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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-SIXTH STATUS REPORT
OF R. WAYNE KLEIN, RECEIVER**

**FOR THE PERIOD JUNE 1,
2017 TO AUGUST 31, 2017**

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-Sixth Status Report for the period of June 1, 2017 through August 31, 2017 (the “Reporting Period”).

I. INTRODUCTION

1. Two tasks remain for the Receiver to complete in this matter before terminating the Receivership. First, the Receiver is pursuing collection of judgments previously obtained. Second, the Receiver has received title to property in Texas, as part of a prior settlement agreement with Forres McGraw. The Receiver intends to market this property as soon as he obtains the boat permit that relates to the property.

II. COLLECTION EFFORTS

2. The Receivership obtained 29 judgments. A number of the judgments were obtained by default when the defendants failed to defend the lawsuits filed against them by the Receiver. The status of these judgments is summarized in the table below.

Category	No.
Payments being made on judgments	3
Judgment amounts collected or exhausted	4
Collection efforts abandoned	7
Collection efforts ongoing	15
Total	29

3. Payments Being Made. There are judgments against three related parties where the defendants are making monthly payments of \$400. Half of this amount is forwarded to the Receivership, with the other half retained by the collection agency (which is funding all costs of collection). A total of \$2,900.00 has been paid to the Receivership to date from these three related parties.

4. Judgment Amounts Collected or Exhausted During Reporting Period. The Receivership had a judgment against Nicole Adams for \$36,750.00. Collection counsel domesticated the judgment in Louisiana. Adams provided evidence that she had few assets that could be used to satisfy the judgment. She paid \$6,400.00 in settlement. The Receivership share of the settlement amount was \$2,225.30 after payment of litigation costs of \$1,949.40 and 50% contingency fees paid to collection counsel.

5. Collection Efforts Abandoned During Reporting Period. The Receiver did not abandon collection on any additional judgments during the Reporting Period. However, he expects collection efforts on many of these judgments will ultimately be unsuccessful.

6. Collection Efforts Ongoing. The 15 cases where active collection efforts are being made are at various stages. These judgments are against defendants living in eight different states. One judgment debtor in the process of negotiating a settlement.

III. MCGRAW SETTLEMENT, PROPERTY DISPOSITION

7. As noted in the previous report, on December 20, 2016, the Court approved a settlement agreement with Forres McGraw. Under the settlement agreement, McGraw paid \$9,000 as the cash portion of the settlement on January 31, 2017. Title to lake property in Texas was transferred to the Receiver on March 9, 2017 and recorded with the county recorder on March 20, 2017.

8. When the Receiver began marketing efforts on the lake property, he discovered that McGraw also owned a boat slip use permit, which would increase the value of the property. The Receiver has demanded that McGraw deliver an assignment of the boat slip permit. To date, McGraw has failed to do so. The Receiver may seek the Court's assistance in getting McGraw to

respond to the Receiver.

IV. MOTION FILED BY ANDRES

9. On January 17, 2017, Robert Andres filed a motion with the Court entitled “Motion to Correct/Clarify Actions of Receivership.” The motion, filed by Andres from prison, made a variety of requests to the Court. Both the Receiver and the CFTC opposed Andres’ motion. On June 26, 2017, the Court issued an order denying Andres’ motion. The Court said Andres provided no justification for not having participated in the litigation leading up to the judgment against him and gave no reason for waiting over two years before filing his motion.

V. THIRD INTERIM DISTRIBUTION

10. On July 12, 2017, the Court approved the Receiver’s motion to make a third interim distribution to 92 investors in the amount of \$200,822.43.¹ The distribution checks were prepared and mailed on August 21, 2017. As of the end of the reporting period, approximately half of the checks have been cashed representing approximately three-fourths of the total distribution amount. The Receiver is resolving issues relating to these checks such as deceased claimants and checks returned because the addresses are no longer valid.

VI. FINANCIAL REPORT

11. During the Reporting Period, the Receivership received \$2,824.00 from collection efforts on outstanding judgments. An additional \$29.84 in interest was earned on funds in the Receivership bank accounts.

12. There were three expenditures from the Receivership bank account during the

¹ Docket No. 472.

quarter: \$21.00 for copies of corporate records on Onti Management Group (a judgment debtor), \$100.00 to the Utah Tax Commission as a tax filing fee, and \$98.00 for postage stamps to mail the third distribution.

13. In addition, \$153,573.31 in distribution checks were cashed in August.

14. The Receivership bank account balance, as of August 31, 2017, was \$95,222.48. However, \$47,249.13 in distribution checks remained outstanding at the end of August.

15. The Receiver and his counsel filed a fee application covering the period from July 1, 2016 to June 30, 2017 on July 27, 2017. The application was approved after the end of the Reporting Period and will be discussed in the next status report.

VII. NEXT STEPS

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

a. Continue pursuing collection work on the 15 judgments still deemed viable for collection. This includes domestication of the remaining judgments, requesting discovery of defendants to identify assets, conducting debtor examinations, and negotiating agreements to settle cases.

b. Pursue efforts to obtain the boat slip use permit for the property that McGraw transferred to the Receiver. When the boat slip permit has been obtained, the Receiver will seek court approval to appoint three appraisers for the property and when the appraisals have been obtained, list the property for sale.

VIII. CONCLUSION

The Receiver respectfully submits this Twenty-Sixth Status Report for the period from June 1, 2017 to August 31, 2017. 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 29th day of September, 2017.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TWENTY-SIXTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER, FOR THE PERIOD JUNE 1, 2017 THROUGH AUGUST 31, 2017** to be served in the method indicated below to the Parties in this action this 29th day of September, 2017.

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

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