

1 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
2 DAVID R. ZARO (BAR NO. 124334)
TIM C. HSU (BAR NO. 279208)
3 515 South Figueroa Street, Ninth Floor
Los Angeles, California 90071-3309
4 Phone: (213) 622-5555
Fax: (213) 620-8816
5 E-Mail: dzaro@allenmatkins.com
thsu@allenmatkins.com

6 EDWARD G. FATES (BAR NO. 227809)
7 501 West Broadway, 15th Floor
San Diego, California 92101-3541
8 Phone: (619) 233-1155
Fax: (619) 233-1158
9 E-Mail: tfates@allenmatkins.com

10 Attorneys for Receiver
WILLIAM J. HOFFMAN

11
12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **WESTERN DIVISION**

15 SECURITIES AND EXCHANGE
COMMISSION,

16 Plaintiff,

17 v.

18 NATIONWIDE AUTOMATED
19 SYSTEMS, INC.; JOEL GILLIS; and
EDWARD WISHNER,

20 Defendants,

21 OASIS STUDIO RENTALS, LLC;
22 OASIS STUDIO RENTALS #2, LLC; and
23 OASIS STUDIO RENTAL #3, LLC,

24 Relief Defendants.

Case No. CV-14-07249-SJO (FFMx)

**RECEIVER'S ELEVENTH
INTERIM REPORT AND
RECOMMENDATIONS**

Ctrm: 1 - 2nd Floor
Judge: Hon. S. James Otero

1 William Hoffman ("Receiver"), the Court-appointed receiver for Defendant
2 Nationwide Automated Systems, Inc. ("NASI"), Relief Defendants Oasis Studio
3 Rentals, LLC, Oasis Studio Rentals #2, LLC, and Oasis Studio Rentals #3, LLC
4 ("Relief Defendants"), and their subsidiaries and affiliates, including Studios Maui
5 Productions, LLC dba Akamai RV ("Receivership Entities"), hereby submits this
6 eleventh report on his activities and findings to date, as well as his recommendations
7 for the continued administration of the receivership estate ("Report"). This Report
8 focuses on the Receiver's activities during the first quarter of 2017.

9 **I. EXECUTIVE SUMMARY**

10 The Receiver has continued to carry out his duties under the Court's
11 Preliminary Injunction Order, including taking necessary and appropriate actions to
12 secure, preserve, and protect the assets of the Receiverships Entities. The Receiver
13 has also continued operations of NASI's ATM business, as authorized by the Court.
14 As previously discussed, the ATM business generates a steady, but modest amount
15 of revenue.

16 As he did in the fourth quarter of 2016, the Receiver spent significant time in
17 the first quarter on (a) pursuing Clawback Claims (as defined below) in the form of
18 demand letters, Court-authorized settlements, and complaints filed against investors
19 and other third parties who received profits from the Ponzi scheme ("Net Winners");
20 (b) efforts to identify, recover, and protect the assets of the Oasis Studio Rentals
21 entities and their affiliates, including efforts to recover amounts owed to the entities
22 or transferred from them to third parties; (c) communication with investors and
23 reviewing documents provided, (d) reconstruction of accounting necessary for
24 Clawback Claims, (e) reviewing and analyzing investor financial hardship
25 applications and supporting financial documents, and (f) providing accounting and
26 document support for the ongoing litigation against City National Bank and related
27 parties.

28

1 The Receiver has continued his forensic accounting and investigation as
2 necessary and appropriate to identify assets and potential claims to recover investor
3 profits, referral fees, and other transfers to third parties ("Clawback Claims"). In
4 April 2015, the Receiver obtained authority from the Court to pursue Clawback
5 Claims, as well as approval of proposed procedures for such claims. To date, the
6 Receiver has settled with 197 Net Winners pursuant to the Court-approved
7 settlement procedures, for a total recovery of \$31,306,835, with another \$796,672
8 due in settlement payments. Recoveries from Net Winners, through the pursuit of
9 Clawback Claims, will make up the majority of what is available to distribute to
10 investors from the receivership estate (other than what is recovered through the City
11 National Bank litigation). Accordingly, the pursuit of Clawback Claims, which to
12 date has been very successful, should continue to be a primary focus.

13 As discussed below, the Receiver recommends the receivership remain in
14 place as he continues to manage the ATM operations, investigate and recover assets,
15 pursue Clawback Claims and settlements as necessary and appropriate, all with the
16 goal of maximizing the value in the receivership estate for the benefit of investor
17 victims.

18 **II. ATM OPERATIONS AND POTENTIAL SALE**

19 The Receiver has continued operations of the NASI ATM machines, which
20 consist of 148 ATMs operating at various hotels and other locations around the
21 country and 91 non-operating ATMs that are outdated or need substantial repairs.
22 Further, the Receiver's staff has continued business relationships with the ATM
23 service vendors and the ATM locations to maximize the revenue into the
24 receivership estate.

25 Revenue and expenses from ATM operations vary on a monthly basis
26 depending on the amount of transactions for each ATM. During the first quarter,
27 10 ATMs were removed from hotels and other locations due to terminated leases
28 and age of the ATM machines. The costs of upgrading these ATM machines would

1 likely exceed the revenue from them, so the Receiver determined not to upgrade
2 them.

3 Gross revenues for January, February and March 2017 were \$107,858,
4 98,712, and 98,782, respectively. The monthly net income from ATM operations
5 (after payments to the ATM servicers and locations) was \$6,525, \$5,019, and
6 \$4,680, respectively, for a total of \$16,224. The average monthly net income for the
7 quarter was \$5,408.

8 The revenue and net income is seasonal and is substantially higher during the
9 second and third quarters as compared to the first and fourth quarters. This is due to
10 higher demand resulting from summer vacations and travel.

11 **III. OASIS STUDIO RENTALS**

12 The Oasis Studio Rentals entities ("Oasis Entities") ran a business whereby
13 they leased mobile dressing rooms (trailers) and trucks to transport the trailers to
14 film and television studios to be used by actors and others on set during production.
15 The Oasis Entities appear to have been funded almost entirely by NASI. At one
16 point in time, the Oasis Entities owned most of the trucks and trailers. However,
17 some of the trucks and trailers were apparently sold to various third parties with
18 leaseback agreements to the Oasis Entities. The Receiver continues to investigate
19 the true ownership and location of certain trucks and trailers.

20 On November 18, 2014, the Court entered its Order Approving the Receiver's
21 First Report and Recommendations, which confirmed that the Oasis Entities are
22 affiliates of NASI, and therefore within the scope of the receivership. Accordingly,
23 the Receiver immediately took steps to identify, locate, and secure the assets of the
24 Oasis Entities. Although the exact location and revenue generated by each vehicle
25 is still being investigated, the Receiver continues to take necessary actions with the
26 goals of: (1) identifying all vehicles purchased with NASI or Oasis funds, (2) tracing
27 the purchase and sale of each vehicle to and from the Oasis Entities, (3) identifying
28 income generated from vehicles owned or leased by the Oasis Entities and the

1 recipients of these funds, (4) obtaining possession of the vehicles owned by Oasis
2 Entities, (5) pursuing potential claims against third parties who improperly benefited
3 from the leasing and/or sale of vehicles owned by Oasis Entities, and (6) selling
4 vehicles owned by the Oasis Entities to maximize the recovery for the receivership
5 estate.

6 In order to achieve the goals outlined above, the Receiver has (a) worked with
7 counsel to subpoena records from numerous financial institutions and other sources,
8 (b) provided significant forensic accounting and analysis of multiple bank accounts,
9 cleared checks, wire transfers, checks deposited and existing contracts,
10 (c) requested, obtained and reviewed DMV records showing the chain of registered
11 title of vehicles identified by the Receiver, (d) reviewed and analyzed subpoena
12 responses and supporting documents from dozens of suspected affiliated entities,
13 including Fiji Rentals, LLC, and (e) worked to settle potential claims.

14 Prior to the receivership, the day-to-day operations of Oasis vehicles,
15 including the arrangements to lease trailers to the studios, were managed by Robert
16 Keller, Jr. ("Keller") with assistance from Defendant Ed Wishner's staff. The
17 Receiver's counsel has served over a dozen subpoenas to parties associated with
18 Keller, including the current entity Keller leases vehicles with studios, Fiji Rentals.
19 The Receiver has received partial accounting and documents from a few parties, but
20 significant accounting and requested documentation has not been provided. The
21 Receiver has taken several depositions in order to gather more facts relating to
22 potential claims against Keller, Fiji Rentals, and Fiji Rentals' principal, Damian
23 Perillo. Among other things, it appears that Keller and Perillo have taken trailers
24 that were being managed by Oasis pursuant to leases with their owners and
25 converted the management/rental of those trailers to Fiji Rentals.

26 The Receiver prepared a complaint and issued a demand to Keller, Perillo,
27 and Fiji Rentals for recovery of large amounts wrongfully taken from NASI and
28 Oasis. In response to the letter, Perillo and Fiji Rentals produced certain requested

1 documents. The Receiver then made a follow-up settlement demand, which Keller,
2 Perillo, and Fiji Rentals did not accept. Accordingly, the Receiver filed his
3 complaint in Los Angeles Superior Court on July 12, 2016.

4 **A. Studios Maui**

5 In a meeting with the Receiver, Wishner stated the Oasis Entities have as
6 many as six trailers located in Hawaii under the name Studios Maui Productions
7 ("Studios Maui"). The Receiver traced and confirmed the purchase of a business
8 owning up to four vehicles, Akamai RV, from accounts owned by Oasis and NASI
9 that were leased by Studios Maui. During a discussion between the Receiver's staff
10 and counsel and Wishner, Wishner confirmed (a) the purchase of Akamai RV,
11 (b) the shipment of two additional trailers owned by Oasis Entities from California
12 to Hawaii and leased by Studios Maui, and (c) two additional trailers may have been
13 purchased by Studios Maui. The day-to-day operations of Studios Maui were
14 handled by Branscombe Richmond ("Richmond"), who resides in Hawaii.

15 After numerous attempts to contact Richmond and obtain information, the
16 Receiver filed a motion to confirm the status of Studios Maui as an affiliate of NASI
17 and the Oasis Entities, and therefore a receivership entity. Dkt. No. 93. The motion
18 also asked for an order directing Richmond to turn over the assets, accounts, and
19 records of Studios Maui to the Receiver. After the motion was filed, Richmond
20 engaged counsel, who contacted the Receiver's counsel. Through counsel, the
21 Receiver was able to arrange for Richmond to produce documents and information,
22 as well as for an appraiser to inspect the four remaining trailers owned by Studios
23 Maui located in Hawaii. The motion was then granted on September 15, 2015. Dkt.
24 No. 97. The appraiser completed the appraisal during the first quarter of 2016.
25 Unfortunately, the trailers are old, have not been maintained, and have very limited
26 value. Richmond agreed to purchase two of the trailers for a total of \$9,250. The
27 Receiver continues to communicate with Richmond to reach a settlement or sell the
28

1 remaining two trailers through a third party re-seller to maximize the recovery
2 therefrom.

3 **IV. FORENSIC ACCOUNTING**

4 The Preliminary Injunction Order requires the Receiver to "make an
5 accounting, as soon as practicable, to the Court and the SEC of the assets and
6 financial condition of Defendant Nationwide Automated Systems, Inc." Dkt.
7 No. 42, Part XII.E. Accordingly, the Receiver has undertaken to perform such an
8 accounting. The Receiver has made progress in the review of available financial,
9 accounting and banking records to reconstruct transactions of NASI, the Oasis
10 Entities and other affiliated entities.

11 Reconstruction of financial and accounting documents is a central task to
12 (a) determine who received funds from the Receivership Entities and how much
13 they received, (b) prepare necessary tax filings, (c) determine the proper amount of
14 profits of investors, and (d) determine the proper amounts of losses of investors.
15 The Receiver's accounting personnel has worked diligently to create an accurate
16 check register showing the checks paid by NASI to investors that cleared, not
17 bounced, which is a critical and time-consuming task.

18 Due to the large size and length of time the Ponzi scheme operated, an
19 enormous amount of information is required to be traced and verified. Reliable
20 information about NASI's check register and similar information was either not
21 available or not accurate, which required the Receiver's accounting personnel to
22 reconstruct the ledger of transactions. Information from bank statements and
23 cleared checks were used to create a schedule of checks paid by NASI to investors.
24 On average, over 2,000 checks were paid by NASI to investors on a monthly basis
25 in 2014.

26 In addition to the ongoing accounting of transactions in order to pursue
27 Clawback Claims against select investors and third parties, the Receiver's staff is
28 working to determine the amounts of losses later investors sustained. The Receiver

1 will continue to complete the forensic accounting required to pursue Clawback
2 Claims for investor profits, referral fees, and other transfers, as well as the investor
3 loss analysis.

4 **V. PENDING CLAWBACK CASES**

5 As discussed above, the Receiver has settled with 197 Net Winners for a total
6 recovery to the receivership estate of \$31,306,835, with another \$796,672 due in
7 settlement payments still to be made. Another 150 demand letters to Net Winners
8 are currently outstanding. The rate of settlements in relation to total expired demand
9 letters (60-day deadline has expired) sent to Net Winners is very high – 62.8%
10 (184 settlements without a complaint being filed and 13 settlements after a
11 complaint was filed). The rate of settlements in relation to total demand letters
12 mailed to Net Winners as of the date of this Report, including unexpired demands, is
13 also quite high – 49.0%. Of course, not all Net Winners accept the Court-approved
14 settlement proposal included in the demand letter and therefore complaints must be
15 filed. To date, 37 complaints have been filed and 17 cases remain active.

16 Overall, the rate of cases filed (37) in relation to total expired demand letters
17 (including settlements and outstanding demands) is remarkably low – only 9.2%.
18 Further, the rate of currently active cases (17) in relation to total claims is even
19 lower – only 4.2%. Only one case has made it past the discovery stage to a
20 summary judgment motion. This case resulted in summary judgment being fully
21 granted in favor of the Receiver and a final judgment being entered. Accordingly,
22 the Receiver's pursuit of Clawback Claims has not only been very successful to date,
23 but has also been extremely efficient.

24 **VI. CLAIMS AGAINST CITY NATIONAL BANK**

25 For almost the entire duration of the NASI Ponzi scheme, which started in the
26 late 1990s, the company ran its banking transactions through accounts at City
27 National Bank ("CNB"). In addition, at least two CNB executives invested, directly
28 or through a related entity, in NASI and therefore became familiar with NASI's

1 operations and purported investment returns. In light of these facts, the Receiver
2 has gathered documents and investigated potential claims against City National
3 Bank.

4 On May 4, 2016, the Court approved the Receiver's engagement of Newhouse
5 Law Group and Girardi | Keese LLP as co-special counsel ("Special Counsel") to
6 represent the Receiver in pursuing claims against CNB and related parties. Dkt.
7 No. 150. On June 21, 2016, the Receiver filed his complaint against CNB, Royal
8 Bank of Canada, a Canadian bank, Patrick Brian Fitzwilliams, and Betty Saleh
9 Fitzwilliams in Los Angeles Superior Court, Case No. BC 624542. CNB filed a
10 demurrer to the Receiver's complaint, which is pending.

11 As previously discussed, Special Counsel continues to work closely and
12 coordinate efforts with class counsel in the related Los Angeles Superior Court
13 actions against City National Bank entitled *Nairn v. City National Bank* (Case
14 No. BC 606667), *Allison v. City National Bank* (Case No. BC 634285), as well as
15 the federal court action pending in this Court entitled *Madison v. City National*
16 *Bank*, Case No. 16-CV-00502-SJO (FFMx). In November 2016, the Receiver,
17 Special Counsel, and the attorneys in the related cases attended a global mediation
18 with CNB. Settlement discussions continue as of the date of this report.

19 In the *Nairn* case, the Los Angeles Superior Court granted a motion to
20 dismiss based on Anti-SLAPP, which ruling is now on appeal. CNB has indicated it
21 will file a similar motion to dismiss in the *Allison* case. The *Madison* case, which is
22 in Federal Court, is awaiting a status conference, which was delayed because of the
23 mediation.

24 **VII. POST-RECEIVERSHIP RECEIPTS AND DISBURSEMENTS**

25 At the time the Receiver was appointed on September 30, 2014, NASI had
26 approximately \$461,000 in cash. Since then, the balance in the receivership estate
27 has grown rapidly, primarily due to recoveries through Clawback Claims. By the
28 end of 2015, the balance had increased to \$5,695,473, by the end of the first quarter

1 of 2016, the balance had grown to \$12,597,772, by the end of the second quarter of
2 2016, the balance had grown to \$17,489,655, by the end of the third quarter of 2016,
3 the balance had grown to \$23,761,295, and by the end of the fourth quarter of 2016,
4 the balance had grown to \$27,893,271.

5 During the first quarter, (a) business operations received positive cash flow of
6 \$16,224 (total business income of \$305,352 minus total business expenses of
7 \$289,128), (b) the Receiver obtained a total of \$1,978,221 from Clawback Claims,
8 (c) interest payments of \$10,056 were received for Receivership funds deposited,
9 and (d) total disbursements of \$290,320 were paid to the Receiver and his Counsel
10 for Court-approved fees and expenses incurred during the fourth quarter 2017 (their
11 ninth fee applications, which were approved during the first quarter), resulting in an
12 ending balance of \$29,602,444, as of March 31, 2017. A Standardized Fund
13 Accounting Report is attached hereto as Exhibit A.

14 In addition, the Receiver has already had significant recoveries from
15 Clawback settlements in April 2017. An additional \$674,385 has been recovered.

16 **VIII. INVESTOR COMMUNICATIONS**

17 The Receiver has taken many steps to inform investors about the receivership,
18 including establishing a website (www.nasi-receivership.com), a dedicated
19 telephone line (858-242-1161), and a dedicated e-mail address ([receiver@nasi-](mailto:receiver@nasi-receivership.com)
20 [receivership.com](mailto:receiver@nasi-receivership.com)). The website is designed to be investors' primary source of
21 information about the receivership and provides basic information about
22 receiverships, answers to commonly asked questions, status updates, pleadings filed
23 in the case, and Court orders. In addition, the website has an investor questionnaire
24 designed to obtain information from investors, including their contact information,
25 investment amounts, ATM locations, and price paid per ATM. The investor
26 questionnaire is a cost-effective method of obtaining information from investors,
27 which the Receiver can then cross-reference and confirm or supplement with
28 existing information. Thus far 1,263 investors have completed and submitted

1 investor questionnaires. The Receiver will continue to update the receivership
2 website and review information and documents provided by investors. The
3 Receiver's staff will also continue to monitor the Receivership's voicemail line,
4 email address, fax line, and website questionnaires and respond accordingly.
5 Investors are reminded to promptly contact the Receiver's office and provide their
6 new contact information if their contact information changes.

7 As discussed above, the Receiver continues to devote considerable time and
8 focus to the pursuit of Clawback Claims. However, as the pursuit of Clawback
9 Claims winds down (which is expected to occur toward the end of the second
10 quarter or beginning of the third quarter this year), the Receiver anticipates filing a
11 motion for approval of procedures for the administration of claims of investors with
12 net losses from the Ponzi scheme. Once such procedures have been approved by the
13 Court, the Receiver will send notices to investors with instructions regarding the
14 claims process.

15 **IX. RECOMMENDATIONS**

16 The Receiver recommends the receivership continue and his investigation and
17 accounting be allowed to proceed.

18 **A. ATM Operations**

19 As discussed above, the ATM operations generate a modest amount of net
20 revenue (\$5,408 per month during the first quarter). This revenue stream should be
21 preserved for as long as the ATM business generates positive revenue. Accordingly,
22 the Receiver intends to continue operating the ATMs pursuant to existing
23 agreements with the Servicers and ATM Locations.

24 **B. Clawback Claims**

25 The Court has authorized the Receiver to pursue Clawback Claims and
26 approved the Receiver's proposed procedures for prosecuting such claims. As
27 discussed above, recoveries from Clawback settlements have been very successful
28 to date. The Receiver will continue to pursue such claims and file complaints

1 against profiting investors who choose not to accept the Court-approved settlement
2 offer.

3 **C. Claims Process**

4 The Receiver will evaluate the most efficient and effective method of
5 receiving and analyzing investor and creditor claim information and, at the
6 appropriate time, will seek Court approval of procedures for the administration of
7 claims. At this time, accounting work as to investor net losses is continuing.

8 **X. CONCLUSION**

9 Based on the foregoing, the Receiver requests an order approving this Report
10 and his recommendations discussed above.

11
12 Dated: May 5, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Edward Fates

EDWARD G. FATES
Attorneys for Receiver
William Hoffman

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

STANDARDIZED FUND ACCOUNTING REPORT for
 Equity Receivership over Nationwide Automated Systems, et al. - Cash Basis
 Receivership; Civil Court Docket No. 44
 Reporting Period 01/01/2017 through 03/31/2017

Fund Accounting (See Instructions):

		<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Line 1	Beginning Balance (As of 01/01/2017)	\$ 27,893,271		
	Increases in Fund Balance			
Line 2	Business Income	\$ 305,353		
Line 3	Cash and Securities			
Line 4	Interest/Dividend Income	\$ 10,056		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	\$ 1,978,221		
Line 8	Miscellaneous - Other			
	Total Funds Available (Lines 1-8)			\$ 30,186,901
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements to Receivership Operations			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>	\$ (290,320)		
Line 10b	<i>Business Asset Expenses</i>	\$ (294,137)		
Line 10c	<i>Personal Asset Expenses</i>			
Line 10d	<i>Investment Expenses</i>			
Line 10e	<i>Third-Party Litigation Expenses</i>			
	1. Attorney Fees			
	2. Litigation Expenses			
	<i>Total Third-Party Litigation Expenses</i>			
Line 10f	<i>Tax Administrator Fees and Bonds</i>			
Line 10g	<i>Federal and State Tax Payments</i>	\$ -		
	Total Disbursements for Receivership Operations		\$ (584,457)	
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Distribution Agents			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	<i>Total Plan Development Expenses</i>			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agents			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	<i>Total Plan Implementation Expenses</i>			
	Total Disbursements for Distribution Expenses Paid by the Fund			

	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Line 12	Disbursements to Court/Other:		
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees		
Line 12b	Federal Tax Payments		
	Total Disbursements to Court/Other:		
	Total Funds Disbursed (Lines 9-11):		\$ (584,457)
Line 13	Ending Balance (As of 03/31/2017)		<u>\$ 29,602,444</u>
Line 14	Ending Balance of Fund - Net Assets		
Line 14a	Cash & Cash Equivalents	\$ 29,602,444	
Line 14b	Investments		
Line 14c	Other Assets or Uncleared Funds		
	Total Ending Balance of Fund - Net Assets		<u>\$ 29,602,444</u>

Other Supplemental Information:

Report Items NOT To Be Paid by the Fund:

Line 15 Disbursements for Plan Administration Expenses Not Paid by the Fund:

- Line 15a Plan Development Expenses Not Paid by the Fund:
1. Fees
 - Fund Administrator
 - IDC
 - Distribution Agents
 - Consultants
 - Legal Advisors
 - Tax Advisors
 2. Administrative Expenses:
 3. Investor Identification:
 - Notice/Publishing Approved Plan
 - Claimant Identification
 - Claims Processing
 - Web Site Maintenance/Call Center
 4. Fund Administrator Bond
 5. Miscellaneous
 6. FAIR Reporting Expenses
- Total Plan Implementation Expenses Not Paid by the Fund

Line 15c Tax Administrators Fees & Bonds Not Paid by the Fund

Total Disbursements for Plan Administration Expenses Not Paid by the Fund

Line 16 Disbursements to Court/Other Not Paid by the Fund:

- Line 16a Investment Expenses/CRIS Fees
- Line 16b Federal Tax Payments

Total Disbursements to Court/Other Not Paid by the Fund

Line 17 DC & State Tax Payments

Line 18 No. of Claims:

- Line 18a # of Claims Received This Reporting Period
- Line 18b # of Claims Received Since Inception of Fund

Line 19 No. of Claimants/Investors:

- Line 19a # of Claimants/Investors Paid This Reporting Period
- Line 19b # of Claimants/Investors Paid Since Inception of Fund

Receiver:



 William J. Hoffman of Trigild, Inc.

Date: April 27, 2017

PROOF OF SERVICE

I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within action. My business address is 501 West Broadway, 15th Floor, San Diego, California 92101-3541.

On May 5, 2017, I served on interested parties in said action the within:

➤ **RECEIVER'S ELEVENTH REPORT AND RECOMMENDATIONS**

BY U.S. MAIL: by placing a true copy thereof in sealed envelope(s), addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service in San Diego County on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Jeffrey D. Nadel
Jeffrey D Nadel Law Offices
16000 Ventura Boulevard, Suite 908
Encino, California 91436

Attorney for Third Party Claimant
Alejandro "Alex" Trejo
Tel: (818) 784-4914

BY OVERNIGHT DELIVERY: by placing a true copy thereof in sealed envelope(s), addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited in a box or other facility regularly maintained by express service carrier, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelopes or packages designated by the express service carrier, with fees for overnight delivery paid or provided for.

BY ELECTRONIC MAIL: by electronic mail direct to the attorney(s) of records and/or the person or persons as stated above. I am readily familiar with this firm's Microsoft Outlook electronic mail system and this document/these documents were duly served electronically on the date stated above, and the transmission was reported as complete and without error.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 5, 2017, at San Diego, California.

Edward G. Fates

(Type or print name)

/s/ Edward Fates

(Signature)