

IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY, MARYLAND

ERIC LEVIN REVOCABLE LIVING)
TRUST, DATED APRIL 22, 2005, AS)
AMENDED AND RESTATED UNDER)
DEED OF TRUST DATED)
SEPTEMBER 29, 2006)

Petitioner)

vs.)

PASADENA BOAT WORKS, LLC et al.)

Respondents)

Case No. C-02-CV-22-002000

**ORDER GRANTING PETITION TO APPOINT
MORGAN W. FISHER TO SERVE AS RECEIVER OF RECEIVERSHIP
PROPERTY- AND OVERSEE OPERATIONS, AND ORDER IMPOSING STAY**

Upon consideration of the Petition of Eric M. Levin, Trustee of the Eric Levin Revocable Living Trust, Dated April 22, 2005, as Amended and Restated Under Deed of Trust Dated September 29, 2006 (the "Trust") for Dissolution of Pasadena Boat Works, LLC (the "Company") and the appointment of Morgan W. Fisher, to Serve as Receiver and to Impose Stay (the "Petition"), Md. Code, Com. Law Art. § 24-101 *et seq.*, including, without limitation, Md. Code, Com. Law Art. § 24-103(a)(2) and (3) and 24-201(1), (3) and (4), the Affidavit of Morgan W. Fisher, and the consent having been given by the only other Member of the Company, Nicholas Doetsch ("Doetsch") who is currently co-managing the Company with the Trust in accordance with the Operating Agreement ("Management"), and good cause having been shown, it is this day, by the Circuit Court for Anne Arundel County, Maryland:

ORDERED, that Morgan W. Fisher is hereby appointed Receiver, not individually, but solely in his capacity as a receiver appointed by this Court (the "Receiver") of Pasadena Boat Works, LLC (the "Company") pursuant to Md. Code, Com. Law Art. § 24-101 *et seq.* (the

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“Receivership Act”),¹ to undertake the duties of a receiver under the Receivership Act, in the capacity as explained herein, and other applicable laws of the State of Maryland and, to the extent determined in the reasonable exercise of the Receiver’s business judgment, to oversee the current possession, custody, and control of all Receivership Property, wherever located, and to assist with management, protection, preservation, and collection of all such Receivership Property in the ordinary course of business and, if warranted after conducting a reasonably sufficient investigation into the financial activities and financial condition of the Company, and subject to further Order of this Court, to commence and prosecute demands for turnover, collection of any promissory notes owed to the Company, and pursue all claims that the Company may have against third parties, including the members of the Company, and to recover and collect the proceeds thereof for the benefit of creditors, and upon further motion and Order of this Court, sell, lease, use, or consummate a transaction for the disposition of substantially all Receivership Property in a manner that the Receiver deems a reasonable means to maximize the value of Receivership Property for the benefit of creditors, in accordance with the authorization of this Court and through the exercise of all rights, powers and duties conferred upon receivers under the Receivership Act, and as otherwise authorized or permitted by this Order, and applicable Maryland law; and it is further

ORDERED, that the Receiver is authorized to obtain access and control of all Receivership Property, and all books and records pertaining to the Receivership Property, including all financial information related to the Company, and to oversee and supervise the employees of the Company in day to day operations and management, pursuant to the Operating Agreement, of all Receivership Property and the operations of the Company in the ordinary course after seeking the

¹ All defined terms shall have the meanings ascribed in Section 24-101 of the Receivership Act unless specifically defined herein.

input of Doetsch and the Trust; however, the Receiver may, upon further Order of the Court, terminate any employee of the Company, and the Receiver may directly or indirectly manage the operations of the Company for the benefit of creditors and seek further authorization and direction from this Court for additional powers and controls that he determines are necessary and appropriate and any other powers) on behalf of the Company, until the Court enters an Order terminating the Receiver at the request of the Company or the Receiver: including, without limitation, the following powers:

ORDERED, that the Receiver may, without further order of this Court, issue subpoenas for documents, testimony and other process, in order to conduct his investigation;

ORDERED, that if the Receiver determines that additional action is warranted after his investigation, the Receiver may seek further order of this Court;

ORDERED, that the Receiver is authorized and may do the following:

(a) Obtain full access to all documents, books, records, papers, data and accounts relating to the accounts of the Company including computer files and other electronic files (as defined in the Receivership Act, "Records") maintained by the Company;

(b) Obtain full access and possess copies of all leases, subleases, licenses, occupancy agreements, and concessions related to the Company's business ("Leases");

(c) Supervise and direct collection of accounts receivable and other amounts due and payable to the Company or to which it is entitled, or otherwise seek to abandon accounts receivable that are of *de minimis* value;

(d) Subject to further order of the Court (unless Doetsch and the Trust agree), enter into, enforce, modify, cancel, assign, sublet, or terminate leases, if any, whether of real or

personal property, or tenancy agreements, under such terms and conditions as the Receiver may in his sole discretion deem appropriate or desirable for the benefit of the Company;

(e) Subject to further Order of the Court (unless Doetsch and the Trust agree), sue for unpaid amounts, rents, profits, income, revenues, issues, payments, and proceeds, of greater than *de minimis* value, in the name of the Company and defend all actions, at law or in equity, which may be brought against the Receiver or property of the Company which the Receiver in his sole discretion deems appropriate and advisable to defend;

(f) Subject to further Order of the Court (unless Doetsch and the Trust agree), compromise or give acquittance for dues, rents and profits, payments, income, or proceeds that may become due;

(g) Supervise and have full access to all financial accounts of the Company and/or establish new financial accounts for the Company (together, "Bank Accounts"), collect and receive dues, income, revenues, profits, issues, payments, and proceeds, accrued or accruing, from the Company and deposit such sums belonging to the Company into the Company's accounts, collect accounts receivable of the Company and deposit the proceeds into the Bank Accounts, which (i) Bank Accounts; and (ii) accounts receivable to which the Company is entitled shall not be subject to attachment by creditors of the Company or anyone else without authorization of this Court, and to authorize Management's use of existing Bank Accounts to pay the obligations of the Company incurred in the ordinary course of business;

(h) Supervise and approve repairs and alterations to the Company's leased premises, if any, as the Receiver determines in consultation with Management that is appropriate or desirable;

(i) Do any acts which the Receiver in his sole discretion deems appropriate or desirable to protect the assets and operations of the Company and minimize its liabilities;

(j) Execute and deliver, in the name of the Receiver as attorney-in-fact and agent of the Company, such documents, instruments, applications, and certificates as are necessary or appropriate to implement and effectuate the rights and powers set forth herein;

(k) Authorize and direct that he have access to the Company's Records and Receivership Property from a remote location;

(l) Supervise and require turnover of all mail being directed to the Company;;

(m) Commence or continue a judicial, administrative, or other action or proceeding, participate in lawsuits and other actions where the Company is a participant, to employ, subject to further order of this Court (unless Doetsch and the Trust agree), counsel to prosecute and/or defend such lawsuits or actions, to terminate existing counsel in such lawsuits or actions, to elect to not defend such lawsuits or actions or to consent to judgment, subject to further order of this Court (unless Doetsch and the Trust agree), in lawsuits or actions as the Receiver determines using his business judgment, subject to the parties right to seek arbitration of any claims arbitrable between them, which rights, claims and defenses remain reserved by both parties

(n) Subject to further order of this Court (unless Doetsch and the Trust agree), compromise any litigation to which the Company is or becomes a party consistent with the purposes of maximizing the recovery for the Company;

(o) Seek injunctive relief from this Court and any court of competent jurisdiction to protect the assets for this Receivership Estate and the ultimate distribution to creditors;

(p) Do any acts which the Receiver in its sole discretion deems appropriate or desirable to protect the Receivership Property and operations of the Company and use such measures, legal or equitable, the Receiver may in its sole discretion deem appropriate or desirable to implement and effectuate the provisions hereof;

(q) Subject to further application and order of the Court, employ professionals, including, *inter alia*, accountants, attorneys, engineers, consultants, managers, brokers, agents and other professionals as shall be necessary or desirable in the reasonable exercise of the business judgment of the Receiver to assist the Receiver in performing the Receiver's duties and administering Receivership Property, implement and effectuate the rights and powers set forth in the Receivership Order, manage and operate the Company, and to preserve and maintain Receivership Property;

(r) Authorize and direct that Management take any and all actions in the ordinary course of business of the Company while timely reporting such actions to the Receiver;

(s) Have all other powers permitted under the laws of the State of Maryland;
and

(t) Seek clarification of the Receiver's powers, and new powers, from this Court;

(u) Delegate or assign any and all rights and powers of the Receiver to Management

(v) Only if expressly consented to by both members of the Company – Doetsch and the Trust - file a petition in bankruptcy (either Chapter 7 or Chapter 11) at any time for the Company;

(w) Take such actions and require performance as is deemed necessary or desirable in the judgment of the Receiver under any contracts, including entering into or terminating such contracts, relating to the Company; and

(x) Have all other powers granted to the Receiver by this Court, permitted under the laws of the State of Maryland and/or pursuant to applicable law including, without limitation, to bring actions pursuant to Md. Code, Com. Law Art. §§ 15-101 *et seq.*; and it is further

ORDERED, that the Receiver and any counsel employed by the Receiver may be paid as an administrative expense claimant, with priority over all other claimants, in accordance with the following procedure:

(a) The Receiver may file monthly fee statements (the "Monthly Statement") after the 1st of each month detailing expenses (the "Expenses") incurred and compensation (the "Fees") sought;

(b) In the event a party has an objection to any portion of the Fees or Expenses sought in a particular Monthly Statement, based on a view that such Fees and Expenses are not properly allowable, she/he/it shall, on or before the fifteenth calendar day after the date of the filing of the Monthly Statement at issue, file and serve the Objection with the Court and send a copy by email or regular mail upon the Receiver a written "Notice of Objection to Fee Statement" setting forth, at a minimum, the amount of Fees and Expenses to which the party objects and the basis for the objection. The objection may include a request for hearing.

(c) If no objection is filed by the deadline set forth in paragraph (b) above, the Fees and Expenses shall be deemed allowed by the Court on an interim basis, subject to final approval by further order of the Court., and the Receiver may pay 80% of such Fees

and 100% of such Expenses by the end of the month in which any objections to the Monthly Statement were to be filed. Entitlement to the 20% of Fees subject to a holdback from payment shall be determined either by order of the Court on a final application or by agreement of the objecting party prior to the conclusion of the above-captioned case.

(d) Such Fees and Expenses will be subject to final approval by further order of the Court to be sought no more frequently than once every six (6) months.

ORDERED, that the entry of this Order Appointing a Receiver for the Company operates as a matter of law² as a stay of any act to:

(1) Commence or continue a judicial, administrative, or other action or proceeding against the Company that was or could have been commenced before entry of the order;

(2) Collect, assess, or recover a claim against the Company that arose before entry of the order;

(3) Obtain possession of, exercise control over, or enforce a judgment against the Receivership Property obtained before entry of the order; or

(4) Create, perfect, or enforce a lien or other claim against the Receivership Property that arose before entry of the order; and it is further

ORDERED, that the request to impose a stay as provided under § 24-401(b) of the Receivership Act as necessary to protect the Receivership Property or the Company's enterprise value, and to facilitate administration of this receivership, the Court hereby orders a stay of the matters set forth in § 24-401(c) of the Receivership Act, including the following:

² See, § 24-401(a)(1) through (4) of the Receivership Act.

(i) an act to foreclose or otherwise enforce a mortgage by the person seeking appointment of the Receiver;

(ii) an act to perfect, maintain, or continue the perfection of an interest in Receivership Property pursuant to § 24-401(c)(2) of the Receivership Act;

(iii) the exercise of the right of setoff or recoupment pursuant to § 24-401(c)(7) of the Receivership Act;

(iv) the commencement of an involuntary bankruptcy case against the Company under 11 U.S.C. § 303 pursuant to § 24-401(c)(8) of the Receivership Act; and

(v) any other matter stayed in bankruptcy proceedings under 11 U.S.C. § 362(b) to the fullest extent allowed under the Receivership Act, pursuant to § 24-401(c)(9) of the Receivership Act; and it is further

ORDERED, subject to further Order of the Court (unless Doetsch and the Trust agree), that the Receiver is authorized to liquidate any remaining assets of the Company in a commercially reasonable manner; and it is further

ORDERED, within 45 days after appointment, the Receiver shall prepare and file with the assistance and cooperation of the parties a schedule of property and debts under oath that provides at least the information required by Md. Rule § 13-203; and it is further

ORDERED, that the Law Office of Morgan Fisher shall only serve as Receiver with a bond in place pursuant to Maryland Rule 13-107 in the amount of \$100,000.00; and it is further

ORDERED, that the Receiver shall use his best business judgment in the performance of duties and he shall have no liability to the Estate, Doetsch and the Trust, any creditor or interested party unless he has acted with gross negligence and shall receive the protections provided by Md. Code, Com. Law Art. § 24-702(a) and (b); and it is further

ORDERED, that Doetsch and the Trust are ordered to cooperate and comply with the Receiver's reasonable requests for assistance and compliance with this Order, but nothing herein is intended to prevent Doetsch or any agent of the Trust from visiting the Company's location, subject to any limitations thereon that the Receiver may impose. Notwithstanding the foregoing, Doetsch and any agent of the Trust must coordinate with the Receiver to visit the Company's location for the purpose of acquiring information about operations, subject to any limitations thereon that the Receiver may impose; and it is further

ORDERED, that Doetsch and the Trust and their agents and representatives are ordered, in a timely manner, after entry of this Order, to provide full access, and where available, copies to the Receiver of all books and records of the Company currently in their possession, whether stored on paper or electronically, including but not limited to: bank statements for all accounts maintained by the Company; tax returns of the Company; correspondence, profit and loss statements, requests for extensions of time to file a tax return submitted to any taxing authority, and balance sheets created by or for the Company; periodic reconciliation reports prepared by accountants, certified public accountants, bookkeepers, financial counselors, financial officers, etc. for any accounts of the Company; copies of all leases for any parcels of real property or premises controlled or occupied by the Company; copies of all registers maintained by the Company for each account it has maintained or is currently maintaining, including checking, savings, draft, certificates of deposits, investment accounts, and/or money market accounts; a current list of all accounts receivable of the Company, including the debtor's name, address, account number, amount due, and all documentation which supports the receivable; a current list of all accounts payable of the Company, including the creditor's name, address, account number, amount due, and all documentation which supports the obligation; and any and all other records

maintained in the ordinary course of business of the Company, whether maintained on paper or electronically stored media; and it is further

ORDERED, that the Receiver shall be entitled to compensation at an hourly rate of \$400.00. The Receiver shall be authorized to escrow a retainer from Receivership Property of Fifteen Thousand Dollars and No Cents (\$15,000), and is authorized to pay such compensation on an interim basis promptly at the end of each month from Receivership Property, only if no objections are filed to the Receiver's monthly statements within 15 days after filing, and to reimburse actual and necessary out of pocket expenses on a monthly basis, subject to applications for final allowance of compensation of Receiver to be filed no more frequently than every six (6) months. If any compensation or expenses are not paid or reimbursed at the conclusion of a month for any reason, all such unpaid compensation and unreimbursed expenses of the Receiver shall have administrative claim priority over all business debts of the Company, and all claims of creditors that may be filed or asserted against the Company and/or Receivership Property, including any creditors that assert a Lien against Receivership Property; and it is further

ORDERED, that, subject to further order of the Court, the Receiver may request capital contributions from the Company's members as may be required to assure payment of compensation of the Receiver and its professionals, in accordance with the terms of the Operating Agreement and applicable law; and it is further

ORDERED, that the Receiver will require that copies of all claims be sent to the members of the Company in addition to himself and filed with the Court so that they may review the claims to determine whether the same are appropriate obligations of the Receivership; and it is further

ORDERED, that the Receiver, during the Receivership or at its conclusion, may seek authorization of the Court to abandon property and records pursuant to Md. Rule § 13-601; and it is further

ORDERED, that the Receiver, during the Receivership, will file reports with this Court detailing receipts and disbursements and describing activities undertaken in its capacity as Receiver within thirty (30) days of the close of every calendar quarter commencing after the close of the second calendar quarter after entry of this order and at the conclusion of the Receivership; and it is further

ORDERED, that the Receiver file a final report pursuant to Md. Code, Com. Law Art. § 24-602; and it is further

ORDERED, that the Receivership shall terminate after the approval of the Court of the Receiver's final report and accounting, pursuant to Md. Code, Com. Law Art. § 24-602; and it is further

ORDERED, that the Trust reserves it's rights to pursue collection against the Company in Case No. C02CV22001420 or any other proceeding. The Receiver reserves his rights as to whether stay relief is appropriate for the continuation of proceedings in Case No. C02CV22001420. Doetsch reserves his rights in connection with the continuation of proceedings in Case No. C02CV22001420 including any rights of arbitration. The Receiver's determination as to whether stay relief is appropriate for the Company, is dispositive of that issue. In such event, the Receiver will direct the Company in the defense of such litigation.

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Date



Judge, Circuit Court for Anne Arundel, Maryland

Richard Trunnell

WE CONSENT:

Eric Levin Revocable Living Trust, Dated
April 22, 2005, as Amended and Restated Under
Deed of Trust Dated September 29, 2006

By counsel:

OFFIT KURMAN, P.A.

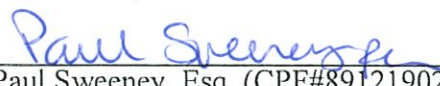


Frances Wilburn, Esq. (CPF #0801030041)
James M. Hoffman, Esq., (CPF #8512010278)
7501 Wisconsin Avenue, Suite 1000W
Bethesda, Maryland 20814
Telephone: 240-507-1710
Fax: 240-507-1735
fwilburn@offitkurman.com
jhoffman@offitkurman.com

Nicholas Doetsch


By counsel:

YVS LAW, LLC



Paul Sweeney, Esq. (CPF#8912190283)
Tiffany S. Franc, Esq. (CPF#1006170080)
11825 West Market Place, 2nd Floor
Fulton, Maryland 20759
Telephone: 443-569-5972
psweeney@yvslaw.com

SEEN AND AGREED:



Morgan Fisher, Esq. (CPF# 0906150004)
18 West St
Annapolis, MD 21401
Telephone: 410-626-6111
mwf@morganfisherlaw.com
Receiver

Upon Entry, copies to:

James M. Hoffman, Esq.
jhoffman@offitkurman.com

Frances Wilburn, Esq.
fwilburn@offitkurman.com

Paul Sweeney, Esq.
psweeney@yvslaw.com

Corinne Adams, Esq.
cadams@yvslaw.com

Nicholas Doetsch
4425 Mountain Road
Pasadena. MD 21122

Eric M. Levin, Trustee
Revocable Trust Agreement of
Eric M. Levin dated September 29, 2006
725 Shore Road
P.O. Box 1399
Severna Park, MD 21146

T. Joseph Touhey, Esq.
791 Aquahart Road
Glen Burnie, MD 21061

Morgan Fisher, Esq.
18 West St
Annapolis, MD 21401

4859-1202-2096, v. 1