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

*For the four-month period April 1,
2018 to July 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-Ninth Status Report for the four-month period of April 1, 2018 through July 31, 2018 (the “Reporting Period”).

I. INTRODUCTION

1. During the Reporting Period, the Texas property was sold. The sole remaining tasks are collecting on—or selling—the judgments previously obtained and contacting claimants whose distribution checks have not been cashed.

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 \$4,900.00 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 \$120.00 collected from

Lisa Pham. The Receiver does not expect any further recoveries from 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. There was a setback in efforts to collect on 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 based on a planned refinancing of Jones' personal residence. The payment deadline was extended by two months while Jones widened his search for a lender. In early August (after the close of the Reporting Period) Jones informed the Receiver that he was unable to borrow funds to pay the settlement amount and will sign a promissory note promising to pay \$21,000 within three years at 5% interest. The Receiver is in the process of getting the note signed. The Receiver intends to sell the note rather than keep the Receivership Estate open for the note's duration.

III. SALE OF TEXAS LAND

7. As part of a 2016 settlement agreement with Forres McGraw, McGraw transferred

title to lake property in Texas. With approval by the Court, the Receiver obtained three appraisals of the property. After receiving an offer to purchase the undeveloped property for \$14,199, the Receiver published notice of the proposed sale and invited higher and better offers. No other offers were received and the Court approved the sale to the buyer. The sale of the property closed on August 3, 2018, after the close of the Reporting Period. The Receivership received \$12,038.45 in net proceeds from the sale.

IV. THIRD INTERIM DISTRIBUTION

8. On August 21, 2017 the Receiver mailed checks representing the third distribution of funds from the Receivership. As of the end of the Reporting Period, four distribution checks totaling \$2,497.50 remain uncashed. The Receiver is attempting to locate those claimants to ensure proper negotiation of the checks.

V. FINANCIAL REPORT

9. During the Reporting Period, the Receivership received \$720.00 as a result of collection efforts on outstanding judgments. An additional \$0.18 in interest was earned on funds in the Receivership bank accounts.

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

Category	Amount
Collection costs, mediation expense	\$3,164.45
Texas property marketing expenses	\$1,259.14
Bank fees	\$48.00
Total	\$4,471.59

11. The Receivership bank account balance, as of July 31, 2018, was \$3,903.17, of

which \$2,497.50 reflects distribution checks that remain outstanding.

12. On August 9, 2018—after the close of the Reporting Period—the Court held a hearing on the Receiver’s application for payment of fees for the Receiver and his counsel for the one-year period from July 1, 2017 to June 30, 2018 and on August 10, 2018 the Court signed an order approving payment of the fees. On August 16, 2018, the Receiver paid \$7,710.00 to the law firm Manning Curtis Bradshaw and Bednar for its legal services over the prior year. The Court authorized payment of \$12,976.00 to the Receiver for his work, but at present there are insufficient funds to pay that amount to the Receiver. If sufficient additional funds are recovered, the Receiver expects to pay the amount owed to him that has been authorized by the Court.

VI. NEXT STEPS

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

- a. Obtain a promissory note signed by David Jones on the King, King & Jones judgment and continue collection work on the 11 other judgments still being pursued.
- b. Locate the four claimants who have not cashed their checks from the third distribution and send replacement distribution checks to them or, if they cannot be located, pay the distribution amounts into the Court registry.
- c. Investigate potential buyers for the Jones promissory note and the unpaid judgments and seek Court approval to sell all the remaining Receivership Estate assets at an auction so the case can be closed.

CONCLUSION

The Receiver respectfully submits this Twenty-Ninth Status Report for the period from

April 1, 2018 to July 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 31st day of August, 2018.



WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TWENTY-NINTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER, FOR THE PERIOD APRIL 1, 2018 THROUGH JULY 31, 2018** to be served in the method indicated below to the Parties in this action this 31st day of August, 2018.

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

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