

**ROBB EVANS & ASSOCIATES LLC**

**Receiver of**

**Global Marketing Group, Inc.; Global Business Solutions, LLC;  
Globalpay, Inc.; Globalpay, LLC; Globalpay BV;  
Synergy Consulting Services, LLC; and First Processing Corporation**

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**Federal Trade Commission v. Global Marketing Group, Inc., et al.  
CASE No. 8:06 CV-2272-T-30TGW**

**Report of Receiver's Activities  
January 5, 2007 Through December 31, 2007**

**Filed January 24, 2008**

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

**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**Case No. 8:06-cv-2272-T-30TGW**

**GLOBAL MARKETING GROUP,  
INC., et al.,**

**Defendants, and**

**PHOELICIA DANIELS,**

**Relief Defendant.**

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**NOTICE OF FILING**

PLEASE TAKE NOTICE THAT Robb Evans & Associates LLC, the Permanent Receiver in this matter ("Receiver"), by and through its undersigned counsel, hereby provides notice of the filing of the attached "Report of Receiver's Activities January 5, 2007 through December 31, 2007."

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**ROBB EVANS & ASSOCIATES LLC**  
**Receiver of**  
**Global Marketing Group, Inc., et al.**

**REPORT OF RECEIVER'S ACTIVITIES**  
**JANUARY 5, 2007 THROUGH DECEMBER 31, 2007**

This report covers the activities of the Receiver<sup>1</sup> since the Receiver's first report. This is the second Report to the Court on the progress of the Receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

**Summary of Current Activities**

Since filing the initial report, the Receiver has concentrated its efforts on attempting to recover funds of the Receivership Entities that are held by financial institutions or authorities in foreign jurisdictions, including the Philippines, Belize, Israel, and Great Britain. The funds held by the financial institutions in Israel, Belize, and the Philippines appear to have been generated by credit card processing for telemarketing and Internet merchants in the United States and other parts of the world. The funds held in a financial institution in London England by authorities appear to be related to transactions made by consumers to use for offshore Internet gambling. The Receiver has encountered continuing obstacles and complications while trying to perfect its claim to the funds in these jurisdictions. Further details are presented below.

In the initial report, the Receiver described that there were no current electronic or hard copy accounting systems for any company and tax returns for two years were available for only Global Marketing Group, Inc. Since the initial report, the Receiver has both requested and subpoenaed banks to turn over checks and statements to complete a reconciliation of cash receipts and disbursements for the common enterprise operated by the Receivership defendants. The process of collecting financial data from the banks should be complete in the near future. At that point, the forensic accountants on the Receiver's staff will be able to accelerate the accounting reconstruction process. One of the important goals of a financial reconstruction is to identify the recipients of substantial payments, and possible improper transfers.

In the initial report, the Receiver had learned that the records of processing ACH charges to consumer's accounts on behalf of the individual merchants were stored on three computer servers that were owned, serviced, and maintained by a third-party vendor in Atlanta, Georgia. The Receiver arranged for the vendor to copy and forward the complete files from all of the servers, including the SQL (Structured Query Language) databases. This data

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<sup>1</sup> Reference to the Receiver in this report means the Receiver, the Receiver's deputies, its staff, and its counsel.

identifies the consumers that were charged and the merchants for whom the Receivership Entities were providing processing services. However, the data is only a partial record of the financial activities of the Receivership Entities, which will supplement the financial reconstruction when it is complete.

### **Status of Recovery of Funds from Foreign Jurisdictions**

#### **Philippines**

Following information located in company records, and specifically a Tripartite Agreement between Bankcard, Inc., CNP Worldwide, Inc., and Ewallet Express, Inc., the Receiver began telephone and written discussions with attorneys for Bankcard, Inc. The Receiver attempted to learn if the bank or the processing subsidiary was holding any funds belonging to the Receivership defendant Ewallet Express, Inc., or to any other Receivership defendant. After considerable time spent reviewing the Receiver's demand to turn over funds and information, the attorney for Bankcard, Inc. refused to continue discussions without a final order from a Philippine Court.

This Court entered an Order on October 17, 2007 authorizing the Receiver to hire an attorney in the Philippines to assist with recovering funds and data of the Receivership defendants. The local attorney has made contact and completed initial discussions with officials at Bankcard, Inc. While this progress is positive, and we hope to have the funds either returned to the Receivership or at least inter-pled to the U.S. District Court, we have not yet learned the balance of the funds held in the bank and we have not received any firm commitment to cooperate with the Receiver. Negotiations and discussions continue.

#### **Belize**

From information in company records and correspondence, the Receiver learned that the proceeds of transactions handled by Bankcard, Inc. in the Philippines were wired to Provident Bank and Trust in Belize for further credit to an account in the name of Synergy Consulting Services Ltd. Following discussions and correspondence with the Receiver's office, the bank agreed to freeze the remaining funds of approximately \$319,000. However, outside counsel for the bank has required a final order from the District Court to release the money to the Receivership estate. The Receiver's counsel is drafting a motion seeking an order from the Court that should satisfy the requirements of officials in Belize while conforming to the status of the litigation.

#### **Israel**

The Receiver reviewed information from company records and learned about Kwikbill.com, a company formed in Israel, and documented as owned 50% by Kevin Astl and 50% by an Israeli citizen. The available records included a Merchant Application Form and numerous e-mail communications with Israel Credit Cards, Ltd. (Cal) and with attorneys in Israel. The Receiver learned that Cal stopped processing credit card transactions for Kwikbill.com about three weeks before the FTC filed its action. From the communications and further discussions, the Receiver has learned that Cal may have released funds to the Israeli citizen

shown as the 50% owner and the local officer, and may have held substantial funds as operating reserves for chargebacks.

The Court's order issued on October 17, 2007 also authorized the Receiver to hire an attorney in Israel to assist with recovering funds from all sources including the local officer and Cal. The local attorney has made contacts and held discussions with bank officials and limited discussions with an attorney for the Israeli corporate officer. At this time, new information is limited and we have received only vague promises to hold funds pending further orders from an acceptable jurisdiction. We have not learned the exact amount of money held by either the bank or the former corporate officer. However, Bank officials have described the sums as substantial and others believe the former officer is holding a sizable amount of funds. Reportedly, the former merchants for whom Kwikbill.com was processing credit card transactions have made demands for payment to both Cal and the former corporate officer.

The Receiver's attorney is working closely with the local attorney in Israel to learn more information, maintain any possible freeze on funds, and perfect the claim for a turnover of all funds to the Receiver or to a local court.

#### **Great Britain**

Through contacts from various government agencies, the FTC informed the Receiver's office that the local police in London had frozen funds in a London bank in the name of Merchant Processing Systems, Ltd. With information contained in documents originally located in the defendants' offices, and with an amended complaint filed by the FTC expanding the Receivership defendants, the Receiver was able to put the estate in line to receive the frozen London funds when the British authorities were ready to release them. The U. S. Department of Justice confirmed with the British authorities that the Receivership estate was a proper entity to recover any released funds. At this time the Receiver's office and the FTC are periodically conferring with the British authorities about the potential release of the funds.

#### **Status of Unauthorized Post Receivership Disbursements**

On December 13, 2006, the Receiver served and explained to Ira Rubin the details of a temporary restraining order that froze the assets of all related or affiliated defendant companies, and allowed the Receiver to remove Rubin from his corporate offices and revoke all of his authority. Bank records document that approximately three hours later Ira Rubin wrote a \$320,000 counter check on a Receivership Defendant account at Regions Bank. Rubin used the counter check to purchase two cashier checks, payable to himself, for a total of \$320,000. The funds were later deposited into two gambling casinos in Las Vegas. Because Ira Rubin is not a Receivership Defendant, the Federal Trade Commission is pursuing the return of the funds. Reportedly, Rubin has refused to return or cooperate in the recovery of the funds.

On the same day approximately two hours later, Rubin authorized three wire transfers totaling \$248,775 from a Receivership Defendant's account at Wells Fargo Bank. When the Receiver learned of the transfers, the Receiver's attorney demanded that the funds be returned from the recipient banks. One recipient bank froze \$71,000 in its customer's account, but would not return the funds to the Receiver without further order of the Court. The other two recipient banks reported the funds were withdrawn by their customers and could not be recovered. Bank records revealed that the largest transfer, \$125,000, was transferred by bank wire the next day to an offshore account in India. Another transfer for \$53,000 went to an associate of Rubin's. The two recipients have refused to cooperate with or return the funds to the Receiver. The Receiver is pursuing additional collection and recovery avenues.

Respectfully submitted,

/s/

Robb Evans & Associates LLC, Receiver