

DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO Denver District Court 1437 Bannock St. Denver, CO 80202	DATE FILED: January 20, 2021 9:14 AM FILING ID: 8E98BBBA5A720 CASE NUMBER: 2019CV33770
<p>Plaintiff: TUNG CHAN, Securities Commissioner for the State of Colorado</p> <p>v.</p> <p>Defendants: MARK RAY; REVA STACHNIW; CUSTOM CONSULTING & PRODUCT SERVICES, LLC; RM FARM & LIVESTOCK, LLC; MR CATTLE PRODUCTION SERVICES, LLC; SUNSHINE ENTERPRISES; UNIVERSAL HERBS, LLC; DBC LIMITED, LLC</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p><i>Attorneys for Court-appointed Receiver Gary Schwartz:</i> John A. Chanin, #20749 Katherine A. Roush, #39267 FOSTER GRAHAM MILSTEIN & CALISHER, LLP 360 South Garfield Street, Suite 600 Denver, Colorado 80209 Phone: (303) 333-9810 Fax: (303) 333-9786 Email: jchanin@fostergraham.com; kroush@fostergraham.com</p>	<p>Case Number: 19CV33770</p> <p>Division/Courtroom: 209</p>
<p>RECEIVER’S MOTION TO EXTEND CLAIMS BAR DATE AND TO CLARIFY ONGOING NOTICE PROCEDURE</p>	

Gary Schwartz, the duly-appointed receiver “Receiver” for Mark Ray (“Ray”), Custom Consulting & Product Services, LLC (“Custom Consulting”), MR Cattle Production Services, LLC (“MR Cattle”), Universal Herbs, LLC (“UH”), DBC Limited, LLC (“DBC”), RM Farm & Livestock, LLC (“RM Farm”), Sunshine Enterprises (“Sunshine”) and the real property, equipment, supplies or inventory located at 12700 E. Lone Chimney Road, Glencoe, OK 74032 that are in the name of or under the control of Reva Stachniw (“Glencoe Ranch”) (collectively “Ray and the Ray Entities” or the “Estate”), asks the Court to extend the claims bar date in this case for 45 days to **March 15, 2021**. The Receiver also asks the Court to clarify notice for ongoing matters in the Estate.

I. BACKGROUND

1. On September 30, 2019, David Cheval, then-Acting Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief against Ray and the Ray Entities. The plaintiff is now Securities Commissioner Tung Chan.

2. On September 30, 2019, the Commissioner and Ray, Custom Consulting, MR Cattle, UH and DBC filed a Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Ray, Custom Consulting, MR Cattle, UH and DBC pursuant to Colo. Rev. Stat. § 11-51-602(1) and C.R.C.P. 66.

3. On September 30, 2019, the Court entered a Stipulated Order Appointing Receiver (the “September 30 Order”) appointing Gary Schwartz of Betzer Call Lausten & Schwartz, LLP as receiver for Ray, Custom Consulting, MR Cattle, UH and DBC and their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Ray Estate”) September 30 Order at ¶ 3.

4. On September 30, 2019, the Securities and Exchange Commission (“SEC”) filed a Complaint against Ray and the Ray Entities and Ron Throgmartin in the United States District Court for the District of Colorado, case no. 19-cv-02789-DDD-NYW (the “Federal Case”).

5. On September 30, 2019 the SEC and Ray, Throgmartin, UH, Custom Consulting, MR Cattle, and DBC filed a stipulated request for the entry of consent orders in the Federal Case.

6. The Court in the Federal Case granted the request for entry of consent orders on October 10, 2019 (the “Ray Consent Judgments”).

7. On October 16, 2019, the SEC and Stachniw, RM Farm and Sunshine filed a second stipulated request for the entry of consent orders in the Federal Case.

8. The Court in the Federal Case granted the request for entry of consent orders on October 18, 2019 (the “Stachniw Consent Judgments”).

9. On October 30, 2019, the Commissioner and Stachniw, RM Farm and Sunshine filed a Second Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over RM Farm, Sunshine, and :the real property, equipment, supplies or inventory located at 12700 E. Lone Chimney Road, Glencoe, OK 74032 that are in the name of or under the control of” Stachniw (the “Stanchiw Assets”) pursuant to Colo. Rev. Stat. § 11-51-602(1) and C.R.C.P. 66.

10. On November 4, 2019, the Court entered a Stipulated Order Appointing Receiver (the “November 4 Order” and collectively with the September 30 Order, the “Receivership Orders”) appointing Gary Schwartz of Betzer Call Lausten & Schwartz, LLP as receiver for the Stachniw Assets, RM Farm, and Sunshine and their identified properties, assets, interests and

management rights in related affiliated and subsidiary businesses (the “Stachniw Estate”) and added the Stachniw Estate to the Ray Estate (collectively, the Stachniw Estate and Ray Estate are referred to herein as the “Receivership Estate” or “Estate”). November 4 Order at ¶¶ 3, 4.

11. The Ray Consent Judgments and the Stachniw Consent Judgments both stay the Federal Case during the pendency of the above-captioned litigation.

12. Under paragraph 5(l) of the Receivership Order at 4, the Receiver is authorized to establish a procedure for asserting claims against the Estate or Receivership Property, for resolving any disputes concerning those claims. Paragraph 7 of the Receivership Order at 8, sets out the priority for the distribution of proceeds of the Estate.

13. On October 30, 2020, the Court entered an Order granting the Receiver’s Motion to Establish Claims Procedure and Claim Bar Date (the “October 30 Order”) and set the claims bar date as February 1, 2020.

II. REQUEST TO EXTEND CLAIMS BAR DATE

14. Pursuant to the Court’s October 30 Order, known potential claimants were mailed the Notice and Claims Form. Due to the interruption of business caused by the pandemic restrictions, the Receiver believes the most efficient and equitable remedy is to provide notice to all potential claimants of a new publicly-available receivership website and to extend the claims bar date an additional 45 days.

15. The Receiver therefore asks the Court to enter an order extending the claims bar date to **March 15, 2021**. This will allow the Receiver to provide notice to the potential claimants and to allow them adequate time to submit claims.

16. Administration of this Estate is nascent, and the requested extension will not harm creditors or delay resolution of the Estate.

III. REQUEST TO APPROVE ONGOING NOTICE PROCEDURE

17. The Receiver seeks clarification from the Court with respect to providing notice of ongoing matters and filings in the case.

18. The Receiver has provided notice to the greatest extent practicable to interested persons on material matters and to persons that may be affected by particular filings. The Receiver does not believe it is necessary to serve all filings in the case on every potential claimant. For many of these potentially interested persons, the Receiver lacks an email address and service by mail will be prohibitively expensive and time-consuming. The administrative time needed to prepare mailings and the costs of photocopying and postage would be significant for an Estate that is scarce on resources. For many potential recipients, receiving pleadings is confusing and leads to them calling the Estate’s counsel and seeking clarification, which results in additional legal fees with little concomitant benefit to the Estate.

19. To conserve Estate resources, and in the interest of efficiency and economy in administering the Estate, the Receiver proposes that notice of future filings concerning material matters be limited to: (1) case parties; (2) persons who have entered appearances in the case; (3) other interested parties/investors for whom the Receiver already has email addresses and whom the Receiver has been serving electronically; and (4) any other persons who specifically request notice and who provide the Receiver with email addresses.

20. All pleadings in this case that are not sealed or subject to a protective order will be available on the Receiver's website, <http://rayreceivership.com>. The Receiver believes that using the Estate's limited resources to send these pleadings to hundreds of potentially uninterested persons is unnecessary and unlikely to provide any benefit to the Estate or its creditors.

21. Any proposed plan of distribution will be served on all creditors who file claims against the Estate.

WHEREFORE, the Receiver asks the Court to enter an order: (a) granting this Motion; (b) extending the claims bar date by 45 days, or until and including **March 15, 2021**; and (c) approving the Receiver's proposed process for serving future filings in the case and by using the website to serve as the mechanism for the Receiver's notice of future motions, applications, pleadings, and orders as set forth herein.

Dated: January 20, 2021.

FOSTER GRAHAM MILSTEIN & CALISHER, LLP.

By: /s/ John A. Chanin

John A. Chanin, #20749

Katherine A. Roush, #39267

ATTORNEYS FOR THE COURT-APPOINTED RECEIVER,
GARY SCHWARTZ

CERTIFICATE OF SERVICE

I hereby certify that on January 20, 2021, a true and correct copy of the foregoing **RECEIVER'S MOTION TO EXTEND CLAIMS BAR DATE AND TO CLARIFY ONGOING NOTICE PROCEDURE** was electronically filed and served on all parties of record via the Colorado Court E-Filing System.

/s/ Lucas Wiggins
Lucas Wiggins