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6

7 *Counsel for Allen D. Applbaum as Receiver*

8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10
11 United States Securities and Exchange
12 Commission,

13 Plaintiff,

14 v.

15 Jonathan Larmore, et al.,

16 Defendants, and
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18 Michelle Larmore, Marcia Larmore;
19 CSL Investments, LLC;
20 MML Investments, LLC;
21 Spike Holdings, LLC;
and JMMAL Investments, LLC,

22 Relief Defendants.
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No. CV-23-02470-PHX-DLR

**RECEIVER'S MOTION FOR
ORDER APPROVING
ABANDONMENT AGREEMENT
AND TRANSFER OF 2020
NAUTIQUE PARAGON**

27 ¹ Admitted *pro hac vice*.

28 ² Admitted *pro hac vice*.

Allen D. Applbaum as receiver for ArciTerra Companies, LLC and related entities (the “Receiver”), by and through his counsel, Archer & Greiner, P.C., hereby respectfully moves this Court for an order approving the Abandonment Agreement dated July __, 2024, annexed hereto as Exhibit 1, providing for the abandonment of a 2020 Nautique Paragon 23 Boat (Hull Identification Number CTC0P058A020) (the “Boat”), between the Receiver and mortgagee, Lake City Bank (the “Mortgagee”), as follows:

I. Preliminary Statement

1. On December 21, 2023 and May 6, 2024, the Court appointed the Receiver pursuant to the *Order Appointing Temporary Receiver and Temporarily Freezing Assets and Imposing Litigation Injunction* [ECF No. 77], and *Order Appointing Receiver and Freezing Assets and Imposing Litigation Injunction* [ECF No. 154] (the “Receivership Order”), respectively.³ Since his appointment, the Receiver and his retained professionals have, among other things, assumed control of the Receivership Entities and Receivership Assets, conducted preliminary investigations into the claims and liens asserted against Receivership Assets, negotiated standstill and forbearance stipulations with parties asserting liens and other interests in Receivership Assets, and conducted other activities required by the Receivership Order to administer the Receivership Estate (as defined in the Receivership Order).⁴

2. The Receiver brings this Motion to approve the Abandonment Agreement

³ Capitalized, undefined terms are as in the Receivership Order.

⁴ On August 20, 2024, the Receiver filed the *ArciTerra Receiver’s Second Status Report* [ECF No. 205].

1 with the Mortgagee.

2 3. The Boat is owned by Wawasee Watercrafts, LLC ("Owner"). Owner is a
3 Receivership Entity.

4 4. Lake City is the holder of the Retail Installment Contract and Security Agreement
5 of the Owner and Jonathan M. Larmore ("Larmore") dated June 17, 2020, in the original principal
6 amount of \$200,000.00 (the "Note").

7 5. The Boat is subject to Lake City's first position, perfected security interest
8 evidenced by Indiana Certificate of Title issued by Indiana Bureau of Motor Vehicles as
9 Title Number 20358121000089.

10 6. Prior to the Receivership, the Owner and Larmore were in default under the
11 Note for their failure to make payments as required by the terms thereof.

12 7. Lake City represents that, as of June 24, 2024, the outstanding principal
13 balance on the Note was \$171,006.56, accrued and unpaid interest amounted to \$6,997.01,
14 accrued and unpaid late charges amounted to \$75.00, accrued and unpaid dealer interest
15 amounted to \$475.58, and accrued and unpaid attorney fees and expenses amounted to
16 \$7,980.00. Interest on the Note continues to accrue at the rate of \$25.650984 per day based
17 upon the interest rate presently in effect.

18 8. The Boat has been in the possession of N3 Boatworks in Indianapolis,
19 Indiana, since October 2023, resulting in accrued and unpaid storage fees in the amount of
20 \$2,500.00 as of June 20, 2024, together with accruing storage fees.

21 9. Prior thereto and while in the possession of the Borrowers, the Boat suffered
22 extensive damage, including from improper use in saltwater, with an estimated cost to
23

1 repair of \$79,143.41.

2 10. The Receiver has determined that there is little or no equity in the Boat that
3 can be recovered by the Estate.
4

5 11. Lake City has solicited offers from multiple dealers in the Indianapolis,
6 Indiana, area to purchase the Boat; however, based on such damage, only one offer was
7 received from N3 Boatworks in the amount of \$40,000.00.
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9 12. Pursuant to the attached Abandonment Agreement, the Receiver and
10 Mortgagee have agreed that the Receiver will abandon the Boat to the Mortgagee.
11 Mortgagee agrees to take possession of and/or sell the Boat at private sale, or as otherwise
12 provided by law, in accordance with the laws of the State of Indiana. Mortgagee shall
13 provide Owner due notice of the sale. Upon the sale of the Boat, Lake City will remit to
14 the Receiver an amount equal to five percent (5%) of the net sale proceeds received
15 therefrom (after satisfaction of all storage fees, costs, attorneys' fees, and expenses incurred
16 with respect to the default under the Note and/or the disposition of the Boat) and net of the
17 Payment. Thus, any upside upon disposition will be shared with the Receivership Estate.
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20 13. The Receiver's Retained Personnel also conducted their own diligence and
21 independent analysis. Annexed hereto as Exhibit 2 is the Declaration of David Holley (the
22 "Holley Declaration"), in support of the approval of the Abandonment Agreement.
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24 14. The Receiver believes, in his reasonable business judgment, that the terms of
25 the Abandonment Agreement represent the best obtainable disposition for the Boat. Failure
26 to abandon the Boat at this time results in continued accruing of costs and risks the potential
27 request for stay relief from the Mortgagee.
28

1 15. The Mortgagee has provided a sworn declaration in support of the
2 Abandonment Agreement, a true copy of which is annexed hereto as Exhibit 3.

3 16. Accordingly, the Receiver respectfully requests that the Court grant this
4 Motion by entering an order approving the Abandonment Agreement.
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6 **II. Background**

7 17. On November 28, 2023, the Securities and Exchange Commission filed its
8 Complaint [ECF 1] (the “Complaint”) against Jonathan Larmore (“Larmore”); ArciTerra
9 Companies, LLC (“ArciTerra”); ArciTerra Note Advisors II, LLC; ArciTerra Note
10 Advisors III, LLC; ArciTerra Strategic Retail Advisor, LLC; and Cole Capital Funds, LLC
11 (all together, the “Defendants”). Michelle Larmore; Marcia Larmore; CSL Investments,
12 LLC; MML Investments, LLC; Spike Holdings, LLC and JMMAL Investments, LLC were
13 named as relief defendants.
14
15

16 18. The Court entered the Receivership Order, which appointed the Receiver to,
17 among other things, (a) perform the duties specified in the Receivership Order; (b)
18 ascertain the financial condition of the Receivership Entities and all of the Receivership
19 Assets (as defined in the Receivership Order); (c) oversee and manage the Receivership
20 Entities and the Receivership Assets; and (d) propose for Court approval a fair and
21 equitable distribution of the Receivership Assets.
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23 19. Paragraph 6(N) of the Receivership Order provides that the Receiver shall
24 have the power and duty to:
25

26 Sell, assign, transfer or otherwise dispose of any assets of the Receivership
27 Entities either directly or through one or more Retained Personnel, subject
28 to approval by this Court with respect to any material assets[.]

1 **III. Relief Requested**

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3 20. By this Motion, the Receiver seeks entry of an order, in the form attached
4 hereto as Exhibit 4, approving the Abandonment Agreement.

5 **IV. Basis for Relief Requested**

6 21. The Court's power to supervise an equity receivership and to determine the
7 appropriate actions to be taken in the administration of the receivership is extremely broad.
8
9 *See Securities and Exchange Com'n v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th
10 Cir. 2005) (*quoting Securities and Exchange Com'n v. Hardy*, 803 F.2d 1034, 1037 (9th
11 Cir. 1986)). "The power of a district court to impose a receivership or grant other forms
12 of ancillary relief does not in the first instance depend on a statutory grant of power from
13 the securities laws. Rather, the authority derives from the inherent power of a court of
14 equity to fashion effective relief." *Securities and Exchange Com'n v. Wencke*, 622 F.2d
15 1363, 1369 (9th Cir. 1980).
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18 22. A court imposing a receivership assumes custody and control of all assets
19 and property of the receivership, and it has broad equitable authority to issue all orders
20 necessary for the proper administration of the receivership estate. *See Securities and*
21 *Exchange Com'n v. Credit Bancorp Ltd.*, 290 F.3d 80, 82-83 (2d Cir. 2002).
22

23 23. Here, the Receiver seeks an order formally abandoning the Property. In
24 bankruptcy cases, which are similar to receiverships, trustees are authorized to abandon
25 property where it is "burdensome and of inconsequential value and benefit" to the
26 bankruptcy estate. 11 U.S.C. § 554(a). "Abandonment requires affirmative action or some
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1 other evidence of intent by the trustee." *Stein v. United Artists Corp.*, 691 F.2d 885, 890
2 (9th Cir. 1982) (citations omitted). In *In re K.C. Machine and Tool Company*, 816 F.2d
3 238 (6th Cir. 1987), the court held that before ordering abandonment, the court must find
4 either (1) the property is burdensome to the estate; or (2) the property is both of
5 inconsequential value and inconsequential benefit to the estate. *Id.* at 245.
6

7 24. Therefore, it is well within the Court's broad authority to approve the
8 Abandonment Agreement as set forth herein. Abandonment (i) realizes the value that can
9 be achieved for the asset, given its value and encumbrance, (ii) stops continued accrual of
10 obligations that erode any equity margin, however minimal, and (iii) effectuates the
11 Receiver's charge to realize value from receivership assets and respond to creditors' due
12 concerns, especially secured creditors in their collateral.
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15 **V. Conclusion**

16 25. No prior motion for the relief sought herein has been made to any court.

17 26. Given the authorities set forth herein, request is made to waive any
18 requirement to file a separate memorandum of law. *See* LRCiv 7.2(b).
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1 WHEREFORE, the Receiver respectfully requests that this Court enter an order
2 approving the Abandonment Agreement and granting such other relief as is just and proper.

3 Dated: August 28, 2024

ARCHER & GREINER, P.C.

5 By: 

6 Allen G. Kadish¹

7 Harrison H.D. Breakstone²

1211 Avenue of the Americas

8 New York, New York 10036

9 Tel: (212) 682-4940

Email: akadish@archerlaw.com

10 hbreakstone@archerlaw.com

11 *Counsel for Allen D. Applbaum as Receiver*

CERTIFICATE OF SERVICE

I hereby certify that on August 28, 2024, I electronically transmitted the foregoing document with the Clerk of the Court using the CM/ECF systems, which will provide electronic mail notice to all counsel of record.


Allen G. Kadish

INDEX TO EXHIBITS

Exhibit 1 – Abandonment Agreement

Exhibit 2 – Holley Declaration

Exhibit 3 – Mortgagee Declaration

Exhibit 4 – Proposed Order

EXHIBIT 1

ABANDONMENT AGREEMENT

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ABANDONMENT AGREEMENT

This ABANDONMENT AGREEMENT (the “Agreement”) is made and entered into as of August 12, 2024, by and between **WAWASEE WATERCRAFTS, LLC**, and **LAKE CITY BANK**.

RECITALS:

Each party to this agreement agrees the following facts presently exist:

1. Lake City Bank (“Lake City”) is a state-chartered financial institution, validly existing under the laws of the State of Indiana.

2. Wawasee Watercrafts, LLC (the “Owner”) is a limited liability company, organized and existing under the laws of the State of Indiana.

(Lake City and Owner are sometimes hereinafter collectively referred to as the “Parties”).

3. Lake City is the holder of the Retail Installment Contract and Security Agreement of the Owner and Jonathan M. Larmore (“Larmore”) dated June 17, 2020, in the original principal amount of \$200,000.00 (the “Note”).

4. To secure repayment of the Note, the Owner granted Lake City a first position, perfected security interest in that certain 2020 Nautique Paragon 23 Boat (Hull Identification Number CTC0P058A020) (the “Boat”), as set forth in the Note.

5. Lake City’s first position, perfected security interest in the Boat is evidenced by the Indiana Certificate of Title issued by the Indiana Bureau of Motor Vehicles as Title Number 20358121000089.

6. The Owner and Larmore are in default under the Note for their failure to make the payments as required by the terms thereof.

7. Lake City represents that, as of August 12, 2024, the outstanding principal balance on the Note was \$171,006.56, accrued and unpaid interest amounted to \$8,173.92, accrued and unpaid late charges amounted to \$75.00, accrued and unpaid dealer interest amounted to \$555.57, and accrued and unpaid attorney fees and expenses amounted to \$8,505.00. Interest on the Note continues to accrue at the rate of \$24.0184788 per day based upon the interest rate presently in effect.

8. Owner is in receivership in the United States District Court for the District of Arizona (the “Court”) under docket number 2:23-cv-02470 (DLR) (the “Receivership Action”) pursuant to that certain Order Appointing Receiver, Freezing Assets, and Imposing Litigation Injunction [Dkt. No. 154].

9. Allen D. Applbaum has been appointed as the receiver (the “Receiver”) in the Receivership Action.

10. The Boat has been in the possession of N3 Boatworks in Indianapolis, Indiana, since October 2023, resulting in accrued and unpaid storage fees in the amount of \$2,500.00 as of June 20, 2024, together with accruing storage fees.

11. Prior thereto and while in the possession of the Borrowers, the Boat suffered extensive damage, including from improper use in saltwater, with an estimated cost to repair of \$79,143.41.

12. Lake City solicited offers from multiple dealers in the Indianapolis, Indiana, area to purchase the Boat; however, based on such damage, only one offer was received from N3 Boatworks in the amount of \$40,000.00.

13. Due to the asset freeze and litigation injunction imposed in this action since December 21, 2023, Lake City claims that it has suffered significant prejudice in exercising its rights and remedies with respect to the Boat, including, but not limited to, a decline in value and number of potential interested purchasers given that the prime opportunity (i.e. pre-summer) for sales of a boat of this kind has passed.

14. Lake City further claims that the remaining seasonal window to effect a sale of the Boat is diminishing, thus potentially causing the value of the Boat to decline even further.

15. The Receiver now wishes to dispose of the Boat on the best terms possible by allowing Lake City to take possession of and sell the Boat as permitted under the Note and Indiana law.

NOW, THEREFORE, in consideration of the premises, Lake City and Owner agree as follows:

1. **Recitals.** The Parties agree that each of the above set forth Recital paragraphs is true, accurate and correct and that the Recital paragraphs are incorporated into this Agreement by reference.

2. **Abandonment.** The Owner hereby abandons all right, title and interest to the Boat, its engines, tackle, equipment, appurtenances and everything aboard the Boat. The Owner hereby turns over possession of the Boat to Lake City as the Boat currently lays, with no representation or warranty of any kind other than title, including as to seaworthiness, or further liability for its costs, upkeep, maintenance or operation (the “Abandonment”).

3. **Payment by Lake City.** In consideration of the Abandonment, Lake City shall pay to the Receiver the amount of One Thousand and 00/100 Dollars (\$1,000.00) (the “Payment”), subject to and promptly upon fulfillment of the following conditions precedent (“Closing”):

(a) The Court in the Receivership Action shall approve this Agreement and such other relief as may be needed to give effect to this Agreement. Approval of this Agreement by the Court shall be deemed to end the stay against Lake City's action against the Boat arising from the Receiver Action.

(b) The Receiver shall file a Motion in the Receivership Action to approve abandonment of the Boat and this Agreement (the "Motion to Abandon").

(c) The time for filing objections to the Motion to Abandon shall have passed with no objections filed or, if an objection is filed, when the objection is overruled, settled, or otherwise resolved.

(d) The Motion to Abandon shall have been granted.

4. **Costs.** Pursuant to the terms of the Note, Lake City may recover all eligible costs and expenses (including, but not limited to, its attorneys' fees) incurred in connection with the default under the Note and/or the disposition of the Boat as permitted under the Note and Indiana law, except as provided herein.

5. **Time of the Essence.** The Parties agree that time is of the essence in effecting the Abandonment because the indebtedness under the Note (and secured by the Boat) continues to increase, storage costs continue to accrue, and the seasonal window to effect a sale of the Boat is diminishing. If the Court in the Receivership Action has not approved this Agreement within sixty (60) days of the date of filing, either Party shall have the right to cancel this Agreement, which shall then be void *ab initio*.

6. **Sale of Boat and Assignment of Share of Proceeds.** Reasonably promptly after Closing, Lake City agrees to take possession of and/or sell the Boat at private sale, or as otherwise provided by law, in accordance with the laws of the State of Indiana. Lake City shall provide Owner due notice of the sale. Upon the sale of the Boat, Lake City will remit to the Receiver an amount equal to five percent (5%) of the net sale proceeds received therefrom (after satisfaction of all storage fees, costs, attorneys' fees, and expenses incurred by Lake City with respect to the default under the Note and/or the disposition of the Boat) and net of the Payment.

7. **Accounting.** Together with the payment due under Section 6 above, Lake City shall provide the Receiver with an accounting of the proceeds of the sale of the Boat showing the Boat's sale price, the outstanding balance of the Note when it is sold, and all storage fees, costs, attorneys' fees, and expenses paid from the proceeds of the sale, reasonably promptly following the sale of the Boat (the "Accounting").

8. **Waiver of Owner.** The Owner hereby absolutely and unconditionally relinquishes and waives any right of redemption that it may have with respect to the Boat.

9. **Disposition of Boat.** The Owner hereby waives its right to assert as a defense, or to otherwise claim, that Lake City's disposition of the Boat was not commercially reasonable unless

the sale, or an element thereof, is proposed or conducted in a manner inconsistent with this Agreement.

10. **No Waiver by Lake City.** The Owner acknowledges and agrees that the execution of this Agreement by Lake City shall not constitute a waiver, relinquishment, or release by Lake City of its first position, perfected security interest upon the Boat and/or its rights under the Note. Lake City hereby reserves all of its rights and remedies under the Note.

11. **Acknowledgment Regarding Indebtedness.** The Owner acknowledges its continuing obligations under the Note, including, but not limited to, its obligation to pay any deficiency balance due after enforcement, collection and/or disposition of the Boat and its obligation to pay Lake City's expenses of collection.

12. **General Release.** In consideration of the benefits provided to the Owner under the terms and provisions of this Agreement, the Owner hereby agrees as follows ("General Release"):

(a) Owner, for itself and on behalf of its successors and assigns, does hereby release, acquit, and forever discharge Lake City, all of Lake City's predecessors in interest, and all of Lake City's past and present officers, directors, attorneys, affiliates, employees and agents, of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasance, malfeasance, causes of action, defenses, offsets, debts, sums of money, accounts, compensation, contracts, controversies, promises, damages, costs, losses and expenses, of every type, kind, nature, description or character, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length (each, a "Released Claim" and collectively, the "Released Claims"), that Owner now has or may acquire, in any way arising out of, connected with, or related to the Note, the Boat, and/or any agreements or documents of any kind related thereto or the transactions contemplated thereby or hereby, or any other agreement or document referred to herein or therein.

(b) Owner hereby acknowledges, represents, and warrants to Lake City that it agrees to assume the risk of any and all unknown, unanticipated, or misunderstood defenses and Released Claims which are released by the provisions of this General Release in favor of Lake City, and Owner hereby waives and releases all rights and benefits which it might otherwise have under any state or local laws or statutes with regard to the release of such unknown, unanticipated or misunderstood defenses and Released Claims.

(c) Each person signing below on behalf of Owner acknowledges that he or she has read each of the provisions of this General Release. Each such person fully understands that this General Release has important legal consequences, and each such person realizes that he or she is releasing any and all Released Claims that Owner may have as of the Release Date. Owner hereby acknowledges that it has had an opportunity

to obtain a lawyer's advice concerning the legal consequences of each of the provisions of this General Release.

(d) Owner hereby specifically acknowledges and agrees that: (i) none of the provisions of this General Release shall be construed as or constitute an admission of any liability on the part of Lake City; (ii) the provisions of this General Release shall constitute an absolute bar to any Released Claim of any kind, whether any such Released Claim is based on contract, tort, warranty, mistake or any other theory, whether legal, statutory or equitable; and (iii) any attempt to assert a Released Claim barred by the provisions of this General Release shall subject Owner to the provisions of applicable law setting forth the remedies for the bringing of groundless, frivolous or baseless claims or causes of action.

(e) Notwithstanding the foregoing, the terms of this General Release shall not affect, and shall not operate as a release of any duty, obligation, covenant, representation, or warranty of any Party set forth in this Agreement.

13. **Additional Documentation.** The Parties each agree to execute and deliver such further documentation as the other may reasonably request in writing to give effect to the understandings set forth in this Agreement.

14. **Miscellaneous.** This Agreement and the documents referred to herein or executed and delivered pursuant hereto constitute the entire agreement between the Parties relating to the subject matter hereof and may be amended only by a writing signed on behalf of each Party. There are no promises, inducements or terms and conditions other than as specifically set forth herein. The substantive laws of the State of Indiana shall govern the construction of this Agreement and the rights and remedies of the Parties hereto.

15. **Attorney Fees.** In the event of any controversy, claim, or dispute between the Parties affecting or relating to this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party all of its reasonable expenses, including reasonable attorney's and accountant's fees.

16. **Assignment.** Neither Party shall have the right to assign the rights and obligations under this Agreement without the prior written consent of all Parties. Any attempt to so transfer the same shall be null and void.

17. **Notice.** All communications and notices pursuant to this Agreement shall be in writing to the addresses set forth below and shall be deemed to have been given at the earliest of the date (a) when delivered by overnight delivery service by a recognized commercial carrier to the other Party, or (b) when received via email as follows:

If to Owner:

Wawasee Watercrafts, LLC
c/o StoneTurn Group, LLP

17 State Street, 2nd Floor
New York, NY 10004
Attn.: Allen D. Applbaum
[Email: aapplbaum@stoneturn.com](mailto:aapplbaum@stoneturn.com)

With copy, which shall not constitute notice, to:

Archer & Greiner P.C.
1211 Avenue of the Americas, Suite 2750
New York, NY 10036
Attn.: Allen G. Kadish
[Email: akadish@archerlaw.com](mailto:akadish@archerlaw.com)

If to Lake City:

Lake City Bank
202 East Center Street
Warsaw, IN 46580
Attn.: Candy Little
[Email: candy.little@lakecitybank.com](mailto:candy.little@lakecitybank.com)

With a copy, which shall not constitute notice, to:

Rothberg Law Firm
505 East Washington Boulevard
Fort Wayne, IN 46802
Attn.: Jared Helge
[Email: jhelge@rothberg.com](mailto:jhelge@rothberg.com)

18. **Binding Agreement.** This Agreement shall bind and inure to the benefit of the Parties and their respective legal representatives, successors, and permitted assigns.

19. **Authorized Representative.** The Parties represent and affirm that (i) unless set forth herein, each Party has performed its own review of the circumstances of the Boat without representation or warranty by the other Party, (ii) each Party has the full power and authority to carry out its business and to enter into this Agreement and to perform its obligations as set forth herein, and (iii) the representative signing this Agreement has the authority to bind their respective Party to the terms of this Agreement.

20. **Severability.** In the event that any provision contained herein shall be held to be invalid, illegal, or unenforceable, such holding shall not affect the validity, legality, or enforceability of any other provisions of this Agreement so long as the remaining portions can be construed to fulfill the intent of the parties as set forth herein.

21. **Execution of Documents, Consultation with Counsel.** Each Party acknowledges and agrees that it has had an opportunity to review and consider the terms and provisions of this

Agreement, to consult with counsel of its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each Party hereto warrants and agrees that its execution of this Agreement is made voluntarily and with full knowledge of the significance and effect of such agreements.

22. **Facsimile and Counterpart.** This Agreement may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this Agreement or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

[Balance of page intentionally left blank; signature pages follow]

“OWNER”

WAWASEE WATERCRAFTS, LLC

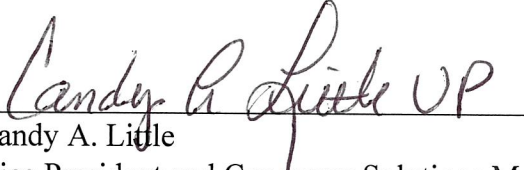
By: 

Allen D. Applbaum, as Receiver

“LAKE CITY”

LAKE CITY BANK

By: _____

 VP

Candy A. Little

Vice President and Consumer Solutions Manager

EXHIBIT 2

HOLLEY DECLARATION

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

United States Securities and Exchange
Commission,

Plaintiff,

v.

Jonathan Larmore, et al.,

Defendants, and

Michelle Larmore; Marcia Larmore;
CSL Investments, LLC;
MML Investments, LLC;
Spike Holdings, LLC;
and JMMAL Investments, LLC,

Relief Defendants.

No. CV-23-02470-PHX-DLR

**DECLARATION IN SUPPORT
OF MOTION**

DAVID A. HOLLEY hereby declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, to the best of his knowledge, information and belief:

1. I am a partner in the Boston office of StoneTurn Group, LLP (“StoneTurn”). I have personal knowledge of the facts set forth in this declaration and if called as a witness, I could and would testify completely thereto.

2. I have been employed by StoneTurn since June 2022. As a partner I am responsible for the development and execution of client engagements, which includes overseeing investigations and other risk-related matters on behalf of corporations, financial institutions, law firms, individuals, and government entities. These investigations, while at StoneTurn and elsewhere, have included asset tracing, fraud, due diligence, internal investigations, and matters involving national security, Committee on Foreign Investment in the United States, sanctions and anti-bribery and anti-corruption regulations.

1 3. I have been working in the investigations and risk-mitigation industry since
2 1995, including as Executive Vice President of K2 Integrity from June 2018 to June 2022,
3 Senior Managing Director with Berkeley Research Group from June 2015 to June 2018,
4 and as a Senior Managing Director at Kroll from March 2000 to June 2015. I am a graduate
5 of the Roger Williams School of Law and received my Bachelor of Arts degree from
6 Boston University. A copy of my curriculum vitae was previously filed at ECF No. 176.
7

8 4. On December 21, 2023 and May 4, 2024, the Court entered the *Order*
9 *Appointing Temporary Receiver and Temporarily Freezing Assets and Imposing Litigation*
10 *Injunction* [ECF No. 77] and the *Order Appointing Receiver and Freezing Assets and*
11 *Imposing Litigation Injunction* [ECF No. 154] (the “Receivership Order”), which among
12 other things, appointed Allen D. Applbaum as Receiver (the “Receiver”), and approved
13 StoneTurn and Archer & Greiner, P.C. as “Retained Personnel” in this case.
14
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16 5. The Receiver’s Retained Personnel analyzed the ownership interests of the
17 2020 Nautique Paragon 23 Boat (Hull Identification Number CTC0P058A020) (the
18 “Boat”) and interacted with parties affiliated with the Boat. The Boat is owned by
19 Wawasee Watercrafts, LLC (the “Owner”). The Owner is a Receivership Entity.
20

21 6. Upon the Receiver’s appointment and after investigating the financial
22 condition of the Receivership Estate, on behalf of the Receiver, I evaluated the several
23 watercraft of the Receivership Estate including the Boat.
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25 7. I undertook a comprehensive effort to determine the value of the Boat.
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1 8. I engaged with the Mortgagee and became familiar with the circumstances
2 of the Boat and all the circumstances presented with respect to the Boat. The Boat is in the
3 possession of N3 Boatworks in Indianapolis, Indiana since October 2023.
4

5 9. Due to the fact that the Boat suffered extensive damage, including from
6 improper use in saltwater, with an estimated cost to repair of \$79,143.41 and has been out
7 of the water and in unknown operating condition since at least October 2023, the precarious
8 position of the Receiver vis-à-vis the Mortgagee, and accruing costs to maintain the Boat
9 until a potential sale, I recommended to the Receiver that he pursue the abandonment of
10 the Boat.
11

12 10. Upon making the determination that it would be in the best interest of the
13 receivership to reach an agreement with the Mortgagee for the abandonment of the
14 Receiver's interest in the Boat, I worked with the Receiver's counsel to negotiate with the
15 Mortgagee and its counsel the Abandonment Agreement.
16

17 I declare under penalty of perjury that the foregoing is true and correct.
18

19 Dated: Boston, Massachusetts
20 August 23, 2024

David A. Holley

David A. Holley

EXHIBIT 3

MORTGAGEE DECLARATION

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**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

V.

JONATHAN LARMORE, ET AL.,

Defendants.

Case No.: CV-23-02470-PHX-DLR

DECLARATION OF LAKE CITY BANK

I, Candy Little, declare and state under penalty of perjury, or where indicated, upon information and belief, the following.

1. I am the Vice President and Consumer Solutions Manager of Lake City Bank (“Lake City”), an Indiana-chartered financial institution with its principal place of business at 202 East Center Street, Post Office Box 1387, Warsaw, Indiana 46581-1387.

2. In such capacity, I am familiar with the books, records and documents maintained by Lake City for the purpose of servicing loans, and I have examined all books, records and documents kept by Lake City concerning the loan that is the subject of this Declaration. These books, records and documents are kept by Lake City in the regular course of its business and are made at or near the time of the events appearing therein, or from information provided by persons with knowledge of the activity. It is the regular practice of Lake City to make and keep these books, records and documents. I have knowledge of the matters contained in the books, records and documents kept by Lake City.

3. Lake City is a state-chartered financial institution with its principal place of business at 202 East Center Street, Post Office Box 1387, Warsaw, Indiana 46581-1387.

4. Lake City is the holder of the Retail Installment Contract and Security Agreement of Wawasee Watercrafts, LLC (the “Owner”) and Jonathan M. Larmore (“Larmore”) dated June 17, 2020, in the original principal amount of \$200,000.00 (the “Note”). A true and exact copy of the Note is attached hereto, made a part hereof, and marked as Exhibit “A”.

(The Owner and Larmore are collectively referred to herein as the “Borrowers”).

5. To secure repayment of the Note, the Owner granted Lake City a first position, perfected security interest in that certain 2020 Nautique Paragon 23 Boat (Hull Identification Number CTC0P058A020) (the “Boat”), as set forth in the Note.

6. Lake City’s first position, perfected security interest in the Boat is evidenced by the Indiana Certificate of Title issued by the Indiana Bureau of Motor Vehicles as Title Number 20358121000089 (the “Title”). A true and exact copy of the Title is attached hereto, made a part hereof, and marked as Exhibit “B”.

7. Pursuant to the terms of the Note, the Borrowers are required to make payments to Lake City.

8. The Borrowers have failed to make payments on the Note as required by the terms of said Note and are therefore in default thereunder.

9. As a result of the foregoing default, Lake City has a present right to exercise its rights and remedies under the Note.

10. The Boat has been in the possession of N3 Boatworks in Indianapolis, Indiana, since October 2023, resulting in accrued and unpaid storage fees in the amount of \$2,500.00 as of June 20, 2024, together with accruing storage fees. A true and exact copy of the invoice evidencing the foregoing storage fees are attached hereto, made a part hereof, and marked as Exhibit “C”.

11. Prior thereto and while in the possession of the Borrowers, the Boat suffered extensive damage, including from improper use in saltwater. True and exact photos of the Boat, evidencing the current condition thereof, are attached hereto, made a part hereof, and marked as Exhibit “D”.

12. Pursuant to an estimate prepared by N3 Boatworks located at 7001 Hawthorn Park Drive, Indianapolis, Indiana, dated May 8, 2024, the estimated cost to repair the Boat is \$79,143.41 (the “Estimate”). A true and exact copy of the Estimate is attached hereto, made a part hereof, and marked as Exhibit “E”.

13. Lake City solicited offers from multiple dealers in the Indianapolis, Indiana, area to purchase the Boat; however, based on such damage, only one offer was received from N3 Boatworks in the amount of \$40,000.00 (the “Offer”). A true and exact copy of the Offer is attached hereto, made a part hereof, and marked as Exhibit “F”.

14. As of August 12, 2024, the outstanding principal balance on the Note was \$171,006.56, accrued and unpaid interest amounted to \$8,173.92, accrued and unpaid late charges amounted to \$75.00, accrued and unpaid dealer interest amounted to \$555.57, and accrued and unpaid attorney fees and expenses amounted to \$8,505.00.

15. Interest on the Note continues to accrue at the rate of \$24.0184788 per day based upon the interest rate presently in effect, together with ongoing storage fees, attorney fees, and other expenses incurred by Lake City in connection with the protection of its security interest in the Boat.

16. Due to the asset freeze and litigation injunction imposed in this action since December 21, 2023, Lake City has suffered significant prejudice in exercising its rights and remedies with respect to the Boat, including, but not limited to, a decline in value and number of

potential interested purchasers given that the prime opportunity (i.e. pre-summer) for sales of a boat of this kind has passed.

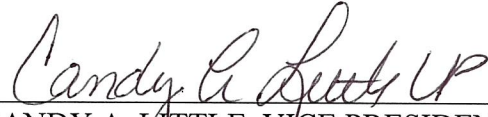
17. The remaining seasonal window to effect a sale of the Boat is diminishing, thus potentially causing the value of the Boat to decline even further.

18. Based on the foregoing, as well as information and belief, the net sale proceeds received from a sale of the Boat (after satisfaction of all storage fees, costs, attorneys' fees, and expenses incurred by Lake City with respect to the default under the Note and/or the disposition of the Boat) will be substantially less than the outstanding balance due and owing under the Note.

[Balance of page intentionally left blank; signature page follows]

Dated this 12th day of August, 2024.

LAKE CITY BANK

A handwritten signature in cursive script, reading "Candy A. Little VP", written over a horizontal line.

CANDY A. LITTLE, VICE PRESIDENT AND
CONSUMER SOLUTIONS MANAGER

008 03785-#221 P. Ensey BU Jr

RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT		Seller: WAWAEE BOAT COMPANY, INC 6521 E. CORNELIUS RD. SYRACUSE, IN 46567 "We" and "us" mean the Seller above, its successors and assigns.		Buyer: WAWAEE WATERCRAFTS, LLC AND JONATHAN M. LARMORE 2701 E. CAMELBACK RD SUITE 150 PHOENIX, AZ 85016 "You" and "your" mean each Buyer above, and each guarantor, jointly and individually.	
No.					
Date	06/17/2020				

008

SALE: You agree to purchase from us, on a time basis, subject to the terms and conditions of this contract and security agreement (Contract), the goods (Goods) and services described below. The Goods are sold in their present condition, together with the usual accessories and attachments.

Description of Goods or Services Purchased: **2020 Nautique Paragon 23 Boat** Serial or Unit No.: **USCTCOP05BA020** Motor or Cabinet No.: Price of Each Unit:

Description of Other Collateral (Not household goods):

SECURITY: To secure your payment and performance under the terms of this Contract, you give us a security interest in the Goods purchased and any other collateral described above, and all accessories, attachments, accessories, and equipment placed in or on the Goods or other collateral, together called Property, and proceeds of the Property. You also assign to us and give us a security interest in proceeds and premium refunds of any insurance and service contracts purchased with this Contract.

PROMISE TO PAY AND PAYMENT TERMS: You promise to pay us the principal amount of \$ 200,175.00, plus finance charges accruing on the unpaid balance at the rate of 5.49 % per year from today's date until paid in full. You agree to pay this Contract according to the payment schedule and late charge provisions shown in the TRUTH IN LENDING DISCLOSURE. You also agree to pay any additional amounts according to the terms and conditions of this Contract.

☐ **MINIMUM FINANCE CHARGE:** You agree to pay a minimum finance charge of \$ N/A if you pay this Contract in full before we have earned that much in finance charges.

DOWN PAYMENT: You also agree to pay, or apply to the Cash Price, on or before today's date, any cash, rebate and net trade-in value described in the ITEMIZATION OF AMOUNT FINANCED. ☐ You agree to make deferred payments as part of the cash down payment as reflected in your Payment Schedule.

TRUTH IN LENDING DISCLOSURE					
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid when you have made all scheduled payments.	TOTAL SALE PRICE The total cost of your purchase on credit, including your down payment of all scheduled payments.	
5.507 %	\$94,282.00	\$200,000.00	\$294,282.00	\$357,042.00	
Payment Schedule: Your payment schedule will be					
Number of Payments	Amount of Payments	When Payments Are Due			
180	1634.90	monthly beginning 07/17/2020			
Security: You are giving a security interest in <input checked="" type="checkbox"/> the Goods purchased. <input type="checkbox"/> (description of other property)					
<input checked="" type="checkbox"/> Late Charge: If all or any portion of a payment is not paid within <u>10</u> days of its due date, you will be charged a late charge of <u>25.00</u> .					
<input checked="" type="checkbox"/> This amount may change pursuant to Indiana Code §§ 24-4.5-1-106 and 24-4.5-2-203.5.					
Prepayment: If you pay off this Contract early, you <input type="checkbox"/> may <input checked="" type="checkbox"/> will not have to pay a Minimum Finance Charge.					
Contract Provisions: You can see the terms of this Contract for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.					

CREDIT INSURANCE: Credit life, credit disability (accident and health), and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

Credit Life: Insured N/A 06/17/2020
☐ Single ☐ Joint Prem. \$ _____ Term _____
 Credit Disability: Insured N/A
☐ Single ☐ Joint Prem. \$ _____ Term _____

PLAN# 172 COLL 74 INS 812
6000.00 PPD LEDC BR 001
 REC FDIC 4400 PROF DIFF RATE 416.000

Your signature below means you want (only) the insurance coverage(s) quoted above. If none are quoted, you have declined any coverages we offered. *3494/5.1406

Buyer: [Signature] d/o/b: [Signature] d/o/b: [Signature]

PROPERTY INSURANCE: You must insure the Property securing this Contract. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. The deductible amount of this insurance may not exceed \$ _____. If you get insurance from or through us you will pay \$ _____ of coverage. This premium is calculated as follows:
☐ Fire-Theft and Combined Additional Coverage \$ _____
☐ _____ \$ _____
☐ _____ \$ _____

Liability Insurance coverage for bodily injury and property damage caused to others is NOT included in this Contract unless specifically indicated.

☐ **SINGLE-INTEREST INSURANCE:** You must purchase single-interest insurance as part of this sale transaction. You may purchase the coverage from a company of your choice, reasonably acceptable to us. If you buy the coverage from or through us, you will pay \$ _____ for _____ of coverage.

☐ **SERVICE CONTRACT:** With your purchase of the Goods, you agree to purchase a Service Contract to cover _____ This Service Contract will be in effect for _____.

ASSIGNMENT: This Contract and Security Agreement is assigned to <u>LAKE CITY BANK</u> (address) <u>P.O. BOX 1387</u> <u>WARSAW, IN 46581</u> the Assignee, phone <u>888-582-2265</u> This assignment is made <input checked="" type="checkbox"/> under the terms of a separate agreement. <input type="checkbox"/> under the terms of the ASSIGNMENT BY SELLER on page 2. <input type="checkbox"/> This assignment is made with recourse. Seller: By <u>Carolyn Anderson</u> Date <u>06/17/2020</u>		Buyer: <u>[Signature]</u> Date <u>06/17/2020</u> <u>[Signature]</u> Date <u>06/17/2020</u> <u>[Signature]</u> Date <u>06/17/2020</u> Seller: By <u>Carolyn Anderson</u> Date <u>06/17/2020</u>
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RECEIVED JUN 23 2020 Babu/23/20 BS 6/24/20

Original

Page 1 of 2

EXHIBIT A

ADDITIONAL TERMS OF THIS CONTRACT AND SECURITY AGREEMENT

GENERAL TERMS: You have been given the opportunity to purchase the Goods and described services for the Cash Price or the Total Sale Price. The Total Sale Price is the total price of the Goods and any services if you buy them over time. You agreed to purchase the items over time. The Total Sale Price shown in the TRUTH IN LENDING DISCLOSURE assumes that all payments will be made as scheduled. The actual amount you will pay may be more or less depending on your payment record.

We do not intend to charge or collect, and you do not agree to pay, any finance charge or fee, that is more than the maximum amount permitted for this sale by state or federal law. If you pay a finance charge or fee that is contrary to this provision, we will, instead, apply it first to reduce the principal balance, and when the principal has been paid in full, refund it to you.

You understand and agree that some payments to third parties as a part of this Contract may involve money retained by us or paid back to us as commissions or other remuneration.

If any section or provision of this Contract is not enforceable, the other terms will remain part of this Contract.

TELEPHONE MONITORING AND CALLING: You agree that we may from time to time monitor and record telephone calls made or received by us or our agents regarding your account to assure the quality of our service. In order for us to service the account or to collect any amounts you may owe, and subject to applicable law, you agree that we may from time to time make calls and send text messages to you using prerecorded/artificial voice messages or through the use of an automatic dialing device at any telephone number you provide to us in connection with your account, including a mobile telephone number that could result in charges to you.

BALLOON PAYMENT: If any payment is more than twice as large as the average of all other regularly scheduled payments, you may refinance that payment when due. You may do so on terms as favorable as the terms originally agreed to in this Contract. This right does not apply if your payment schedule is adjusted for seasonal or irregular income.

PREPAYMENT: You may prepay this Contract in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until you pay in full.

A refund of any prepaid, unearned insurance premiums may be obtained from us or from the insurance company named in your policy or certificate of insurance.

OWNERSHIP AND DUTIES TOWARD PROPERTY: By giving us a security interest in the Property, you represent and agree to the following:

- Our security interest will not extend to consumer goods unless you acquire rights to them within 10 days after we enter into this Contract, or they are installed in or affixed to the Goods.
- You will defend our interests in the Property against claims made by anyone else. You will do whatever is necessary to keep our claim to the Property ahead of the claim of anyone else.
- The security interest you are giving us in the Property comes ahead of the claim of any other of your general or secured creditors. You agree to sign any additional documents or provide us with any additional information we may require to keep our claim to the Property ahead of the claim of anyone else. You agree we may file a financing statement signed by us instead of you with the appropriate public officials. You will not do anything to change our interest in the Property.
- You will keep the Property in your possession in good condition and repair. You will use the Property for its intended and lawful purposes. Unless otherwise agreed in writing, the Property will be located at your address listed on page 1 of this Contract.
- You will not attempt to sell the Property (unless it is properly identified inventory) or otherwise transfer any rights in the Property to anyone else, without our prior written consent. You will not permit the Property to become attached to any real estate without first providing us an opportunity to preserve our first priority status.
- You will pay all taxes and assessments on the Property as they become due.
- You will notify us of any loss or damage to the Property. You will provide us reasonable access to the Property for the purpose of inspection. Our entry and inspection must be accomplished lawfully, and without breaching the peace.

DEFAULT: You will be in default on this Contract if any one of the following occurs (except as prohibited by law):

- You fail to perform any obligation that you have undertaken in this Contract.
- We, in good faith, believe that you cannot, or will not, pay or perform the obligations you have agreed to in this Contract.

If you default, you agree to pay our reasonable attorneys' fees, on referral of this Contract to an attorney not a salaried employee of ours or an assignee of this Contract. You also agree to pay the reasonable expenses we incur realizing on any Property.

If an event of default occurs as to any one of you, we may exercise our remedies against any or all of you.

REMEDIES: If you are in default on this Contract, we have all of the remedies provided by law and this Contract:

- We may require you to immediately pay us, subject to any refund required by law, the remaining unpaid balance of the amount financed, finance charges and all other agreed charges.
- We may pay taxes, assessments, or other liens or make repairs to the Property if you have not done so. We are not required to do so. This amount will be due immediately. This amount will earn finance charges from the date paid at the rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.
- We may require you to make the Property available to us at a place we designate that is reasonably convenient to you and us.

- We may immediately take possession of the Property by legal process or self-help, but in doing so we may not breach the peace or unlawfully enter onto your premises. We may then sell the Property and apply what we receive as provided by law to our reasonable expenses and then toward your obligations.
- Except when prohibited by law, we may sue you for additional amounts if the proceeds of a sale do not pay all of the amounts you owe us.

By choosing any one or more of these remedies, we do not waive our right to later use another remedy. By deciding not to use any remedy, we do not give up our right to consider the event a default if it happens again.

You agree that if any notice is required to be given to you of an intended sale or transfer of the Property, notice is reasonable if mailed to your last known address, as reflected in our records, at least 10 days before the date of the intended sale or transfer (or such other period of time as is required by law).

You agree that, subject to your right to recover such property, we may take possession of personal property left in or on the Property securing this Contract and taken into possession as provided above.

RETURNED CHECK CHARGE: You agree to pay a fee of \$25.00 for each check, negotiable order of withdrawal or share draft you issue in connection with this Contract that is returned because it has been dishonored.

INSURANCE: You agree to buy property insurance on the Property protecting against loss and physical damage and subject to a maximum deductible amount indicated in the PROPERTY INSURANCE section, or as we will otherwise require. You will name us as loss payee on any such policy. In the event of loss or damage to the Property, we may require additional security or assurances of payment before we allow insurance proceeds to be used to repair or replace the Property. You agree that if the insurance proceeds do not cover the amounts you still owe us, you will pay the difference. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. You will keep the insurance in full force and effect until this Contract is paid in full.

If you fail to obtain or maintain this insurance, or name us as a loss payee, we may obtain insurance to protect our interest in the Property. This insurance may include coverages not required of you. This insurance may be written by a company other than one you would choose. It may be written at a rate higher than a rate you could obtain if you purchased the property insurance required by this Contract. We will add the premium for this insurance to the amount you owe us. Any amount we pay will be due immediately. This amount will earn finance charges from the date paid at the rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.

OBLIGATIONS INDEPENDENT: Each person who signs this Contract agrees to pay this Contract according to its terms. This means the following:

- You must pay this Contract even if someone else has also signed it.
- We may release any co-buyer or guarantor and you will still be obligated to pay this Contract.
- We may release any security and you will still be obligated to pay this Contract.
- If we give up any of our rights, it will not affect your duty to pay this Contract.
- If we extend new credit or renew this Contract, it will not affect your duty to pay this Contract.

WARRANTY: Warranty information is provided to you separately.

WAIVER: To the extent permitted by law, you agree to give up your rights to require us to do certain things. We are not required to: (1) demand payment of amounts due; (2) give notice that amounts due have not been paid, or have not been paid in the appropriate amount, time or manner; (3) give notice that we intend to make, or are making, this Contract immediately due; or (4) obtain valuation and appraisal of any Property securing this Contract or other property in our collection efforts.

THIRD PARTY AGREEMENT

(This section applies ONLY to a person who will have an ownership interest in the Property but is NOT a Buyer obligated to pay this Contract ("Third Party Owner").)

By signing below you agree to give us a security interest in the Property described in the SALE section. You also agree to the terms of this Contract, including the WAIVER section above, except that you will not be liable for the payments it requires. Your interest in the Property may be used to satisfy the Buyer's obligation. You agree that we may renew, extend, change this Contract, or release any party or property without releasing you from this Contract. We may take these steps without notice or demand upon you.

You acknowledge receipt of a completed copy of this Contract.

Signature of Third Party Owner (NOT the Buyer) _____ Date _____

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

ASSIGNMENT BY SELLER

Seller sells and assigns this Retail Installment Contract and Security Agreement, (Contract), to the Assignee, its successors and assigns, including all its rights, title and interest in this Contract, and any guarantee executed in connection with this Contract. Seller gives Assignee full power, either in its own name or in Seller's name, to take all legal or other actions which Seller could have taken under this Contract. This Assignment includes all rights the Seller may have to a deduction or refund of state gross retail and use taxes. (SEPARATE AGREEMENT: If this Assignment is made "under the terms of a separate agreement" as indicated on page 1, the terms of this assignment are described in a separate writing(s) and not as provided below.)

Seller warrants:

- This Contract represents a sale by Seller to Buyer on a time price basis and not on a cash basis.
- The statements contained in this Contract are true and correct.
- The down payment was made by the Buyer in the manner stated on page 1 of this Contract and, except for the application of any manufacturer's rebate, no part of the down payment was loaned or paid to the Buyer by Seller or Seller's representatives.
- This sale was completed in accordance with all applicable federal and state laws and regulations.
- This Contract is valid and enforceable in accordance with its terms.
- The names and signatures on this Contract are not forged, fictitious or assumed, and are true and correct.
- This Contract is vested in the Seller free of all liens, is not subject to any claims or defenses of the Buyer, and may be sold or assigned by the Seller.
- A completely filled-in copy of this Contract was delivered to the Buyer at the time of execution.
- The Goods have been delivered to the Buyer in good condition and have been accepted by Buyer.
- Seller has or will perfect a security interest in the Property in favor of the Assignee.

If any of these warranties is breached or untrue, Seller will, upon Assignee's demand, purchase this Contract from Assignee. The purchase shall be in cash in the amount of the unpaid balance (including finance charges) plus the costs and expenses of Assignee, including attorneys' fees.

Seller will indemnify Assignee for any loss sustained by it because of judicial set-off or as the result of a recovery made against Assignee as a result of a claim or defense Buyer has against Seller.

Seller waives notice of the acceptance of this Assignment, notice of non-payment or non-performance and notice of any other remedies available to Assignee. Assignee may, without notice to Seller, and without affecting the liability of Seller under this Assignment, compound or release any rights against, and grant extensions of time for payment to be made, to Buyer and any other person obligated under this Contract.

UNLESS OTHERWISE INDICATED ON PAGE 1, THIS ASSIGNMENT IS WITHOUT RECOURSE.

WITH RECOURSE: If this Assignment is made "with recourse" as indicated on page 1, Assignee takes this Assignment with certain rights of recourse against Seller. Seller agrees that if the Buyer defaults on any obligation of payment or performance under this Contract, Seller will, upon demand, repurchase this Contract for the amount of the unpaid balance, including finance charges, due at that time.

INDIANA CERTIFICATE OF TITLE



STATE OF INDIANA



CERTIFICATE OF TITLE FOR A WATERCRAFT

MAKE	MODEL NAME	BOAT TYPE	YEAR	HIN
CORRECT CRAFT NAUTIQ	PARAGON P23	RUNABOUT	2020	CTCOP058A020
TITLE TYPE	FORMER TITLE/STATE	PURCHASE DATE	ISSUE DATE	USAGE TAX PAID
NORMAL	C OF O/IN	07/18/20	07/29/20	\$11760.00
OWNER(S) NAME	FUEL	HULL MATERIAL	REGISTRATION NUMBER	
WAWASEE WATERCRAFTS LLC	GASOLINE	FIBERGLASS		
2701 E CAMELBACK RD	LENGTH	PROPULSION	EXCISE CLASSIFICATION	
PHOENIX AZ 850164324	23	INBOARD		
			TITLE BRAND(S)	



MAILING ADDRESS 000319

LAKE CITY BANK
PO BOX 1387
WARSAW IN 465811387

ADDITIONAL OWNER(S)

1 03110843008 172
WAWASEE WATERCRAFTS LLC
2020 NAUTIQUE
USCTCOP058A020



FIRST HOLDER OF LIEN, MORTGAGE OR ENCUMBRANCE

LAKE CITY BANK
PO BOX 1387
WARSAW IN 465811387

FIRST LIEN, MORTGAGE OR ENCUMBRANCE RELEASED BY:

X

PRINTED NAME:

POSITION:

DATE:

SECOND HOLDER OF LIEN, MORTGAGE OR ENCUMBRANCE

SECOND LIEN, MORTGAGE OR ENCUMBRANCE RELEASED BY:

X

PRINTED NAME:

POSITION:

DATE:

THIRD HOLDER OF LIEN, MORTGAGE OR ENCUMBRANCE

THIRD LIEN, MORTGAGE OR ENCUMBRANCE RELEASED BY:

X

PRINTED NAME:

POSITION:

DATE:

The Commissioner of the Bureau of Motor Vehicles, pursuant to the laws of the State of Indiana, certifies that the vehicle/watercraft has been duly titled and the owner of the described vehicle/watercraft is subject to the liens set forth.

INDIANA BUREAU OF MOTOR VEHICLES

Peter L. Lacy, Commissioner

G9616847

State Form 38762 (R8 / 1-17)
Approved by State Board of Accounts, 2016

TITLE NUMBER

20358121000089

DO NOT ACCEPT TITLE SHOWING ANY ERASURES, ALTERATIONS OR MUTILATIONS

EXHIBIT B

G9516847

PLEASE TYPE OR PRINT INFORMATION

TO SELLER: Seller is responsible for completing form. If title is issued in more than one name, all owners listed on the title must sign as Seller. Do not sign as a Seller until all areas of the assignment are completed. Any person signing on behalf of a company must state their position.

TO PURCHASER: You must apply for a new certificate of title within forty-five days of the date of purchase, or pay an administrative penalty. All liens, mortgages or other encumbrances shown on the face of this title must be released before you apply for a new title.

SELLER INFORMATION

I/we, as Seller, certify that to the best of my/our knowledge the information contained on this document is true and correct. For value received, I/we hereby sell, assign and transfer the watercraft described on this document and warrant title to the Purchaser.			
Signature of Seller		Position	
Signature of Seller		Position	
Printed Name of Seller		Dealer Number	
Printed Name of Seller			
Date of Sale (month, day, year)	Selling Price	Trade in Price (if any)	Total Price Paid

PURCHASER INFORMATION

Name of Purchaser		Purchasing Dealer Number
Address		
City	State	Zip Code
Holder of lien, mortgage or encumbrance (if applicable)		
Address		
City	State	Zip Code

FIRST RE-ASSIGNMENT BY REGISTERED DEALER ONLY

I/we, as Seller, certify that to the best of my/our knowledge the information contained on this document is true and correct. For value received, I/we hereby sell, assign and transfer the watercraft described on this document and warrant title to the Purchaser.			
Signature of Seller		Position	
Signature of Seller		Position	
Printed Name of Seller		Dealer Number	
Printed Name of Seller			
Date of Sale (month, day, year)	Selling Price	Trade in Price (if any)	Total Price Paid

Name of Purchaser		Purchasing Dealer Number
Address		
City	State	Zip Code
Holder of lien, mortgage or encumbrance (if applicable)		
Address		
City	State	Zip Code

SECOND RE-ASSIGNMENT BY REGISTERED DEALER ONLY

I/we, as Seller, certify that to the best of my/our knowledge the information contained on this document is true and correct. For value received, I/we hereby sell, assign and transfer the watercraft described on this document and warrant title to the Purchaser.			
Signature of Seller		Position	
Signature of Seller		Position	
Printed Name of Seller		Dealer Number	
Printed Name of Seller			
Date of Sale (month, day, year)	Selling Price	Trade in Price (if any)	Total Price Paid

Name of Purchaser		Purchasing Dealer Number
Address		
City	State	Zip Code
Holder of lien, mortgage or encumbrance (if applicable)		
Address		
City	State	Zip Code

THIRD RE-ASSIGNMENT BY REGISTERED DEALER ONLY

I/we, as Seller, certify that to the best of my/our knowledge the information contained on this document is true and correct. For value received, I/we hereby sell, assign and transfer the watercraft described on this document and warrant title to the Purchaser.			
Signature of Seller		Position	
Signature of Seller		Position	
Printed Name of Seller		Dealer Number	
Printed Name of Seller			
Date of Sale (month, day, year)	Selling Price	Trade in Price (if any)	Total Price Paid

Name of Purchaser		Purchasing Dealer Number
Address		
City	State	Zip Code
Holder of lien, mortgage or encumbrance (if applicable)		
Address		
City	State	Zip Code

NO ADDITIONAL RE-ASSIGNMENTS PERMITTED

★ **N3 BOATWORKS** ★
 7001 Hawthorn Park Drive
 Indianapolis, IN 46220
 317-845-WAKE(9253)

Repair Order

Due: \$2,500.00

Doc Number: 12236

Date Printed: 06/20/2024

Date In: 12/01/2023

Michelle Larmore

Customer Information

Summary

Approve	Decline	Unit	Job	Job Total
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon 23	WTZ: Winter Storage	\$1,500.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon 23	SMZ: Summer Boat and Trailer Storage	\$1,000.00
Job Subtotal:				\$2,500.00
Misc:				\$0.00
Job Parts Subtotal:				\$1,500.00
Job Misc Item Subtotal:				\$1,000.00
Tax:				\$0.00
Total:				\$2,500.00
Less Deposits:				\$0.00
Total Due:				\$2,500.00

Thank you for your business!

7001 Hawthorn Park Drive
 Indianapolis, IN 46220
 317.845.9253

All refunds and exchanges must be made within 45 days of original purchase. Estimates are subject to change due to manufacturer pricing changes. No returns on electronic components. N3 Boatworks is not responsible for any lost or stolen items.

Signature: _____

Detail

Unit 2020 Nautique Paragon 23 Paragon 23
 VIN/HIN/Serial No:US-CTC0P058A020

Color:

Plate:

Odom/Hrs In:0

Out:0

WTZ: Winter Storage

Description:Up to 25' - longer than 25' adds \$35 per foot.

Parts

Part #	Qty	Description	Price	Discount	Total
N3 Winter Storage	1.00	Winter Storage Oct 1-4/30	\$1,500.00	\$0.00	\$1,500.00
Parts Subtotal					\$1,500.00

Job Subtotal **\$1,500.00**

Approve: ☐ Decline: ☐

SMZ: Summer Boat and Trailer Storage

Description:

Storage **\$1,000.00**

Job Subtotal **\$1,000.00**

Approve: ☐ Decline: ☐

All Jobs Subtotal: **\$2,500.00**

Tax: **\$0.00**

Total: **\$2,500.00**

Less Deposits: **\$0.00**

Total Due: **\$2,500.00**



EXHIBIT D



EXHIBIT D



EXHIBIT D



EXHIBIT D

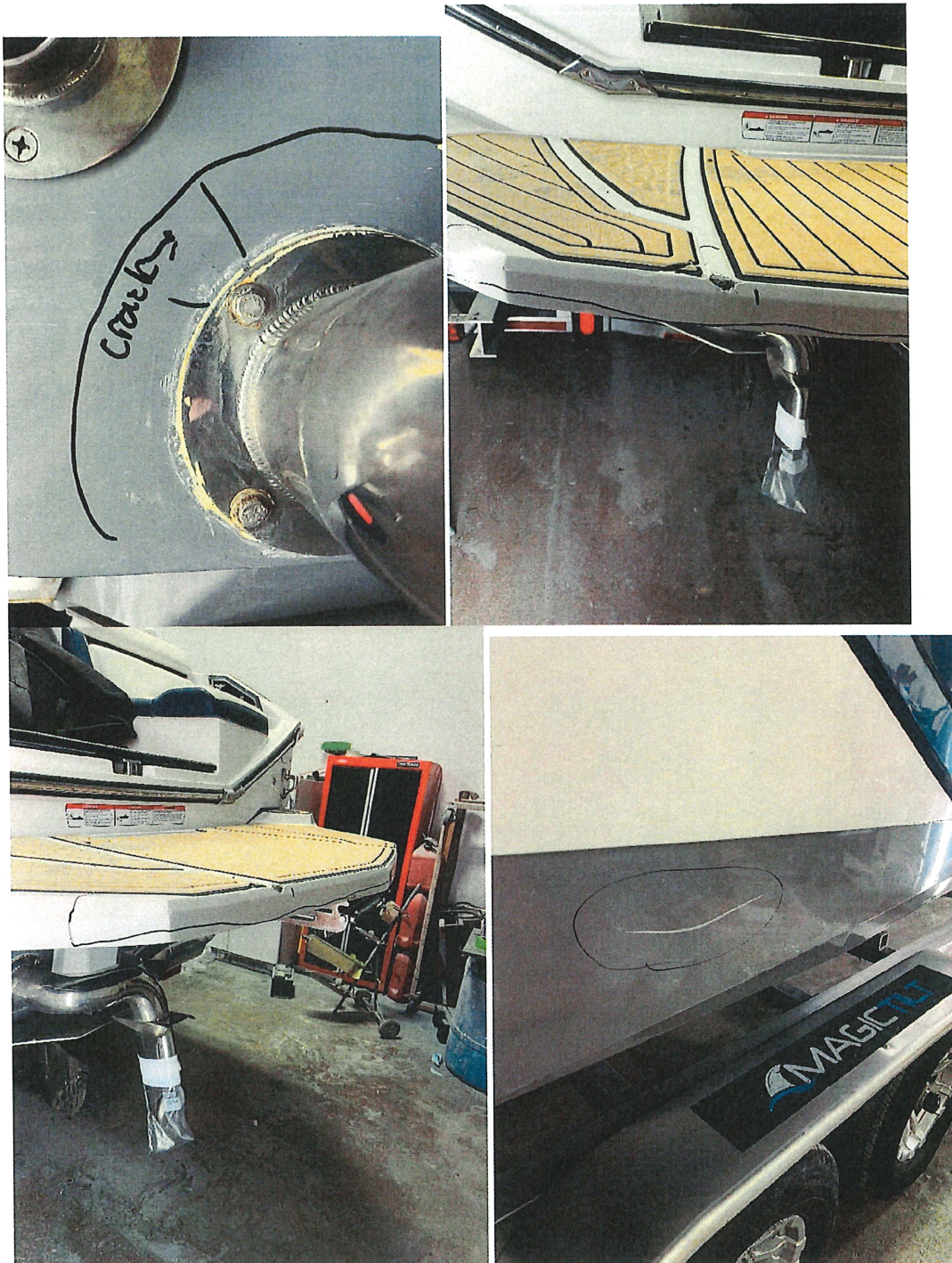


EXHIBIT D

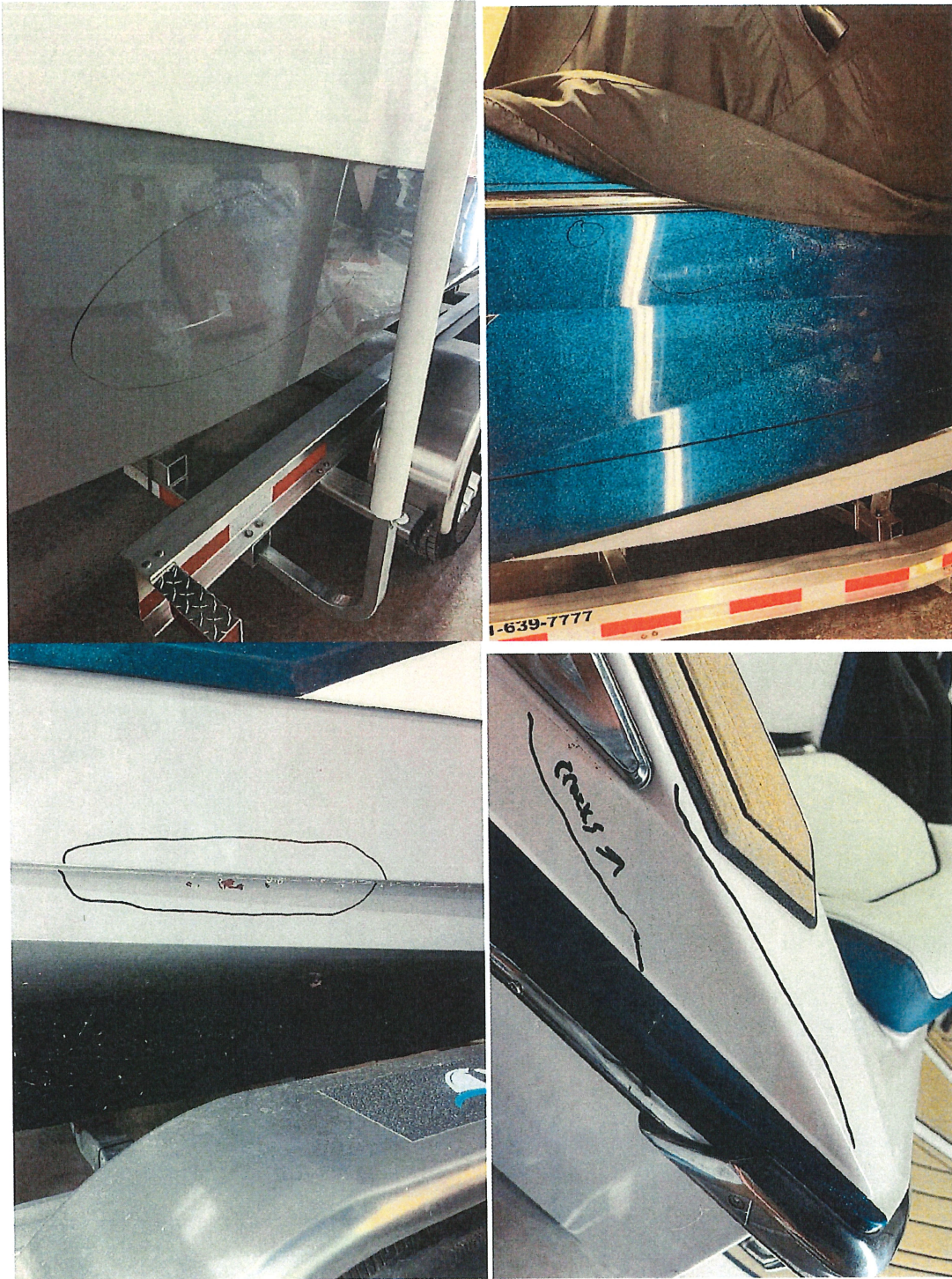


EXHIBIT D



EXHIBIT D



EXHIBIT D

N3 Boatworks
7001 Hawthorn Park Drive
Indianapolis, IN 46220
317-845-9253



Printed by: Mark Dougherty
N3 Boatworks
Wednesday, May 8, 2024
5:09:49 PM

Boatmate Trailers 2024 Nautique P23 Triple Axle

Product Information

DC ID:		Product Price:	\$14,005.00
VIN:		Mfg Opt. Total (minus base options):	\$3,035.00
Color:		Dealer Opt. Total*:	\$0.00
Order #:		Custom Opt. Price (taxable):	
Dealer Stock #:		Trade-In Value:	\$0.00
PO #:		Total Taxable SRP Price:	\$17,040.00
		Custom Opt. Price (non-taxable):	
		Total SRP Price (US\$):	\$17,040.00
		Product Retail Price:	\$0.00
		Freight (Not Taxed) :	\$0.00
		Prep (Not Taxed) :	\$0.00
		Sales Tax (7%):	\$0.00
		Total Retail Price (US\$):	\$0.00

Product Status

This product has been Received by the Dealer
You are viewing a Pending Sale to (Dillon, Nick)

Manufacturer Options

Description	Retail Price	Part Number
Ladder		
Swing Tongue Bow Steps	\$355.00	200041
Wheel Upgrade		
Sidewinder Blk 15D	\$250.00	WHL STD 75-2401
Spare Mount		
Spare Tire/Rotor Carrier - Side Mount 5 Lug	\$480.00	200057
Spare Wheel		
Sidewinder Blk SPARE 15D	\$400.00	SWHL STD 75-2401
Winch Upgrade		
2600# 2 Speed Covered Winch	\$90.00	200064
Non Skid Options		
Titanium Paragon Non-Skid	\$0.00	200277
Stepmate Options		
Stepmate Transom Steps with Regressive Tail Lamps (no trim rings, colored lens brake & ID lamps)	\$415.00	200059
Additional Options		
Bunk Cover Upgrade, Synthetic Gatorbak	\$865.00	200134
Stainless Retractable Transom Straps	\$180.00	200007
Nautique Frame Paint		
Tungsten Grey	\$0.00	PFR 442
Floor Plan		
No Floor Plan	\$0.00	FP-

Dealer Options

This product has no dealer options

Attachments

This product has no attachments

★N3 BOATWORKS★
 7001 Hawthorn Park Drive
 Indianapolis, IN 46220
 317-845-WAKE(9253)

Estimate

Due: \$79,143.41

Doc Number: Estimate
 Date Printed: 05/08/2024
 Date In: 05/08/2024

Lake City Bank

Customer Information

Summary

Approve	Decline	Unit	Job	Job Total
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Overall plan for Paragon AS-IS-CONDITION for purchase	\$0.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	INSP: Boat only - Trade in or Third Party review	\$618.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Engine out service	\$3,558.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: V-Drive Fluid Service	\$121.32
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: Transmission Fluid Service	\$127.78
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: Oil Change, 6.2L, 550 Supercharged, V-Drive PCM	\$219.74
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: Impeller Service, V-Drive 2004+ Serpentine Belt - PCM	\$286.34
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: FCC and SCREW - ON	\$273.55
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	GEN: Belt Serp 6.2 XR/XS550 12 - Present PCM	\$180.59
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Saltwater Damage - Engine/Drivetrain Replace and install	\$8,725.85
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Saltwater Damage - Interior	\$3,032.32
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Exterior damage - Non Gel Coat	\$4,146.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Exterior Damage - Fiberglass shop	\$44,390.15
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Interior Damage -	\$7,604.99
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	RESTO: Exterior Restoration \$150 per foot	\$1,990.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	RESTO: Interior Premium Restoration \$150 per foot	\$1,990.00
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	SB-2020-01 Paragon Tower Light	\$215.60
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	SB-2020-02 Steering Assist	\$107.80
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	SB-2020-02 Surf Exhaust Bolts	\$269.50
<input type="checkbox"/>	<input type="checkbox"/>	2020 Nautique Paragon G23	Software updates all systems	\$323.40
Job Subtotal:				\$78,180.93
Misc:				\$0.00
Job Parts Subtotal:				\$13,337.48
Job Labor Subtotal:				\$20,041.00
Job Sublet Subtotal:				\$44,390.15
Job Misc Item Subtotal:				\$412.30
Tax:				\$962.48
Total:				\$79,143.41
Less Deposits:				\$0.00
Total Due:				\$79,143.41

Thank you for your business!

7001 Hawthorn Park Drive
 Indianapolis, IN 46220
 317.845.9253

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 of original purchase. Estimates are subject to change due to manufacturer pricing changes.

No returns on electronic components. N3 Boatworks is not responsible for any lost or stolen items.

Signature: _____

Detail

Unit 2020 Nautique Paragon G23

Color: Admiral Blue
Metallic/
Tungsten/
Mustic White

VIN/HIN/Serial No: US-CTC0P058A020

Plate:

Odom/Hrs In: 0

Out: 603

Overall plan for Paragon AS-IS-CONDITION for purchase

Description: Evaluate 0P058 for purchase in AS-IS condition.

Boat is not a "Coastal Edition" Nautique and BOAT WAS OPERATED IN SALT WATER - factory warranty is voided. No supplemental support from factory will be available.

Job Subtotal \$0.00

Approve: ☐ Decline: ☐

INSP: Boat only - Trade in or Third Party review

Description: Picture Documentation _____
Video Documentation _____
Diacom (if available) _____

		Pass	Fail	
Boat Interior/Exterior		P	F	
Exterior	Hull Gel coat condition	P	F	
Exterior	Deck Gel coat condition	P	F	
Exterior	Decal condition	P	F	
Exterior	External hardware operation?	P	Y	N
Exterior	Windshield condition	P	F	
Exterior	Windshield mirrors present?	P	Y	N
Exterior	Rub rail condition	P	P	F
Exterior	Gas cap functions properly.	P	F	
Interior	Upholstery condition Bow	P	F	
Interior	Upholstery condition Cabin	P	F	
Interior	Upholstery Rear Deck	P	F	
Interior	Driver Seat track function	P	F	
Interior	Carpet condition	P	P	F
Interior	Carpets need cleaned?	N	Y	

Notes:

Misc	Does the stereo?	P	F	
Misc	Batteries secured?	P	F	
Misc	Window tint	P	F	
Misc	Glove box works properly		P	F

Notes:

Lights	Docking Lights	P	F	
Lights	Courtesy Lights	P	F	
Lights	Cupholder lights	P	F	
Lights	Speaker Lights	P	F	
Lights	Accent Light	P	F	
Lights	Underwater lights	P	F	
Lights	Stern Light?	Y	N	
Lights	Stern Light?		P	F
Lights	NAV lights		P	F
Safety	Fire Ext	P	F	
Safety	Type 3 Throwable?	P	F	
Safety	Mooring Lines	P	F	
Safety	Anchor	P	F	
Safety	Reg #'s?	P	F	
Safety	Tag Current?		P	F
Safety	Drain Plug?		P	F

Notes:

Description:

Transom	Propeller condition	P	F		
Transom	Prop nut	P	F		
Transom	Exhaust flaps			P	F
Transom	Speedo	P	F		
Transom	Deck	P	F		
Transom	Rudder	P	F		
Tracking	Fins		P		F
Transom	Strut	P	F		
Transom	Shaft	P	F		
Transom	Surf System			P	F
Canvas	Boat Cover 1		P	F	
Canvas	Boat Cover 2		P	F	
Canvas	Bimini	P	F		
Canvas	Other	P	F		

Engine:

Oil Level _____
 Trans Fluid Level _____
 Spark Plug Insp _____
 Cap Insp _____
 Belt Insp _____
 Impeller _____
 Wiring Insp _____

Compression Test:

1 _____ 5 _____
 2 _____ 6 _____
 3 _____ 7 _____
 4 _____ 8 _____

Fuel Pressure _____
 WOT Pressure _____
 Eng. Temp _____
 Oil Press _____
 Fuel Level _____
 Volts _____
 Hour Meter _____
 Notes: _____

Labor

Description	Total
Inspection process	\$588.00
Labor Subtotal	\$588.00
Shop Supplies	\$30.00
Job Subtotal	\$618.00
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

Engine out service

Description: Remove drivetrain for all services to be completed and repairs to be made.

- Dissasmbly interior, hatch, floor and transom supports for drivetrain extraction
- Removal of drivetrain
- Reinstallation
- Alignment

Labor

Description	Total
R&I Drivetrain + alignment	\$3,528.00
Labor Subtotal	\$3,528.00
Shop Supplies	\$30.00
Job Subtotal	\$3,558.00
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

GEN: V-Drive Fluid Service**Description:**V-Drive Fluid Service - Exchange vdrive fluid in casing.**Parts**

Part #	Qty	Description	Price	Discount	Total
75-110	2.00	SAE 30 OIL	\$6.76	\$0.00	\$13.52
Parts Subtotal					\$13.52

Labor

Description	Total
*** New Labor ***	\$98.00
Labor Subtotal	\$98.00
Shop Supplies	\$9.80

Job Subtotal **\$121.32**Approve: ☐ Decline: ☐**GEN: Transmission Fluid Service****Description:**Transmission Fluid Service - Exchange transmission fluid in transmission casing.**Parts**

Part #	Qty	Description	Price	Discount	Total
75-200	2.00	Transmission fluid (multi purpose all	\$9.99	\$0.00	\$19.98
Parts Subtotal					\$19.98

Labor

Description	Total
*** New Labor ***	\$98.00
Labor Subtotal	\$98.00
Shop Supplies	\$9.80

Job Subtotal **\$127.78**Approve: ☐ Decline: ☐**GEN: Oil Change, 6.2L, 550 Supercharged, V-Drive PCM****Description:**Oil Change, 6.2L, 550 Supercharged, V-Drive PCM**Parts**

Part #	Qty	Description	Price	Discount	Total
64027	5.00	CMK DEO 30 55 GL DR	\$7.15	\$0.00	\$35.75
R077001	1.00	Filter Oil 5.0/5.8 Ford or any w/	\$11.99	\$0.00	\$11.99
Parts Subtotal					\$47.74

Labor

Description	Total
GEN: Oil Change, 6.2L, 550 Supercharged, V-Drive PCM	\$147.00
Labor Subtotal	\$147.00
Shop Supplies	\$25.00

Job Subtotal **\$219.74**Approve: ☐ Decline: ☐**GEN: Impeller Service, V-Drive 2004+ Serpentine Belt - PCM****Description:**Impeller on PCM Serpentine system. Remove belt, remove bolts for pulley and remove old impeller. Install new impeller, lubricate with soap, and install belt back onto tensioner. **Exhaust hosing or muffler position may cause extended service time.

*****2004 or newer*****

Parts

Part #	Qty	Description	Price	Discount	Total
RP061022	1.00	Impeller Kit 04 - Newer EX330 (GM)	\$70.74	\$0.00	\$70.74
Parts Subtotal					\$70.74

Labor

Description	Total
V-Drive Impeller Serp	\$196.00
Labor Subtotal	\$196.00

Shop Supplies \$19.60

Job Subtotal \$286.34

Approve: ☐ Decline: ☐**GEN: FCC and SCREW - ON**

Description: GEN: FCC and SCREW - ON

Parts

Part #	Qty	Description	Price	Discount	Total
RP080026	1.00	Fuel Filter & O'Ring Kit, FCC	\$70.56	\$0.00	\$70.56
R077019	1.00	Filter, Fuel 2012- Screw On Style	\$40.99	\$0.00	\$40.99
Parts Subtotal					\$111.55

Labor

Description	Total
GEN: FCC and SCREW - ON	\$147.00
Labor Subtotal	\$147.00
Shop Supplies	\$15.00

Job Subtotal \$273.55

Approve: ☐ Decline: ☐**GEN: Belt Serp 6.2 XR/XS550 12 - Present PCM**

Description: Remove and Install Serpentine belt on V-Drive 6.2 LSA

2012 to Present

Parts

Part #	Qty	Description	Price	Discount	Total
R066033A	1.00	SERP BELT 6.0 L	\$72.79	\$0.00	\$72.79
Parts Subtotal					\$72.79

Labor

Description	Total
Serp Belt R&I	\$98.00
Labor Subtotal	\$98.00
Shop Supplies	\$9.80

Job Subtotal \$180.59

Approve: ☐ Decline: ☐**Saltwater Damage - Engine/Drivetrain Replace and install**

Description: Corroded parts from salt damage.

- Exhaust manifolds
- Engine mounts x 6
- Replace Engine Heat exchanger
- Replace SuperCharger intercooler
- Replace Alternator
- Replace Transmission cooler
- Replace Engine Oil Cooler
- Replace starter

Parts

Part #	Qty	Description	Price	Discount	Total
RA028033B	1.00	Exhaust manifold (starboard) gen-5	\$978.99	\$0.00	\$978.99
RA028032B	1.00	Exhaust manifold (port) gen 5	\$978.99	\$0.00	\$978.99
Misc~	2.00	90308 - ANODE ZINC 3/8in. NPT	\$32.99	\$0.00	\$65.98
RP173029	1.00	EXHAUST SERVICE KIT, 302/351	\$210.29	\$0.00	\$210.29
R147049	1.00	COOLER, ENGINE OIL 9 X 1-1/4"	\$254.48	\$0.00	\$254.48
RA045007B	1.00	Hose, transmission cooler 21-1/4"	\$58.22	\$0.00	\$58.22
6793BN	1.00	Starter, GM, rear mount. Fits all PCM	\$318.99	\$0.00	\$318.99
Misc~	1.00	RA147054 HEAT EXCHANGER, 6.2	\$1,521.44	\$0.00	\$1,521.44
Misc~	1.00	RK147059 INTERCOOLER, 6.2L SC	\$1,123.47	\$0.00	\$1,123.47
Parts Subtotal					\$5,510.85

Labor

Description	Total
R&I exhaust manifolds	\$980.00
R&I motor mounts and get close to alignemnt	\$784.00
R&I Alternator	\$196.00
R&I engine heat exchanger	\$392.00
R&I Intercooler exchanger	\$392.00
R&I Trans Cooler	\$147.00
R&I Engine Oil Cooler	\$147.00
R&I Starter	\$147.00

Labor Subtotal **\$3,185.00**
Shop Supplies **\$30.00**

Job Subtotal **\$8,725.85**

Approve: ☐ Decline: ☐

Saltwater Damage - Interior

Description: 200419 HINGE MAX LOUNGE W/GAS SHOCK B 1
NI 200418 HINGE MAX LOUNGE W/GAS SHOCK A - 242c

Gas Shocks all around

Parts

Part #	Qty	Description	Price	Discount	Total
Misc~	1.00	200419 HINGE MAX LOUNGE W/GAS	\$484.66	\$0.00	\$484.66
Misc~	1.00	200418 HINGE MAX LOUNGE W/GAS	\$484.66	\$0.00	\$484.66
Misc~	1.00	Hardware - SS	\$73.00	\$0.00	\$73.00

Parts Subtotal **\$1,042.32**

Labor

Description	Total
Exchange max lounge SS hinges from rust damage	\$1,960.00

Labor Subtotal **\$1,960.00**
Shop Supplies **\$30.00**

Job Subtotal **\$3,032.32**

Approve: ☐ Decline: ☐

Exterior damage - Non Gel Coat

Description: Tower Repaint
Tower trim panel replace
Sea-Dek trim on platform and bow
Bow light replacement - starboard side
Chromax Replacement

Labor

Description	Total
Repaint tower section on base and telescoping sections	\$3,920.00
Dock light replacement	\$196.00

Labor Subtotal **\$4,116.00**
Shop Supplies **\$30.00**

Job Subtotal **\$4,146.00**

Approve: ☐ Decline: ☐

Exterior Damage - Fiberglass shop

Description: Estimate and work completed by Jon at Indy Marine & Auto Body

Sublet

Description	Total
	\$44,390.15

Sublet Subtotal **\$44,390.15**

Job Subtotal **\$44,390.15**Approve: ☐ Decline: ☐**Interior Damage -**

Description: Starboard tower speaker - one not working
 Port and Starboard bow subwoofer not working
 Port and Starboard transom interior speakers - blown need replaced
 All interior speaker grills need Chromax trim installed

Parts

Part #	Qty	Description	Price	Discount	Total
93666	3.00	8.8-inch (224 mm) Enclosed Tower	\$1,800.00	\$0.00	\$5,400.00
98685	1.00	CDM700/5 5 channel class D	\$1,047.99	\$0.00	\$1,047.99
Parts Subtotal					\$6,447.99

Labor

Description	Total
Tower Speaker removal and replace	\$245.00
Interior speaker removal	\$588.00
Subwoofer amp replace	\$294.00

Labor Subtotal \$1,127.00**Shop Supplies \$30.00****Job Subtotal \$7,604.99**Approve: ☐ Decline: ☐**RESTO: Exterior Restoration \$150 per foot**

Description: Exterior Premium Detail includes:
 -Scratch free rinse, wash and dry the boat's exterior
 -Wash trailer and wheels and dress the tires
 -Clean Exterior of the windows
 -Light buff to remove light oxidation and imperfections in gelcoat
 -Wax sealant application

Labor

Description	Total
*** New Labor ***	\$1,960.00

Labor Subtotal \$1,960.00**Shop Supplies \$30.00****Job Subtotal \$1,990.00**Approve: ☐ Decline: ☐**RESTO: Interior Premium Restoration \$150 per foot**

Description: Interior Premium Detail includes:
 -Clean the windows
 -Vacuum and wipe down the interior and compartments
 -Powerwash interior and compartments
 -Wipe down the interior surfaces
 -Deep clean of vinyl seats
 -Bimini and tower cleaned

Labor

Description	Total
*** New Labor ***	\$1,960.00

Labor Subtotal \$1,960.00**Shop Supplies \$30.00****Job Subtotal \$1,990.00**Approve: ☐ Decline: ☐**SB-2020-01 Paragon Tower Light.****Description:**

Labor	
Description	Total
Update install - Stern Light	\$196.00
Labor Subtotal	\$196.00
Shop Supplies	\$19.60
Job Subtotal	\$215.60
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

SB-2020-02 Steering Assist	
Description:	
Labor	
Description	Total
Update	\$98.00
Labor Subtotal	\$98.00
Shop Supplies	\$9.80
Job Subtotal	\$107.80
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

SB-2020-02 Surf Exhaust Bolts	
Description:	
Labor	
Description	Total
Extraction and installation	\$245.00
Labor Subtotal	\$245.00
Shop Supplies	\$24.50
Job Subtotal	\$269.50
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

Software updates all systems	
Description: Systems include:	
PDM 1 & 2	
Keypad	
LINC Panoray 1&2	
JL Audio	
PCM - ECM latest version	
Labor	
Description	Total
Software updates	\$294.00
Labor Subtotal	\$294.00
Shop Supplies	\$29.40
Job Subtotal	\$323.40
Approve: <input type="checkbox"/>	Decline: <input type="checkbox"/>

All Jobs Subtotal:	\$78,180.93
Tax:	\$962.48
Total:	\$79,143.41
Less Deposits:	\$0.00
Total Due:	\$79,143.41

INDY MARINE & AUTO BODY INC

7001 HAWTHORN PARK DRIVE,
jonswaim@att.net, INDIANAPOLIS, IN 46220
Phone: (317) 579-9540

Workfile ID: c07fae7a
PartsShare: 7JC5LX
Federal ID: 46-3330609
State ID: 0150293143

Preliminary Estimate**Customer: Larmore, Michelle****Job Number:**

Insured: Larmore, Michelle
Type of Loss:
Point of Impact:

Policy #:
Date of Loss:

Claim #:
Days to Repair: 0

Owner:

Larmore, Michelle

Inspection Location:

INDY MARINE & AUTO BODY INC
7001 HAWTHORN PARK DRIVE
jonswaim@att.net
INDIANAPOLIS, IN 46220
Repair Facility
(317) 579-9540 Business

Insurance Company:**VEHICLE**

2020 Nautique Paragon G23

VIN: US-CTC0P058A020
License:
State:

Interior Color:
Exterior Color:
Production Date:

Mileage In:
Mileage Out:
Condition:

Vehicle Out:

Job #:

Preliminary Estimate

Customer: Larmore, Michelle

Job Number:

2020 Nautique Paragon G23

Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1	#	Repl Platform sea deck		1	474.34	4.0	
2	#	Repl Front sea deck kit		1	575.25	6.0	
3	#	Repl Rub Rail		1	225.00	8.0	
4	#	Repl Rub Rail inserts		3	1,605.69	Incl.	
5	#	Repl STB side docking light		1	425.32	0.5	
6	#	Repl Paragon emblems Lt-RT		1	725.00	2.0	
7	#	Repl Registration numbers		1	145.00	0.5	
8	#	Repl Port side rear vent		1	685.35	0.5	
9	#	Repl Port side NSS cover		1	313.25	0.3	
10	#	Repl Palstic bag to protect inside of boat		1	30.00	1.0	
11	#	R&I Surf Exhaust tube				5.0	
12	#	R&I Complete bow interior				6.0	
13	#	R&I Port side docking lights				0.5	
14	#	Rpr STB side upper deck & side of hull				30.0	
15	#	Rpr Stress cracks in nose & upper deck				30.0	
16	#	Rpr Port side upper deck				8.0	
17	#	Rpr Port side hull in blue				3.0	
18	#	Rpr Port side of hull in grey				5.0	
19	#	Rpr Port side of hull in white				3.0	
20	#	Rpr Platform				5.0	3.0
21	#	Rpr Crack in transom around exhaust				2.0	
22	#	Rpr STB side of hull in white				2.0	
23	#	Rpr STB side of hull in grey				6.0	
24	#	Rpr STB side of hull in blue flake				5.0	
25	#	Refn Mask and spray white gel					10.0
26	#	Refn Mask and spray grey gel					7.0
27	#	Refn Mask and spray blue flake					10.0
28	#	Refn Clear coat over blue flake					4.0
29	#	Rpr Finish sand and buff grey gel				20.0	
30	#	Rpr Finish sand and buff white gel				40.0	
31	#	Rpr Finish sand and buff blue flake				35.0	
SUBTOTALS					5,204.20	228.3	34.0

Preliminary Estimate**Customer: Larmore, Michelle****Job Number:**

2020 Nautique Paragon G23

ESTIMATE TOTALS

Category	Basis		Rate	Cost \$
Parts				5,204.20
Body Labor	228.3 hrs	@	\$ 135.00 /hr	30,820.50
Paint Labor	34.0 hrs	@	\$ 135.00 /hr	4,590.00
Paint Supplies	34.0 hrs	@	\$ 30.00 /hr	1,020.00
Body Supplies	216.8 hrs	@	\$ 10.00 /hr	2,168.00
Subtotal				43,802.70
Sales Tax	\$ 8,392.20	@	7.0000 %	587.45
Grand Total				44,390.15

A PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURER FILES A STATEMENT OF CLAIM CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION COMMITS A FELONY.

CCC ONE Estimating - A product of CCC Intelligent Services Inc.

The following is a list of abbreviations that may be used in CCC ONE Estimating that are not part of the MOTOR CRASH ESTIMATING GUIDE:

BAR=Bureau of Automotive Repair. EPA=Environmental Protection Agency. NHTSA= National Highway Transportation and Safety Administration. PDR=Paintless Dent Repair. VIN=Vehicle Identification Number.

From: [Beth](#)
To: [Little, Candy](#)
Subject: [EXTERNAL] 2020 Nautique Paragon 23
Date: Thursday, May 9, 2024 1:24:52 PM
Attachments: [image001.png](#)
[Scan05-09-2024-114554.pdf](#)

Candy,

Thank you for your patience as we put together the bid on the 2020 Nautique Paragon 23 – VIN USCTC0P058A020. Upon review of the boat, we can offer \$40,000.

I have attached documentation to reflect the cost we will have associated with getting this boat ready for N3 Boatworks to sell. We estimate that it will take at least 90 days to receive a new trailer and complete the list of work itemized in the attachment. Due to this timing, it puts us outside of our optimal time of selling the boat. Historically, our customers will buy prior to the 4th of July due to our shortened boating season in the midwest.

In addition, the boat was run in salt water therefore the manufacturer's warranty is null and void plus there are multiple metal items that must be replaced on the boat including the engine mounts. Nautique has a special boat that is setup for saltwater applications; this boat was not purchased with these features so there are multiple issues with the boat due to this.

Please note, we have not had the ability to run the engine on this boat so we are taking a risk in the hopes that it is fully functional. I can tell you that there hasn't been a single warranty claim put in on this boat outside of the two required by the manufacturer. Both of these claims submitted by the manufacturer have not been completed as of yet which is super concerning and brings into question if the boat was properly maintained.

Here is the list of items that must be replaced/fixed prior to selling the boat:

1. New trailer must be purchased. The existing trailer is not weight-rated for the boat.
2. Fiberglass repairs for existing damage to the exterior of the boat.
3. Remove the engine to replace all items affected by saltwater including the engine mounts, exhaust manifolds, starter, heat exchanger and intercooler, trans cooler, and engine oil cooler. Additionally, all metal items on the interior of the boat have rusted through and are leaking into the boat. All of these items must be replaced including all hinges and hardware plus the surf system bolts and plates.
4. All fluid and maintenance items must be fully completed including oil change, vdrive fluid change, transmission fluid change, impeller service, both fuel filters changed, and all belts changed.
5. Repair and/or replace sections of the tower, seadek, bow light, emblems and tower light.
6. Perform all software updates including steering assist, pdms, keypad, linc panorays, audio and motor ecm.

Please let me know if you have any questions or need any clarification on the above/attached items.

Thank you,

Beth Dougherty
Business Manager
N3 Boatworks

317-845-9253 X109 (o)

317-460-6112 (m)

317-845-4545 (f)



EXHIBIT 4

PROPOSED ORDER

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States Securities and Exchange
Commission,

Plaintiff,

v.

Jonathan Larmore, et al.,

Defendants, and

Michelle Larmore; Marcia Larmore;
CSL Investments, LLC;
MML Investments, LLC;
Spike Holdings, LLC;
and JMMAL Investments, LLC,

Relief Defendants.

No. CV-23-02470-PHX-DLR

**[PROPOSED] ORDER APPROVING
ABANDONMENT AGREEMENT
RE: 2020 NAUTIQUE PARAGON**

The Court has considered the Receiver's Motion for an order approving the Abandonment Agreement dated July __, 2024, providing for the abandonment of the 2020 Nautique Paragon 23 Boat (Hull Identification Number CTC0P058A020) (the "Boat"), between the Receiver and mortgagee, Lake City Bank (the "Mortgagee"), and granting related relief (the "Motion");¹ and upon consideration of any and all responses and replies relating to the Motion; and upon due and sufficient notice of the Motion; and after due deliberation, and it appearing that the relief sought in the Motion is in the best interest of the Receivership Estate, its creditors, and other parties in interest.

¹ Capitalized, undefined terms are as in the Motion.

1 The Court makes the following findings:

2 1. This Court has jurisdiction over this matter, the above-captioned defendants
3 and relief-defendants, and over all property of the Receivership Estate.
4

5 2. Proper, timely, adequate, and sufficient notice of the Motion has been
6 provided, such notice was sufficient and appropriate under the particular circumstances,
7 and no other or further notice of the Motion or relief sought in the Motion is necessary or
8 required.
9

10 3. A reasonable opportunity to object or be heard regarding the requested relief
11 in the Motion and this Order has been afforded to all interested parties, including, without
12 limitation, all persons or entities known to the Receiver that have or may have an interest
13 in any portion of the property sought to be abandoned.
14

15 4. The Receiver has the power and authority to abandon the Boat, or any asset
16 of the Receivership Estate, and enter into the Abandonment Agreement.

17 5. Upon the Receiver's appointment and after investigating the financial
18 condition of the Receivership Estate, the Receiver undertook a comprehensive effort to
19 analyze the value of the Boat.
20

21 6. The Receiver demonstrated a sufficient basis and compelling circumstances
22 requiring the entry of this Order, and such actions: (a) are appropriate exercises of the
23 Receiver's reasonable business judgment; and (b) are in the best interest of the
24 Receivership Estate and its creditors, investors and all other stakeholders.
25

26 7. The Receiver should be authorized to abandon the receivership's interest in
27 the Boat in accordance with the Abandonment Agreement.
28

1 Accordingly,

2 **IT IS ORDERED** that the Motion is **GRANTED** as follows:

- 3 1. Any and all objections to the Motion concerning the Abandonment Agreement
4 and relief granted in this Order that have not been withdrawn, waived, resolved,
5 sustained, or settled, are expressly denied and overruled in their entirety;
6
7 2. The Abandonment Agreement be, and hereby is, approved, and all parties thereto
8 be, and hereby are, directed to comply therewith;
9
10 3. This Order shall become effective immediately upon its entry;
11
12 4. This Court shall retain jurisdiction over any and all matters or disputes arising
13 from or related to this Order or its enforcement.

14 Dated this ____ day of _____, 2024

15
16 _____
17 Douglas L. Rayes
18 United States District Judge
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24 229265238 v1
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