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# Aequitas investors enjoy another big day thanks to legal settlements worth $100 million

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Aequitas' executive team back in the glory days.

By Jeff Manning | The Oregonian/OregonLive

The receiver in charge of scandal-ridden Aequitas Management has reached settlements with dozens of corporate insiders, service providers and fundraisers that will result in more than $100 million in additional funds for the defunct firm's long-suffering investors.

Much of that $100 million-plus is actual cash paid by the settling parties. Together with earlier lawsuit proceeds, some investors will recover more than 90% of the money they lost.



Wednesday's settlement includes the estimated value of threatened legal claims against Aequitas that the would-be plaintiffs agreed to abandon.

The settlements were months in the making. And in some cases, court-appointed receiver Ronald Greenspan agreed to pay out funds from the firm's estate rather than the other way around. For instance, he agreed to a deal with former employees who claimed they had worked many days in the firm's final weeks only to have their paychecks bounce.

They will receive a maximum of $12,850.

Many key details of the new settlements were left undisclosed in the hundreds of pages of documents filed Wednesday and Thursday in U.S. District Court in Portland. Greenspan did not offer any terms of the deals reached with former Aequitas top executives Bob Jesenik, Brian Oliver and others.

Similarly, the documents offer no detail on Greenspan's settlements with the prominent local entrepreneurs and executives who sat on Aequitas' advisory board.

Among the settling insiders were former Precision Castparts CEO William McCormick, former U.S Bank executive Ed Jensen, investor Patrick Terrell, former utility executive Will Glasgow and tech entrepreneur Keith Barnes.

Some of those advisory boardmembers, like Barnes, had argued that they too had been misled by Aequitas executives.

Before its headline-making collapse in March 2016, Aequitas invested hundreds of millions of dollars on behalf of its clients, many of whom were unsophisticated mom-and-pop investors.

Aequitas placed much of their money in other lending and credit operations. It had stakes in a company that bought overdue hospital payables and then went after the former patients to collect. There was a motorcycle lending operation in California and a consumer credit company in Florida.

Aequitas made its biggest bet on Corinthian Colleges, which was once the largest for-profit college operator in the country. But Corinthian failed after it was revealed its colleges were little more than vehicles for the company to access federal student loan proceeds.

Aequitas did not disclose the Corinthian disaster to its investors. The U.S. Securities and Exchange Commission shut Aequitas down in March 2016 claiming it had been insolvent for months and was paying off old investors with money raised from new investors -- effectively a Ponzi scheme.



Jesenik and Oliver, Aequitas co-founders, and four other former executives -- Olaf Janke, Andrew MacRitchie, Scott Gillis, and Brian Rice -- also face criminal charges. Olive and Janke agreed to plead guilty to reduced charges and are thought to be cooperating with prosecutors.

Between the new $100 million in settlements and prior lawsuit settlements, investors have recovered well in excess of $300 million.

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