UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v. Case No. 8:09-cv-0087-T-26TBM

ARTHUR NADEL;
SCOOP CAPITAL, LLC;
SCOOP MANAGEMENT, INC.

Defendants,

SCOOP REAL ESTATE, L.P.;
VALHALLA INVESTMENT PARTNERS, L.P.;
VALHALLA MANAGEMENT, INC.;
VICTORY IRA FUND, LTD.;
VICTORY FUND, LTD.;
VIKING IRA FUND, LLC;
VIKING FUND, LLC; AND
VIKING MANAGEMENT, LLC,

Relief Defendants.
_____/

THE RECEIVER'S SEVENTEENTH INTERIM REPORT

Receivership Information and Activity from July 1, 2014 through October 31, 2014.

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INTRODUCTION

Burton W. Wiand, the Court-appointed Receiver for the Receivership Entities as defined herein, hereby files this Seventeenth Interim Report (the "**Report**") to inform the Court, the investors, and others interested in this Receivership, of activities from July 1, 2014 through October 31, 2014 as well as the proposed course of action.[1] As of the date of filing this Report, the Court has appointed Burton W. Wiand as Receiver over the following entities and trust:

a) Defendants Scoop Capital, LLC ("**Scoop Capital**") and Scoop Management, Inc. ("**Scoop Management**") (which, along with Arthur Nadel, are collectively referred to as "**Defendants**");

b) Relief Defendants Scoop Real Estate, L.P. ("**Scoop Real Estate**"); Valhalla Investment Partners, L.P. ("**Valhalla Investment Partners**"); Victory IRA Fund, Ltd. ("**Victory IRA Fund**"); Victory Fund, Ltd. ("**Victory Fund**"); Viking IRA Fund, LLC ("**Viking IRA Fund**"); and Viking Fund LLC ("**Viking Fund**") (collectively referred to as the "**Hedge Funds**");

c) Relief Defendants Valhalla Management, Inc. ("**Valhalla Management**"), and Viking Management, LLC ("**Viking Management**") (which, along with Scoop Capital and Scoop Management, are collectively referred to as the "**Investment Managers**"); and

d) Venice Jet Center, LLC; Tradewind, LLC; Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; Laurel Mountain Preserve Homeowners Association, Inc.; Marguerite J. Nadel Revocable Trust UAD 8/2/07; Guy-Nadel Foundation, Inc.; Lime Avenue Enterprises, LLC; A Victorian Garden Florist, LLC; Viking Oil & Gas, LLC; Home Front Homes, LLC; Traders Investment Club; Summer Place Development Corporation; Respiro, Inc.; and Quest Energy Management Group, Inc.

The foregoing entities and trust are collectively referred to as the "**Receivership Entities**."

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[1] Although this Interim Report covers the period from July 1, 2014 through October 31, 2014, where practicable, the Receiver has included information in his possession through the date of the filing of this Report.

The Receiver was appointed on January 21, 2009. By January 26, 2009, the Receiver established an informational website, www.nadelreceivership.com. The Receiver has updated this website periodically and continues to update it with the Receiver's most significant actions to date; important court filings in this proceeding; and other items that might be of interest to the public. This Report, as well as all previous and subsequent reports, will be posted on the Receiver's website.

Overview of Significant Activities During this Reporting Period

During the time covered by this Interim Report, the Receiver and his Professionals engaged in the following significant activities:

- Continued to pursue litigation for the recovery of false profits (and in some cases, all transfers) from investors (i.e., from "**Profiteers**") and engaged in efforts to collect on judgments obtained in connection with litigation;

- As of December 8, 2014, the Receiver has reached 158 agreements to settle with Profiteers and non-profit organizations in the amount of $25,642,331.09 and obtained 18 judgments against Profiteers in the amount of $6,364,671.90, for a total combined amount of **$32,007,002.99** (plus additional non-cash assets);[2]

- Engaged in significant collection activities to collect on the Rowe Judgment in the amount of $4,028,385.00, which has resulted in the recovery of $2,697,932.85 on this judgment as of December 11, 2014;

- Sold a residential property located in Fairview, North Carolina for **$287,500.00**, resulting in net proceeds of **$267,720.59** after payment of commissions and other costs associated with the sale. These proceeds are being held in trust until a potential dispute with the bank which loaned money in connection with this property is resolved;

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[2] This amount does not include a judgment in the amount of $4,028,385.00 the Receiver obtained against Don and Joyce Rowe and certain of their affiliated entities (the "**Rowe Judgment**").

- Pursued litigation against Wells Fargo to recover damages and fraudulent transfers relating to the bank's activities in connection with the Ponzi scheme underlying this case;

- Prevailed on a third appeal in which the Court had granted summary judgment in favor of the Receiver, but denied the Receiver's request for prejudgment interest; the appellate court affirmed the granting of summary judgment in favor of the Receiver and reversed and remanded the denial of prejudgment interest;

- Maintained Receivership funds in appropriate accounts. As of December 8, 2014, the total funds in all Receivership accounts are approximately **$10,926,711.45**, which includes $2,803,646.58 being held in reserves for objections in the claims process and $2,229,463.15 being held in escrow until a claim to these funds is resolved, but does not include $267,720.59 in proceeds from a sale of property which is being held in trust until a potential dispute regarding these proceeds is resolved;

- Continued to operate ongoing businesses, and where possible, enhance the value of those businesses resulting in the generation of $432,045.90 in gross business income; and

- Generated $17,778.80 in interest/dividend income; $2,157,524.85, in third-party litigation income; and $6,459.21 in other income.

The above activities are discussed in more detail in the pertinent sections of this Interim Report.

BACKGROUND

I. Procedure and Chronology.

Defendant Arthur Nadel ("**Nadel**") was the Hedge Funds' principal investment advisor and an officer and director of Scoop Management and sole managing member of Scoop Capital. On January 21, 2009, the Commission filed a complaint in this Court charging the Defendants with violations of federal securities laws. In this proceeding, the Commission alleged that Nadel used the Investment Managers to defraud investors in the Hedge Funds from at least January 2008 forward by "massively" overstating investment

returns and the value of fund assets to investors in these funds and issuing false account statements to investors. The Commission also asserted that Nadel misappropriated investor funds by transferring $1.25 million from Viking IRA Fund and Valhalla Investment Partners to secret bank accounts. The Court found the Commission demonstrated a *prima facie* case that the Defendants committed multiple violations of federal securities laws. On August 18, 2010, the Court entered a consent Judgment of Permanent Injunction and Other Relief against Nadel which permanently enjoined Nadel from further violations of the antifraud provisions of the federal securities laws and ordered Nadel to disgorge ill-gotten gains and pay prejudgment interest (Doc. 460).

On January 21, 2009, the same day the Commission filed its complaint, the Court entered an order appointing Burton W. Wiand as Receiver for the Investment Managers and Hedge Funds (the "**Order Appointing Receiver**"). (*See generally* Order Appointing Receiver (Doc. 8).) Between January 27, 2009, and May 24, 2013, the Receiver sought and successfully obtained the expansion of the Receivership to include: Venice Jet Center, LLC; Tradewind, LLC; Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; Laurel Mountain Preserve Homeowners Association, Inc.; the Marguerite J. Nadel Revocable Trust UAD 8/2/07; the Guy-Nadel Foundation, Inc.; Lime Avenue Enterprises, LLC; A Victorian Garden Florist, LLC; Viking Oil & Gas, LLC; Home Front Homes, LLC; Summer Place Development Corporation; Traders Investment Club; Respiro, Inc.; and Quest Energy Management Group, Inc. These entities will hereinafter be referred to collectively as the "**Additional Entities**." (Docs. 17, 44, 68, 81, 153, 172, 454, 911, 916, and 1024.)

On April 28, 2009, Nadel was indicted on six counts of securities fraud, one count of mail fraud, and eight counts of wire fraud. On February 24, 2010, Nadel pled guilty to all counts in the indictment. On October 21, 2010, Nadel was sentenced to 14 years in prison. Nadel died in prison on April 16, 2012.

II. Overview of Findings.

The Receiver discovered that from 1999 through 2008, approximately $330 million was raised in connection with over 700 investor accounts on behalf of one or more of the Hedge Funds by Nadel and his entities, Scoop Management and Scoop Capital; by the rest of the Fund Managers; and by Neil and Christopher Moody (the "**Moodys**") through the offer and sale of securities in the form of interests in Hedge Funds as part of a single, continuous Ponzi scheme. As discussed in prior Interim Reports, Nadel grossly overstated the trading results of the Hedge Funds. Despite significantly lower, and typically negative yields (*i.e.*, trading losses), Nadel, the Moodys, and the Fund Managers falsely communicated to investors and potential investors, through monthly "statements," Hedge Funds' "Executive Summaries," and other methods, that investments were generating positive returns and yielding between 10.97% and 55.12% per year. For most years, they falsely represented the investments were generating returns between 20% and 30%.

To perpetrate and perpetuate this scheme, Nadel caused the Hedge Funds to pay investors "trading gains" as reflected on their false monthly statements. The funds used to pay these trading gains were not generated from trading activities; rather they came from new or existing investors. Nadel further caused the Hedge Funds to pay tens of millions of dollars in fees. Those fees were based on grossly inflated returns, and thus, were improperly and

wrongfully paid. The negative cash flow of the Hedge Funds made the eventual collapse of Nadel's scheme inevitable.

As mentioned above, on February 24, 2010, Nadel pled guilty to all counts in the indictment relating to this scheme and on October 21, 2010, was sentenced to 14 years in prison. For a more detailed overview of the Receiver's findings, please refer to the Ninth Interim Report.

ACTIONS TAKEN BY THE RECEIVER

Since his appointment on January 21, 2009, the Receiver has taken a number of steps to fulfill his mandates under the Order Appointing Receiver. For additional efforts of the Receiver, please refer to prior Interim Reports.

III. Securing the Receivership Estate.

A. Securing and Recovering Receivership Funds.

During the time covered by this Interim Report, Receivership funds were held at Bay Cities Bank in a non-interest bearing operating account and two variable interest rate money market accounts. As of December 8, 2014, the total funds in all Receivership accounts are approximately **$10,926,711.45**, which includes $2,803,646.58 being held in reserves for objections in the claims process and $2,229,463.15 being held in escrow until a claim to these funds is resolved, but does not include $267,720.59 in proceeds from a sale of property which is being held in trust until a potential dispute regarding these proceeds is resolved. The Receiver continues to review the appropriate action to take with respect to Receivership funds in light of the current state of the economy. If appropriate and in the best interests of

the Receivership, he will move the funds into other interest-bearing accounts and/or revenue-generating investments.

On July 25, 2014, the Receiver filed a motion for (1) possession of brokerage accounts controlled by Arthur Nadel; (2) authorization to relinquish remaining brokerage accounts; and (3) partial modification of asset freeze (Doc. 1133). The Court granted the Receiver's motion on July 28, 2014 (Doc. 1134). The Receiver sought this relief to close six brokerage accounts opened or held through Shoreline Trading Group, LLC which were frozen by the Court after the collapse of Nadel's scheme. Of the six accounts, only two had any value with a total collective cash balance of $5,798.60. One account held in the name of the Chris Moody Revocable Trust contained securities which appear to be actively traded and may have some value. The remaining three accounts' holdings are essentially valueless, and the costs to gain possession of the contents of those accounts would exceed the value of those contents. The Court's order granted the Receiver possession of the two accounts with value and authority to relinquish the remaining accounts which contained worthless or otherwise *de minimus* holdings. The Receiver obtained $5,798.60 from these accounts on August 12, 2014 and arranged for the transfer of the securities which may have some value.

1. Recovery of Tax Refunds.

The Receiver has sought to obtain tax refunds owed to certain insiders based upon taxes paid in prior years on nonexistent trading profits, periodic taxes paid on anticipated income that was never earned, and/or overpayment of taxes as a result of loss of investment. As a result of these efforts, the Receiver has recovered a total sum of **$3,777,343.60** in tax refunds from Form 1045 Applications for Tentative Refund ("**Form 1045**") for carryback

losses on behalf Marguerite Nadel, Chris Moody, Neil Moody, and Sharon Moody. The Receiver also submitted a Form 1045 for Arthur Nadel seeking the return of approximately $1,183,525.00. The Receiver sought and received authorization from the Court to execute and submit this return and receive any tax refund payable to Nadel (Docs. 1097, 1100 and 1105).

The Receiver also recovered two tax refund checks totaling $1,261,359.33 from Mrs. Nadel as a result of improperly filed documents with the IRS on behalf of a Receivership Entity. Including these two refund checks, the total amount the Receiver has recovered from federal tax refunds to insiders is **$5,038,702.93**. For more detailed information regarding the Receiver's efforts to recover tax refunds, please refer to the Ninth Interim Report.

B. Receivership Accounting Report.

Attached as **Exhibit A** to this Interim Report is a cash accounting report showing the amount of money on hand as of July 1, 2014 less operating expenses plus revenue through October 31, 2014. This cash accounting report does not reflect non-cash or cash-equivalent assets. Thus, the value of all property discussed in Section IV below is not included in the accounting reports. From July 1, 2014 through October 31, 2014, the Receiver received $432,045.90 in business income from ongoing operations of some Receivership Entities;[3]

[3] The income numbers provided in this and the following paragraph are gross figures and do not include any offset for business operations costs or any other expenses.

$17,778.80 in interest/dividend income; $2,157,524.85 in third-party litigation income; and $6,459.21 in other income.[4] (Ex. A.)

Since the inception of the Receivership through October 31, 2014, the Receiver received $6,725,327.02 in business income from ongoing operations of some Receivership Entities; $2,066,501.32 in cash and securities; $978,481.27 in interest/dividend income; $7,146,143.58 in business asset liquidation; $120,000.00 in personal asset liquidation; $67,742,276.51 in third-party litigation income; and $7,152,936.79 in other income.

IV. Asset Analysis and Recovery.

A. Expansion of Receivership to Include Additional Entities.

As noted above, the Receiver sought and successfully obtained the expansion of the Receivership to include the Additional Entities. The Receiver's investigation revealed that the Additional Entities were purchased and/or funded with money derived from Nadel's fraudulent investment scheme. The following discussion of the Additional Entities includes a description of assets the Receiver has acquired as a result of the businesses' inclusion in the Receivership. Assets, including Additional Entities, which have been sold or otherwise disposed of are identified on the attached **Exhibit B**. Exhibit B includes a description of the asset, any known encumbrances related to the asset, the disposition of the asset, and the amount received from the sale of the asset, and/or the amount of debt waived in connection with the disposition of the asset. For more information regarding assets identified on Exhibit

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[4] The "other income" includes: $30.61 from a U.S. Treasury refund; $525.00 from the sale of artwork related to the Rowe settlement; $5,798.60 obtained from accounts held through Shoreline Trading Group, LLC which had been frozen; and $105.00 in check reissuance fees.

B, please refer to prior Interim Reports. Assets which have not been sold or otherwise disposed of are discussed below.

1. Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; and Laurel Mountain Preserve Homeowners Association, Inc.

Laurel Preserve, LLC ("**Laurel Preserve**"), holds title to approximately 420 acres near Asheville, North Carolina intended for the development of home-sites (the "**Laurel Mountain Property**"). On February 11, 2009, the Court expanded the Receivership to include Laurel Mountain Preserve, LLC, Laurel Preserve, and the Laurel Mountain Preserve Homeowners Association, Inc. Since the Receiver's appointment as Receiver of these entities, he has taken control of them and is working on marketing for sale the Laurel Mountain Property. This property currently does not generate any income. The Laurel Mountain Property encompasses 29 lots, including 23 estate-sized and 6 cottage-sized lots. There is also a cabin home on this property that, according to the Buncombe County Property Appraiser, is valued at $294,000 (as of August 15, 2013). The Laurel Mountain Property's infrastructure is fully developed: infrastructure and utilities are in place and are fully functional. The Laurel Mountain Property has two known encumbrances. The first encumbrance is a $360,157.37 loan from BB&T Bank. The second encumbrance is a $1,900,000 interest only loan from Wells Fargo.

For more information regarding the Laurel Mountain Property, please visit http://www.laurelmountainpreserve.com. Parties interested in purchasing this property should contact:

Greg Palombi
Asheville Real Estate Network
15 Larchmont Road
Asheville, North Carolina 28804
Phone: (828) 216-4037
Email: GP@realasheville.net

2. Guy-Nadel Foundation, Inc.

The Guy-Nadel Foundation, Inc. (the "**Foundation**"), is a Florida non-profit corporation Nadel formed in December 2003 for "charitable, educational and scientific purposes." The Foundation was funded with proceeds of Nadel's scheme. On March 9, 2009, the Court expanded the Receivership to include the Foundation. Since the Receiver's appointment as Receiver of the Foundation, he has taken control of it and is working on marketing the real property owned by the Foundation.

North Carolina Parcels

The Receiver has possession and control of approximately eight lots that are essentially adjacent to each other and to the Laurel Mountain Property. The Receiver is currently marketing this property with the Laurel Mountain Property. Parties interested in purchasing this property should contact the Receiver directly.

Thomasville, Georgia Parcels

Additionally, the Receiver has possession and control of two small undeveloped lots in Thomasville, Georgia (collectively referred to as the "**Lots**"). The first lot is a .12 acre parcel located at 211 Church Street (the "**Church Street Lot**") that was purchased by the Foundation in December 2006 for $4,000. In 2013, the Thomas County Board of Tax Assessors assigned the Church Street Lot a taxing value of $2,224. The second lot is a 1.17 acre parcel located on North Stevens Street (the "**North Stevens Street Lot**") that was

purchased by the Foundation in January 2008 for $24,000. In 2013, the Thomas County Board of Tax Assessors assigned the North Stevens Street Lot a taxing value of $10,342.

Given the lack of success in his marketing efforts, on May 6, 2013, the Receiver filed a motion to approve the public sale of the Lots by online auction (Doc. 1011), which the Court approved on May 8, 2013 (Doc. 1016). The order also authorized the Receiver to sell the Lots for prices which the Receiver believes reasonably reflect the value of the Lots without further order from the Court. A public online auction of the Lots was held from June 1 through June 28, 2013. Despite marketing and advertising efforts, the auction did not result in any offers which the Receiver believed reasonably reflected the value of the Lots. Parties interested in purchasing the Lots should contact the Receiver directly.

3. Viking Oil & Gas, LLC.

Viking Oil & Gas, LLC ("**Viking Oil**") is a Florida limited liability company formed in January 2006 by the Moodys to make personal investments in an oil and gas venture. Viking Oil was funded with proceeds from Nadel's scheme. On July 15, 2009, the Court expanded the Receivership to include Viking Oil. (Order, Doc. 153.) The funds invested in Viking Oil were used to purchase an investment interest in Quest. Between February 2006 and April 2007, through Viking Oil, the Moodys invested $4 million to fund a working interest in Quest. As discussed in Section IV.A.5, below, the Receiver has expanded the Receivership to include Quest.

4. Summer Place Development Corporation.

Summer Place is a Florida company that was purchased by Clyde Connell in December 2005 and from whom Nadel, through Scoop Capital, purchased a fifty-percent

ownership stake with total payments of $63,204.99 to Mr. Connell. In April 2009, the Receiver replaced Nadel as Director, Secretary, and Treasurer of Summer Place and Scoop Capital's shares in Summer Place were transferred to the Receiver. The Receiver attempted to sell his fifty-percent ownership with no success. In April 2012, Mr. Connell and Juanita Connell, the only other Summer Place shareholders, relinquished their interest in Summer Place and transferred their membership units to the Receiver in exchange for the Receiver's agreement to pay them one-half of the net proceeds from the sale of assets owned by Summer Place.

Summer Place owns a six-acre parcel in Bradenton, Florida, which has no known liens or encumbrances. Summer Place was originally created to build thirty affordable home sites on this property. However, due to the decline in the market for affordable housing, no development ever occurred. Summer Place has had no operations for several years and currently generates no income. Taxes on the property are approximately $3,000 a year. On September 11, 2012, the Receiver filed a motion asking the Court to expand the Receivership to include Summer Place (Doc. 909). The Court granted this motion on September 12, 2012 (Doc. 911). The Receiver sought the expansion of the Receivership to include Summer Place so that he could market and sell the six-acre parcel of land. Parties interested in purchasing this property should contact:

Mike Migone
Sperry Van Ness
1626 Ringling Blvd., Suite 500
Sarasota, Florida 34236
Phone: (941) 387-1200

5. Quest Energy Management Group, Inc.

Quest is an oil and gas exploration and production company based in Texas. Paul Downey was its Chief Executive Office, and his son Jeff Downey was its Chief Operating Officer (collectively the "**Downeys**"). The Moodys, through Viking Oil, used scheme proceeds of $4 million to fund Quest. Through Valhalla Investment Partners, L.P., the Moodys funneled an additional $1.1 million to Quest in exchange for a promissory note from Quest and the Downeys to Valhalla Investment Partners. In February 2009, the Receiver began communications with the Downeys for recovery of the scheme proceeds provided to Quest. After considerable time and effort, the Receiver reached a conditional agreement to resolve his claims against Quest dependent upon receipt of $2.3 million from Quest. Quest failed to make this payment and ignored the Receiver's repeated demands for payment. In February 2013, Quest informed the Receiver it was having cash flow problems. Because of Quest's failings and to try to preserve Quest's value for the benefit of the Receivership estate and, ultimately, for defrauded investors in Nadel's scheme, on March 21, 2013, the Receiver moved to expand the Receivership to include Quest (Doc. 993). The Court granted this motion on May 24, 2013 (Doc. 1024).[5] The Receiver filed a Third Interim Report on Quest

[5] On June 14, 2013, the Downeys filed a notice of appeal of the Court's May 24, 2013 Order to the United States Court of Appeals for the Eleventh Circuit in the name of Quest (Doc. 1027). On September 25, 2014, the appellate court ruled in favor of the Receiver (footnote cont'd)

on November 4, 2014 (Doc. 1145). He filed the First and Second Interim Reports on August 26, 2013 and May 23, 2014, respectively (Docs. 1054 and. 1117) (all three Interim Reports are collectively referred to as the "**Quest Reports**").

On November 20, 2014, the SEC filed an enforcement action in the U.S. District Court for the Northern District of Texas against the Downeys and John M. Leonard, and individual who helped the Downeys raise money. *See S.E.C. v. P. Downey et al.*, Case No. 1:14-cv-185 (N.D. Tex.). The SEC asserted claims against the Downeys for their violations of the anti-fraud provisions of the federal securities laws in connection with their activities on behalf of Quest.

On November 12, 2014, the Court granted the Receiver's motion for leave to retain WhiteHorse Partners, LLC ("**WhiteHorse**"), a boutique advisory firm based in Nashville, Tennessee, to market and assist the Receiver with the sale of Quest. WhiteHorse is familiar with the oil and gas industry and has marketed and sold companies (or is currently marketing and in the process of selling) similar to Quest. For more information regarding WhiteHorse, please refer to the Receiver's Third Interim Report on Quest.

Since the expansion of the Receivership to include Quest, the Receiver has and will continue to maintain a separate accounting of revenues and expenses for Quest. The Receiver has been able to grow Quest's revenues since that time and therefore, he believes Quest will likely generate sufficient revenues to cover its expenses. The Receiver currently believes that the assets and potential value of Quest is significantly less than the outstanding

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finding that the Downeys lacked standing to appeal on behalf of a company over which they have no authority. Accordingly, the appellate court dismissed the appeal.

balance of investors' investment amount in Quest. If, however, the Receiver is able to generate sufficient funds from the sale of Quest's assets, he will conduct a separate claims process to deal with the claims of investors and other creditors of Quest. Should that occur, the Receiver will assert a claim on behalf of Viking Oil and Valhalla Investment Partners, L.P. Any monies recovered as a result of that claim could be distributed to current claimants with allowed claims.

For more information regarding Quest, the Receiver's investigation of it, and the Receiver's proposed course of action, please refer to the Receiver's Quest Reports, which are available on the Receiver's website.

B. Recovery of Real Property.

In addition to the assets discussed in conjunction with the expansion of the Receivership in Section IV.A, the Receiver has also recovered a number of other assets, some of which continue to be valued, assessed, and otherwise analyzed for liquidation, disposition, or other action. Again, assets which have been sold or otherwise disposed of are identified on the attached **Exhibit B**.

1. Fairview, North Carolina.

On March 30, 2009, the Court granted the Receiver's motion for possession of property located in Fairview, North Carolina (the "**Fairview Property**") (Doc. 100). Nadel and his wife purchased the Fairview Property for $335,000.00 on June 14, 2004. The Fairview Property was a secondary residence of the Nadels, is located in the mountains of North Carolina, and was recently appraised at a value of $295,000.00. The Fairview Property had one known encumbrance: a loan with Branch Banking and Trust Company

("**BB&T**") on which there was a remaining principal balance of approximately $248,941.73.[6] BB&T, however, failed to submit a timely proof of claim form for the loan, despite receiving notice of the claims process and filing a claim related to another encumbered Receivership property. On November 17, 2014, the Receiver filed a verified motion to approve the sale of the Fairview Property (Doc. 1150). On November 18, 2014, the Court granted the motion in its entirety (Doc. 1151). In pertinent part, the Order approved the sale of the Fairview Property for $287,500.00 and approved the Receiver's request to allow him to hold the proceeds in trust until a potential dispute between the Receiver and BB&T is resolved. In light of the current market conditions in Fairview, North Carolina, the length of time that the property had been on the market, and the appraised value of the property, the Receiver believes that this sale was in the best interest of the Receivership and that the purchase price represented the fair market value of the property. On November 21, 2014, the Receiver received the net amount of $267,720.59 from the sale of the property after payment of commission and normal closing costs. This amount is being held until a potential dispute with BB&T is resolved.

2. Sarasota, Florida (La Bellasara).

On January 28, 2010, the Court granted the Receiver's motion (Doc. 324) for possession of property located at 464 Golden Gate Point, Unit 703, Sarasota, Florida (the "**Bellasara Property**") (Doc. 327). The Bellasara Property is a residential condominium unit

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[6] The Receiver's motion discussed in the rest of the paragraph inadvertently stated that $101,710.77 was the outstanding balance on the loan, but it appears instead that sum was the amount BB&T had requested to re-instate the loan.

in a building called La Bellasara. On or about May 23, 2006, Neil Moody as Trustee of the Neil V. Moody Revocable Trust purchased the Bellasara Property for $2,160,000.00. The Bellasara Property was Neil Moody's primary Florida residence. The Bellasara Property has two known encumbrances: a primary mortgage loan from MSC Mortgage, LLC in the amount of $956,000 and a home equity line of credit from Wells Fargo with an initial balance of $880,000. Parties interested in purchasing the Bellasara Property should contact:

Sharon Chiodi
Sotheby's International Realty
50 Central Avenue, Suite 110
Sarasota, Florida
Phone: (941) 364-4000
Fax: (941) 364-9494
Email: sharon.chiodi@sothebyrealty.com

3. Marshfield, Vermont.

The Receiver obtained two adjacent parcels of real property located in Marshfield, Vermont at 3343 U.S. Route 2 and 3353 U.S. Route 2 (collectively the "**Vermont Properties**") in connection with the settlement of litigation against Nadel's daughter-in-law, Anne Nadel. Nadel purchased the 3343 Property on September 3, 2004 for $122,000 and purchased the 3353 Property on July 29, 2005 for approximately $56,884. There is a tax lien on the properties in the amount of approximately $49,710, which the Receiver intends to satisfy upon the sale of the properties. Parties interested in purchasing the Vermont Properties should contact:

Michael and Marlene McCarty
McCarty Real Estate
335 Jacobs Road
Montpelier, VT 05602
Phone: (802) 229-9479
Fax: (802) 552-4427
Email: Marlene@McCartyRE.com

C. Recovery of Other Items.

The Receiver has recovered various other items, including vehicles, jewelry, promissory notes, and stock. Any of these items which have been sold or otherwise disposed of are identified on the attached Exhibit B. For more information regarding these items and their disposition, please refer to prior Interim Reports.

1. Deficiency Judgment and Promissory Note.

The Receiver has a deficiency judgment against the former owner of a condominium who had executed a promissory note payable to Mrs. Nadel. The Receiver foreclosed on the condominium and obtained a deficiency judgment in the amount of $99,963.37. The Receiver recorded this judgment and is attempting to collect on it. (*See* Exhibit B for information regarding the disposition of the condominium.)

As mentioned above in Section IV.A.5, the Receiver also has a promissory note from Quest and the Downeys to Valhalla Investment Partners in the amount of $1,100,000. Quest made monthly interest payments on this note through January 2013.

2. Miscellaneous Items.

The Receiver recovered a myriad of other items that he may be able to sell, including a variety of furniture, artwork, sculptures, fixtures, computers, and miscellaneous supplies.

The Receiver will make reasonable efforts to maximize the amount he is able to recover from the possible sale of these items.

D. Recovery of Assets from the Moodys.

The Receiver's investigation revealed that a significant portion of activities of certain Hedge Funds should have been managed and directed by the Moodys. Together, the Moodys received approximately $42 million in fees from certain Receivership Entities.[7]

Chris Moody cooperated with the Receiver in connection with the turnover of all of his assets. On January 19, 2010, Chris Moody gave the Receiver a power of attorney which allowed the Receiver to effectuate the transfer of most of his assets without any direct participation from Chris Moody. The Receiver met with Chris Moody, confirmed the assets he owned, and reviewed in detail Chris Moody's interests and liabilities in those assets.

Neil Moody initially did not cooperate with the Receiver. Accordingly, the Receiver instituted an action against him individually and in his capacity as Trustee of the Neil Moody Revocable Trust and the Neil Moody Charitable Foundation. On January 6, 2011, the Receiver reached an agreement with Neil Moody to settle claims brought by the Receiver against him and his related entities. The Court approved this settlement on February 23, 2012 (Doc. 754). For more information regarding this settlement, please refer to the Twelfth Interim Report.

Meaningful assets the Receiver has identified for Chris Moody are delineated on the attached **Exhibit C**. Neil Moody's meaningful assets are identified on the attached **Exhibit**

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[7] For information regarding the enforcement action instituted against the Moodys, please refer to the Fourteenth Interim Report and prior Interim Reports.

D. Where possible, Exhibits C and D provide the percentage of interest acquired or purchase price and the status or disposition of the asset. The Receiver is continuing to evaluate these assets and will take appropriate actions as he determines are in the best interests of the Receivership. Entities in which the Receiver believes he may have a viable interest or potential for meaningful recovery have been put on notice of the Receiver's interests and rights.

E. Litigation.

In January 2010, the Receiver filed **134** lawsuits seeking approximately **$71,096,326.43**. The lawsuits sought (1) the recovery of false profits from investors; (2) the recovery of transfers from Receivership Entities to Neil and Sharon Moody, Donald and Joyce Rowe, and certain of their affiliated entities;[8] (3) the recovery of other transfers, such as commissions, from other individuals and/or entities;[9] and (4) the recovery of certain charitable contributions made with scheme proceeds.[10] The Receiver also initiated litigation against Holland & Knight,[11] Wells Fargo Bank, and Anne Nadel.

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[8] The Receiver has resolved the action against Neil and Sharon Moody and related entities through settlement. For more information regarding these settlements, please refer to the Tenth and Twelfth Interim Reports.

[9] In January 2010, the Receiver initiated lawsuits against three individuals to recover transfers received as commissions or "compensation." The Receiver resolved these matters for the total amount of $152,121.09.

[10] All actions the Receiver brought against non-profit organizations have been amicably resolved by settlement agreements. For more information regarding these actions and their resolution, please refer to the Twelfth Interim Report and prior Interim Reports.

[11] The Receiver settled this matter for the payment of $25,000,000 to the Receiver in exchange for a broad release of claims and a bar order. After deducting fees and costs (footnote cont'd)

1. Recovery of "Investment" – Related Transfers from Investors.

As discussed in Section III.C above, the Receiver determined that some purported investor accounts received monies in an amount that exceeded their investments. These purported profits were false because they were not based on any trading or investment gain, but rather were fruits of a Ponzi scheme that consisted of commingled funds of new and existing investors. The Receiver discovered approximately $35 million in such "false profits." In consultation with the Commission, the Receiver concluded that, in the best interests of the Receivership Entities and the investors as a whole, these inequitable distributions should be recovered and distributed in an equitable manner among Claimants holding legitimate and allowed claims (as determined by the claims process).

As of December 8, 2014, the Receiver has reached 158 agreements to settle with Profiteers and non-profit organizations in the amount of **$25,642,331.09** and obtained 18 judgments against Profiteers in the amount of **$6,364,671.90** for a total combined amount of **$32,007,002.99** (plus additional non-cash assets).[12] The Court has approved all of the settlements. As of the date of this Report only one action against a Profiteer remains pending. This action is in arbitration.

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attributable to counsel, on November 8, 2012, the Receiver collected $18,232,983.59 from this settlement.

[12] This includes $127,114.23 which was awarded to the Receiver in an arbitration proceeding encompassing two clawback cases. The defendants paid the Receiver the entire amount awarded while the Receiver's motion to confirm the award was pending before the Court. This also includes a judgment in the amount of $6,477.30 for attorneys' fees and costs which the Receiver obtained against a profiteer in connection with his frivolous objections to the Receiver's determination of claims he submitted in the claims process.

In January 2010, the Receiver initiated **121** lawsuits against Profiteers seeking to recover total false profits of approximately **$32,755,269.13** ("**January 2010 Cases**").[13] The complaints set forth claims for unjust enrichment and fraudulent transfers pursuant to Florida's Uniform Fraudulent Transfer Act ("**FUFTA**"). From May 25, 2011 through September 28, 2012, the Receiver filed Omnibus Motions for Summary Judgment ("**Summary Judgment Motions**") in all January 2010 Cases then pending. Beginning on November 29, 2012 and continuing through January 11, 2013, the Honorable Magistrate Judge Mark A. Pizzo entered Reports and Recommendations on the Summary Judgment Motions in the January 2010 cases (collectively the "**Report and Recommendation**"). *See, e.g., Wiand v. Dancing $, LLC*, Case No. 8:10-cv-0092-EAK-MAP (M.D. Fla.), Doc. 121. The Magistrate Judge recommended the Summary Judgment Motions be granted and found that (1) Nadel operated the Hedge Funds and Traders as a Ponzi scheme at the time he made the transfers to the defendants, and (2) the transfers to the defendants were made with the actual intent to hinder, delay, or defraud any creditor of Nadel as required by FUFTA. The Magistrate Judge further recommended that judgments be entered in favor of the Receiver. *See, e.g., id.*

The Receiver filed limited objections to the Report and Recommendation only to the portion which declined to award prejudgment interest. *See, e.g., Wiand v. Diana Cloud*, Case

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[13] In September 2010, the Receiver filed 12 additional actions against Profiteers who invested with Traders' "accounts." All of these cases have been resolved. For more information regarding these matters, please refer to prior Interim Reports.

No. 8:10-cv-150-T-17MAP (M.D. Fla.), Doc. 72.[14] The defendants also filed objections to the Report and Recommendation, to which the Receiver responded. On January 23, 2013 and March 7, 2013, the District Court Judge entered orders adopting the Report and Recommendation in its entirety. The Court directed that the clerk enter judgments against the defendants in these matters for a total combined amount of $2,832,354.12.[15] Judgments have been entered and the Receiver is proceeding with collection efforts as appropriate.

Defendants in three matters where judgments were entered against them appealed the entry of the judgments: *Lee*; *Dancing $*; and *Meeker*. (*See Lee*, Doc. 171; *Dancing $*, Doc. 131; and *Meeker*, Doc. 150). The Eleventh Circuit has issued decisions in all three of these matters. In each case, the Eleventh Circuit affirmed the District Court's grant of summary judgment in favor of the Receiver and reversed its denial of the Receiver's request for prejudgment interest for abuse of discretion. The Eleventh Circuit remanded the decisions to the District Court to determine whether equitable considerations as set forth in *Blasland, Bouck & Lee, Inc. v. City of N. Miami*, 283 F.3d 1286 (11th Cir. 2002), justify denying or

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[14] Diana Cloud filed a petition for relief under Chapter 7 of the Bankruptcy Code on April 11, 2014. The Receiver filed a proof of claim for the full amount of the judgment, $763,539.83, plus post-judgment interest. The Receiver will continue to actively pursue the protection and recovery of funds in this bankruptcy proceeding.

[15] *See Cloud*, Case No. 8:10-cv-150-T-17MAP, Doc. 76 (awarding $763,539.83); *Dancing $,* Case No. 8:10-cv-0092-EAK-MAP, Doc. 128 (awarding $107,172.11); *Wiand v. Lee*, Case No. 8:10-cv-210-T-17MAP (M.D. Fla.), Doc. 169 (awarding $935,631.51); *Wiand v. Morgan*, Case No. 8:10-cv-205-T-17MAP (M.D. Fla.), Doc. 130 (awarding $380,369.00); *Wiand v. Meeker*, Case No. 8:10-cv-166-T-17MAP (M.D. Fla.), Doc. 145 (awarding $645,641.67).

reducing a prejudgment interest award in light of Florida's general rule that prejudgment interest is an element of pecuniary damages.

In *Dancing $*, the trial court entered an order on October 2, 2014 directing the parties to submit memoranda and supporting materials addressing the *Blasland* factors and whether any equitable considerations justify denying or reducing the award of prejudgment interest. The parties submitted memoranda on October 16 and 17, 2014. No further orders relating to prejudgment interest in *Dancing $* have been issued yet. The defendant in *Meeker* filed a petition for rehearing en banc in the Eleventh Circuit on October 6, 2014. The appellate court issued an order denying this petition on November 13, 2014 and entered the opinion as the judgment of the court on November 24, 2014.

In *Lee*, the parties participated in a mediation conference before Magistrate Judge Porcelli aimed at resolving the prejudgment issue as well as an impleader action brought against Ms. Manon Sommers-Lee. The impleader action seeks to recover a residence which was funded with proceeds Mr. Lee obtained as a result of Nadel's scheme and is now in the possession of Ms. Sommers-Lee. The parties were unable to reach a resolution at this mediation. The parties mediated this matter again on December 1, 2014 and again were unable to reach an accord. On November 14, 2014, the Court entered an order directing the parties to submit memoranda on prejudgment interest and file any motions for summary judgment regarding the impleader action dispute by December 12, 2014.

a. Cases Referred to Arbitration.

In 24 of the January 2010 Cases, defendants – all of whom received false profits – filed motions to compel their cases to arbitration. The Receiver vigorously opposed these

motions. The Receiver opposed arbitration because by enforcing the purported arbitration agreements in the "investment contract" at the heart of Nadel's scheme, those documents would be allowed to oust this Court's "complete jurisdiction and control" over Receivership property in favor of numerous separate private arbitrators in Florida, New York, and Illinois. The Receiver argued that result directly contradicted the purpose of this Receivership and would be costly and inefficient. Specifically, the arbitrations (1) would require payment of costly administrative and arbitrator fees, not to mention the Receiver's fees and costs incurred pursuing these actions in numerous different forums; (2) would have the inherent risk of inconsistent decisions because the cases would be heard before various arbitrators; (3) would significantly hinder the Receiver's ability to use the appellate process to correct arbitrator errors due to the limited review of arbitration decisions; and (4) would delay and extend the Receivership and distribution of funds to victims. In other major receiverships, courts followed the arguments of the Receiver refusing to enforce similar illegal purported contracts. *See, e.g., In re Randy,* 189 B.R. 425, 441 (Bankr. N.D. Ill. 1995) (enforcing such contracts "would only help finish what [the wrongdoer] ... long ago started, which is, defrauding many innocent investors"). Despite the Receiver's opposition, the Court ordered the cases to arbitration. The Receiver filed seven arbitrations (corresponding to 19 clawback cases previously filed in court). Of the seven filed arbitrations, one remains pending.[16]

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[16] The Receiver settled three arbitrations (corresponding to 12 clawback cases) for the total amount of $2,453,790.01. The Receiver also settled another claim involving one of the arbitration respondents pre-arbitration for the total amount of $1,465,000.00. These settlement amounts are included in the total settlement amount provided in Section IV.E.1 above. As discussed below, arbitration awards were entered in three other arbitration cases.

The Receiver prevailed on the one arbitration proceeding which has proceeded to final hearing, *Wiand, as Receiver v. John D. Whitlock, et al.*, Case No. 33-512-0025-12 (American Arbitration Association ("**AAA**")). The Arbitrator entered an Award finding the respondents could not and did not provide any reasonably equivalent value for the false profits received and therefore, could not retain these sums. As such, the arbitrator awarded the Receiver $114,672.91 representing the full amount of false profits and an additional $12,441.32 representing 75% of the fees and expenses charged by the AAA. The respondents fully satisfied the arbitration award.

The Receiver also received a favorable award in the arbitration proceeding against World Opportunity Fund, L.P. ("WOF"). *Wiand, as Receiver v. World Opportunity Fund, L.P.*, 51-512-Y-892-12 (AAA). On October 28, 2013, after considering the parties' pleadings, arguments, and evidence, the arbitration panel awarded the Receiver $2,290,865.60 from WOF, which represents the amount of the defendants' false profits. On December 10, 2013, the Court entered a judgment in favor of the Receiver in the full amount awarded. Through the Receiver's extensive collection efforts, he collected the full amount of the judgment - **$2,290,865.60**.

Despite the well-reasoned decisions in *Whitlock* and *WOF*, as predicted the Receiver has encountered an arbitrator decision in favor of Profiteers based on arguments lacking legal merit, thus resulting in inconsistencies, inequities, and increased expense in pursuing the arbitrations. Specifically, in *Wiand, as Receiver v. Roberta Schneiderman and Robert D. Zimelis, as Co-Executors of the Estate of Herbert Schneiderman and Roberta Schneiderman, individually*, Case No. 33 512 00315 12 (AAA), the arbitrator rendered a Final Order and

Award before the final hearing without any basis in law or fact resulting in a grave inequity. In *Schneiderman*, the arbitrator refused to hear pertinent and material evidence and found that the Receiver's fraudulent transfer and unjust enrichment claims were time barred by certain probate statutes because they were not filed within two years of nonparty Herbert Schneiderman's death. This decision is completely contrary to clear law that these probate statutes do not apply to claims that arise after a decedent's death. As this Court previously explained in this very Receivership, a fraudulent transfer claim arises at the time of the transfer. The respondents did not receive the pertinent fraudulent transfer until more than nine months after Mr. Schneiderman's death. If this Award is allowed to stand, the respondents will be the first individuals allowed by a tribunal to retain false profits.

The Receiver filed a motion to lift the stay and vacate this arbitration award on August 1, 2013 (Doc. 61). On January 10, 2014, the United States Magistrate Judge issued a Report and Recommendation denying the motion to vacate (*Schneiderman*, Doc. 70). The Magistrate Judge found that the Receiver was unable to prove any of the very limited grounds for vacating an arbitration award and overcome the strong presumption that arbitration awards cannot be disturbed. This award and the recommendation that the Receiver's motion to vacate be denied exemplify the Receiver's grave concerns noted above about referring these matters to arbitration. The Receiver filed objections to this Report and Recommendation. On February 21, 2014, the District Court Judge entered an order adopting the Report and Recommendation (*Schneiderman*, Doc. 73). On July 14, 2014, the Receiver filed a Motion for Permission to Prosecute Appeal to proceed with an appeal of two orders in this action: (1) the order compelling the matter to arbitration and (2) the order denying the

Receiver's motion to vacate the arbitration award (Doc. 1128). The Receiver and his attorneys agreed to pursue the appeal at a reduced flat fee which will provide a considerable savings to the Receivership. The Court granted the Receiver's motion on July 16, 2014 (Doc. 1129). The appeal has been fully briefed and oral argument is scheduled for January 27, 2015.

2. Litigation Against Anne Nadel.

An investigation by the Receiver revealed that Nadel purchased the Vermont Properties entirely with investor funds unlawfully obtained through his fraudulent scheme and transferred title to them to his now deceased son and his wife, Anne Nadel. (*See* Section IV.B.3 *infra* for a description of these properties.) Ms. Nadel refused to voluntarily transfer title to the Receiver. On November 7, 2012, the Receiver sued Ms. Nadel for the recovery of these properties. *Wiand v. Anne Nadel*, Case No. 8:12-cv-2532-SDM-TGW (M.D. Fla.). On July 9, 2013, the Receiver filed a motion to approve a settlement agreement between him and Ms. Nadel (Doc. 1035). The settlement agreement provided, in pertinent part, the Receiver would pay Ms. Nadel $10,000.00 according to a set payment schedule and an additional $1,500 for payment of outstanding real property taxes on the Vermont Properties and in return for these payments, Ms. Nadel will transfer title to the properties to the Receiver. The Court approved the Receiver's motion on July 9, 2013 (Doc. 1036). Subsequently, however, the Receiver learned that a material representation made by Ms. Nadel as consideration for the settlement agreement relating to liens on those properties was not accurate in that there was an additional significant tax lien. The Receiver is working with Ms. Nadel to address

that matter. In the meantime, however, Ms. Nadel has vacated the properties and the Receiver is in possession of them.

3. Receiver's Litigation Against Wells Fargo.

The Receiver retained the law firm of James, Hoyer, Newcomer, & Smiljanich ("**James Hoyer**") to pursue litigation against Wells Fargo and Timothy Ryan Best, Nadel's relationship manager with the bank. On February 13, 2012, James Hoyer, on behalf of the Receiver, instituted an action against Wells Fargo and Timothy Best seeking to recover damages in excess of $168 million relating to the bank's close and extensive relationship with the Ponzi scheme underlying this Receivership.[17]

The parties have engaged in extensive motion practice. In ruling on the defendants' motion to dismiss a second amended complaint, the Court granted the motion to dismiss negligence claims brought by Victory IRA Fund, Valhalla Investment Partners, and Viking IRA Fund. The Court also dismissed all claims of aiding and abetting. However, the Court denied the remainder of the motion to dismiss and allowed the Receiver to proceed on his FUFTA claims against Wells Fargo, unjust enrichment claims, individual claims against Best, and negligence claims by Victory Fund and Scoop Real Estate. The parties mediated this matter on October 4, 2013, but were unable to reach an accord.[18]

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[17] On January 8, 2014, the court entered an ordering dismissing all remaining claims against Mr. Best pursuant to a stipulation by the parties.

[18] Wells Fargo is pursuing a claim and other purported interests it believes it has to Receivership property. As part of those efforts, Wells Fargo has aggressively interfered with the Receivership. For example, it has sought to bypass the claims process, alter it, take property away from the Receivership, petition another court for relief without informing this Court or the Receiver, and delay the Receiver's interim distribution. It also sought to (footnote cont'd)

On January 3, 2014, in response to evidence belatedly produced by Wells Fargo at the end of December 2013, the Receiver filed a motion for leave to amend the second amended complaint. Wells Fargo had resisted the Receiver's efforts to obtain discovery related to its investments in the Scoop Real Estate and Viking Fund and only produced documents related to these investments after ordered to do so. The new evidence demonstrates additional knowledge of the bank as a result of its investment in these Hedge Funds and its status as a limited partner in certain Hedge Funds. The Receiver believes that this evidence supports the reinstatement of his claims for (1) aiding and abetting conversion and breach of fiduciary duty on behalf of Scoop Real Estate and Viking Fund, and (2) negligence on behalf of the Viking Fund. As directed by the court, the Receiver filed a proposed Third Amended Complaint on January 13, 2014. Wells Fargo opposed the Receiver's motion. On March 6, 2014, the court granted in part, and denied in part, the Receiver's motion. As a result, the Court reinstated Viking Fund's negligence claim against the Bank.

On January 5, 2014, the defendant filed a motion to strike the Receiver's demand for a jury trial. The Receiver opposed this motion. On April 25, 2014, the court issued a Report and Recommendation on the motion which denied the motion in large part. The Report and Recommendation found that a jury trial waiver was enforceable only in connection with two

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disqualify the Receiver and his counsel from this Receivership. The Court denied the disqualification efforts in their entirety after concluding that the Receiver and his counsel acted appropriately. On January 17, 2013, the Court entered an order stating that it would defer ruling on Wells Fargo's motion for determination that it did not have to file claims regarding its purported interest in Receivership property, or alternatively, for permission to file late claims, pending the outcome of the Receiver's case against Wells Fargo and Timothy Ryan Best (Doc. 955).

Scoop Real Estate transactions. The defendant filed an objection to the Report and Recommendation on May 9, 2014. On August 5, 2014, the District Judge adopted the Report and Recommendation in full.

On June 10, 2014, the defendant filed a motion for summary judgment seeking judgment in its favor on all claims remaining against it. The Receiver opposed this motion and also filed a renewed motion for partial summary judgment on June 10, 2014. The Receiver's motion seeks summary judgment on the following: (1) Nadel operated a Ponzi scheme through the Hedge Funds from 1999 through January 2009; (2) every transfer of an asset Nadel made was made with the actual intent to hinder, delay, or defraud creditors as required by FUFTA; (3) because Nadel operated the Hedge Funds as a Ponzi scheme, each of the Hedge Funds and Nadel were insolvent; (4) the *in pari delicto* defense is not available to the defendant because individuals who invested in the Hedge Funds were innocent stakeholders; and (5) the remaining affirmative defenses should be decided in the Receiver's favor because the defendant failed to plead any facts in support of the defenses. No rulings have been issued on the motions for summary judgment yet. The trial of this case had been referred to the Jacksonville Division for trial; however, on August 15, 2014 the judge entered an order transferring the matter to Tampa to be tried by jury before a visiting judge, the Honorable Michael H. Watson beginning October 20, 2014. Due to the judge's scheduling issues, on October 8, 2014, the trial date was moved to December 1, 2014 in Tampa before the same judge. On November 21, 2014, Judge Watson entered an order vacating the December 1, 2014 trial date and recusing himself because he was no longer a visiting judge in the Middle District of Florida. A status conference was held on December 9, 2014 before

the Honorable James D. Whittemore. At the conference, the Judge indicated that he would be granting summary judgment against the Receiver on certain claims and asked for additional briefing on other claims. On December 11, 2014, the Court entered an order directing the parties to file supplemental briefs on fraudulent transfers by January 12, 2015. The case is not currently set for trial. This unexpected ruling would have a significant impact in limiting the Receiver's claims against Wells Fargo. While the court's order has not been issued yet it is very likely that this situation will result in an appeal due to the nature of the ruling and the impact it would have on the Receivership to the detriment of innocent victims.

4. Receiver's Litigation Against Rowe

The Receiver sued Donald Rowe, individually ("**Rowe**") and as Trustee of the Wall Street Digest Defined Benefit Pension Plan ("**Plan**"), Joyce Rowe, and Carnegie Asset Management, Inc. ("**CAM**") (collectively "**Rowe Defendants**") to recover sums received from the Receivership Entities. The Receiver and the Rowe Defendants entered into a settlement agreement, which was approved by the court on February 5, 2013 (Doc. 963). As part of that settlement, the Rowe Defendants consented to entry of a joint and several judgment in the amount of $4,028,385.00, the Rowe Judgment, which was entered by the Court on February 25, 2013 (*Rowe*, Doc. 124).[19]

After entry of the Rowe Judgment, the Receiver conducted discovery in aid of execution and learned that the Rowe Defendants made blatant efforts to shed their assets by transferring them to third parties with the intent to hinder the Receiver's collection efforts.

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[19] For more information regarding the Rowe litigation and settlement please refer to the Thirteenth Interim Report and prior Reports.

On May 21, 2013, to recover those fraudulently transferred assets, the Receiver filed a motion to commence proceedings supplementary and to implead the third parties who received these assets (Doc. 156). The Court granted the motion on August 8, 2013 (Doc. 223). The third parties impleaded include, among others, Ty Hardin who is Joyce Rowe's son, Choice Mail Direct f/k/a Carnegie Marketing Associates ("**Choice Direct**"), SRB Associates, LLC ("**SRB**"), Marianne Siegal, as trustee of the Hardin Family Irrevocable Trust ("**Hardin Trust**"), Band Weintraub, P.L. ("**Band Weintraub**"), and Band Gates. The Receiver has information and belief that the impleaded third parties received transfers in excess of $3 million. The Receiver has recovered $2,284,063.11, and personal property with an approximate value of $10,000,[20] and an annuity with a value of $327,334.79 (as of September 30, 2014), in connection with settlements with SRB, Hardin Trust, Band Weintraub, Band Gates, T. Hardin, and Choice Direct. For more information regarding these settlements, please refer to the Receiver's Fifteenth and Sixteenth Interim Reports.

In addition to the above, the Receiver obtained writs of garnishment against several entities. The Receiver received final judgments of garnishment against these entities as follows: Band Gates, P.L., directing payment of $28,232.92; Band Weintraub, directing payment of $5,000; Morgan Dramis, P.A., directing payment of $2,000; SPB, directing

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[20] The Receiver sold some of this property through auction and received the net amount of $1,146.00 from these sales. The Receiver is working on selling the remaining property.

payment of $4,545.78; and SRB, directing payment of $21,000. These judgments have been paid in full for the total amount of $60,778.70.[21]

On October 15, 2013, the Receiver also directed a writ to MetLife Investors USA Insurance Company ("**MetLife**") to garnish an annuity the Rowes purchased from MetLife. The Receiver and Joyce Rowe filed cross motions for summary judgment in March 2014. On July 11, 2014, the court granted summary judgment in favor of Mrs. Rowe. On July 16, 2014, the Receiver filed an emergency motion to stay dissolution of the writ pending an appeal of the July 11, 2014 Order, which the court granted. On July 24, 2014, the Receiver filed a notice of appeal. The Receiver filed a motion for permission to pursue this appeal on August 15, 2014 (Doc. 1136), which the Court granted on August 19, 2014 (Doc. 1137). The Receiver filed his initial brief on November 14, 2014. The appellee's brief was filed on December 11, 2014.

The Receiver also seized a 2007 Lexus LS from Donald Rowe and recovered $24,605.25 from the sale of the Lexus. As of December 11, 2014, the Receiver has recovered a total of $2,697,932.85 on the Rowe Judgment.[22] The Receiver will continue vigorously pursuing collection of the Judgment and make every reasonable effort to collect

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[21] This amount does not include an additional $150,204.86 which SPB was directed to pay in the Final Judgment of Garnishment against it because it is included in the settlement between the Hardin Trust and the Receiver.

[22] This amount includes the value of the annuity obtained in connection with the Receiver's settlement with the Hardin Trust. The value of the annuity is $327,334.79 as of September 30, 2014. The Receiver took $40,000 as a distribution from this annuity on April 24, 2014 and will continue to take the maximum distribution allowed without incurring a penalty.

as much as possible. However, the Receiver anticipates that it will be difficult to fully satisfy this judgment.

V. Claims Process.

On April 20, 2010, the Receiver filed his Motion to (1) Approve Procedure to Administer Claims and Proof of Claim Form, (2) Establish Deadline for Filing Proofs of Claim, and (3) Permit Notice by Mail and Publication and Incorporated Memorandum of Law (Doc. 390) ("**Claims Motion**"), which the Court granted on April 21, 2010 (Doc. 391). Pursuant to the Court's Order, any person or entity who failed to submit a proof of claim to the Receiver so that it was actually received by the Receiver on or before September 2, 2010, the Claim Bar Date (as the term Claim Bar Date is defined in the Receiver's motion), is barred and precluded from asserting any claim against the Receivership or any Receivership Entity.

The Receiver received 504 claims. Of the 504 claims, 478 claims were submitted in connection with 473 investor "accounts"[23] ("**Investor Claimants**"). The Receiver also received 26 claims from other purported creditors ("**Non-Investor Claimants**") (Investor Claimants and Non-Investor Claimants are collectively referred to as "**Claimants**"), including two claims from taxing authorities. The Receiver received claims from Investor Claimants totaling approximately $149,033,449.32 and claims from Non-Investor Claimants

[23] In reality, Nadel and the Receivership Entities did not maintain separate investor accounts. Nevertheless, for ease of reference they are referred to as "**Investor Accounts**."

totaling approximately $9,205,581.14, for a total claim amount of approximately $158,239,030.46.[24]

On December 7, 2011, the Receiver filed his Motion to (1) approve determination and priority of claims, (2) pool Receivership assets and liabilities, (3) approve plan of distribution, and (4) establish objection procedure ("**Claims Determination Motion**") (Doc. 675). After careful review and consideration, the Receiver made the following determinations:[25] (1) 423 Investor Claims should be allowed (in full or in part) for the total amount of $131,304,461.51; (2) two Tax Lien Claims should be allowed for the total amount of $4,481.99; (3) two secured non-investor claims ("**Non-Investor Secured Claims**") should be allowed to recover only from proceeds of the sale of the secured asset, subject to certain limitations set forth in the Claims Determination Motion; (4) 13 unsecured non-investor claims ("**Non-Investor Unsecured Claims**") should be allowed or allowed in part for the total amount of $526,998.86, subject to certain limitations set forth in the Claims Determination Motion; (5) 35 Investor Claims and 8 Non-Investor Claims should be denied for reasons set forth in the Claims Determination Motion; and (6) 24 Investor Claims and one Non-Investor Claim should be denied because the claims were waived. Not including Non-Investor Secured and Unsecured Claims, the Receiver recommended that $131,308,943.50 in

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[24] The amount indicated for Non-Investor Claimants may not include all claimed interest, fees, or penalties which may be sought by them. Importantly, these numbers reflect the amount Claimants are claiming they are owed, and not the amount the Receiver has determined is the value of allowable claims.

[25] The numbers in this paragraph have been slightly revised to account for revisions made to certain claim determinations in subsequent motions and orders relating to claims and distributions (*See* Docs. 825, 839, 857, 858, 945, 946).

claims be allowed. On March 2, 2012, the Court granted the Claims Determination Motion except with respect to a claim submitted by Wells Fargo (the "**March 2 Order**") (Doc. 776).[26]

The objection procedure proposed by the Receiver in the Claims Determination Motion and adopted by the Court allowed each Claimant twenty days from receipt of notice of the March 2 Order to serve the Receiver with a written objection to the determination of the Claimant's claim and/or claim priority and to object to the plan of distribution. The deadline to serve any objections was March 28, 2012. The Receiver received objections relating to 23 claims. These objections were raised by twelve Claimants, four of whom have multiple claims. The Receiver has been working on the resolution of these objections. As of the filing of this Interim Report, objections relating to 15 claims have been resolved. (*See* Claim Nos. 157, 444, 445, 449, 450, 462, 463, 464, 465, 466, 467, 471, 476, 483, and 504).

On April 27, 2012, the Receiver filed a motion seeking the approval of (1) a first interim distribution of $25,994,012.73 on a *pro rata* basis; (2) establishment of reserves of $1,789,268.46 for claims for which timely objections were received and for Wells Fargo's and TRSTE, Inc.'s purported interests in Receivership assets and the Receivership estate; and (3) approval of revisions to certain claim determinations previously submitted by the Receiver and approved by the Court in the Claims Determination Motion (Doc. 825). The

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[26] The Court reserved ruling on that claim and on several motions and objections filed by Wells Fargo and, in some instances, its affiliate TRSTE, Inc., relating to that claim and other purported interests in Receivership assets. (*See* Docs. 689, 690, 718, 719, 740.) As noted above, on January 17, 2013, the Court entered an order deferring ruling on Wells Fargo's motions pending the outcome of the Receiver's case against Wells Fargo. (*See* Section IV.E.3 above and Doc. 955.)

Court overruled a limited objection filed by Wells Fargo and granted the Receiver's motion in its entirety on May 7, 2012 (Doc. 839). All first interim distribution checks have been sent to Claimants holding claims which were determined to be entitled to participate in the first interim distribution and have been negotiated.

On November 14, 2012, the Receiver filed a motion seeking the approval of (1) a second interim distribution in the amount of approximately $22 million on a *pro rata* basis; (2) revisions to certain claim determinations previously submitted by the Receiver and approved by the Court; (3) an increase in reserves of $1,327,793.22; and (4) the release of reserves in the amount of $197,951.10 (Doc. 945). The Court granted the Receiver's motion in its entirety on November 16, 2012 (Doc. 946). All second interim distribution checks have been mailed to Claimants holding claims which were determined to be entitled to participate in the second interim distribution and have been negotiated.

On November 6, 2013, the Receiver filed a motion seeking the approval of (1) a third interim distribution of $5,000,000.00 on a *pro rata* basis; (2) an increase in reserves of $246,488.43; and (3) the release of reserves in the amount of $615,746.25 (Doc. 1085). The Court granted the Receiver's motion in its entirety on November 22, 2013 (Doc. 1087). All third interim distribution checks have been mailed to Claimants holding claims which were determined to be entitled to participate in the third interim distribution and have been negotiated.

On April 10, 2014, the Receiver filed a Motion to Approve Fourth Interim Distribution and Increase Certain Reserves (Doc. 1113). The motion sought the approval of (1) a fourth interim distribution of $5,000,000.00 on a *pro rata* basis, representing an

additional recovery of 3.81% of the Allowed Amount of claims receiving a distribution at that time, bringing the total recovery to 44.37% of the Allowed Amount of these claims and (2) an increase in reserves of $253,793.83, which will leave in place a total reserve amount of $2,803,646.58 for claims for which timely objections were received and remain unresolved and for Wells Fargo Bank, N.A.'s and TRSTE, Inc.'s purported interests in Receivership assets and the Receivership estate as set forth in the motion. The Court granted the Receiver's motion in its entirety on April 24, 2014 (Doc. 1114). All fourth interim distribution checks have been mailed to Claimants holding claims which were determined to be entitled to participate in the fourth interim distribution and have been negotiated.[27]

VI. Overview of Remaining Assets.

As of December 8, 2014, the total funds in all Receivership accounts are approximately **$10,926,711.45**, which includes $2,803,646.58 being held in reserves for objections in the claims process and $2,229,463.15 being held in escrow until a claim to these funds is resolved, but does not include $267,720.59 in proceeds from a sale of property which is being held in trust until a potential dispute regarding these proceeds is resolved. The Receiver has submitted a tax return on behalf of Art Nadel seeking a refund in the amount of approximately $1,183,525.00.

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[27] Claim Number 391 is not allowed to participate in any distributions of Receivership assets until and if all Class 1 Claims receive 50% of their Allowed Amounts. Because the fourth interim distribution provided a combined recovery of 44.37% to such Class 1 Claims, this claim was not entitled to participate in the fourth interim distribution. Accordingly, the amount apportioned to Claim Number 391 was not distributed and reverted to the Receivership.

As discussed above, the Receiver has already distributed a total of approximately **$57 million** to Claimants with Allowed Claims which were entitled to receive distributions, representing a total recovery of 44.37% of the Allowed Amounts for those claims. The Receiver is diligently working on recovering more funds in the hopes to make additional distributions to these Claimants. To accomplish this, the Receiver is (1) managing and attempting to sell the remaining properties and other miscellaneous assets currently held by the Receivership; (2) pursuing pending litigation against clawback defendants; (3) continuing to collect on outstanding settlement agreements and engaging in collection efforts on judgments obtained in connection with litigation; and (4) continuing to pursue litigation against Wells Fargo.

A. Remaining Properties and Other Assets.

The Receiver is in possession of essentially six properties which remain to be sold. Of these six properties, two of them are heavily encumbered by liens from various institutions. In particular, Wells Fargo has asserted loans on these two properties of nearly $3 million. The total amount of encumbrances on these properties is in excess of $4 million. Given the decline in property values in recent years, the amount the Receiver anticipates he will be able to recover from sale of these properties may not greatly exceed the amount of the encumbrances. As mentioned above, the Receiver is contesting Wells Fargo's claim to these properties and may contest other asserted liens. The ultimate recovery obtained from the sales of these properties will be contingent upon the outcome of these asserted liens.

The Receiver also has possession of various miscellaneous assets which include artwork, furniture, and the like. While the Receiver is attempting to maximize the recovery

from the sale of these assets, he does not anticipate any significant recovery (i.e., in excess of $20,000). The Receiver is also diligently working on evaluating, managing, and selling various assets obtained from the Moodys. The Receiver expanded the Receivership to include Quest, a Texas oil and gas company. As stated in Section IV.A.5 above, the Receiver believes that the oil well leases held by Quest have potential value and may be sold for the benefit of investors and other creditors (*see also* Doc. 1145). The Receiver is marketing Quest and will continue to operate it in an effort to preserve and maximize its value until it is sold. The Receiver acquired the Moodys' interests in various other companies. However, from the Receiver's research it appears that many of these companies are no longer in business and thus, the interests in these companies have little to no value. For more information regarding these interests, please refer to Exhibits C and D.

B. Remaining Clawback Litigation.

The Receiver has resolved the vast majority of the clawback cases brought against Profiteers and non-profit organizations. All clawback cases which were pending in district court have been resolved.[28] There is only one clawback case remaining in arbitration. In that arbitration, the Receiver is seeking to recover fraudulent transfers of approximately $46,959.12, which is the amount of false profits the defendant received. The Receiver is also pursuing an appeal of the denial of a motion to vacate an arbitration award and the order

[28] As previously mentioned, three Profiteers in cases before the district court filed appeals of the judgments awarded against them. The judgments against these three Profiteers total $1,688,445.29. As discussed above in Section IV.E.1, in all three of these appeals the appellate court affirmed the Court's granting of summary judgment in favor of the Receiver and reversed and remanded the Court's denial of prejudgment interest.

referring the matter to arbitration. The Receiver believes the award was rendered without any basis in law or fact and that the matter should never have been referred to arbitration. (*See* Section IV.E.1 above.)

C. Settlements and Outstanding Judgments.

As noted above, as of December 8, 2014, the Receiver has settled 158 cases brought against Profiteers and non-profit organizations for the total amount of $25,642,331.09. The Receiver has collected $25,622,966.61 of the total settlement amount and $19,364.48 remains to be paid. The Receiver also has obtained 18 judgments against Profiteers and non-profit organizations for the total amount of $6,364,671.90. The Receiver has collected $2,903,536.70 of the total judgment amount. As noted above, three Profiteers owing judgments totaling $1,688,445.29 filed appeals of the judgments awarded. In each of these appeals, the appellate court affirmed the Court's granting of summary judgment in favor of the Receiver and reversed and remanded the Court's denial of prejudgment interest. The Receiver also has a judgment against the Rowe Defendants in the amount of $4,028,385.00. To date, the Receiver has recovered $2,697,932.85 on this judgment including the value of an annuity the Receiver obtained in connection with a settlement with a third party who received funds fraudulent transferred by the Rowes. (*See* Section IV.E.4 above.) The value of this annuity is $327,334.79 as of September 30, 2014. The Receiver is proceeding with collection efforts on the outstanding judgments as appropriate. While the Receiver is hopeful that he will recover funds on the majority of these judgments, the Receiver anticipates that it will be difficult to fully satisfy them.

D. Litigation involving Wells Fargo.

The Receiver instituted this action against Wells Fargo and Timothy Best seeking to recover damages and fraudulent transfers in excess of $168 million relating to the bank's close and extensive relationship with the Ponzi scheme underlying this case. As noted above, Wells Fargo is pursuing a claim and other purported interests it has to Receivership property. To that end, Wells Fargo filed several motions and objections in connection with the claims process. The Court has deferred ruling on Wells Fargo's claims motions pending the outcome of the Receiver's litigation against Wells Fargo. On June 10, 2014, the parties filed motions for summary judgment. No rulings have been issued on the summary judgment motions yet. A status conference was held on December 9, 2014 before the Honorable James D. Whittemore. At the conference, the Judge indicated that he would be granting summary judgment against the Receiver on certain claims and asked for additional briefing on other claims. On December 11, 2014, the Court entered an order directing the parties to file supplemental briefs on fraudulent transfers by January 12, 2015. The case is not currently set for trial. This unexpected ruling would have a significant impact in limiting the Receiver's claims against Wells Fargo. While the court's order has not been issued yet it is very likely that this situation will result in an appeal due to the nature of the ruling and the impact it would have on the Receivership to the detriment of innocent victims.

VII. The Next Ninety Days.

The Receiver will proceed with the claims process by continuing to address the remaining objections.

The Receiver will proceed with pending litigation and collection efforts. He will engage in discovery and motion practice. He will continue to thoroughly consider and review any settlement offers and engage in settlement negotiations. The Receiver will make every effort to reach compromises that are in the best interests of the Receivership Entities and the investors.

The Receiver will continue to pursue the recovery of tax refunds where possible, and will continue to attempt to locate additional funds and other assets. If appropriate, the Receiver will institute proceedings to recover assets on behalf of the Receivership Entities.

The Receiver will also continue the operations of all ongoing businesses of the Receivership Entities to maintain and, if possible, enhance their value. The Receiver will continue to market properties for sale and entertain offers for purchase.

CONCLUSION

Creditors and investors in the Receivership Entities are encouraged to periodically check the informational website (www.nadelreceivership.com) for current information concerning this Receivership. The Receiver and his counsel have received an enormous amount of emails and telephone inquiries and have had to expend significant resources to address them. To minimize those expenses, creditors and investors are strongly encouraged to consult the Receiver's website before contacting the Receiver or his counsel. However, the Receiver continues to encourage individuals or attorneys representing investors who may have information that may be helpful in securing further assets for the Receivership estate or identifying other potential parties who may have liability to either the Receivership estate or

investors directly either to email jrizzo@wiandlaw.com or call Jeffrey Rizzo at 813-347-5100.

Dated this 17th day of December, 2014.

Respectfully submitted,

s/Burton W. Wiand
Burton W. Wiand, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 17, 2014, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

s/Gianluca Morello
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EXHIBIT A

Standardized Fund Accounting Report
for Consolidated Nadel Entities - Cash Basis
Receivership; Civil Court Docket No. 8:09-cv-87-T-26TBM
Reporting Period 07/01/14 to 10/31/14

Fund Accounting (See Instructions):				
		Detail	**Subtotal**	**Grand Total**
Line 1	Beginning Balance (As of 07/01/14):			9,895,084.31
	Increases in Fund Balance:			
Line 2	Business Income	432,045.90		
Line 3	Cash and Securities			
Line 4	Interest/Dividend Income	17,778.80		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	2,157,524.85		
Line 8	Miscellaneous - Other (see attached)	6,459.21		
	Total Funds Available (Line 1 - 8):		2,613,808.76	12,508,893.07
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership in Operations			
Line 10a	*Disbursements to Receiver or Other Professionals*	1,314,589.06		
Line 10b	*Business Asset Expenses*	319,273.19		
Line 10c	*Personal Asset Expenses*			
Line 10d	*Investment Expenses*			
Line 10e	*Third-Party Litigation Expenses*			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	*Tax Administrator Fees and Bonds*			
Line 10g	*Federal and State Tax Payments*	23,570.27		
	Total Disbursements for Receivership Operations		1,657,432.52	$1,657,432.52
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			

See accountants' compiliation report

Standardized Fund Accounting Report
for Consolidated Nadel Entities - Cash Basis
Receivership; Civil Court Docket No. 8:09-cv-87-T-26TBM
Reporting Period 07/01/14 to 10/31/14

Fund Accounting (See Instructions):				
		Detail	**Subtotal**	**Grand Total**
Line 11b	*Distribution Plan Implementation Expenses:*			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	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. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
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)			1,657,432.52
Line 13	Ending Balance (As of 10/31/14)			10,851,460.55
Line 14	Ending Balance of Fund - Net Assets:			10,851,460.55
Line 14a	*Cash & Cash Equivalents*			10,851,460.55
Line 14b	*Investments*			
Line 14c	*Other Assets or Uncleared Funds*			
	Total Ending Balance of Fund - Net Assets			10,851,460.55

See accountants' compiliation report

EXHIBIT B

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Real Property/Business Operations				
Venice Jet Center, LLC ("VJC")	The VJC was a fully operating fixed-based operator that included a flight school, fueling service, hangar rentals, and a café.	$1,960,169 loan from Northern Trust	On January 20, 2010, the Court approved the sale of the VJC's assets and an agreement with Northern Trust (Doc. 321). In pertinent part, VJC's assets were sold to Tristate Aviation Group of Florida LLC for (1) $300,000 cash at closing; (2) a $250,000 unsecured promissory note payable over a term of three years; (3) resolution of a $1,960,169 loan with Northern Trust; and (4) assumption of prosecution of the Part 16 Complaint subject to an offset of the note obligations to the Receiver for up to $50,000 for expenses and costs actually incurred in connection with efforts to resolve all disputes with the City of Venice, including the Part 16 Complaint.	$540,780.88 plus elimination of over approximately $1,960,169 in debt
599 North Lime Avenue, Sarasota, Florida	A building owned by Lime Avenue Enterprises, LLC which housed a flower shop owned by A Victorian Garden Florist, LLC	A mortgage owed to Ron Carter and James Neal with a remaining balance of approx. $600,000	On May 26, 2011, the Court approved the conveyance of this building and the remaining assets of the florist to Messrs. Carter and Neil in exchange for the elimination of over $600,000 in debt and a claim of over $1,160,000 against the Receivership estate (Doc. 633).	Elimination of over $600,000 in debt obligations and a claim of over $1,160,000

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Home Front Homes, LLC	Home Front Homes was engaged in the business of manufacturing, marketing, and selling energy-efficient homes.	Loan from M&I Bank for approx. $3,000,000	On January 6, 2010, the Court granted the Receiver's motion to sell certain of Home Front Homes' assets and approve an agreement with M&I Bank (Doc. 293). In salient part, (1) South American Development Corporation agreed to purchase certain assets for $250,000, with $150,000 to be paid at closing and a zero interest promissory note secured by the assets due December 18, 2010 for the $100,000 balance and (2) M&I agreed to waive over $3,000,000 in debt obligations and forego any deficiency claims against the Receivership estate in exchange for 65% of the cash and note proceeds after $12,000 has first been paid to the Receiver for expenses incurred.	$109,128.75 plus elimination of over $3,000,000 in debt
512 Paul Morris Drive, Englewood, Florida	A building owned by Home Front Homes on Lot 81 of the Morris Industrial Park	Loan from Regions Bank for approx. $80,000 and loan from William Bishop with a balance of approx. $700,000	On March 10, 2010, the Court approved the conveyance of this building to William Bishop in exchange for the release of all claims against the Receivership estate (Doc 355).	Elimination of over $790,000 in debt obligations
200 Grandview Trail, Thomasville, Georgia	Approximately 14 acres which encompassed 45 lots, 44 of which were undeveloped; one held a single family home	Loans from Thomasville National Bank with balance owed in excess of $759,000	On February 26, 2010, the Court approved the sale of this property for $725,000 and an agreement with Thomasville National Bank wherein the bank agreed to accept the purchase price less commissions in exchange for a full settlement of all amounts owed under the loans and the waiver of all claims against the Receivership estate (Doc. 352).	Elimination of over $759,000 in debt obligations

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Land Lot 11 of the 23rd Land District of Grady County, Georgia	Approximately 33.296 acres of undeveloped land	None known	On April 25, 2011, the Court approved the sale of this property for $135,000 (Doc. 620).	$123,717.84
2433 West Main Street, Tupelo, Mississippi	A building owned by Scoop Real Estate, LP which was being leased to a Starbucks	None known	On February 22, 2011, the Court approved the sale of this building for $715,000 (Doc. 601).	$651,216.18
5 McCollum Station, Newnan, Georgia	A gas station which consisted of approximately two acres of land and a 3,500 square-foot building	None known	On August 4, 2010, the Court approved the sale of this property for, in pertinent part, a purchase price of $1,725,000 and payment of $25,000 by the buyer to the Receiver for legal fees and costs associated with the buyer's failure to close a previous transaction (Doc. 451).	$1,750,000.00
22 Nantucket Circle, Oberlin, Ohio	1,450 square foot single family residence	None known	On September 6, 2011, the Court approved the sale of this property for $100,000 less pro-rated real estate taxes for 2011 up to the date of closing (Doc. 651).	$98,383.30

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
774 North Jefferson Avenue, Sarasota, Florida	Residential condominium in Jefferson Pines	None known	On May 18, 2011, the Court approved the sale of this condominium for $55,000 (Doc. 630).	$48,347.79
4905 Waters Edge, Raleigh, North Carolina	A building which was leased to Electronic Data Systems ("EDS"). EDS' lease term ended in January 2010 and the Receiver was unable to find another tenant.	None known	On April 17, 2012, the Court approved the sale of this building for $950,000 (Doc. 819).	$898,699.91
841 South Main Street, Graham, North Carolina	A building which was being leased to a Rite-Aid Pharmacy.	$2,655,000 interest-only loan from Wells Fargo	On May 8, 2012, over Wells Fargo's objection, the Court entered an order granting the sale of this building for $2,400,000. Wells Fargo filed an emergency motion for reconsideration of this order, which the Court denied on May 15, 2012 (Doc. 853). Wells Fargo has asserted a claim to the proceeds of the sale of this building. The proceeds of the sale are currently being held in reserve until Wells Fargo's claim to them is resolved.	$2,229,463.15 (being held in reserves until a claim to these proceeds is resolved)
780 Woodlake Blvd. Tazewell, Tennessee	An undeveloped lot in a golf community	None known	On April 5, 2012, the Court approved the sale of this property for $45,000 (Doc. 811).	$40,322.86

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
15576 Fruitville Road, Sarasota, Florida	Residential property	$209,264.92 due on loan from Northern Trust as of July 15, 2013	On July 18, 2013, the Court approved the sale of this property for $181,500 and an agreement with Northern Trust wherein the bank agreed to accept 60% of the net sale proceeds in full satisfaction of the loan with the remaining 40% of the net proceeds to be paid to the Receiver (Doc. 1044).	$68,450.55
30393 Upper Bear Creek Road, Evergreen, Colorado	Residential property	$377,749.50 due on loan from Freddie Mac (serviced by Wells Fargo Bank) as of July 31, 2013	On July 18, 2013, the Court approved the sale of this property for $750,000 and approved the Receiver's intent to satisfy the outstanding amount on the Freddie Mac loan at closing with the balance of the sale proceeds going to the Receivership estate (Doc. 1043).	$322,677.60
Respiro, Inc.	Respiro, headquartered in Sarasota, Florida, provided home respiratory services and medical equipment products.	None known	On October 1, 2013, the Court granted the Receiver's motion to sell Respiro's assets (Doc. 1075). In pertinent part, Respiro's assets were sold to Martix Medical, LLC ("Matrix") for $65,000 subject to a possible decrease of the purchase price by $250 for each deficient and/or missing patient file. Matrix reviewed Respiro's files and deducted (i) $6,750 based on both missing and deficient files, and (ii) $12,500 for amounts billed by Matrix since assuming control of Respiro but which had been paid to Respiro. This resulted in a net purchase price of $45,750. Matrix paid this amount to the Receivership on October 4, 2013.	$45,750.00

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Fairview, North Carolina	Residential property	Remaining principal balance of approximately $248,941.73 on loan from Branch Banking and Trust Company ("BB&T")	On November 18, 2014, the Court approved the sale of this property for $287,500 and approved the Receiver's request to hold the proceeds in trust until a potential dispute with BB&T is resolved (Doc. 1151).	$267,720.59 pending resolution of a potential dispute with BB&T
Tradewind, LLC.	Tradewind owned and controlled 31 hangars at the Newnan-Coweta airport in Georgia.	$876,505.30 due on a loan with the Bank of Coweta	On March 27, 2014, the Court granted the Receiver's motion to sell Tradewind's assets (Doc. 1110). In pertinent part, Tradewind's assets were sold to a private buyer for $1,200,000 and the Court approved the resolution of the outstanding balance of the Bank of Coweta loan from the proceeds of the sale. The resolution of this loan balance also resolved a claim submitted by the bank in the claims process. The Receivership received the net amount of $322,482.43 from the sale of Tradewind's assets.	$322,482.43

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Aircraft and Vehicles				
Helicopter	1997 Schwietzer 300	None known	Sold for $200,000 (Doc. 100).	$200,000.00
Airplane	1971 Cherokee Piper PA-28-140	None known	Sold for $27,500 (Doc. 433).	$27,500.00
Airplane	1978 Cessna 152	None known	Sold for $9,000 (Doc. 581).	$9,000.00
Airplane	1977 Baron	None known	Sold for $65,000 (Doc. 491).	$65,000.32
Airplane	1996 Learjet 31A	Loan with General Electric Corporation for approx. $2.4 million	Returned in exchange for the cancellation of the outstanding debt (Doc. 119).	cancellation of debt of approximately $2.4 million
Airplane	1992 Citation	Loan with VFS Financing, Inc. for approx. $2.1 million	Returned in exchange for the cancellation of the outstanding debt (Doc. 119).	cancellation of debt of approximately $2.1 million
Car	2008 Mercedes-Benz E63	Leased	The Receiver surrendered this car to the respective leasing company without penalty and without the lessor retaining any claim to Receivership assets (Doc. 67).	waiver of penalty and claim

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Car	2009 Volkswagen EOS	Leased	On March 19, 2009, the Court granted the Receiver's motion to surrender this car to the respective leasing company without penalty and without the lessor retaining any claim to Receivership assets (Doc. 89).	waiver of penalty and claim
Car	2008 Maserati Gran Turismo	Leased	On March 3, 2009, the Court granted the Receiver's motion to surrender this car to the respective leasing company without penalty and without the lessor retaining any claim to Receivership assets (Doc. 52).	waiver of penalty and claim
Van	1999 White Ford Van	None known	Sold for $500. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order dated March 24, 2009 (Doc. 97)	$500.00
Van	2003 White Dodge Van	None known	Sold for $2,000. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order, Doc. 97).	$2,000.00
Truck	2002 Silver Jeep Liberty (damaged)	None known	Sold for $1,000. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order, Doc. 97).	$1,000.00
Jeep	1998 Jeep Wrangler	None known	Sold for $4,500. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order, Doc. 97).	$4,500.00
Car	2006 Green Subaru Legacy Outback	None known	On March 24, 2010, the Court approved the sale of the Subaru for $16,500 (Doc. 371).	$16,500.00
Jeep	1997 "Barbie" Jeep Wrangler	None known	On March 2, 2010, the Court approved the sale of the Barbie Jeep for $7,875 (Doc. 357).	$7,875.00

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
ATV	2004 John Deere Buck 4x4	None known	Sold for $3,300. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order, Doc. 97).	$3,300.00
Utility Vehicle	2001 Kawasaki Mule 4x4 Model 3010	None known	Sold for $4,325. Given the dimunitive value of this vehicle, the Receiver was authorized to sell it without further approval from the Court (see Order, Doc. 97).	$4,325.00
Car	2009 BMW 535i	Payoff balance of $13,433.88 on loan with BMW Financial Services	BMW, previously used by Paul Downey in connection with Quest, was sold for $17,000.00 (see Order, Doc. 1050). After payment of the outstanding loan on the vehicle, the Receiver received $3,566.12.	$3,566.12
Car	2007 Lexus LS	None known	Seized from Donald and Joyce Rowe and sold for $26,750 at a sheriff's public auction. After payment of fees and costs, the Receiver received $24,605.25 from the sale.	$24,605.25
Other Assets Recovered				
Marguerite J. Nadel Revocable Trust UAD 8/2/2007	The Receiver's investigation revealed that this trust was funded entirely with proceeds of Nadel's scheme	None known	On February 11, 2009, the Court expanded the Receivership to include the trust (Doc. 44). The Receivership took control of the account and transferred the funds into Receivership accounts.	$381,142.34

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Three bank accounts	Three bank accounts jointly held in Marguerite and Art Nadel's name which had been frozen at the beginning of the Receivership	None known	On July 12 , 2012, the Court entered an order denying Mrs. Nadel's motion for relief from the freeze order for these three accounts (Doc. 884). On July 17, 2012, the Court entered an order directing the banks to transfer all money held in these accounts to the Receiver (Doc. 887). On August 3, 2012, $28,384.84 was transferred to the Receiver from these three accounts. The accounts are now closed.	$28,384.84
Jewelry	39 pieces of various jewelry obtained from Queen's Wreath Jewels, Inc., Mrs. Nadel, Sharon Moody, and another profiteer	None known	On March 11, 2011, the Court approved the sale of the jewelry by public auction (Doc. 608). Through an auction held by Leslie Hindman Auctioneers on April 10 and 11, 2011, the Receiver successfully sold all 39 pieces for a total of approximately $643,890. After payment of commission and other related expenses, the Receivership estate netted approximately $591,883.85 from the sale of this jewelry.	$591,663.85
Office Furniture	Miscellaneous used office furniture obtained from Receivership Entities' offices	None known	Given the dimunitive value of this furniture, the Receiver was authorized to sell it without further approval from the Court (*see* Order, Doc. 97).	$3,500.00
Home Front Homes assets	Miscellaneous assets of Home Front Homes which were not included in the asset purchase agreement. These assets included a pick-up truck, two small free standing storage structures, and a telephone system	None known	Given the dimunitive value of these items, the Receiver was authorized to sell them without further approval from the Court (*see* Order, Doc. 97).	$7,600.00

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Computer equipment	Miscellaneous dated and used computer equipment obtained from the Office	None known	Given the dimunitive value of this equipment, the Receiver is authorized to sell it without further approval from the Court (see Order, Doc. 97). The Receiver is selling pieces as he is able though the internet and other means.	$763.00
Piano	A Yamaha baby grand piano	None known	On August 1, 2012, the Receiver filed a motion seeking the Court's approval of the sale of the piano for $9,900 (Doc. 891), which the Court granted on August 2, 2012 (Doc. 892).	$9,900.00
Paintings	Various paintings obtained from David Band in connection with a settlement involving transfers from Donald Rowe	None known	The paintings were sold through auction. The Receiver received net proceeds of $1,146 from the sale of the paintings.	$1,146.00
Receivables/Notes/Securities				
Bonds.com promissory notes and shares of stock	five promissory notes from Bonds.com in the total amount outstanding of $1,840,636 made payable to the Moodys and Valhalla Investment and approximately 7,582,850 unrestricted shares of Bonds.com stock		On April 13, 2012, the Court approved the Receiver's agreement between him and Bonds.com for the repayment of debt, termination of rights, and repurchase of securities (Doc 816). In pertinent part, the agreement (1) retired all of the indebtedness of Bonds.com to the Receivership as reflected in the promissory notes in exchange for payment of $2,250,000 within five days of entry of the order approving the agreement; and (2) allowed Bonds.com to repurchase the shares of stock for payment of $5,000.	$2,255,000.00

Receivership Assets Sold or Otherwise Disposed

Asset	Description of Asset	Loans/Liens	Disposition	Amount Received/ Waived
Flagship Global Health, Inc. ("Flagship") promissory note	a convertible promissory note in the amount of $250,000 from Flagship to Valhalla Investment Partners		Flagship filed for relief under Chapter 7 of the Bankruptcy Code. The Receiver submitted a claim for $149,300.91, which was the outstanding balance of the note including accrued and unpaid interest. The claim was allowed for the full amount claimed. On July 19, 2012, the Receiver received $94,525.40, representing 63.3120% of the Receiver's claim, in full satisfaction of the claim.	$94,525.40
MAM Software shares of stock	5,564 shares of ADNW stock which became Aftersoft and is now known as MAM Software		The Receiver learned that these shares were escheated to the State of Florida in March 2012. The state liquidated these shares in July 2012. The Receiver submitted a claim to these shares and received a check for $12,797.20 in March 2013, which is the amount the state had obtained from the sale of the shares.	$12,797.20
Endai Marketing Growth, Inc. ("Endai") shares	67,000 shares of Endai stock held in the name of Valhalla Investment Partners		The Receiver obtained an appraisal for the Endai shares which found that the Receivership's Endai holdings were worth approximately $6,578.24. On August 31, 2012, the Court approved an agreement for the sale of these shares to Endai for $15,000 (Doc. 903).	$15,000.00

EXHIBIT C

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Real and Personal Property				
2140 Hillview St., Sarasota (Rental Property)	$296,000.00		$228,000 (as of 1/2009)	The Receiver carefully investigated the financial and physical condition of this property and determined it was not in the best interest of the Receivership to take title. The property carried considerable debt and was in significant disrepair. The Receiver determined that the loan on the property had not been paid since early 2009 and the fair market value, as determined by a licensed real estate broker, was far less than the amount of the debt. This property has been foreclosed on by the bank holding the debt.
1881 Summerwalk Circle, Sarasota (Rental Property)	$312,000.00		$241,300 (as of 1/2009)	The Receiver carefully investigated the financial and physical condition of this property and determined it was not in the best interest of the Receivership to take title. The property carried considerable debt and was in significant disrepair. The Receiver determined that the loan on the property had not been paid since early 2009 and the fair market value, as determined by a licensed real estate broker, was far less than the amount of the debt. This property has been foreclosed upon by the bank holding the debt.

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Hideaway Bay Club, Unit K2, Little Gasparilla, FL (1/3 ownership in Vacation Condominium)	$150,000.00			The Receiver brought an action to recover money received from Chris Moody in connection with this condominium. On November 26, 2013, the Receiver filed a motion to approve a settlement of the action (Doc. 1090). In pertinent part, the settlement provides that the defendants will pay the Receiver $70,000. The Court approved the settlement on November 26, 2013 (Doc. 1092) and the $70,000 has been paid to the Receiver.
1997 Jeep (Barbie)				Sold for $7,875 on or about March 2, 2010 (Order, Doc. 357).
1996 Wellcraft Scarab Sport boat (Purchased in 1999)	$45,000.00		$26,200 (as of 1/2009)	The Receiver carefully investigated the financial and physical condition of the boat and determined that it was not in the best interest of the Receivership to take title. The boat carried considerable debt and was in need of significant repairs. The Receiver determined that the fair market value of the boat was significantly less than the amount of the debt.
King Air (Valkyrie Aviation)			$1,000,000	The Receiver is evaluating Chris Moody's interest in this entity.

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Financial Accounts/Securities				
Regions Bank Checking Account				The Receiver obtained the balance of this account which was $8,085.00.
Bonds.com		4,116,084 shares		Pursuant to the agreement between the Receiver and Bonds.com for the repayment of debt, termination of rights, and repurchase of securities, which was approved by the Court, these securities were repurchased on October 10, 2012 for $5,000. Please refer to Section V.C.2 of the Twelfth Interim Report for more details regarding this agreement.
Drinks Americas Holdings, Ltd.		233,293 shares		The Receiver has possession of these shares. Due to reverse splits, the number of shares has significantly decreased. The Receiver is attempting to determine the available market for these shares.
China New Energy Group Company		2,500 shares		The Receiver has possession of these shares and is attempting to determine the available market for these shares.
Flagship Global Healthcare, Inc.		153,265 shares		This company has filed for bankrupcty under Chapter 7 of the Bankruptcy Code. It is unlikely that the Receiver will be able to recover any funds for this investment.
Celsia Technologies (formerly iCurie)		2,912 shares Series A pfd. - 8% deb. (converted to 37,866 shares common stock)		This company is no longer in operation and all of its assets have been sold. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Business Interests				
C.D.M. Leasing LLC	100%			This is an inactive Florida Limited Liability Company. The company owned three vehicles which were being leased to Receivership Entity Respiro, Inc. On March 15, 2013, the Court granted the Receiver's motion to transfer title to the vehicles to Respiro (Doc. 989). The company does not have any other assets.
Valkyrie Aviation, LLC	100%			This is an inactive Florida Limited Liability Company established to co-own and operate King Air. This company has a potential $112,500 interest in an airplane transferred to another entity which assumed the note and mortgage. The Receiver is evaluating this transaction and Chris Moody's interest in the airplane.
Collingwood Construction Group, LLC	16%			Collingwood Construction Group, LLC was liquidated through a Chapter 7 bankruptcy proceeding and is no longer in operation. Accordingly, the Receiver will not be able to recover any funds for this investment.
TRD Land 43, LLC	3.22% Limited Partnership Interest			Chris Moody invested approximately $59,500 in this company to help fund the purchase of 43 acres in Mayyaka, Florida. The Receiver is evaluating Chris Moody's interest in this property.
Rand Hillview, LLC	11 limited Partnership units			The property owned by this entity was foreclosed on by the bank. It does not appear that the Receiver will be able to recover any funds for this investment.

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Screen Test Studios, LLC	150,000 est. units			The Receiver is evaluating Chris Moody's interest in this entity.
Citi Wifi Networks	150 shares (purchased for $100,000)			The Receiver is evaluating Chris Moody's interest in this entity.
Callahan Energy Partners	1 unit of interest (purchased for $2,500)			The Receiver is evaluating Chris Moody's interest in this entity.

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Receivables/Notes				
Bonds.com	two promissory notes in the amounts of $1,236,836 and $50,000			Pursuant to the agreement between the Receiver and Bonds.com for the repayment of debt, termination of rights, and repurchase of securities, which the Court approved, this debt was retired along with all other Bonds.com debt to the Receivership in exchange for payment of $2,250,000. Please refer to Section V.C.2 of the Eleventh Interim Report for more information regarding this agreement.
iCurie; Celsia Technologies	$24,992.00			This company is no longer in operation and all of its assets have been sold. As such, it is unlikely that the Receiver will be able to collect on this note.
Dennis Fontaine - Rocket Science Labs (RSL Wrist ID); Pet Tattoos & Other Pet Products	2 loans and a note - Note for $50,000 and loans of $140,910.			The Receiver is contemplating the appropriate course to take for collection of these receivables.
Callahan Energy Partners	$50,000.00			The Receiver believes that $30,000 is still outstanding on this loan and is evaluating the appropriate course of action to take with respect to collection of the outstanding balance.
Respiro, Inc.	$577,500.00			Chris Moody loaned $577,500 to this company which was owned by his wife. The Receivership was expanded to include Respiro on September 21, 2012 (Doc. 916). The assets of Respiro were sold on October 4, 2013 for $45,750. This sale was approved by the Court (Doc. 1075).

Chris Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
One World Ocean, LLC/Dennis Geers	$120,500.00			This limited liability company is a program for fractional ownership in yachts. Chris Moody made a series of loans to Dennis Geers in connection with this company. On August 31, 2012, the Receiver sent a demand letter to Mr. Geers for the outstanding loan balance.
Collingwood Construction Group	$100,000.00			Chris Moody loaned Collingwood $100,000. As this company was liquidated through a Chapter 7 bankruptcy, it is unlikely that the Receiver will be able to collect on this loan.
Sea Gate Land	$90,000.00			The Receiver is contemplating the appropriate course to take for collection of this receivable.

EXHIBIT D

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Real and Personal Property				
464 Golden Gate Pt., Apt. 703, Sarasota, Florida	$2,160,000.00		a primary mortgage loan from MSC Mortgage LLC in the amount of $956,000 and a home equity line of credit from Wells Fargo Bank with an initial balance of $880,000	The Receiver was granted possession of this property on January 28, 2010 (Doc. 327). This property is a residential condominium unit in a building called La Bellasara and was Neil Moody's primary Florida residence. The Receiver is trying to sell this property and negotiate with the lenders in an effort to generate money for the Receivership estate.
Miscellaneous personal items which include, household furnishings and art, electronics, three pistols, a custom knife, and six cases of mostly modest vintage California wines				The Receiver has consigned many of these items. To date, the Receiver has recovered approximately $18,983.84 from the sale of some of these items after payment of commissions and other costs associated with the sales. The Receiver still has some items on consignment and is in the process of trying determine the best method to sell the other items which have not been consigned.
Financial Accounts/Securities				
First American Bank Account of Neil Moody Charitable Foundation				The Receiver obtained the balance of this account which was $375.25.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Bonds.com		1,041,667 shares		Pursuant to the agreement between the Receiver and Bonds.com for the repayment of debt, termination of rights, and repurchase of securities, which was approved by the Court, these securities were repurchased on October 10, 2012 for $5,000. Please refer to Section V.C.2 of the Twelfth Interim Report for more details regarding this agreement.
First American Bank		36,000 shares		The Receiver has obtained possession of these shares and is attempting to sell them.
Nerium Biotechnology, Inc.		309,097 shares		The Receiver is working on obtaining possession of these shares and is attempting to determine the available market for these shares.
Phoenix BioTechnology, Inc.		123,218 shares		The Receiver is working on obtaining possession of these shares and is attempting to determine the available market for these shares.
Electronic Card Game, Inc.		50,000 shares		This company was liquidated through a Chapter 7 bankruptcy and is no longer in operation. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.
Celsia Technologies (formerly iCurie)		75,000 shares Series A pfd		This company is no longer in operation and all of its assets have been sold. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Drinks Americas Holdings, Ltd.		2,331,577 shares		The Receiver is working on obtaining possession of these shares. Due to reverse splits, the number of shares has significantly decreased. The Receiver is attempting to determine the available market for these shares.
Mimeo.com		12,500 Series C preferred shares and 549 Series AB-1 preferred shares		The Receiver has obtained possession of these shares and is attempting to sell them.
KineMed, Inc.		162,008 common shares, 587,687 AA preferred shares		The Receiver has obtained possession of these shares and is attempting to sell them.
Active RFID Systems		50,000 shares		This company is no longer in business. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.
Advanced Nanotech, Inc.	$75,000.00			This company was liquidated through a Chapter 7 bankruptcy and is no longer in operation. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.
Gold Reef International Inc. n/k/a Montana Gold Mining		20,000 common shares		The Receiver has obtained possession of these shares and is attempting to determine the available market for these shares.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
MAM Software Group, Inc.		10,630 shares		The Receiver is working on obtaining possession of these shares and is attempting to determine the available market for these shares.
Vital Living		268,445 shares		This company is no longer in business. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.
Business Interests				
The Rustic Oven (I and II)	$2,390,000.00	75% interest in both		These were two restaurants located in Colorado. They are no longer in operation and all assets were encumbered. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.
Collingwood Construction Group, LLC	16%			Collingwood Construction Group, LLC was liquidated through a Chapter 7 bankruptcy proceeding and is no longer in operation. Accordingly, the Receiver will not be able to recover any funds for this investment.
Callahan Energy Partners	2 units		$5,000.00	The Receiver is researching Neil Moody's interest in this entity.
Gibraltar Energy, LLC	$150,000.00			The Receiver is researching Neil Moody's interest in this entity.
First Nations Management, LLC	$2,429,706.00			This company is no longer in business. As such, it is unlikely that the Receiver will be able to recover any funds for this investment.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Netwolves	31 units ($49,600)			This company underwent reorganization through a Chapter 11 bankruptcy proceeding. As a result of this reorganization, previously held interests were cancelled. The Receiver is still researching this matter, but it does not appear likely that he will be able to recover any funds for this investment.
Screen Test Studios, LLC	100,000 units			The Receiver is evaluating Neil Moody's interest in this entity.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Receivables/Notes				
Bonds.com	promissory note in the amount of $250,000.00			Pursuant to the agreement between the Receiver and Bonds.com for the repayment of debt, termination of rights, and repurchase of securities, which the Court approved, this debt was retired along with all other Bonds.com debt to the Receivership in exchange for payment of $2,250,000. Please refer to Section V.C.2 of the Eleventh Interim Report for more information regarding this agreement.
Collingwood Construction Group	$50,000.00			Neil Moody loaned Collingwood $50,000. As this company was liquidated through a Chapter 7 bankruptcy, it is unlikely that the Receiver will be able to collect on this loan.
Fast Funds	$50,000 unsecured note			The Receiver is researching Neil Moody's interest in this entity.
South West Casino Corp	$50,000 convertible note			It appears that this entity may no longer be in business. The Receiver is conducting further research regarding this entity and Neil Moody's interests.
Legacy Card Co., Inc.	$50,000 convertible note			The Receiver is researching Neil Moody's interest in this entity.

Neil Moody's Assets

Asset	Purchase Price or % of Interest Acquired	Share Information	Loans/Liens	Status/Disposition
Rocket Science Labs (Dennis Fontaine)	personal loan of $40,000			The Receiver is contemplating the appropriate course to take for collection of these receivables.
Tasker Products	$50,000 convertible note			This company is no longer in business and all assets have been liquidated. As such, it is unlikely that the Receiver will be able to recover any funds for this note.
Callahan Energy Partners	$60,000.00			The Receiver is researching Neil Moody's interest in this entity.