

**DISTRICT COURT, COUNTY OF DENVER,  
STATE OF COLORADO**

1437 Bannock Street  
Denver, CO 80202

**TUNG CHAN, Securities Commissioner for the State of  
Colorado,**

Plaintiff,  
v.

**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,**

Defendants.

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*PHV Attorneys for Defendants Reva Stachniw; RM Farm &  
Livestock, LLC; and Sunshine Enterprises*

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Case No.: **2019cv33770**

Courtroom: **209**

**REVA STACHNIW'S OBJECTION TO RECEIVER'S  
AMENDED PROPOSED PLAN OF DISTRIBUTION**

Defendant, REVA STACHNIW, by and through undersigned counsel hereby objects to  
the Amended Proposed Plan of Distribution filed herein by the Receiver on May 22, 2023 and

shows as follows:

## **INTRODUCTION**

The Receiver’s Motion correctly recites that the initial proposed plan was filed in February 2023. Reva Stachniw objected to that Proposed Plan of Distribution. No hearing has been held on the objections she filed. The Receiver’s Amended Proposed Plan, filed on May 22, 2023, does not reflect any change in the proposed distribution regarding Reva Stachniw: the plan envisions no distribution to Reva Stachniw.<sup>1</sup> Moreover, neither the Receiver’s Motion, nor the Amended Plan addresses in any way the merits of Ms. Stachniw’s objections.

Ms. Stachniw continues to object on the basis that the Proposed Amended Plan is not “fair and equitable” and rewards numerous unindicted co-conspirators in the supposed Ponzi Scheme, while unfairly denying the Stachniws – including Martin Stachniw, who was neither convicted nor accused, of any wrongdoing in the criminal case – any relief, despite the undeniable evidence that they, too, were victims of the Ray scheme. Though Reva Stachniw was convicted at trial of participation in the conspiracy, her husband, Martin Stachniw was not charged or convicted of any crime. And a considerable amount of the money that Reva Stachniw invested with Ray was money belonging to her husband, Martin Stachniw and thus was not proceeds of any criminal conduct.

Moreover, the appropriate, fair and equitable distribution of assets from the estate should not be conclusively determined by the results of a criminal trial which did not address the specifics of the flow of funds from Reva and Martin Stachniw to Ray, and the extent to which Reva Stachniw was not a financial beneficiary of the Ray scheme. Thus, though Reva Stachniw may have been a conspirator in Ray’s scheme, she was not a financial beneficiary of the scheme.

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<sup>1</sup> The Receiver’s Amended Motion explains that there are three amendments to the initial Proposed Plan, none of which affect the Stachniws’ right to recover certain assets reflecting their investments in the property, including investments made during the course of the receivership to preserve assets of the estate.

The goal of the Receivership case is not to further punish Reva Stachniw (to say nothing of her husband), but equitably and fairly to distribute the estate's assets. The Receiver has presented no response to the Objections filed by the Stachniws and offered no evidence to refute the basis of their claims. Reva Stachniw, therefore, renews her objections to the proposed plan (the initial plan, as well as the amended plan) and urges the Court to set this matter down for a hearing. (See Receiver's Motion ¶ II / 2).

For convenience and the benefit of the Court, the Objectors, Reva Stachniw has fully re-asserted her initial Objections below.

**Stachniw Agreement to Add Assets to Receivership Estate**

On August 21, 2020, the Receiver filed a Motion to Add Assets of Reva and Martin Stachniw to the Receivership Estate. In response, on October 27, 2020, the Stachniws executed a Settlement Agreement whereby approximately \$6.8 million in two (2) bank accounts at Midwest Bank - one in the name of Martin Stachniw and one in the name of Reva Stachniw would be transferred to a brokerage account in the name of the Receiver, where the funds were to be held until Order of this Court. On October 28, 2020, the Receiver filed a Motion to Approve Settlement Agreement with Reva Stachniw and Martin Stachniw, and on October 29, 2020, the Court issued an Order approving the Settlement Agreement. (See Motion to Approve Settlement Agreement re: Motion to Add Assets to Receivership Estate, the Settlement Agreement, and the Order ("Motion to Approve and Order"), attached as Exhibits 1, 2 and 3 respectively.) Included in their Settlement Agreement was a provision that they retained the right to make a claim against the Receivership Estate in the manner contemplated by the Court's approved claim procedure. (Exhibit 2 to Motion to Approve and Order, at ¶ 4.)

**A. The Submitted Claim**

On March 15, 2021, Reva Stachniw filed claims with the Receiver seeking a total payment of \$5,932,395.65 from the Receivership Estate for money she and her husband Martin Stachniw invested and paid over the years. The claims were broken down into 3 subparts:

CLAIM 1: \$5,444,235.16-Damages related to recovery  
of invested funds

Ms. Stachniw asserted a claim for a share of the funds recovered in this action that is appropriate in light of the relative size of the investments the Stachniws made with Mark Ray, Universal Herbs, LLC, and the individuals working with them. These individuals include Cynthia Reese, who purchased 100% interest in Universal Herbs in 2010 (RS 027-86), William Farley, who purchased 100% interest in Universal Herbs in 2014 (RS 088-97), and Ronald Throgmartin, along with Mark Ray (RS 115-114). An adequate determination of their original investment can be deduced from the promissory notes issued in this matter (RS 001-15), or the debt listed in Mark Ray's Payment and Indemnification Agreement (RS 021). Documentation representative of the Stachniw payments were included in the uploaded file at the time the claims were submitted. (RS 121- RS 136).

CLAIM 2: \$361,735.23 - Remaining balance of proceeds  
from Glencoe Ranch's sale

On September 30, 2019, title to the Glencoe Ranch belonged to the Stachniws. As stated in the Receiver's Motion For Order Authorizing Sale of Real Property, on August 31, 2020, Joseph Porter "agreed to purchase all of Glencoe Ranch from the Receivership Estate for a total of \$1,013,625.00." (See para. 16 of Motion.) The sale proceeds were applied to payment of an existing mortgage, as well as, to taxes and insurance costs incurred after the Glencoe Ranch was added to the Receivership Estate. (*Id.* at para. 20.) The sale's remaining balance was to be held in an account controlled by the Receiver. (*Id.*)

According to the closing documents the Receiver's counsel provided to the Stachniws, the

remaining balance of the Glencoe Ranch sale's proceeds is \$361,735.23 (RS 029). The Stachniws' claim for the sale's remaining balance was secured by their seller's interest and lien on the property (RS 027-28).

**CLAIM 3: \$126,425.26 - Reimbursement for payment of administration expenses of Receivership Estate**

On June 25, 2019, Ms. Stachniw acquiesced to the SEC and signed an initial consent to expedite establishing a Receivership. Afterwards, Ms. Stachniw continued to make monthly payments on behalf of the Receivership Estate. At the time, delays related to the necessity of a state receivership for the marijuana business were not discussed and Ms. Stachniw had to continue to make payments for the benefit of the Estate until a state receiver could be established and assume the payments.

In total, from July 2019 to September 2020, the Stachniws spent \$126,425.26 paying for the administrative expenses listed on the tables included in file uploaded at the time the claims were submitted.

In conclusion, the total of the three claims is \$5,932,395.65.

**B. The Stachniws' Objection**

On February 13, 2023, the Receiver filed its Proposed Plan of Distribution, noting that it had received a claim from Reva Stachniw, "a now convicted co-conspirator of [Mark] Ray," and recommended to the Court that the claim be disallowed. (Proposed Plan, p. 15.) While Ms. Stachniw may have been convicted in the criminal matter, that doesn't change the fact that substantial funds and assets came to the Receivership Estate from both Ms. Stachniw and Dr. Stachniw, and that much of what they have claimed are expenses they paid to preserve assets of the Receivership Estate, and payment of a mortgage they took out on property in their names that was

transferred to the Receivership. Moreover, the Stachniws invested substantial funds with Mark Ray for many years prior to the actions for which Ms. Stachniw was convicted, and while she was a victim of Mr. Ray like those who the Receiver intends to pay.

WHEREFORE, Reva Stachniw objects to the Receiver's Amended Proposed Plan of Distribution filed herein by the Receiver on May 22, 2023 and requests that the Court:

- a. Convene a hearing on the matter;
- b. Deny the Receiver's Amended Proposed Plan;
- c. Order the Receiver to propose a new Amended Plan of Distribution that includes a fair and equitable distribution to Reva Stachniw;
- d. Order such other and further relief as appropriate under the circumstances.

Respectfully submitted this 16<sup>th</sup> day of June, 2023.

*Isl Donald F. Samuel*  
Donald F. Samuel, Esq.  
Georgia Bar No. 624475  
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*Isl Robin N Loeb*  
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**CERTIFICATE OF**  
**SERVICE**

The undersigned certifies that on the 16<sup>th</sup> day of June, 2023, a true and correct copy of the foregoing **REVA STACHNIW'S OBJECTION TO RECEIVER'S AMENDED PROPOSED PLAN OF DISTRIBUTION** was electronically filed and served on all parties of record via the Colorado Court E-Filing System (ICCES).

*/s Alan S. Thompson*

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Alan S. Thompson

*In accordance with C.R.C.P. 121 §1-26(9) a printed copy of this document with original signatures is being maintained by the signing party and will be made available for inspection by other parties or the court upon request.*