

1 DAVID R. ZARO (BAR NO. 124334)  
 TED FATES (BAR NO. 227809)  
 2 TIM HSU (BAR NO. 279208)  
 ALLEN MATKINS LECK GAMBLE  
 3 MALLORY & NATSIS LLP  
 515 South Figueroa Street, Ninth Floor  
 4 Los Angeles, California 90071-3309  
 Phone: (213) 622-5555  
 5 Fax: (213) 620-8816  
 dzaro@allenmatkins.com  
 6 tfates@allenmatkins.com  
 thsu@allenmatkins.com

7 Attorneys for Receiver  
 8 KRISTA L. FREITAG

9  
 10 **UNITED STATES DISTRICT COURT**  
 11 **CENTRAL DISTRICT OF CALIFORNIA**  
 12 **WESTERN DIVISION**

13 SECURITIES AND EXCHANGE  
 COMMISSION,

14 Plaintiff,

15 v.

16 WORLD CAPITAL MARKET INC.;  
 17 WCM777 INC.; WCM777 LTD. d/b/a  
 WCM777 ENTERPRISES, INC.; and  
 18 MING XU a/k/a PHIL MING XU,

19 Defendants,

20 KINGDOM CAPITAL MARKET, LLC;  
 MANNA HOLDING GROUP, LLC;  
 21 MANNA SOURCE INTERNATIONAL,  
 INC.; WCM RESOURCES, INC.;  
 22 TOPACIFIC, INC., TO PACIFIC, INC.  
 VINCENT J. MESSINA,  
 23 INTERNATIONAL MARKET  
 VENTURES, AEON OPERATING,  
 24 INC.; AND PMX JEWELS, LTD.,

25 Relief Defendants.

Case No. CV-14-2334-JFW-MRW

**RECEIVER'S SIXTH INTERIM  
 REPORT**

Ctrm: 16  
 Judge: Hon. John F. Walter

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## I. EXECUTIVE SUMMARY

This equity receivership involves a large, complex, and wide ranging group of enterprises and assets associated with the Ponzi scheme that is the subject of the First Amended Complaint filed by the Securities and Exchange Commission ("Commission"). This report covers the Receiver's activities during the second quarter of 2015, during which time, having obtained approvals and authorization from the Court, the Receiver (a) closed the sales of The Links at Summerly golf course and the Lake Elsinore residential property, (b) settled the Dantona/Governmental Impact litigation, (c) pursued claims against Robert Sensi and Sue Wang, *et al.*, (d) restructured the promissory notes issued by MycoTechnology, (e) filed her motion for approval of proposed claims procedures, (f) continued to address water issues and other operational challenges at the Glen Ivy Golf Course and better position it for sale, and (g) worked towards the sale of the remainder of the real property assets.

This report should be read in conjunction with the Receiver's five prior interim reports, as well as the Receiver's Forensic Accounting Report, all of which contain substantial background and detail on assets recovered and secured. Dkt. Nos. 28, 129, 258, 302, 324, and 359. Effort has been made not to repeat the content of these prior reports.

## II. SUMMARY OF RECEIVER'S ACTIVITIES

### A. Cash Recoveries

During the second quarter of 2015, the Receiver recovered approximately \$71,000 from the retainer held by WCM's former counsel, Wellman & Warren LLP (pursuant to a Court-approved stipulation), approximately \$650,000 from the sale of The Links at Summerly golf course, approximately \$425,000 from the sale of the Lake Elsinore residential property, and \$77,000 pursuant to the Court-approved settlement with Dantona/Governmental Impact (with another \$58,000 to be paid in monthly installments).

1           **B.     Real Property**

2           During the second quarter of 2015, the Receiver continued to manage and  
3 operate the following real properties owned by the Receivership Entities:

4           • 3620 Cypress Avenue, El Monte, California, (property owned by  
5 Receivership Entities and the location of the accounting and other  
6 operations for certain Receivership Entities) ("El Monte Warehouse").

7           The Receiver has used this secured and monitored warehouse space to  
8 primarily store records, and has completed the sale of the personal  
9 property located therein. The Receiver has also coordinated an  
10 inspection with the City of El Monte to secure the Certificate of  
11 Occupancy, which had not been obtained by Defendants. A qualified  
12 broker for disposition of the warehouse has been engaged and sale  
13 preparations, including various repairs, are underway.

14          • 24400 Trilogy Parkway, Corona, California ("Glen Ivy Golf Course").  
15          The Receiver has continued operations of this golf course as discussed  
16 further below and is making preparations for the sale thereof. The  
17 Receiver requested proposals from four (4) qualified brokers, and has  
18 now interviewed and selected a broker for disposition of the course.

19          • 29381 Village Parkway, Lake Elsinore, California (Golf Course known  
20 as "Links at Summerly"). On April 6, 2015, after extensive marketing  
21 efforts, the Receiver filed a motion seeking approval of a sale of the  
22 property for \$750,000 and the associated liquor license for \$25,000.  
23 Dkt. No. 320. The Court approved the sale on May 8, 2015. Dkt.  
24 No. 335. The sale of the real property closed on May 28, 2015. The net  
25 sale proceeds were approximately \$650,000. The sale of the liquor  
26 license will close once the Alcoholic Beverage Commission has  
27 approved the transfer.

28

- 1           • 16114 Grand Avenue, Lake Elsinore, California (single family  
2           residence) ("Lake Elsinore Property"). The Court approved the sale of  
3           this property and, after considerable delays by the buyers' lender, the  
4           sale closed on May 7, 2015. The net sale proceeds were  
5           approximately \$425,000.
- 6           • Wasioja Road, New Cuyama, Santa Barbara County, California (vacant  
7           raw land) ("New Cuyama Property"). Upon completing interviews of  
8           several prospective brokers in early March 2015, the Receiver engaged  
9           a broker for the sale of this property, subject to Court approval. The  
10          Receiver will seek Court approval once terms have been agreed upon  
11          with a buyer. No offers have been received thus far and the Receiver  
12          expects the marketing process will take some time, particularly in light  
13          of the drought.

14           *Glen Ivy & Links at Summerly Golf Courses*

15           KCM purchased the Glen Ivy Golf Course and the Links at Summerly Golf  
16          Course on September 10, 2013 and October 1, 2013, for \$6,500,000 and \$1,650,000,  
17          respectively.

18           1.       *Glen Ivy Golf Course*

19           The Receiver, the management company ("CSC"), and the golf course  
20          consultant continue to work with the homeowner's association related to this property  
21          ("Trilogy HOA") to attempt to address systemic issues stemming from the parties'  
22          inherent divergent interests, water agreement, deferred maintenance matters,  
23          changeover of the property's water service provider and its associated demands,  
24          reestablishing access to a secondary water source, and other items. The Receiver has  
25          also been in contact with the original developer of the golf course regarding issues  
26          related to certain habitat maintenance matters for sensitive species at and around the  
27          golf course, as addressed in certain contracts and documents.

28

1 The Receiver has dealt with various accidents/safety incidents occurring at the  
2 golf course prior to and during her time in control. In each instance, the Receiver has  
3 reported the event to insurance and provided assistance as necessary or required to  
4 process the claims promptly.

5 As previously mentioned, the Receiver has selected a qualified broker for the  
6 disposition of this property, and is presently working towards marketing same for  
7 sale.

8 2. Links at Summerly Golf Course

9 As discussed in prior reports, the Receiver worked aggressively to market and  
10 sell this golf course. As noted above, during the second quarter of 2015, the sale was  
11 approved by the Court and the transaction closed.

12 **C. Investments, Loans, and Other Transfers to Third Parties**

13 Through her investigation, interviews, forensic accounting, and document  
14 review, the Receiver identified a large number of investments, loans, and other  
15 transfers to third parties. The following is an updated summary of transfers made to  
16 Relief Defendants and other third parties, which the Receiver is actively  
17 investigating and pursuing.<sup>1</sup>

18 PMX Jewels and PMX Holdings

19 The full background regarding the \$1.3 million transferred to PMX Jewels  
20 from the Receivership Entities is provided in the Receiver's Third Interim Report.  
21 As previously reported, the Receiver located the product of one of the diamond  
22 acquisitions which was being held by Diamex, Inc. ("Diamex") in its offices in  
23 New York ("Diamex Diamonds"). The Diamex Diamonds have now been insured  
24 and delivered to a diamond cutter in Los Angeles who has been engaged to polish  
25 and cut the diamonds. The diamond cutter had to order special wheels and estimates

26 \_\_\_\_\_  
27 <sup>1</sup> Note, the Receiver is actively investigating and pursuing various other transfers,  
28 including transfers identified through her forensic accounting; however, due to  
ongoing investigation and/or lack of material changes to information provided in  
prior reports, those transfers are not specifically discussed herein.

1 that the polishing and cutting work will be completed by on or around September 30,  
2 2015. A master gemologist appraiser in Los Angeles will ultimately assist with  
3 marketing and selling the Diamex Diamonds upon completion of the polishing and  
4 cutting process. It should be noted that the Diamex Diamonds are flawed stones.  
5 When appropriate, the Receiver will seek further orders from this Court regarding the  
6 disposition of the Diamex Diamonds.

7 On November 14, 2014, based on PMX Jewels' failure to file any of the  
8 required pre-hearing documents or participate in the evidentiary hearing, the Court  
9 determined that PMX Jewels has no legitimate claim to the \$1.3 million it received  
10 from Defendants. Further, on February 4, 2015, the Court ordered PMX Jewels to  
11 disgorge \$1.3 million to the Receiver by February 17, 2015. No funds have been  
12 received to date.

13 WCM Resources and Aeon Operating

14 The Receivership Entities' records and Xu indicated that \$4.3 million was  
15 transferred to Relief Defendant WCMR. WCMR then invested approximately  
16 \$3.1 million of these funds in oil and gas leases in Texas and Louisiana and  
17 contracted with Aeon Operating Inc., located in Texas ("Aeon"), to operate the  
18 leases. The Receiver secured approximately \$1.2 million remaining in the WCMR  
19 account upon her appointment.

20 The Receiver and her counsel have been in communication with Aeon and its  
21 counsel, as well as industry consultants, to gather information about the leases and  
22 operations and evaluate options for disposing of the leases and maximizing the  
23 recovery therefrom. This work is ongoing.

24 Robert Sensi

25 During the 60 days preceding the Receiver's appointment, Robert Sensi  
26 received \$403,000 from the Receivership Entities purportedly for consulting  
27 services. The Receiver demanded Sensi return the funds (then believed to be  
28 \$385,000) and offered to settle the receivership estate's claims for \$335,000, subject

1 to Court approval. Sensi rejected the offer. Accordingly, on October 31, 2014, the  
2 Receiver filed a motion seeking authority to proceed with an action against Sensi to  
3 recover the full \$385,000. The Court granted the motion on November 20, 2014.

4 While completing her forensic accounting, the Receiver discovered an  
5 additional \$15,000 check to Mr. Sensi as well as a wire amount which had been  
6 understated by \$3,000. On March 11, 2015, the Court granted the Receiver leave to  
7 file a First Amended Complaint. The Receiver filed her First Amended Complaint  
8 on March 12, 2015, increasing the amount demanded to \$403,000. The Receiver  
9 propounded discovery requests to Sensi (to which Sensi responded), through counsel,  
10 took Sensi's deposition, and scheduled mediation.

11 Through counsel, the Receiver has reached a compromise with Sensi and  
12 agreed, subject to Court-approval, to the entry of a stipulated judgment in the amount  
13 of \$325,000 in favor of the Receiver. The Receiver provided an update to the Court  
14 regarding this compromise. Pursuant to this Court's August 21, 2015 Order issued in  
15 response to the Receiver's update (Dkt. No. 369), the Receiver has filed a motion for  
16 approval of the stipulation for entry of judgment, scheduled to be heard on  
17 September 14, 2015. Upon Court approval, the Receiver will look to file the  
18 stipulation and seek entry of judgment against Sensi.

19 *Governmental Impact/James Dantona*

20 On August 19, 2014, the Receiver filed her motion for authority to pursue  
21 claims against Governmental Impact, Inc. ("GII"), James Dantona, Zayda Aberin,  
22 and ZHB International Corp. Dkt. No. 131. The motion was granted and the  
23 Receiver filed her complaint on September 26, 2014. Case No. CV14-07518 JFW  
24 (MRWx). GII and Dantona filed answers on October 20, 2014.

25 On April 23, 2015, the Receiver filed a motion for approval of settlement with  
26 GII and Dantona. Dkt. No. 325. The motion was granted, GII and Dantona have  
27 since made payment to the Receiver pursuant to the settlement, and they were  
28 dismissed from the action on May 1, 2015.

1           Aberin and ZHB failed to respond to the Receiver's complaint and failed to  
2 appear to defend this action. Their defaults were entered, and, on the Receiver's  
3 motion, a default judgment was entered against them for \$325,000. Since the default  
4 judgment was entered, the Receiver's counsel was contacted by counsel purporting to  
5 represent Aberin and ZHB to discuss the judgment and possible settlement based on  
6 claims that Aberin and ZHB have limited net worth and no significant assets or  
7 equity in their home. While these discussions are ongoing, the Receiver has  
8 requested specific documentation to confirm Aberin and ZHB's claims of limited net  
9 worth and will file a motion with this Court if settlement of the judgment is  
10 appropriate.

11           *BBPride, LLC/Jonathan Pollon/Stephen J. Huntsman*

12           As previously reported, WCM loaned approximately \$203,500 to Jonathan  
13 Pollon, his company BBPride, LLC ("BBPride"), and Stephen J. Huntsman  
14 purportedly for the purpose of purchasing "Alluvial Gold Dore Nuggets" from  
15 sources in Kenya. On December 15, 2014, the Receiver, Pollon and Huntsman  
16 entered into a Forbearance and Loan Modification Agreement whereby Pollon,  
17 BBPride, and Huntsman agreed to repay \$125,000 over a period of twelve (12)  
18 months. In the event of default, the Forbearance Agreement included a Confession  
19 of Judgment in favor of the Receiver. The first payment due date was February 15,  
20 2015, and no payment was received. Pollon and Huntsman failed to cure the default  
21 and the Receiver obtained entry of the confessed judgment against them by the  
22 Los Angeles Superior Court. The Receiver is now taking steps to enforce the  
23 judgment.

24           Considering the relatively small amount of the judgment and concerns with  
25 collectability, the Receiver recommends she be authorized to engage a collection  
26 attorney to enforce the judgment with a budget of up to \$10,000. The Receiver  
27 believes that under the facts and circumstances of this judgment and these  
28 defendants, using a collection attorney is in the best interests of the receivership



1 estate. The Receiver has spoken to several collection attorneys, none of whom are  
2 willing to accept the matter on a contingent fee basis.

3 *East of Byzantium II/Passing Lane Productions*

4 As previously reported, WCM entered into a Financing Agreement dated  
5 December 16, 2013 ("Financing Agreement"), pursuant to which WCM provided  
6 \$155,000 for the production of a documentary film. In exchange, WCM received  
7 rights to profits made from the documentary, following payment of production fees  
8 and expenses, up to 120% of its initial investment, as well as a right to share in the  
9 remaining profits after other investors are similarly repaid for their contributions.

10 Since late 2014, the Executive Producer has provided updates ranging from  
11 'strong interest from prospective buyers' to limited sale opportunities. In early  
12 July 2015, a possible buyout opportunity was presented to the Receiver, but said  
13 opportunity has since cooled. The Receiver will continue to monitor the production  
14 and distribution of the film.

15 *Sue Wang/MaNa Fashion/JJ Sparkles/Yuanhao*

16 As previously reported, ToPacific made a series of transfers to Defendant  
17 Ming Xu's sister, Sue Wang, and interrelated entities. The Receiver traced these  
18 transfers, ultimately issuing subpoenas for more than 25 related bank accounts.  
19 Through this work, the Receiver discovered sufficient evidence to pursue an asset  
20 freeze for real property held under the name of Ming Xu and Sue Wang's mother,  
21 Xiaomei Deng. Dkt. No. 259. The Receiver's application was granted on  
22 December 15, 2014. Dkt. No. 260. The Receiver then sought permission to pursue  
23 claims against Sue Wang, Xiaomei Deng, and the related entities. The Court granted  
24 the motion on January 22, 2015, and gave the Receiver 60 days to file her complaint.  
25 The Receiver filed her Complaint on March 23, 2015. Dkt. No. 273.

26 On March 30, 2015 and April 1, 2015, respectively, the Receiver sought and  
27 obtained a Court order freezing two additional real properties owned by Sue Wang  
28 (Case No. 15-CV-02147-JFW-MRW, Dkt. Nos. 10, 17), based on the Receiver's

1 discovery of additional Sue Wang related transfers, some of which led to the  
2 purchase of real property - real property sold by Sue Wang in late December 2014 –  
3 and some of which were used to pay down mortgage debt on other real property  
4 owned by Sue Wang. In August 2015, the Receiver learned that Sue Wang  
5 attempted to transfer title of two (2) of these properties on the same date the Court  
6 ordered a freeze thereon (April 1, 2015).

7 All but three defendants – JJ Sparkles, Genergeia, and Jianjun Wang - have  
8 filed answers to the Complaint. Default has been entered against these three  
9 defendants. The Receiver has propounded discovery requests on the remaining  
10 defendants and is discussing settlement with counsel for Sue Wang, Xioamei Deng,  
11 MaNa Fashion, and Saza Investment. If a settlement can be reached, the Receiver  
12 will seek Court approval thereof.

13 MycoTechnology, Inc.

14 As previously reported, KCM purchased three convertible promissory notes  
15 from MycoTechnology, Inc. ("Myco") for a total of \$1,050,000. During the second  
16 quarter of 2015, the Receiver was able to reach an agreement with Myco regarding a  
17 restructure and payoff of the notes based on additional capital raises. The Court  
18 approved the agreement on June 2, 2015. Dkt. No. 340. The Receiver has since  
19 received \$500,000 from Myco and continues to monitor Myco's activities and efforts  
20 to raise capital.

21 Frequency Networks

22 On or about August 12, 2013, KCM entered into an agreement to purchase a  
23 number of series A preferred shares ("Stock Purchase Agreement") of Frequency  
24 Networks, Inc. ("Frequency Networks"), a company engaged in providing for the  
25 sharing of video via social media. Pursuant to the terms of the purchase, KCM paid  
26 \$3,000,000 for approximately 7,000,000 shares in Frequency Networks, which  
27 originally represented approximately 10.2% of the outstanding shares. The Receiver  
28 has met with the company's executives, has assumed a seat on the Frequency

1 Networks board of directors, has requested numerous documents, and is monitoring  
2 the company's activities to determine how best to maximize the recovery from  
3 KCM's shares.

4 **D. Investor Communications**

5 The Receiver has established a dedicated web page on her website, which  
6 provides case information, updates, and answers to frequently asked questions to  
7 investors and creditors. The Internet address for the webpage is  
8 [www.worldcapitalmarketreceivership.com](http://www.worldcapitalmarketreceivership.com). In addition, the Receiver is maintaining  
9 a dedicated e-mail address and telephone line for investor inquiries and regularly  
10 returns a significant volume of emails and phone calls from investors.

11 **E. Investor Database, Notices, and Claims Process**

12 On June 3, 2015, the Receiver filed her motion requesting that the Court  
13 (1) approve the proof of claim process and proposed claim form, (2) set a claims bar  
14 date by which all investor and creditor proofs of claim must be submitted to the  
15 Receiver, and (3) authorize the Receiver to retain Epiq Systems - Class Action &  
16 Mass Tort Solutions, Inc. ("EPIQ") as claims administrator. Dkt. No. 341. On  
17 July 13, 2015, the Court granted the Receiver's motion, including approval of EPIQ  
18 as claims administrator, and set the deadline to submit claims to the Receiver as  
19 November 9, 2015. Dkt. No. 354. The Receiver is currently working with EPIQ to  
20 implement phase one of the process and is preparing to send notices and instructions  
21 for submitting claims to investors and other creditors.

22 **III. POST-RECEIVERSHIP RECEIPTS AND DISBURSEMENTS**

23 The following summary reflects the Receivership Entities' consolidated cash  
24 balance as of June 30, 2015:

25  
26  
27  
28

1	Manna Holding	\$ 78,628
2	Manna Source International	33,313
3	WCM Resources	1,278,152
4	World Capital Market	19,463,445
5	Kingdom Capital Market (non-golf - closed)	0
6	Kingdom Capital Market (golf)	133,366
7	<b>Grand Total</b>	<b>\$ 20,986,904</b>

8 The following is a summary of the consolidated cash activity in the Receiver-  
 9 controlled Receivership Entities' bank accounts for the period from March 27, 2014  
 10 through June 30, 2015:

11	<b>TRO Account Cash Balance at 3/27/14</b>	<b>\$ 2,242,756</b>
12	Recovery – Horsman Law Firm	11,281,453
13	Recovery – First General Bank	1,502,355
14	Recovery – Defendant and Affiliate Accounts	419,862
15	Recovery – Baseballers Against Drugs	100,000
16	Recovery – Undisbursed Funds Held by Global Payout	56,396
17	Recovery – Funds Left in Escrow from Failed Real Estate Purchase	40,000
18	Recovery – Pasadena Office Security Deposit	10,455
19	Recovery – Monrovia Property Net Sale Proceeds	957,333
20	Recovery – Walnut Property Net Sale Proceeds	2,334,617
21	Recovery – Lazarus Third-Party Transfer	750,000
22	Recovery – Personal Property Sale Proceeds (includes garments)	313,855
23	Recovery – Vincent J. Messina Transfer	2,133,214
24	Recovery – Links at Summerly Golf Course Net Sale Proceeds <sup>2</sup>	651,309

28 <sup>2</sup> Proceeds do not yet reflect liquor license proceeds.

1	Recovery – Lake Elsinore Property Net Sale Proceeds	425,042
2	Recovery – Wellman & Warren Retainer	71,063
3	Recovery – Government Impact Settlement Funds	36,534
4	Recovery – Formerly Jointly Held Funds (Governmental Impact)	40,466
5	Other Misc. (Incl. Interest Income)	60,345
6	Golf Revenues	3,696,606
7	Golf Expenses	(4,946,818)
8	Non-Golf Real & Personal Property Expenses	(185,053)
9	WCM One-Time Payroll & Related	(46,809)
10	WCM Moving & Storage	(21,335)
11	Other Miscellaneous Expenses	(35,729)
12	Receiver Legal Fees & Expenses	(564,745)
13	Receiver Fees & Expenses	(380,503)
14	<b>Cash Book Balance at 06/30/15</b>	<b>\$ 20,942,669</b>

16 As of June 30, 2015, outstanding checks relating to golf course and  
 17 Receivership Estate operations were \$24,910 and \$19,325, respectively, resulting in  
 18 a bank cash balance of **\$20,986,904**.

19 **IV. RECOMMENDATIONS**

20 As a general matter, the Receiver recommends the receivership continue and  
 21 she be authorized to continue to marshal, preserve and protect the assets of the  
 22 Receivership Entities, investigate and pursue recovery of transfers to third parties,  
 23 gather financial records and complete her accounting for purposes of asset  
 24 identification/recovery and the investor claims process, and carry out her other duties  
 25 under the Court's orders.

1           **A. Document Recovery Efforts**

2           As reasonably necessary, the Receiver will continue to obtain records from all  
3 financial institutions where the Receivership Entities maintained accounts as well as  
4 from attorneys and accountants engaged by the Receivership Entities. The Receiver  
5 has served subpoenas on certain institutions, individuals, and entities and proposes to  
6 proceed with these efforts to obtain documents, assets, and information. It may also  
7 be necessary to take the depositions of certain individuals to obtain additional  
8 information.

9           **B. Receivership Asset Recovery Efforts and Investigation**

10          The Receiver will seek to locate any presently unaccounted for receivership  
11 assets that may exist and will continue efforts to efficiently maximize recovery of  
12 assets located, to the extent reasonably possible. The Receiver also recommends  
13 continuing to explore whether there are third parties who aided Xu in connection  
14 with this enterprise. The Receiver will continue to evaluate whether such third  
15 parties should be liable for damages caused to the Receivership Entities and their  
16 investors. The Receiver will seek Court approval before pursuing any such claims.

17          **C. Maximize Value of Commercial and Residential Properties**

18          The Receiver will continue her efforts to stabilize, efficiently manage, and  
19 maximize the value and/or potential recovery of all properties owned by the  
20 Receivership Entities and will seek Court approval of proposed sales. The Receiver  
21 is also proceeding with efforts to market and sell the remaining real property assets,  
22 the New Cuyama Property in Santa Barbara County, the Glen Ivy Golf Course, and  
23 the El Monte Warehouse.

24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**D. Quarterly Reports**

Pursuant to the June 10, 2014 Order, the Receiver will file, on a quarterly basis, interim reports and interim fee applications for herself and her counsel.

Dated: August 28, 2015

  
KRISTAL FREITAG  
Receiver

Dated: August 28, 2015

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

By:     /s/ Ted Fates    

TED FATES  
Attorneys for Receiver  
KRISTA L. FREITAG