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Court-Appointed Receiver

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF UTAH

U.S. COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff,

v.

U.S. VENTURES LC, a Utah limited liability
company, WINSOME INVESTMENT
TRUST, an unincorporated Texas entity,
ROBERT J. ANDRES and ROBERT L.
HOLLOWAY,

Defendants.

Case No. 2:11CV00099 BSJ

**TWENTY-FIRST STATUS REPORT OF
R. WAYNE KLEIN, RECEIVER**

**FOR THE PERIOD FEBRUARY 1,
2016 TO MAY 31, 2016**

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of U.S. Ventures LC ("USV"), Winsome Investment Trust ("Winsome"), and all the assets of Robert J. Andres ("Andres") and Robert L. Holloway ("Holloway") (collectively, the "Receivership Entities"),

hereby submits this Twenty-First Status Report for the four-month period of February 1, 2016 through May 31, 2016 (the "Reporting Period").

I. INTRODUCTION

1. Some progress has been made on the four matters needing to be resolved in order to conclude the Receivership: a) resolution of the final case in litigation, b) collection on judgments granted to the Receiver, c) recovery of the Receivership's share of net sales proceeds from the foreclosure sale of Robert Andres' home, and d) distribution of funds to allowed claimants. The Receiver is endeavoring to complete these remaining matters quickly and with as little expense as possible so the Receivership Estate can be terminated and remaining funds distributed to investors.

II. LITIGATION

2. The last of the 89 cases filed by the Receiver seeking recovery of funds has been concluded. On March 9, 2016, the court issued a final judgment against Peter and Laurie Widmark for \$191,000.00 and \$66,633.83 in prejudgment interest. On April 7, 2016, the Widmarks filed an appeal of the judgment. On May 6, 2016, the Receiver negotiated a settlement with the Widmarks. Under the settlement, the Widmarks will repay the \$191,000.00 of excess profits they were paid by Winsome and the Receiver will not seek to collect the prejudgment interest awarded by the court. This settlement was approved by the Court, and the Widmarks will dismiss their appeal.

III. APPEAL STATUS

3. All prior appeals of litigation brought by the Receiver have been resolved with rulings in favor of the Receivership. One new appeal has been filed, by the Widmarks, which

appeal will be withdrawn now that the Court has approved the proposed settlement agreement.

4. As noted below, Robert Holloway has appealed his criminal conviction and sentence.

IV. COLLECTION, ASSET RECOVERY EFFORTS

5. The Receiver has been awarded 32 judgments that have not yet been satisfied. Many of these judgments were obtained by default, suggesting that the defendants may have few assets available to satisfy these judgments. Other judgments are against corporations and entities that have ceased their existence, making recovery more doubtful.

6. During the Reporting Period, the following collection developments occurred:

a. Liquidation of the Ravkind law firm in Texas was completed by a receiver appointed by Texas courts. The Receivership Estate has received another \$1,032.62 from this liquidation. This matter is now closed.

b. The collection law firm that is attempting to collect on twenty-three other judgments has recorded some of the judgments in other states as part of their collection efforts. During the Reporting Period, the collection firm managed to collect \$450.00 on one judgment and expects to receive ongoing payments from that defendant. No other judgments assigned to this firm produced recoveries to date.

7. As noted in prior reports, CitiMortgage foreclosed on the home owned by Robert and Ursula Andres on October 6, 2015. On January 13, 2016, CitiMortgage sold the home to a third party buyer. After satisfaction of the first mortgage, the net proceeds from the home sale were \$16,734.89. The Receiver expects to receive these proceeds in early June 2016.

V. DISTRIBUTION OF FUNDS TO ALLOWED CLAIMANTS

8. On December 9, 2015, the Court approved making a second interim distribution to 91 claimants. On December 9, 2015, the Receiver sent these claimants checks totaling \$603,605.44. During the Reporting Period, the last of these checks were cashed.

VI. HOLLOWAY RESTITUTION

9. The Receiver has previously received \$525.00 restitution payment from Robert Holloway. During the Reporting period, an additional \$100.00 in restitution was forwarded to the Receiver as restitution from Mr. Holloway, for a total collected to date of \$625.00.

10. The Receiver is working with the U.S. Department of Justice to get a large amount of forfeited funds that the DOJ is holding released to the Receiver for distribution. However, because Holloway has appealed his criminal conviction and sentencing, the Department of Justice has determined to wait until the appeal is decided before releasing the forfeited funds. The appeal was argued on October 22, 2015, but the court has not yet ruled on the appeal.

VII. FINANCIAL REPORT

A. Recoveries for the Receivership

11. During the Reporting Period, the Receivership received \$1,170.60 pursuant to judgments obtained, and \$11.01 in interest on the funds in the Receivership bank account.

B. Expenditures by the Receivership

12. Expenditures from the Receivership bank account, for operating expenses of the Receivership and distributions to investors, were as follows:

Category	Amount
Collection cost (title rept.)	\$375.00
Tax filing fee	\$100.00
Distribution checks cashed	\$8,077.00
Total	\$8,552.00

13. The Receivership bank account balance, as of May 31, 2016, was \$70,603.45. This balance does not include the \$625.00 in criminal restitution the Receiver is holding in a separate account for distribution on behalf of the U.S. Department of Justice.

VIII. NEXT STEPS

14. The next steps the Receiver expects to pursue are:

- a. Collect the \$191,000.00 settlement amount from the Widmarks now that the settlement is approved by the Court;
- b. Collect the \$16,734.89 in net proceeds from the sale of the Andres home;
- c. When the Tenth Circuit Court of Appeals has ruled on Holloway's appeal, obtain any funds held by the Department of Justice that the U.S. Government would like distributed by the Receivership Estate; and
- d. Continue collection efforts on judgments previously obtained.

15. The recoveries from the Widmarks and sale of the Andres home, as well as the ruling on the Holloway criminal appeal, are expected to be completed by September 30, 2016. This will leave only collection efforts on previously obtained judgments. Accordingly, the Receiver expects that in the early fall he will seek court approval for a process for selling the uncollected judgments through an auction process. When that process is completed, the Receiver will propose a plan for making a final distribution of funds and for terminating the Receivership

Estate.

IX. CONCLUSION

The Receiver respectfully submits this Twenty-First Status Report for the four-month period from February 1, 2016 through May 31, 2016. The Receiver verifies under penalty of perjury that the foregoing is a true and correct summary of information he has discovered to date in his investigation and actions taken during the Reporting Period.

DATED this 1st day of June, 2016.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TWENTY-FIRST STATUS REPORT OF R. WAYNE KLEIN, RECEIVER, FOR THE PERIOD FEBRUARY 1, 2016 THROUGH MAY 31, 2016** to be served in the method indicated below to the Defendants in this action this 3rd day of June, 2016.

- VIA FACSIMILE
- VIA HAND DELIVERY
- VIA U.S. MAIL
- VIA FEDERAL EXPRESS
- VIA EMAIL
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