

1 **GUTTILLA MURPHY ANDERSON**
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8 Attorneys for the Receiver

9 FOR THE SUPERIOR COURT OF THE STATE OF ARIZONA
10
11 IN AND FOR THE COUNTY OF MARICOPA

12 Lynne H. Anthony Revocable Trust dated
13 11/30/2001, Lynne H. Anthony as Trustee;
14 Robert Sonnenschein, as an individual;
15 Gerald R. Hale, as an individual; C. Scott
16 Anthony, as an individual; Janie B. Hale,
17 individually and as Trustee of Janie B. Hale
18 Revocable Trust dated 11/4/1994; Carolyn
19 Sue McMillon, as an individual; Larry
20 McMillon, as an individual; James Stanley
21 Powers, as an individual; and Patricia Ann
Powers Trust, Patricia Ann Powers as
Trustee,

Plaintiffs,

v.

Palo Verde Capital, L.L.C., an Arizona
limited liability company; PVPE, L.L.C., an
Arizona limited liability company; Palo
Verde Fund, L.P., a Delaware limited
partnership; Palo Verde Private Equity Fund,
L.P., a Delaware limited partnership; and
Anthony R. Stacy, a married man,

Defendants.

Cause No. CV2013-012420

RECEIVER'S MOTION TO APPROVE OF
SALE OF PALO VERDE'S MEMBERSHIP
UNITS OF SDX ACQUISITION, LLC
(Assigned to the Honorable Daniel Kiley)

Peter S. Davis, as the Court's Receiver of Palo Verde Fund LP, Palo Verde Private Equity
Fund, LP and PVPE, LLC (the "Receiver"), seeks an order approving a the sale of the Palo Verde

1 Fund's membership units of SDX Acquisition LLC to SDX Acquisition, LLC for \$400,000.00. For
2 the reasons set forth below, the Receiver recommends that the Court approve the sale of Palo Verde
3 Fund's membership units of SDX Acquisition, LLC and approve the Purchase Agreement between
4 the Receiver and SDX Acquisition, LLC.

5 I. BACKGROUND

6 1. On October 8, 2013, the Court entered its *Stipulated Order Appointing Receiver*
7 ("Receivership Order") which appointed Peter S. Davis as Receiver for the Palo Verde Fund, LP and
8 the Palo Verde Private Equity Fund, LP and PVPE, LLC, *fka* Palo Verde Capital, LLC, *fka* Paragon
9 Capital Advisors, LLC. (collectively "Palo Verde") in an action entitled, *Lynne H. Anthony*
10 *Revocable Trust dated 11/30/2011 et al. v. Palo Verde Capital, L.L.C et al*, Maricopa County
11 Superior Court Cause No. CV 2013-012420 ("Receivership Action").

12 2. Pursuant to the provisions of the Receivership Order, the Receiver has investigated
13 and regularly reported on the assets of Palo Verde including Palo Verde's investment in SDX
14 Acquisition, LLC.

15 3. The Receiver has determined that SDX Acquisition, LLC was established to purchase
16 the assets of Search Dex, Inc., a privately held Dallas, Texas based software development firm
17 focused on e-commerce solutions through the use of search engine optimization services and related
18 technology. The Receiver's investigation determined that Palo Verde purchased its membership
19 interest in SDX Acquisition, LLC in October 2010, for \$500,000.77. With the total preferred equity
20 in this subscription at \$2,100,000.00, Palo Verde's investment gave it an initial 17.86% preferred
21 equity stake in SDX Acquisition, LLC. After its initial investment, Palo Verde executed a promissory
note in April 2012 for \$125,000 with an annual interest rate of 8%. In April 2013, this note and
accrued interest was converted to a convertible promissory note in the amount of \$139,297.89.

1 Eventually, the April 2013 note was converted to Class B units of SDX Acquisition, LLC. Based on
2 his investigation Palo Verde owns 16.80% of SDX Acquisition, LLC¹ which translates to 500,000
3 series A Units and 1,071,522 series B Units (hereinafter "Units").

4 4. The SDX Acquisition, LLC subscription agreement and related documents between
5 Palo Verde and SDX Acquisition, LLC contains language giving the other members of SDX
6 Acquisition, LLC the right of first refusal to purchase the shares of another member who wants to
7 liquidate their equity position in SDX Acquisition, LLC.

8 5. In June of 2015, the Receiver was approached by representatives of SDX Acquisition,
9 LLC regarding its interest in re-purchasing Palo Verde's investment in SDX Acquisition, LLC.
10 Thereafter, the Receiver performed an estimate value of Palo Verde's investment in SDX
11 Acquisition, LLC and began negotiations to liquidate Palo Verde's Units in SDX Acquisition, LLC.
12 The Receiver's estimate of value of Palo Verde's Units in SDX Acquisition, LLC assumed an
13 aggressive growth of the business and compounded the annual growth rate of revenues of 16%. This
14 resulted in an estimated value of Palo Verde's Units in SDX Acquisition, LLC between \$560,000 to
15 \$580,000. SDX Acquisition felt the Receiver's estimate of value was too high and after additional
16 discussions eventually declined the Receiver's offer.

17 6. Subsequently, the Receiver received and reviewed the financial performance of SDX
18 Acquisition, LLC from 2015 and 2016 in an effort to refine the estimation of value of Palo Verde's
19 investment in SDX Acquisition, LLC. In 2015, gross revenues of SDX Acquisition, LLC declined by
20 \$74,481 over the prior year and in 2016 revenues increased by \$188,943 or 3.9% over 2015.
21 However, SDX lost the Sports Authority account due to its bankruptcy in early 2016. Returning to

¹ Palo Verde's 17.86% equity position in SDX Acquisition, LLC was reduced to a 16.80% equity position as the result of the dilution of ownership from new investors units purchased by third parties, coupled with the purchase by SDX Acquisition, LLC Purchase of units in July 2015.

1 the estimate of value and making changes to the estimated annual compounded growth rate in
2 revenues between 4% and 9% [rather than 16%] resulted in an estimate of value of Palo Verde's
3 Units in SDX Acquisition, LLC between \$350,000.00 and \$450,000.00.

4 6. Subject to this Court's approval, the Receiver and SDX Acquisition, LLC have now
5 agreed to the sale and purchase of Palo Verde Units for \$400,000.00 pursuant to the terms of the
6 Purchase Agreement, a copy of which is attached as Exhibit "1".

7 7. The terms of the Purchase Agreement contemplate the sale price of \$400,000.00
8 payable in five (5) semi-annual increments beginning April 1, 2017 and terminating April 1, 2019
9 and the incremental assignment of a corresponding number of "Units" with a provision for
10 accelerated payments and discounts for those accelerated payments as set forth on Exhibit 'A' to the
11 Purchase Agreement.

12 8. Based upon the historical financial performance of SDX Acquisition, LLC, unclear
13 prospects for future growth, and with the Receiver having valued Palo Verde's Units between
14 \$350,000.00 and \$450,000.00 the Receiver believes that it is in the receivership estate's best interest
15 to approve the liquidation of Palo Verde's interest in SDX Acquisition, LLC for \$400,000.00 under
16 the terms of the Purchase Agreement.

17 WHEREFORE, the Receiver respectfully requests that the Court enter an order:

18 1. Approving the Purchase Agreement between the Receiver and SDX Acquisition, LLC;
19 2. Authorizing the Receiver to sell Palo Verde Fund, LP's 1,571,522 membership units
20 of SDX Acquisition, LLC to SDX Acquisition, LLC for the total purchase price \$400,000.00
21 pursuant to the terms set forth in the Purchase Agreement; and

3. Authorizing the Receiver to execute all related documents required by the terms of the

1 Purchase Agreement to facilitate the sale.

2 Respectfully submitted this 17th day of February, 2017.

3 GUTTILLA MURPHY ANDERSON, P.C.

4 /s/ Ryan W. Anderson
5 Ryan W. Anderson
6 Attorneys for the Receiver

7 Original of the foregoing E-filed
8 This 17th day of February 2017 with:

9 Clerk of the Court
10 Maricopa County Superior Court
11 201 West Jefferson, Fourth Floor
12 Phoenix, AZ 85003

13 Copy of the foregoing emailed or
14 mailed this 17th day of February, 2017, to:

15 Alan Baskin
16 Baskin Richards PLC
17 2901 N. Central Avenue, Suite 1150
18 Phoenix, Arizona 85012
19 Counsel for Plaintiffs

20 Kenneth F. Albright (Pro Hac Vice Pending)
21 Albright, Rusher & Hardcastle
15 West 6th Street, Suite 2600
Tulsa, OK 74119
Counsel for Plaintiffs

Matthew F. Winter
Sacks Tierney P.A.
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Scottsdale, AZ 85251
Counsel for Defendants PVPE, L.L.C, Palo Verde
Fund, L.P. and Palo Verde Private Equity Fund, L.P.

Anthony R. Stacy
9225 E. Western Saddle Way
Scottsdale, Arizona 85255
Defendant Pro Per

- 1 Palo Verde Fund, L.P.
c/o Business Filing Incorporated
- 2 108 West 13th Street
Wilmington, Delaware 19801
- 3 Defendant

- 4 PVPE, L.L.C.
c/o Cal Purdin, Statutory Agent
15991 N. 115th Way
5 Scottsdale, AZ 85255
6 Defendant

- 7 Palo Verde Equity Fund, L.P.
c/o Easycorps, LLC
341 Raven Circle
8 Wyoming, Delaware 19934
Defendant

- 9 Alfred W. Ricciardi
10 Aiken Schenk Hawkins & Ricciardi P.C.
2390 E. Camelback Rd., Suite 400
Phoenix, AZ 85016
- 11 Attorneys for Investors Robert Eckholt, John R. Cassimus,
N.B.M. Corporation, SC Partners LLC – Defined Benefit Plan,
12 And Gloria Jane Hooker

- 13 Robert H. McKirgan
Jon Weiss
- 14 Lewis Roca Rothgerber LLP
201 E. Washington Street, Suite 1200
15 Phoenix, AZ 85004-2595
Attorneys for Michael J. Galloway, Cathy Galloway,
16 Galloway Asset Management L.L.C. and Galloway
Family Trust UAD Dec. 5, 2003 (Interested Creditor)

- 17 Jeffrey D. Gardner
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18 One East Washington Street, Suite 1900
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19 Attorneys for Craig H. Jackson Under Trust
Agreement dated June 6, 1997
- 20
- 21

1 John S. Edwards, Jr. (Pro Hac Vice)
Ajamie, LLP
2 711 Louisiana, Suite 2150
Houston, Texas 77002
3 Attorneys for Craig H. Jackson Under Trust
Agreement dated June 6, 1997

4 All Investors/Partners in Palo Verde Fund LP:

5 Lynn Anthony
11248 S. 75th East Avenue
6 Bixby, OK 74008

7 Scott Anthony
5513 106th Place
8 Tulsa, OK 74137

9 Mike Austin
6852 Colonnade Drive
10 Plano, TX 75024

11 Keevin Barnes
11721 S. 66th East Avenue
12 Bixby, OK 74008

13 Michael Beck
225 Citrus Ridge Drive
14 Davenport, FL 33837

15 John R. Cassimus
1901 N.W. 17th Street
16 Oklahoma City, OK 73106

17 D'Lesia Chambers
P. O. Box 639
18 Boliar, MO 65613

19 Ashley Dalton
4141 E. 42nd Place
20 Tulsa, OK 74135

21

- 1 Bryan Dalton
7312 E. 87th Street
- 2 Tulsa, OK 74133
- 3 Robert Eckholt
1160 9 Pawnee Lane
- 4 Leawood, KS 66211
- 5 Mike Farley
P. O. Box 340
- 6 Sand Springs, OK 74063
- 7 Martin Garber
P. O. Box 2323
- 8 Bartlesville, OK 74005
- 9 Barbara Gilmore
5810 S. Indianapolis Ave.
- 10 Tulsa, OK 74135
- 11 Gerald and Janie Hale
3101 E. 86th Street
- 12 Tulsa, OK 74137
- 13 Keith and Susan Hall
8220 S. 68th East Avenue
- 14 Tulsa, OK 74133
- 15 Ronnie and Kim Herron
P. O. Box 303
- 16 Jenks, OK 74037
- 17 Gloria Hooker
8631 S. 67th E. Avenue
- 18 Tulsa, OK 74133
- 19 Craig Jackson
4622 E. Foothill Drive
- 20 Paradise Valley, AZ 85253
- 21

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- 1 Robert and Steva Krier
2500 Thunderbird Circle
- 2 Edmond, OK 73034

- 3 Patricia Leonard
15912 San Nicholas
- 4 Edmond, OK 73013

- 5 Shane Martin
17623 N. 58th Place
- 6 Scottsdale, AZ 85254

- 7 Larry and Sue McMillon
23225 S. Dogwood Ct.
- 8 Claremore, OK 74019

- 9 N.B.M. Corporation Employee
Stock Ownership Plan
- 10 201 E. Carl Albert Parkway
McAlester, OK 74501

- 11 Tim O'Toole
- 12 P.O. Box 538
Bixby, OK 74008

- 13 Deirdre Peters
- 14 13331 Cameron Reach Dr.
Tomball, TX 77377

- 15 Stan and Pat Powers
- 16 3410 E. 59th Street
Tulsa, OK 74135

- 17 Cal and Pam Purdin
- 18 15991 N. 115th Way
Scottsdale, AZ 85255

- 19 PVC
- 20 c/o Anthony R. Stacy
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- 21 Scottsdale, AZ 85255

- 1 Randy Riall
2105 Newberry Rd.
- 2 Millsap, TX 76066

- 3 Todd and Jean Shildt
601 E. Union Street
- 4 Broken Arrow, OK 74011

- 5 Charles Shipp
226 7th Street NE
- 6 Washington, DC 20002

- 7 Lloyd and Jolyn Smith
18739 E. 42nd Street
- 8 Tulsa, OK 74134

- 9 Rob Sonnenschein
1733 S. Florence Ave.
- 10 Tulsa, OK 74104

- 11 James and Karla Westerman
687 Oak Tree Court
- 12 Simi Valley, CA 93065

- 13 /s/ Joannellen Campanaro

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PURCHASE AGREEMENT FOR MEMBERSHIP UNITS
SDX ACQUISITION, LLC

This Purchase Agreement for Membership Interest in SDX Acquisition, LLC is made and entered into as of December 31, 2016, by and between Peter S. Davis in his capacity as Receiver of the Palo Verde Fund, LP ("Seller"), and SDX Acquisition a Limited Liability Company ("Purchaser").

WHEREAS, Seller is the owner of 1,571,522 membership units consisting of 500,000 series A units and 1,071,522 series B units of SDX Acquisition, LLC (Hereinafter "Units");

WHEREAS, Seller wishes to sell, and Purchaser wishes to Purchase the Units, on the terms and conditions set forth herein, all of Seller's Units in the SDX Acquisition LLC; and

WHEREAS, Purchaser is purchasing membership units itself.

NOW THEREFORE, for valuable consideration, the recipient and sufficiency of which are acknowledged, the parties to this agreement mutually agree as follows:

1. Purchase and Sale of Units. Subject to the terms and conditions of this agreement, Seller hereby agrees to sell and the Purchaser agrees to Purchase all of the Seller's Units for four hundred thousand U.S. dollars (\$400,000.00) (the "Purchase Price") payable as set forth on Exhibit "A". Upon the payment of each incremental payment set forth on Exhibit "A" Seller agrees to deliver to Purchaser an Assignment of Membership Interest, in the form set forth in Exhibit "B", representing the pro rata membership units represented by the pro rata payment (by way of example payment of 20% of the purchase price will receive 20% of the total units sold). Purchaser may assign its purchase rights under this Agreement to its Members pro rata in accordance with the terms of its Amended and Restated Limited Liability Company Agreement.
2. Purchase of Units by April 1, 2019. Purchaser agrees to have completed its purchase of Seller's units on or before April 1, 2019. However, as set forth on Exhibit "A", the Parties have agreed to a schedule for potential pre-payments by Purchaser of Seller's Units. If Purchaser elects to advance purchase Seller's units, Seller and Purchaser have agreed on allowable discounts for the pre-payment as reflected on Exhibit "A"
3. Representations and Warranties of Purchaser. The Purchaser hereby represents and warrants to seller that (i) Purchaser Managers have approved the purchase of its units from Seller; (ii) Purchaser has the business and financial experience necessary to protect his own interest in connection with the purchase of the Interests; (iii) Purchaser is acquiring and will hold the Interests for investment for its account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933 (the "Securities Act"); and (iv) Purchaser has access to such information it considers necessary or appropriate for deciding whether to make the purchase contemplated herein.

4. Representations and Warranties of Seller. The Seller hereby represents and warrants to Purchaser that Seller is the Owner of the Units which Seller purports to hold, and has not sold, encumbered or otherwise hypothecated such Units prior hereto, Seller acknowledges that the Units may increase in value in the future and, by selling the Units to Purchaser, voluntarily waives and relinquishes any and claims to appreciation in value.

5. Court Approval. This Purchase Agreement for Membership Interest in SDX Acquisition, LLC is subject to approval by the Receivership Court in *Lynne H. Anthony Revocable Trust dated 11/30/2001, Lynne H. Anthony as Trustee; Robert Sonnenschein, as an individual; Gerald R. Hale, as an individual; C. Scott Anthony, as an individual; Janie B. Hale, individually and as Trustee of Janie B. Hale Revocable Trust dated 11/4/1994; Carolyn Sue McMillon, as an individual; Larry McMillon, as an individual; James Stanley Powers, as an individual; and Patricia Ann Powers Trust, Patricia Ann Powers as Trustee v Palo Verde Capital, L.L.C., an Arizona limited liability company; PVPE, L.L.C., an Arizona limited liability company; Palo Verde Fund, L.P., a Delaware limited partnership; Palo Verde Private Equity Fund, L.P., a Delaware limited partnership; and Anthony R. Stacy, a married man*, pending in the Superior Court of Arizona Maricopa County Case Number 2013-012420. Upon execution of the Purchase Agreement for Membership Interest in SDX Acquisition, LLC, the Receiver shall prepare and file the appropriate pleadings to seek approval of the Agreement.

6. Additional Acts and Documentation. Each party hereto agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this agreement.

7. Authority. Each of the parties hereto represents and warrants to each other party hereto that this Agreement has been duly authorized by all such necessary action and that this Agreement constitutes and will constitute a binding obligation of each such party.

8. Attorney Fees. In the event suit is brought or an attorney is retained by any party to this Agreement to enforce the terms of this Agreement or to collect any money due hereunder, or to collect money damages for breach hereof, the prevailing party shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorney fees, court costs, costs of investigation and other related expenses incurred in connection therewith.

9. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

10. Time. Time is of the essence of this Agreement and each and every provision hereof. Any extension of time granted for the performance of any duty under this Agreement shall not be considered an extension of time for the performance of any other duty under this Agreement.

11. Integration Clause; Oral Modification. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof, and all agreements entered into prior hereto are revoked and superseded by this Agreement, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements. This Agreement may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect.

12. Captions. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be deemed to limit or alter any provisions hereof and shall not be deemed relevant in construing this Agreement

13. Governing Law. This Agreement shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of Arizona, and suit to enforce any provision of this Agreement or to obtain any remedy with respect hereto may only be brought in the Palo Verde Fund LP Receivership in Superior Court, Maricopa County, Arizona in cause #CV 2013-012420 and for this purpose each party hereby expressly and irrevocably consents to the jurisdiction of said court.

14. Indemnity. Each party to this Agreement agrees to indemnify each other party, and hold it harmless, from and against all claims, damages, costs and expenses (including attorney fees) attributable, directly or indirectly, to the breach by such indemnifying party of any obligation hereunder or the inaccuracy of any representation or warranty made by such indemnifying party herein or in any such instrument delivered pursuant hereto or in connection with the transactions contemplated hereby.

15. Mutual Release. Seller hereby fully and forever releases and discharges Purchaser, (and its managers, members, heirs, executors, administrators and employees) from any and all claims, demands, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities, of whatever kind or nature, direct or indirect, in law, equity or otherwise, whether known or unknown arising through the date of this Agreement

16. Non-Disparagement. Seller (and consultants, accountants, financial advisors, heirs, executors, administrators, or employees) agrees not to disparage Purchaser, (and Managers, Members, heirs, executors, administrators or employees) or otherwise take any action which could reasonably be expected to adversely affect Purchaser's personal or professional reputation.

17. No admission of Liability. This Agreement is not to be construed as an admission of any violation of any federal, state or local statute ordinance or regulation of any duty owed by the Purchaser. There have been no such violations, and the Purchaser specifically denies any such violations.

18. Interpretations. To the extent permitted by the context in which used, (i) words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter, and vice versa, and (ii) references to "persons" or "parties" in this Agreement shall be deemed to refer to natural persons, corporations, general partnerships, limited partnerships, trusts and all other entities.

19. Exhibits. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference, with the same force and effect as if fully set forth in the body hereof.

20. Severability. If any provision of this Agreement is declared void or unenforceable, such provisions shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

21. Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

22. Survival of Warranties and Indemnifications. The warranties, representations, covenants, and indemnifications contained in or made in this agreement shall survive the execution and delivery of this Agreement.

IN WITNESS WHEREOF, the parties have executed the agreement effective as of the date first above written.

SELLER: Palo Verde Fund LP
In Receivership

PURCHASER: SDX Acquisition LLC

By: 

Peter S. Davis in his
Representative Capacity as
Receiver in CV 2013-012420

By: 

Its Manager

Exhibit A
Payment and Assignment Schedule

Payment Due Date	Payment Amount (1)	Assignment of Members Units
4/1/1017	\$ 80,000.00	314,304
10/1/2017	80,000.00	314,304
4/1/2018	80,000.00	314,305
10/1/2018	80,000.00	314,304
4/1/2019	80,000.00	314,305
Total	\$ 400,000.00	1,571,522

Note 1: If total payments received by the Seller equal the discounted purchase price in the time frame outlined below then the Seller agrees to discount the total purchase price of \$400,000 to the discounted purchase price for early payment and assign the remaining membership units to the Purchaser.

Discount for Prepayment

Date of Payoff		Disc Rate	Discount	Discounted Purchase Price
From	To			
up to	- 07/1/2017	8%	\$ 32,000.00	\$ 368,000.00
07/2/2017	- 10/1/2017	7%	28,000.00	372,000.00
10/2/2017	- 01/1/2018	6%	24,000.00	376,000.00
01/2/2018	- 04/1/2018	5%	20,000.00	380,000.00
04/2/2018	- 07/1/2018	4%	16,000.00	384,000.00
07/2/2018	- 10/1/2018	3%	12,000.00	388,000.00
10/2/2018	- 01/1/2019	2%	8,000.00	392,000.00
01/2/2019	- 04/1/2019	0%	-	400,000.00

Exhibit B

Assignment and Assumption Agreement

Palo Verde Fund LP in Receivership ("Assignor") for and in consideration of the sum of _____ U.S. dollars (\$____.00) and other good and valuable consideration paid by SDX Acquisition LLC ("Assignee"), the receipt and sufficiency of which are hereby acknowledged, does hereby assign to Assignee, _____ Units in SDX Acquisition LLC (the "Units").

Assignee hereby accepts the foregoing assignments and hereby assumes the obligations, liabilities and responsibilities of Assignor with respect to the Units.

Effective upon the date hereof, each party hereby releases the other party from any and all rights and claims the releasing party may have against the party being released with respect to any matter arising from or in any manner relating to the Units from and after the date of this Assignment, except for claims based upon this Assignment.

This Assignment shall be binding on and inure to the benefit of the parties hereto, their successors and assigns.

This document may be executed in any number of counterparts, all of which taken together shall constitute a single document.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption Agreement effective January __, 2017.

ASSIGNOR:
PALO VERDE FUND LP

ASSIGNEE:
SDX ACQUISITION, LLC

By: _____
Peter S. Davis in his capacity as
Receiver in CV 2013-012420

By: _____
Its Manager