

**UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF MARYLAND**

JULIE A. SU, ACTING SECRETARY OF :
LABOR, UNITED STATES :
DEPARTMENT OF LABOR, :
 :
Plaintiff, :
 :
v. : Civil Action No. 1:21-cv-01746
 :
BICALLIS, LLC, BRYAN HILL, and :
BICALLIS, LLC 401(K) PLAN, :
 :
Defendant(s). :
 :
 :
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CONSENT ORDER OF FORFEITURE

In accordance with Defendant Bryan Hill’s obligations under the Amended Consent Judgment and Order (*see* Dkt. 29, as modified by Dkt. 31; Dkt. 46), and in accordance with the Court’s Order requiring compliance with the Amended Consent Judgment and Order and imposing associated civil contempt relief (Dkt. 54), Plaintiff Julie A. Su, the Acting Secretary of Labor (the “Acting Secretary”) and Defendant Bryan Hill (“Defendant Hill”) respectfully request that the Court enter this Consent Order of Forfeiture, the terms of which the parties have agreed to:

1. Defendant Hill is waiting to receive his share of the proceeds from the sale of a medical marijuana company, Arcarius. Arcarius has received a substantial payment under this sale, and it has distributed Defendant Hill’s portion from the Arcarius sale to a Trustee — Stephan R. Elville (the “Trustee”) — whose duty it is to hold the funds in escrow and to make distributions as required by Defendant Hill’s Judgment of Divorce and Marital Property Settlement Agreement between Defendant Hill and his ex-wife. The Trustee is presently holding

\$388,458.03 on Defendant Hill and his ex-wife's behalf.¹ Under the Judgment of Divorce and Marital Property Settlement Agreement, Defendant Hill will be entitled to one half (1/2) of what remains of the \$388,458.03 after deductions for attorney's fees, income tax, and other costs and expenses. The Trustee anticipates that the final sale proceeds to be distributed — only half of which Defendant Hill is entitled to — will be significantly less than the \$388,458.03 it is holding in trust.

2. The Trustee has substantially completed the due diligence required to proceed with distributions, but he is unable to issue distributions until a tax lien applicable to Defendant Hill from tax years 2015, 2018, and 2019 is paid or released.

3. Defendant Hill is working to resolve, and will continue working to resolve, this tax lien to enable the Trustee to finalize the distribution of the Arcarius sale proceeds to Defendant Hill and his ex-wife.

4. In order to satisfy his obligations in this action, Defendant Hill expressly and irrevocably forfeits his interest in the \$388,458.03 in Arcarius sale proceeds the Trustee is holding on Defendant Hill's behalf, up to the amount due and owing by Defendant Hill under the Consent Judgment and Order, as amended. In lieu of receiving a distribution of those Arcarius sale assets, Defendant Hill expressly directs the Trustee to remit Defendant Hill's share of the Arcarius sale assets to the independent fiduciary appointed for the Bicallis, LLC 401(k) Plan (the

¹ Although Arcarius was supposed to receive in November 2023, pursuant to a Secured Promissory Note, a final \$2,000,000 payment from its purchaser, Arcarius only received \$1,016,000. Pursuant to a First Amendment To Secured Promissory Note, the maturity date of the Secured Promissory Note is now November 19, 2024, at which time the principal balance due will be \$1,000,000 plus interest. The First Amendment To Secured Promissory Note also provides an increase in interest from 8% to 15% and acknowledges payment of principal in the amount of \$1,000,000 and third party legal and accounting fees in the amount of \$16,000. The \$388,458.03 the Trustee now holds comes from this recent \$1,000,000 principal payment.

“Plan”), up to the amount due and owing under the Consent Judgment, as amended, in this action. The Acting Secretary will provide wiring instructions to the Trustee when the Trustee is prepared to issue the distribution(s).

5. Following the entry of this Consent Order of Forfeiture, and once the Trustee has confirmed that the distributions may proceed because all other required distributions and deductions have been made — including remittance of funds necessary to satisfy or otherwise resolve the tax lien referred to in Paragraph 2 — the Trustee is directed to comply with Defendant Hill’s instruction to remit his share of the distribution directly to the Plan’s independent fiduciary, as set forth above. Neither Defendant Hill nor the Trustee shall have the authority or discretion to remit Defendant Hill’s share of the \$388,458.03 in Arcarius sale proceeds to another recipient unless and until Defendant Hill’s obligations under the Consent Judgment and Order, as amended, in this action are fully satisfied.

6. Defendant Hill expressly waives any claim, cause of action, or other legal or equitable remedy against the Trustee and/or against the Acting Secretary arising out of the Trustee’s remittance of Defendant Hill’s Arcarius sale proceeds to the independent fiduciary for the Plan under the terms of this Consent Order.

Date: February 1, 2024

/s/

HONORABLE STEPHANIE A. GALLAGHER
UNITED STATES DISTRICT JUDGE

Respectfully submitted,

/s/ Timothy M. Gunning

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