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CV-Rosenberg

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO.:

FILED BY [Signature] D.C.  
MAY 13 2019  
ANGELA E. NOBLE  
CLERK U.S. DIST. CT.  
S. D. OF FLA. - MIAMI

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,  
EAGLE FINANCIAL DIAMOND GROUP INC  
A/K/A DIAMANTE ATELIER,  
ARGYLE COIN, LLC,  
JOSE ANGEL AMAN,  
HAROLD SEIGEL, AND  
JONATHAN H. SEIGEL,

Defendants, and

H.S. MANAGEMENT GROUP LLC,  
GOLD 7 OF MIAMI, LLC,  
WINNERS CHURCH INTERNATIONAL INC.  
OF WEST PALM BEACH, FLORIDA,  
FREDERICK D. SHIPMAN, AND  
WHITNEY SHIPMAN,

Relief Defendants.

MOTION FOR APPOINTMENT OF RECEIVER AND MEMORANDUM OF LAW

Plaintiff Securities and Exchange Commission moves this Court for an Order appointing a Receiver over Defendant Argyle Coin, LLC (“Argyle Coin” or the “Company”), with full and exclusive power, duty, and authority to: administer and manage their business affairs, funds, assets, causes of action and any other property of Argyle Coin; marshal and safeguard all of the assets of Argyle Coin; and take whatever actions are necessary for the protection of the investors. For the reasons set forth below, in order to protect investors, it is essential that the Court appoints a Receiver over Argyle Coin.

In connection with this request to appoint a Receiver over Argyle Coin, the Commission believes Jeffrey Schneider is best-suited to handle this matter. Mr. Schneider has already been

appointed Monitor over co-Defendants Natural Diamonds Investment Co. (“Natural Diamonds”) and Eagle Financial Group Inc. (“Eagle”) in the related case, *Round v. Natural Diamonds*, 18-cv-811521, which is pending in this Court. As set forth in the Complaint and Motion for Temporary Restraining Order in this proceeding, Eagle, Natural Diamonds, and Argyle Coin have operated as one multi-tiered Ponzi scheme. Argyle Coin investor funds have been commingled with Eagle and Natural Diamonds investors’ funds, and their bank accounts are used interchangeably. Because these entities are linked and essentially operate together and share funds and accounts, having the same Receiver appointed who is already the Monitor for Eagle and Natural Diamonds will best serve the investors.

The Commission attaches Mr. Schneider’s credentials to this motion. The interests of investors would best be served by appointing Schneider to serve as Receiver over Argyle Coin. His letter and resume indicate he has extensive experience in securities and receivership matters. The Receivership will involve determining how to resolve or continue the businesses, locating assets and investor funds, and accounting and asset management, among other tasks, a Receiver with Mr. Schneider’s extensive experience is essential.

Moreover, Mr. Schneider is willing to significantly discount his and his firm's current hourly rates. He is willing to significantly discount his hourly rate to \$395 an hour. Additionally, his counsel will also provide this same discount. Not only will these considerable rate reductions substantially reduce the costs of the Receivership to defrauded investors, they are collectively lower rates than the other candidates offered.

Accordingly, the Commission requests that the Court appoint Mr. Schneider as Receiver over Argyle Coin.

**MEMORANDUM OF LAW**

The Court should appoint a Receiver over Argyle Coin with full and exclusive power, duty, and authority to: administer and manage their business affairs, funds, assets, causes of action and any other property of LottoNet and Relief Defendants; marshal and safeguard all of the assets of Argyle Coin; and take whatever actions are necessary for the protection of the investors.

The appointment of a Receiver is a well-established equitable remedy available to the Commission in civil enforcement proceedings for injunctive relief.<sup>1</sup> The appointment of a Receiver is particularly appropriate in cases such as this where a corporation, through its management, has defrauded members of the investing public.<sup>2</sup> In such cases, without the appointment of a Receiver to maintain the status quo, the corporate assets will be subject to diversion and waste to the detriment of those who were induced to invest in the fraudulent scheme.<sup>3</sup> A Receiver is appropriate to protect the public interest when it is obvious that those in control of an entity who have inflicted serious detriment in the past must be ousted.<sup>4</sup>

Argyle Coin has received about \$2.78 million of investors' funds. Argyle Coin has not paid investors their promised investment returns, and has dissipated investor funds for personal use, to cover negative account balances the Natural Diamonds and Eagle bank accounts, and for use in a Ponzi scheme to pay Natural Diamonds and Eagle investors their purported investment returns. At this juncture, Argyle Coin need a Court-appointed Receiver to act in their best interests and to maximize value for defrauded investors.

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<sup>1</sup> See, e.g., *SEC v. First Financial Group of Texas*, 645 F.2d 429, 438 (5th Cir. 1981); see also Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77v(a), and Section 27 of the Securities Exchange Act of 1934, 15 U.S.C. § 78aa.

<sup>2</sup> *First Financial Group of Texas*, 645 F.2d at 438.

<sup>3</sup> *Id.* See also *R.J. Allen & Associates, Inc.*, 386 F. Supp. 866, 891 (S.D. Fla. 1974).

<sup>4</sup> *SEC v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970).

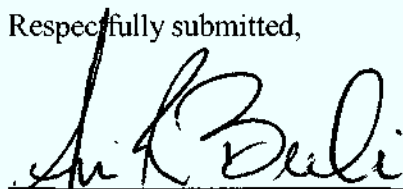
**CONCLUSION**

For the foregoing reasons, the Commission requests that the Court grant its request for the appointment of Mr. Schneider, Esq. as Receiver over Argyle Coin. A proposed order is submitted herewith.

May 13, 2019

Respectfully submitted,

By:

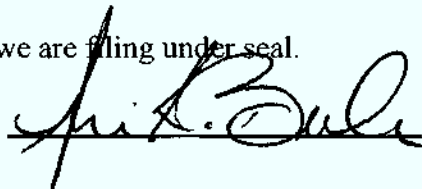


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**Certification of Counsel**

Counsel for the Commission did not confer with Argyle Coin regarding the requested relief, since in order to prevent further dissipation of assets, we are seeking this relief in connection with an ex parte Temporary Restraining Order that we are filing under seal.





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May 2, 2019

**VIA ELECTRONIC MAIL**

Amie Riggle Berlin, Esq.  
Senior Trial Counsel  
Miami Regional Office  
U.S. Securities and Exchange Commission  
801 Brickell Avenue, Suite 1800  
Miami, Florida 33131

**RE: SEC v. Jose Aman, Harold Seigel, Jonathan Seigel, Argyle Coin, LLC, et al.**

Dear Ms. Berlin:

This letter responds to your inquiry regarding my interest and qualifications to serve, if selected, as a court-appointed receiver in connection with the action to be initiated by the United States and Exchange Commission (“SEC”) against Jose Aman, Harold Seigel, Jonathan Seigel, Argyle Coin, LLC, and others in the United States District Court for the Southern District of Florida.

I very much appreciate being considered to serve in this important capacity. I believe that I am uniquely qualified to serve as receiver in this case, because I currently serve – as set forth more fully below – as Corporate Monitor for Natural Diamonds Investment Co. and Eagle Financial Diamond Group, Inc., two additional entities controlled by Jose Aman, Harold Seigel, Jonathan Seigel, in a case pending in the United States District Court for the Southern District of Florida.

I will first discuss, in Section 1, my qualifications and experience to serve as receiver in this case. In Section 2, I will discuss my law firm’s resources and experience to handle this matter; the legal team that I would assemble; and the fee reductions that I have agreed to provide. Section 3 contains my certification that I have not been the subject of any disciplinary action by any professional or licensing authority, and that I have not been the subject of any government sanctions (or any sanctions at all, for that matter).

Amie Riggle Berlin, Esq  
Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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**I. My qualifications and experience.**

Enclosed for your review is my resume. As you can see from my resume, I am the current Chair of my firm's Receivership Practice Group. I have served in that capacity, or as Co-Chair, since my firm's inception. I also served as Co-Chair of the Receivership Practice Group at my previous law firm. I am also managing partner of my firm (and have been since my firm's inception).

Throughout the course of my 25-year-plus career, I have served as receiver in actions brought by the United States Securities and Exchange Commission ("SEC"), the Commodity Futures Trading Commission ("CFTC"), the Federal Trade Commission ("FTC"), the State of Alabama, Office of the Attorney General ("Alabama AG"), and the State of Florida, Office of the Attorney General ("Florida AG"). I have been appointed by District Court judges located in the Northern District of Alabama, the Northern District of Illinois, and the Southern District of Florida. I have also been appointed by state court judges located throughout the State of Florida.

I have also acted as lead or special counsel to SEC, CFTC and FTC receivers in numerous eight-figure and nine-figure receiverships. I also served in that capacity at my previous law firm. In that regard, and throughout the course of my career, I have served as receiver in actions brought by the FTC, the Securities and Exchange Commission ("SEC"), the Commodity Futures Trading Commission ("CFTC"), and the Office of the Attorney General ("AG") for the states of Florida and Alabama. I have also served, on numerous occasions, as lead counsel to SEC, CFTC and FTC receivers in seven and eight-figure receiverships. I have also served as lead counsel for a class of investors in a nine-figure receivership; in that case alone, I helped to recover approximately \$75 million – representing a 100% recovery – for that group of investors. In the Jay Peak case, for example, which is a currently-pending \$450 million EB-5 fraud case, the largest in the country, I am special counsel to the Receiver and we have already recovered over \$163 million to be distributed to the victims in that case.

Indeed, throughout the course of my career, I have been fortunate enough to help to recover well over \$250 million for defrauded victims in Ponzi schemes and other frauds. My resume also details my background in commercial litigation, real estate litigation, and securities litigation, all of which is pertinent to my qualifications to serve as a court-appointed receiver in an action brought by the FTC. I am, of course, admitted to practice law in the State of Florida, and before the United States District Court for the Southern and Middle Districts of Florida.

My most recent significant appointment was a case brought by both the FTC and the AG styled *Federal Trade Commission and State of Florida vs. Inbound Call Experts, LLC, et al.* The Inbound Call case was an alleged computer software protection scam that targeted the elderly. The entities generated over \$100 million from literally thousands of consumers. At the time of my appointment, Inbound Call was still an operating entity. Indeed, it was one of

Amie Riggle Berlin, Esq  
Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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many operating entities placed in receivership that were then providing technical support services from multiple locations to well over 1,000 consumers. The main location was a stand-alone building that housed over 500 employees and operated 24 hours a day. A second location was several miles away and housed approximately 50 employees. Technical support services were also being provided through third-party call centers located in the Philippines, the Dominican Republic, Jamaica, and Honduras. In addition, the defendants made it known at the outset of the case that they planned on challenging the FTC's and the AG's entitlement to injunctive relief. It was, therefore, critical that I maintain the status quo during the pendency of the receivership.

Utilizing the resources of my firm, I dispatched several teams to seize control of the various locations and managed to prevent chaos from erupting as I briefed approximately 500 employees on the enforcement action that had been brought, the order that had been issued, my role as receiver, and what to expect during the pendency of the action. I was thereafter able to locate and secure the assets – while at the same time managing the entities' operations – until the Court held a several-day hearing on the FTC's and the AG's entitlement to injunctive relief (at which I testified). Because the entities had taken remedial measures before the initiation of the receivership, thus eliminating the risk of continuing harm, the Court agreed that there was a likelihood of success but disagreed that there was a need to continue the receivership, so the Court restored operations to the defendants and asked that I hold a fund to compensate the victims (\$2 million). Importantly, there was not a single complaint – by the Court, the FTC, the AG, the consumers, or the defendants – about the way in which I ran the entities during the hiatus. In other words, there was a seamless transition from Inbound Call's pre-receivership operations, to my management of the entities during the pendency of the receivership, and then back to the defendants after the Court so ordered. I was thereafter ordered by the District Court Judge to act as Monitor – for a period of two years – to ensure that the defendants are complying with their obligations under a Permanent Injunction that was eventually issued.

Since the Inbound Call case, I have been appointed in a number of receivership cases located throughout the country, including:

- *Federal Trade Commission and State of Alabama vs. Troth Solutions, Inc., et al.*, a case brought by the FTC and the Alabama AG in the United States District Court for the Northern District of Alabama;
- *Federal Trade Commission and State of Florida vs. Big Dog Solutions LLC*, a case brought by the FTC and the Florida AG in the United States District Court for the Northern District of Illinois;
- *Office of the Attorney General, State of Florida vs. Go Ready Calls Marketing, LLC, et al.*, a case brought by the AG in Palm Beach County, Florida;

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Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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- *Office of the Attorney General, State of Florida vs. Learn More Media, LLC*, a case brought by the AG in Broward County, Florida;
- *Office of the Attorney General, State of Alabama vs. American Plumbing & Septic, et al.*, a case brought by the Alabama AG in Calhoun County, Alabama;
- *Office of the Attorney General, State of Florida vs. Richard Meyer and Lawrence Forno, P.A.*, a case brought by the AG in Broward County, Florida; and
- *Office of the Attorney General, State of Alabama vs. TY Green's Massage Therapy, Inc., et al.*, a case brought by the Alabama AG in Madison County, Alabama.

As stated above, I was also recently appointed to serve as Corporate Monitor for Natural Diamonds and Eagle Financial in a case pending in the United States District Court for the Southern District of Florida styled *Round vs. Natural Diamonds Investment Company and Eagle Financial Diamond Group, Inc.* Since being appointed on March 28, 2019, I have met with and interviewed the principals and a number of investors and creditors; I have sent countless demand letters to recipients of investor funds and diamonds; and I have secured – without the need for litigation – over 100 diamonds. I have also obtained possession of three “jumping” horses that have an estimated six-figure value. I have secured the premises at which the defendants did business. I have obtained \$100,000 from an investor group that received those funds from the defendants within the past ninety days. I have opened an account in my name as Corporate Monitor. And I am negotiating with an entity that received upwards of seven-figures in diamonds.

Before the forgoing appointments, I served as receiver in SEC and CFTC actions styled *Securities and Exchange Commission vs. Trade-LLC, et al.* and *Commodity Futures Trading Commission vs. Trade-LLC, et al.* The Trade action involved approximately \$30 million and a number of complicated financial transactions. In that case, I brought a number of fraudulent transfer lawsuits and seized and liquidated homes, apartments, cars, jewelry, and other valuables. I also testified at the CFTC's trial on damages against two of the individual defendants; the District Court accepted my figures and praised our work. In the Trade case, we ultimately recovered and distributed (with the assistance of the SEC and the CFTC, of course) approximately 34% in two years, and then closed the case.

Just before the Trade case, I served as co-lead counsel for the receiver in an SEC action styled *Securities and Exchange Commission vs. Pension Fund of America, L. C., et al.* The Pension Fund action involved over \$125 million and an incredibly-complicated flow of money between the United States and Latin America. In that case, I tried a four-day contempt trial that resulted in a strongly-worded finding of contempt against one of the defendants. I am also happy



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Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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to report that, in the Pension Fund case, we recovered approximately \$40 million, most of which has already been distributed to the victims of the fraud.

Just before the Pension Fund case, I served as lead counsel for the receiver in an SEC action styled *Securities and Exchange Commission vs. Viatical Capital, Inc., et al.* The Viatical Capital case involved approximately \$50 million and required us to reconstruct the flow of money among 50 different entities. In the Viatical Capital case, we have recovered (again, with the assistance of the SEC) approximately \$30 million; all of that money has already been distributed to the victims of the fraud.

Just before the Viatical Capital case, I served as lead counsel for the receiver in an action brought by both the SEC and the CFTC styled *Securities and Exchange Commission/Commodities Futures Trading Commission vs. Sunstate FX, Inc., et al.* The Sunstate case involved approximately \$30 million. We worked closely with both the SEC and the CFTC. We also coordinated our efforts with the United States Attorneys' Office. With the help of my testimony at the sentencing hearing, the principal protagonist of the fraud in the Sunstate case was sentenced to over five years.

In addition, my practice for the past twenty-five years has been concentrated in complex financial litigation in both federal and state courts and in arbitration proceedings. I routinely litigate – as lead trial counsel – complex business disputes and have represented individuals and entities in securities matters, class actions, bankruptcy litigation, and international litigation and arbitration.

Based on this in-depth experience in both receivership and complex litigation cases, I believe that I am uniquely suited to quickly and efficiently administer both large and complex receivership cases, as well as smaller cases that require speed and efficiency. I have also been involved in countless cases against "profiteers" and other recipients of transfers from receivership entities.

## **II. My Firm.**

My law firm is a sophisticated boutique firm. We are all former "big firm" attorneys, having spent decades at large firms working on large, complex matters, but we pride ourselves on having created a firm that provides the same level of sophistication at a fraction of the expense. Indeed, we founded the firm on that premise; large, complex matters do not require multiple levels of lawyers and should not entail the exorbitant cost structure associated with large law firms.

I have a number of litigation partners that have worked with me on the various receivership cases throughout the years. They are experienced in this area and have no learning curve when it comes to receivership matters. I also have incredibly-bright associates that have

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Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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also worked with me on our receivership cases. I also have two paralegals that specialize in receivership work. Indeed, one of my paralegals has an MBA and helped me administer the \$30-million claims process in the Trade case. That was an enormous undertaking, and because of her low hourly rate, we were able to keep the expenses of that case to a minimum.

In short, I have spent the vast majority of my legal career working on receivership matters, and my colleagues have as well. We fully appreciate the challenges of these cases, particularly in the early stages. Facilities need to be secured; bank accounts need to be frozen; assets need to be located and marshalled; electronic information needs to be protected; investors need to be notified; all while running the day-to-day operations of the receivership entities. I have been there many times, as have my colleagues.

I also appreciate the importance of managing the expenses of a receivership. We consider receivership work to be an honor and a privilege. It is public service work for which we must significantly reduce the hourly rate we charge typical commercial clients, because my goal, naturally, is to maximize recoveries to the victims. To that end, my current hourly rate is \$665.00 an hour. For purposes of serving as Corporate Monitor for Natural Diamonds and Eagle Financial, however, I agreed to reduce my rates to \$450.00 per hour, and I insisted that my professionals do the same. For purposes of serving as Receiver, I am willing to reduce my rates even further to \$395.00 an hour. I will also insist that my professionals do the same. In addition, while partners of my firm normally have hourly rates that range from \$435.00 to \$665.00 per hour, I would agree to reduce my partners' rates (or the rates of partners at outside firms representing me) to \$350.00 per hour. Associates of my firm normally have hourly rates that range from \$350.00 to \$430.00 per hour. If appointed, associates of my firm (or at outside firms representing me) would be capped at \$275 per hour. Paralegals would be billed at \$150.00 per hour. Wherever possible, I will attempt to use those professionals with the lowest billing rate. And, of course, I would cap all of the foregoing rates during the life of the case.

Should the case require the services of forensic specialists or accountants, my firm has worked closely with several boutique firms. I am confident that I will be able to expedite their retention as well as seek substantial discounts from their standard hourly rates. I will also make sure that they also agree to seek court approval (and FTC approval) before instituting any changes in the discounted billing rates.

### **III. Conclusion and Certification.**

Again, I am honored to be considered to serve in this very important capacity. It would be a privilege to serve as receiver in this case. I hereby certify that I have not been the subject of any disciplinary action by any professional or licensing authority, and that I have not been the subject of any government sanctions (or any sanctions at all, for that matter). In view of my

Amie Riggle Berlin, Esq  
Senior Trial Counsel  
U.S. Securities and Exchange Commission  
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experience, I am confident that I will achieve the objectives of the FTC and the District Court, if appointed.

Thank you very much for your consideration.

Sincerely,



Jeffrey C. Schneider, P.A.

# JEFFREY C. SCHNEIDER

FOUNDING PARTNER



Jeff is an accomplished trial lawyer whose practice focuses on high-stakes business litigation, receiverships, and international arbitration. Jeff is one of the Firm's founding partners, and has been the Firm's Managing Partner since its inception. Jeff also Chairs the Firm's Receivership Practice Group.

Jeff has been trying complex, high-risk, eight-and-nine-figure cases in federal and state trial courts, and in arbitration proceedings, for over twenty-five years. Jeff has worked on some of the largest fraud cases in history, either as lead trial counsel, as receiver, or as counsel to the receiver.

Jeff has also served as receiver in actions brought by the Securities and Exchange Commission, the Federal Trade Commission, the Commodity Futures Trading Commission, and the Office of the Attorney General. Jeff has been appointed by District Court judges in the Northern District of Alabama, the Northern District of Illinois and the Southern District of Florida, and by state court judges in Miami-Dade, Broward, and Palm Beach counties.

Throughout the course of his career, Jeff has helped to recover well over \$275 million for defrauded victims, including a \$104 million recovery in the Mutual Benefits fraud and a \$150 million recovery in the Jay Peak fraud. Jeff is known for his creative and passionate approach to litigation, and is considered an expert on Ponzi schemes and fraud cases.

Jeff has also represented some of the country's largest title insurers as outside counsel on complex mortgage fraud cases, and has tried those cases in federal and state court actions.

Jeff has been recognized by virtually every publication and peer-review organization that exists, and has twice received the Miami Daily Business Review's "Most Effective Lawyers" award (having been nominated four times).

Jeff is a frequent lecturer in the areas of receivership litigation and international litigation and arbitration.

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## PRACTICE AREAS

Bankruptcy and Receiverships  
Complex Commercial Litigation  
EB-5 Litigation  
International Litigation & Arbitration  
Securities Litigation  
Title Insurance Litigation

## AREAS OF EXPERIENCE

- Bankruptcy and Receiverships
- Complex Commercial Litigation
- EB-5 Litigation
- International Litigation & Arbitration
- Securities Litigation
- Title Insurance Litigation

## AWARDS AND RECOGNITIONS

- Listed in The *Best Lawyers in America* in the areas of commercial litigation and Bankruptcy and Creditor Debtor Rights/Insolvency and Reorganization Law, 2013-2018 Editions.
- Received *Miami Daily Business Review* "2017 Most Effective Lawyers" award in the area of receiverships and receivership litigation.
- Received *Miami Daily Business Review* "2005 Most Effective Lawyers" award in the area of class action litigation.
- Finalist for *Miami Daily Business Review* "2007 Most Effective Lawyers" award in the area of bankruptcy and receiverships.
- Finalist for *Miami Daily Business Review* "2010 Most Effective Lawyers" award in the area of complex business litigation.
- Named one of "12 to Watch in 2012" by *Attorney at Law Magazine*
- Listed in *Florida Trend's Florida Legal Elite*, 2004-2018 Editions, representing the top 2% of the 54,000 Florida Bar Members.
- Listed in the *South Florida Legal Guide's* "Top Lawyers" list, 2009-2018 Editions.
- Listed in *Florida Super Lawyers*, 2006-2018 Editions, representing the top 5% of Florida attorneys.
- Listed in *Who's Who Among Executives and Professionals*, Honors Edition.
- Listed in *South Florida's Top Rated Lawyers* list, 2012-2018 Editions.
- Martindale-Hubbell "AV" Rated (the highest available rating).
- Senior Editor of The *Florida Law Review*.
- Recipient of the Achievement Award in Scholarship from the University of Florida School of Law.
- Authored the article, "Recently enacted Federal Legislation Providing Moral Rights to Visual Artists," published in "The *Florida Law Review*," Vol. 43, No.1, January 1991.

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# JEFFREY C. SCHNEIDER

FOUNDING PARTNER



## SIGNIFICANT REPRESENTATIONS AND APPOINTMENTS

### RECEIVERSHIP WORK

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#### PRACTICE AREAS

Bankruptcy and Receiverships  
Complex Commercial Litigation  
EB-5 Litigation  
International Litigation & Arbitration  
Securities Litigation  
Title Insurance Litigation

- **Jay Peak, Inc. and Q Resorts** – Special counsel to the receiver in the largest EB-5 fraud in the history of the United States, involving more than 800 foreign investors owed in excess of \$400 million. Helped to secure a \$150 million recovery from Raymond James.
- **Philip Milton** – Appointed by the Commodity Futures Trading Commission to serve as a Federal equity receiver in a \$25 million fraud. The action was pending in the United States District Court for the Southern District of Florida. Testified at the CFTC's trial on damages, and had recommendations accepted by the District Court Judge.
- **Trade-LLC** – Appointed by the Securities and Exchange Commission to serve as a Federal equity receiver. The action was pending in the United States District Court for the Southern District of Florida. Brought a number of fraudulent transfer and "claw-back" lawsuits and located, marshalled, secured, seized, and liquidated homes, apartments, cars, jewelry, and other valuables.
- **Inbound Call Experts** – Appointed by the Federal Trade Commission and the Office of the Attorney General to serve as a Federal equity receiver. The entities in receivership generated over \$100 million from thousands of consumers. At the time of appointment, Inbound Call employed over 500 employees from two locations in South Florida and provided technical support services in the Philippines, the Dominican Republic, and Honduras. Thereafter appointed as Federal Monitor for two years to monitor compliance with Permanent Injunction.
- **Truth Solutions, Inc.** – Appointed by the Federal Trade Commission and the Office of the Attorney General to serve as a Federal equity receiver. The action was filed in the United States District Court for the Northern District of Alabama.
- **PC Help Desk US** – Appointed by the Federal Trade Commission and the Office of the Attorney General to serve as a Federal equity receiver. The action was filed in the United States District for the Northern District of Illinois.
- **Go Ready Calls Marketing** – Appointed by the Office of the Attorney General to serve as state court receiver. The action is currently pending in Palm Beach County, Florida. Helped to recover over \$7 million from Banc of America Merchant Services, representing a full recovery to all affected consumers.
- **Learn More Media** – Appointed by the Office of the Attorney General to serve as state court receiver. The action is currently pending in Broward County, Florida.
- **American Precious Metals** – Lead trial counsel to the receiver of a precious metals boiler room. The action was filed in the United States District Court for the Southern District of Florida. The action was initiated by the Federal Trade Commission.
- **The Dolce Group** – Lead trial counsel to the receiver of a fraudulent boiler room. The action was filed in the United States District Court for the Southern District of Florida. The action was initiated by the Federal Trade Commission.
- **Amante** – Lead trial counsel to the receiver of a fraudulent boiler room. The action was filed in the United States District Court for the Southern District of Florida. The action was initiated by the Securities and Exchange Commission.
- **Mutual Benefits Corporation** – Represented class representatives in the Mutual Benefits receivership proceeding pending in the United States District Court for the Southern District of Florida. After less than one year of litigation, the court returned \$104 million dollars to all members of the class.
- **Viatical Capital, Inc.** – Lead trial counsel to the receiver of Viatical Capital, Inc. and its affiliates arising out of their fraudulent sale of \$59 million in securities. This action was filed in the United States District Court for the Middle District of Florida. Helped to return millions of dollars to the defrauded victims.
- **Ameritel Payphone Distributors, Inc.** – Lead trial counsel to the receiver in an action pending in the United States District Court for the Southern District of Florida. The action was initiated by the Federal Trade Commission. Worked closely with the Federal Trade Commission and the Assistant United States Attorney, resulting in a criminal conviction against the principal protagonist of the fraud.
- **USA Beverages, Inc.** – Lead trial counsel to the receiver in an action filed in the United States District Court for the Southern District of Florida. The action was initiated by the Federal Trade Commission.
- **Nationwide Connections, Inc.** – Lead trial counsel to the receiver in an action pending in the United States District Court for the Southern District of Florida. The action was initiated by the Federal Trade Commission.
- **Medco, Inc.** – Lead trial counsel to the receiver in several actions arising out of its fraudulent sale of securities pending in the United States District Court for the Southern District of Florida. The Court returned over \$5 million to defrauded investors. Worked closely with the Securities and Exchange Commission and the Assistant United States Attorney, resulting in a criminal conviction against the principal protagonist of the fraud.
- **Bridgeport and Associates, Inc.** – Lead trial counsel to the receiver in several actions arising out of a shut-down of these entities by the Federal Trade Commission pending in the United States District Court for the Southern District of Florida.
- **SunState FX, Inc.** – Lead trial counsel to the receiver in several actions arising out of SunState's securities fraud in South Florida pending in the United States District Court for the Southern District of Florida. Worked closely with the Securities and Exchange Commission and the Assistant United States Attorney, resulting in a criminal conviction against a principal protagonist of the fraud. Testified at the sentencing hearing.

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# JEFFREY C. SCHNEIDER

FOUNDING PARTNER



## TRIAL WORK

E | [jcs@kdeg.com](mailto:jcs@kdeg.com)  
D | 305.403.8799  
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## PRACTICE AREAS

Bankruptcy and Receiverships  
Complex Commercial Litigation  
EB-5 Litigation  
International Litigation & Arbitration  
Securities Litigation  
Title Insurance Litigation

- *Fannie Mae* – Lead trial counsel for Fannie Mae in connection with a preliminary injunction proceeding against the Ben Ezra & Katz law firm. The preliminary injunction was issued, and subsequently affirmed by the appellate court.
- *Chicago Title* – Lead trial counsel for Chicago Title in a multi-million-dollar reformation action tried in the United States District Court for the Southern District of Florida. The proceeding was settled after the trial.
- *Fidelity National Title* – Lead trial counsel for Fidelity in a seven-figure action pending in state court in Broward County, Florida. The case was one of first impression in the state of Florida. Prevailed on summary judgment, which was thereafter affirmed on appeal, resulting in Fidelity not having to pay any money to the Plaintiff.
- *Gloab Marketing* – Lead trial counsel for an American entity against claims by a publicly-traded Russian entity involving mining rights in excess of \$100 million. The proceeding was settled after a one-week trial.
- *AgraCity* – Lead trial counsel for a Canadian entity against claims by an American entity involving ten million dollars on commodities shipped from Russia. The proceeding was settled after a two-week trial.
- *Fisher Island* – Co-lead trial counsel for the Plaintiff in a foreclosure action involving money laundering allegations against a national bank. The case was tried and judgment was issued in favor of the Plaintiff, and thereafter affirmed on appeal.
- *Carnival Corporation* – Lead trial counsel for Carnival in a breach of contract and fraud action pending in the United States District Court for the Southern District of Florida. The case was settled successfully for Carnival a few weeks before trial.
- *HIP Health Plan of Florida, Inc.* – Lead trial counsel for HIP in actions arising out of provider and other agreements. All of the cases were favorably settled before trial.
- *Personnel One* – Lead trial counsel for Personnel One in a matter pending in the United States District Court for the Southern District of Florida alleging violations of the Americans With Disabilities Act. The matter was settled without Personnel One having to pay any money.
- *Charles Bosco* – Lead trial counsel in an Arbitration in which allegations of breach of fiduciary duty and mismanagement were made. The matter was favorably settled before trial.
- *Premier Practice Management* – Lead trial counsel for Premier Practice Management in several actions against former physicians associated with the practice alleging breach of contract, breach of non-competition provisions, and violations of trade secret laws.
- *Lightech Electronics of North America* – Lead trial counsel for Lightech in an action accusing Lightech of violating non-compete provisions and trade secret laws. The matter was settled without Lightech having to pay any money.
- *Benchmark Office Solutions* – Lead trial counsel for Benchmark in an action pending in the United States District Court for the Southern District of Florida in which Benchmark was accused of violating non-compete provisions, non-solicitation provisions, and trade secret laws. The matter was favorably settled just a few days before the preliminary injunction hearing.
- *Palmer Ranch Development, Ltd.* – Represented, along with another member of the Firm, Palmer Ranch in several actions pending in Sarasota County, Florida, including an action that was tried before a jury.

## BAR AND COURT ADMISSIONS

- Florida
- United States District Court for the Southern and Middle Districts of Florida
- United States Bankruptcy Court for the Southern District of Florida
- United States Court of Appeals for the Eleventh Circuit
- United States Supreme Court

## EDUCATION

- Florida State University (B.S., Double Major: Economics and Political Science)
- University of Florida School of Law (J.D., with honors)

## PROFESSIONAL AND COMMUNITY INVOLVEMENT

- The Florida Bar, Member
- National Association of Federal Equity Receivers, Full Membership (limited to those who have served as receiver in matters of material size and complexity)
- Board of Directors of Dade County Bar Association, Young Lawyers Section, Former Member
- American Bar Association, Member

LEVINE  
KELLOGG  
LEHMAN  
SCHNEIDER+  
GROSSMAN LLP

201 South Biscayne Boulevard  
22nd Floor, Citigroup Center  
Miami, Florida 33131

# JEFFREY C. SCHNEIDER

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## PRACTICE AREAS

Bankruptcy and Receiverships  
Complex Commercial Litigation  
EB-5 Litigation  
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Title Insurance Litigation

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Miami, Florida 33131

## CONFLICTS OF INTEREST AND BACKGROUND INFORMATION

I am providing the Securities and Exchange Commission ("Commission") with the following conflict of interest and background information concerning Jeffrey C. Schneider, the [Receiver/Distribution Fund Administrator/Distribution Consultant] in connection with the action to be initiated by the United States and Exchange Commission ("SEC") against Jose Aman, Harold Seigel, Argyle Coin, LLC. I agree to supplement this information if any of the information herein changes, within thirty days of such change. I agree to provide such other Conflict of Interest information as requested by the Commission or its staff, and to take such steps as reasonably requested by the Commission or its staff in order to mitigate any conflicts that the Commission or its staff determine may exist, in their sole discretion. [Attach additional sheets as necessary.]

[If provided for a retained professional or other agent:] This information is provided for Jeffrey C. Schneider, who serves as Receiver to the [Receiver/Distribution Fund Administrator/Distribution Consultant] in the above referenced case.

Except where otherwise noted, for purposes of the information request below, "you" means you as an individual, as well as any spouse or dependents, and separately, any firm, partnership, joint venture, or other business in which you are an officer or director, or in which you have a substantial financial interest.

Except where otherwise noted, this information is requested for any responsive matters existing during the last five years. Also, if during the course of your duties you become aware of responsive information concerning a potential claimant in the matter listed above, you must promptly supplement your response to disclose that information:

1. List all contracts, consulting engagements, employment, service as an officer or director, or other work of any kind you have performed for any defendant/respondent in this matter, or any of its parents, subsidiaries, or other affiliates, or any claimant in this matter. Include any responsive matters existing during the last ten years. None.
2. List any financial interests in or with the defendant/respondent, its parents, subsidiaries, or other affiliates, or any claimant in this matter (e.g., stocks, bonds, options, other debt or equity interests, partnerships, retirement plans). None.
3. List all other personal or professional relationships or interests in or with the defendant/respondent, its parents, subsidiaries, or other affiliates, or with any of their officers or directors, or any claimant in this matter, not listed above. None.
4. List all matters in which you have been retained as a Receiver, Distribution Fund Administrator, Distribution Consultant, or as a subcontractor, agent or other service provider, in connection with any civil action or administrative proceeding by the Commission. Please see letter submitted simultaneously herewith.



5. List all other prior or existing cases, matters, or proceedings in which the Commission has an interest, in which you have been retained or served as a witness, consultant, or other expert. Please see letter submitted simultaneously herewith.

6. Identify any disciplinary proceedings, felony criminal indictment or information (or equivalent formal charge) or a misdemeanor criminal information (or equivalent formal charge), civil proceedings or actions against you personally by any Federal, state, local, or foreign entities and the results of those proceedings. Include any responsive matters regardless of when they arose. None.

7. Identify any actual or potential conflicts of which you are aware, regardless of when they arose, that are not identified or addressed in paragraphs 1 through 5 above, but that may affect the performance of your duties under this appointment. None.

If you believe any of the information provided in response to these requests is non-public or confidential, you may request confidential treatment by the Commission pursuant to the procedures set forth at 17 C.F.R. § 200.83.

**Under penalty of perjury, I declare that I have examined the information given in this statement, and attached hereto, and, to the best of my knowledge and belief, it is true, correct, and complete. I understand that any material misstatements or omissions made by me herein or in any attachments hereto may constitute criminal violations, punishable under 18 U.S.C. § 1001.**

By:

  
\_\_\_\_\_  
Signature

Name:

Jeffrey C. Schneider  
\_\_\_\_\_

Title:

Proposed Receiver  
\_\_\_\_\_

On behalf of:

\_\_\_\_\_  
Receiver/Distribution Fund Administrator/Distribution Consultant

Jose Aman, Harold Seigel, Jonathan Seigel, Argyle Coin, LLC

Defendant/Respondent Name

**BILLING INSTRUCTIONS FOR RECEIVERS IN CIVIL ACTIONS  
COMMENCED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION**

Except where inconsistent with guidelines established by the applicable district or circuit court, the undersigned hereby represents that, if appointed receiver in a civil action commenced by the U.S. Securities and Exchange Commission (the "SEC" or the "Commission"), each application for professional fees and expenses (the "Application") submitted by the receiver, including all contractors and/or professionals retained by the receiver, will comply with these billing instructions (the "Billing Instructions"). Undersigned further represents that any deviation from the Billing Instructions will be described in writing and submitted to the SEC at least 30 days prior to the filing of the Application with the Receivership Court. Following its receipt and review of proposed applications, as described in section A.2 below, the SEC may object to deviations and charges with which it does not agree.

Undersigned acknowledges that all applications for compensation are interim and are subject to a cost benefit review and final review at the close of the receivership. At the close of the receivership, the receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the receiver during the course of the receivership.

Undersigned acknowledges that, to the extent requested by the SEC, interim fee applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court;. The total amounts held back during the course of the receivership will be paid out at the discretion of the court as part of the final fee application submitted at the close of the receivership.

SEC Receivership Billing Instructions, pg. 2 of 11

**A. CERTIFICATION**

1. Each Application must contain a Certification by the Applicant that:
  - (a) the Certifying Professional has read the Application;
  - (b) to the best of the Applicant's knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses therein are true and accurate and comply with the Billing Instructions (with any exceptions specifically noted in the Certification and described in the Application);
  - (c) all fees contained in the Application are based on the rates listed in the Applicant's fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed;
  - (d) the Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission); and,
  - (e) in seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. If such services are performed by the receiver, the receiver will certify that it is not making a profit on such reimbursable service.

2. At least 30 days prior to the filing of the Application with the Court, the Applicant will provide to SEC Counsel a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by SEC staff.

**B. ATTENDANCE AT HEARING ON APPLICATION**

The Receiver or other Certifying Professional shall be present at any hearing to

SEC Receivership Billing Instructions, pg. 3 of 11

consider the Application.

**C. CONTENT OF APPLICATION**

The following information must be provided in the Application:

1. Information about the Applicant and the Application.
  - (a) the time period covered by the Application;
  - (b) the date the receiver was appointed, the date of the order approving employment of the Applicant, and the date services commenced;
  - (c) the names and hourly rates of all Applicant's professionals and paraprofessionals (the "Fee Schedule"); and,
  - (d) whether the Application is interim or final, and the dates of previous orders on interim Applications along with amounts requested and the amounts allowed or disallowed, all amounts of previous payments, and amount of any allowed Applications which remain unpaid.
  
2. Case Status (Narrative).
  - (a) The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
  - (b) Summary of the administration of the case, including all funds received and disbursed, and when the case is expected to close;
  - (c) Summary of creditor claims proceedings, including a description of established or anticipated procedures for: (i) providing notice to known and unknown claimants; (ii) receipt and review of claims; (iii) making recommendations to court for payment or denial of claims; and, (iv) final disposition of claims. This summary should also include the status of such claims proceedings after they have been commenced;
  - (d) Description of assets in the receivership estate, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended; and,

SEC Receivership Billing Instructions, pg. 4 of 11

- (e) Description of liquidated and unliquidated claims held by the receiver, 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).

3. Current and Previous Billings.

- (a) Total compensation and expenses requested and any amount(s) previously requested;
- (b) Total compensation and expenses previously awarded by the court; and,
- (c) Total hours billed and total amount of billing for each person who billed time during the period for which fees are requested.

4. Standardized Fund Accounting Report.

The SEC's Standardized Fund Accounting Report ("SFAR") submitted by the Receiver for the most recent quarter shall be attached to any fee application as "Exhibit A".

**D. TIME RECORDS REQUIRED TO SUPPORT FEE APPLICATIONS**

1. Each professional and paraprofessional must record time in increments of tenths of an hour, and must keep contemporaneous time records on a daily basis.

2. Time records must set forth in reasonable detail an appropriate narrative description of the services rendered. Without limiting the foregoing, the description should include indications of the participants in, as well as the scope, identification and purpose of the activity that is reasonable in the circumstances.

3. The Application should separately describe each business enterprise or litigation matter (i.e., "Project") for which outside professionals have been employed. For example, separate litigation matters should be set out individually in the Application as

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individual Projects and each such Project should contain Activity Categories as described in Sections D.4 and D.5 below. Each Project Category should contain a narrative summary of the following information:

- (a) a description of the project, its necessity and benefit to the estate and the status of the project including pending litigation for which compensation and/or reimbursement of expenses is requested;
- (b) identification of each person providing services on the project; and
- (c) a statement of the number of hours spent and the amount of compensation requested by professionals and paraprofessionals on the project.

4. In recording time, each professional and paraprofessional may, subject to Section D.5 immediately below, describe in one entry the nature of the services rendered during that day and the aggregate time expended for that day in an "Activity Category" (as described in section D.5.a and D.5.b, below) without delineating the actual time spent on each discrete activity in an Activity Category, provided, however, single time entries of more than one hour in an Activity Category that include two or more activities must include a notation of the approximate time spent on each activity within the Activity Category.

5. Time records shall be in chronological order by Activity Category. Only one category should be used for any given activity and professionals and paraprofessionals should make their best effort to be consistent in their use of categories. This applies both within and across firms. Thus, it may be appropriate for all professionals to discuss the categories in advance and agree generally on how activities will be categorized. Every effort should be made to use the listed categories in the first instance and to coordinate the use of additional categories with other professionals in the case. Notwithstanding the above, all categories must correspond with the SEC's SFAR. The

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time information reflected on the Application shall also be supplied to the SEC Counsel in an electronic format as directed by SEC staff.

(a) Legal Activities. The following categories are generally more applicable to attorneys but may be used by all professionals where appropriate.

**ASSET ANALYSIS AND RECOVERY.** Identification and review of potential assets including causes of action and non-litigation recoveries.

**ASSET DISPOSITION.** Sales, leases, abandonment and related transaction work. Where extended series of sales or other disposition of assets is contemplated, a separate category should be established for each major transaction.

**BUSINESS OPERATIONS.** Issues related to operation of an ongoing business.

**CASE ADMINISTRATION.** Coordination and compliance activities, including preparation of reports to the court, investor inquiries, etc.

**CLAIMS ADMINISTRATION AND OBJECTIONS.** Expenses in formulating, gaining approval of and administering any claims procedure.

**EMPLOYEE BENEFITS/PENSIONS.** Review issues such as severance, retention, 401K coverage and continuance of pension plan.

(b) Financial Activities. The following categories are generally more applicable to accountants and financial advisors, but may be used by all professionals where appropriate.

**ACCOUNTING/AUDITING.** Activities related to maintaining and auditing books of account, preparation of financial statements and account analysis.

**BUSINESS ANALYSIS.** Preparation and review of company business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies.

**CORPORATE FINANCE.** Review financial aspects of potential mergers, acquisitions and disposition of company or subsidiaries.

**DATA ANALYSIS.** Management information systems review, installation and

SEC Receivership Billing Instructions, pg. 7 of 11

analysis, construction, maintenance and reporting of significant case financial data, lease rejection, claims, etc.

**STATUS REPORTS.** Preparation and review of periodic reports as may be required by the court.

**LITIGATION CONSULTING.** Providing consulting and expert witness services relating to forensic accounting; etc.

**FORENSIC ACCOUNTING.** Reconstructing books and records from past transactions and bringing accounting current; tracing and sourcing assets.

**TAX ISSUES.** Analysis of tax issues and preparation of state and federal tax returns.

**VALUATION.** Appraise or review appraisals of assets.

**E. PAYMENT OF FEES AND EXPENSES**

**1. Presentation of Fees and Expenses in Application.**

- (a) All fees and expenses must be necessary and reasonable; excessive charges will not be paid. To the extent that an Applicant seeks reimbursement of expenses, the Application shall include a categorization of such expenses along with an exhibit summarizing the total expenses for the period covered by the Application.
- (b) Charges for litigation will be paid only if the litigation is reasonably likely to produce a net economic benefit to the estate. With respect to each litigation matter, the Applicant shall certify that the Applicant determined that the action was likely to produce a net economic benefit to the estate, based on reviews of: (i) the legal theories upon which the action was based, including issues of standing; (ii) the likelihood of collection on any judgment which might be obtained; and, (iii) alternative methods of seeking the relief, such as the retention of counsel on a contingency basis. Retention of counsel on a contingency fee basis should be pursued where the Receiver (after consulting with SEC Counsel) concludes that retention of counsel under the approved fee schedule would produce a lesser economic benefit to the receivership estate. The receiver should memorialize these cost-benefit analyses, through communications with the receiver's counsel, as support for the engagement of such counsel.
- (c) Invoices and/or bills for each expense item for which reimbursement



is sought must be kept for seven (7) years after the close of the receivership. Such support shall be provided on request to the court and the SEC, and in appropriate circumstances to any party in interest provided that, where applicable, privilege or confidentiality can be preserved.

- (d) Time spent preparing fee applications, or any documentation in support thereof, may not be charged to the receivership estate.

2. Allowable and Non-Allowable Reimbursable Expenses.

(a) Filing Fees Process Service Fees, Witness Fees and Expert Witness Fees.

Filing fees (including for necessary adversaries), process service fees, witness fees, and expert witness fees (subject to court approval of the employment of any professionals and the reasonableness of such fees) shall be allowable to the extent of the actual cost incurred by the Applicant.

(b) Court Reporter Fees and Transcripts.

Court reporter fees and copies of transcripts shall be allowable to the extent of the actual cost incurred by the Applicant.

(c) Lien and Title Searches.

The cost for lien and title searches (whether done in-house or by an outside vendor) is allowable to the extent of the actual cost incurred by, or invoiced to, the Applicant.

(d) Photocopying.

Photocopying shall be allowable at a cost not to exceed \$.15 per page. The Applicant shall set forth in its fee application the total number of copies. Outside vendor photocopying charges are allowable at the actual cost invoiced to the Applicant.

Necessary copies obtained from the Clerk of the Court (including certified copies) or from the approved court copy service will be permitted at the actual cost incurred by the Applicant.

SEC Receivership Billing Instructions, pg. 9 of 11

The Applicant shall not reflect on the Application any copies for which the Applicant has been, or expects to be, reimbursed (eg., payment from an opposing party for document production from which the Applicant has been reimbursed).

(e) Postage, Overnight Delivered Courier/Messenger Services.

The cost of postage, overnight delivery, and outside courier/messenger services are reimbursable for the actual cost incurred, if reasonably incurred. Charges should be minimized whenever possible. For example, couriers/messengers and overnight delivery service should be used only when first-class mail is impracticable.

(f) Telephone.

Long distance telephone charges are allowable to the Applicant for the actual cost invoiced from the telephone carrier. Charges for local telephone exchange service and cellular telephone service shall not be reimbursable.

(g) Facsimile Transmission.

A charge for outgoing facsimile transmission to long distance telephone numbers are reimbursable at the lower of (a) toll charges or (b) if such amount is not readily determinable, \$1.00 per page for domestic and \$2.00 per page for international transmissions. Charges for in-coming facsimiles are not reimbursable. The Application shall state the total number of pages of the outgoing transmissions.

(h) Computerized Research.

Computerized legal research services such as Lexis and Westlaw are reimbursable to the extent of the invoiced cost from the vendor, however if such service is provided on a monthly or other periodic rate, proportional usage shall not be reimbursable.

(i) Parking.

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Reimbursement for parking is allowable, including parking by a professional to attend court proceedings, depositions or case conferences, parking at the airport, and client and third party parking (including validation).

(j) Travel Expenses and Meals.

Local travel time and related expenses for destinations within a twenty (20) mile radius of the Applicant's office including mileage, taxis, etc. and meals (including staff meals) will not be reimbursed. Mileage charges for out-of-town travel (outside a twenty (20) mile radius of the Applicant's office) with one's own car are reimbursable at the lesser of the amount customarily charged clients or the amount allowed by the Internal Revenue Service for per mile deductions. For purposes of the foregoing, the Applicant's office shall be the office in which the person incurring the travel expense is located.

Long distance travel time outside a twenty (20) mile radius of the Applicant's office is reimbursable at 50% of the Applicant's regular billing rate. The reimbursement of long distance travel expenses is subject to the following limitations: (1) the Applicant shall seek and use the lowest airfare or train fare available to Applicant; (2) luxury accommodations and deluxe meals are not reimbursable; (3) personal, incidental charges such as telephone and laundry are not reimbursable unless necessary as a result of a reasonably unforeseen extended stay not due to the fault of the traveler; and (4) each out-of-pocket travel and allowable miscellaneous administrative expense exceeding \$75 requires a receipt that is to be attached to the invoice.

(k) Word Processing, Document Preparation, Data Processing, Proofreading, Secretarial and Other Staff Services.

SEC Receivership Billing Instructions, pg. 11 of 11

Secretarial, library, word processing, document preparation (other than by professionals or paraprofessionals), data processing, and other staff services (exclusive of paraprofessional services), including overtime for the foregoing, are not reimbursable. Charges for proofreading for typographical or similar errors are not reimbursable whether the services are performed by a paralegal, secretary, or temporary staff.

(1) Communications with Investors.

Where appropriate, the estate should promptly create a website, and update the website as appropriate, to provide information as to the activities and condition of the estate to investors. In addition, any necessary basic communications with investors should be handled by clerical or paralegal staff (or comparatively paid staff) to the extent possible. Expenses stemming from a failure to comply with this policy will not be submitted.

Date: May 2, 2019

Candidate for Appointment as Receiver in  
Civil Action Commenced by the  
U.S. Securities and Exchange Commission

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Jeffrey C. Schneider, P.A.  
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Miami, Florida 33131  
Email: [jcs@lklsg.com](mailto:jcs@lklsg.com)  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

19 80633

CASE NO.:

CV-Rosenberg

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,  
EAGLE FINANCIAL DIAMOND GROUP INC.  
A/K/A DIAMANTE ATERLIER,  
ARGYLE COIN, LLC,  
JOSE ANGEL AMAN,  
HAROLD SEIGEL, AND  
JONATHAN H. SEIGEL,

Defendants, and

H.S. MANAGEMENT GROUP LLC,  
GOLD 7 OF MIAMI, LLC,  
WINNERS CHURCH INTERNATIONAL INC.  
OF WEST PALM BEACH, FLORIDA,  
FREDERICK D. SHIPMAN, AND  
WHITNEY SHIPMAN,

Relief Defendants.

Per Local Rule 5.4(d), the matter(s)  
shall remain sealed.  
\_\_\_\_ years; \_\_\_\_\_ (specific date);  
\_\_\_\_ permanently; \_\_\_\_\_ (other).

SEALED  
 NOT SEALED

**ORDER GRANTING PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S  
MOTION FOR APPOINTMENT OF RECEIVER**

WHEREAS, Plaintiff Securities and Exchange Commission has filed a motion for the appointment of a Receiver over Defendant Argyle Coin, LLC ("Argyle"), with full and exclusive power, duty, and authority to: administer and manage the business affairs, funds, assets, causes in action and any other property of Argyle; marshal and safeguard all of their assets; and take whatever actions are necessary for the protection of investors;

WHEREAS, the SEC has made a sufficient and proper showing in support of the relief requested;

**WHEREAS**, the SEC has submitted the credentials of a candidate to be appointed as Receiver of all of the assets, properties, books and records, and other items of Argyle (“Receivership Entity”), including any properties, assets and other items held in their names or their principals’ names, and the SEC has advised the Court that this candidate is prepared to assume this responsibility if so ordered by the Court;

**IT IS THEREFORE ORDERED AND ADJUDGED** that \_\_\_\_\_ is hereby appointed Receiver over the Receivership Entities, their subsidiaries, successors, and assigns, and is hereby authorized, empowered, and directed as follows:

**I. General Powers and Duties of Receiver**

1. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the entity Receivership Parties under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Fed.R.Civ.P. 66.

2. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys and other agents of the Receivership Entity are hereby dismissed and the powers of any general partners, directors and/or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Entity’s operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Entity and shall pursue and preserve all of their claims.

3. No person holding or claiming any position of any sort with any of the Receivership Entity shall possess any authority to act by or on behalf of any of the Receivership Entity.

4. Subject to the specific provisions below, the Receiver shall have the following general powers and duties:

- A. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Entity, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entity own, possess, have a beneficial interest in, or control directly or indirectly (“Receivership Property” or, collectively, the “Receivership Estates”);
- B. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Entity; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;
- C. To manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;
- D. To 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;
- E. To 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 Entity;
- F. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;
- G. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of

Receivership Property;

- H. The Receiver is authorized to issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;
- I. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;
- J. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,
- K. To take such other action as may be approved by this Court.

**II. Access to Information**

5. The individual Receivership Entity and the past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants and employees of the entity Receivership Entity, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Entity and/or all Receivership Property; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

6. Within ten (10) days of the entry of this Order, the Receivership Entity shall file with the Court and serve upon the Receiver and the Commission a sworn statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Entity; and, (c) the names, addresses and amounts of claims of all known creditors of the Receivership Entity.

7. Within thirty (30) days of the entry of this Order, the Receivership Entity shall file with the Court and serve upon the Receiver and the Commission a sworn statement and accounting,



with complete documentation, covering the period from January 2017 to the present:

- A. Of all Receivership Property, wherever located, held by or in the name of the Receivership Entity, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains and/or exercised or exercises control, including, but not limited to: (a) all securities, investments, funds, real estate, automobiles, jewelry and other assets, stating the location of each; and (b) any and all accounts, including all funds held in such accounts, with any bank, brokerage or other financial institution held by, in the name of, or for the benefit of any of them, directly or indirectly, or over which any of them maintained or maintains and/or exercised or exercises any direct or indirect control, or in which any of them had or has a direct or indirect beneficial interest, including the account statements from each bank, brokerage or other financial institution;
- B. Identifying every account at every bank, brokerage or other financial institution: (a) over which Receivership Entity have signatory authority; and (b) opened by, in the name of, or for the benefit of, or used by, the Receivership Entity;
- C. Identifying all credit, bank, charge, debit or other deferred payment card issued to or used by each Receivership Defendant, including but not limited to the issuing institution, the card or account number(s), all persons or entities to which a card was issued and/or with authority to use a card, the balance of each account and/or card as of the most recent billing statement, and all statements for the last twelve months;
- D. Of all assets received by any of them from any person or entity, including the value, location, and disposition of any assets so received;
- E. Of all funds received by the Receivership Entity, and each of them, in any way related, directly or indirectly, to the conduct alleged in the Commission's Complaint. The submission must clearly identify, among other things, all investors, the securities they purchased, the date and amount of their investments, and the current location of such funds;
- G. Of all expenditures exceeding \$1,000 made by any of them, including those made on their behalf by any person or entity; and
- H. Of all transfers of assets made by any of them.

8. Within thirty (30) days of the entry of this Order, the Receivership Entity shall provide to the Receiver and the Commission copies of the Receivership Entity's federal income tax returns for 2015 through present with all relevant and necessary underlying documentation.

9. The individual Receivership Entity and the entity Receivership Entity's past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners, and other appropriate persons or entities shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Entity, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership Entity. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entity, the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil Procedure.

10. To issue subpoenas to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules, except for the provisions of Fed.R.Civ.P. 26(d)(1), concerning any subject matter within the powers and duties granted by this Order.

11. The Receivership Entity is required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for information and documents from the Receiver.

### **III. Access to Books, Records and Accounts**

12. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Entity. All persons and entities having control, custody or possession

of any Receivership Property are hereby directed to turn such property over to the Receiver.

13. The Receivership Entity, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Entity, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts or assets of the Receivership Entity is hereby directed to deliver the same to the Receiver, his agents and/or employees.

14. All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, and of the Receivership Entity that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall:

- A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Entity except upon instructions from the Receiver;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- C. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and,
- D. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

#### **IV. Access to Real and Personal Property**

15. The Receiver is authorized to take immediate possession of all personal property of the Receivership Entity, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory,

media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

16. The Receiver is authorized to take immediate possession of all real property of the Receivership Entity, wherever located, including but not limited to all ownership and leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises.

17. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Entity, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

18. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Entity, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

#### **V. Notice to Third Parties**

19. The Receiver shall promptly give notice of his appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited

partners of the Receivership Entity, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

20. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Defendant shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Defendant had received such payment.

21. In furtherance of his responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the Receivership Estates. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the SEC.

22. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of the Receivership Entity (the "Receiver's Mail"), including all mail addressed to, or for the benefit of, the Receivership Entity. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Entity shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of any individual Receivership Entity, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply

to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Entities. The Receivership Entity shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

23. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the Receivership Entity shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

#### **VI. Injunction Against Interference with Receiver**

24. The Receivership Entity and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

- A. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;
- B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against

any Receivership Property or any Receivership Defendant, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Defendant or which otherwise affects any Receivership Property; or,

- D. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estates.

25. The Receivership Entity shall cooperate with and assist the Receiver in the performance of his duties.

26. The Receiver shall promptly notify the Court and SEC counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

#### **VII. Stay of Litigation**

27. As set forth in detail below, the following proceedings, excluding the instant proceeding and all police or regulatory actions and actions of the Commission related to the above-captioned enforcement action, are stayed until further Order of this Court:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; (c) any of the Receivership Entity, including subsidiaries and partnerships; or, (d) any of the Receivership Entity's past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

28. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

29. All Ancillary Proceedings are stayed in their entirety, and all Courts having any

jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the Receivership Entity against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

#### **VIII. Managing Assets**

30. For each of the Receivership Estates, the Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent Receivership Property (the "Receivership Funds").

31. The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on 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 Receivership Property.

32. Subject to Paragraph 33, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on 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 real property.

33. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

34. The Receiver is authorized to take all actions to manage, maintain, and/or wind-



down business operations of the Receivership Estates, including making legally required payments to creditors, employees, and agents of the Receivership Estates and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

**IX. Investigate and Prosecute Claims**

35. Subject to the requirement, in Section VI above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his discretion, and in consultation with SEC counsel, be advisable or proper to recover and/or conserve Receivership Property.

36. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Entity were conducted and (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for the Commission before commencing investigations and/or actions.

37. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all entity Receivership Entities.

38. The receiver has a continuing duty to ensure that there are no conflicts of interest

between the Receiver, his Retained Personnel (as that term is defined below), and the Receivership Estate.

#### **XI. Bankruptcy Filing**

39. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the "Bankruptcy Code") for the Receivership Entity. If a Receivership Defendant is placed in bankruptcy proceedings, the Receiver may become, and may be empowered to operate each of the Receivership Estates as, a debtor in possession. In such a situation, the Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver is vested with management authority for all entity Receivership Entity and may therefore file and manage a Chapter 11 petition.

40. The provisions of Section VII above bar any person or entity, other than the Receiver, from placing any of the Receivership Entity in bankruptcy proceedings.

#### **XI. Liability of Receiver**

41. Until further Order of this Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary obligations in this matter.

42. The Receiver and his agents, acting within scope of such agency ("Retained Personnel") are entitled to rely on all outstanding rules of law and Orders of this Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad

faith, gross negligence, or in reckless disregard of their duties.

43. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

44. In the event the Receiver decides to resign, the Receiver shall first give written notice to the Commission's counsel of record and the Court of its intention, and the resignation shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

## **XII. Recommendations and Reports**

45. The Receiver is authorized, empowered and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (the "Liquidation Plan").

46. Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the "Quarterly Status Report"), reflecting (to the best of the Receiver's knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

47. The Quarterly Status Report shall contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver's receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;

- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. 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);
- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and,
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

48. On the request of the Commission, the Receiver shall provide the Commission with any documentation that the Commission deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the Commission's mission.

### **XIII. Fees, Expenses and Accountings**

49. The Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

50. The Receiver is authorized to solicit persons and entities ("Retained Personnel") to assist him in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

51. The Receiver and Retained Personnel are entitled to reasonable compensation and

expense reimbursement from the Receivership Estates as described in the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the “Billing Instructions”) agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

52. Within forty-five (45) days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estates (the “Quarterly Fee Applications”). At least thirty (30) days prior to filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by SEC staff.

53. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the receivership.

54. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

55. Each Quarterly Fee Application shall:
- A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,
  - B. Contain representations (in addition to the Certification required by the Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

56. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by SEC staff, as well as the Receiver's final application for compensation and expense reimbursement.

**DONE AND ORDERED** this \_\_\_\_\_ day of May 2019, at \_\_\_\_\_,  
Florida.

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**UNITED STATES DISTRICT JUDGE**

Copies to: Amie Riggle Berlin, Esq.  
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