

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

Case No. 12-81311-CIV-MIDDLEBROOKS/BRANNON

UNITED STATES COMMODITY
FUTURES TRADING COMMISSION,

Plaintiff,

vs.

HUNTER WISE COMMODITIES, LLC,
et al.,

Defendants.

RECEIVER'S FOURTEENTH STATUS REPORT

Melanie E. Damian, Esq., the court-appointed Equity Receiver (the "Receiver") for Defendants Hunter Wise Commodities, LLC, Hunter Wise Services, LLC, Hunter Wise Credit, LLC and Hunter Wise Trading, LLC (collectively, the "Hunter Wise Entities") in the above-captioned enforcement action, submits her Fourteenth Status Report (the "Report") concerning the Receivership. This Report covers the period from October 1, 2016, through February 28, 2017 (the "Reporting Period").

I. INTRODUCTION

A. Commencement of the Monitorship and Receivership

On February 22, 2013, following a hearing on the CFTC's Motion for Preliminary Injunction and Appointment of a Receiver, the Court entered an Order Appointing Special Corporate Monitor [ECF No. 77] (the "Appointment Order"), which, among other things, appointed Ms. Damian as Special Monitor and Corporate Manager of the Entity Defendants, set forth her powers and duties, and created the Estate. On February 25, 2013, the Court entered its

Order on Plaintiff's Motion for Preliminary Injunction [ECF No. 78] (the "Injunction Order"). On May 16, 2014, the Court entered its Order of Final Judgment, Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief against the Hunter Wise Entities, Ed Martin and Fred Jager [ECF No. 306] (the "Final Judgment"), which, among other things, appointed Ms. Damian as full Equity Receiver.

B. Reporting on the Status of the Estate and the Activities of the Receiver

Paragraph 24 of the Injunction Order requires the Receiver to "periodically ... as directed by the Court, file with the Court and serve on the parties a report summarizing efforts to marshal and collect assets, administer the [Estate], and otherwise perform the duties mandated by [the] Order." Accordingly, the Receiver has filed thirteen reports prior to the instant Report. *See* ECF Nos. 102, 159, 213, 283, 302, 317, 331, 349, 377, 393, 396, 415 and 430, respectively. Those reports cover the activities undertaken by the Receiver during the period from February 22, 2013, through September 30, 2016.

The Receiver continues to fulfill her duties under the Appointment Order, the Injunction Order, the Final Judgment, and the Restitution Orders entered against various dealers of Hunter Wise, and provides herein a detailed description of her efforts and accomplishments with respect to her duties as Special Monitor, Corporate Manager and Equity Receiver during the current Reporting Period.

II. STATUS OF THE RECEIVERSHIP

A. Ongoing Administration of the Hunter Wise Entities

i. Continued Oversight of the Estate's Precious Metals

The precious metals, recovered from certain Entity Defendants, held at Baird & Associates ("Baird"), Delaware Depository Services ("DDS"), and International Depository Services of

Canada (“IDS”)¹ have remained unchanged since the filing of the Initial Report. A detailed report of the quantities and market values (as of February 24, 2017) of the precious metals stored at DDS is attached hereto as **Exhibit “A”**.

The precious metals previously held at the Irvine, California office of the Hunter Wise Entities remain stored at a secure Via Mat International (“Via Mat”) facility in Miami, Florida. The quantity of the metals at Via Mat has remained the same since their arrival at the facility. The Receiver estimates that the current value of the metals at Via Mat is \$151,372.56. This estimate is based on the spot prices of the metals as of February 24, 2017, and on the market values of the same or similar items currently for sale on various online metals retailers.²

As detailed in the Third Report, the Monitor secured and removed from Defendant Martin’s Santa Ana Apartment a limited number of coins and precious metals (worth less than \$5,000.00) that remain stored in a safe deposit box located at a bank in Miami, Florida.

ii. Prospective Sale of the Estate’s Precious Metals

With respect to the precious metals that the Receiver is storing at different depositories, the Receiver had previously determined that because the spot prices for gold and silver were at four-and-a-half-year lows and the spot price for platinum is at a five-year low, liquidation of the Estate’s metals was not in the best interest of the Estate. During the Reporting Period, the Receiver’s professionals continued to monitor the precious metals markets for purposes of determining the appropriate time to liquidate the Estate’s metals. During the last two reporting

¹ The bulk of the physical precious metals are stored at DDS. However, IDS and Baird each hold a single approximately 1000 oz. bar of silver, each of which has a present market value of approximately \$18,270.00, as of February 24, 2017.

² The Receiver utilized a methodology similar to that utilized by the appraiser to determine the current market value of the metals, rather than obtaining an updated formal appraisal, to minimize the expense to the Estate.

periods, the prices of precious metals began to rebound but not enough to justify liquidating them at this time, which the Receiver still believes is not in the best interest of the Estate. The Receiver's professionals will continue to monitor the metals prices as this case proceeds and, assuming they continue to climb, the Receiver will liquidate them when they reach a relative high point between now and the conclusion of all litigation matters, before the Receiver makes the final distribution to claimants with allowed claims and is discharged.

B. Asset Recovery from Defendant Jager, Hunter Wise Financial Group, LLC, Hunter Wise Holdings, LLC, Hunter Wise Securities, LLC, and South Peak Texas Investments, Inc.

As previously reported in great detail, the Jagers have turned over funds and assets in partial satisfaction of Jager's restitution obligation under the Final Judgment pursuant to a certain Court-approved agreement (the "Jagers Agreement"). *See* ECF No. 350.

During the Reporting Period, the Receiver's counsel continued to investigate the marketability and value of the shares in closely held companies that Mr. Jager and his entities turned over to the Receiver pursuant to the Jagers Agreement, including the 2,643,750 shares in Great Western Iron Ore ("Great Western") and the 9,546 shares in Firescope. Also, with the assistance of counsel for the CFTC, the Receiver's counsel investigated certain assets in which Mr. Jager may have an interest that were not previously disclosed, which may be recoverable by the Estate.

C. Asset Recovery from Defendant Martin

As previously reported, the Receiver and her counsel successfully obtained the turnover of the majority of Defendant Martin's assets. The Receiver also worked with Mr. Martin, certain of his family members and the Nevada Agency and Transfer Company to effect the transfer of Mr. Martin's and his family members' 500,000 shares in Great Western to the Receiver.

During the Reporting Period, the Receiver also investigated the marketability and value of those shares, while doing so for the Great Western shares obtained from the Jagers and their entities. The Receiver continued to investigate the most cost-effective way to liquidate all of the Estate's shares in Great Western (totaling 3,143,750) while maximizing the recovery for the Estate. Liquidation of the shares is complicated by the fact that Great Western is a private company and the iron ore industry has experienced a steady decline in prices over the past few years and remains depressed. The President of Great Western previously informed the Receiver's counsel that the shares in the company were worth approximately \$.01/share, but that the industry may rebound and the value of the shares would likely follow suit. The Receiver continues to monitor the market and share price while searching for a buyer for the Estate's shares.

The Receiver previously reported that Mr. Martin passed away on May 25, 2016, and, as such, the Receiver investigated whether a probate proceeding was commenced against which the Receiver could assert a claim against the Probate Estate based on Mr. Martin's restitution obligation under the Final Judgment. As of the filing of this report, no probate proceeding was commenced.

D. Asset Recovery from Defendant James Burbage

During the Reporting Period, the Receiver continued to monitor Mr. Burbage's assets and business ventures, but did not discover or recover any valuable assets. To the extent any valuable non-exempt assets are discovered, the Receiver will seek to recover them for the benefit of the investors and creditors of the Estate.

E. Funds and Metals Recovered from Accounts of Defendants' Affiliates

During a prior reporting period, the Receiver recovered from Standard Bank, Baird, and DDS funds totaling \$290,510.31 and three (3) 1 kilogram gold bars held in the name of certain affiliates of the Hunter Wise Entities, including Hunter Wise International Commodities, Ltd.

(“HWIC”) and one of its subsidiaries. At the beginning of this Reporting Period, with this Court’s permission, the Receiver transferred the \$290,510.31 to the Estate’s main account and notified DDS that the gold bars under the control of the Receiver have been determined to be property of the Estate. *See* ECF No. 429. The Receiver will liquidate those gold bars when she liquidates the other physical metals of the Estate.

F. Recovery of Fraudulent Transfers from Non-Defendant Dealers and Their Principals

During the Reporting Period, the Receiver continued settlement negotiations and litigation of the remaining fraudulent transfer claims against various dealers and their principals, collected settlement amounts from certain dealers and principals, and continued collection efforts against other dealers and principals against which judgments were entered.

During prior reporting periods, the Receiver filed and obtained judgments in the actions styled *Damian v. Oakmont Financial, Inc., Joseph DiCrisci, Michael Riccio and Carlos Mormeneo* (Case No. 9:15-cv-81112-DMM), and *Damian v. AU Resource, LLC and David Schneider*, (Case No. 9:15-81213-DMM). In addition to obtaining judgments, the Receiver settled the claims against Defendants Riccio and Mormeneo. *See* ECF No. 399 (order approving settlement agreement with Riccio) and Case No. 9:15-cv-81112-DMM at ECF Nos. 53 (dismissal of action against Mormeneo) and 54 (dismissal of action against Riccio). The Receiver continued her efforts to collect on the judgments against Defendants DiCrisci and Oakmont, AU Resource LLC and Schneider by recording the judgment in counties in which there may be assets to levy. During the Reporting Period, the Receiver investigated the assets of those Defendants and other potential sources of recovery, but has not located any assets or other sources from which recovery may be made.

On August 26, 2015, the Receiver filed the action styled *Damian v. ICCXP, International Council of Commodities Exchange Professionals, LLC and Patricia Tessandori Clancy*, (Case No. 9:15-cv-81215-WPD). During a prior reporting period, the Court entered a Default Final Judgment against ICCXP, International Council of Commodities Exchange Professionals, LLC. *See* Case No. 9:15-cv-81215-WPD at ECF No. 33. The Receiver then continued settlement negotiations with Defendant Tessandori, but she could not agree to pay a meaningful lump sum given her lack of assets and minimal income, which she demonstrated through documentation and a sworn declaration. As such, the Receiver agreed to accept \$200 per month for the duration of the receivership, which Defendant Tessandori has paid each month since June 2016, and to dismiss the action as to her without prejudice.

Similarly, because another dealer Cirrus Commodities Exchange (“Cirrus”) and its principal Stephen Gillette did not receive sufficient funds from the Hunter Wise Entities to justify the expense to the Estate of a fraudulent transfer action, because Cirrus ceased operations, and because Mr. Gillette had minimal resources and income, the Receiver and Mr. Gillette, during a prior reporting period, entered into an informal settlement agreement pursuant to which the principal agreed to pay to the Estate \$200 each month for the remainder of the receivership. From the date of the settlement to February 15, 2017, the Receiver received 16 payments of \$200 from Mr. Gillette.

During prior reporting periods, the Receiver filed and settled the action styled *Damian v. Barrington Metals, Inc. and Charles Pacheco* (Case No. 9:15-cv-81114-DMM). Pursuant to the court-approved settlement agreement, Mr. Pacheco agreed to pay a total of \$12,500 to the Estate in several installments. *See* ECF No. 409 and 413. Mr. Pacheco made the initial settlement payment and all required monthly payments of \$1,000, bringing the total amount paid to the Estate to \$5,500. During the prior reporting period, the Court entered a Default Final Judgment against

Barrington Metals, Inc. and the Receiver began investigating its assets and engaged in collection efforts against Barrington Metals, Inc. During this Reporting Period, the Receiver continued her efforts to collect from Barrington Metals and received five (5) \$1,000 payments from Mr. Pacheco bringing the total amount that he paid to \$11,500.00.

During a prior reporting period, on January 21, 2016, the Receiver filed the action styled *Damian v. Sovereign Capital Management, LLC, Daniel Maus and Jocelyne Martorano* (Case No. 1:16-cv-20262-DPG). During this Reporting Period, the Court entered Default Final Judgment [ECF No. 38] against all defendants and entered an order closing the case [ECF No. 39] on October 13, 2016. On October 19, 2016, Jocelyne Martorano filed her Motion to Set Aside Clerk's Default and Final Judgment. *See* ECF No. 40. And, on October 24, 2016, Mr. Maus filed his Motion to Set Aside Clerk's Default and Final Judgment. *See* ECF No. 44. On November 23, 2016, the Court entered an order [ECF No. 50] vacating the clerk's default and default final Judgment entered against Mr. Maus and Ms. Martorano (but NOT against Sovereign Capital). The Order also required Mr. Maus and Ms. Martorano to file a response to the Complaint by December 13, 2016.

On December 19, 2016, the Receiver moved for entry of a clerk's default against Mr. Maus [ECF No.53] and Ms. Martorano [ECF No. 54] for failing to respond to the Complaint as ordered by the Court on November 23, 2016. The next day, Mr. Maus and Ms. Martorano filed an Answer to the Complaint [ECF No. 55], and therefore the Clerk did not enter default against the Defendants.

On January 13, 2016, counsel for the Receiver and counsel for Mr. Maus and Ms. Martorano engaged in a lengthy discussion regarding the Receiver's claims, the applicable law, the relevant documents, and the potential settlement of the Receiver's claims. The parties have exchanged documents confirming that Hunter Wise Credit transferred \$261,422.25 to Sovereign

Capital Management LLC. The documents also demonstrate that Sovereign Capital Management LLC transferred at least \$10,050.00 of those funds to Mr. Maus as commissions and \$9,150.00 of those funds to Ms. Martorano as commissions. And Mr. Maus and Ms. Martorano recently executed affidavits attesting to the amounts they each retained from the funds they received that were derived from the Hunter Wise Entities, the amounts paid out to their customers, and the amounts Sovereign Capital Management LLC used to pay business expenses. The parties are scheduled to attend a judicial settlement conference before Magistrate Judge Brannon on March 23, 2017 [ECF No. 58]. The parties are optimistic that the case will settle on or before that settlement conference.

During a prior reporting period, on January 29, 2016, the Receiver filed the action styled *Damian v. Broad Street Metals, Inc., Eric Trigili and Jacques P. Beckerman* (Case No. 1:16-cv-20348-RNS) and the Court entered a Default Final Judgment in the amount of \$902,303.84 plus costs against all three Defendants in that action. *See* Case No. 1:16-cv-20348-RNS at ECF No. 37. The Receiver has engaged in collection efforts by recording the judgment and affidavit in the counties in which those Defendants may have assets on which to levy. *See id.* at ECF No. 39. During the Reporting Period, the Receiver continued her search for assets and will continue her collection efforts until she locates assets or determines that the judgment is not collectible.

During the prior Reporting Period, on June 3, 2016, the Receiver filed the action styled *Damian v. KB Concepts Group, LLC d/b/a Apex Asset Advisors, LLC and Kelvin A. Burgos* (Case No. 9:16-cv-80914-WJZ). The parties engaged in settlement negotiations. On November 3, 2016, the Plaintiff filed its unopposed motion to transfer the case to Judge Middlebrooks. The Court has not yet ruled on that motion. On February 17, 2017, counsel for Apex and Mr. Burgos filed a motion to withdraw as counsel. The Court has not yet ruled on that motion but, when it does, the

Receiver intends to continue settlement negotiations with Mr. Burgos or any substitute counsel he may retain.

During a prior reporting period, on January 29, 2016, the Receiver filed the action styled *Damian v. International Metals Trading & Investments, Ltd. and Bill Perry* (Case No. 1:16-cv-20343-UU). Because both Mr. Perry and International Metals failed to respond to the Complaint on or before the deadlines to do so, the Receiver, on October 17, 2016, filed a request for entry of Clerk's default against Mr. Perry [ECF No. 23] and, on October 18, 2016, filed a motion to direct the Clerk of Court to Enter a Clerk's Default against International Metals [ECF No. 24]. On October 19, 2016, a Clerk's Default was entered against Bill Perry [ECF No. 25] and against International Metals [ECF No. 26].

On November 16, 2016, Mr. Perry filed a Motion to Dismiss on behalf of International Metals and himself [ECF No. 30]. On November 21, 2016, the Court entered an order [ECF No. 31] vacating the clerk's default entered against Mr. Perry, but not against International Metals because International Metals is a corporation that must be represented by counsel.

On December 29, 2016, Mr. Perry filed a Motion to Dismiss [ECF No. 37] regarding the Plaintiff's disclosure of experts, which was subsequently denied on January 4, 2017. *See* ECF No. 41. On December 30, 2016, Mr. Perry filed another Motion to Dismiss arguing that he was unavailable to attend the judicial settlement conference scheduled for January 2017 (which was rescheduled for January 23, 2017). That motion was also denied as moot on January 4, 2017. *See* ECF No. 41.

On January 4, 2017, Mr. Perry filed a Motion to Dismiss [ECF No. 42] raising arguments regarding (1) Plaintiff's ability to sue International Metals, and (2) the discovery deadlines contained in the pretrial scheduling order. On January 6, 2017, the Court entered an order *sua sponte* ordering Mr. Perry to no longer communicate with the Court via fax, and instead submit

his motions to the Clerk's office via U.S. Mail. On January 9, 2017, Mr. Perry filed a motion to dismiss that was identical to a prior motion he filed (ECF No. 42). *See* ECF No. 44. On January 10, 2017, Mr. Perry filed another motion to dismiss arguing that the court does not have jurisdiction over International Metals [ECF No. 45].

On January 23, 2017, the parties appeared before Magistrate Judge Brannon on the Court's Judicial Settlement Conference. Despite the Receiver's good faith efforts to settle the case, the parties could not reach a settlement.

On January 27, 2017, Plaintiff filed her Omnibus Response in Opposition to Mr. Perry's many motions to dismiss. *See* ECF No. 53. On February 7, 2017, Mr. Perry filed his reply to Plaintiff's Omnibus Response. *See* ECF No. 55. Those motions to dismiss remain ripe for this Court's determination.

On February 9, 2017, Plaintiff propounded a Request for Admission against Mr. Perry. On February 9, 2017, Mr. Perry called the Receiver's office and made threats of violence and imminent harm against the Receiver, her counsel and certain employees of the CFTC. The Receiver has reported the threats to the CFTC and the proper authorities.

On February 14, 2017, the Receiver filed a motion to extend the discovery cutoff and all other pretrial deadlines and the trial date. *See* ECF No. 56. On March 6, 2017, the Court granted that motion. *See* ECF No. 58.

During the prior reporting period, the Receiver negotiated a pre-suit settlement with the successor of International Bullion Exchange, IC Metals, LLC and its principal, providing for three payments totaling \$65,000 to the Estate, representing more than 85% of the amount the dealer had received from the Hunter Wise Entities and this Court approved that settlement. *See* ECF No. 416 and 419. Although IC Metals, LLC did not make any of the payments due under the settlement agreement by the dates required in that agreement, during this Reporting Period, IC Metals, LLC

agreed to pay the full settlement amount and IC Metals, LLC has made all required settlement payments during the Reporting Period and, as such, this matter has been fully resolved.

G. Action Against Sabertooth Interactive, LLC, et al.

As previously reported, prior to the commencement of the Receivership, Lloyds Commodities, LLC had commenced the action styled *Lloyds Commodities, LLC v. Sabertooth Interactive, LLC, et al.*, Case No. CV-13-00375-JEM, in the U.S. District Court for the Central District of California. During the prior reporting period, counsel for the Receiver and counsel for Defendants negotiated and entered into a settlement agreement, which this Court approved on May 31, 2016. *See* ECF No. 412. Under the settlement agreement, the Defendants agreed to pay to the Receiver \$10,000. During this Reporting Period, the Receiver received the final settlement payment. Therefore, the Sabertooth matter is fully resolved.

H. Action Against Former Counsel for the Hunter Wise Entities

As previously reported, on May 15, 2015, the Receiver filed an action against former counsel to the Hunter Wise Entities, Timothy Carey and Winston & Strawn, LLP, in the U.S. District Court for the Northern District of Illinois. *See Damian v. Timothy Carey and Winston and Strawn LLP*, Case No. 1:15-CV-04335. During a prior reporting period, the District Court for the Northern District of Illinois denied Defendants' motion to dismiss, and Defendants filed their Answer. *See id.* at ECF No. 55. Shortly after filing their Answer, Defendants filed a motion to dismiss the action for lack of subject matter jurisdiction [*see id.* at ECF No. 60] to which the Receiver responded on May 9, 2016 [*see id.* at ECF No. 65]. That motion to dismiss has been fully briefed and ripe for determination by the District Court for the Northern District of Illinois for more than nine months. During this Reporting Period, the parties engaged in much of the discovery necessary for the trial of the matter, including taking depositions, propounding written discovery requests, and producing documents. The current discovery deadline is April 25, 2017.

I. Claims Against Commodities Trading Institutions

During a prior Reporting Period, the Receiver investigated the Estate's claims against A-Mark Precious Metals, Inc. ("A-Mark") and another financial institution that facilitated the off-exchange financed commodities transactions of the Hunter Wise Entities that perpetuated the fraudulent scheme that the Hunter Wise Entities perpetrated on their end customers. In exchange for those services, the two financial institutions received substantial transfers, in the form of interest and spread payments, from the Hunter Wise Entities. The Receiver drafted Complaints against each of those institutions and sent demand letters to them, along with the draft Complaints.

Counsel for each of the financial institutions sent the Receiver's counsel a letter responding to the Receiver's demand letter and the Receiver's counsel commenced separate settlement discussions with each such counsel that continued into this Reporting Period. When the Receiver's negotiations with A-Mark reached an impasse, the Receiver, on September 22, 2016, commenced an action against A-Mark in the U.S. District Court for the Central District of California (Case No. 2:16-cv-07198-FMO-SSx). On December 21, the Receiver filed her First Amended Complaint. *See* Case No. 2:16-cv-07198-FMO-SSx, ECF No. 29. On January 12, 2017, A-Mark filed a motion to dismiss (*see id.*, ECF No. 31), to which the Receiver responded on February 2, 2017 (*see id.*, ECF No. 36), and in support of which A-Mark replied on February 9, 2017 (*see id.*, ECF No. 37). The motion remains pending.

With respect to the other financial institution, the Receiver's lead counsel and New York counsel commenced settlement discussions with its counsel after the parties entered into a tolling agreement during the prior reporting period. During this Reporting Period, the Receiver and that institution extended the tolling agreement twice and their counsel continued settlement discussions. Further, the parties selected a mediator, scheduled a pre-suit mediation, submitted mediation statements to that mediator, and prepared for the mediation, which took place on March

8, 2017. The parties did not settle the Receiver's claims at mediation but continue to explore settlement. If the matter is not resolved, pursuant to the most recent tolling agreement, the Receiver will file her action no later than March 31, 2017.

III. END-CUSTOMERS / CLAIMANTS

During the Reporting Period, the Receiver and her professionals received telephone calls, mail and e-mail correspondence from end-customers, seeking information concerning the status of the Receivership, including issues related to the allowed amounts of their claims, corrections to their claims, the amounts of the initial distributions they received, the projected date of the final distribution, and the Receiver's continued asset recovery efforts. The Receiver and her professionals have made every effort to answer their questions and address their concerns and continue to refer them to the Receivership website located at www.hunterwisemanager.com, which is regularly updated with information regarding the claims process, the distributions, important dates and deadlines, recent court filings, including the Receiver's Status Reports and the Court's orders, questions frequently asked by end-customers, creditors and dealers, and the Receiver's answers thereto, and other updates regarding the Receiver's efforts to fulfill her duties under the Court's Orders.

The Receiver maintains a list of all known end-customers and creditors of the Hunter Wise Entities but has not attached that list to this Report to protect them from potential telemarketing frauds, to which some end-customers fell victim. To prevent further abuses, the Receiver has posted a warning regarding telemarketing fraud on the home page of the Receivership website.

IV. ACCOUNTING OF RECEIVERSHIP FUNDS AND TOTAL VALUE OF ASSETS OF RECEIVERSHIP ESTATE

As of February 28, 2017, the Receivership Estate had cash on hand in the amount of \$2,042,023.25,³ which the Receiver is holding in the Estate's fiduciary accounts at Gibraltar Private Bank & Trust. *See* Receivership Receipts and Disbursements attached hereto as **Exhibit "B"**.⁴ Upon adding the cash on hand to the present market value of the metals being stored at DDS (\$290,510.31⁵), the present market value of the two (2) silver bars being stored at IDS and Baird (together, approximately \$36,540.00⁶), and the numismatic value of the metals being stored at Via Mat (\$151,372.56⁷), the total value of the assets of the Receivership Estate is approximately \$2,520,446.12.⁸

V. ADMINISTRATIVE EXPENSES

The administrative expenses of the Receivership Estate comprise the expenses that the Estate has incurred in connection with marshaling, maintaining, and preserving the Defendants'

³ This balance includes the \$290,510.31 that the Receiver recovered from HWIC and was authorized to transfer to the main account of the Receivership Estate by this Court, but does not include the value of the three (3) 1 kilogram gold bars that the Receiver recovered from HWIC, which this Court determined is property of the Estate. *See* Section II.E, *supra*.

⁴ Page 2 of the Receivership Receipts and Disbursements is a statement of the Receipts and Disbursements for the trust account for HWIC, which does not reflect any activity during the Reporting Period because the Receiver transferred the \$290,510.31 to the main account for the Receivership Estate after the Reporting Period.

⁵ This is the approximate value as of February 24, 2017.

⁶ This is the approximate value as of February 24, 2017.

⁷ The Receiver has estimated the value of these metals without obtaining another formal appraisal, using the spot prices of metals as of February 24, 2017, and the retail values of these items as listed for sale online through various internet retailers of precious metals.

⁸ This amount does not include any of the unliquidated securities that the Martin Family Trust and the Jagers transferred to the Receiver, the value of which the Receiver is investigating in connection with her efforts to liquidate them. *See* Sections II.B. and II.C., *supra*.

assets, including the fees and costs incurred by the Receiver and her professionals. All administrative expenses of the Estate are reflected in the Receivership Receipts and Disbursements. *See* Exhibit B.

VI. CONCLUSION

The Receiver will continue to work with her team of professionals to locate, marshal, preserve, and liquidate all known and potential assets of the Receivership Estate. Further, the Receiver and her professionals will continue to prosecute and pursue settlement of the remaining fraudulent transfer actions against the dealers and their principals and the fraudulent transfer claims against two supplier institutions that executed the financed commodities transactions that facilitated the perpetuation of Hunter Wise Entities' fraudulent scheme. The Receiver will also continue to prosecute and pursue settlement of the malpractice action against the Hunter Wise Entities' former counsel in the Northern District of Illinois. In addition, the Receiver will continue her efforts to collect restitution amounts from Defendants against which judgments were entered. Finally, the Receiver will liquidate all remaining personal property of the Estate in accordance with the Court-approved procedures for doing so. Of course, the Receiver will continue to perform all other duties as mandated by the Appointment Order, the Injunction Order, the Final Judgment against the Hunter Wise Entities and their principals, and the Judgments and Restitution Orders against the other Defendants, and will continue to update the Court on a regular basis as to the status of the Receivership.

Respectfully submitted this 16th day of March 2017.

DAMIAN & VALORI, LLP

Counsel for the Receiver

1000 Brickell Avenue, Suite 1020

Miami, Florida 33131

Telephone: (305) 371-3960

Facsimile: (305) 371-3965

/s/ Kenneth Dante Murena

KENNETH DANTE MURENA, P.A.

FLORIDA BAR NO. 147486

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of March 2017, a true and correct copy of Receiver's Fourteenth Status Report was served upon all counsel of record via CM/ECF, and via Email and/or U.S. MAIL to all parties listed on the Service List below.

/s/ Kenneth Dante Murena

KENNETH DANTE MURENA, P.A.

FLORIDA BAR NO. 147486

SERVICE LIST

Attorney for the CFTC

Carlin Metzger
525 West Monroe Street, Suite 1100
Chicago, IL 60661
Telephone: (312) 596-0536
cmetzger@cftc.gov
Via CM/ECF

Attorneys for Fred Jager and Ed Martin

Gregory A. Baldwin
Holland & Knight
701 Brickell Avenue, Suite 3000
Miami, Florida 33131
(305) 789-7745
Gregory.Baldwin@hkllaw.com
Via CM/ECF

Harris L. Kay
Henderson & Lyman
175 West Jackson Boulevard, Suite 240
Chicago, Illinois 60604
(312) 986-3982
Hkay@henderson-lyman.com
Via CM/ECF

John King

517 Rachel Lane
Royal Palm Beach, FL 33411
Jaking82@me.com
Via E-mail

Attorney for Baris Keser

Richard B. Carey, Esq.
1711 Worthington Rd, Ste. 107
West Palm Beach, FL 33409
richard@rcareylaw.com
Via CM/ECF

Attorney for James Burbage and Frank Gaudino

James D. Sallah
jds@sallahcox.com
Joshua Katz

JKatz@SallahCox.com

Sallah Astarita & Cox, LLC
2255 Glades Road, Suite 300E
Boca Raton, Florida 33431
Via CM/ECF

Attorneys for David A. Moore

Gary Sinclair
2043 N. Mohawk Street
Chicago, IL 60614
Telephone: 773-871-4389
gary@garyslaw.com
Via CM/ECF

Bradford M. Cohen
1123 SE 3rd Ave,
Fort Lauderdale, FL 33316
Telephone: 954-523-7774
Fax: 954-253-2656
lawronin@aol.com
Via CM/ECF

Harold Edward Martin, Jr.
5952 Vizzi Court
Las Vegas, NV 89131-2858
Via U.S. Mail

Fred Jager
53 S. Peak
Laguna Niguel, CA 92677-2903
Via U.S. Mail

James Burbage
1915 Washington Avenue
Santa Monica, CA 90403-3305
Via U.S. Mail

Frank Gaudino
1312 Sonoma Court
Palm Beach Gardens, FL 33410-1517
Via U.S. Mail

Baris Keser
4008 40th Way
West Palm Beach, FL 33407-6828
Via U.S. Mail

Chadewick Hopkins (Last Known Address)
646 Flower Ave., Apt. 3
Venice, CA 90291-6711
Via U.S. Mail

David A. Moore
144 Silver Lake Road 1
Staten Island, NY 10301-2734
Via U.S. Mail