

**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.

**SPECIAL MONITOR AND CORPORATE MANAGER'S
FIFTH STATUS REPORT**

Melanie E. Damian, Esq., the court-appointed Special Monitor and Corporate Manager (the "Monitor") for the Entity Defendants¹ in the above-captioned enforcement action, submits her fifth report (the "Report") concerning the status of the Monitorship, established pursuant to

¹ The entity defendants (collectively, the "Entity Defendants") include the following: Hunter Wise Commodities, LLC ("HW Commodities"), Hunter Wise Services, LLC ("HW Services"), Hunter Wise Credit, LLC ("HW Credit"), Hunter Wise Trading, LLC ("HW Trading"), Lloyds Commodities, LLC ("Lloyds Commodities"), Lloyds Commodities Credit Company, LLC ("Lloyds Credit"), Lloyds Services, LLC ("Lloyd Services"), C.D. Hopkins Financial, LLC ("CD Hopkins"), Hard Asset Lending Group, LLC ("Hard Asset"), Blackstone Metals Group, LLC ("Blackstone"), Newbridge Alliance, Inc. ("Newbridge"), and United States Capital Trust, LLC ("US Capital").

HW Commodities, HW Services, HW Credit and HW Trading, collectively shall be referred to herein as the "HW Entities." Lloyds Commodities, Lloyds Credit, and Lloyd Services, collectively shall be referred to herein as the "Lloyds Entities." Hard Asset, CD Hopkins, Blackstone, New Bridge, and US Capital, collectively shall be referred to herein as the "Dealer Entities" and each one as a "Dealer Entity."

Additionally, the above-captioned action also commenced against the following individual defendants (collectively, the "Individual Defendants"): Edward Martin, Fred Jager, James Burbage, Baris Keser, Frank Gaudino, John King, David Moore, and Chadwick Hopkins.

this Court's *Order Temporarily Appointing Special Corporate Monitor* (the "Appointment Order") [ECF # 77], which the Court subsequently expanded in its *Order on Plaintiff's Motion for Preliminary Injunction* ("Injunction Order") [ECF No. 78]. This Report covers the period from January 1, 2014, through April 30, 2014 (the "Reporting Period").

I. INTRODUCTION

a. The Initial Report

The Appointment Order and Injunction Order were entered on February 22, 2013, and February 25, 2013, respectively, following the Commodity Futures Trading Commission's ("CFTC") Motion for Preliminary Injunction and for the Appointment of a Receiver over the Entity Defendants [ECF No. 4]. The Appointment Order directed the Monitor to submit her conclusions and recommendations as to the viability of the Entity Defendants' operations within thirty (30) days after entry of that order (by March 22, 2013). *See* Appointment Order at ¶ 36. The Injunction Order, entered two days later, required the Monitor to submit her initial report summarizing her activities in carrying out her duties, within ninety (90) days of its entry (or by May 26, 2013). The Monitor met both of those deadlines by filing her initial report on March 22, 2013 (the "Initial Report") [ECF #102]. The Initial Report described the Monitor's initial efforts in carrying out her duties and set forth her recommendations regarding the Entity Defendants and the Monitorship estate (the "Monitorship Estate" or the "Estate").

b. The Second, Third, and Fourth Reports

The Monitor has filed three reports since the Initial Report and prior to the instant Report. Those reports covered the activities undertaken by the Monitor during the period from March 22, 2013, through December 31, 2013. During that time period, the Monitor continued to carry out her duties under the Appointment Order and the Injunction Order. These duties include, among other things, the continued wind down of the Entity Defendants' operations, the continued

marshaling of known assets of the Monitorship Estate, the continued investigation into, and efforts to recover, additional assets belonging to the Monitorship Estate, and the continued administration of all recovered assets. *See* Injunction Order at ¶ 21(A) – (L).

c. Monitor’s Duty to File Periodic Reports

The Monitor continues to fulfill her duties under the Appointment Order and Injunction Order. Pursuant to Paragraph 24 of the Injunction Order, the Monitor is required 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 [Monitorship Estate], and otherwise perform the duties mandated by [the] Order.” Accordingly, the Monitor provides herein a detailed description of those efforts and accomplishments during the current Reporting Period.

**II. STATUS OF THE MONITORSHIP
(JANUARY 1, 2014, THROUGH APRIL 30, 2014)**

a. Ongoing Administration of the HW Entities

i. Continued Oversight of the Precious Metals

As detailed in the Initial Report and updated in subsequent periodic Reports, the Monitor identified limited quantities of physical precious metals belonging to certain Entity Defendants that are presently being stored at Baird & Associates (“Baird”), Delaware Depository Services (“DDS”), and International Depository Services of Canada (“IDS”).² The quantity of precious metals held by each of these bailees has remained unchanged since the filing of the Initial Report, and each has assured the Monitor that it will continue the freeze on these metals until further direction from the Monitor or order of this Court. A detailed report of the quantities and

² 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 \$19,700.00, as of March 31, 2014.

market values (as of March 31, 2014) of the precious metals stored at DDS is attached hereto as **Exhibit “A”**.

The precious metals that the Monitor transferred from the Irvine, California, office of the HW 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. As reflected in Exhibit J to the Monitor’s Initial Report, the total appraised (numismatic) value of those metals as of March 6, 2013, was \$256,057.04.³ See Initial Report, Ex. J [ECF No.102-J].

As detailed in the Third Report, upon terminating the lease of the apartment located at 9 MacArthur Place #2205 (the “Santa Ana Apartment”),⁴ the Monitor secured and removed from the Santa Ana Apartment a limited number of coins and precious metals that remain stored in a safe deposit box located at a bank in Miami, Florida. In August 2013, the Monitor had these coins and precious metals examined by a certified appraiser, who determined their total value to be approximately \$5,000.00.⁵ The Monitor will obtain a formal appraisal in the event the Court converts the Monitorship to a receivership or otherwise authorizes the Monitor to liquidate the coins and metals of the Estate.

³ Note that the prices of gold and silver have declined since the appraisal was done in March 2013. Whereas the appraiser used a spot price of \$1,575/oz. for gold and \$28.54/oz. for silver, the spot prices on March 31, 2014, were \$1292/oz. of gold and \$19.97/oz. of silver. Obviously, these values fluctuate, and those fluctuations affect the ultimate value of the inventory held at Via Mat.

⁴ The HW Entities leased the apartment for Defendant Edward Martin. The Monitor’s termination of the lease resulted in a reduction of the Monitorship Estate’s monthly expenses by more than \$3,800.00.

⁵ As detailed in the Third Report, prior to shipping the precious metals from the Irvine office to Via Mat’s facility in Miami, the Monitor discovered that three coins were missing. The Monitor filed an insurance claim and successfully recovered \$5,770.00 in insurance proceeds for the benefit of the Monitorship Estate.

ii. The Monitor's Compliance with Government Requests and Subpoenas

During this Reporting Period, the Monitor and her professionals worked on responding to requests for information and documents from the CFTC, the United States Senate Committee on Aging (the "Senate Committee"), and the Federal Bureau of Investigation ("FBI"). With respect to the requests from the CFTC and the Senate Committee, the Monitor and her professionals compiled and analyzed demographic, investment and loss information for end customers maintained by Hunter Wise and its dealers and prepared several spreadsheets reflecting that information. The Monitor and her counsel also cooperated with an investigation of the FBI, which issued a grand jury subpoena to the Monitor, requesting various documents related to one of the non-defendant dealers of Hunter Wise and its end customers. The Monitor and her professionals located and produced to the FBI volumes of information and documents related to that dealer, its principal and its end customers.

iii. Requests For Release of Metals and Funds Obtained or Transferred Through Hunter Wise International Commodities, Ltd.

As set forth in previous status reports, the Monitor received demands from three individuals for the return of certain precious metals held at a depository (DDS) or funds held at a trading firm (Baird), in accounts under the names of Hunter Wise or entities affiliated with the HW Entities. DDS and Baird froze these accounts, pursuant to the Injunction Order, and informed the Monitor's counsel that the accounts would remain frozen pending the Monitor's investigation into the ownership and source of the metals and funds.

During the Reporting Period, the Monitor and her counsel continued to investigate these individuals' claims to determine whether they indeed are the true owners of the metals and funds they seek and that the source of those metals and funds is not any of the Defendants or any related or affiliated person or entity. The Monitor's counsel completed the investigation of one

the claims and continued her investigation of the other two claims, focusing on the entities through which these individuals purchased the metals or transferred the funds, tracing the metals and funds to their sources, and investigating those sources.

a. The Silver Bars Frozen at DDS

During the Fourth Reporting Period, the Monitor received a demand from an individual requesting the return of certain precious metals (10 silver bars) being held at DDS. The Monitor and her counsel have investigated the demand and determined that this individual is similarly situated with many other customers of the Entity Defendants, in that he purchased silver through a Hunter Wise dealer which then transferred it to DDS to be held in an account titled in the name of Hunter Wise. Therefore, like all other Hunter Wise customers, this individual should be required to submit a claim in any claim process that the Court may approve prior to receiving any portion of the assets of the Estate.

b. The Funds Frozen at Baird

With regard to the individual demanding the return of funds held at Baird (approximately \$98,000.00), the Monitor and her counsel have been in communication with the individual and have requested additional information and documentation from him. The Monitor recently received the requested additional information and documentation and is presently analyzing it. When the Monitor completes her investigation, which she expects to do within the next month, her counsel will prepare and have the individual sign a sworn declaration or affidavit confirming the conclusions of the Monitor's investigation, and the Monitor will consult with the CFTC and make a final determination regarding whether to consent to Baird's release of the funds.

c. The Gold Bars Frozen at DDS

With respect to the metals (7 gold bars worth approximately \$290,764.60⁶) being held at DDS, the Monitor and her counsel are working with the individual to resolve issues concerning the documents provided by him. Once those issues are resolved, the Monitor will prepare a sworn declaration or affidavit from this individual attesting to the ownership and source of the funds used to purchase the metals. Upon receipt of such signed declaration or affidavit, the Monitor will consult with counsel for the CFTC and make a final determination regarding whether to consent to DDS's release of the metals.⁷

b. Demands to Banks Regarding Frozen Assets

During the Reporting Period, the Monitor and her professionals sent demand letters to financial institutions maintaining bank accounts held by various Defendants and/or their wholly owned entities or affiliates containing funds previously frozen pursuant to the Injunction Order. In response to the Monitor's demands that the financial institutions transfer the frozen funds to the Monitor, as required by the Injunction Order, the Monitor received \$13,520.45 from the frozen accounts of certain individual Defendants at J.P. Morgan Chase Bank and \$92.52 from the frozen accounts of Defendant Burbage and his wholly owned entity Excel Financial, LLC at Citibank. The Monitor deposited said funds into the Monitorship fiduciary account. In total, \$339,620.99 in funds and securities remains frozen in various accounts in the names of certain Defendants and/or their wholly owned entities or affiliates, as detailed in **Exhibit "B"** attached

⁶ This is the approximate value as of March 31, 2014.

⁷ As previously explained, the declaration or affidavit will also provide that the individual shall not transfer the metals to (i) any of the Individual Defendants or those defendants' family members, friends, associates or affiliates, or (ii) HWIC Cayman or any of its principals, associates, employees, subsidiaries or affiliates.

hereto, the majority of which is held by South Peak Texas Investments, Inc., a company owned by Defendant Jager.⁸

c. Restitution from Dealers and Their Principals

The CFTC has entered into consent judgments with various dealer entities and individual owners of those entities in administrative proceedings brought by the CFTC. Those consent judgments require, among other things, the dealers and principals to pay certain restitution amounts. This Court has entered an Order permitting the Monitor to collect the restitution amounts from those dealers. Accordingly, during previous reporting periods, the Monitor's counsel investigated the assets and liabilities of the dealers and principals against which the consent judgments were entered to determine whether they have any unencumbered or non-exempt assets to seek to recover. Thus far, counsel's investigation has not uncovered any recoverable assets; nevertheless, counsel will continue searching for assets to marshal for the benefit of the Monitorship Estate.

d. Hunter Wise Financial Group, LLC, Hunter Wise Holdings, LLC, Hunter Wise Securities, LLC, and South Peak Texas Investments, LLC

After the entry of the Injunction Order, the Monitor and her professionals learned that, prior thereto, at least \$2,659,804 (the "Jager Transfers") was transferred from the HW Entities' accounts to Individual Defendant Fred Jager ("Jager") and his entities, Hunter Wise Holdings, LLC ("HW Holding") and Hunter Wise Financial Group, LLC ("HW Financial"). Subsequently, the Monitor entered into a stipulation with Jager, HW Holdings, and HW Financial (the "Jager Stipulation") [ECF No. 93], which this Court approved in an Agreed Order Unfreezing Certain

⁸ This balance of frozen assets no longer includes the \$11,594.42 that was frozen in one of Defendant Gaudino's accounts as of the filing of the Third Report. Those funds were transferred to the Monitor's fiduciary account during the fourth Reporting Period. Thereafter, pursuant to an agreement among the CFTC, the Monitor and Defendant Gaudino, which this Court approved, the Monitor then transferred those funds back to Defendant Gaudino during the instant Reporting Period. *See* note 12, *infra*.

Bank Accounts, entered on March 7, 2013 (the “Unfreeze Order”) [ECF No. 94]. Pursuant to the Jager Stipulation and the Unfreeze Order, Jager, HW Financial and HW Holdings agreed to pay back the Jager Transfers to the Monitor and were required to make certain initial payments to the Monitor.

As detailed in the Initial Report, within days after entry of the Unfreeze Order, Jager, HW Financial and HW Holdings each made initial payments to the Monitor towards the sums owed.⁹ During subsequent reporting periods, Jager and his companies made payments to the Monitor totaling \$137,264.00, including \$52,264.00 made during the instant Reporting Period.¹⁰

Further, pursuant to the Jager Stipulation and the Unfreeze Order, HW Financial and HW Holdings were required to obtain authorization from the Monitor prior to making any disbursement, including payroll, commissions and expense reimbursements. In keeping with this requirement, during the Reporting Period, HW Financial and HW Holdings continued to submit disbursement requests to the Monitor, and the Monitor continued to carefully consider each one and, as appropriate, approved various disbursements from HW Financial and HW Holdings.

e. Ancillary Litigation / Stay of Proceedings

The Appointment Order provides for a stay of all litigation (“Ancillary Proceedings”) against the Entity Defendants. *See* Appointment Order at ¶ 25. To date, the Monitor has negotiated stipulations for the dismissal of the Entity Defendants from the majority of the Ancillary Proceedings, as detailed in the Second Report and subsequently approved by this Court

⁹ On March 8, 2013, the Monitor received three (3) wire transfers into her fiduciary account in the total amount of \$200,000.00 in satisfaction of the initial payment requirement under the Unfreeze Order.

¹⁰ On June 3, 2013, HW Financial wired \$37,500.00 to the Monitor’s fiduciary account. On August 16, 2013, HW Holdings wired \$20,000.00 to the Monitor’s fiduciary account. And on September 3, 2013, HW Financial wired \$28,000.00 to the Monitor’s fiduciary account. On February 14, 2014, HW Financial wired \$52,264.00 to the Monitor’s fiduciary account.

[ECF No. 151]. As previously reported, the Monitor continues to negotiate with counsel for the plaintiffs in the remaining Ancillary Proceedings in which Entity Defendants are still defendants, for the purpose of entering into stipulations substantially similar in form and substance to that which the Court previously approved.

On September 6, 2013, the Court entered its *Omnibus Order* [ECF No. 211], approving, among other things, the Monitor's initial recommendation [ECF No.168] with respect to the Sabertooth Litigation.¹¹ As reported in the Third Report, after extensive consideration of the Sabertooth Litigation and its merits, the Monitor explained that once she locates counsel who would represent the Estate on a contingency fee basis, she would recommend to the Court the continued prosecution of this litigation. During the instant Reporting Period, although the Monitor has not yet located contingency counsel for the Sabertooth Litigation, the Monitor's counsel convinced Sabertooth's counsel to agree to participate in a mediation, at which the Monitor's lead counsel will represent the Monitor. The Monitor's counsel and Sabertooth's counsel are working to schedule mediation and select a mediator, and the Monitor expects that mediation will take place during the next Reporting Period. In the event the mediation does not result in a resolution of the Monitor's claims against Sabertooth, the Monitor will advance her search for contingency counsel, seek this Court's approval of such counsel, and prosecute her claims expeditiously.

¹¹ The action styled, *Lloyds Commodities, LLC v. Sabertooth Interactive, LLC*, Case No. CV-13-00375-JEM (the "Sabertooth Litigation"), pending in the United States District Court for the Middle District of California, was commenced by the Lloyds Entities against a media company that Lloyds Commodities, LLC engaged to create an online game that the principals of Lloyds believed would generate substantial revenues.

f. Miscellaneous Claims and Enforcement of Stay Provision

During this Reporting Period, the Monitor and her counsel continued to prevent creditors and other third parties from collecting debts from and/or enforcing rights and filing claims against the Entity Defendants. Indeed, in response to certain demands, counsel invoked the stay provision of the Appointment Order and forwarded copies of that Order and the Injunction Order to the parties making the demands. No action has been filed against the Entity Defendants in violation of the stay provision during or prior to this Reporting Period.

g. Marshaling and Sale of Personal Property

As previously reported, the Monitor and her counsel successfully obtained the turnover of the majority of Defendant Martin's assets that he acquired using funds he received from the HW Entities (the "Martin Assets").

As also previously reported, the Monitor's counsel also successfully negotiated the turnover of Defendant Gaudino's Rolex Submariner watch, estimated to be valued between \$5,000.00 and \$6,000.00, which the Monitor is storing in a safe deposit box. Further, the Monitor's counsel secured the transfer of \$48,386.38 to the Monitorship Estate that was frozen in an account of Gaudino Financial at Bank of America, and the transfer of \$11,594.42 that was frozen in Defendant Gaudino's account at J.P. Morgan Chase Bank, N.A. During the instant Reporting Period, the CFTC, the Monitor and Defendant Gaudino reached an agreement for the return of these funds to Defendant Gaudino, which agreement the Court approved in its Order Authorizing the Corporate Monitor to Return Certain Previously Frozen Funds to Defendant Frank Gaudino [ECF No. 255]. Accordingly, the Monitor transferred the \$11,594.42 back to Defendant Gaudino during this Reporting Period.

III. ACCOUNTING OF MONITORSHIP FUNDS AND TOTAL VALUE OF ASSETS OF MONITORSHIP ESTATE

The Monitorship Estate currently has cash on hand in the amount of \$5,987,909.80¹², which the Monitor is holding in the Estate's fiduciary accounts at Gibraltar Private Bank & Trust. *See* Monitorship Receipts and Disbursements attached hereto as **Exhibit "C"**. Upon adding the cash on hand to the present market value of the metals being stored at DDS (\$910,274.00¹³), the present market value of the two (2) silver bars being stored at IDS and Baird (together, approximately \$39,940¹⁴), and the numismatic value as of March 6, 2013 of the metals being stored at Via Mat (\$256,057.04¹⁵), the total value of the assets of the Monitorship Estate is approximately \$7,164,494.96¹⁶

IV. STATUS OF ENFORCEMENT ACTION

The trial of the enforcement action took place before this Court from February 26, 2014, through March 3, 2014. The Monitor testified at the trial, and, prior thereto, reviewed various documents and court filings and worked with the CFTC in reviewing evidence in preparation for

¹² This is the balance reported as of April 30, 2014.

¹³ This is the approximate value as of March 31, 2014.

¹⁴ This is the approximate value as of March 31, 2014.

¹⁵ This value is based on an appraisal of the metals as of March 6, 2013. *See* Initial Report, Exhibit J [ECF No.102-J]. In order to minimize costs to the Monitorship Estate, the Monitor has not had the metals re-appraised.

¹⁶ This amount does not include any of the frozen funds or the value of the frozen shares at South Peak, which have not yet been transferred to the Monitorship Estate's fiduciary accounts or nominal amounts frozen in accounts of certain individual Defendants. *See* Exhibit B. The balance does reflect \$13,520.45 transferred from certain individual Defendants' frozen accounts at J.P. Morgan Chase Bank and \$92.52 transferred from the frozen Citibank accounts of Defendant Burbage and his wholly owned entity to the Monitorship Estate's fiduciary accounts during the fourth Reporting Period.

her testimony. The Court has not yet entered its Findings of Fact, Conclusions of Law, or Final Judgment.

As indicated in previous Reports, counsel for the CFTC and counsel for the Lloyds Entities and Defendants Gaudino and Burbage negotiated the principle terms of a Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief against the Lloyds Entities, Gaudino and Burbage, resolving the CFTC's claims against these Defendants for their actions as a recruiter of dealers and an intermediary between dealers and Hunter Wise Commodities, LLC in violation of the Commodity Exchange Act. The Court entered the Consent Order during the instant Reporting Period. [ECF No. 254].

On November 1, 2013, Defendant Burbage and his wife filed a Voluntary Petition for Bankruptcy in the United States Bankruptcy Court for the Southern District of Florida (the "Burbage Bankruptcy Case"). The Monitor subsequently filed a *Motion for Extension of Time to Object to Debtors Claimed Exemptions, Discharge and/or Dischargeability of Debt* ("Motion for Extension of Time") in the Burbage Bankruptcy Case. On January 14, 2014, the Bankruptcy Court entered an Agreed Order granting the Monitor's Motion for Extension of Time. The Agreed Order provides that the Monitor and any other party to the Enforcement Action, including the CFTC, shall have through and including ten days after the District Court enters Judgment, or other Order of final determination of the claims alleged against Burbage in the Enforcement Action, to object to the Debtors' claimed exemptions, and to file a complaint to deny the Debtors' discharge and/or dischargeability of debt. [Burbage Bankruptcy Case, ECF No. 32]. The Monitor's counsel determined that, based on the non-dischargeability of Mr. Burbage's debt as established in the Consent Order, pursuant to the express terms of the Bankruptcy Code, there was no need to file a complaint to deny dischargeability of that debt in the Burbages's bankruptcy case.

V. END-CUSTOMERS, CREDITORS AND DEALERS

During the Reporting Period, the Monitor and her professionals continued to receive numerous telephone calls, mail and e-mail correspondence from end-customers, creditors and dealers, and/or their respective counsel, seeking information concerning the status of the Monitorship and the enforcement action. The Monitor and her professionals have made every effort to answer their questions and address their concerns and continue to refer them to the Monitorship website located at www.hunterwisemanager.com and send them periodic letters. The website is regularly updated with recent court filings, including the Monitor's Status Reports and the Court's orders, and the website and the Monitor's periodic letters to end-customers and creditors provide information regarding the Monitorship and the enforcement action, important dates and deadlines, questions frequently asked by end-customers, creditors and dealers, and the Monitor's answers thereto, and other updates regarding the Monitor's efforts to fulfill her duties under the Court's Orders. The Monitor's professionals recently mailed and emailed correspondence to all known end-customers and creditors of the Monitorship, providing an update regarding the enforcement action, and specifically informing them of the conclusion of the trial proceedings.

The Monitor has compiled lists of all known end-customers, creditors and dealers of the Monitorship. The most current lists are attached hereto as **Composite Exhibit "D"**.¹⁷

VI. ADMINISTRATIVE EXPENSES

The administrative expenses of the Monitorship Estate comprise the expenses that the Estate has incurred in connection with marshaling, maintaining, and preserving the Defendants' assets, including the fees and costs incurred by the Monitor and her professionals. All

¹⁷ The list of end-customers only includes those customers who had an active account with Hunter Wise's dealers at the time the Monitor was appointed.

administrative expenses of the Estate are reflected in the Monitorship Receipts and Disbursements (Exhibit "C").

On March 6, 2014, the Monitor filed her *Fourth Interim Application for an Order Approving and Authorizing Payment of Fees and Expenses of Monitor and her Professionals* (the "Fourth Fee Application") [ECF No. 296], seeking approval and authority to pay the fees and costs incurred by the Monitor and her professionals during the period of September 1, 2013 through December 31, 2013. The Fourth Fee Application is presently pending before this Court. The fees and costs that the Monitor has paid pursuant to the Court's previous Orders are reflected in Exhibit "C".

VII. CONCLUSION

The Monitor will continue to work with her team of professionals to locate, marshal and preserve all known and potential assets of the Monitorship Estate. Further, as authorized by the Appointment Order and the Injunction Order, the Monitor will continue to investigate and as appropriate pursue existing and potential claims against third parties on behalf of the Monitorship Estate. The Monitor will also continue to investigate and gather information regarding all Defendants' assets and transactions through subpoenas, depositions and other inquiries to financial institutions, and other entities and persons with any connection to the Defendants to discover potential claims against third parties and other sources of recovery. Further, the Monitor and her professionals will continue to analyze all documents obtained and, with the assistance of her Forensic Accountants, will trace all transfers of funds for the purpose of determining the propriety of such transfers and, to the extent appropriate, recovering them. Of course, the Monitor will continue to perform all other duties as mandated by the Appointment Order and Injunction Order, and will continue updating the Court on a regular basis as to the status of the Monitorship.

Respectfully submitted this 6th day of May, 2014.

DAMIAN & VALORI, LLP

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/s/ Kenneth Dante Murena _____

KENNETH DANTE MURENA, P.A.
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Special Monitor's and Corporate Manager's Fifth Status Report was served upon all counsels of record via CM/ECF, and via Email and/or U.S. MAIL, to all parties listed in the Service List below, this 6th day of May, 2014.

/s/ Kenneth Dante Murena _____

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