

ROBB EVANS & ASSOCIATES LLC

Receiver of the Assets of

DebtWorks, Inc., and

Andris Pukke

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**Federal Trade Commission v. Ameridebt, Inc., et al.
CASE No. PJM 03-3317**

**Receiver's Final Report and Final Accounting; and
Motion for Order Approving Wind Up of Receivership and Related
Relief, Including Approving Final Report and Accounting, Approving
Receiver's and Attorneys' Fees and Expenses for the Final Expense
Period and Authorizing Payment Thereof, Discharging the Receiver,
Exonerating it's Bond and Approving Final Distribution of
Receivership Assets**

Filed November 8, 2013

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**RECEIVER'S FINAL REPORT AND FINAL ACCOUNTING; AND MOTION
FOR ORDER APPROVING WIND UP OF RECEIVERSHIP AND RELATED
RELIEF, INCLUDING APPROVING FINAL REPORT AND ACCOUNTING,
APPROVING RECEIVER'S AND ATTORNEYS' FEES AND EXPENSES FOR
FINAL EXPENSE PERIOD AND AUTHORIZING PAYMENT THEREOF,
DISCHARGING RECEIVER, EXONERATING ITS BOND AND APPROVING
FINAL DISTRIBUTION OF RECEIVERSHIP ASSETS**

Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver") pursuant to this Court's Preliminary Injunction Order with Asset Freeze, Appointment of a Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 (the "Preliminary Injunction Order") and the Stipulated Final Judgment and Permanent Injunction as to Defendants DebtWorks, Inc. and Andris Pukke entered on May 17, 2006 ("Final Judgment") hereby submits its Final Report as set forth in this motion and the Declaration of Brick Kane ("Kane Declaration") filed in support hereof and its Final Accounting attached as Exhibit 1 to the Kane Declaration. In connection with the Receiver's submission of its Final Report and Final Accounting, the Receiver hereby moves the Court for an order approving the wind up and termination of the receivership, including an order granting the following relief:

1. An order approving the Receiver's Final Report and the Receiver's Final Accounting attached as Exhibit 1 to the Kane Declaration;
2. An order approving and confirming all actions and activities taken by or on behalf of the Receiver and all payments made by the Receiver in connection with the administration of the receivership estate;
3. An order (a) approving all receivership administrative expenses incurred in this receivership proceeding, including the Receiver's fees and expenses and those of its professionals incurred in connection with the receivership proceeding, including those previously paid to the Receiver and its counsel, and (b) approving and authorizing payment of all administrative expenses and Receiver's and professionals' fees and expenses incurred during the period from October 1, 2012 through the closing of the receivership estate and the discharge of the Receiver ("Final Expense Period"), described and estimated in the Final Accounting. For the one-year period from October 1, 2012 through September 30, 2013, there are unpaid Receiver's fees of \$13,563.26 and expenses of \$19,322.32, and unpaid Receiver's attorneys' fees incurred to McKenna Long & Aldridge LLP of \$12,703.00 and costs of \$219.53. The Receiver estimates closing expenses from October 1, 2013 through closing and the final distribution of assets to be \$24,316.00, including all Receiver's and attorneys' fees and expenses for the preparation, filing and service of the Final Report and Final Accounting, this final wind up motion, the distribution of funds, records destruction and other related wind up activities and expenses;
4. An order authorizing distribution of the remaining assets of the receivership estate, after payment of all receivership administrative expenses, including all outstanding Receiver's fees and expenses and Receiver's attorneys' fees and expenses, and any other unpaid administrative expenses of the estate (the "net receivership assets"), by distributing 70% thereof to plaintiff Federal Trade Commission ("FTC") and 30% to the Internal Revenue Service ("IRS"), consistent with the Stipulation and Order

Regarding Division of Settlement Funds entered May 17, 2006 (Doc. No. 472) (“Division of Funds Agreement”);

5. An order (a) authorizing the Receiver to abandon and destroy the records of the defendants subject to the receivership and of any other corporations or businesses under the control of any of those defendants in the possession, custody or control of the Receiver if, within 30 days after service of written notice to the FTC, the Receiver has not been served with a written request by the FTC for possession of the records or a subpoena by a law enforcement agency for the records, and if during such 30-day period, the Receiver is served with a written request for the records by the FTC or subpoena by a law enforcement agency for the records, authorizing the Receiver to turn over the original records to the FTC or a law enforcement agency in response to the request or subpoena, (b) authorizing the Receiver to abandon the receivership estate’s interests in two outstanding loans owed to Infinity Resource Group, Inc. by Robert Holibaugh, and (c) deeming abandoned any assets not administered by the Receiver as of the closing of the receivership estate;

6. An order, effective upon the completion of the Receiver’s wind up of the estate, payment of administrative expenses and final distribution of funds as provided herein, directing that the Receiver, its agents, employees, members, officers, independent contractors, attorneys and representatives are: (a) discharged; (b) released from all claims and liabilities arising out of and/or pertaining to the receivership herein; and (c) relieved of all duties and responsibilities pertaining to the receivership previously established in this action;

7. An order exonerating the Receiver’s bond effective upon the completion of the Receiver’s wind up of the estate, payment of administrative expenses and final distribution of funds as provided herein;

8. An order deeming notice of this motion to be sufficient based on service of the motion and all supporting pleadings on all parties or their counsel and on the IRS as reflected in the certificate of service filed concurrently herewith; and

9. An order for such other and further relief as may be reasonable or appropriate in connection with the wind up and closure of the receivership estate.

The Receiver submits good cause exists for the relief sought herein based on the following.

I. INTRODUCTION AND SUMMARY OF RECEIVERSHIP CASE

On April 20, 2005, the Court entered the Preliminary Injunction Order appointing Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke (“Pukke”) and DebtWorks, Inc. (“DebtWorks”). The receivership estate established by the Preliminary Injunction Order includes all assets owned or controlled, in whole or in part, directly or indirectly, by Pukke and DebtWorks.

The Preliminary Injunction Order charged the Receiver with the power and duty to locate receivership assets and take possession and control of those assets to prevent dissipation of the assets. The Order also conferred expansive investigatory powers and duties on the Receiver.¹ On motion filed by the Receiver in November 2005, the Preliminary Injunction Order was modified in part to clarify the Receiver’s powers to conduct discovery and in part to eliminate the limitation on the Receiver’s power to liquidate only “wasting” assets. *See* Revised Order (A) Assigning Magistrate Judge; and (B) for Limited Modification of Receivership Provisions of Preliminary Injunction Order entered December 13, 2005.

¹ The Receiver requests that the Court take judicial notice of the Preliminary Injunction Order and other orders, pleadings and files of the Court in this action and the related lawsuits before the Court referenced in this Motion pursuant to F. R. E., Rule 201.

On July 11, 2005, Pukke filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California, Santa Ana Division. On motion of the FTC, venue of the Pukke bankruptcy case was transferred to the District of Maryland. The Court *sua sponte* withdrew the reference of the Pukke bankruptcy case to this Court.

Shortly before the scheduled trial in this action, the FTC and Pukke reached a resolution of their disputes and filed a proposed Final Judgment which was approved by the Court and entered as the judgment in this action on May 17, 2006. Under the Final Judgment, the Receiver's powers and duties were confirmed and continued. A related order approving the Final Judgment and the Division of Funds Agreement was entered in Pukke's bankruptcy case. Pamela Pukke, Andris Pukke's former spouse named as a relief defendant in this action, also stipulated to judgment by the Stipulated Final Judgment and Order as to Pamela Pukke entered by the Court on February 8, 2006.

A. Prior Fee Motions

The Receiver has filed fifteen prior fee motions since its appointment on April 20, 2005. Each of the Receiver's prior fee motions have been granted, and all fees and expenses have been awarded as requested.

B. Final Wind Up Motion and Final Fee Motion

This is the Receiver's final wind up motion and final motion for approval of fees and expenses. As detailed below, the Receiver has completed its duties under the Final Judgment, all assets that can be liquidated within a reasonable time and recovered for the benefit of the estate have been reduced to cash, and the Receiver recommends that the receivership be terminated and the estate closed. In connection with the wind up of the estate, the Receiver also seeks approval and authorization for payment of its fees and expenses incurred for the services of the Receiver and its counsel from October 1, 2012 through the closing of the receivership estate ("Final Expense Period"). Other relief sought by the Motion is set forth in the itemized list above.

C. Final Report and Final Accounting

This final wind up motion is supported by the Declaration of Brick Kane. Attached as Exhibit 1 to the Kane Declaration is the Receiver's spreadsheet entitled Administrative Expenses and Fund Balance by Year Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close ("Final Accounting") which summarizes the actual recoveries, expenses, distributions and financial status of the receivership estate from its inception through September 30, 2013 and includes the Receiver's estimated expenses to close the estate and proposed estimated final distribution to the FTC and the IRS. As of September 30, 2013, the receivership estate had total recoveries and interest income since the commencement of the receivership of \$48,789,132.54. Of that sum, over \$22.6 million worth of assets recovered by the Receiver are comprised of assets that were not disclosed by Pukke in the IRS Form 433-A Financial Statement submitted to the FTC and the Receiver on or about May 26, 2005.

From the aggregate gross recoveries and interest income of the estate as of September 30, 2013 of \$48,789,132.54, the Receiver has made distributions totaling over \$37.7 million pursuant to stipulations approved by the Court. The net fund balance in the receivership estate as of September 30, 2013 is \$2,084,399.60 after deducting expenses and Receiver's and attorneys' fees and costs incurred through that date. During the period since September 30, 2012, the ending date of the Receiver's last financial report to the Court and fee motion, the Receiver recovered over \$743,000 from the completion of the liquidation and administration of the remaining estate assets as detailed hereafter.

II. RECEIVER'S FINAL REPORT

The Receiver has completed its administration of virtually all assets with realizable value for the receivership estate and now seeks approval of the Court to wind up the receivership and close the estate.

A. Long Caye, Belize

During the Final Expense Period, the Receiver closed the sale of the receivership estate's most valuable remaining asset, consisting of half of an island in Belize, Central America known as Long Caye. After years of marketing efforts that began in late 2008, at or about the time the worldwide recession began, the Receiver was able to locate a buyer for the property for \$525,000. The Receiver filed a motion to approve the sale of Long Caye on September 25, 2012 (Doc. No. 819). An order for approval of the sale was entered on November 7, 2012. During the Final Expense Period, the sale closed and the estate recovered net sale proceeds of \$498,707.50.

B. Deep Woods Real Estate Development (Belchertown Property)

Another asset of the receivership estate was an undocumented equity interest in an entity that owned a large parcel of undeveloped land located in Belchertown, Massachusetts. The property was owned by the entity Deep Woods Real Estate Development LLC ("Deep Woods LLC"), whose sole member is Deep Woods Real Estate Development Corp. ("Deep Woods Corp."), an entity owned nominally by two individuals, 75% by Matthew Case ("Case") and 25% by Ray Suris ("Suris") through his wholly owned limited liability company, National Properties, LLC (collectively Deep Woods Corp. and Deep Woods LLC are referred to herein as "Deep Woods"). Deep Woods Corp.'s sole asset is its membership in Deep Woods Real Estate Development LLC.

The two Deep Woods entities each filed Chapter 11 bankruptcy cases in the United States Bankruptcy Court for the Eastern District of New York. The cases were jointly administratively and subsequently substantively consolidated through a Chapter 11 plan that was confirmed in October 2011. Deep Woods sold one portion of the Belchertown property to The Trust for Public Land to generate sufficient cash to pay off its principal secured creditor, Country Bank for Savings, and provide cash to fund a Chapter 11 plan of reorganization, including a large initial cash payment to the Receiver.

Pursuant to a compromise by the Receiver of its claim against Deep Woods which was approved by this Court, Deep Woods agreed to pay the Receiver on behalf of the receivership estate the sum of \$350,000, payable by an initial \$125,000 cash payment shortly after the Effective Date of the Deep Woods confirmed plan and with the balance of \$225,000 reflected in a promissory note secured by a first mortgage on the remainder of the Belchertown property still owned by Deep Woods. The Deep Woods Chapter 11 plan of reorganization which was confirmed on October 25, 2011 incorporated this approved compromise as the treatment of the disputed Pukke equity interest in Deep Woods now held by the Receiver. The Effective Date of the plan was November 1, 2011, and pursuant to the plan, the Receiver obtained the initial \$125,000 cash payment during this Fifteenth Expense Period. Deep Woods also executed and delivered to the Receiver its promissory note in the principal sum of \$225,000 (the “Deep Woods Note”) secured by a first priority mortgage.

The Deep Woods Note matured and became all due and payable on February 1, 2013. Deep Woods was not able to pay the Note on its maturity date, and interest had accrued and was unpaid. The Receiver through counsel worked with Deep Woods, negotiating deadlines for Deep Woods to satisfy the principal balance due in full and agreeing to waive accrued interest if payment of the full principal was promptly made. After a series of postponements and under the threat of potential foreclosure by the Receiver, on July 1, 2013 Deep Woods paid off the principal balance of the Deep Woods Note in full in the amount of \$225,000.

C. Status of Collection of Infinity Loan Portfolio and Proposed Abandonment of Robert Holibaugh Loans

The entity Infinity Resources Group, Inc. (“Infinity”) is a receivership entity which made numerous small, high-risk consumer loans generally secured by motor vehicles and certain large loans to close friends and family members of Pukke. Since the commencement of the receivership, the Receiver’s collections under the Infinity loan

portfolio have totaled \$4,382,552.58 through September 30, 2013, including \$19,792.11 recovered during this Final Expense Period. There is one outstanding small loan in the Infinity loan portfolio with a principal balance of \$7,134.22 on which a small monthly payment is being made, although the loan is in default. In addition, the estate holds two long-term loans owed by Robert Holibaugh.

The Receiver has attempted to fully liquidate both the small delinquent loan and the Robert Holibaugh loans by offering to accept discounted cash payoffs of the debts. The Receiver stopped collection efforts on the small, delinquent loan given the small balance and the longstanding defaulted status of that loan.

While Robert Holibaugh has continued to allow the Receiver to make monthly ACH debits to his bank account for the monthly payments due under his two long-term loans, he has not communicated with the Receiver, and the Receiver's letters to the borrower offering to negotiate a cash liquidation at a discount for the two loans have been returned as undeliverable and with no forwarding address information. The Receiver has investigated potential buyers of the loans without success. The loans are set up to be paid by ACH debit to the bank account. The debits are not automatic but must be initiated by a party with the ability to initiate and process the instructions for the ACH debit. The Receiver has been advised that it is not possible for plaintiff Federal Trade Commission to set up a system to initiate the ACH debits as the Receiver does in order to obtain the monthly payments.

The two Robert Holibaugh loans are the sole remaining assets of the receivership with any value, and they are not due to mature for another twenty years (2033). The current combined balance owed under the loans is less than \$200,000. Under the circumstances, and in light of the Receiver's inability to locate the borrower to try to resolve and liquidate the debts or to obtain any interest from third parties in purchasing the loans, the Receiver recommends that the loans be abandoned to allow the Receiver to close the estate. The abandonment will conclude the Receiver's administration of assets

and will allow the Receiver to prepare final tax returns and make the final distribution of funds. The Receiver does not believe the modest annual payments on those loans and debt balance justifies continuing to keep the receivership open.

D. Final Expense Period Fee Motion

During the Final Expense Period, the principal activities of the Receiver and its counsel McKenna Long & Aldridge LLP (“McKenna Firm”) have been collecting and administering the remainder of the Infinity loan portfolio, enforcing and obtaining a satisfaction of the Deep Woods Note, completing the sale of the Long Caye property and preparing to wind up the receivership estate.

III. SUMMARY OF FEES AND EXPENSES, SERVICES AND ACTIVITIES DURING THE FINAL EXPENSE PERIOD

The Final Accounting summarizes the Receiver’s and counsel’s fees which are the subject of this final fee motion, and include (a) actual fees and expenses incurred for the services of the Receiver and its counsel from October 1, 2012 through September 30, 2013, and (b) estimated Receiver’s and counsel’s fees and expenses from October 1, 2013 through the closing of the receivership estate and final distribution of funds. The Receiver’s actual fees and expenses incurred during the Final Expense Period for services rendered by the Receiver, the Receiver’s staff, and the Receiver’s attorneys through September 30, 2013 are set forth in the Final Accounting attached to the Declaration of Brick Kane as Exhibit 1. The fees and costs of the Receiver for services rendered from October 1, 2012 through September 30, 2013 are set forth in the redacted billing records of the Receiver attached as Exhibit 2 to the Declaration of Brick Kane, and include the Receiver’s fees of \$10,665.00, financial reconstruction and accounting fees of \$2,594.50, and support staff fees of \$303.76 for a total of \$13,563.26 in fees. Receiver’s expenses incurred during that period total \$19,322.32, including \$5,772.19 for tax preparation. Aggregate Receiver’s fees and expenses for the twelve-month period from October 1, 2012 through September 30, 2013 are \$32,885.58.

The actual fees and expenses of the Receiver's counsel, the McKenna Firm, for the period from October 1, 2012 through September 30, 2013 for which the Receiver seeks approval and payment total \$12,922.53, including fees of \$12,703.00 and expenses of \$219.53 for that twelve-month period. The fees and expenses for that period are reflected in the McKenna Firm's redacted billing statements attached to the Declaration of Gary Owen Caris as Exhibit 1.

With respect to the period from October 1, 2013 through closing, the Receiver estimates that the estate will incur (a) Receiver's fees of \$3,056.00, (b) Receiver's costs of \$8,760.00 including document destruction expenses and tax preparation costs for the preparation of the final tax returns, and (c) attorneys' fees and costs of \$12,500, for a total of \$24,316.00 in receivership fees and expenses from October 1, 2013 through the closing and final distribution of estate assets. The Receiver seeks approval and authorization to pay the receivership fees and expenses actually incurred for the Receiver's and counsel's services from October 1, 2013 through closing.

The services and fees of the Receiver, its members and staff and its counsel performed during the Final Expense Period for which the Receiver seeks approval and payment are summarized in herein.

A. Real Property Assets

The Receiver completed its efforts to sell the property in Belize known as the Long Caye property. On September 25, 2012, the Receiver filed its motion for approval of the sale of the Long Caye property for a cash purchase price of \$525,000, which was subsequently granted by the Court by an order entered on November 7, 2012.

The closing of the sale required extensive coordination by the Receiver's members both with the buyer's representatives and with the Receiver's counsel in Belize. One of the Receiver's members traveled to Belize in order to complete the execution and registration of the transaction and turnover of the property when the sale closed.

The Receiver and its counsel also completed work to address the final satisfaction of the promissory note obtained by the estate in disposition of the estate's interest in Deep Woods. During a prior expense period, the Receiver obtained Court approval of a settlement of the estate's interest in Deep Woods which was incorporated into a confirmed Chapter 11 plan of reorganization which became effective November 1, 2011. The promissory note obtained by the estate pursuant to the compromise was in the amount of \$225,000 and matured on February 1, 2013. The note was secured by a first deed of trust on the Deep Woods property, consisting of undeveloped land located in Massachusetts. After Deep Woods failed to satisfy the debt obligation when it matured, the Receiver's counsel had a series of communications with the Deep Woods counsel and its principal, Ray Suris, who is an attorney, to try to obtain satisfaction of the debt. Through a series of extended payoff deadlines and an agreement to waive accrued interest in exchange for full cash satisfaction of the principal balance, the Receiver obtained a wire transfer of funds in the amount of \$225,000 on July 1, 2013, representing the full outstanding principal balance of the note.

B. Jeffrey Holibaugh Settlement Implementation and Conclusion

The Receiver previously sued Jeffrey Holibaugh, an obligor under a loan made by Infinity, and obtained judgment against Jeffrey Holibaugh for the unpaid balance due Infinity under his note. Jeffrey Holibaugh unsuccessfully appealed the judgment to the Fourth Circuit, which affirmed, and then unsuccessfully sought review by the United States Supreme Court by a petition for writ of *certiorari*, which was denied.

In a prior expense period, the Receiver and Jeffrey Holibaugh entered into a settlement which was approved by the Court pursuant to which the estate accepted and received a discounted cash payment in the sum of \$225,000.00 in satisfaction of the judgment. During the Final Expense Period, the Receiver's counsel took steps to complete the implementation and completion of the settlement. These steps included a recording to remove the judgment lien from the real property records where Jeffrey

Holibaugh's residence was located, and a motion to withdraw a pending charging order motion.

C. Loan Collections

All loans of the Infinity portfolio have been fully administered with the exception of two loans owed to Infinity by Robert Holibaugh. All other loans in the Infinity portfolio have either been satisfied or have been deemed uncollectible and written off. During the Final Expense Period, the Receiver's collections on the Infinity loan portfolio totaled \$19,792.11, virtually all of which came from payments on the two outstanding Robert Holibaugh loans. The two Robert Holibaugh loans are long-term loans, with maturity dates in 2033 and therefore with another two decades of payments remaining to be made.

During the Final Expense Period, the Receiver has investigated alternatives to liquidate the estate's interests in the two Robert Holibaugh loans, to no avail. The Receiver has been unable to locate an interested purchaser for the two loans. The Receiver has attempted to negotiate a discounted payoff of the two loans with the borrower, but mail to the borrower has been returned as undeliverable with no forwarding address. The payments made on the loan are made through ACH debits of a bank account. Those debits are not automatic, however, and must be initiated by the Receiver's office in order for them to be made. The Receiver has addressed the Robert Holibaugh loans with the FTC and has determined that the FTC cannot assume the ACH debiting functions to take over the loans. The Receiver has determined over this last expense period that if the Receiver fails to initiate the debits of the accounts, the loan payments are not made by the borrower.

D. Forensic Accounting and Other Administrative Activities

During the Final Expense Period, the Receiver's members, accountants and staff have continued to address forensic accounting, records analysis and administrative issues. The Receiver continued to prepare regular financial reports and account reconciliations.

The Receiver's accountants addressed tax issues and supervised the preparation of tax returns. The Receiver's counsel and the Receiver responded to administrative issues and inquiries raised by tax counsel for Peter Baker and by a confidential inquiry from a third party regarding certain property and activities in Belize. The Receiver's counsel also responded to an inquiry from criminal counsel for Pukke regarding the Receiver's position on a request for foreign travel by Pukke. The McKenna Firm also prepared and filed a fee motion covering the Fifteenth Expense Period.

E. Cash Asset Status and Projected Final Distribution to FTC and IRS

As of September 30, 2013, the aggregate assets collected and recovered by the Receiver totaled \$48,789,132.54 of which \$22,698,608.17 had not been disclosed by Pukke based on the IRS Form 433-A Financial Statement provided to the FTC and the Receiver at the inception of the case. Recoveries during the Final Expense Period from all sources totaled \$745,864.86. These recoveries included \$498,707.50 as the net proceeds of the Long Caye sale and \$225,000.00 from the Deep Woods note payoff. The Receiver is aware of no other assets or sources of recovery for the estate, except as explained above regarding the Robert Holibaugh loans.

As of September 30, 2012, the Receiver was holding the net sum of \$2,084,399.60 in cash from all sources, including loan payments from loans made by Infinity, proceeds of asset sales, other cash assets and proceeds received by the estate, and bank account interest, after taking into account receivership fees and expenses incurred through that date. None of the sums in the estate are subject to claims of third parties.²

² The Receiver had previously agreed to indemnify Janis Pukke for tax liability, if any, arising out of the interest paid by the state and federal taxing authorities in connection with the refunds of taxes paid to the receivership estate. The Receiver previously estimated the maximum potential tax liability subject to the indemnity to be approximately \$150,000. However, Janis Pukke passed away in the fall of 2010, and no such potential tax claim has ever been asserted.

The Receiver's Final Accounting includes the amount of the estimated final distribution to be made to the FTC and the IRS. The estimated amount takes into account the Receiver's current outstanding fees and expenses of the Receiver and its counsel as well as the Receiver's estimate to close. The Receiver anticipates after satisfaction of all receivership fees and expenses, the final distribution will be \$1,441,985.02 to the FTC and \$617,993.58 to the IRS based on the 70%/30% allocation under the Division of Funds Agreement.

IV. ADDITIONAL RELIEF SOUGHT IN CONNECTION WITH WIND UP AND CLOSING OF RECEIVERSHIP ESTATE

The Receiver seeks relief related to the closing and wind up of the estate as detailed in the itemized list of relief set forth at the beginning of the Motion. Among other relief, the Receiver seeks an order confirming the Receiver's actions and activities during the case and the payments previously made, including the prior fees and expenses of the Receiver and counsel approved by the Court. The Receiver seeks an order authorizing the Receiver to destroy any remaining records of the Receivership Defendants in the Receiver's possession, unless custody of such records is requested and obtained by the FTC or law enforcement after 30 days' notice of the Receiver's intent to destroy the records given to the FTC. The Receiver further seeks an order exonerating the Receiver's bond posted in this case and discharging the Receiver, relieving the Receiver of any administrative duties and releasing the Receiver from liabilities effective upon the Receiver's wind up of the receivership and making of the final distribution of funds from the estate.

WHEREFORE, based upon this Motion, the Memorandum of Law, the Declaration of Brick Kane and the Declaration of Gary Owen Caris in support hereof which are filed concurrently herewith, the Receiver respectfully requests that the Court grant relief as requested in the Motion.

Dated: November 8, 2013

MCKENNA LONG & ALDRIDGE LLP

By: /s/ – Gary Owen Caris

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Dated: November 8, 2013

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

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**MEMORANDUM OF LAW IN SUPPORT OF RECEIVER'S MOTION FOR
ORDER APPROVING WIND UP OF RECEIVERSHIP AND RELATED RELIEF,
INCLUDING APPROVING FINAL REPORT AND ACCOUNTING,
APPROVING RECEIVER'S AND ATTORNEYS' FEES AND EXPENSES FOR
FINAL EXPENSE PERIOD AND AUTHORIZING PAYMENT THEREOF,
DISCHARGING RECEIVER, EXONERATING ITS BOND AND APPROVING
FINAL DISTRIBUTION OF RECEIVERSHIP ASSETS**

Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver") pursuant to this Court's Preliminary Injunction Order with Asset Freeze, Appointment of a Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 (the "Preliminary Injunction") and continued under the Stipulated Final Judgment and Permanent Injunction as to Defendants Debtworks, Inc. and Andris Pukke entered May 17, 2006 ("Final Judgment") hereby submits the following memorandum of law in support of the Receiver's Motion for Order Approving Wind Up of Receivership and Related Relief, Including Approving Final Report and Accounting, Approving Receiver's and Attorney's Fees and Expenses for Final Expense Period and Authorizing Payment Thereof, Discharging Receiver, Exonerating Its Bond and Approving Final Distribution of Receivership Assets ("Motion").

I. INTRODUCTION

The Receiver's Motion is the final wind up motion seeking to discharge the Receiver and close the receivership estate. The Motion includes the Receiver's Final Report which summarizes the activities of the Receiver since October 1, 2012 and the activities anticipated to be performed by the Receiver to conclude the administration of the estate and make the final distribution of its assets. The Motion is supported by the Declaration of Brick Kane which includes as Exhibit 1 the Receiver's Final Accounting.

II. THE RECEIVER'S FINAL REPORT AND FINAL ACCOUNTING SHOULD BE APPROVED

The Receiver is entitled to have the Court review and approve the Receiver's Final Accounting and Final Report describing the Receiver's activities and to have the Court confirm its activities during the course of the receivership. *See* Ralph Ewing Clark, *A Treatise on the Law and Practice of Receivers*, Vol. 2, § 383.1, pp. 643-644 (3d ed. 1992) ("A receiver's account and report is for the purpose of informing the appointing court and parties interested of the receiver's stewardship. Since the receiver is the court's officer, the court may at its own instance approve or disapprove the report of the receiver").

III. THE FEES AND EXPENSES OF THE RECEIVER, ITS STAFF AND ITS ATTORNEYS SHOULD BE APPROVED AND ORDERED PAID FROM RECEIVERSHIP ASSETS

It is a fundamental tenet of receivership law that expenses of administration incurred by the receiver, including those of the receiver, its counsel and others employed by the receiver, constitute priority expenses for which compensation should be paid from the assets of the receivership. As explained in the leading treatise *Clark on Receivers*:

The obligations and expenses which the court creates in its administration of the property are necessarily burdens on the property taken possession of, and this, irrespective of the question who may be the ultimate owner, or who may have the preferred lien, or who may invoke the receivership. The

appointing court pledges its good faith that all duly authorized obligations incurred during the receivership shall be paid.

Ralph Ewing Clark, *A Treatise on the Law and Practice of Receivers*, Vol. 2, § 637, p. 1052 (3d ed. 1992). The Motion establishes that the Receiver, its staff and its counsel rendered excellent services and obtained significant and very beneficial results for the receivership estate throughout the receivership, including during the period from October 1, 2012 to the present covered by the Final Expense Period. *See Federal Trade Commission v. Capital Acquisitions & Management Corp.*, No. 04 C 7781, 2005 WL 3676529 (N.D. Ill. Aug. 26, 2005). The Receiver submits the fees and expenses incurred and projected to be incurred during the Final Expense Period are reasonable in light of the services rendered and the results obtained and the services to be performed that are necessary and appropriate to the closing of the estate. As set forth above and in the declarations of Brick Kane and Gary Caris in support of the Motion, the activities of the Receiver and its counsel during the Final Expense Period have resulted in the recovery for the estate of over \$745,000 during this period, based on the Receiver's closing of the sale of Long Caye and obtaining the payoff of the Deep Woods note and other miscellaneous receipts. All fees and expenses incurred since the inception of the case through September 30, 2012 have been approved by the Court based on motions duly noticed to the interested parties, further supporting the relief sought by the Receiver in its Motion.

IV. THE OTHER RELIEF SOUGHT IN CONNECTION WITH THE WIND UP OF THE RECEIVERSHIP IS APPROPRIATE AND SHOULD BE GRANTED

The Court has wide latitude in supervising the Receiver and may provide for the administration of the receivership as it deems appropriate. 13 *Moore's Federal Practice* § 66.06[4][a] (Matthew Bender 3d ed. Rev. 2013); *Securities and Exchange Commission v. Hardy*, 803 F.2d 1034 (9th Cir. 1986). Recognizing the limited body of reported

decisions in federal receiverships, the Court nevertheless articulated two overriding principles gleaned from the case law:

First, a district court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad The basis for broad deference to the district court's supervisory role in equity receiverships arises out of the fact that most receiverships involve multiple parties and complex transactions.

...

Secondly, we have acknowledged that a primary purpose of equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors. [Citations omitted.] Accordingly, we generally uphold reasonable procedures instituted by the district court that serve this purpose. [Citations omitted.]

Securities and Exchange Commission v. Hardy, 803 F. 2d at 1037-1038. *Accord Securities and Exchange Commission v. Black*, 163 F.3d 188, 199 (3d Cir. 1998); *Securities and Exchange Commission v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992).

The other relief sought in this motion will promote the orderly and prompt wind up of the receivership estate in an expeditious and cost-effective manner. The relief sought is customary and appropriate in closing a receivership estate, discharging the receiver, releasing it from liability and exonerating the receiver's bond. *See generally Mosser v. Darrow*, 341 U.S. 267, 71 S. Ct. 680, 95 L. Ed. 927 (1951) (indicating that a trustee or receiver is not liable for mistakes in judgment). The approval of the abandonment of any remaining assets and the destruction of records ensures the full administration of property of the estate and allows the Receiver to protect against the disclosure or misuse of any confidential or personal information through the records destruction.

WHEREFORE, based upon the Motion and the pleadings and papers in support hereof, the Receiver respectfully requests that the Court grant relief as requested in the Motion.

Dated: November 8, 2013

MCKENNA LONG & ALDRIDGE LLP

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Dated: November 8, 2013

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**DECLARATION OF BRICK KANE IN SUPPORT OF RECEIVER'S FINAL
REPORT AND FINAL ACCOUNTING; AND MOTION FOR ORDER
APPROVING WIND UP OF RECEIVERSHIP AND RELATED RELIEF,
INCLUDING APPROVING FINAL REPORT AND ACCOUNTING,
APPROVING RECEIVER'S AND ATTORNEYS' FEES AND EXPENSES FOR
FINAL EXPENSE PERIOD AND AUTHORIZING PAYMENT THEREOF,
DISCHARGING RECEIVER, EXONERATING ITS BOND AND APPROVING
FINAL DISTRIBUTION OF RECEIVERSHIP ASSETS**

I, Brick Kane, declare:

1. I am a member of Robb Evans & Associates LLC, the Receiver in the above-captioned matter. I am one of the members of Robb Evans & Associates LLC with primary responsibility for the supervision, management and administration of the receivership estate on a day-to-day basis. I have personal knowledge of the matters set forth in this declaration and if I were called upon to testify as to these matters, I could and would competently testify based upon my personal knowledge.

2. On April 20, 2005, the Court entered the Preliminary Injunction Order appointing Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke ("Pukke") and DebtWorks, Inc. ("DebtWorks"). The receivership estate established by the Preliminary Injunction Order included all assets owned or controlled, in whole or in part, directly or indirectly, by Pukke and DebtWorks.

3. The Preliminary Injunction Order charged the Receiver with the power and duty to locate receivership assets and take possession and control of those assets to prevent dissipation of the assets. The Order also conferred investigatory powers and duties on the Receiver. Based on a motion filed by the Receiver in November 2005, the Preliminary Injunction Order was modified in part to clarify the Receiver's powers to conduct discovery and in part to eliminate the limitation on the Receiver's power to liquidate only "wasting" assets pursuant to the Revised Order (A) Assigning Magistrate Judge; and (B) for Limited Modification of Receivership Provisions of Preliminary Injunction Order entered December 13, 2005. Pukke and plaintiff Federal Trade Commission ("FTC") later resolved the FTC's claims pursuant to the Stipulated Final Judgment and Permanent Injunction as to Defendants DebtWorks, Inc. and Andris Pukke entered on May 17, 2006 ("Final Judgment") pursuant to which the Receiver's powers and duties under the Preliminary Injunction Order were confirmed and continued. Pamela Pukke, Andris Pukke's former spouse named as a relief defendant in this action, also stipulated to judgment by the Stipulated Final Judgment and Order as to Pamela Pukke entered by the Court on February 8, 2006. In addition, the FTC, the IRS and counsel for the class action plaintiffs in a related class action against certain of the receivership entities entered into the Stipulation and Order Regarding Division of Settlement Funds entered May 17, 2006 (Doc. No. 472) ("Division of Funds Agreement") pursuant to which, after payment of certain fees and costs of Class Counsel, the FTC and the IRS agreed to share the proceeds of the liquidation of the assets of Pukke and the receivership entities. The Receiver has made multiple distributions to the FTC and IRS pursuant to the Division of Funds Agreement and subsequent stipulations approved by the Court.

4. This Declaration is made in support of the Receiver's Final Report and Accounting and the Receiver's motion for authorization to wind up the receivership estate and for related relief. Attached hereto as Exhibit 1 is the Receiver's spreadsheet entitled Administrative Expenses and Fund Balance by Year Since Inception (April 20, 2005) to

September 30, 2013 and Estimate to Close (“Final Accounting”) which summarizes the actual recoveries, expenses, distributions and financial status of the receivership estate from its inception through September 30, 2013 and includes the Receiver's estimated expenses to close the estate and proposed estimated final distribution to the FTC and the IRS.

5. As of September 30, 2013, the receivership estate had total recoveries and interest income since the commencement of the receivership of \$48,789,132.54. Of that sum, over \$22.6 million worth of assets recovered by the Receiver are comprised of assets that were not disclosed by Pukke in the IRS Form 433-A Financial Statement submitted to the FTC and the Receiver on or about May 26, 2005.

6. From the aggregate gross recoveries and interest income of the estate as of September 30, 2013 of \$48,789,132.54, the Receiver has made distributions totaling over \$37.7 million pursuant to stipulations approved by the Court. The net fund balance in the receivership estate as of September 30, 2013 is \$2,084,399.60 after deducting expenses and Receiver's and attorneys' fees and costs incurred through that date. During the period since September 30, 2012, the ending date of the Receiver's last financial report to the Court and fee motion, the Receiver recovered over \$743,000 from the completion of the liquidation and administration of the remaining estate assets as detailed hereafter.

7. The Receiver has completed its administration of virtually all assets with realizable value for the receivership estate and now seeks approval of the Court to wind up the receivership and close the estate. During the Final Expense Period, the Receiver closed the sale of the receivership estate's most valuable remaining asset, consisting of half of an island in Belize, Central America known as Long Caye. After years of marketing efforts that began in late 2008, at or about the time the worldwide recession began, the Receiver was able to locate a buyer for the property for \$525,000. The Receiver filed a motion to approve the sale of Long Caye on September 25, 2012 which was granted by the Court on November 7, 2012. During the Final Expense Period, the sale closed and the estate recovered net sale proceeds of \$498,707.50.

8. Another asset of the receivership estate was an undocumented equity interest in an entity that owned a large parcel of undeveloped land located in Belchertown, Massachusetts. The property was owned by the entity Deep Woods Real Estate Development LLC (“Deep Woods LLC”), whose sole member is Deep Woods Real Estate Development Corp. (“Deep Woods Corp.”), an entity owned nominally by two individuals, 75% by Matthew Case (“Case”) and 25% by Ray Suris (“Suris”) through his wholly owned limited liability company, National Properties, LLC (collectively Deep Woods Corp. and Deep Woods LLC are referred to herein as “Deep Woods”). Deep Woods Corp.’s sole asset is its membership in Deep Woods Real Estate Development LLC.

9. The two Deep Woods entities each filed Chapter 11 bankruptcy cases in the United States Bankruptcy Court for the Eastern District of New York. The cases were jointly administratively and subsequently substantively consolidated through a Chapter 11 plan that was confirmed in October 2011. Deep Woods sold one portion of the Belchertown property to The Trust for Public Land to generate sufficient cash to pay off its principal secured creditor, Country Bank for Savings, and provide cash to fund a Chapter 11 plan of reorganization, including a large initial cash payment to the Receiver.

10. Pursuant to a compromise by the Receiver of its claim against Deep Woods which was approved by this Court, Deep Woods agreed to pay the Receiver on behalf of the receivership estate the sum of \$350,000, payable by an initial \$125,000 cash payment shortly after the Effective Date of the Deep Woods confirmed plan and with the balance of \$225,000 reflected in a promissory note secured by a first mortgage on the remainder of the Belchertown property still owned by Deep Woods. The Deep Woods Chapter 11 plan of reorganization which was confirmed on October 25, 2011 incorporated this approved compromise as the treatment of the disputed Pukke equity interest in Deep Woods held by the Receiver. The Effective Date of the plan was November 1, 2011, and pursuant to the plan, the Receiver obtained the initial \$125,000 cash payment during this Fifteenth Expense Period. Deep Woods also executed and delivered to the Receiver its

promissory note in the principal sum of \$225,000 (the “Deep Woods Note”) secured by a first priority mortgage.

11. The Deep Woods Note matured and became all due and payable on February 1, 2013. Deep Woods was not able to pay the Note on its maturity date, and interest had accrued and was unpaid. After a series of postponements and under the threat of potential foreclosure by the Receiver, on July 1, 2013 Deep Woods paid off the principal balance of the Deep Woods Note in full in the amount of \$225,000.

12. The entity Infinity Resources Group, Inc. (“Infinity”) is a receivership entity which made numerous small, high-risk consumer loans generally secured by motor vehicles and certain large loans to close friends and family members of Pukke. Since the commencement of the receivership, the Receiver’s collections under the Infinity loan portfolio have totaled \$4,382,552.58 through September 30, 2013, including \$19,792.11 recovered during this Final Expense Period.

13. There is one outstanding small loan in the Infinity loan portfolio with a principal balance of \$7,134.22 on which a small monthly payment is being made, although the loan is in default. In addition, the estate holds two long-term loans owed by Robert Holibaugh.

14. The Receiver has attempted to fully liquidate both the small delinquent loan and the Robert Holibaugh loans by offering to accept discounted cash payoffs of the debts. The Receiver stopped collection efforts on the small, delinquent loan given the small balance and the longstanding defaulted status of that loan.

15. While Robert Holibaugh has continued to allow the Receiver to make monthly ACH debits to his bank account for the monthly payments due under his two long-term loans, he has not communicated with the Receiver and the Receiver has been unable to locate a current address for the borrower in order for the Receiver to attempt to negotiate a cash liquidation at a discount for the two loans. The Receiver has investigated potential buyers of the loans without success. The loans are set up to be paid by ACH debit to the bank account. The debits are not automatic but must be initiated by

a party with the ability to initiate and process the instructions for the ACH debit. The Receiver has been advised that it is not possible for plaintiff FTC to set up a system to initiate the ACH debits as the Receiver does in order to obtain the monthly payments.

16. The two Robert Holibaugh loans are the sole remaining assets of the receivership with any value, and they are not due to mature for another twenty years (2033). The current combined balance owed under the loans is less than \$200,000. During the Final Expense Period, the Receiver has investigated alternatives to liquidate the estate's interests in the two Robert Holibaugh loans, to no avail. The Receiver has been unable to locate an interested purchaser for the two loans. The Receiver has attempted to negotiate a discounted payoff of the two loans with the borrower, but the Receiver's letters to the borrower have been returned as undeliverable with no forwarding address information. The payments made on the loan are made through ACH debits of a bank account. Those debits are not automatic, however, and must be initiated by the Receiver's office in order for them to be made. The Receiver has addressed the Robert Holibaugh loans with the FTC and has determined that the FTC cannot assume the ACH debiting functions to take over the loans. The Receiver has determined over this last expense period that if the Receiver fails to initiate the debits of the accounts, the loan payments are not made by the borrower. Under the circumstances, and in light of the Receiver's inability to locate the borrower to try to resolve and liquidate the debts or to obtain any interest from third parties in purchasing the loans, the Receiver recommends that the loans be abandoned to allow the Receiver to close the estate. The abandonment will conclude the Receiver's administration of assets and will allow the Receiver to prepare final tax returns and make the final distribution of funds to the FTC and the IRS. The Receiver does not believe the modest annual payments on those loans and debt balance justifies continuing to keep the receivership open.

17. During the Final Expense Period, the principal activities of the Receiver and its counsel McKenna Long & Aldridge LLP ("McKenna Firm") have been collecting and administering the remainder of the Infinity loan portfolio, enforcing and obtaining a

satisfaction of the Deep Woods Note, completing the sale of the Long Caye property and preparing to wind up the receivership estate.

18. The Final Accounting summarizes the Receiver's and counsel's fees which are the subject of this final fee motion, and include (a) actual fees and expenses incurred for the services of the Receiver and its counsel from October 1, 2012 through September 30, 2013, and (b) estimated Receiver's and counsel's fees and expenses from October 1, 2013 through the closing of the receivership estate and final distribution of funds. The Receiver's actual fees and expenses incurred during the Final Expense Period for services rendered by the Receiver, the Receiver's staff, and the Receiver's attorneys through September 30, 2013 are set forth in the Final Accounting, Exhibit 1 attached hereto.

19. The fees and costs of the Receiver for services rendered from October 1, 2012 through September 30, 2013 are set forth in the redacted billing records of the Receiver, true and correct copies of which are attached hereto as Exhibit 2. The fees for the Receiver's services incurred from October 1, 2012 through September 30, 2013 include the Receiver's fees of \$10,665.00, financial reconstruction and accounting fees of \$2,594.50, and support staff fees of \$303.76 for a total of \$13,563.26 in fees. Receiver's expenses incurred during that period total \$19,322.32, including \$5,772.19 for tax preparation. Aggregate Receiver's fees and expenses for the twelve-month period from October 1, 2012 through September 30, 2013 are \$32,885.58.

20. The actual fees and expenses of the Receiver's counsel, the McKenna Firm, for the period from October 1, 2012 through September 30, 2013 for which the Receiver seeks approval and payment total \$12,922.53, including fees of \$12,703.00 and expenses of \$219.53 for that twelve-month period. The fees and expenses for that period are reflected in the McKenna Firm's redacted billing statements attached to the Declaration of Gary Owen Caris as Exhibit 1.

21. With respect to the period from October 1, 2013 through closing, the Receiver estimates that the estate will incur (a) Receiver's fees of \$3,056.00, (b) Receiver's costs of \$8,760.00 including document destruction expenses and tax

preparation costs for the preparation of the final tax returns, and (c) attorneys' fees and costs of \$12,500, for a total of \$24,316.00 in receivership fees and expenses from October 1, 2013 through the closing and final distribution of estate assets. The Receiver seeks approval and authorization to pay the receivership fees and expenses actually incurred for the Receiver's and counsel's services from October 1, 2013 through closing.

22. With respect to the sale of the Long Caye property, the closing of the sale required extensive coordination by the Receiver's members both with the buyer's representatives and with the Receiver's counsel in Belize. One of the Receiver's members traveled to Belize in order to complete the execution and registration of the transaction and turnover of the property when the sale closed.

23. With respect to the collection of the Infinity portfolio, all of the loans have been fully administered with the exception of two loans owed to Infinity by Robert Holibaugh. All other loans in the Infinity portfolio have either been satisfied or have been deemed uncollectible and written off. During the Final Expense Period, the Receiver's collections on the Infinity loan portfolio totaled \$19,792.11, virtually all of which came from payments on the two outstanding Robert Holibaugh loans.

24. During the Final Expense Period, the Receiver's members, accountants and staff continued to address forensic accounting, records analysis and administrative issues. The Receiver has continued to prepare regular financial reports and account reconciliations. The Receiver's accountants addressed tax issues and supervised the preparation of tax returns. The Receiver's counsel and the Receiver responded to administrative issues and inquiries raised by tax counsel for Peter Baker and by a confidential inquiry from a third party regarding certain property and activities in Belize.

25. As of September 30, 2013, the aggregate assets collected and recovered by the Receiver totaled \$48,789,132.54 of which \$22,698,608.17 had not been disclosed by Pukke based on the IRS Form 433-A Financial Statement provided to the FTC and the Receiver at the inception of the case. Recoveries during the Final Expense Period from all sources totaled \$745,864.86. These recoveries included \$498,707.50 as the net

proceeds of the Long Caye sale and \$225,000.00 from the Deep Woods note payoff. The Receiver is aware of no other assets or sources of recovery for the estate, except as explained above regarding the Robert Holibaugh loans.

26. As of September 30, 2012, the Receiver was holding the net sum of \$2,084,399.60 in cash from all sources, including loan payments from loans made by Infinity, proceeds of asset sales, other cash assets and proceeds received by the estate, and bank account interest, after taking into account receivership fees and expenses incurred through that date. None of the sums in the estate are subject to claims of third parties. The Receiver had previously agreed to indemnify Janis Pukke for tax liability, if any, arising out of the interest paid by the state and federal taxing authorities in connection with the refunds of taxes paid to the receivership estate. The Receiver previously estimated the maximum potential tax liability subject to the indemnity to be approximately \$150,000. However, Janis Pukke passed away in the fall of 2010, and no such potential tax claim has ever been asserted.

27. The Receiver's Final Accounting includes the amount of the estimated final distribution to be made to the FTC and the IRS. The estimated amount takes into account the Receiver's current outstanding fees and expenses of the Receiver and its counsel as well as the Receiver's estimate to close. The Receiver anticipates after satisfaction of all receivership fees and expenses, the final distribution will be \$1,441,985.02 to the FTC and \$617,993.58 to the IRS based on the 70%/30% allocation under the Division of Funds Agreement.

28. The Receiver also seeks an order authorizing the Receiver to destroy any remaining records of the Receivership Defendants in the Receiver's possession, unless custody of such records is requested and obtained by the FTC or law enforcement after 30 days' notice of the Receiver's intent to destroy the records given to the FTC. The approval of the abandonment of any remaining assets and the destruction of records ensures the full administration of property of the estate and allows the Receiver to protect against the disclosure or misuse of any confidential or personal information through the

records destruction. The Receiver further seeks an order exonerating the Receiver's bond posted in this case and discharging the Receiver, relieving the Receiver of any administrative duties and releasing the Receiver from liabilities effective upon the Receiver's wind up of the receivership and making of the final distribution of funds from the estate.

29. As a member of Robb Evans & Associates LLC, I am familiar with the methods and procedures used by the Receiver and its staff and employees to record the time spent rendering services to receivership estates over which the Receiver has been appointed. The time records attached hereto as Exhibit 2 are regularly prepared by the members, staff and employees of the Receiver at or about the time of the services rendered and each of whom has a business duty to accurately record the information regarding their services set forth in these records. The records are reviewed by the Receiver's accounting staff and summarized in the Final Accounting attached hereto as Exhibit 1. Based upon my experience with Robb Evans & Associates LLC, I believe the Receiver's methods and procedures for recording and accounting for time and services for the receivership estates over which it has been appointed are reliable and accurate. As set forth in the Declaration of Gary Owen Caris, the billing records of the Receiver and its counsel have been redacted to protect against disclosure of attorney-client privileged information and attorney work product and other confidential information.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 6 day of November 2013 at Sun Valley, California.


BRICK KANE

EXHIBIT 1

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Previously Reported	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13
Disclosed Assets											
Andris Pukke	212,289.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Family Trust	188,769.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America	752.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BB&T Infinity	276,655.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BB&T - Debtworks - 5152717107	3,092.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SSB- Infinity Resources	90,366.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DW Ballenger LLC	1,776,429.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DW Management Corp.	5,240.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 11509 Dahlia Terrace	1,753,311.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Ballenger Lot	2,033,700.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 3852 Dulles South	294,571.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Smithburg Property	208,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Villa C Condo (release)	2,150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canyon Grill Ent.	620,869.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 6493 Allison Rd.	1,543,517.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of FL Vacant Lot	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 4358 N. Bay Rd.	4,075,639.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 31 Linda Isle	3,126,033.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 35 Ocean Heights	1,838,362.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 529 N. Charles	1,042.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Collections	4,362,760.47	1,900.68	1,925.68	1,925.68	1,900.68	1,925.68	1,925.68	1,900.68	1,925.68	1,900.68	1,900.68
Sale of Centerport Property	358,809.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Disclosed Assets	24,920,715.07	1,900.68	1,925.68	1,925.68	1,900.68	1,925.68	1,925.68	1,900.68	1,925.68	1,900.68	1,900.68
Undisclosed Assets											
Agave Receivership	1,860,165.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Pukke Life Insurance	92,768.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deep Woods Forbearance Agreement	127,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225,000.00
Equisource Funding Corp.	3,754.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forfeit of Earnest Deposit	45,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Irell & Manella LLP	47,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IRG Retainer Refund	4,190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J. Pukke Larvian Settlement	1,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J. Pukke Tax Refunds	2,998,539.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Librett Friedland & Lieberman	70,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Luxury Living Group LLC	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pamela Pukke	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payment from A. Pukke Associate	7,345,952.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P. Baker Atry. Fee Recovery	120,135.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Previously Reported	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13
Pizzonia & Associates	440,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from IWIN Stock	189,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recovery from P. Baker Lawyers	60,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Starfish Development	12,341.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 36' Sunseeker	96,787.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 69 Emerald Bay	1,548,878.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of F&M stock	1,150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Long Caye, Belize	0.00	0.00	0.00	0.00	(24,338.00)	0.00	(454.50)	0.00	0.00	523,500.00	0.00
Sale of Sanctuary Bay Lots	1,999,930.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanctuary Bay Loans	18,008.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sportingbet PLC Proceeds	200,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Valkyr Trust	1,879,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Undisclosed Assets	21,974,900.67	0.00	0.00	0.00	(24,338.00)	0.00	(454.50)	0.00	0.00	523,500.00	225,000.00
J. Hollibaugh Settlement	225,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	2,645.52	89.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income	920,006.42	23.57	23.79	24.04	23.08	20.68	22.89	45.79	151.41	353.94	534.34
Total Income	48,043,267.68	2,014.12	1,949.47	1,949.72	(22,414.24)	1,946.36	1,494.07	1,946.47	2,077.09	525,754.62	227,435.02
Expense											
Pukke Expenses											
Living Expense Allowance											
Andris Pukke	148,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pamela Pukke	50,874.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Living Expense Allowance	198,974.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Attorney Expenses	274,637.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Pukke Expenses	473,612.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Trade Commission Settlement											
Class Counsel/Plaintiff/Admin	2,974,025.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Trade Commission	23,908,882.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Internal Revenue Service	10,842,532.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Federal Trade Commission Settlement	37,725,439.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Preservation Expenses											
Ocean Heights HOA Settlement	9,771.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Return Preparation	35,855.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long Caye Island Payments	498,753.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Previously Reported	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13
Advertising	7,678.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mortgage Payments	560,665.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses/Fees	1,266.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	58,831.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Out of Pocket	2,837.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Services	139,275.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	128,935.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surety Bond	313.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOA/CAM Fees	37,460.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Collection Expenses	9,021.96	31.14	31.14	35.52	30.00	32.28	30.00	32.28	31.14	5.00	32.28
Vehicle Repossession	21,735.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes/Licenses	262,074.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	9,099.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage/Delivery	1,700.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigator Expenses	45,362.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rent/Storage	66,568.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes	187,013.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Document Reproduction	18,799.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Appraisal/Surety/Credit Search	35,662.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Asset Preservation Expenses	2,138,680.08	31.14	31.14	35.52	30.00	32.28	30.00	32.28	31.14	5.00	32.28
Receiver Fees & Costs											
Receiver Fees	828,544.75	255.00	1,020.00	0.00	7,927.50	180.00	135.00	105.00	22.50	720.00	255.00
Financial Reconstruction & Accounting	969,925.00	384.00	439.00	176.00	315.00	92.50	201.00	119.50	43.00	447.50	146.00
Asset Management & Liquidation	135,450.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IT Management	12,137.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigation Staff	15,195.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Support Staff	83,169.17	11.87	56.14	30.20	94.53	14.40	22.18	4.48	18.96	18.40	8.00
Total Receivership Fees	2,044,421.92	650.87	1,515.14	206.20	8,337.03	286.90	358.18	228.98	84.46	1,185.90	409.00
Receivership Costs											
Document Destruction	5,823.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous											
Asset/Credit Search Costs	3,273.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank fees	70.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Copies and Reproduction	2,805.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surety Bond	4,000.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00
Other	420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Miscellaneous	10,569.40	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Previously Reported	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13
Occupancy & Equipment Rental	209,185.09	685.87	780.62	790.87	711.73	775.07	688.55	719.10	649.85	664.02	757.49
Office Telephone & Supplies	22,838.99	4.29	8.29	43.97	2.49	23.42	7.95	2.28	13.98	3.14	5.89
Out of Pocket	101,917.46	0.00	0.00	0.00	0.00	3,872.12	0.00	0.00	0.00	0.00	0.00
Postage/Delivery	27,608.47	0.45	22.97	52.66	93.45	25.96	0.00	0.00	0.00	0.00	25.88
Tax Preparation	61,135.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Receivership Costs	439,077.91	690.61	811.88	887.50	807.67	4,696.57	1,196.50	721.38	663.83	667.16	789.26
Legal Fees & Costs											
Charles Adams Ritchie & Duckwor	32,287.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Daniel, Brantley & Associates	17,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Frاندzel Robins Bloom & Csato,	630,741.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gray Robinson	8,424.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Higgs & Johnson	35,494.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jose A. Cardona	7,633.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law Firm Holzhaecker	116,288.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manches LLP	99,188.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
McKenna Long & Aldridge LLP	2,752,773.45	250.10	5,935.50	453.00	1,324.83	1,927.63	267.20	565.50	309.67	727.50	666.60
McRoberts, Roberts & Rainer	5,368.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mello Jones & Martin	5,330.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Saul Ewing	68,707.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Spirer & Goldberg	440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Webster Dyrnd Mitchell	57,158.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Legal Fees & Costs	3,837,336.53	250.10	5,935.50	453.00	1,324.83	1,927.63	267.20	565.50	309.67	727.50	666.60
Total Receiver Fees & Costs	6,320,836.36	1,591.58	8,262.52	1,546.70	10,469.53	6,911.10	1,821.88	1,515.86	1,057.96	2,580.56	1,864.86
Total Expense	46,658,568.53	1,622.72	8,293.66	1,582.22	10,499.53	6,943.38	1,851.88	1,548.14	1,089.10	2,585.56	1,897.14
Funds Balance	<u>1,384,699.15</u>	<u>391.40</u>	<u>(6,344.19)</u>	<u>367.50</u>	<u>(32,913.77)</u>	<u>(4,997.02)</u>	<u>(357.81)</u>	<u>398.33</u>	<u>987.99</u>	<u>523,169.06</u>	<u>225,537.88</u>

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month**
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close

	Aug 13	Sep 13	10/1/12- 9/30/13	4/20/05- 9/30/13	Estimate to Close	Total
Disclosed Assets						
Andris Pukke	0.00	0.00	0.00	212,289.44	0.00	212,289.44
Family Trust	0.00	0.00	0.00	188,769.99	0.00	188,769.99
Bank of America	0.00	0.00	0.00	752.46	0.00	752.46
BB&T Infinity	0.00	0.00	0.00	276,655.76	0.00	276,655.76
BB&T- Debtworks - 5152717107	0.00	0.00	0.00	3,092.35	0.00	3,092.35
SSB- Infinity Resources	0.00	0.00	0.00	90,366.72	0.00	90,366.72
DW Ballenger LLC	0.00	0.00	0.00	1,776,429.77	0.00	1,776,429.77
DW Management Corp.	0.00	0.00	0.00	5,240.17	0.00	5,240.17
Sale of 11509 Dahlia Terrace	0.00	0.00	0.00	1,753,311.65	0.00	1,753,311.65
Sale of Ballenger Lot	0.00	0.00	0.00	2,033,700.52	0.00	2,033,700.52
Sale of 3852 Dulles South	0.00	0.00	0.00	294,571.85	0.00	294,571.85
Sale of Smithburg Property	0.00	0.00	0.00	208,500.00	0.00	208,500.00
Sale of Villa C Condo (release)	0.00	0.00	0.00	2,150,000.00	0.00	2,150,000.00
Canyon Grill Ent.	0.00	0.00	0.00	620,869.57	0.00	620,869.57
Sale of 6493 Allison Rd.	0.00	0.00	0.00	1,543,517.01	0.00	1,543,517.01
Sale of FL Vacant Lot	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 4358 N. Bay Rd.	0.00	0.00	0.00	4,075,639.35	0.00	4,075,639.35
Sale of 31 Linda Isle	0.00	0.00	0.00	3,126,033.80	0.00	3,126,033.80
Sale of 35 Ocean Heights	0.00	0.00	0.00	1,838,362.05	0.00	1,838,362.05
Sale of 529 N. Charles	0.00	0.00	0.00	1,042.59	0.00	1,042.59
Loan Collections	660.31	0.00	19,792.11	4,382,552.58	0.00	4,382,552.58
Sale of Centerport Property	0.00	0.00	0.00	358,809.55	0.00	358,809.55
Total Disclosed Assets	660.31	0.00	19,792.11	24,940,507.18	0.00	24,940,507.18
Undisclosed Assets						
Agave Receivership	0.00	0.00	0.00	1,860,165.06	0.00	1,860,165.06
A. Pukke Life Insurance	0.00	0.00	0.00	92,768.64	0.00	92,768.64
Deep Woods Forbearance Agreement	0.00	0.00	225,000.00	352,500.00	0.00	352,500.00
Equisource Funding Corp.	0.00	0.00	0.00	3,754.61	0.00	3,754.61
Forfeit of Earnest Deposit	0.00	0.00	0.00	45,000.00	0.00	45,000.00
Irell & Manella LLP	0.00	0.00	0.00	47,000.00	0.00	47,000.00
IRG Retainer Refund	0.00	0.00	0.00	4,190.00	0.00	4,190.00
J. Pukke Latvian Settlement	0.00	0.00	0.00	1,500,000.00	0.00	1,500,000.00
J. Pukke Tax Refunds	0.00	0.00	0.00	2,998,539.66	0.00	2,998,539.66
Librett Friedland & Lieberman	0.00	0.00	0.00	70,000.00	0.00	70,000.00
Luxury Living Group LLC	0.00	0.00	0.00	15,000.00	0.00	15,000.00
Pamela Pukke	0.00	0.00	0.00	150,000.00	0.00	150,000.00
Payment from A. Pukke Associate	0.00	0.00	0.00	7,345,952.60	0.00	7,345,952.60
P. Baker Atty. Fee Recovery	0.00	0.00	0.00	120,135.13	0.00	120,135.13

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Aug 13	Sep 13	10/1/12- 9/30/13	4/20/05- 9/30/13	Estimate to Close	Total
Pizzonia & Associates	0.00	0.00	0.00	440,000.00	0.00	440,000.00
Proceeds from IWIN Stock	0.00	0.00	0.00	189,000.00	0.00	189,000.00
Recovery from P. Baker Lawyers	0.00	0.00	0.00	60,000.00	0.00	60,000.00
Starfish Development	0.00	0.00	0.00	12,341.06	0.00	12,341.06
Sale of 36' Sunseeker	0.00	0.00	0.00	96,787.07	0.00	96,787.07
Sale of 69 Emerald Bay	0.00	0.00	0.00	1,548,878.83	0.00	1,548,878.83
Sale of F&M stock	0.00	0.00	0.00	1,150,000.00	0.00	1,150,000.00
Sale of Long Caye, Belize	0.00	0.00	498,707.50	498,707.50	0.00	498,707.50
Sale of Sanctuary Bay Lots	0.00	0.00	0.00	1,999,930.00	0.00	1,999,930.00
Sanctuary Bay Loans	0.00	0.00	0.00	18,008.01	0.00	18,008.01
Sportingbet PLC Proceeds	0.00	0.00	0.00	200,000.00	0.00	200,000.00
Valkyr Trust	0.00	0.00	0.00	1,879,950.00	0.00	1,879,950.00
Total Undisclosed Assets	0.00	0.00	723,707.50	22,698,608.17	0.00	22,698,608.17
J. Holibaugh Settlement	0.00	0.00	0.00	225,000.00	0.00	225,000.00
Miscellaneous Income	0.00	0.00	89.87	2,735.39	0.00	2,735.39
Interest Income	534.48	517.37	2,275.38	922,281.80	0.00	922,281.80
Total Income	1,194.79	517.37	745,864.86	48,789,132.54	0.00	48,789,132.54
Expense						
Pukke Expenses						
Living Expense Allowance	0.00	0.00	0.00	148,100.00	0.00	148,100.00
Andris Pukke	0.00	0.00	0.00	50,874.70	0.00	50,874.70
Pamela Pukke	0.00	0.00	0.00	198,974.70	0.00	198,974.70
Total Living Expense Allowance	0.00	0.00	0.00	274,637.50	0.00	274,637.50
Attorney Expenses	0.00	0.00	0.00	473,612.20	0.00	473,612.20
Total Pukke Expenses	0.00	0.00	0.00	2,974,025.55	0.00	2,974,025.55
Federal Trade Commission Settlement	0.00	0.00	0.00	23,908,882.14	1,441,985.02	25,350,867.16
Class Counsel/Plaintiff/Admin	0.00	0.00	0.00	10,842,532.20	617,993.58	11,460,525.78
Federal Trade Commission	0.00	0.00	0.00	37,725,439.89	2,059,978.60	39,785,418.49
Internal Revenue Service	0.00	0.00	0.00			
Total Federal Trade Commission Settlement	0.00	0.00	0.00	9,771.16	0.00	9,771.16
Asset Preservation Expenses	0.00	0.00	0.00	35,855.00	0.00	35,855.00
Ocean Heights HOA Settlement	0.00	0.00	0.00	498,753.09	0.00	498,753.09
Tax Return Preparation	0.00	0.00	0.00			
Long Caye Island Payments	0.00	0.00	0.00			

Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et al
Administrative Expenses and Fund Balance by Month
 Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close

	Aug 13	Sep 13	10/1/12-9/30/13	4/20/05-9/30/13	Estimate to Close	Total
Advertising	0.00	0.00	0.00	7,678.59	0.00	7,678.59
Mortgage Payments	0.00	0.00	0.00	560,665.69	0.00	560,665.69
Licenses/Fees	0.00	0.00	0.00	1,266.15	0.00	1,266.15
Repairs & Maintenance	0.00	0.00	0.00	58,831.76	0.00	58,831.76
Out of Pocket	0.00	0.00	0.00	2,837.18	0.00	2,837.18
Professional Services	0.00	0.00	0.00	139,275.00	0.00	139,275.00
Insurance	0.00	0.00	0.00	128,935.61	0.00	128,935.61
Surety Bond	0.00	0.00	0.00	313.00	0.00	313.00
HOA/CAM Fees	0.00	0.00	0.00	37,460.49	0.00	37,460.49
Loan Collection Expenses	31.14	34.38	356.30	9,378.26	105.00	9,483.26
Vehicle Repossession	0.00	0.00	0.00	21,735.91	0.00	21,735.91
Taxes/Licenses	0.00	0.00	0.00	262,074.20	0.00	262,074.20
Utilities	0.00	0.00	0.00	9,099.21	0.00	9,099.21
Postage/Delivery	0.00	0.00	0.00	1,700.02	0.00	1,700.02
Investigator Expenses	0.00	0.00	0.00	45,362.43	0.00	45,362.43
Rent/Storage	0.00	0.00	0.00	66,568.84	0.00	66,568.84
Property Taxes	0.00	0.00	0.00	187,013.18	0.00	187,013.18
Document Reproduction	0.00	0.00	0.00	18,799.15	0.00	18,799.15
Appraisal/Survey/Credit Search	0.00	0.00	0.00	35,662.46	0.00	35,662.46
Total Asset Preservation Expenses	31.14	34.38	356.30	2,139,036.38	105.00	2,139,141.38
Receiver Fees & Costs						
Receiver Fees	45.00	0.00	10,665.00	839,209.75	975.00	840,184.75
Financial Reconstruction & Accounting	147.00	84.00	2,594.50	972,519.50	1,381.00	973,900.50
Asset Management & Liquidation	0.00	0.00	0.00	135,450.50	0.00	135,450.50
IT Management	0.00	0.00	0.00	12,137.50	0.00	12,137.50
Investigation Staff	0.00	0.00	0.00	15,195.00	0.00	15,195.00
Support Staff	24.60	0.00	303.76	83,472.93	700.00	84,172.93
Total Receiver Fees	216.60	84.00	13,563.26	2,057,985.18	3,056.00	2,061,041.18
Receivership Costs						
Document Destruction	0.00	0.00	0.00	5,823.08	540.00	6,363.08
Miscellaneous	0.00	0.00	0.00	3,273.81	0.00	3,273.81
Asset/Credit Search Costs	0.00	0.00	0.00	70.34	0.00	70.34
Bank fees	0.00	0.00	0.00	2,805.25	0.00	2,805.25
Copies and Reproduction	0.00	0.00	500.00	4,500.00	0.00	4,500.00
Surety Bond	0.00	0.00	0.00	420.00	0.00	420.00
Other	0.00	0.00	500.00	11,069.40	0.00	11,069.40
Total Miscellaneous	0.00	0.00	500.00	11,069.40	0.00	11,069.40

**Robb Evans & Associates LLC, Receiver of DebtWorks, Inc. et
Administrative Expenses and Fund Balance by Month
Since Inception (April 20, 2005) to September 30, 2013 and Estimate to Close**

	Aug 13	Sep 13	10/1/12- 9/30/13	4/20/05- 9/30/13	Estimate to Close	Total
Occupancy & Equipment Rental	778.21	767.21	8,768.59	217,953.68	2,100.00	220,053.68
Office Telephone & Supplies	38.57	5.44	159.71	22,998.70	45.00	23,043.70
Out of Pocket	0.00	0.00	3,872.12	105,789.58	0.00	105,789.58
Postage/Delivery	0.46	27.88	249.71	27,858.18	75.00	27,933.18
Tax Preparation	0.00	5,772.19	5,772.19	66,907.61	6,000.00	72,907.61
Total Receivership Costs	817.24	6,572.72	19,322.32	458,400.23	8,760.00	467,160.23
Legal Fees & Costs						
Charles Adams Ritchie & Duckwor	0.00	0.00	0.00	32,287.10	0.00	32,287.10
Daniel, Brantley & Associates	0.00	0.00	0.00	17,500.00	0.00	17,500.00
Frاندzel Robins Bloom & Casato,	0.00	0.00	0.00	630,741.17	0.00	630,741.17
Gray Robinson	0.00	0.00	0.00	8,424.50	0.00	8,424.50
Higgs & Johnson	0.00	0.00	0.00	35,494.98	0.00	35,494.98
Jose A. Cardona	0.00	0.00	0.00	7,633.00	0.00	7,633.00
Law Firm Holzacker	0.00	0.00	0.00	116,288.45	0.00	116,288.45
Manches LLP	0.00	0.00	0.00	99,188.36	0.00	99,188.36
McKenna Long & Aldridge LLP	203.00	292.00	12,922.53	2,765,695.98	12,500.00	2,778,195.98
McRoberts, Roberts & Rainer	0.00	0.00	0.00	5,368.19	0.00	5,368.19
Mello Jones & Martin	0.00	0.00	0.00	5,330.50	0.00	5,330.50
Saul Ewing	0.00	0.00	0.00	68,707.88	0.00	68,707.88
Spirer & Goldberg	0.00	0.00	0.00	440.00	0.00	440.00
Webster Dyrud Mitchell	0.00	0.00	0.00	57,158.95	0.00	57,158.95
Total Legal Fees & Costs	203.00	292.00	12,922.53	3,850,259.06	12,500.00	3,862,759.06
Total Receiver Fees & Costs	1,236.84	6,948.72	45,808.11	6,366,644.47	24,316.00	6,390,960.47
Total Expense	1,267.98	6,983.10	46,164.41	46,704,732.94	2,084,399.60	48,789,132.54
Funds Balance	(73.19)	(6,465.73)	699,700.45	2,084,399.60	(2,084,399.60)	0.00