

MANNING CURTIS BRADSHAW
& BEDNAR LLC
David C. Castleberry [11531]
dcastleberry@mc2b.com
Christopher M. Glauser [12101]
cglouser@mc2b.com
136 East South Temple, Suite 1300
Salt Lake City, UT 84111
Telephone (801) 363-5678
Facsimile (801) 364-5678

Attorneys for Plaintiff R. WAYNE KLEIN, the
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-SECOND STATUS REPORT
OF R. WAYNE KLEIN, RECEIVER**

**FOR THE PERIOD JUNE 1, 2016 TO
AUGUST 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-Second Status Report for the period of June 1, 2016 through August 31, 2016 (the "Reporting Period").

I. INTRODUCTION

1. Substantial progress has been made in concluding Receivership matters: the Receiver collected funds owed by the Widmarks, an agreement is being pursued with the U.S. Department of Justice on distribution of funds recovered as criminal restitution and in a prior civil forfeiture action, and a plan is being finalized to seek Court approval to sell the outstanding judgments held by the Receivership Estate. When the Court has ruled on the proposals to sell the judgments and distribution of Department of Justice funds, the Receiver can submit a motion seeking approval to make a final distribution and close the Receivership Estate.

II. COLLECTION ON JUDGMENTS, SETTLEMENT AGREEMENTS

2. Widmark Settlement. On June 1, 2016, the Court approved the settlement agreement between the Receiver and Peter and Laurie Widmark, pursuant to which the Widmarks agreed to pay the full amount of the Receiver's judgment and to dismiss their appeal. In exchange, the Receiver agreed to waive interest owed on the judgment. The appeal was dismissed on June 8, 2016. On June 7, 2015, the Widmarks paid \$7,500.00. On August 17, 2016, the Widmarks paid the remaining \$183,500.00.

3. Andres Home Sale. On June 6, 2016, CitiBank Mortgage paid the Receivership \$16,734.89 pursuant to a settlement agreement approved by the Court in February 2012. This amount represents the Receivership's share of net proceeds from foreclosure on the Andres home in Texas.

4. Judgment Collection. During the quarter, the Receiver received \$7,671.38 in proceeds from collection efforts on the judgments against Warren Chiu, Ravkind & Associates, and Linh Nguyen. The amounts from Ravkind and Nguyen represent the final amounts expected on those two judgments.

III. APPEAL STATUS

5. As noted above, the Widmark appeal was dismissed on June 8, 2016.

6. On June 20, 2016, the Tenth Circuit Court of Appeals affirmed the criminal conviction and sentencing of Robert Holloway.

IV. CRIMINAL RESTITUTION, CIVIL FORFEITURE FUNDS

7. To date, Robert Holloway has paid the Receivership Estate \$700.00 in criminal restitution. This money will be divided among all allowed claimants in the Receivership claims process and 18 additional persons whose claims were part of the criminal case. The Receiver intends to distribute these funds at the same time he makes the final distribution of the Receivership funds. Sadly, these checks will be for very small amounts.

8. After Holloway's criminal conviction was affirmed, the Receiver initiated discussions with the Department of Justice on distribution of \$123,008.96 in funds the Department is holding as a result of a civil forfeiture action it initiated in 2007—before the Receiver was appointed. Based on legal research conducted by the Receiver, it appears those funds are subject to control by Judge Stewart pursuant to his oversight of the 2007 forfeiture litigation. The Receiver is negotiating an agreement with the Department of Justice regarding the manner of distribution of these funds. If an agreement is reached, it will be submitted to this Court for approval.

V. PLANNED SALE OF JUDGMENTS

9. Efforts to collect amounts owed to the Receivership Estate on outstanding judgments are expensive and subject to significant uncertainties. Several judgment defendants have filed for bankruptcy protection and many others appear to have no assets. Consequently, the Receiver has engaged several law firms to attempt collection of these judgments on contingency.¹ As noted above, some amounts have been recovered on a few of the judgments. The Receiver intends to seek Court approval of a process to auction these judgments to buyers, so the judgments can be converted to cash and the Receivership Estate can be closed.

VI. FINANCIAL REPORT

A. Recoveries for the Receivership

10. During the Reporting Period, the Receivership received \$215,406.27 from settlements and collection of outstanding judgments. An additional \$13.10 in interest was earned on funds in the Receivership bank accounts.

B. Expenditures by the Receivership

11. Expenditures from the Receivership bank account for operating expenses of the Receivership were as follows:

Category	Amount
Record judgment lien	\$118.00
Tax fees (issue 1099 forms)	\$678.00
Collection fees	\$1,116.00
Bank wire fee	\$15.00
Total	\$1,927.00

¹ The law firm is paid only from a share of amounts actually collected.

12. On August 24, 2016, the Court approved payment of fees to the Receiver and his attorneys for the ten-month period from September 2015 through June 2016. \$15,085.00 was paid to the Receiver and his firm and \$29,128.74 was paid to the law firm Manning Curtis Bradshaw and Bednar.

13. The Receivership bank account balance, as of August 31, 2016, was \$239,875.36. This balance does not include the \$700.00 in criminal restitution the Receiver is holding in a separate account for distribution on behalf of the U.S. Department of Justice.

VII. NEXT STEPS

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

- a. Seek approval from the Court for a process to auction the outstanding judgments owed to the Receivership Estate and, if approved, sell the judgments.
- b. Finalize an agreement with the U.S. Department of Justice on how the \$123,008.96 in civil forfeiture funds will be distributed and submit that agreement to the Court for approval.
- c. Submit a plan to the Court for termination of the Receivership Estate and payment of the final distribution.

VIII. CONCLUSION

The Receiver respectfully submits this Twenty-Second Status Report for the period from June 1, 2016 to August 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 15th day of September, 2016.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TWENTY-SECOND STATUS REPORT OF R. WAYNE KLEIN, RECEIVER, FOR THE PERIOD JUNE 1, 2016 THROUGH AUGUST 31, 2016** to be served in the method indicated below to the Defendants in this action this 16th day of September, 2016.

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

Alan I. Edelman
James H. Holl, III
Gretchen L. Lowe
U.S. Commodity Futures Trading
Commission
1155 21st Street, NW
Washington, DC 20581
jholl@cftc.gov
glowe@cftc.gov
aedelman@cftc.gov

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

Robert L. Holloway, Inmate No. 29851-298
FCI Fort Worth
PO Box 15330
Fort Worth, TX 76119
Defendant

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

Robert Andres, Inmate No. 71972-279
FCI Englewood
9595 West Quincy Avenue
Littleton, CO 80123
Defendant

/s/ David C. Castleberry
