

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-21964-CIV-ALTONAGA

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**TCA FUND MANAGEMENT
GROUP CORP, et al.,**

Defendants.

ORDER

THIS CAUSE came before the Court *sua sponte*. On July 11, 2022, the Court held a hearing on the Receiver's Motion for Approval of Distribution Plan and First Interim Distribution [ECF No. 279]. The Receiver's Motion [ECF No. 208] designates the 670 worst-off Unsubordinated Net Loser investors to receive an initial distribution so that no Unsubordinated Net Loser would have incurred a loss exceeding 75% of its aggregate cash investment. (*See id.* 27). The remaining Net Losers, 46 of whom were subordinated and 177 of whom were unsubordinated but had already recouped 25% or more of their losses, would not receive a distribution. (*See id.* 26–31).

At the hearing, Receiver's counsel acknowledged that while the Proposed Distribution Plan's scheme remains the same, these numbers have changed, as the Receiver has identified more Unsubordinated Net Losers. The Receiver's counsel posited that the Receiver now wishes to make a distribution to 739 Unsubordinated Net Losers, whose losses would then be capped at 76.9%. This differs slightly from the figures in the Receiver's Reply [ECF No. 263], which provide that

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the worst-off 736 Unsubordinated Net Losers would receive a distribution that caps their losses at 76.83%. (*See id.* 14).


The Court understands that this process is in flux, as the Receiver identifies more investors and makes appropriate changes to the number of investors in each category and the amount each investor would receive under the Proposed Distribution Plan. These numbers are likely to change again in the future. But to fairly evaluate the Proposed Distribution Plan, the Court does need *consistent* numbers as to how many investors the Receiver has identified so far, how the Receiver presently categorizes those investors, and the current loss cap. Accordingly, it is

ORDERED that:

(1) The Receiver shall file a status report with the Court by **July 15, 2022** stating specifically (A) how many total investors it has identified; (B) how many investors are currently classified as Subordinated Net Losers, Unsubordinated Net Losers, and Net Winners; (C) how many investors would receive something in the first interim distribution, as it currently stands; and (D) what the loss cap would be.

(2) The Receiver shall also submit an attachment to the status report identifying every Unsubordinated Net Loser and specifying how much each subordinated Net Loser is due to receive.

DONE AND ORDERED in Miami, Florida, this 12th day of July, 2022.



CECILIA M. ALTONAGA
CHIEF UNITED STATES DISTRICT JUDGE

cc: counsel of record