

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

AGREED ORDER GRANTING IN PART RECEIVER GREGORY S. MILLIGAN'S
(i) MOTION TO APPROVE SALE PROCEDURES AND RETENTION OF SOTHEBY'S
INTERNATIONAL REALTY, INC. AND (ii) MOTION TO APPROVE SALE
PROCEDURES AND RETENTION OF PRESTIGE MOTOR CAR IMPORTS, LLC
(Related to Dkt. Nos. 107 & 108)

This matter is before the Court on the (i) Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") (Dkt. No. 107) and (ii) Motion to Approve Procedures for Sale of Automobiles and for Order Authorizing Retention, Employment, and Compensation of Prestige Motor Car Imports, LLC as Broker (the "Prestige Motion") (Dkt. No. 108) (the Sotheby's Motion and Prestige Motion are collectively, the "Motions"), filed by Receiver Gregory S. Milligan (the "Receiver"), the Court-appointed Receiver in the above-captioned case. The Court, having considered the Motions and evidence submitted in support thereof, the Receiver's Supplemental Briefing in Support of Sale Motions (Dkt. No. 110), the Certificate of Conference and Stipulation Regarding Sale Motions (the "Stipulation") (Dkt. No. 116), the Certificate of Conference Regarding Sale Motions (Dkt. No. 117), responses or objections, if any, the arguments of counsel, and the pleadings on file, finds that the Motions should be, and hereby are, GRANTED IN PART.

It is therefore ORDERED that:

A. The Sotheby's Motion.

1. The Sotheby's Motion is GRANTED IN PART with respect to the following real property owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill:

- 1055 Spyglass Lane, Naples, Florida 34102;
- 1848 Circle Road, Towson, Maryland 21204;
- 27776 Sharp Road, Easton, Maryland 21601;
- 531 Hampton Lane, Baltimore, Maryland 21286;
- 3018 Susanne Court, Owings Mills, Maryland 21117; and
- 1718 Greenspring Valley Road, Stevenson, Maryland 21153.

(collectively, the "Merrill Real Property").

2. The Receiver is authorized to retain and employ Sotheby's International Realty, Inc. ("Sotheby's") as broker of the Merrill Real Property pursuant to the Fee Proposal outlined in the Milligan Declaration.

3. The Real Property Sales Procedures set forth in the Sotheby's Motion are hereby approved and the Receiver is authorized to sell the Merrill Real Property in accordance with the Real Property Sales Procedures.

4. Any party asserting a claim against the Merrill Real Property shall file its claim within thirty (30) days of the date of entry of this Order. To the extent that a claim is made to or against the Merrill Real Property, the claimant shall describe such claim in detail. The Receiver's response to any claim against the Merrill Real Property shall be due within fourteen (14) days of the date the claim was filed with the Court. If the Receiver fails to respond to the claim, the claim shall be deemed allowed and the Real Property shall be sold subject to the claim. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to allow or deny the claim.

5. Any party asserting an objection to a Sale Motion¹ shall file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to a Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer who is willing to purchase the Merrill Real Property for an amount that exceeds the proposed sale price in the Sale Motion. The Receiver's response to any objection to a Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and the Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed buyer and terms under the Sale Motion to act as a "stalking horse" bid, subject to higher and better offers.

6. Any commission or administrative fee to be paid to Sotheby's for its brokerage services will be requested and approved as part of any Sale Motion and, if such Sale Motion is approved, Sotheby's fees shall be paid as part of the closing of the real estate transaction.

7. Pursuant to the Stipulation and with the consent of the Office of the United States Attorney (the "U.S. Attorney's Office"), the net proceeds of any sale of Merrill Real Property pursuant to a Sale Motion (the "Proceeds") shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action² or further Order of this Court. All rights, reservations, claims, defenses, and objections of Relief Defendant Amanda Merrill, Plaintiff Securities and Exchange Commission (the "SEC"), and the Receiver are

¹ The term "Sale Motion" herein shall have the same meaning as used in the Sotheby's Motion.

² The term "SEC Action" herein shall mean the civil action styled *Securities and Exchange Commission v. Kevin Merrill, et al.*, Case No. 18-cv-02844-RDB, in the United States District Court for the District of Maryland.

preserved pursuant to the terms identified in the Stipulation with respect to distribution of the Proceeds.

8. The Sotheby's Motion is GRANTED IN PART with the express consent of the U.S. Attorney's Office, the Securities and Exchange Commission, Kevin Merrill and Amanda Merrill. As such, the cooperation of any party with regard to the sales of Merrill Real Property as set forth in the Sotheby's Motion and authorized by this Order shall not be construed as a violation of the Restraining Orders entered in *United States of America v. Kevin B. Merrill, Jay B. Ledford, and Cameron R. Jezierski*, Criminal No. RDB-18-0465 (Dkt. Nos. 8 and 10) (the "Restraining Orders").

B. The Prestige Motion.

9. The Prestige Motion is GRANTED IN PART with respect to the following vehicles owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill:

- 2018 Cadillac Escalade, VIN No. 1GYS4DKJOJR194076;
- 2015 Harley-Davidson VRSCDX Night Rod, VIN No. 1HD1HHH18FC805081;
- 2015 BMW S1000R Motorcycle, VIN No. WB10D210XFZ352440;
- 2015 Ferrari 458 Spider Especial, VIN No. ZFF78VHA7F0213197;
- 2015 Porsche 918, VIN No. WP0CA2A13FS800561;
- 2016 Mercedes Benz Sprinter 2500, VIN No. WDAPE8CDXGP323201;
- 2018 Cadillac Escalade ESV, VIN No. 1GYS4KKJ4JR384130;
- 2017 Audi R8 5.2 Plus Coupe, VIN No. WUAKBAFX1H7902028;
- 2017 Land Rover Range Rover, VIN No. SALGS5FE7HA341466;
- 2017 Land Rover Range Rover Sport, VIN No. SALWz2FE6HA145282;
- 2017 Rolls Royce Dawn Convertible, VIN No. SCA666D57HU107107;
- 2017 Rolls Royce Wraith Coupe, VIN No. SCA665C58HUX86607;
- 2008 Bugatti Veyron, VIN No. VF9SA25C78M795164;
- 2014 Pagani Huayra, VIN No. ZA9H11RAYYSF76034;
- 2017 Lamborghini Aventador, VIN No. ZHWUT3ZDXHLA05923;
- 2018 Lamborghini Huracan, VIN No. ZHWUS4ZF6JLA10746; and
- 2016 Ford F-150, VIN No. 1FTEW1EG3GFA83463.

(collectively, the "Merrill Vehicles").

10. The Receiver is authorized to employ Prestige Motor Car Imports, LLC as vehicle broker for the Receiver with respect to the Merrill Vehicles pursuant to the Consignment Agreement attached to the David Declaration as Exhibit 1.

11. The Vehicle Sales Procedures set forth in the Prestige Motion are hereby approved and the Receiver is authorized to sell the Merrill Vehicles in accordance with the Vehicle Sales Procedures.

12. Prestige Motor Car Imports, LLC is authorized to receive a commission from the sales proceeds of each Merrill Vehicle in an amount equal to 5.0% of the purchase price without need of further application or Court approval.

13. Prestige Motor Car Imports, LLC is authorized to receive the pre-approved costs incurred for transportation, maintenance, repair, and sale from the sales proceeds of each Merrill Vehicle or, in the event of termination of the Consignment Agreement, from the Receiver.

14. The United States Marshals Service is authorized and ordered to turn over the Merrill Vehicles to Prestige Motor Car Imports, LLC, or its authorized agent, on a mutually agreeable date and time. The Receiver is authorized to pay the storage, maintenance, and other costs incurred by the United States Marshals Service for the Merrill Vehicles.

15. Pursuant to the Stipulation and with the consent of the U.S. Attorney's Office, the net proceeds of any sale of the Merrill Vehicles (the "Proceeds") shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court. All rights, reservations, claims, defenses, and objections of Relief Defendant Amanda Merrill, the SEC, and the Receiver are preserved pursuant to the terms identified in the Stipulation with respect to distribution of the Proceeds.

16. The Prestige Motion is GRANTED IN PART with the express consent of the U.S. Attorney's Office, the Securities and Exchange Commission, Kevin Merrill and Amanda Merrill. As such, the cooperation of any party with regard to the sales of Merrill Vehicles as set forth in the Prestige Motion and authorized by this Order shall not be construed as a violation of the Restraining Orders.

C. Other Real Property and Vehicles.

17. Defendant Jay B. Ledford has filed an Opposition to the Motions (Dkt. No. 115) in which he objects to any relief requested with respect to the following real property and vehicles:

Real Property

- 9017 Grove Crest Lane, Las Vegas, Nevada 89134;
- 1132 Glade Road, Colleyville, Texas 76034;
- 1650 Cedar Hill, Dallas, Texas 75208;
- 2308 Cedar Elm Terrace, Westlake, Texas 76262; and
- 2801 Paramount Boulevard, Amarillo, Texas 79109.

Vehicles

- 2015 Bentley Flying Spur, VIN No. SCBET9ZA7FC042592;
- 2018 Land Range Rover, VIN No. SALGS2RE6JA501496;
- 2016 Ferrari 488 Coupe, VIN No. ZFF79ALA3G0217973; and
- 2016 Tesla Model, VIN No. 5YJSA1E49GF155262.

18. Nothing in this Order is intended to grant or deny any relief in the Motions with respect to the real property and vehicles referenced in paragraph 17 *supra*.

IT IS SO ORDERED, this 29th day of April, 2019.



HON. RICHARD D. BENNETT
UNITED STATES DISTRICT JUDGE