

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
March 1, 2008 Through August 31, 2008**

Filed December 23, 2008

ROBB EVANS & ASSOCIATES LLC
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REPORT OF RECEIVER'S ACTIVITIES
MARCH 1, 2008 THROUGH AUGUST 31, 2008

This report covers the activities of the Receiver¹ since the Receiver's third report, supplements information in that report, and provides details of new activities and developed information. This is the fourth 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 concentrated its efforts on attempting to recover funds of the Receivership entities that were 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 were 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 were 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. The funds in foreign financial institutions were sent or directed to be sent by defendants in the Federal Trade Commission action, including Ira N. Rubin (Rubin). The Receiver has recovered some transfers made or directed by Rubin after the Receiver was appointed.

In its 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 work on 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 has progressed sufficiently to generate a schedule of payees and transactions that require explanations from the defendants, especially Rubin. Whether there are transfers to financial institutions or to individuals for the benefit of the defendants is unknown at this time. The Federal Trade Commission (FTC) and the Receiver are discussing a deposition or conference with Rubin in

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

Costa Rica, where Rubin has fled to avoid arrest under a Civil Contempt Order issued by this Court.

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 made contact and completed initial discussions with officials at Bankcard, Inc. Bankcard, Inc. has now filed a complaint to have the funds exceeding \$950,000 inter-pled to the Philippine court.

Philippine counsel is proceeding with the litigation process and expects a trial, if necessary, to be set in the Spring of 2009. U.S. counsel is continuing to provide its counterpart in the Philippines with information and documentation to assist in the litigation process.

Belize

From information in company records and correspondence, the Receiver learned that the proceeds of transactions handled by Bankcard, Inc. in the Philippines were wire transferred 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. Outside counsel for the bank required a final order from the District Court to release the money to the Receivership estate. The Receiver prepared, filed, and this Court approved an order for use in the Belize proceedings. After required Court filings and hearings in Belize, the Receiver's Belize attorney obtained and forwarded \$263,559.45. The amount was the remaining balance less the court fees and legal expenses in Belize.

Israel

The Receiver reviewed information from company records and learned about Kwikbill.com, a company formed in the Israel, documented and 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.

This 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 became discouraged when it recently learned it might be extremely difficult to learn more information, maintain any possible freeze on funds, or perfect a claim for a turnover of all funds to the Receiver, to this Court, or to a local Israeli court. Documents or declarations from defendant Rubin may not be useful and cooperation from defendant Astl, who was a named officer of the Israeli company, has not been confirmed. The local attorney in Israel has also indicated that any order affirming the preliminary injunction as a final order for the return or turnover of funds in Israel to the jurisdiction of the U. S. District Court in Tampa, Fl. probably would not be recognized or effective in Israel. The Receiver and its attorney continue to seek a resolution of this situation.

Great Britain

Through contacts from various government agencies, the FTC informed the Receiver 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.

However, after the Receiver and the FTC produced all documentation and authorizations required by the British authorities and the London bank, the British entity that deposited the funds presented a claim through local British Counsel to the frozen funds. The Receiver and the FTC met to discuss and review the claim of the British entity and the issues raised by its counsel. After deliberation, the consensus was that the claim of the Receiver was weak and inferior to the claim of the entity depositing the funds. The Receiver's claim for distribution expenses for Merchant Processing Systems, Ltd. was shown to be previously paid. With no objection from the Parties, the Receiver consented to releasing the funds in the London bank to the depositor claimant.

Status of Unauthorized Post Receivership Disbursements

On December 13, 2006, the Receiver served and explained to 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 his authority. Bank records document that approximately three hours later 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 casinos in Las Vegas. When Rubin became a Receivership Defendant, the Receiver joined the Federal Trade Commission's efforts to pursue the return of the funds. Rubin has refused to return or cooperate in the recovery of the funds.

The Receiver issued a subpoena to and communicated with Regions Bank to learn additional details and the timing of the bank's processing of the Receiver's service of the Temporary Restraining Order and its issue of the cashier's checks. The account at Region's bank was not discovered until after the Receiver's entry and control on December 13. The Receiver has determined that the service of the Temporary Restraining Order on Region's Bank was completed after Rubin withdrew the funds in violation of the Order.

Also on December 13, 2006, Rubin initiated five wire transfers to three entities and one individual totaling \$255,275 from a Receivership Defendant's account at Wells Fargo Bank. When the Receiver learned of the transfers, the Receiver demanded that the funds be returned from the recipient banks. However, only one wire for \$1,000 was returned. The other recipient banks reported they would not or could not return the funds to the Receiver.

The Receiver pursued a claim against Wells Fargo Bank for the transfers that were permitted after the Freezing Order was accepted by the institution. After several discussions, Wells Fargo Bank agreed to pay the Receiver \$225,000 to settle its claim.

The Estate of Phoelicia Daniels

Relief Defendant Phoelicia Daniels and the FTC were discussing a resolution of claims for assets funded by transfers from the defendant companies and from Ira Rubin when she suddenly passed away in February 2008. The Receiver is the largest creditor or claimant for the estate assets and claims that the proceeds of the life insurance policy should be turned over to the receivership estate. The probate estate recently substituted in new counsel and after a trial in the probate court over a contested will, a new personal representative was appointed. The new personal representative, Daniel's brother, and his counsel have taken on a much more active role in the probate estate.

Recently, the FTC, the Receiver, and the attorney for Daniel's estate agreed to resolve the claims of the Receiver. The estate agreed to turnover most of the assets and life insurance proceeds to the Receiver. The parties are now working to document and complete a comprehensive settlement agreement

Respectfully submitted,

/s/

Robb Evans & Associates LLC, Receiver