

1 DAVID R. ZARO (BAR NO. 124334)
 2 JOSHUA A. DEL CASTILLO (BAR NO. 239015)
 3 KENYON HARBISON (BAR NO. 260416)
 4 ALLEN MATKINS LECK GAMBLE
 5 MALLORY & NATSIS LLP
 6 865 South Figueroa Street, Suite 2800
 7 Los Angeles, California 90017-2543
 8 Phone: (213) 622-5555
 9 Fax: (213) 620-8816
 10 E-Mail: dzaro@allenmatkins.com
 11 jdelcastillo@allenmatkins.com
 12 kharbison@allenmatkins.com

13 Attorneys for Receiver
 14 THOMAS A. SEAMAN

15 UNITED STATES DISTRICT COURT
 16 SOUTHERN DISTRICT OF CALIFORNIA

17 SECURITIES AND EXCHANGE
 18 COMMISSION,

19 Plaintiff,

20 v.

21 TOTAL WEALTH MANAGEMENT,
 22 INC.; et al.,

23 Defendants.

Case No. 15-cv-226 BAS (DHB)

NO ORAL ARGUMENT UNLESS
 REQUESTED BY THE COURT

**THIRD INTERIM REPORT AND
 PETITION FOR INSTRUCTIONS OF
 RECEIVER, THOMAS A. SEAMAN**

Date: September 12, 2016
 Ctrm: 4B
 Judge: Hon. Cynthia Bashant

24 **TO THIS HONORABLE COURT, ALL PARTIES, AND THEIR
 25 COUNSEL OF RECORD:**

26 **PLEASE TAKE NOTICE THAT** on September 12, 2016, in Courtroom 4B
 27 of the above-entitled Court, located at 221 West Broadway, San Diego, California
 28 92101, and in accordance with: (a) this Court's February 12, 2015 "(1) Preliminary
 Injunction, Appointment of a Permanent Receiver, and Related Orders; and
 (2) Order Vacating Hearing on Preliminary Injunction" (the "Permanent
 Appointment Order"); (b) Civil Local Rule 66.1(e); (c) this Court's May 8, 2015
 "Order Granting Motion for Order in Aid of Receivership" (the "Order in Aid"); and

1 (d) this Court's June 7, 2016 "Order Approving Joint Stipulation to Substitute
2 Thomas A. Seaman as Permanent Receiver" (the "Substitution Order"), Thomas
3 Seaman, the recently appointed successor receiver (the "Receiver") to Kristen A.
4 Janulewicz, the Court-appointed permanent receiver for Total Wealth Management,
5 Inc. ("Total Wealth") and its subsidiaries and affiliates, including but not limited to
6 Altus Capital Management, LLC ("Altus Capital") (collectively, the "Receivership
7 Entities" or "Entities"), will and hereby does submit this Third Interim Report (the
8 "Interim Report"), covering the period from February 1, 2016 through June 30, 2016
9 (the "Reporting Period") to this Court:

10 **I. RELEVANT PROCEDURAL BACKGROUND REGARDING**
11 **APPOINTMENT OF SUCCESSOR RECEIVER.**

12 On February 12, 2015, this Court entered the Permanent Appointment Order,
13 appointing a receiver for the Receivership Entities. On May 8, 2015, the Court
14 entered its Order in Aid, which provided for additional administrative relief and, in
15 part, governs the Receiver's administration of the instant receivership. Most
16 recently, on June 7, 2016, the Court entered the Substitution Order, whereby the
17 Thomas A. Seaman was substituted for Kristen A. Janulewicz as the receiver in this
18 action. Throughout her tenure as the original receiver in this action, Ms. Janulewicz
19 was an employee of Mr. Seaman. As Receiver, Mr. Seaman succeeds to all of the
20 original receiver's duties and powers, as more specifically defined in the Permanent
21 Appointment Order, the Order in Aid, and this Court's previous orders on the
22 Receiver's earlier Interim Reports, among other things.¹

23 **II. PRELIMINARY STATEMENT.**

24 As detailed in prior Interim Reports to the Court, and as further detailed
25 below, the Receiver has made substantial progress in his efforts to identify and
26 recover available assets of the Entities ("Receivership Assets" or "Assets") and to
27

28 ¹ For ease of reference, Mr. Seaman and Ms. Janulewicz are occasionally
collectively referred to herein as "the Receiver."

1 understand and account for the business and financial activities of the Entities in
2 anticipation of, among other things, developing a claims and distribution process for
3 submission to this Court in the coming months. While the Receiver's work is
4 ongoing, the status of his efforts and conclusions² developed from his review and
5 analysis of materials recovered to date are appropriate for an interim update. Since
6 the submission of the Receiver's Second Interim Report, the Receiver has:

- 7 • Recovered additional Receivership Assets, in cash, in the amount of
8 \$386,881.03, bringing the total cash on hand for the benefit and
9 administration of the Entities to approximately \$3,467,587.51.
- 10 • Completed an analysis of Total Wealth's receipt of revenue sharing,
11 management, and other fees from entities in which Total Wealth invested
12 funds received from investors. In some instances, these fees were received
13 from money-losing or insolvent funds in which the Entities were invested.
14 Such revenue sharing fees totaled approximately \$1.8 million.
- 15 • Confirmed that Defendant Jacob Cooper ("Cooper"), either individually or
16 via an entity under his control, separately received approximately
17 \$775,000 in revenue sharing, management, and other fees from entities in
18 which Total Wealth invested funds received from investors.
- 19 • Collected \$80,000 from the Court-approved disposition of \$260,000 in
20 proceeds remaining from the bankruptcy sale of Metropolitan Coffee and
21 Concession Company, LLC ("Metro Coffee") and related assets, to which
22 multiple creditors had asserted claims.
- 23 • Commenced litigation in this Court, now styled Seaman v. Private
24 Placement Capital Notes II, LLC, et al., to recover tens of millions of
25

26 ² Due to the volume and nature of the information recovered, the nature and
27 complexity of the matters and transactions to which they relate, and the
28 Receiver's need to complete his work, the Receiver's conclusions are presented
herein are preliminary. The Receiver may modify such conclusions after further
investigation and analysis.

1 dollars invested in what the Receiver determined to be a Ponzi-like
 2 investment scheme conducted by Private Placement Capital Notes II, LLC
 3 ("PPCN") and its principal, Tony Hartman ("Hartman").

- 4 • Commenced litigation in the San Diego Superior Court, now styled
 5 Seaman v. Lively, et al., against pre-receivership counsel in connection
 6 with Total Wealth's commission of securities fraud, as determined in the
 7 related administrative proceeding styled In re Total Wealth Management,
 8 Inc., et al., File No. 3-15842 (the "Administrative Proceeding").

9 The Receiver's charge includes, among other things: (1) assuming control of
 10 the Entities and their Assets; (2) conducting such investigation and discovery as
 11 necessary to identify and locate outstanding Receivership Assets; (3) preserving and
 12 preventing the dissipation of Receivership Assets; and (4) providing an accounting
 13 to the Court and plaintiff Securities and Exchange Commission (the "Commission")
 14 regarding the business and financial activities of the Receivership Entities. As
 15 reflected in this and prior Reports, the Receiver and the Receiver's counsel of
 16 record, Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), have
 17 diligently pursued these goals since the inception of the receivership. A summary of
 18 the Receiver's efforts, analysis, supplemental conclusions, and recommendations
 19 developed since the submission of the Second Interim Report, is presented below.³

20 **III. GENERAL HISTORY.**

21 The Receiver invites the Court and interested parties to review the following
 22 materials⁴ for a general summary of the relevant facts underlying the above-
 23 captioned receivership case and the activities of the Receiver and the Receiver's
 24 professionals:

25
 26 _____
 27 ³ Please note that the omission from this Interim Report of matters addressed in
 28 previous Reports submitted by the Receiver does not reflect a determination that
 such matters are no longer pertinent or that any previously presented conclusions
 have been modified or withdrawn.

⁴ Materials are available on the Receiver's website, totalwealthreceiver.com.

- 1 • Commission's Complaint (the "SEC Complaint") against Defendants
- 2 Total Wealth and Jacob Keith Cooper (Docket No. 1.);
- 3 • Commission's Ex Parte Application for Temporary Restraining Order
- 4 and Other Relief (Docket No. 2.);
- 5 • Stipulation and Temporary Restraining Order and Orders (1) Freezing
- 6 Assets; (2) Prohibiting the Destruction of Documents; (3) Granting
- 7 Expedited Discovery; (4) Requiring Accountings; (5) Appointing a
- 8 Temporary Receiver, and Order to Show Cause Re Preliminary
- 9 Injunction and Appointment of a Permanent Receiver (the "TRO")
- 10 (Docket No. 5);
- 11 • Commission's Memorandum of Points and Authorities in Support of
- 12 Preliminary Injunction and Appointment of Permanent Receiver
- 13 (Docket No. 6);
- 14 • Permanent Appointment Order (Docket No. 8);
- 15 • Joint Motion for Order to Release Specified Account, relating to
- 16 Metropolitan Coffee and Concession Company, LLC (Docket No. (9);
- 17 • Receiver's Initial Report (Docket No. 17);
- 18 • Order in Aid (Docket No. 31);
- 19 • Receiver's First Interim Report and Petition for Further Instructions
- 20 (Docket No. 43);
- 21 • Receiver's Second Interim Report and Petition for Further Instructions
- 22 (Docket No. 70);
- 23 • Order Granting Joint Motion to Release Funds Held in Trust (Docket
- 24 No. 73);
- 25 • Order Granting Motion to Pursue Claims (Docket No. 74); and
- 26 • Substitution Order (Docket No. 102).
- 27
- 28

1 **IV. SUMMARY OF ACTIVITIES AND EFFORTS SINCE SUBMISSION**
2 **OF SECOND INTERIM REPORT.**

3 **A. Marshaling And Preserving Receivership Assets.**

4 1. Accounting.

5 **Exhibits A** through **D**, appended to this Interim Report, include a detailed
6 general ledger for the receivership, a profit and loss statement for the Reporting
7 Period, a profit and loss statement for the period from the inception of the
8 receivership through June 30, 2016, and a receivership balance sheet ending June
9 30, 2016. During the Reporting Period, the Receiver collected an additional
10 \$386,881.03, in cash, including \$80,000 in Metro Coffee sales proceeds (addressed
11 below), along with proceeds from investment fund liquidations in the amount of
12 \$306,509.03.

13 As of the date of this Interim Report, the Receiver has made disbursements in
14 the amount of \$424,807.92, including professional fees for the Receiver, counsel,
15 and the Receiver's tax professionals, in the aggregate amount of \$415,741.42. As
16 reflected in the Receiver's prior submissions to the Court, many of these fees were
17 incurred in the period prior to the Reporting Period, but were paid during the
18 Reporting Period after the entry of an appropriate Court order. As of June 30, 2016,
19 the Receiver was holding cash in the amount of \$3,467,587.51 for the benefit and
20 administration of the Entities. Receiver fees incurred during the Reporting Period
21 were approximately \$35,000, and attorneys' fees were approximately \$130,000.

22 2. Metro Coffee Sales Proceeds.

23 As addressed in the prior Interim Reports, millions in investor funds were
24 invested by the Receivership Entities in Aegis Holding Company (with affiliated
25 entities, "Aegis"), Metro Coffee, and related entities. Metro Coffee operated Peet's
26 Coffee stores in Bay Area Rapid Transit District ("BART") stations in San
27 Francisco, California. As noted in the Initial Report, the Receiver was appointed in
28 the midst of Metro Coffee's Chapter 11 bankruptcy case and during its efforts to

1 dispose of estate property.⁵

2 In an effort to protect against losses associated with Aegis and Metro Coffee
3 over and above the substantial write-off taken in the pre-receivership period, the
4 Receiver worked with the Bankruptcy Court's designated Responsible Person for
5 Metro Coffee to facilitate the sale of Metro Coffee's assets (along with the necessary
6 BART permits, held by Aegis). The Metro Coffee sale was concluded and, the
7 Receiver was transferred \$260,000 in proceeds from the sale to hold in trust.

8 Another creditor of Metro Coffee, Strategic Funding, Inc. ("Strategic"),
9 alleged a security interest in these funds equal to or superior to those of the
10 Receivership Entities. The Receiver claimed a super-priority equitable interest in
11 the funds, but confirmed that Strategic's non-contingent, secured interest was valid
12 and potentially superior. Accordingly, and in an effort to ensure that the funds were
13 appropriately shared as between Strategic and the Receiver in a manner that would
14 not unnecessarily deplete receivership estate ("Estate") resources, and with Court
15 approval, the Receiver retained \$80,000 for the benefit of the Entities, and Strategic
16 received the remainder.⁶

17 3. Pending Federal and State Court Litigation.

18 The Receiver has also endeavored to protect the Estate from diminution,
19 including via notice to parties believed to be in possession of Receivership Assets
20 (of whatever form), as well as continued participation in all six (6) known federal
21 and state actions where the Receivership Entities are Defendants, or in which
22 Receivership Assets are in issue.⁷ Notices of Pending Receivership have been filed
23

24 ⁵ In re Metropolitan Coffee and Concession Company, LLC, USBC, N.D. Cal.
Case No. 14-44242.

25 ⁶ The Commission and Defendant Cooper also agreed to this allocation of the
Metro Coffee sales proceeds.

26 ⁷ The Receiver is aware of the following proceedings: (1) Calderon v. Total
27 Wealth Management, Inc., et al., USDC, SD Cal. Case No. 15-cv-01632-BEN-
NLS; (2) Mitchell v. Total Wealth Management, Inc., USDC, SD Cal., Case No.
14 cv-1552-GPC-JLB; (3) Staniforth v. Total Wealth Management, Inc., USDC,
28 SD Cal. Case No. 14 cv-1899-GPC-JLB; (4) Troya v. Total Wealth
Management, Inc., San Diego County Superior Court Case No. 37-2014-

1 in each of the matters identified in footnote 6, below, and the Receiver will continue
2 to participate actively in each of these matters, attending case management and
3 status conferences, and periodically providing written status updates to the judges
4 presiding over these matters. As of the date of this Interim Report, all pending
5 litigation against the Receivership Entities, or in which Receivership Assets are
6 implicated (save for the above-entitled action), is stayed in accordance with the
7 terms of the Permanent Appointment Order.

8 **B. Investigation And Discovery.**

9 As noted in prior Reports to this Court, the Receivership Entities left no
10 books, records, or computers behind at their offices. Accordingly, all documents
11 obtained and reviewed to date by the Receiver relating to the nature, location, and
12 amount of Receivership Assets and the business and financial activities of the
13 Receivership Entities, were obtained from third party sources, including via an
14 access request to the Commission, direct turn-over demands, document subpoenas,
15 and informal requests. By way of summary, the Receiver issued dozens of formal
16 notices of appointment, along with turn-over requests for Receivership Assets. In
17 addition, the Receiver served dozens of document subpoenas on third parties,
18 including parties believed to be in possession of Receivership Assets and parties in
19 possession of materials directly relating to the business and financial activities of the
20 Receivership Entities.

21 Since the submission of the Second Interim Report, and more recently since
22 the Mr. Seaman's substitution as Receiver, document review and analysis efforts
23 have concentrated on millions of dollars in Receivership Entity losses associated
24 with Aegis in the pre-receivership period, as well as the litigation pending against
25

26
27 _____
28 00012816-CU-PN-CTL; (5) Morin v. Total Wealth Management, Inc., San
Diego County Superior Court Case No. 37-2014-00025391-CU-BC-CTL; and
(6) Drehler v. Total Wealth Management, Inc., San Diego County Superior
Court Case No. 37-2014-00042224-CU-FR-CTL.

1 PPCN, Hartman, and certain pre-receivership counsel to Total Wealth, as detailed
2 further, below.

3 **V. OTHER SIGNIFICANT RECEIVERSHIP ACTIVITIES.**

4 **A. Revenue Sharing Analysis.**

5 As reflected in pervious submissions to the Court, the Receiver has confirmed
6 that, in addition to receiving advisory fees from the Altus Funds⁸, Total Wealth
7 received revenue sharing fees from a number of the underlying funds in which the
8 Altus Funds were invested. As of the date of this Report, the Receiver has
9 determined that Total Wealth received the following revenue sharing fees:

- 10 • \$459,662.59 paid collectively by three Aegis entities, and Metro
11 Coffee, from 2011 through February 2013;
- 12 • \$163,733.88 paid by LJL Funding LLC ("LJL Funding"), an
13 investment common to many of the Altus Funds, from 2010 through
14 February 2014;
- 15 • \$532,279.66 paid by PPCN from 2012 through September 2014;
- 16 • \$568,406.81 paid by Rainmaker Capital, Inc., from 2009 through
17 August 2014; and
- 18 • \$33,480 paid by Pacific West Capital Group from 2010 through
19 September 2012.

20 In other words, from approximately February 2009 through September 2014,
21 Total Wealth received approximately \$1.8 million in revenue sharing fees.

22 The records further confirm that Mr. Cooper, too, individually or through
23 Pinnacle Wealth Group ("PWG"), an entity he controlled, received revenue sharing
24 fees totaling approximately \$775,000 from 2009 to early 2011. This amount
25

26 ⁸ The "Altus Funds," which are Receivership Entities as a consequence of their
27 common control by and affiliation with Total Wealth and Altus Capital
28 Management, LLC, include Altus Focused Growth Portfolio Series, LP; Altus
Income Portfolio Series, LP; Altus Conservative Portfolio Series, LP; Altus
Moderate Growth Portfolio Series, LP; Altus Moderate Portfolio Series, LP;
Altus Growth Portfolio Series, LP; and Altus Capital Opportunity Fund, LP.

1 includes \$415,000 paid by Denver Financial Group and/or PPCN, payments from
2 Moneta Capital Management LLC, payments of \$307,664.58 from an entity called
3 Novus Investment and its dba, Dynamic Sales, and \$52,500 from Jomac, LLC, an
4 entity linked through its principals to the "Life's Good" Ponzi scheme addressed in
5 previous Reports.

6 **B. Confirmation Of Receivership Assets Used For Legal Defense.**

7 As first addressed in the Receiver's Initial Report, the records obtained to date
8 strongly suggest that certain funds raised from investors were used to pay for the
9 legal defenses of Mr. Cooper and the Receivership Entities.⁹ Specifically, \$150,000
10 was paid to the Commission in connection with an anticipated settlement of the
11 Administrative Proceeding, which settlement was later rejected when the
12 Commission learned the payment had been drawn from investor funds. The
13 Commission has since turned over these funds to the Receiver. In addition, at least
14 \$367,219.49 was paid in 2014 by the Altus Capital Opportunity Fund ("ACOF") to
15 the Sparer Law Group, pre-receivership counsel for Defendant Cooper, Total
16 Wealth, and ACOF. ACOF also made payments totaling \$14,950.64 to the Jacko
17 Law Group, P.C., which appears to have provided services relating to the defense of
18 Defendant Cooper and Total Wealth in the Administrative Proceeding, and which is
19 now a defendant in the Malpractice Action, as defined below. These payments were
20 made by ACOF, and later proportionally charged against the remaining Altus Funds.
21 In the aggregate, the Receiver has accounted for more than \$530,000 in funds raised
22 from investors that appear to have been expended in connection with the legal
23 defense of Defendant Cooper and, at least, Total Wealth and ACOF.

24 **C. Litigation Against PPCN And Hartman.**

25 As reflected in prior submissions to the Court, the Receiver determined that
26 the Altus Funds invested at least \$24,000,000 in PPCN under false pretenses, which
27

28 ⁹ This does not include payments to attorneys not associated with litigation
defense, such as payments

1 investments were memorialized by the issuance of so-called promissory notes by
2 PPCN. This investment constituted at least 70% of the total investment in PPCN.
3 Moreover, at least \$11,200,000 in interest accrued to the Altus Funds in accordance
4 with the promissory notes has not been paid, and instead was added by PPCN to the
5 balance of the Altus Funds' investments as purported "reinvestment." The Receiver
6 previously submitted a request to redeem approximately \$16 million in eligible
7 promissory notes to PPCN. The redemption request was ignored.

8 As a consequence of the above, and a determination that PPCN was operating
9 a Ponzi-like investment scheme, the Receiver commenced the action now styled
10 Seaman v. Private Placement Capital Notes II, LLC, et al., USDC, SD Cal. Case No.
11 16-cv-0578 BEN (DHB) (the "PPCN Action") on March 7, 2016. By his
12 prosecution of the PPCN Action, the Receiver seeks to recover more than \$20
13 million in principal invested in PPCN, along with interest accrued on the PPCN
14 promissory notes. The PPCN Action was transferred to this Court on March 22,
15 2016 (see PPCN Action Docket No. 4) and the Receiver recently submitted a joint
16 motion to substitute him as the plaintiff in the matter. (See PPCN Action Docket
17 No. 10.) The Receiver has since been substituted for Ms. Janulewicz, the original
18 receiver, as the Plaintiff in this PPCN Action.

19 **D. Litigation Against Pre-Receivership Counsel.**

20 The judgment entered in the Administrative Proceeding held Total Wealth
21 joint liable with Defendant Cooper for securities fraud arising from, among other
22 things, certain Receivership Entities' representations in offering memoranda and
23 disclosure forms that they "may" receive revenue sharing payments, when in fact
24 such payments were already being received. In other words, the Court in the
25 Administrative Proceeding determined that it was misleading to suggest revenue
26 sharing fees might be paid (as an incentive to place investor funds into a specific
27 investment) when they were, in fact, already being paid.

28

1 The Receiver concluded that Total Wealth's violations of federal securities
2 laws, particularly with respect to its failure to disclose the existence of revenue
3 sharing agreements and their attendant conflicts of interest, were caused or aided
4 and abetted by the advice of some of the Receivership Entities' pre-receivership
5 attorneys, who specifically prepared the disclosure language that led to the judgment
6 in the Administrative Proceeding and who, at the time they prepared such language,
7 knew or reasonably should have known of Total Wealth's revenue sharing practices.

8 As a consequence of the above, on February 3, 2016, the Receiver
9 commenced the action now styled Seaman v. Lively, et al., San Diego Superior
10 Court Case No. 37-2016-00003644-CU-PN-CTL (the "Malpractice Action"),
11 alleging malpractice and related claims against pre-receivership counsel and seeking
12 to recover damages resulting from the legal advice provided. The Receiver has been
13 substituted for Ms. Janulewicz, the original receiver, in the Malpractice Action.

14 **E. Confirmation Of Substantial Losses To Investors.**

15 In the Receiver's Initial Report, the Receiver expressed the view that
16 investments were subject to substantial losses. The work completed prior to the
17 submission of the First Interim Report confirmed this conclusion. As noted therein,
18 the Receiver determined that the Life's Good, Inc. investment, mentioned in the
19 Initial Report, reflects a loss of approximately \$2.4 million. Metro Coffee
20 investments resulted in losses of approximately \$3.2 million (including accrued
21 interest), not including the \$80,000 recently retained in connection with the sale of
22 Metro Coffee estate assets. Approximately \$18 million (including accrued interest)
23 was lost in connection with Aegis. In the aggregate, it appears that investment
24 losses total at least \$23,520,000 (including accrued interest).

25 Notably, these estimated losses do not include actual or potential losses
26 associated with PPCN. As noted in prior submissions to the Court, and in the
27 complaint in the PPCN Action, the Receiver has submitted a redemption request to
28 PPCN for approximately \$16 million in connection with matured promissory notes.

1 PPCN has neither returned the funds nor even responded to the redemption request.
2 Should the Receiver determine that all outstanding investments in PPCN have been
3 lost, aggregate losses to associated with the Receivership Entities could exceed \$44
4 million.

5 **F. Development And Proposal Of Claims And Distribution Process.**

6 As noted above, as of June 30, 2016, the Receiver held nearly \$3.5 million, in
7 cash, for the benefit of the Estate and its investors and creditors. Within the next
8 two months, the Receiver anticipates formulating and proposing a claims and
9 distribution process for Court approval whereby investors and other creditors of the
10 Entities would be able to register their claims for repayment against the
11 Receivership Entities, have those claims processed by the Receiver and his staff,
12 resulting in a recommendation by the Receiver to the Court for the treatment of each
13 claim. At present, the Receiver believes he will have sufficient cash on hand, once a
14 claims process is proposed to and approved by the Court, and undertaken, to make
15 partial distributions to parties with allowed claims.

16 **VI. RECEIVER'S RECOMMENDATIONS.**

17 While the Receiver's document recovery, review, and analysis efforts remain
18 ongoing, the materials recovered and reviewed to date strongly militate in favor of
19 the continuation of the receivership with, at least, the following goals:

20 **A. Continue Receivership Asset Identification And Recovery Efforts.**

21 While the records recovered to date are sufficient to provide the Receiver
22 with a detailed understanding of the business and financial activities of the
23 Receivership Entities, their receipt of revenue sharing fees, the nature of and risks
24 associated with investments in PPCN, the involvement of pre-receivership counsel
25 in conduct underlying the judgment in the Administrative Proceeding, and to
26 provide a foundation for the prosecution of the PPCN Action and the Malpractice
27 Action, additional investigation and discovery efforts may yet yield additional
28 benefits to the Receivership Entities, including in potentially identifying additional

1 and recoverable Receivership Assets.¹⁰ The Receiver therefore recommends that the
2 Court allow him to continue his investigation, discovery, and Receivership Asset
3 identification and recovery efforts, including as expressly provided for in the
4 Permanent Appointment Order.

5 **B. Submit Further Reports To The Court.**

6 In accordance with the Order in Aid, the Receiver expects to submit further
7 interim reports to this Court addressing his progress, findings, conclusions, and
8 further recommendations, approximately every 90 to 120 days.

9 **C. Submit Interim Fee Applications.**

10 In part as a consequence of administrative delays arising in connection with
11 the Receiver and the Receiver's professionals' First Interim Applications for
12 Payment of Fees and Reimbursement of Expenses, and in part because the
13 exigencies of administering the Estate militated in favor of devoting attention
14 elsewhere, the Receiver and associated professionals, including counsel, only
15 recently submitted their respective Second Interim Applications for Payment of Fees
16 and Reimbursement of Expenses (collectively, the "Applications"), for the period
17 from July 1, 2015 through December 31, 2015. The Receiver respectfully requests
18 that the Applications be granted as soon as possible, and expects to resume
19 submissions on a schedule consistent with the Order in Aid, commencing with the
20 submission of another set of Applications in September 2016.

21 **VII. CONCLUSION.**

22 On the basis of the information presented, above, the Receiver respectfully
23 requests that the Court enter an order:

- 24 1. Accepting the Third Interim Report;
- 25 2. Instructing the Receiver to continue to administer the Receivership
26 Entities in accordance with the terms of the Permanent Appointment Order;

27 _____
28 ¹⁰ Including, potentially, Assets recoverable in connection with the Aegis and
Metro Coffee losses.

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3. Instructing the Receiver to undertake the recommendations presented herein; and

4. Providing such other and further relief as the Court deems necessary and appropriate.

Dated: August 10, 2016

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
DAVID R. ZARO
JOSHUA A. DEL CASTILLO
KENYON HARBISON

By: /s/ Joshua A. del Castillo
JOSHUA A. DEL CASTILLO
Attorneys for Receiver
THOMAS SEAMAN

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VERIFICATION

I have read the foregoing THIRD INTERIM REPORT OF RECEIVER,
THOMAS A. SEAMAN, and know its contents.

I am the Receiver appointed in this action. The matters stated in the
foregoing document are true, to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 10, 2016 in Irvine, California.



THOMAS A. SEAMAN

Securities and Exchange Commission v. Total Wealth Management, Inc., et al.,
USDC, SD of California, Case No. 15-cv-226 BAS (DHB)

INDEX OF EXHIBITS

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| A | Detailed general ledger for the receivership | 1 |
| B | Profit and Loss Statement for the Reporting Period | 6 |
| C | Profit and Loss Statement for the period from inception of the receivership through June 30, 2016 | 8 |
| D | Receivership balance sheet ending June 30, 2016 | 10 |

EXHIBIT A

1:59 PM

07/23/16

Accrual Basis

Total Wealth Mangement Inc.
General Ledger
As of June 30, 2016

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|--|-----------|---------|----------------------|-------------------|--------------------|--------------|------------|--------------|
| Cash Held in Frozen Bank Accts | | | | | | | | 768,561.16 |
| Check | 6/22/2016 | | Wells Fargo | Service Char... | Bank Service ... | | 580.00 | 767,981.16 |
| Deposit | 6/22/2016 | 1039... | | Turnover fro... | Wells Fargo O... | | 767,981.16 | 0.00 |
| Total Cash Held in Frozen Bank Accts | | | | | | 0.00 | 768,561.16 | 0.00 |
| Wells Fargo Checking 5531 | | | | | | | | 0.00 |
| Total Wells Fargo Checking 5531 | | | | | | | | 0.00 |
| Wells Fargo Operating -8662 | | | | | | | | 2,996,944.24 |
| Check | 2/12/2016 | wire | Mark Dionne | Reimbursem... | Computer and ... | | 3,340.00 | 2,993,604.24 |
| Check | 2/18/2016 | 1042 | Thomas Seaman C... | Mail forwardi... | Postage and D... | | 12.34 | 2,993,591.90 |
| Check | 2/23/2016 | wire | Strategic Funding | Release of M... | Holding Acct-... | | 180,000.00 | 2,813,591.90 |
| Check | 2/24/2016 | 1043 | Thomas Seaman C... | 1st interim fe... | Receiver's Fees | | 176,249.61 | 2,637,342.29 |
| Check | 2/26/2016 | wire | Allen Matkins | 1st interim fe... | -SPLIT- | | 218,711.81 | 2,418,630.48 |
| Deposit | 2/26/2016 | | | Deposit | -SPLIT- | 221,587.99 | | 2,640,218.47 |
| Deposit | 2/29/2016 | | | Deposit | Life Insurance ... | 186.00 | | 2,640,404.47 |
| Check | 3/3/2016 | 1045 | Orange County Net... | Inv 8337 | Computer and ... | | 332.50 | 2,640,071.97 |
| Check | 3/11/2016 | 1046 | Thomas Seaman C... | Jan/Feb Exp... | -SPLIT- | | 267.84 | 2,639,804.13 |
| Check | 3/13/2016 | | | Service Charge | Bank Service ... | | 24.82 | 2,639,779.31 |
| Check | 3/17/2016 | 1049 | Crowe Horwath LLP | Invoice 737-2... | Outside Accou... | | 3,280.00 | 2,636,499.31 |
| Check | 3/23/2016 | 1048 | Kristen Janulewicz | Reimbursem... | Computer and ... | | 825.00 | 2,635,674.31 |
| Check | 4/12/2016 | 1050 | Crowe Horwath LLP | Invoice 737-2... | Outside Accou... | | 17,500.00 | 2,618,174.31 |
| Check | 4/13/2016 | 1051 | Franchise Tax Board | EIN 38-3807... | Income Tax E... | | 800.00 | 2,617,374.31 |
| Deposit | 4/26/2016 | | | Deposit | Life Insurance ... | 186.00 | | 2,617,560.31 |
| Deposit | 5/18/2016 | | | Deposit | -SPLIT- | 14,163.49 | | 2,631,723.80 |
| Check | 5/24/2016 | 1052 | Orange County Net... | Inv 8393 | Computer and ... | | 997.50 | 2,630,726.30 |
| Check | 6/7/2016 | 1053 | Orange County Net... | Inv 8408 | Computer and ... | | 142.50 | 2,630,583.80 |
| Check | 6/14/2016 | 1054 | Franchise Tax Board | 2014 FEIN 2... | Income Tax E... | | 822.00 | 2,629,761.80 |
| Deposit | 6/17/2016 | | | Deposit | -SPLIT- | 70,757.55 | | 2,700,519.35 |
| Deposit | 6/22/2016 | | | Deposit | Cash Held in F... | 767,981.16 | | 3,468,500.51 |
| Check | 6/30/2016 | 1201 | Franchise Tax Board | 2014 FEIN 2... | Income Tax E... | | 822.00 | 3,467,678.51 |
| Check | 6/30/2016 | 1202 | Utah State Tax Co... | FEIN 26-393... | Income Tax E... | | 100.00 | 3,467,578.51 |
| Total Wells Fargo Operating -8662 | | | | | | 1,074,862.19 | 604,227.92 | 3,467,578.51 |
| Accumulated Depreciation | | | | | | | | 0.00 |
| Total Accumulated Depreciation | | | | | | | | 0.00 |
| Furniture and Equipment | | | | | | | | 0.00 |
| Total Furniture and Equipment | | | | | | | | 0.00 |
| Accounts Payable | | | | | | | | 0.00 |
| Total Accounts Payable | | | | | | | | 0.00 |
| Holding Acct-MCC Sales Proceeds | | | | | | | | -260,000.00 |
| Check | 2/23/2016 | wire | Strategic Funding | Release of M... | Wells Fargo O... | 180,000.00 | | -80,000.00 |
| General Journal | 2/23/2016 | 1 | | To record MC... | Settlement Pro... | 80,000.00 | | 0.00 |
| Total Holding Acct-MCC Sales Proceeds | | | | | | 260,000.00 | 0.00 | 0.00 |

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07/23/16

Accrual Basis

Total Wealth Mangement Inc.
General Ledger
As of June 30, 2016

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|----------------------------------|-----------|---------|-----------------------|------------------|------------------|-------|------------|---------------|
| Payroll Liabilities | | | | | | | | 0.00 |
| Total Payroll Liabilities | | | | | | | | 0.00 |
| Capital Stock | | | | | | | | 0.00 |
| Total Capital Stock | | | | | | | | 0.00 |
| Opening Balance Equity | | | | | | | | 0.00 |
| Total Opening Balance Equity | | | | | | | | 0.00 |
| Retained Earnings | | | | | | | | -3,508,341.15 |
| Total Retained Earnings | | | | | | | | -3,508,341.15 |
| Shareholder Distributions | | | | | | | | 0.00 |
| Total Shareholder Distributions | | | | | | | | 0.00 |
| Commission Income | | | | | | | | 0.00 |
| Total Commission Income | | | | | | | | 0.00 |
| Fund Liquidations | | | | | | | | 0.00 |
| Deposit | 2/26/2016 | 6001 | Andesite Finance Co | Secured High... | Wells Fargo O... | | 10,979.24 | -10,979.24 |
| Deposit | 2/26/2016 | 6000 | Andesite Finance Co | Secured High... | Wells Fargo O... | | 210,608.75 | -221,587.99 |
| Deposit | 5/18/2016 | 1020... | Amerifunds | Unitholder 00... | Wells Fargo O... | | 8,894.00 | -230,481.99 |
| Deposit | 5/18/2016 | 1002... | Amerifunds | Unitholder 00... | Wells Fargo O... | | 5,269.49 | -235,751.48 |
| Deposit | 6/17/2016 | 1297 | Rainmaker Capital ... | PFG Distribut... | Wells Fargo O... | | 4,847.73 | -240,599.21 |
| Deposit | 6/17/2016 | 1292 | Rainmaker Capital ... | PFG Distribut... | Wells Fargo O... | | 24,970.21 | -265,569.42 |
| Deposit | 6/17/2016 | 1295 | Rainmaker Capital ... | PFG Distribut... | Wells Fargo O... | | 2,682.38 | -268,251.80 |
| Deposit | 6/17/2016 | 1294 | Rainmaker Capital ... | PFG Distribut... | Wells Fargo O... | | 38,257.23 | -306,509.03 |
| Total Fund Liquidations | | | | | | 0.00 | 306,509.03 | -306,509.03 |
| Life Insurance Commission | | | | | | | | -186.00 |
| Deposit | 2/29/2016 | 1254... | Pacific Life | PE 2/12/16 | Wells Fargo O... | | 186.00 | -372.00 |
| Deposit | 4/26/2016 | 1254... | Pacific Life | PE 4/15/16 | Wells Fargo O... | | 186.00 | -558.00 |
| Total Life Insurance Commission | | | | | | 0.00 | 372.00 | -558.00 |
| Services Income | | | | | | | | 0.00 |
| Total Services Income | | | | | | | | 0.00 |
| Settlement Income | | | | | | | | 0.00 |
| Total Settlement Income | | | | | | | | 0.00 |
| Settlement Proceeds | | | | | | | | 0.00 |
| General Journal | 2/23/2016 | 1 | | To record MC... | Holding Acct-... | | 80,000.00 | -80,000.00 |
| Total Settlement Proceeds | | | | | | 0.00 | 80,000.00 | -80,000.00 |
| Turnover/Seizure | | | | | | | | 0.00 |
| Total Turnover/Seizure | | | | | | | | 0.00 |

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07/23/16

Accrual Basis

Total Wealth Mangement Inc.
General Ledger
As of June 30, 2016

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|---------------------------------------|-----------|------|----------------------|-----------------|-------------------|----------|--------|----------|
| Advertising and Promotion | | | | | | | | 0.00 |
| Total Advertising and Promotion | | | | | | | | 0.00 |
| Automobile Expense | | | | | | | | 0.00 |
| Total Automobile Expense | | | | | | | | 0.00 |
| Bank Service Charges | | | | | | | | 0.00 |
| Check | 3/13/2016 | | | Service Charge | Wells Fargo O... | 24.82 | | 24.82 |
| Check | 6/22/2016 | | Wells Fargo | Service Char... | Cash Held in F... | 580.00 | | 604.82 |
| Total Bank Service Charges | | | | | | 604.82 | 0.00 | 604.82 |
| Business Licenses and Permits | | | | | | | | 0.00 |
| Total Business Licenses and Permits | | | | | | | | 0.00 |
| Computer and Internet Expenses | | | | | | | | 2,055.96 |
| Check | 2/12/2016 | wire | Mark Dionne | Reimburse... | Wells Fargo O... | 3,340.00 | | 5,395.96 |
| Check | 3/3/2016 | 1045 | Orange County Net... | Inv 8337 | Wells Fargo O... | 332.50 | | 5,728.46 |
| Check | 3/23/2016 | 1048 | Kristen Janulewicz | Reimburse... | Wells Fargo O... | 825.00 | | 6,553.46 |
| Check | 5/24/2016 | 1052 | Orange County Net... | Inv 8393 | Wells Fargo O... | 997.50 | | 7,550.96 |
| Check | 6/7/2016 | 1053 | Orange County Net... | Inv 8408 | Wells Fargo O... | 142.50 | | 7,693.46 |
| Total Computer and Internet Expenses | | | | | | 5,637.50 | 0.00 | 7,693.46 |
| Continuing Education | | | | | | | | 0.00 |
| Total Continuing Education | | | | | | | | 0.00 |
| Depreciation Expense | | | | | | | | 0.00 |
| Total Depreciation Expense | | | | | | | | 0.00 |
| Document Production | | | | | | | | 0.00 |
| Total Document Production | | | | | | | | 0.00 |
| Dues and Subscriptions | | | | | | | | 0.00 |
| Total Dues and Subscriptions | | | | | | | | 0.00 |
| Forensic Computer Imaging | | | | | | | | 0.00 |
| Total Forensic Computer Imaging | | | | | | | | 0.00 |
| Income Tax Expense | | | | | | | | 0.00 |
| Check | 4/13/2016 | 1051 | Franchise Tax Board | EIN 38-3807... | Wells Fargo O... | 800.00 | | 800.00 |
| Check | 6/14/2016 | 1054 | Franchise Tax Board | 2014 Tax Ye... | Wells Fargo O... | 822.00 | | 1,622.00 |
| Check | 6/30/2016 | 1201 | Franchise Tax Board | FEIN 26-393... | Wells Fargo O... | 822.00 | | 2,444.00 |
| Check | 6/30/2016 | 1202 | Utah State Tax Co... | FEIN 26-393... | Wells Fargo O... | 100.00 | | 2,544.00 |
| Total Income Tax Expense | | | | | | 2,544.00 | 0.00 | 2,544.00 |
| Insurance Expense | | | | | | | | 0.00 |
| Total Insurance Expense | | | | | | | | 0.00 |

1:59 PM

07/23/16

Accrual Basis

Total Wealth Mangement Inc.
General Ledger
As of June 30, 2016

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|-------------------------------------|-----------|------|--------------------|-------------------|------------------|------------|--------|------------|
| Interest Expense | | | | | | | | 0.00 |
| Total Interest Expense | | | | | | | | 0.00 |
| Meals and Entertainment | | | | | | | | 0.00 |
| Total Meals and Entertainment | | | | | | | | 0.00 |
| Office Supplies | | | | | | | | 0.00 |
| Total Office Supplies | | | | | | | | 0.00 |
| Outside Services | | | | | | | | 127.40 |
| Check | 3/11/2016 | 1046 | Thomas Seaman C... | Network Solu... | Wells Fargo O... | 11.90 | | 139.30 |
| Check | 3/11/2016 | 1046 | Thomas Seaman C... | PACER | Wells Fargo O... | 239.50 | | 378.80 |
| Total Outside Services | | | | | | 251.40 | 0.00 | 378.80 |
| Payroll Expenses | | | | | | | | 0.00 |
| Total Payroll Expenses | | | | | | | | 0.00 |
| Postage and Delivery | | | | | | | | 88.39 |
| Check | 2/18/2016 | 1042 | Thomas Seaman C... | Mail forwardi... | Wells Fargo O... | 12.34 | | 100.73 |
| Check | 3/11/2016 | 1046 | Thomas Seaman C... | Fedex | Wells Fargo O... | 16.44 | | 117.17 |
| Total Postage and Delivery | | | | | | 28.78 | 0.00 | 117.17 |
| Printing and Reproduction | | | | | | | | 0.00 |
| Total Printing and Reproduction | | | | | | | | 0.00 |
| Professional Fees | | | | | | | | 750.00 |
| Outside Accounting | | | | | | | | 750.00 |
| Check | 3/17/2016 | 1049 | Crowe Horwath LLP | Invoice 737-2... | Wells Fargo O... | 3,280.00 | | 4,030.00 |
| Check | 4/12/2016 | 1050 | Crowe Horwath LLP | Invoice 737-2... | Wells Fargo O... | 17,500.00 | | 21,530.00 |
| Total Outside Accounting | | | | | | 20,780.00 | 0.00 | 21,530.00 |
| Receiver's Counsel -Expenses | | | | | | | | 0.00 |
| Check | 2/26/2016 | wire | Allen Matkins | 1st interim fe... | Wells Fargo O... | 17,081.93 | | 17,081.93 |
| Total Receiver's Counsel -Expenses | | | | | | 17,081.93 | 0.00 | 17,081.93 |
| Receiver's Counsel -Fees | | | | | | | | 0.00 |
| Check | 2/26/2016 | wire | Allen Matkins | 1st interim fe... | Wells Fargo O... | 201,629.88 | | 201,629.88 |
| Total Receiver's Counsel -Fees | | | | | | 201,629.88 | 0.00 | 201,629.88 |
| Receiver's Fees | | | | | | | | 0.00 |
| Check | 2/24/2016 | 1043 | Thomas Seaman C... | 1st interim fe... | Wells Fargo O... | 176,249.61 | | 176,249.61 |
| Total Receiver's Fees | | | | | | 176,249.61 | 0.00 | 176,249.61 |
| Professional Fees - Other | | | | | | | | 0.00 |
| Total Professional Fees - Other | | | | | | | | 0.00 |
| Total Professional Fees | | | | | | 415,741.42 | 0.00 | 416,491.42 |

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07/23/16

Accrual Basis

Total Wealth Mangement Inc.
General Ledger
 As of June 30, 2016

| <u>Type</u> | <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>Memo</u> | <u>Split</u> | <u>Debit</u> | <u>Credit</u> | <u>Balance</u> |
|--------------------------|-------------|------------|-------------|-------------|--------------|---------------------|---------------------|----------------|
| Rent Expense | | | | | | | | 0.00 |
| Total Rent Expense | | | | | | | | 0.00 |
| Telephone Expense | | | | | | | | 0.00 |
| Total Telephone Expense | | | | | | | | 0.00 |
| Travel Expense | | | | | | | | 0.00 |
| Total Travel Expense | | | | | | | | 0.00 |
| Utilities | | | | | | | | 0.00 |
| Total Utilities | | | | | | | | 0.00 |
| Ask My Accountant | | | | | | | | 0.00 |
| Total Ask My Accountant | | | | | | | | 0.00 |
| No acct | | | | | | | | 0.00 |
| Total no acct | | | | | | | | 0.00 |
| TOTAL | | | | | | <u>1,759,670.11</u> | <u>1,759,670.11</u> | <u>0.00</u> |

EXHIBIT B

1:56 PM

07/23/16

Accrual Basis

Total Wealth Mangement Inc.
Profit & Loss
February through June 2016

| | Feb - Jun 16 |
|--------------------------------|--------------|
| Ordinary Income/Expense | |
| Income | |
| Fund Liquidations | 306,509.03 |
| Life Insurance Commission | 372.00 |
| Settlement Proceeds | 80,000.00 |
| Total Income | 386,881.03 |
| Expense | |
| Bank Service Charges | 604.82 |
| Computer and Internet Expenses | 5,637.50 |
| Income Tax Expense | 2,544.00 |
| Outside Services | 251.40 |
| Postage and Delivery | 28.78 |
| Professional Fees | |
| Outside Accounting | 20,780.00 |
| Receiver's Counsel -Expenses | 17,081.93 |
| Receiver's Counsel -Fees | 201,629.88 |
| Receiver's Fees | 176,249.61 |
| Total Professional Fees | 415,741.42 |
| Total Expense | 424,807.92 |
| Net Ordinary Income | -37,926.89 |
| Net Income | -37,926.89 |

EXHIBIT C

1:57 PM

07/23/16

Accrual Basis

Total Wealth Mangement Inc.**Profit & Loss**

February 2015 through June 2016

| | <u>Feb '15 - Jun 16</u> |
|--------------------------------|----------------------------|
| Ordinary Income/Expense | |
| Income | |
| Fund Liquidations | 1,690,305.39 |
| Life Insurance Commission | 14,703.62 |
| Settlement Income | 150,000.00 |
| Settlement Proceeds | 80,000.00 |
| Turnover/Seizure | 2,015,076.87 |
| Total Income | <u>3,950,085.88</u> |
| Expense | |
| Bank Service Charges | 930.16 |
| Computer and Internet Expenses | 33,519.91 |
| Document Production | 1,563.36 |
| Forensic Computer Imaging | 12,611.45 |
| Income Tax Expense | 2,544.00 |
| Outside Services | 598.09 |
| Postage and Delivery | 444.49 |
| Professional Fees | |
| Outside Accounting | 34,246.19 |
| Receiver's Counsel -Expenses | 17,081.93 |
| Receiver's Counsel -Fees | 201,629.88 |
| Receiver's Fees | 176,249.61 |
| Total Professional Fees | <u>429,207.61</u> |
| Travel Expense | 1,088.30 |
| Total Expense | <u>482,507.37</u> |
| Net Ordinary Income | <u>3,467,578.51</u> |
| Net Income | <u><u>3,467,578.51</u></u> |

EXHIBIT D

1:59 PM

07/23/16

Accrual Basis

Total Wealth Mangement Inc.**Balance Sheet**

As of June 30, 2016

| | <u>Jun 30, 16</u> |
|---------------------------------------|----------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Wells Fargo Operating -8662 | 3,467,578.51 |
| Total Checking/Savings | <u>3,467,578.51</u> |
| Total Current Assets | <u>3,467,578.51</u> |
| TOTAL ASSETS | <u>3,467,578.51</u> |
| LIABILITIES & EQUITY | |
| Equity | |
| Retained Earnings | 3,508,341.15 |
| Net Income | -40,762.64 |
| Total Equity | <u>3,467,578.51</u> |
| TOTAL LIABILITIES & EQUITY | <u>3,467,578.51</u> |

PROOF OF SERVICE

Securities and Exchange Commission v. Total Wealth Management, Inc., et al.
USDC, Southern District of California – Case No. 15-cv-226 BAS (DHB)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below:

THIRD INTERIM REPORT AND PETITION FOR INSTRUCTIONS OF RECEIVER, THOMAS A. SEAMAN

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – the above-described document will be served by the Court via NEF. On **August 10, 2016**, I reviewed the CM/ECF Mailing Info For A Case for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- **Vincent J. Brown**
vince@vjblaw.com,vjblaw@gmail.com
- **John Bulgozdy**
bulgozdyj@sec.gov,larofiling@sec.gov,berryj@sec.gov,
irwinma@sec.gov
- **Christina Lenore Geraci**
christina@geracilawfirm.com,maria.castro@geracilawfirm.com,jenny.park@geracilawfirm.com
- **Geraci Law Firm**
christina@geracilawfirm.com
- **Gary Y. Leung, Jr**
leungg@sec.gov,larofiling@sec.gov,himesm@sec.gov,berryj@sec.gov
- **Jessica Georgia Peterson**
mckinlay.jessica@dorsey.com
- **David J. Van Havermaat**
vanhavermaatd@sec.gov,larofiling@sec.gov,irwinma@sec.gov
- **Joshua Andrew del Castillo**
jdelcastillo@allenmatkins.com

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SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served): On August 10, 2016, I served the following person(s) and/or entity(ies) in this case by placing a true and correct copy thereof in a sealed envelope(s) addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion for party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 (one) day after date of deposit for mailing in affidavit.

Mikel R. Bistrow, Esq.
Ballard Spahr LLP
655 W. Broadway, Suite 1600
San Diego, CA 92101

Via U.S. First Class Mail

Richard M. Kipperman
PO Box 3010
La Mesa, CA 91944-3010

Via U.S. First Class Mail

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on August 10, 2016 at Los Angeles, California.



Martha Diaz