

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 21-61644-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MJ CAPITAL FUNDING, LLC,
MJ TAXES AND MORE, INC., and
JOHANNA M. GARCIA,

Defendants.

ORDER

THIS CAUSE is before the Court on Receiver's Motion to Approve Third-Party Litigation Procedures and Contingency Fee Arrangement (DE 179) filed on February 2, 2023. Having considered the motion, and being otherwise fully advised in the premises, it is hereby


ORDERED AND ADJUDGED that the Receiver's Motion to Approve Third-Party Litigation Procedures and Contingency Fee Arrangement (DE [179]) is **GRANTED** as follows:

1. The Receiver may pursue the Additional Third-Party Claims as defined and referenced in the motion, and the following procedures are approved:
 - a. The Receiver, in her discretion, may: (i) issue demand letters to individuals and companies against whom the Receiver has Additional Third-Party Claims in which the Receiver will offer to settle such claims for the repayment of liability, and not seek prejudgment interest; (ii) initiate litigation against defendants of

- Additional Third-Party Claims, with or without having issued demand letters to the defendants, which lawsuits will set forth the full amount of liability against each defendant as well as other available relief including, but not limited to, attorney's fees, prejudgment interest and post-judgment interest; and (iii) settle any Additional Third-Party Claim prior to or after issuing a demand letter or filing a lawsuit, and take into account any relevant factor, including collectability, which will be subject to proof and documentation satisfactory to the Receiver.
- b. In the event the Receiver settles any Additional Third-Party Claim for which the Receiver's asserted liability is \$100,000 or less, the Receiver is authorized to settle such claim and enter into, and perform under, a settlement agreement, and no further court approval will be required.
 - c. In the event the Receiver settles any Additional Third-Party Claim for which the Receiver's asserted liability is greater than \$100,000, the Receiver is permitted to receive settlement funds upon the settling party's execution of the settlement agreement and hold such funds pending Court approval, and after seek court approval. The Receiver is authorized to file motions to approve settlement agreements under seal and on an omnibus basis, and the Receiver will provide a copy to the SEC.
 - d. The Receiver will file a Notice of Similar Action for each Additional Third-Party Claim lawsuit filed in this District for the judges involved to consider.
2. The motions to approve settlement agreements filed under seal by the Receiver will remain sealed during the pendency of the receivership. Upon the conclusion of the receivership, the Clerk of the Court shall unseal the motions.

3. The Receiver may engage counsel under the Contingency Fee Arrangement described in the Motion. In the event the Receiver settles any Additional Third-Party Claim for which the Receiver's asserted liability is \$100,000 or less, Kozyak Tropin & Throckmorton, LLP ("KTT") is authorized to receive its attorney's fees under the Contingency Fee Arrangement without further court approval, and KTT will report all recoveries and attorney's fees paid relating to such claims in its quarterly fee applications. Requests for payment of contingency fees for Additional Third-Party Claim for which the Receiver's asserted liability is greater than \$100,000 will be included in motions to approve settlement of such claims, or sought by other appropriate motion or application. Expenses associated with Additional Third-Party Claims will be reimbursed by the receivership estate following Court approval of the Receiver's application for such expenses.

DONE AND ORDERED in Chambers, Fort Lauderdale, Florida, this 20th day of March 2023.



RAAG SINGHAL
UNITED STATES DISTRICT JUDGE

Copies furnished to counsel of record via CM/ECF