

EXHIBIT "N"

**MONITOR'S RECOMMENDATION FOR ANCILLARY PROCEEDINGS
INVOLVING LLOYDS ENTITIES AND CERTAIN DEALER ENTITIES**

1. The Lloyds Entities

a. Party Defendant to Various Actions In the State of Florida, Palm Beach Circuit Court

The Monitor¹ has identified² the following ancillary proceedings involving the Lloyds Entities and Lloyds Asset Management, LLC³:

- *Tracy Dyck v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Chadwick Hopkins, Sean Robert Stropp, James Burbage, Marnie Burbage, Sylvia Williams, Frank Gaudino, David Love, Case No. 50-2011-CA-010599;*
- *Richard Elliot v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Mike Gervasio, Sean Robert Stropp, James Burbage, Marnie Burbage, Sylvia Williams, Frank Gaudino, David Love, Case No. 50-2011-CA-011044;*
- *Bruce Gordon v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Sean Robert Stropp, James Burbage, Marnie Burbage, Sylvia Williams, Frank Gaudino, David Love, Case No. 50-2012-CA-010286;*
- *Paul Kurland v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Sean Robert Stropp, James Burbage, Marnie Burbage, James Purnell, Kevin Dixon, Frank Gaudino, David Love, Case No. 50-2012 -CA- 010576;*

¹ Capitalized terms not defined herein shall have the same ascribed meaning as in the Special Monitor's and Corporate Manager's Initial Report.

² J.B. Grossman, and the firm of Grossman, P.A., were helpful to the Monitor and her professionals' efforts to identify all pending litigation involving the HW Entities, the Lloyds Entities and the Dealer Entities.

³ The Monitor is investigating the connection of Lloyd Asset Management, LLC to the Lloyds Entities and/or any of the Individual Defendants.



- *Tony McManus, et al. v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Mike Gervasio, Sean Robert Stropp, James Burbage, Marnie Burbage, Sylvia Williams, Frank Gaudino, David Love*, Case No. 50-2011-CA-0007190;
- *Steven Myer v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Worth Bullion Group, Inc., Stropp Williams Financial Group LLC, Sean Robert Stropp, James Burbage, Sylvia Williams, Frank Gaudino, Kevin Dixon, Andrew Wilshire, Marnie Burbage, David Love, James Purnell, Giovanni Loaiza*, Case No. 50-2011-CA-012389;
- *Dominic Riccardino, et al. v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, James Burbage III*, Case No. 50-2011- CA-019971;
- *Jeff Spoden v. Lloyds Asset Management, LLC, Lloyds Asset Lending, LLC, Lloyds Commodities, LLC, Stropp Williams Financial Group, LLC, Tim Cavender, Sean Robert Stropp, James Burbage, Marnie Burbage, Sylvia Williams, Frank Gaudino, David Love,*, Case No. 50-2011-CA-008217; and
- *Paul Zarcadoolas v. Lloyds Asset Management, LLC, Lloyds Commodities, LLC, North American Asset Management, LLC*, Case No. 50-2011-CA-018298.

The above-listed cases are pending in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida. They involve claims by end-customers seeking damages in amounts that have yet to be ascertained by the Monitor.

The Monitor intends to file and serve a notice of entry of the Appointment Order and Injunction Order, which will detail and explain the stay of litigation ordered therein (the "Notice(s)"). The Monitor will serve the Notice on all adverse parties. Notwithstanding the Monitor's intended course of action, in an initial discussions with Russell J. Forkey ("Forekey"), an attorney for five of the plaintiffs in the above-listed cases, Forekey informed the Monitor by and through her professionals of his intent to continue his clients' cases, disregarding the stay.

According to Forekey, the language set forth in the Appointment Order and Injunction Order permit him to so.⁴

b. Party Plaintiff to an Action Commenced in the United States District Court for the Middle District of California

Conversely, Lloyds Commodities, LLC is a plaintiff in the action styled *Lloyds Commodities, LLC v. Sabertooth Interactive, LLC*, Case No. CV-13-00375-JEM, which is presently pending in the United States District Court for the Middle District of California.

The action involves an alleged breach of contract in connection with web site design services which the defendant, Sabertooth Interactive, LLC, allegedly failed to provide, resulting in alleged damages in excess of \$300,000 to Lloyds Commodities, LLC. The Monitor is currently discussing the matter with the attorney originally retained by Lloyds Commodities, Asha Dhillon, Esq. The Matter has been stayed pursuant to this Court's Order.

2. US Capital

The Monitor and her professionals have identified the matter styled *Scott S. Hindsdale v. U.S. Capital Trust LLC and David Lepore*, case no. CACE-13004270, pending in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida. The Monitor is

⁴ Paragraph 25 of the Appointment Order states: “[T]he following proceedings are stayed until further Order of this Court:

All civil legal proceedings of any nature...involving ... (c) The Entity Defendants, including subsidiaries, partnerships, and entities owned or controlled by the Entity Defendants ... (such proceedings are hereinafter referred to as “Ancillary Proceedings”).” See Appointment Order, at ¶ 25.

However, paragraph 28 of the Appointment Order states: ““Ancillary Proceedings’ specifically excludes any pending litigation in which any Defendant is a party. With respect to those proceedings, the Monitor shall review them and recommend further action within 30 days.” See Appointment Order, at ¶ 28 [emphasis added]. Because Paragraph 28 apparently contradicts Paragraph 25, the Monitor intends to file a motion for clarification and/or correction of the Appointment Order, and request that all pending litigation involving the Defendant entities, individuals or related entities be stayed until further Order of this Court.

investigating the merits of the claims asserted, and in the interim, intends to file a Notice to be served on all relevant parties. The Monitor and her professionals will also attempt to contact the plaintiff's counsel in an effort of reaching an agreement regarding stay of the action.

3. Recommendation

The Monitor and her professionals will continue investigating and identifying any ancillary proceedings that may involve the Entity Defendants and will update the Court as additional information, if any, is discovered. In the interim, the Monitor requires additional time within which she and her professionals will assess the above-listed known cases and make a determination as to the appropriate course of action for each. Based on the foregoing, the Monitor recommends that this Court continue the stay for a period of thirty (30) days pending further additional analysis by the Monitor and her professionals.