Distribution Plan.

NOW THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the Parties agree as follows:

## AGREEMENT

### 1. Additional Definitions

- a. All terms defined in the Preamble and Recitals shall have the meanings ascribed to them throughout this Agreement.
- b. “Effective Date” shall be the date upon which the Court approves the Receiver’s Motion.
- c. “Future Operating Agreement” shall be that amended and restated operating agreement drafted by the Future Sierra Gold Manager in or around July 2020, in which the Receiver has had taken no part.
- d. “Future Sierra Gold Manager” shall be the new managing member of Sierra Gold as set forth in the Sierra Gold Transfer Agreement.
- e. “National Gold Shares Designee” shall be any designee identified by Claimant pursuant to Section 3 of this Agreement.
- f. “National Gold Shares” shall be the number of National Gold Shares, currently held in Sierra Gold as part of its sole asset, attributed to Claimant in Exhibit A attached hereto.
- g. The “National Gold Transfer Agent” shall be the transfer agent designated by National Gold to effectuate the transfer of National Gold Shares as of the Effective Date.
- h. “Sierra Gold Transfer Agreement” is that agreement executed among the Receiver, the Current Sierra Gold Manager, and the Future Sierra Gold Manager, to effect the transfer of 348,000 shares in National Gold to the Receivership Estate in exchange for the surrender of the Receivership Estate’s 87% interest in Sierra Gold.

**2. Subject to Court Approval.** This Agreement shall be subject to the District Court’s approval of the Receiver’s Motion. In the event that the District Court denies the Receiver’s Motion, in whole, or in part in a way that impacts this Agreement as determined by the Receiver in her sole discretion, this Agreement shall be void *ab initio*.

### 3. Transfer of National Gold Shares

- a. Concurrently with the execution of this Agreement, Claimant shall inform the Receiver whether Claimant wishes to receive the National Gold Shares personally or whether Claimant wishes to transfer the shares to Claimant’s National Gold Shares Designee. Claimant shall provide the identity of the Designee and all information required by the Receiver to effectuate the transfer of the National Gold Shares.

- b. As soon as practicable following the Effective Date, the Receiver shall effect the transfer of the National Gold Shares to Claimant or Claimant's National Gold Shares Designee, as applicable.
  - c. In the event that Claimant designates Sierra Gold as the National Gold Shares Designee, Claimant acknowledges that the Receiver may, pursuant to the Sierra Gold Transfer Agreement, coordinate with the Future Sierra Gold Manager and the National Gold Transfer Agent to deem the National Gold Shares to have been transferred to the Receivership Estate, and transferred again to Sierra Gold solely on account of Sierra Gold having been named the National Gold Shares Designee, without the need for any actual transfer of the National Gold Shares. The Parties acknowledge that this transaction may nevertheless require the reissuance of the National Gold Shares for the benefit of Sierra Gold through the National Gold Transfer Agent.
  - d. In the event that Claimant designates Sierra Gold as the National Gold Shares Designee, Claimant acknowledges that he/she will need to meet with the Future Sierra Gold Manager and sign a subscription agreement and the Future Operating Agreement before the National Gold Shares can be transferred to Claimant to be held in Sierra Gold.
4. **Release of Receiver and Receivership Estate.** Claimant acknowledges that the transfer of National Gold Shares pursuant to the terms herein shall constitute full satisfaction of its claim against the Receivership Estate. In exchange for the mutual promises and covenants set forth herein, Claimant agrees to fully and forever release and discharge the Receiver, the Receivership Estate, and any agents acting on their behalf (the "Released Entities"), from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, fees, disbursements, costs, and expenses damages, warranties, actions, causes of action and claims for relief that each of them may have against the Released Entities, including but not limited to any claim arising from Claimant's decision to designate Sierra Gold as the National Gold Shares Designee.
5. **Representations and Warranties.** Each Party represents and warrants as follows:
- a. Each Party has full power to execute this Agreement, has read this Agreement and is aware and understands the contents thereof, has had the opportunity to consult with counsel, and executes this Agreement freely and without duress or undue influence from any Party.
  - b. No Party has relied upon any statement, representation, or promise of any Party in entering into this Agreement other than those contained herein.
  - c. No Party is aware of any contractual, legal, or other impediment to the transfer of the or any other provision of this Agreement.
6. **Additional Claimant Representations and Warranties.** In addition to the Representations and Warranties set forth above, Claimant also represents and warrants as follows:

- a. Claimant is an Accredited Investor within the meaning of 17 C.F.R. § 230.501, and as such has the full ability to ascertain, and does in fact understand, the risks associated with investments such as the Claimant Membership Interests. Claimant has provided the Receiver with such a certification.
- b. Claimant acknowledges that the transfer of the National Gold Shares is exempt from registration with the Securities and Exchange Commission under 17 C.F.R. § 230.144 (Rule 144), and Claimant is aware of no impediment to the Receiver's reliance on such exemption.
- c. Claimant will bear sole responsibility for negotiating a separate subscription agreement with Sierra Gold, and Claimant acknowledges that no part of this Agreement shall constitute a promise by the Receiver to transfer any interest in Sierra Gold to Claimant. If Claimant designates Sierra Gold as the National Gold Shares Designee, Claimant acknowledges that such decision was made purely of Claimant's own volition and not at the recommendation, suggestion, or otherwise of the Receiver or the Receivership Estate, and Claimant waives any claim it may have against the Receiver or the Receivership Estate as a result of that decision.
- d. Claimant understands the nature of his or her investment in National Gold. Claimant is knowledgeable, sophisticated and experienced in evaluating and investment in companies such as National Gold that have little or no revenues from operations, that have never operated profitably, whose assets consist of whose assets consist of mining claims in properties that may not have sufficient valuable minerals to be mined profitably, and whose shares may become valueless as a result. Claimant acknowledges that investment in National Gold carries substantial risk, and has been provided with adequate disclosures concerning those risks. Claimant represents that (s)he has conducted such investigation of National Gold and the National Gold Shares as (s)he has deemed necessary and appropriate, and has obtained such informational that (s)he deems satisfactory to make an informed decision to receive the National Gold Shares under the terms in this Agreement. Claimant represents that (s)he has not relied on any information provided by the Receiver regarding the business, management, financial condition and prospects of National Gold and the risks of an investment in National Gold.
- e. Claimant represents that this investment in National Gold is suitable for the Claimant based on his or her investment objectives and financial needs. Claimant acknowledges that the secondary market for the National Gold Shares is extremely limited, that this investment in National Gold Shares that are not readily marketable is not disproportionate to Claimant's net worth, and the Claimant is in a financial position to withstand a complete loss of its investment in the National Gold Shares.
- f. Claimant, either alone or with the assistance of his or her professional advisor, is a sophisticated investor, is able to fend for himself or herself in the transactions contemplated by this Agreement, and has such knowledge and experience in

financial and business matters that he is capable of evaluating the merits and risks of an investment that the transfer of the National Gold Shares represents.

7. **Further Assurances.**

- a. All Parties undertake that they will make best efforts to execute any additional documents or take any other actions reasonably necessary to effect the intent, terms, and conditions of this Agreement.
- b. Upon approval of the Receiver's Motion by the District Court, the Receiver shall coordinate with Sierra Gold to make best efforts to effect the transfer of the National Gold Shares from Sierra Gold, to the Receivership Estate, and to the National Gold Shares Designee. If such transfer cannot be effected, the remaining provisions of this Agreement shall remain in effect, and the Receiver will then undertake best efforts to effect an alternative to such transfer consistent with the terms and intent of the Distribution Plan.

8. **General Provisions**

- a. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California and the laws of the United States, without regard to conflict of law principles.
- b. **Consent to Jurisdiction; Waiver of Jury Trial.** Each Party consents and irrevocably submits to the jurisdiction to the federal and state courts of the State of California, and any appellate courts thereof, in any action, suit, or proceeding arising from or relating to this Agreement. Each Party acknowledges that a final unappealable judgment in any such action may be enforced in other jurisdictions or in any other manner provided by law. Each Party hereby knowingly, voluntarily and intentionally waives any right it may have to trial by jury of any dispute arising under or relating to this Agreement.
- c. **Binding on Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.
- d. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, except as provided herein, and supersedes all prior agreements and understandings, discussions, negotiations, and communications.
- e. **Construction.** The terms, conditions and provisions of this Agreement shall be construed in accordance with their usual and customary meanings. Each Party expressly, knowingly and voluntarily waives the application, in connection with the interpretation and construction of this Agreement, any rule of law or procedure to the effect that ambiguous or conflicting terms, conditions, or provisions shall be construed against any Party.

- f. **Modification and Waiver.** This Agreement may not be amended, altered or modified, and no provision may be waived, except by written instrument executed by the Parties. No waiver shall constitute a waiver of any subsequent breach or failure to comply strictly with the provisions of this Agreement.
- g. **No Third Party Rights and Obligations.** No person or entity not a Party to this Agreement shall have any third-party beneficiary or other rights under this Agreement.
- h. **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, with communications by e-mail deemed to be an acceptable writing so long as actual receipt is acknowledged by the recipient.

If to Claimant:

*See Exhibit A.*

If to the Receiver:

Kathy Bazoian Phelps, solely as Receiver  
1999 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067-4402  
kphelps@diamondmccarthy.com

with a copy to:

Diamond McCarthy LLP  
Attn: Christopher Sullivan  
150 California St. Suite 2200  
San Francisco, CA 94111  
csullivan@diamondmccarthy.com

- i. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement. This Agreement shall not be valid until all Parties have signed and delivered a counterpart of this Agreement to the other Parties.
- j. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

CLAIMANT

RECEIVER

\_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

By: Kathy Bazoian Phelps  
Title: Temporary Receiver

ID: \_\_\_\_\_

Claimant wishes to receive shares

Personally

Designee: \_\_\_\_\_

# EXHIBIT 4

## SHARE TRANSFER AGREEMENT RHG

This Share Transfer Agreement (the “Agreement”) is made as of August \_\_, 2020 between the undersigned Claimant identified in Exhibit A attached hereto (the “Claimant”) and Kathy Bazoian Phelps, solely in her capacity as Temporary Receiver (the “Receiver”) in the case of *Commodity Futures Trading Commission v. Denari Capital LLC, Travis Capson, and Arnab Sarkar*, Case No. 3:19-cv-07284-EC (the “Receivership Case”) pending in the U.S. District Court for the Northern District of California (the “District Court”).

### RECITALS

- A. On December 4, 2019, the District Court entered the Consent Order for Preliminary Injunction and Other Ancillary Relief Against Defendants (ECF No. 37) (the “TRO”) granting injunctive and other equitable relief against Denari Capital LLC (“Denari”), Travis Capson, and Arnab Sarkar (collectively, the “Receivership Defendants” and their estates created under the Consent Order, the “Receivership Estate”), and appointing Kathy Bazoian Phelps as the temporary receiver over the Receivership Defendants.
- B. On February 6, 2020, the District Court entered an Amended Order (Doc. No. 47) (the “Bar Date Order”) granting the Receiver’s Administrative Motion (Doc. No. 42) and establishing, among other things, a claims bar date of April 6, 2020.
- C. The Receivership Estate holds certain shares of United Resource Holdings Group, Inc. (“URHG”), a publicly traded company incorporated in Nevada.
- D. Claimant has a claim against the estate of the Receivership Defendants (the “Receivership Estate”) and has requested to receive shares in URHG in whole or partial satisfaction of that claim;
- E. The Receiver will move the court in the Receivership Action for a plan of distribution (the “Distribution Plan”) that includes as a component the transfer of certain URHG shares, in the amounts specified in Exhibit A attached hereto (the “URHG Shares”), in full satisfaction of the Claimant’s claim against the Receivership Estate (the “Receiver’s Motion”).
- F. This Agreement shall become effective on the date that the District Court approves the Receiver’s Motion (the “Effective Date”).
- G. The Parties intend to take all actions necessary to effectuate the transfer of shares as set forth in the Distribution Plan.

NOW THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the Parties agree as follows:

### AGREEMENT

- 1. Additional Definitions.** All terms defined in the Preamble and Recitals shall have the meanings ascribed to them throughout this Agreement.

2. **Transfer of RHG Shares.** As soon as practicable following the Effective Date, the Receiver shall effect the transfer of the URHG Shares to the account specified by Claimant.
3. **Allowed Claim.** Claimant has submitted to the Receiver a Proof of Claim asserting a claim against the Receivership Estate which the Receiver has allowed in the gross amount set forth in Exhibit A (the “Allowed Claim”), subject to approval by the District Court. Claimant acknowledges that the Allowed Claim amount will be reduced by the dollar amount set forth in Exhibit A on account of the URHG shares the Claimant shall receive pursuant to this Agreement (the reduced Allowed Claim amount shall be referred to herein as the “Net Distribution Amount”).
4. **Release of Receiver and Receivership Estate.** Claimant acknowledges that the transfer of the URHG Shares pursuant to the terms herein, along with the Claimant’s pro rata distribution under the Plan an account of the Net Distribution Amount, shall constitute full satisfaction of its claim against the Receivership Estate. In exchange for the mutual promises and covenants set forth herein, and upon distribution of the URHG Shares and cash payment under the Plan, Claimant agrees to fully and forever release and discharge the Receiver, the Receivership Estate, and any agents acting on their behalf (the “Released Entities”), from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, fees, disbursements, costs, and expenses damages, warranties, actions, causes of action and claims for relief that each of them may have against the Released Entities.
5. **Representations and Warranties.** Each Party represents and warrants as follows:
  - a. Each Party has full power to execute this Agreement, has read this Agreement and is aware and understands the contents thereof, has had the opportunity to consult with counsel, and executes this Agreement freely and without duress or undue influence from any Party.
  - b. No Party has relied upon any statement, representation, or promise of any Party in entering into this Agreement other than those contained herein.
  - c. No Party is aware of any contractual, legal, or other impediment to the transfer of the or any other provision of this Agreement.
6. **Additional Claimant Representations and Warranties.** In addition to the Representations and Warranties set forth above, Claimant also represents and warrants as follows:
  - a. **KEEP ONL IF CLAIMANT SIGNS AI FORM:** Claimant is an Accredited Investor within the meaning of 17 C.F.R. § 230.501, and as such has the full ability to ascertain, and does in fact understand, the risks associated with investments such as the URHG Shares. Claimant has provided the Receiver with such a certification.

- b. Claimant is knowledgeable, sophisticated and experienced in evaluating and investment in companies such as URHG that have little or no revenues from operations, that have never operated profitably, and whose assets consist of investments in mining companies and projects that may never become profitable, and whose shares may become valueless as a result.
- c. Claimant warrants that (s)he is taking possession of the URHG Shares solely for his or her own account and not with a view to distributing all or any part thereof. Claimant has no present intention of selling, granting any participation in or otherwise distributing any of the Shares in a manner contrary to the Securities Act of 1933 (the "Act") or any applicable state securities law. Claimant does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or to any third person with respect to any of the Shares.
- d. Claimant acknowledges that the URHG Shares fall within the meaning of "penny stock," as defined in the Securities Exchange Act of 1934 and regulations promulgated thereunder, and that (s)he has chosen to execute this Agreement and accept the Shares on his or her own volition and not based on the recommendation of the Receiver or any of her agents.
- e. Claimant is knowledgeable, sophisticated and experienced in evaluating and investment in companies such as URHG that have little or no revenues from operations, that have never operated profitably, whose assets consist of investments in mining companies and other projects that may never become profitable, and whose shares may become valueless as a result.
- f. Claimant understands the nature of his or her investment in URHG. Claimant acknowledges that investment in URHG carries substantial risk. Claimant represents that (s)he has conducted such investigation of URHG and the URHG Shares as (s)he has deemed necessary and appropriate, and has obtained such informational that (s)he deems satisfactory to make an informed decision to receive the URHG Shares under the terms in this Agreement.
- g. Claimant represents that (s)he has not relied on any information provided by the Receiver regarding the business, management, financial condition and prospects of URHG and the risks of an investment in URHG. Whatever information Claimant has received about UHRG has come from URHG and/or other sources the Claimant has deemed reliable.
- h. Claimant represents that this investment in URHG is suitable for the Claimant based on his or her investment objectives and financial needs. Claimant acknowledges that the secondary market for the URHG Shares is limited, that this investment in URHG Shares is not disproportionate to Claimant's net worth, and the Claimant is in a financial position to withstand a complete loss of his or her investment in the URHG Shares.

- i. Claimant, either alone or with the assistance of his or her professional advisor, is a sophisticated investor, is able to fend for himself or herself in the transactions contemplated by this Agreement, and has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment that the transfer of the URHG Shares represents.

**General Provisions**

- a. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California and the laws of the United States, without regard to conflict of law principles.
- b. **Consent to Jurisdiction; Waiver of Jury Trial.** Each Party consents and irrevocably submits to the jurisdiction to the federal and state courts of the State of California, and any appellate courts thereof, in any action, suit, or proceeding arising from or relating to this Agreement. Each Party acknowledges that a final unappealable judgment in any such action may be enforced in other jurisdictions or in any other manner provided by law. Each Party hereby knowingly, voluntarily and intentionally waives any right it may have to trial by jury of any dispute arising under or relating to this Agreement.
- c. **Binding on Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns.
- d. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, except as provided herein, and supersedes all prior agreements and understandings, discussions, negotiations, and communications.
- e. **Construction.** The terms, conditions and provisions of this Agreement shall be construed in accordance with their usual and customary meanings. Each Party expressly, knowingly and voluntarily waives the application, in connection with the interpretation and construction of this Agreement, any rule of law or procedure to the effect that ambiguous or conflicting terms, conditions, or provisions shall be construed against any Party.
- f. **Modification and Waiver.** This Agreement may not be amended, altered or modified, and no provision may be waived, except by written instrument executed by the Parties. No waiver shall constitute a waiver of any subsequent breach or failure to comply strictly with the provisions of this Agreement.
- g. **Further Assurances.** All Parties undertake that they will make best efforts to execute any additional documents or take any other actions reasonably necessary to effect the intent, terms, and conditions of this Agreement.
- h. **No Third Party Rights and Obligations.** No person or entity not a Party to this Agreement shall have any third-party beneficiary or other rights under this Agreement.

- i. **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing, with communications by e-mail deemed to be an acceptable writing so long as actual receipt is acknowledged by the recipient.

If to Claimant:

*See Exhibit A.*

If to the Receiver:

Kathy Bazoian Phelps, solely as Receiver  
1999 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067-4402  
kphelps@diamondmccarthy.com

with a copy to:

Diamond McCarthy LLP  
Attn: Christopher Sullivan  
150 California St. Suite 2200  
San Francisco, CA 94111  
csullivan@diamondmccarthy.com

- j. **Multiple Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement. This Agreement shall not be valid until all Parties have signed and delivered a counterpart of this Agreement to the other Parties.
- k. **Headings.** All headings in this Agreement have been inserted for ease of reference only, are not to be considered a part of this Agreement and are to have no effect on the interpretation of this Agreement

IN WITNESS HEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date:

CLAIMANT

RECEIVER

\_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

By: Kathy Bazoian Phelps

Title: Temporary Receiver

ID: \_\_\_\_\_