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

*For the four-month period December 1,
2017 to March 31, 2018*

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-Eighth Status Report for the four-month period of December 1, 2017 through March 31, 2018 (the “Reporting Period”).

I. INTRODUCTION

1. Measurable progress was made during the Reporting Period on the two tasks remaining for the Receiver to terminate the Receivership: pursuing collection of judgments previously obtained and selling property in Texas received as part of a settlement agreement with Forres McGraw.

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.
Collection efforts ongoing	12
Payments being made on judgments	3
Collection exhausted after partial collection	6
Collection efforts abandoned	8
Total	29

3. Payments Being Made. There are judgments against three related parties (Warren Chiu, Winnie Chiu, and PacificWin Investments) 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 \$4,300.00 has been paid to the Receivership to date from the Chiu-related parties.

4. Judgment Amounts Collected During Reporting Period. In addition to the ongoing

payments from the Chius, the Receivership also received a payment of \$120.25 from a sheriff's sale of assets owned by Lisa Pham. The Receiver has abandoned further efforts to collect on this judgment.

5. Collection Efforts Abandoned During Reporting Period. The Receiver did not abandon collection on any additional judgments during this time period, although with the passage of time, there is less cause for optimism at being able to collect any further amounts on most of these judgments.

6. Collection Efforts Ongoing. The 12 cases where active collection efforts are being made are at various stages. These judgments are against defendants living in seven different states. Significant progress was made during the Reporting Period in the collection of the judgment against King, King, & Jones. As noted previously, the Receiver participated in an unsuccessful mediation effort in Atlanta on October 5, 2017. On February 5, 2018, a Georgia state court granted the Receiver's motion to enter judgment against David Jones, as the successor to King, King & Jones, making him liable for the entire \$25,000 judgment. On March 16, 2018, the Receiver participated in a second court-ordered mediation of the case in Atlanta, Georgia. This mediation resulted in an agreement by Jones to pay \$16,500 to the Receivership by May 10, 2018. Jones is in the process of borrowing funds to pay the settlement amount.

III. MCGRAW SETTLEMENT, PROPERTY DISPOSITION

7. Under a 2016 settlement agreement with Forres McGraw, McGraw paid \$9,000 and transferred title to lake property in Texas. However, McGraw failed to disclose ownership of a separate boat slip tied to the property and subsequently refused to transfer ownership of that asset to the Receivership.

8. On December 7, 2017, the Court entered an order requiring McGraw to transfer the boat permit to the Receiver within 14 days of the order and to notify the Court when the transfer was accomplished.¹ McGraw belatedly reported that the boat slip permit already had been returned to the owners' association. After extensive negotiations with the owners' association, the Receiver paid the past-due assessments on the boat permit and the owners' association issued the boat permit to the Receivership Estate in January 2018.

9. On March 12, 2018, the Court approved the appointment of three appraisers for the Texas property.² Those appraisals are in process. When the appraisal reports are obtained, the Receiver will respond to a preliminary offer he has received for the property and, if he deems it appropriate, will file a motion seeking court approval of the sale.

IV. 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 \$200,822.43.³ The distribution checks were mailed on August 21, 2017. As of the end of the Reporting Period, five distribution checks totaling \$2,929.50 remain uncashed. The Receiver is contacting those claimants to ensure proper receipt of the checks. One replacement check was issued near the end of the Reporting Period.

11. In late January 2018, the Receiver learned that the U.S. Department of Justice had sent payments to victims of the US Ventures Ponzi scheme, representing the proceeds of a home forfeited by Robert Holloway and his former wife. These payments are believed to be a total of

¹ Docket No. 486.

² Docket No. 491.

³ Docket No. 472.

approximately \$112,000. The Receiver assisted some claimants in obtaining information from the Department of Justice regarding these distributions.

V. FINANCIAL REPORT

12. During the Reporting Period, the Receivership received \$920.25 from collection efforts on outstanding judgments. An additional \$0.40 in interest was earned on funds in the Receivership bank accounts.

13. Expenditures from the Receivership bank account during the four-month period are summarized in the table below:

Category	Amount
Collection costs (Mar. 2017-Feb. 2018)	\$22,774.46
Property marketing expenses	\$400.00
Operating expenses	\$90.69
Total	\$26,590.48

14. The Receivership bank account balance, as of March 31, 2018, was \$8,349.48, of which \$2,929.50 reflects distribution checks that remain outstanding.

VI. NEXT STEPS

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

- a. Receive payment on the King, King & Jones judgment and continue collection work on the 11 other judgments still being pursued.
- b. Obtain appraisals on the property that McGraw transferred to the Receiver and decide whether to accept a preliminary offer for the property. If so, the Receiver will seek court approval to sell the property.

VII. CONCLUSION

The Receiver respectfully submits this Twenty-Eighth Status Report for the period from December 1, 2017 to March 31, 2018. 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 16th day of April, 2018.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TWENTY-EIGHTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER, FOR THE PERIOD DECEMBER 1, 2017 THROUGH MARCH 31, 2018** to be served in the method indicated below to the Parties in this action this 16 th day of April, 2017.

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

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