

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

COMMODITY FUTURES TRADING
COMMISSION,

Case No. 8:19-CV-886-T-33SPF

Plaintiff,

v.

OASIS INTERNATIONAL GROUP,
LIMITED; OASIS MANAGEMENT, LLC;
SATELLITE HOLDINGS COMPANY;
MICHAEL J DACORTA; JOSEPH S.
ANILE, II.; RAYMOND P MONTIE III;
FRANCISCO "FRANK" L. DURAN; and
JOHN J. HAAS,

Defendants;

and

MAINSTREAM FUND SERVICES, INC.;
BOWLING GREEN CAPITAL
MANAGEMENT LLC; LAGOON
INVESTMENTS, INC.; ROAR OF THE
LION FITNESS, LLC; 444 GULF OF
MEXICO DRIVE, LLC; 4064 FOUNDERS
CLUB DRIVE, LLC; 6922 LACANTERA
CIRCLE, LLC; 13318 LOST KEY PLACE,
LLC; and 4 OAKS LLC,

Relief Defendants.

THE RECEIVER'S THIRD INTERIM REPORT

Receivership Information and Activity from October 1, 2019 through December 31, 2019.

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INTRODUCTION

Burton W. Wiand, the Court-appointed receiver over the assets of the above-captioned defendants and relief defendants (the “**Receiver**” and the “**Receivership**” or “**Receivership Estate**”), files this Third Interim Report to inform the Court, investors, creditors, and others interested in this Receivership of activities to date as well as the Receiver’s proposed course of action. The Receiver has established an informational website, www.oasisreceivership.com, which he has updated periodically. The Receiver will continue to update the website regarding the Receiver’s most significant actions, important Court filings, and other items that might be of interest to the public. This Third Interim Report, as well as all previous and subsequent reports, will be posted on the website.¹

Overview of Significant Activities During this Reporting Period

During the time covered by this Third Interim Report, the Receiver and his professionals engaged in the following significant activities:

- Obtained Court approval and closed the sale of 444 Gulf of Mexico Drive #3 in Longboat Key, Florida for **\$2,100,000** (gross of closing costs and expenses);
- Entered into an agreement to sell 6922 Lacantera Circle in Lakewood Ranch, Florida for **\$2,050,000** (gross of closing costs, a mortgage, and expenses) and filed a pending motion for Court approval of the transaction;
- Recorded a deed in lieu of foreclosure on a **\$215,000** mortgage regarding 16804 Vardon Terrace #307 in Lakewood Ranch, Florida to take formal ownership of that property and begin sales efforts;

¹ As directed by the Court, the Receiver will submit his next interim report and subsequent reports within thirty days after the end of each calendar quarter. Where possible, the Receiver has also included information about events occurring between December 31, 2019 (the end of the reporting period) and the date of this filing.

- Continued to list and market an additional eight properties for sale through Coldwell Banker² for a total of approximately **\$6,314,000** (gross of closing costs, mortgages, and expenses);
- Continued renting 6300 Midnight Pass Road, No. 1002 in Sarasota, Florida to short-term guests for approximately **\$2,000 per week**;
- Liquidated approximately 1,100 pounds of gold and silver for **\$657,382.25**;
- Auctioned (at a discounted commission) five luxury vehicles for **\$307,713.50** (net of the commission but gross of one lien and certain expenses);
- Collected approximately **\$28,770.50** in interest income on seized funds;
- Sold miscellaneous personal property (or collected funds for items sold during previous reporting periods) worth approximately **\$26,100**;
- Executed corporate documents to take legal control (in addition to the powers conferred by the orders appointing the Receiver) of Oasis International Group, Limited (formed in the Cayman Islands);
- Continued to cooperate with the Department of Justice regarding its efforts to repatriate approximately **\$2 million** from the United Kingdom;
- Continued efforts to repatriate at least **\$500,000** from Belize in cooperation with local counsel;
- Drafted a soon-to-be-filed motion to establish a claims process through which the Receiver intends to return funds to defrauded investors;
- Identified potential “clawback” defendants and continued steps to institute pre-suit resolution mechanisms, given controlling Eleventh Circuit precedent (*see Wiand v. Lee*, 753 F.3d 1194 (11th Cir. 2014)); and
- Identified potential non-clawback litigation targets and continued evaluations of relevant individuals, entities, and claims.

² See www.oasisreceivership.com/assets-for-sale; see also *infra* § III.C.

Overview of Significant Activities Since the Beginning of this Receivership

Since the beginning of this Receivership, the Receiver and his professionals engaged in the following significant activities:

- Served subpoenas or the order appointing the Receiver and freezing the assets of the defendants and relief defendants on at least **98 total individuals and entities** who could have assets and/or records belonging to the Receivership Estate;
- Seized **\$8,661,433** from frozen bank accounts at numerous financial institutions;
- Liquidated an additional approximately **\$3,065,095** (gross) in forfeited assets, subject to agreements with the Department of Justice and the United States Marshals Service;
- Retained legal counsel (domestic and foreign), forensic accountants, tax accountants, a technology services firm, and an asset manager to assist the Receiver and obtained Court approval of those engagements;
- Substantially completed (subject to limited additional documents sought through subpoenas) forensic reconstructions of at least 25 bank accounts, including more than 26,000 individual transactions;
- Interviewed dozens of individuals, including certain defendants, employees, sales agents, investors, legal counsel, and accountants;
- Established an informational website for investors and other interested parties;
- Collected hundreds of thousands of pages of documents from dozens of nonparties, including employees, banks, credit card companies, accountants, and lawyers; and
- Fielded hundreds of calls from investors.

The above activities are discussed in more detail in the pertinent sections of this Third Interim Report and also in the Receiver's First and Second Interim Reports.

BACKGROUND

I. Procedure and Chronology

On April 15, 2019, the Commodity Futures Trading Commission (“CFTC”) filed a complaint (Doc. 1) against (1) defendants Oasis International Group, Limited (“OIG”); Oasis Management, LLC (“Oasis Management”); Michael J. DaCorta (“DaCorta”); Joseph S. Anile, II (“Anile”); Francisco “Frank” L. Duran (“Duran”); Satellite Holdings Company (“Satellite Holdings”); John J. Haas (“Haas”); and Raymond P. Montie, III (“Montie”) (collectively, the “defendants”) and (2) relief defendants Mainstream Fund Services, Inc. (“Mainstream”); Bowling Green Capital Management, LLC (“Bowling Green”); Lagoon Investments, Inc. (“Lagoon”); Roar of the Lion Fitness, LLC (“Roar of the Lion”); 444 Gulf of Mexico Drive, LLC (“444 Gulf of Mexico”); 4064 Founders Club Drive, LLC (“4064 Founders Club”); 6922 Lacantera Circle, LLC (“6922 Lacantera”); 13318 Lost Key Place, LLC (“13318 Lost Key”); and 4Oaks LLC (“4Oaks”) (collectively, the “relief defendants”). The foregoing defendants and relief defendants are referred to as the “Receivership Entities.”

The complaint charges the defendants with violations of the Commodity Exchange Act and CFTC regulations and seeks to enjoin their violations of these laws regarding a fraudulent foreign currency (“forex”) trading scheme. The CFTC alleges that between mid-April 2014 and April 2019, the defendants fraudulently solicited over 700 U.S. residents to invest in two forex commodity pools – Oasis Global FX, Limited and Oasis Global FX, S.A. (collectively, the “Oasis Pools”). The CFTC also asserts that the defendants raised approximately \$75 million from these investors and misappropriated over \$28 million of the

pool funds to make payments to other pool participants and over \$18 million for unauthorized personal and business expenses, including the transfer of at least \$7 million to the relief defendants.³

On the same day the CFTC filed its complaint, April 15, 2019, the Court entered an order appointing Burton W. Wiand as temporary Receiver for the Receivership Entities (Doc. 7) (the “**SRO**”). The Court directed him, in relevant part, to “[t]ake exclusive custody, control, and possession of the Receivership Estate,” which includes “all the funds, properties, premises, accounts, income, now or hereafter due or owing to the Receivership Defendants, and other assets directly or indirectly owned, beneficially or otherwise, by the Receivership Defendants.” *See id.* at p. 14, ¶ 32 & p. 15, ¶ 30.b. The SRO also imposed a temporary injunction against the defendants and relief defendants, froze their assets, and required an accounting of all investor funds and other assets within five business days following service of the order or, in most cases, by April 25, 2019. *Id.* at 19.

As of the date of this report, all defendants and relief defendants have either defaulted or consented to the entry of a preliminary injunction against them (with some differences unique to the circumstances of each party). *See* Docs. 35, 43, 44, 82, 85, 172, 174-77. On July 11, 2019, the Court entered a Consolidated Receivership Order, which is now the operative document governing the Receiver’s activities. Doc. 177 (the “**Consolidated Order**”). Pursuant to the Consolidated Order and its predecessors (*see* Docs. 7, 44), the Receiver has the duty and authority to (1) administer and manage the business affairs, funds,

³ On June 12, 2019, the CFTC filed an amended complaint (Doc. 110), which contains additional allegations about certain defendants and relief defendants.

assets, and any other property of the Receivership Entities; (2) marshal and safeguard the assets of the Receivership Entities; and (3) investigate and institute legal proceedings for the benefit of the Receivership Entities and their investors and other creditors as the Receiver deems necessary.

On June 26, 2019, the Department of Justice, through the United States Attorney's Office for the Middle District of Florida (the "**DOJ**"), moved to stay this litigation to protect an ongoing criminal investigation. Doc. 149. The Court granted the DOJ's motion on July 12, 2019 but exempted the Receiver's activities from the stay. Doc. 179. The Court also required the DOJ to provide periodic status reports during the stay. *Id.*

On August 8, 2019, defendant Anile pled guilty to three counts involving the scheme – (1) conspiracy to commit wire and mail fraud; (2) engaging in an illegal monetary transaction; and (3) filing a false income tax return. *See United States of America v. Joseph S. Anile, II*, Case No. 8:19-cr-334-T-35CPT (M.D. Fla.) (the "**Anile Criminal Action**" or "**ACA**"). A copy of Anile's plea agreement was attached as Exhibit A to the Receiver's Second Interim Report (Doc. 195), and he is scheduled to be sentenced on April 6, 2020 at 10:00 AM in M.D. Fla. Tampa Courtroom 7 before Judge Mary S. Scriven. ACA Doc. 37.

On December 17, 2019, a federal grand jury returned a two-count indictment against defendant DaCorta, alleging conspiracy to commit wire and mail fraud as well as engaging in an illegal monetary transaction. *See United States of America v. Michael J. DaCorta*, Case No. 8:19-cr-605-T-02CPT (M.D. Fla.) (the "**DaCorta Criminal Action**" or "**DCA**"). A copy of the indictment is attached as **Exhibit A** to this Third Interim Report. According to

the grand jury, as early as November 2011, DaCorta entered into a conspiracy to defraud investors by making numerous fraudulent representations. *See* DCA Doc. 1 ¶ 14b.-d.

It was a further part of the conspiracy that conspirators would and did use funds “loaned” by victim-investors to: (i) conduct trades, via an offshore broker, in the FOREX market, which trades resulted in catastrophic losses; (ii) make Ponzi-style payments to victim-investors; (iii) pay expenses associated with perpetuating the scheme; and (iv) purchase million-dollar residential properties, high-end vehicles, gold, silver, and other liquid assets, to fund a lavish lifestyle for conspirators, their family members and friends, and otherwise for their personal enrichment.

Id. at ¶ 14k. DaCorta’s jury trial is currently scheduled for the trial term commencing March 2, 2020 before Judge William F. Jung. DCA Doc. 21.

On January 7, 2020, the DOJ moved the Court to extend the stay for an additional six months to protect its ongoing investigation. Doc. 215. After briefing by certain parties, the Court granted the motion and extended the stay until July 29, 2020. Doc. 228. The extension of the stay does not impact the Receiver, who is continuing to marshal assets, develop a claims process, and plan litigation, consistent with his Court-ordered mandate.

II. Overview of Preliminary Findings

The Consolidated Order authorizes, empowers, and directs the Receiver to “investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted....” Doc. 177 ¶ 44. Pursuant to that mandate, the Receiver is in the process of obtaining and reviewing records from Receivership Entities and third parties. The Receiver has formed some preliminary conclusions based on his review of a portion of the records received and interviews with employees, lawyers, accountants, and others. While these conclusions are not final and might change as the Receiver’s investigation progresses,

the Receiver believes they should be shared with the Court, the investors, and other potentially interested parties.

There is abundant evidence that the defendants were operating a fraudulent investment scheme. The scheme began with the sale of preferred shares in OIG, which is registered in the Cayman Islands. The shares promised a 12% dividend that was to be derived from trading by a related company: first, Oasis Global FX, Limited and then Oasis Global FX, S.A. – *i.e.*, the Oasis Pools. These companies were registered in New Zealand and Belize, respectively, and were purportedly introducing brokers that would trade currencies or currency-related contracts. The 12% return was to be derived from trading profits and transaction income earned by the brokers. The preferred shares were sold to investors through a private placement memorandum that contained significant false representations and omitted numerous material facts, including that DaCorta, the “Chief Investment Officer,” was prohibited from currency trading through a prior regulatory action in the United States. As the scheme grew, other companies – Oasis Management and Satellite Holdings – were used to gather investments and funnel them into the scheme. Preferred shareholders became purported “lenders” who were told they were lending money to certain defendants. Investors were regularly sent statements showing an account with a principal amount and accrued and accruing earnings. All of this was false, as confirmed by defendant Anile’s guilty plea.

As the scheme matured, the perpetrators created a website that investors could access to view their purported accounts. Investors’ account pages showed that they were credited with a 1% “interest” payment each month and, on a daily basis, a portion of purported trading

income earned by the scheme's trading entity.⁴ The scheme was successful and proliferated because of the continued deception of the investors with respect to their purported accounts. They were led to believe that they held valuable loan accounts that continually earned money when, in fact, the scheme appears to have been insolvent since its inception. As an example, when the CFTC stopped the scheme in April 2019, the fraudulent website showed investors that they were owed an aggregate of over \$120 million. In truth, OIG only had assets of approximately \$10 million and was losing money continually.

The Receiver's preliminary analysis indicates that a total of approximately \$80 million was raised from investors.⁵ An analysis from the beginning of 2017 indicates that approximately \$20 million was deposited for trading, which resulted in substantial losses. The remainder of the money raised from investors was used to make Ponzi payments to other investors, to pay expenses to perpetuate the scheme, and to enrich the defendants. The actual amount of out-of-pocket losses to investors and the projected amount of claims is yet to be determined, but it will likely exceed \$45 million.

⁴ Specifically, many investors were told by those perpetrating the scheme that the investors would receive a portion of the "spread pay" that Oasis Global FX, S.A. earned from its purported role as a broker of forex transactions for OIG. The spread pay, however, was nothing more than a markup on all transactions and served to increase the losses in the OIG account. No spread pay (or any portion thereof) was ever distributed to an investor. Rather, it was a ruse used to deceive investors into believing that they were receiving enhanced returns when, in fact, fictitious amounts were being credited to their fraudulent accounts. In truth, Oasis Global FX, S.A. and its traders conducted continually and routinely unprofitable trades and lost almost all of the investors' money. The fabrication of returns based on purported spread pay was an integral part of the system through which the perpetrators lured investors into the scheme.

⁵ To the extent these numbers differ from those alleged by the CFTC, the Receiver understands that the CFTC only considered transactions within the pertinent statute of limitations while the Receiver is reviewing all available transactions.

ACTIONS TAKEN BY THE RECEIVER

During this reporting period, the Receiver has taken a number of steps to fulfill his mandates under the Consolidated Order and its predecessors. *See* Doc. 177 ¶ 56.A.

III. Securing The Receivership Estate

Attached as **Exhibit B** to this Third Interim Report is a cash accounting report showing (1) the amount of money on hand from October 1, 2019, less operating expenses plus revenue, through December 31, 2019, and (2) the same information from the beginning of the Receivership (as opposed to the current reporting period). *See* Doc. 177 ¶ 56.B. & C. This cash accounting report does not reflect non-cash or cash-equivalent assets. Thus, the value of all property discussed below is not included in the accounting report. From October 1, 2019 through December 31, 2019, the Receiver collected income of \$713,927.75.⁶

A. Cooperation with the Department of Justice, Federal Bureau of Investigation, and United States Marshals Service

As discussed more fully in the Receiver's First Interim Report (Doc. 113), on April 17, 2019, the DOJ, through the United States Attorney's Office for the Middle District of Florida, filed a civil forfeiture action against almost all the properties identified below in § III.C. *See United States of America v. 13318 Lost Key Place, Lakewood Ranch, Florida et al.*, Case No. 8:19-cv-00908 (M.D. Fla.) (the "**Forfeiture Action**" or "**FA**") (FA Doc. 1 ¶ 1). In addition, the Federal Bureau of Investigation ("**FBI**") instituted administrative forfeiture

⁶ As explained in footnote 1, to the extent possible, the Receiver has included in this Third Interim Report transactions and events occurring after December 31, 2019 to give the Court and others the most current overview of the Receiver's activities. Money collected after that date, however, is not reflected in Exhibit B. Those collections will be included in the Receiver's next interim report.

proceedings against, at minimum, the vehicles described in § III.D.1 and the cash, gold, and silver described in § III.D.2. The Receiver, the DOJ, and the United States Marshals Service (“USMS”) reached agreements governing the forfeiture and sale of this property as well as the transfer and remission of the sale proceeds. *See* Doc. 105, Ex. A (Consent Forfeiture Agreement); Ex. B (Memorandum of Understanding or “MOU”); Ex. C (Liquidation Plan). On June 7, 2019, the Receiver moved the Court to approve these agreements (Doc. 105), and the Court granted the Receiver’s motion on June 13, 2019 (Doc. 112). According to the MOU, “[t]he Receiver has sole discretion to decide the logistics of the sale of the Forfeited Receivership Assets, on the terms and in the manner the Receiver deems most beneficial to the Receivership Estate and with due regard to the realization of the true and proper value of such property.” Doc. 105, Ex. B. The MOU also recognizes that “[a]ll sales of Receivership Assets, including Forfeited Receivership Assets, must comply with the provisions set forth in the Receivership Orders.” *Id.* After the Receiver sells a property subject to forfeiture, the Receiver will transfer the net proceeds to the USMS for deposit in the Department of Justice Asset Forfeiture Fund. *Id.* The Receiver will subsequently file one or more petitions for remission with the DOJ, and the sale proceeds will be returned for distribution to defrauded investors through a claims process supervised by this Court. *See infra* § VI.

The Forfeiture Action and the FBI’s administrative forfeiture proceedings are largely complete, and pursuant to the MOU, the Receiver has begun listing and marketing the relevant properties for sale, arranging auctions, and seeking potential purchasers through appropriate and cost-effective means.

B. Freezing Bank Accounts and Liquid Assets

As explained in the First Interim Report, the Receiver identified and/or froze approximately \$11 million at various financial institutions in the United States, the United Kingdom, and Belize. The Receiver opened a money market account for the Receivership at ServisFirst Bank (the “**Receivership Account**”).⁷ The Receiver has now deposited approximately \$8,661,433 of the frozen funds into this account.⁸ The remaining amount is almost entirely comprised of the money held in Belize and the United Kingdom, as discussed below. The Receiver will attempt to obtain as much of that money as possible and to identify any other accounts containing assets belonging to the Receivership Estate. A list of pertinent bank or other financial accounts organized by defendant, relief defendant, and/or affiliated entity is attached as **Exhibit C**.

1. The ATC Account in the United Kingdom

On April 18, 2019, the Receiver served London-based ATC Brokers LTD (“**ATC**”) with a copy of the SRO and requested that ATC freeze all accounts associated with the defendants and relief defendants. In cooperation with domestic law enforcement and the United Kingdom’s National Crime Agency, ATC identified and froze one account in the name of Oasis Global FX, S.A., which contained \$2,005,368.28. The repatriation of that money has been complicated by jurisdictional issues, including international treaties and other agreements. The DOJ has assumed responsibility for repatriating the money for the

⁷ The Receiver also opened a checking/operating account for making disbursements.

⁸ Carolyn DaCorta – defendant DaCorta’s wife – paid \$32,100 for a membership in the Long Boat Key Club one week before the Receiver was appointed. The Receiver obtained a \$30,000 refund without the need for litigation, which is included in the above calculation.

ultimate benefit of the Receivership Estate. Since the Receiver's prior interim report, the DOJ has obtained a preliminary order of forfeiture in the Anile Criminal Action regarding the funds and is continuing to take additional steps necessary for repatriation. *See* ACA Doc. 29. The Receiver will cooperate with the DOJ, the National Crime Agency, the CFTC, and ATC to facilitate that process within the scope of the Consolidated Order. At present, the Receiver believes the money is secure and will not be dissipated pending the resolution of these issues.

2. Financial Assets in Belize

Shortly after his appointment, the Receiver learned that Oasis Global FX Limited owned an account (x4622) at Choice Bank Limited ("**Choice Bank**") in Belize. On June 29, 2018, however, regulators in Belize revoked Choice Bank's license and appointed a liquidator. The Receiver's local counsel has identified two deposits at Choice Bank – one for \$31,000 and one for \$32,000. Counsel has contacted the liquidator regarding the Receiver's claim to those funds, and the liquidator has acknowledged receipt of the claim. The liquidator anticipates paying 52% of all claims but has not yet established a date for payment. If the liquidator pays the Receiver's claims at the anticipated percentage, the Receivership Estate would recover approximately \$32,760. While the situation still involves uncertainty, this information indicates a recovery might be possible, which is a positive development compared to the situation described in the Receiver's previous interim reports.

The Receiver also learned that Oasis Global FX, S.A. has an account at Heritage Bank Limited ("**Heritage Bank**") in Belize containing \$500,000. The Receiver believes that money served as a bond that allowed Oasis Global FX, S.A. to operate as a broker-dealer in Belize. On May 7, 2019, the Belize International Financial Services Commission suspended

the entity's trading licenses. On October 22, 2019, the Receiver and defendant Anile executed corporate documents to take legal control of Oasis Global FX, S.A. (in addition to the powers conferred by the Consolidated Order).⁹ The Receiver's local counsel is working with the Director General of the Belize International Financial Services Commission to issue a letter to Heritage Bank, which would allow the funds to be released and repatriated.

C. Securing Real Property

The Receivership Estate contains numerous parcels of real property, including single-family homes, condominiums, and (formerly) a waterfront office building.¹⁰ In the Consolidated Order and its predecessors, the Court directed the Receiver to “[t]ake all steps necessary to secure the business and other premises under the control of the Receivership Defendants” (Doc. 7 at 15-16) and to “take immediate possession of all real property of the Receivership Defendants, wherever located, including but not limited to all ownership and leasehold interests and fixtures” (Doc. 44 ¶ 19; Doc. 177 ¶ 19). The Receiver's actions in fulfillment of that directive are explained in the following subsections. *See* Doc. 177 ¶ 56.D.

⁹ In cooperation with foreign counsel, the Receiver has also obtained corporate control (in addition to the powers conferred by the Consolidated Order and its predecessors) of OIG – a Cayman Islands entity. On October 22, 2019, defendant Anile executed the necessary documents. Defendant DaCorta and defendant Montie have also subsequently executed the documents. Those defendants owned OIG prior to the Receiver's appointment.

¹⁰ In addition to the properties discussed below, relief defendant 444 Gulf of Mexico Drive, LLC holds an \$80,000 mortgage on the property located at 1605 55th Avenue West, Bradenton, Florida 34207. The mortgage matures on December 1, 2021 and pays the Receivership Estate \$200 per month.

1. 444 Gulf of Mexico Drive, Longboat Key, Florida

OIG used the two-story property located at 444 Gulf of Mexico Drive #3 in Longboat Key, Florida as an office (the “**Office**”). It was owned by relief defendant 444 Gulf of Mexico Drive, LLC. Defendant DaCorta was a principal of that entity until the Receiver’s appointment. The Office is located on the Longboat Key waterfront and has a dock for boats. It contains approximately 8,246 square feet, including an elevator, a reception area, several private offices, and a conference room. The Office appears to have been purchased on December 21, 2017 for \$1,750,000. There is no mortgage. The 2019 tax assessed value of the Office is \$1,665,000.¹¹ The DOJ obtained a final judgment of forfeiture with respect to this property on August 20, 2019. *See* FA Doc. 63.

On November 8, 2019, the Receiver entered into an agreement to sell the Office for \$2,100,000 (gross of commissions, taxes, asset expenses, and other closing costs). The Receiver moved the Court to approve the sale, and the Court granted the Receiver’s motion. *See* Docs. 201, 206, 208, 209. The transaction closed on January 3, 2020 and resulted in a net recovery of \$1,994,155.06. Because the closing occurred in January 2020 (*i.e.*, after the current reporting period), these funds are not reflected in Exhibit B, but they are nevertheless in the Receiver’s possession.

2. 13318 Lost Key Place, Lakewood Ranch, Florida

Defendant DaCorta used the two-story property located at 13318 Lost Key Place in Lakewood Ranch, Florida as his residence (the “**DaCorta Residence**”). It was owned by relief defendant 13318 Lost Key Place, LLC. DaCorta was a principal of that entity until the

¹¹ For various reasons, tax assessed values can be significantly different than market values.

Receiver's appointment. The property contains approximately 4,980 square feet, including five bedrooms, seven bathrooms, and a pool. The DaCorta Residence appears to have been purchased on March 18, 2016 for approximately \$1,000,000. There is no mortgage. The 2019 tax assessed value of the DaCorta Residence is \$847,540. The DOJ obtained a final judgment of forfeiture with respect to this property on July 16, 2019. *See* FA Doc. 60. The Receiver and his realtors have listed the property for sale at \$1,235,000.¹²

3. 6922 Lacantera Circle, Lakewood Ranch, Florida

The two-story property located at 6922 Lacantera Circle in Lakewood Ranch, Florida (“**Lacantera**”) was owned by relief defendant 6922 Lacantera Circle, LLC. DaCorta was a principal of that entity until the Receiver's appointment. The property contains approximately 7,629 square feet, including five bedrooms, six-and-a-half bathrooms, a wine cellar, game room, theater room, and a pool. Lacantera appears to have been purchased on September 21, 2018 for approximately \$2,125,000. Nathan and Heather Perry hold a \$1,500,000 interest only mortgage on the property. The 2019 tax assessed value of Lacantera is \$1,879,380. The DOJ obtained a final judgment of forfeiture with respect to this property on September 5, 2019. *See* FA Doc. 67.

When the Receiver took control of Lacantera, the property was under construction, especially the kitchen and bathrooms. The Consolidated Order authorizes the Receiver “[t]o use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver.” Doc. 177 ¶ 8.D. It also authorizes

¹² *See* www.oasisreceivership.com/assets-for-sale/13318-lost-key-place/.

the Receiver (1) “[t]o take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants” (*id.* ¶ 8.E.); (2) “[t]o engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including ... real estate agents” (*id.* ¶ 8.D.); and (3) “[t]o take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation ... of Receivership Property” (*id.* ¶ 8.D.).

Pursuant to these authorizations, the Receiver decided to complete the construction.¹³ The Receiver then listed the property for sale on his website¹⁴ and engaged in other marketing efforts. On January 7, 2020, the Receiver entered into an agreement to sell Lacantera for \$2,050,000. The Receiver moved the Court to approve the sale, and that motion is currently pending while the Receiver complies with pertinent statutory provisions. *See* Docs. 221, 226.

4. 4064 Founders Club Drive, Sarasota, Florida

Defendant Anile used the two-story property located at 4064 Founders Club Drive in Sarasota, Florida (“**Founders Club**”) as his residence.¹⁵ It was owned by relief defendant

¹³ In the Second Interim Report, the Receiver explained that completing the renovations would allow him to sell Lacantera for the highest possible price. To ensure the reasonableness of that determination, the Receiver obtained an estimate from a licensed contractor, which provided that the necessary repairs would cost approximately \$50,000. The Receiver also obtained an analysis from a real estate agent with The Martha Thorn Collection at Coldwell Banker. The agent opined that Lacantera would sell for \$1.8 million in its current state but completing the renovations would add approximately \$250,000 to the value of the property. These estimates are consistent with the \$2,050,000 sale price.

¹⁴ *See* www.oasisreceivership.com/assets-for-sale/6922-lacantera-circle/.

¹⁵ Similarly, 4058 Founders Club Drive in Sarasota, Florida is a vacant lot (the “**Founders Club Lot**”) owned by 4058 Founders Club Drive, LLC. Defendant Anile was a principal of
(footnote cont’d)

4064 Founders Club Drive, LLC. Defendant Anile was a principal of that entity until the Receiver's appointment. The property contains approximately 7,230 square feet, including five bedrooms, numerous bathrooms, a wine cellar, game room, theater room, and a pool. Founders Club appears to have been purchased on October 20, 2017 for approximately \$1,775,000. Steven and Natalee Herrig hold a \$1,065,000 mortgage on the property with a balloon payment due on October 20, 2021. The 2019 tax assessed value of Founders Club is \$1,342,634. The DOJ obtained a final judgment of forfeiture with respect to this property on August 30, 2019. *See* FA Doc. 65. The Receiver is listing the property for sale.¹⁶

5. 7312 Desert Ridge Glen in Lakewood Ranch, Florida

Defendant Francisco Duran used the two-story property located at 7312 Desert Ridge Glen in Lakewood Ranch, Florida as his residence ("**Desert Ridge**"). It is owned by 7312 Desert Ridge Glen, LLC. Defendant DaCorta was a principal of that entity until the Receiver's appointment. The property contains approximately 3,889 square feet, including four bedrooms, four-and-a-half bathrooms, and a pool. Desert Ridge appears to have been purchased on November 9, 2017 for approximately \$575,000. The Receiver is not aware of any mortgage on the property. The 2019 tax assessed value of Desert Ridge is \$772,619.

that entity, although it is not a relief defendant. The Founders Club Lot appears to have been purchased on March 26, 2018 for approximately \$190,000. There is no mortgage. The 2019 tax assessed value of the Founders Club Lot is \$270,500. The DOJ obtained a final judgment of forfeiture with respect to this property on August 20, 2019. *See* FA Doc. 63. The property is listed for sale at \$240,000. *See* <http://4058foundersclubdrive.com/>.

¹⁶ *See* www.oasisreceivership.com/assets-for-sale/4064-founders-club-drive/.

The DOJ obtained a final judgment of forfeiture with respect to this property on July 16, 2019. *See* FA Doc. 60. The Receiver has listed the property for sale at \$889,000.¹⁷

6. The Vardon Terrace Condos in Lakewood Ranch, Florida

Shortly after his appointment, the Receiver learned that DaCorta and/or Oasis Management had an interest in four condominiums in Lakewood Ranch, Florida (the “**Vardon Terrace Condos**”):

- (1) 16804 Vardon Terrace #307 formerly owned by Vincent Raia;
- (2) 16804 Vardon Terrace #108 owned by 16804 Vardon Terrace 108, LLC;
- (3) 16904 Vardon Terrace #106 owned by 16904 Vardon Terrace 106, LLC; and
- (4) 17006 Vardon Terrace #105 owned by 17006 Vardon Terrace #105, LLC.

On July 18, 2018, defendant DaCorta (through 16804 Vardon Terrace 307, LLC) transferred Condo #307 to Vincent Raia, who managed certain properties for the defendants and relief defendants prior to the Receiver’s appointment. Oasis Management holds a \$215,000 balloon mortgage on the property. Mr. Raia’s monthly, interest-only mortgage payment to Oasis Management was \$537.50. The Receiver was collecting the payments and adding them to the Receivership Account, but he obtained a deed in lieu of foreclosure from Mr. Raia. The Receiver is recording the deed now to take ownership of the property, and he will promptly begin marketing the property for sale. This arrangement avoided unnecessary litigation with Mr. Raia regarding the length and validity of his mortgage.

Oasis Management is the authorized representative of the limited liability company that owns Condo #108, which was purchased for approximately \$190,000. The Receiver is

¹⁷ *See* www.oasisreceivership.com/assets-for-sale/7312-desert-ridge-glen/.

not aware of a mortgage on the property. The 2019 tax assessed value of the property is \$165,000. The DOJ obtained a final judgment of forfeiture with respect to this property on July 16, 2019. *See* FA Doc. 60. The property is listed for sale at \$215,000.¹⁸

Defendant DaCorta was the authorized representative of the limited liability company that owns Condo #106, which was purchased for approximately \$185,000. The Receiver is not aware of a mortgage on the property. The 2019 tax assessed value of the property is \$156,000. The DOJ obtained a final judgment of forfeiture with respect to this property on July 16, 2019. *See* FA Doc. 60. The property is listed for sale at \$190,000.¹⁹

Oasis Management was the authorized representative of the limited liability company that owns Condo #105, which was purchased for approximately \$190,999. The Receiver is not aware of a mortgage on the property. The 2019 tax assessed value of the property is \$151,000. The DOJ obtained a final judgment of forfeiture with respect to this property on July 16, 2019. *See* FA Doc. 60. The property is listed for sale at \$210,000.²⁰

7. 6300 Midnight Pass Road, No. 1002, Sarasota, Florida

The condominium located at 6300 Midnight Pass Road, No. 1002 in Sarasota, Florida (“**Midnight Pass**”) is owned by 6300 Midnight Pass Road, No. 1002, LLC. DaCorta was a principal of that entity until the Receiver’s appointment. The property contains approximately 1,240 square feet, including two bedrooms and two bathrooms. Midnight Pass appears to have been purchased on March 14, 2018 for approximately \$1,000,000.

¹⁸ *See* <http://16804vardonterrace108.com/>.

¹⁹ *See* <http://16904vardonterrace106.com/>.

²⁰ *See* <http://17006vardonterrace105.com/>.

There is no known mortgage on the property. The 2019 tax assessed value of Midnight Pass is \$844,900. The DOJ did not include Midnight Pass in the Forfeiture Action. As such, the Receiver has direct control of the property. *See* Doc. 177 ¶ 19. The property is listed for sale at \$1,100,000.²¹ The Receiver has also engaged a property management company to rent the property to short-term guests for approximately \$2,000 per week, and several reservations have already been made.

8. Defendant Montie's Real Property

Defendant Montie owns real estate in Hauppauge, New York, which he values at \$609,691, based on "local property assessor figures." As of August 1, 2019, the property carried a mortgage of \$233,588. Montie also owns property in Jackson, New Hampshire, which he values at \$1,412,800, based on "local property assessor figures." As of June 15, 2019, the property carried a mortgage of \$845,747. Finally, Montie owns property in Lake Ariel, Pennsylvania, which he values at \$926,700, based on "local property assessor figures." As of August 1, 2019, the property carried a mortgage of \$658,254. As such, Montie's properties carry positive net equity of approximately \$1,211,602, according to his sworn financial affidavit. "Montie is responsible for making mortgage, property tax, and insurance payments and for the general upkeep of these residences."²² Doc. 177 ¶ 20. The Receiver reserves the right to pursue these properties and any other disclosed (or undisclosed) assets when the circumstances warrant.

²¹ *See* <http://6300midnightpass1002.com/>.

²² According to his December 2019 accounting, Montie's mortgage balances are now \$836,571.18 (NH) and \$652,151.33 (PA). The statement for the NY mortgage shows that a payment was made but does not identify the current balance.

9. Defendant Haas's Real Property

Defendant Haas owns a property in New York, which he estimates to be worth approximately \$448,622. As of June 24, 2019, it had a mortgage in the amount of \$127,397.15. As such, Haas's property carries positive net equity of approximately \$321,231, according to his sworn financial affidavit. "Haas is responsible for making mortgage, property tax, and insurance payments and for the general upkeep of this residence." Doc. 177 ¶ 21. The Receiver reserves the right to pursue this property and any other disclosed (or undisclosed) assets when the circumstances warrant.

D. Securing Personal Property

1. Vehicles

On April 18, 2019, FBI agents executed search warrants and seized, among other things, luxury automobiles purchased by certain defendants and relief defendants. The FBI then instituted administrative forfeiture proceedings against the vehicles, the status of which is set forth below:

Vehicle	Net Sale Amount ²³	Lien	Current Status
2015 Ferrari California T (VIN: ZFF77XJA3F0208054)	\$100,470.00	No	Sold
2018 Porsche 911 Targa (VIN: WP0BB2A99JS134720)	\$104,902.50	Yes	Sold

²³ The amounts are net of the auctioneer's commission. The 2018 Porsche 911 Targa is subject to a lien in the amount of approximately \$90,898.75. The 2015 Mercedes-Benz SLK350 was also subject to a lien, but the FBI has informed the Receiver that the lender abandoned the lien through its failure to participate in the forfeiture process. The DOJ/USMS (with the Receiver's approval) abandoned the 2018 Mercedes-Benz SL 450R; 2015 Land Rover Range Rover Evoque; and 2017 Maserati Ghibli S Q4 to lenders because the vehicles had no positive equity due to liens.

Vehicle	Net Sale Amount²³	Lien	Current Status
2017 Maserati Ghibli S Q4 (VIN: ZAM57RTS8H1217171)	N/A	Yes	Abandoned
2018 Land Rover Range Rover Velar (VIN: SALYL2RV3JA717260)	\$48,462.00	No	Sold
2016 Mercedes-Benz GLE 400 (VIN: 4JGDA5GB5GA622371)	\$31,027.50	No	Sold
2015 Land Rover Range Rover Evoque (VIN: SALVR2BG5FH025349)	N/A	Yes	Abandoned
2015 Mercedes-Benz SLK350 (VIN: WDDPK5HA8FF099097)	\$22,852.00	No	Sold
2018 Mercedes-Benz SL450R (VIN: WDDJK6GAOJF050546)	N/A	Yes	Abandoned

On October 11, 2019, the Receiver filed a motion seeking the Court's approval of his plan to auction the vehicles pursuant to the MOU. Doc. 192. The Court granted the motion on October 29, 2019. Doc 194. Orlando Auto Auction sold the vehicles that were not underwater, which resulted in a gross recovery of approximately \$307,713.50 and a net recovery of approximately \$216,814.75 (accounting for the lien on the Porsche). Because the associated checks were not received until January 2020 (*i.e.*, after the current reporting period), these funds are not reflected in Exhibit B, but they are nevertheless in the Receiver's possession. All forfeited vehicles have now been sold.

2. Cash and Precious Metals

Law enforcement agents also seized cash, gold, and silver from certain defendants or their residences. For example, agents seized \$62,750 in cash from defendant Anile's residence at 4064 Founders Club Drive along with 200 one-ounce gold coins, and 100 silver bars, each weighing 100 ounces. Anile agreed to forfeit these assets (and others) in connection with his guilty plea.

Agents also seized \$160,000 in cash from defendant DaCorta's residence along with 64 silver bars (100 ounces each); 1,625 silver coins (one ounce each), and 50 gold coins or ingots (one ounce each). The cash and metals were forfeited to the government through administrative proceedings. On November 4, 2019, the Receiver moved the Court to approve a procedure for the sale of the metals, and the Court granted the motion on November 7, 2019. *See* Docs. 197, 200. Shortly thereafter, the Receiver sold the metals in their entirety to International Diamond Center for \$657,382.25. *See* Doc. 205.

In his financial affidavit, defendant Montie disclosed possession of \$76,595 in cash, 990 ounces of silver, 130 silver quarters, and several annuity or retirement accounts. In his financial affidavit, defendant Haas disclosed minimal assets (no cash or metals), aside from several life insurance policies worth approximately \$50,000 in surrender value and a 401(k) account purportedly belonging to his wife. As far as the Receiver is presently aware, defendant Duran also did not possess any gold, silver, or material cash.

3. Other Personal Property

When the Receiver and his representatives visited certain defendants' residences on April 18, 2019, they observed and photographed potentially valuable items, including art, antiques, collectibles, sports memorabilia, and jewelry. The defendants have been instructed that all such personal property is subject to the asset freeze, and they are not to sell, transfer, or otherwise dispose of anything without the Receiver's authorization.

To date, the Receiver has identified and/or seized the property listed in **Exhibit D**.²⁴ He has sold several items as set forth in the exhibit. Additional items recovered from the DaCorta Residence, Founders Club, and Desert Ridge are scheduled to be sold by Freedom Auction Company in January and February 2020. The Receiver does not anticipate any of these items to be individually worth \$10,000 or more, and as such, he does not intend to move the Court to specifically approve the auction, as permitted by the Liquidation Plan and Consolidated Order. The Receiver is working with the defendants and their counsel to identify additional property that rightfully belongs to the Receivership Estate.

E. Securing the Receivership Entities' Books and Records

As explained in the First Interim Report, the Receiver has taken extensive steps to secure the books and records of the Receivership Entities and to obtain documents from third parties. First, the Receiver obtained access to OIG's cloud-based email system and retained a firm specializing in computer forensics to preserve all emails in that system. Second, the Receiver obtained access to OIG's customer relationship management ("CRM") software, which contains contact information and other records for more than 800 investors. The Receiver has interviewed the employee responsible for implementing that system and taken steps to preserve the data in the CRM software. Third, OIG maintained two websites – a "landing page" that allowed insiders to access OIG's back-office operations and a portal that allowed OIG investors to access and monitor their purported accounts. The Receiver took control of both websites and took steps to preserve their data. The Receiver has also

²⁴ Importantly, the values identified in Exhibit D were and are only estimates. Actual recoveries have been and will be subject to market conditions and other factors.

interviewed the employees responsible for maintaining the websites to better understand OIG's operations.

On April 18, 2019, law enforcement seized numerous cell phones, computers, external hard drives, and thumb drives from the defendants and relief defendants pursuant to search warrants. Law enforcement informed the Receiver that the devices contain approximately 42 terabytes of information. The Receiver and his professionals have obtained access to that data and are in the process of analyzing its contents.

The Receiver has also issued numerous subpoenas and used the powers set forth in the Consolidated Order and its predecessors to obtain voluminous documents from dozens of nonparties, including employees of Receivership Entities, banks, credit card companies, accountants, and lawyers. The Receiver and his professionals are in the process of reviewing this information and will update the Court as his investigation progresses.

F. Operating or Related Businesses

1. Roar of the Lion

Defendant DaCorta and his son operated relief defendant Roar of the Lion, which sells supplements that claim to provide certain health and lifestyle benefits through www.roarofthelion.com. The company was funded with proceeds of the fraudulent scheme. The Receiver suspended the company's operations pending a determination whether it can be operated profitably and legally. The Receiver has obtained the company's inventory and is evaluating the best potential method to derive value from the assets, but this may not be possible. Preliminarily, Roar of the Lion does not appear to be a valuable part of the Receivership Estate, but the Receiver's analysis is ongoing.

2. **Mirror Innovations**

Defendant Anile informed the Receiver that OIG acquired a majority ownership interest in a company called Mirror Innovations, LLC (“**Mirror Innovations**”). According to its website (www.mirrorinnovations.com), the company “developed a patent pending product and concept printing on exclusive mirrored film” that is intended to be used for advertising purposes. The Receiver is continuing to investigate Anile’s claim and attempting to determine whether Mirror Innovations should be added to the Receivership Estate.

3. **Diamond Boa LLC d/b/a Kevin Johnson Reptiles**

Defendant Montie invested in Diamond Boa LLC d/b/a Kevin Johnson Reptiles by contributing – at minimum – \$37,500 on September 11, 2018, to an account (x0306) owned by the business at TD Bank. That money was then transferred to Perfect Predators, Inc. to acquire snakes for breeding, which animals had not been delivered. On June 5, 2019, the Receiver sent a letter to Perfect Predators, Inc. demanding a refund of the money. The Receiver has also seized \$8,130.54 from the account at TD Bank to offset the amount owed. There has been no response to the demand letter, and the Receiver is evaluating whether litigation would be a cost-effective use of the Receivership’s resources.

IV. **Retention of Professionals**

On May 30, 2019, the Receiver moved the Court to approve his engagement of the following legal, accounting, and other professionals: (1) Wiand Guerra King P.A. (“**WGK**”), a law firm; (2) KapilaMukamal, LLP (“**KM**”), a forensic accounting firm; (3) PDR CPAs (“**PDR**”), a tax accounting firm; (4) RWJ Group, LLC (“**RWJ**”), an asset management and investigations firm; and (5) E-Hounds, Inc. (“**E-Hounds**”), a technology and computer

forensics firm. *See* Doc. 87. On June 6, 2019, the Court granted the Receiver’s motion for approval to retain these professionals. Doc. 98. The Receiver has also retained special counsel to assist with the repatriation of foreign assets: Glenn D. Godfrey & Company LLP in Belize (Doc. 138) and Maples Group in the Cayman Islands (Doc. 187).

V. Pending and Contemplated Litigation

The Consolidated Order requires this Third Interim Report to contain “a description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in (i) reducing the claims to judgment and (ii) collecting such judgments.).” Doc. 177 ¶ 56.E.

1. Pending and Related Litigation

The Receiver is not aware of any litigation against Receivership Entities that was pending at the time of his appointment. The Forfeiture Action is essentially complete because judgments of forfeiture have been entered against all defendant properties. *See* FA Docs. 60, 63, 65, 67. The Receiver is now selling those properties pursuant to the MOU.

As noted above, defendant Anile pled guilty to several felony charges regarding the scheme, and the court in the Anile Criminal Action accepted his guilty plea on October 15, 2019. ACA Docs. 19, 27. The DOJ is also pursuing forfeiture and repatriation of approximately \$2 million through the Anile Criminal Action. *See* § III.B.1. In addition, defendant DaCorta has been indicted in a separate but related action. DCA Doc. 1 & Ex. A. The Receiver is not aware of any other pending litigation, but the government’s investigation is ongoing.

2. Contemplated Litigation

The Receiver is reviewing information to determine if any individuals or entities have liability in connection with the scheme. Contemplated litigation can be divided into two general categories. First, the Receiver is working with forensic accountants to perform a cash-in/cash-out analysis of the Receivership Entities. This will allow the Receiver to identify any investor who received more money from a Receivership Entity than he or she contributed to the Receivership Entity. In Ponzi schemes, such amounts are generally referred to as “**false profits**” because the money transferred to the pertinent investor was not derived from legitimate activities but from other defrauded investors. Receivers in the Eleventh Circuit (and nationwide) have a clear right to recover false profits through fraudulent transfer or “**clawback**” litigation. *See, e.g., Wiand v. Lee, et al.*, 753 F.3d 1194 (11th Cir. 2014). The Receiver anticipates asserting such claims here because he has preliminarily identified at least 122 investors who received a total of approximately \$3.36 million in false profits. Other individuals may have received additional false profits, which the Receiver and his forensic accountants are attempting to confirm. The Receiver has not yet analyzed the collectability of any judgments against these investors, but he anticipates using pre-suit resolution mechanisms to avoid unnecessary litigation. He will also move the Court for approval before filing any clawback litigation.

Second, the Receiver might also assert tort claims against brokers, accountants, sales agents, lawyers, and others who aided and abetted the scheme or otherwise knew or should have known of fraudulent activity. In a previous filing, the Receiver stated that he is considering claims against Mainstream Fund Services, Inc. *See* Doc. 224. The Receiver is

not able to disclose additional potential defendants at this time, but the Receiver will institute such actions (with Court approval) if appropriate and in the best interests of the Receivership.

VI. Claims Process.

The Receiver is building a list of investors and other creditors using OIG's CRM software, information from the reconstruction of bank accounts, and information from third parties. On April 30, 2019, the Receiver sent an email to hundreds of known, identifiable investors using the CRM software, which informed the investors of (1) the Receivership, (2) the Receiver's website, (3) and the opportunity for investors to register through the website. See www.oasisreceivership.com/registration. To date, the Receiver has collected registration information from approximately 600 investors or other interested parties.

As part of the claims process, the Receiver requested his forensic accountants to determine the amount of funds contributed to the scheme by each investor and the amount of funds each investor received from the scheme. The accountants spent significant time during this and previous reporting periods conducting that analysis. Specifically, they completed reconstructions of 25 bank accounts and analyzed more than 3,400 deposits and 23,000 withdrawals to or from Receivership Entities.²⁵ This involved reviewing and analyzing relevant bank statements and underlying documentation, including canceled checks, wire transfer receipts, and deposit receipts and then compiling the information into a database (the "**Bank Reconstruction**"). The Bank Reconstruction contains the details of the transactions (receipts and disbursements) that occurred in the Receivership Entities' bank accounts. Each

²⁵ The Receiver's forensic accountants have also analyzed and reconstructed the bank accounts of certain individual defendants.

transaction in the Bank Reconstruction is assigned to a category for purposes of analyzing and summarizing the data. The accountants used the data from the Bank Reconstruction to determine (where possible) the amount of funds contributed by each investor and the amount of funds paid to each investor. As noted above, the Receiver needs that information to institute both clawback litigation and the claims process.

Preparation of the Bank Reconstruction has been a protracted process because not all necessary bank records were immediately available. At the inception of the case, the Receiver coordinated with the CFTC to freeze all known funds and accounts. The CFTC and the known financial institutions provided the Receiver with the bank records for the known accounts. As part of the ongoing investigation, the Receiver subsequently discovered additional bank accounts that were utilized by the Receivership Entities. The Receiver issued subpoenas to the financial institutions to obtain the records for the newly discovered accounts. The accountants have completed reconstructing the activity for all available bank records, and the Receiver's legal counsel continues to work with financial institutions to obtain the balance of the records needed to finalize the Bank Reconstruction.

The Receiver and his professionals have also reviewed banking and financial records produced by the Receivership Entities and other parties, including former accounting firms utilized by the defendants. The information included tax returns, investor correspondence, promissory notes, withdrawal requests, and other related documents. The forensic accountants used this information in conjunction with the data obtained from the Bank Reconstruction and the CRM software to prepare a preliminary database of payments

received from investors by the Receivership Entities and payments made to investors from the Receivership Entities (“**Investor Database**”).

The Receiver will soon move the Court to establish a claims process for the distribution of funds to creditors, including defrauded investors.²⁶ As part of that process, he seeks Court approval of a proof of claim form with an addendum unique to each investor that will contain (where possible) the amount each individual or entity contributed to the scheme and the amount the individual or entity received from the scheme.²⁷ This is generally referred to as the “net investment” model and is a widely accepted method for determining “net losers” and “net winners” in connection with a Ponzi scheme. In the Receiver’s experience, providing investors with money-in/money-out calculations based on forensic analysis along with their proof of claim forms (again, where possible) avoids significant litigation and confusion when compared to providing blank forms and asking the victim-investors to provide the pertinent calculations. The work of the Receiver’s forensic accountants has been integral to this effort and will conserve Receivership resources.

The Receiver will also seek approval of procedures for providing notice of the claims process to known and potential creditors, including publication in one local and one national newspaper. The Receiver will ask the Court to establish a claims bar date by which all claimants will be required to serve their proof of claim forms on the Receiver, who will then

²⁶ As of the date of this filing, the Receiver has drafted the motion and is in Local Rule 3.01(g) communications with the parties.

²⁷ Based on all available records, the Receiver lacks this information or has only partial information for some investors. The Receiver will likely provide such investors with blank forms and ask the investors to list the pertinent transfers.

evaluate the claims. After the Receiver completes his evaluation, he will present his determinations to the Court and ask the Court to approve them on an interim basis. He will then serve notice of his determinations on the claimants, who will have an opportunity to object to the Receiver's determinations through specific procedures approved by the Court and consistent with due process requirements. In the Receiver's experience, most objections can be resolved or settled using such procedures, but if any objections cannot be resolved, they will be presented to the Court for determination. Through this process, the Receiver intends to establish groups or classes of creditors with approved claims that are entitled to receive distributions from the Receivership Estate.

Once the claims process has been completed or substantially completed, the Receiver will evaluate the amount of cash available for distribution and move the Court to approve a first interim distribution to claimants with approved claims. If material claim objections are pending at the time the Receiver determines a distribution is appropriate, he might move the Court to establish reserves for the disputed claims, so they do not impair the Receiver's ability to make a distribution to claimants with undisputed claims. The Receiver anticipates making multiple distributions as assets become available, subject to cost/benefit concerns.

VII. The Next Ninety Days.

The Consolidated Order requires this Third Interim Report (and all subsequent reports) to contain "[t]he Receiver's recommendations for a continuation or discontinuation of the [R]eceivership and the reasons for the recommendations." Doc. 177 ¶ 56.G. At this early stage, the Receiver recommends continuation of the Receivership because he still has (1) more than \$2.5 million to repatriate from the United Kingdom (through the DOJ) and

Belize; (2) at least nine parcels of real estate to liquidate; (3) additional personal property to liquidate; (4) litigation to bring, including contemplated clawback claims; and (5) a claims process to establish for the distribution of funds.

During the next 90 days, the Receiver will continue to collect and analyze documents from nonparties and other sources. The Receiver is also continuing to compile and analyze individual investments. This is a necessary task to assess and administer investor claims. As noted above, the Receiver will file his motion to establish a claims process soon.

The Receiver is also reviewing information to determine if any third parties have liability either to the Receivership Estate or investors. The Receiver anticipates bringing “clawback” and other actions in the near future.

The Receiver will continue to attempt to locate additional funds and other assets and will likely institute proceedings to recover assets on behalf of the Receivership Entities. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who might have knowledge of the fraudulent scheme.

CONCLUSION

Investors and other creditors of the Receivership Entities are encouraged to periodically check the Receiver’s website (www.oasisreceivership.com) for current information concerning this Receivership. The Receiver and his counsel have received an enormous amount of emails and telephone inquiries and have had to expend significant resources to address them. To minimize those expenses, investors and other creditors are strongly encouraged to consult the Receiver’s website before contacting the Receiver or his

counsel. However, the Receiver continues to encourage individuals or attorneys representing investors who have information that might be helpful in securing further assets for the Receivership Estate or identifying other potential parties who might have liability to either the Receivership Estate or investors to email (jrizzo@wiandlaw.com) or call Jeffrey Rizzo at 813-347-5100.

Dated this 30th day of January 2020.

Respectfully submitted,

s/ Burton W. Wiand
Burton W. Wiand, Receiver

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on January 30, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

s/ Jared J. Perez

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