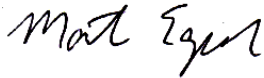


DISTRICT COURT, DENVER COUNTY, COLORADO	
Court Address: 1437 BANNOCK STREET, RM 256, DENVER, CO, 80202	
<b>Plaintiff(s)</b> GERALD ROME SECURITIES COM FOR THE ST OF CO v. <b>Defendant(s)</b> GARY DRAGUL et al.	DATE FILED: December 11, 2020 9:47 AM CASE NUMBER: 2018CV33011   <p style="text-align: center;">△ COURT USE ONLY △</p> Case Number: 2018CV33011 Division: 424      Courtroom:
<b>Order:Receiver's Motion to Approve Settlement Agreements with Audrey Ahrendt and Juniper Consulting w/ Attach</b>	

The motion/proposed order attached hereto: GRANTED.

No response or objection to the motion has been filed, and it appears to the Court that the proposed settlement is in the best interests of the Estate.

Issue Date: 12/11/2020



MARTIN FOSTER EGELHOFF  
District Court Judge

<p>DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO  Denver District Court  1437 Bannock St.  Denver, CO 80202  303.606.2433</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p><b>Plaintiff:</b> Tung Chan, Securities Commissioner for the State of Colorado</p> <p>v.</p> <p><b>Defendants:</b> Gary Dragul; GDA Real Estate Services, LLC; and GDA Real Estate Management, LLC</p>	
<p>Attorneys for Receiver:  Patrick D. Vellone, #15284  Michael T. Gilbert, #15009  Rachel A. Sternlieb, #51404  ALLEN VELLONE WOLF HELFRICH &amp; FACTOR P.C.  1600 Stout St., Suite 1900  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;"><b>RECEIVER’S MOTION TO APPROVE SETTLEMENT AGREEMENTS  WITH AUDREY AHRENDT AND JUNIPER CONSULTING</b></p>	

Harvey Sender, the duly-appointed receiver (“Receiver”) for Gary Dragul (“Dragul”), GDA Real Estate Services, LLC (“GDARES”), GDA Real Estate Management, LLC, and related entities (collectively, “Dragul and the GDA Entities”), asks the Court to enter an order approving two settlement agreements, one with

Audrey Ahrendt (“Ahrendt”), and one with Juniper Consulting Group, LLC (“Juniper”) and Elizabeth Gold (“Gold”) (jointly “Juniper”). Copies of the settlement agreements are submitted as **Exhibit 1** (the “Ahrendt Agreement”) and **Exhibit 2** (the “Juniper Agreement”).

## I. Background

1. On August 15, 2018, Gerald Rome, 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 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, as well as their interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at 2, ¶ 5.

3. Under the Receivership Order, the Receiver has the authority to prosecute causes of action against third-parties, including claims held by creditors. Receivership Order ¶¶ 13(o) & (s).

4. The Receiver identified claims, including claims under COLO. REV. STAT. § 38-8-101-113, against Ahrendt involving approximately \$156,000 in alleged fraudulent transfers she received from Dragul and the GDA Entities from January 2007 through August 2018. During the four-year period before Ahrendt entered into a Tolling Agreement with the Receiver, she received approximately \$80,000 in transfers. Ahrendt is Dragul’s mother-in-law and is 82-years old. Under

the proposed settlement agreement, Ahrendt has agreed to pay the Receivership \$25,000 to settle the potential claims against her.

5. Pursuant to the Receivership Order, on June 1, 2020, the Receiver filed his First Amended Complaint in Civil Action No. 2020CV30255, Denver District Court (the “Insider Litigation”) naming Juniper as a defendant and seeking to recover approximately \$104,000 in what the Receiver alleged were fraudulent transfers made to Juniper by GDA Entities between October 2015 and May 2018 (the “Transfers”). Gold worked as legal counsel for GDA for approximately 13 years. Juniper was an entity Gold formed at Dragul’s request in order to receive additional compensation from GDA for forming SPE entities Dragul used to acquire various properties, and to handle other legal matters. To date, Juniper and the Receiver have informally agreed to extend Juniper’s date to respond to the First Amended Complaint in the Insider Litigation. Under the proposed settlement with Juniper, Juniper will pay the Estate \$10,000 and agree to cooperate with the Receiver to provide information and testimony in the Insider Litigation.

**II. The Settlement Agreements are in the best interest of the Estate and its creditors.**

6. There exists little Colorado authority with respect to factors the Court should consider in determining whether to approve a Receiver’s settlement agreement. In analogous bankruptcy contexts, courts consider whether “the settlement is fair and equitable and in the best interests of the estate.” In considering whether to approve a settlement, bankruptcy courts consider four primary factors:

“the probable success of the underlying litigation on the merits, the possible difficulty in collection of a judgment, the complexity and expense of the litigation, and the interests of creditors in deference to their reasonable views.” *Kopp v. All Am. Life Ins. Co. (In re Kopexa Realty Venture Co.)*, 213 B.R. 1020, 1022 (B.A.P. 10th Cir. 1997); *Kaiser Steel Corp. v. Frates (In re Kaiser Steel Corp.)*, 105 B.R. 971, 977 (D. Colo. 1989). Courts also recognize that deference should be given to the business judgment of the Receiver. *See, e.g., In re OptInRealBig.com, LLC*, 345 B.R. 277, 291 (Bankr. D. Colo. 2006) (deferring to the business judgment of the bankruptcy trustee).

7. Considering these factors, the Court should approve the Settlement Agreements. As to Ahrendt, although the Receiver believes his claims to recover transfers to her dating back to 2007 are meritorious, Ahrendt’s counsel has raised various defenses to those claims, including the statutes of limitations. In addition, the Receiver has obtained financial disclosures from Ahrendt concerning her ability to satisfy any judgment that might enter against her, and those disclosures raise collectability concerns.

8. With respect to Juniper, the Receiver again believes his claims to recover the alleged fraudulent transfers to her are meritorious, her counsel has raised and provided support for statutory defenses under CUFTA to those claims. In addition, the collectability of any judgment that might enter against Juniper is also questionable.

9. Given the potential costs of litigation, the uncertainty of prevailing and collecting any judgments that might enter, the Receiver believes that the proposed

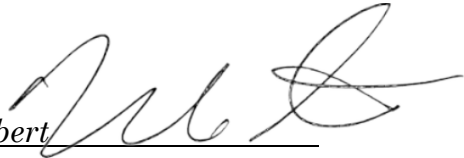
settlements are in the best interest of the Estate and its creditors and will result in the prompt payment of settlement funds to the Estate.

10. 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 enter Orders approving the proposed Settlement Agreements.

Dated: November 18, 2020.

ALLEN VELLONE WOLF HELFRICH & FACTOR  
P.C.

By: /s/ Michael T. Gilbert 

Patrick D. Vellone  
Michael T. Gilbert  
Rachel A. Sternlieb  
1600 Stout Street, Suite 1100  
Denver, Colorado 80202  
(303) 534-4499  
E-mail: pvellone@allen-vellone.com  
E-mail: mgilbert@allen-vellone.com  
E-mail: rsternlieb@allen-vellone.com

ATTORNEYS FOR THE RECEIVER

**CERTIFICATE OF SERVICE**

I hereby certify that on November 18, 2020, I served a true and correct copy of the foregoing **RECEIVER'S MOTION TO APPROVE SETTLEMENT AGREEMENTS WITH AUDREY AHRENDT AND JUNIPER CONSULTING** via CCE to:

Robert W. Finke  
Janna K. Fischer  
Ralph L. Carr Judicial Building  
1300 Broadway, 8th Floor  
Denver, Colorado 80203  
Robert.Finke@coag.gov  
Janna.Fischer@coag.gov

Paul Vorndran  
Chris Mills  
Jones & Keller, P.C.  
1999 Broadway, Suite 3150  
Denver, Colorado 80202  
pvorndran@joneskeller.com  
cmills@joneskeller.com

*Counsel for David S. Cheval, Acting      Counsel for Defendant Gary Dragul  
Securities Commissioner*

**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/Christina A. Clerihue  
Allen Vellone Wolf Helfrich & Factor P.C.