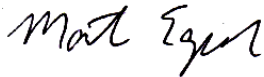


DISTRICT COURT, DENVER COUNTY, COLORADO	
Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	
Plaintiff(s) GERALD ROME SECURITIES COM FOR THE ST OF CO et al. v. Defendant(s) GARY DRAGUL et al.	DATE FILED: December 17, 2019 4:09 PM CASE NUMBER: 2018CV33011 <p style="text-align: center;">△ COURT USE ONLY △</p> Case Number: 2018CV33011 Division: 424 Courtroom:
Order: Receiver's Second Motion for Order Authorizing Sale of Real Property 2624 S. Oneida Street, Denver, Colorado 80224 (w/attach)	

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 12/17/2019



MARTIN FOSTER EGELHOFF
District Court Judge

<p>DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO Denver District Court 1437 Bannock St. Denver, CO 80202 720.865.8612</p>	
<p>Plaintiff: David S. Cheval, Acting Securities Commissioner for the State of Colorado</p> <p>v.</p> <p>Defendants: Gary Dragul; GDA Real Estate Services, LLC; and GDA Real Estate Management, LLC</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>Attorneys for Receiver:</p> <p>Patrick D. Vellone, #15284 Michael T. Gilbert, #15009 Rachel A. Sternlieb, #51404 ALLEN VELLONE WOLF HELFRICH & FACTOR P.C. 1600 Stout St., Suite 1100 Denver, Colorado 80202 Phone Number:(303) 534-4499 E-mail: pvellone@allen-vellone.com E-mail: mgilbert@allen-vellone.com E-mail: rsternlieb@allen-vellone.com</p>	<p>Case Number: 2018CV33011</p> <p>Division/Courtroom: 424</p>
<p style="text-align: center;">RECEIVER’S SECOND MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY (2624 S. Oneida Street, Denver, Colorado 80224)</p>	

Harvey Sender, the duly-appointed receiver (“Receiver”) for Gary Dragul (“Dragul”), GDA Real Estate Services, LLC, GDA Real Estate Management, LLC, and related entities (collectively, “Dragul and the GDA Entities”), asks the Court to enter

a second order approving the sale of real property located 2624 S. Oneida Street, Denver, Colorado 80224 (the “Property”).

I. Background

1. On August 15, 2018, the Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief against Dragul and the GDA Entities.

2. On August 29, 2018, the Commissioner and Dragul and the GDA Entities filed a Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Dragul and the GDA Entities pursuant to COLO. REV. STAT. § 11-51-602(1), C.R.C.P. 66.

3. On August 30, 2018, the Court entered a Stipulated Order Appointing Receiver (the “Receivership Order”), appointing Harvey Sender receiver for Dragul and the GDA Entities, and their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at 2, ¶ 5.

4. The Receivership Order grants the Receiver the authority to sell or otherwise dispose of Estate property and obtain Court approval for any sale for greater than \$10,000 (Receivership Order at 12, ¶ 13(t)).

II. The proposed sale

5. The Property is a single-story, single-family ranch home with approximately 2,800 finished square feet and is titled in the name of Gary Dragul. It is therefore property of the Receivership Estate the Receiver is authorized to sell.

6. The Property was listed for sale for \$460,000 on August 16, 2019, and the list price was reduced to \$449,000 on October 8, 2019. On October 18, 2019, a previous buyer, Liknot, LLC, offered to purchase the Property for \$419,000. On October 24, 2019, the Receiver filed his initial motion seeking Court approval of a sale to Liknot for \$430,000, and the Court approved it on November 5, 2019. Liknot terminated its purchase contract on or about November 24, 2019, purportedly due to inspection issues.

7. On November 27, 2019, the Receiver accepted an offer from RLC Properties and Amy Drach (“Buyers”) to purchase the Property for \$425,000. Buyers are arms-length purchasers with no affiliation to Dragul or the Dragul Entities. Buyers subsequently withdrew that offer due to concerns about a damaged sewer line and their determination that the roof needed to be replaced. On December 6, 2019, the Receiver and Buyers reached an agreement in which Buyers agreed to purchase the Property “as is” for \$417,500. A copy of the fully-executed contract documents is attached as **Exhibit 1** (the “Contract”).

III. Sale of the Property is in the best interests of the Estate and its creditors.

8. Based on the listing broker's market valuation, the Receiver's experience with the previous purchaser, Liknot, and the issues concerning the condition of the Property, the Receiver believes \$417,500 is a fair market price for the Property. The Property is encumbered by a first mortgage payable to Chase Bank. As of October 4, 2019, the payoff amount for the Chase loan was \$171,601.41. As set forth in the Receiver's Motion to Approve Agreement with First Citizens Bank & Trust Company ("FCB") ("FCB Motion," filed October 18, 2019), the Property is also encumbered by a second deed of trust in the amount of \$554,562.16 in favor of FCB. This obligation to FCB is also secured by another Estate single-family residential property at 2432 South Newport Street, Denver, CO 80224, which was sold by the Receiver on November 19, 2019.

9. As set forth in the FCB Motion, in an agreement with the Receiver (the "FCB Agreement"), FCB has agreed to accept less than the \$554,562.12 it is owed to facilitate the sale of the Property. Under the FCB Agreement, at closing FCB will release its lien on the Property and the Estate will receive \$30,000 from the sales proceeds.

10. The table below estimates the sales proceeds and their distribution:

Sale Price	\$417,500
1st Mortgage	(\$171,601)
Estimated additional interest on 1st Mortgage (\$21.92 per diem from October 4, 2019, to estimated closing date of December 9, 2019)	(\$1,928.96)
Broker Commission (5.5%)	(\$23,375)
Estimated Closing Costs (1.5%)	(\$6,375)
Estimated Unpaid Taxes, 2017 – 2018	(\$6,000)
Sale Proceeds	\$208,220
Payment to Estate per FCB Agreement	\$30,000
Payment to FCB per FCB Agreement	\$178,220

11. In the Receiver's reasonable business judgment, the proposed sale is in the best interest of the Estate and its creditors. The Property is not presently leased, and the purchase price is reasonable. If the Estate continues to hold the Property, the first and second mortgages will continue to accrue default interest, and the Estate will continue to incur management fees and will have to pay insurance and maintenance expenses for the Property. Under the FCB Agreement, the Estate will receive a positive return from a Property that otherwise would provide nothing to the Estate or its creditors.

12. Pursuant to paragraph 10 of the Receivership Order, Court approval of any motion filed by the Receiver shall be given as a matter of course within 10 days after the motion is filed and served. As reflected by the certificate of service below,

this Motion is being served on all parties who have appeared in this case and on all currently known creditors of the Estate.

WHEREFORE, the Receiver asks the Court to grant this Motion and approve the proposed sale of the Property in accordance with the terms of the Contract.

Dated: December 6, 2019.

ALLEN VELLONE WOLF HELFRICH & FACTOR P.C.



By: */s/ Michael T. Gilbert*

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ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on December 6, 2019, I served a true and correct copy of the foregoing **RECEIVER'S SECOND MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY (2624 S. Oneida Street, Denver, Colorado 80224)** via CCE or first-class mail, postage prepaid, to the following:

Robert W. Finke
Sueanna P. Johnson
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1300 Broadway, 8th Floor
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*Counsel for David S. Cheval, Acting
Securities Commissioner for the
State of Colorado*

*Counsel for Defendants, Gary
Dragul, GDA Real Estate Services,
LLC and GDA Real Estate
Management, LLC*

CERTIFICATION OF E-SERVICE ON KNOWN CREDITORS

In accordance with this Court's February 1, 2019 Order clarifying notice procedures for this case, I also certify that a copy of the foregoing is being served by electronic mail on all currently known creditors of the Receivership Estate to the addresses set forth on the service list maintained in the Receiver's records.

/s/ Teresa Silcox 
Allen Vellone Wolf Helfrich & Factor P.C.