

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 20-CIV-21964-CMA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TCA FUND MANAGEMENT GROUP CORP.,

et al.,

Defendants.

RECEIVER'S SECOND QUARTERLY STATUS REPORT

Jonathan E. Perlman, Esq.
Florida Bar No. 773328
jperlman@gjb-law.com
Receiver for the Receivership Entities

-and-

GENOVESE JOBLOVE & BATTISTA, P.A.
100 Southeast 2nd Street, 44th Floor
Miami, FL 33131
Tel: (305) 349-2300
Gregory M. Garno, Esq.
Florida Bar No. 87505
ggarno@gjb-law.com
Elizabeth G. McIntosh, Esq.
Florida Bar No. 1011555
emcintosh@gjb-law.com
Irina R. Sadovnic, Esq.
Florida Bar No. 124502
isadovnic@gjb-law.com
*Attorneys for Jonathan E. Perlman, Esq.,
Receiver for the Receivership Entities*

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

THE RECEIVER’S SECOND QUARTERLY STATUS REPORT 3

I. BACKGROUND 3

II. RELATED FUNDS..... 5

III. ACTIONS TAKEN BY THE RECEIVER DURING THE REPORTING PERIOD . 6

A. The Receivership Bank Accounts 6

B. Business Operations 6

C. Employee Related Issues..... 7

D. Accounting and Forensic Work 8

E. Receivership Entities’ Tax Returns 9

F. Receivership Entities’ Technology Progress..... 10

G. Circle Investment Support Services (“Circle Partners”) 11

H. Communications with Third Parties 11

I. Website/Ongoing Communications 11

J. Investor Interviews..... 12

K. Receivership Entities’ Records 12

L. Claims..... 13

IV. CAYMAN ISLANDS PROCEEDINGS..... 14

V. RECEIVERSHIP ESTATE ASSETS 14

A. Cash Assets..... 14

B. Special Purpose Vehicles 16

 1. SPV – Domestic..... 17

 2. SPV – International..... 20

 3. SPV – Real Property and Other Assets 21

 4. SPV – Others..... 22

C. Loan Portfolio..... 23

 1. Communicating and Making Payments 23

 2. Active, Pre-Litigation Matters..... 26

 3. Settlement Agreements..... 31

 4. Judgments Previously Obtained..... 38

 5. Litigation Matters..... 39

 6. Loans Requiring Further Investigation and Analysis..... 40

D. TCA Aerospace..... 41

E. Litigation Initiated by the Master Fund Against Borrowers 41
VI. THE RECEIVER’S OBSERVATIONS..... 65
VII. CONTINUING WORK..... 66

EXECUTIVE SUMMARY

1. On May 11, 2020, this Court appointed Jonathan E. Perlman, Esq. as Receiver over Defendants and Relief Defendants TCA Fund Management Group Corp., TCA Global Credit Master Fund, L.P, TCA Global Credit Fund GP, Ltd., TCA Global Credit Fund LP, and TCA Global Credit Fund, Ltd. *See* [ECF No. 5]. On May 18, 2020, the Court expanded the Receivership to include TCA Global Lending Corp., which served as a “tax blocker” for the TCA Global Credit Fund, Ltd. feeder fund investors. *See* [ECF No. 16].
2. At the time of the Receiver’s appointment, the Receivership Entities’ combined U.S. bank accounts had a total balance of \$287,683.00. The Receivership Entities’ bank accounts at Axos Bank currently have a combined balance of \$12,680,225.00. Income and expenses are reflected in Exhibit “A”, attached hereto.
3. Since the filing of the First Quarterly Status Report, the Receiver, with the assistance of his financial advisor Development Specialist Inc. (“DSI”), has continued to manage the Receivership Entities’ business affairs. The Receiver and DSI communicate daily regarding such affairs and efforts to preserve and maximize value from the Receivership Entities’ special purpose vehicle assets (“SPVs”) and loan portfolio.
4. The Receiver terminated employment of the remaining TCA Fund Management Group Corp. employees who had stayed on to assist in the transition period. However, the Receiver continues to utilize the services of independent contractors, pursuant to new agreements entered into at discounted hourly rates with court approval, to provide consulting services on an as needed basis.
5. During this Second Reporting Period, the Receiver made significant progress toward maximizing value from Receivership SPVs. This included undertaking a comprehensive selection process and engaging just last week, with court approval, CohnReznick Markets Securities, LLC, an investment banking firm specializing in solar power developer transactions, to market Pivot Energy (aka TCA Microgrid Energy LLC), a leading community solar and commercial and industrial solar project developer headquartered in Denver, Colorado that will have delivered projects across 700+ sites in 18 states by year end. CohnReznick preliminarily anticipates a transaction at the end of first quarter of 2021.
6. In addition, SPV Indumate AB, located in Sweden, successfully sold two of its subsidiaries, with the remaining subsidiary expected to sell by year end. The parent SPV can then be wound down in accordance with Swedish law. The Receiver also negotiated an agreement in principle for disposition of SPV TPNI, and has positioned other SPVs for sale in the near future.
7. The Receiver also continued to serve individuals and financial institutions with subpoenas for documents and information, and received thousands of pages of documents from such institutions. The Receiver’s forensic accountant, Yip Associates, utilized bank records for 32 bank accounts at seven financial institutions to construct a database of over 22,200 banking transactions that can be used to identify recipients of Receivership monies and

determine potential claims for recovery. This database is a work in progress as the Receiver continues to receive, and request, additional bank documents.

8. During this reporting period, a related fund controlled by Robert Press, TCA Special Situations Credit Strategies ICAV, an Irish Collective Asset Vehicle incorporated in Ireland, entered into a Members' Voluntary Liquidation under the laws of the Republic of Ireland ("TCA ICAV" or "New Horizons Credit Strategies ICAV"). The Receiver's forensic accountant utilized the database to identify over \$1.25 million in transfers to TCA ICAV, and the Receiver timely submitted a claim to the joint official liquidators appointed in Ireland over TCA ICAV.
9. During this Second Reporting Period, the Receiver and Rehmann, the Receiver's tax consultant, also gathered necessary documents, and Rehmann prepared and filed the Receivership Entities' 2019 federal income tax returns. Rehmann also began tax work relating to the 2020 year.
10. Also during this Second Reporting Period, DSI, completed its initial review and analysis of the Receivership's sixty-nine portfolio loans that were not in litigation or collection prior to the Receiver's appointment. During the next reporting period, those loans that have not been successfully rehabilitated (anticipated to be the great majority) will quickly move into an efficient collections process, be packaged for sale, or litigation will be filed as appropriate.
11. With respect to litigation matters that existed prior to the Receiver's appointment, the Receiver and his counsel initially stayed all such cases and conducted a review to determine the most appropriate strategy. During the Second Reporting Period, the Receiver and counsel have lifted the stay to vigorously pursue certain matters, and settled others. The Receiver has also discussed potential contingency fee relationships to relieve the Receivership Estate from risk of loss and expense. The Receiver's counsel, GJB, continues to work diligently to gather, analyze and pursue civil claims in litigation and bankruptcy proceedings in multiple jurisdictions. The Receiver and counsel also spent considerable time investigating third party claims for the ultimate benefit of investors and other stakeholders.
12. The Receiver and his Retained Professionals also continued to answer inquiries from investors and creditors.
13. The Receiver and his Retained Professionals also continued to respond to inquiries from the Cayman Islands Monetary Authority and from the Cayman Islands joint official liquidators for Receivership Entity TCA Global Credit Fund, Ltd.

THE RECEIVER'S SECOND QUARTERLY STATUS REPORT

Jonathan E. Perlman, as court-appointed Receiver (the "Receiver") over the Receivership Defendants TCA Fund Management Group Corp. ("FMGC") and TCA Global Credit Fund GP, Ltd. ("GP") (FMGC and GP are hereinafter referred to collectively as "Defendants") and Relief Defendants TCA Global Credit Fund, LP ("Feeder Fund LP"), TCA Global Credit Fund, Ltd. ("Feeder Fund Ltd.," and with Feeder Fund LP, "Feeder Funds"), TCA Global Credit Master Fund, LP (the "Master Fund") (Master Fund, together with Feeder Funds, are the "Funds"), and Receivership Entity TCA Global Lending Corp. ("Global Lending") (Defendants, the Funds, and Global Lending are hereinafter referred to collectively as the "Receivership Entities"), by and through undersigned counsel and pursuant to this Court's order appointing the Receiver [ECF No. 5], respectfully submits his Second Quarterly Status Report (the "Report").

The following is a summary of the Receiver's efforts since the Receiver's First Quarterly Status Report (the "First Report") filed on August 4, 2020. This Report contains assessments and observations, which are subject to change as the Receiver and his Retained Professionals continue to conduct discovery, as well as investigate and analyze the affairs of the Receivership Entities.

I. BACKGROUND

The Receiver filed his First Report on August 4, 2020. [ECF No. 48]. The First Report provides background information on the events that led up to the appointment of the Receiver and a detailed explanation of the Receivership Entities and the Receiver's Retained Professionals.¹ For the purpose of brevity, the Receiver will not repeat all of this information contained in the First Report, but refers all interested parties to the First Report for additional background information.

¹ All capitalized terms will have the same meaning as defined in the Receiver's First Report and First Interim Omnibus Application For Allowance and Payment of Professional Fees and Reimbursement of Expenses For May 11, 2020 Through June 30, 2020. [ECF No. 48, 55].

[ECF No. 48]. This Report covers the period since the filing of the First Report to the date of filing the Receiver's Second Quarterly Status Report (the "Second Reporting Period").

On May 11, 2020, the Securities and Exchange Commission ("SEC") filed a Complaint for Injunctive and Other Relief [ECF No. 1] (the "Complaint") in the United States District Court for the Southern District of Florida (the "Court") against Defendants FMGC and GP, and Relief Defendants Feeder Fund LP, Feeder Fund Ltd., and the Master Fund. The SEC also filed an Expedited Motion for Appointment of Receiver (the "Motion for Appointment"). [ECF No. 3].

In connection with the Complaint and with consent of the Defendants, on May 11, 2020, this Court entered a Judgment of Permanent Injunction and Other Relief [ECF No. 7] against the Defendants and an order granting the SEC's Unopposed Expedited Motion for Appointment of Receiver [ECF No. 5] (the "Appointment Order"). The Appointment Order appointed Jonathan E. Perlman, Esq., an attorney at the law firm Genovese, Joblove & Battista, P.A. ("GJB"), as permanent Receiver over the Receivership Entities and granted him "full and exclusive power, duty and authority to: administer and manage the business affairs, funds, assets . . . and any other property of the Receivership Entities, marshal and safeguard all of their assets. . . ." [ECF No. 5 at ¶¶ 1, 7, and 16–17].

On May 15, 2020, the Receiver filed an Emergency Motion to Confirm and Expand the Receivership to include TCA Global Lending Corp.—a TCA entity incorporated in Nevada that acts as a "tax blocker" for foreign investors who invest via Feeder Fund Ltd.—as an additional Receivership Entity. *See* [ECF No. 15]. On May 18, 2020, this Court entered an order confirming Global Lending as a receivership asset and expanding the original Appointment Order to include Global Lending as a named Receivership Entity, *nunc pro tunc*, as of May 11, 2020. *See* [ECF No. 16].

II. RELATED FUNDS

The First Report provides background information and a detailed explanation of the two affiliated investment funds that were managed under the “TCA Capital” umbrella, specifically, the TCA Opportunities Fund, I-A, LP (“TCA Opportunities Fund”) and the TCA Special Situations Credit Strategies ICAV (an Irish Collective Asset Vehicle incorporated in Ireland) (“TCA ICAV”). *See* [ECF No. 48]. On June 10, 2020, four weeks after the Receiver’s appointment, TCA ICAV changed its name to “New Horizons Credit Strategies ICAV.” For more information regarding the background and explanations of TCA Opportunities Fund and TCA ICAV, please refer to the Receiver’s First Report. [*Id.*]. In late August 2020, TCA ICAV was placed into Members’ Voluntary Liquidation (“Voluntary Liquidation”) according to the laws of the Republic of Ireland. A notice published in Ireland stated that Messrs. Kieran Wallace and Andrew O’Leary of KPMG were appointed Joint Official Liquidators (the “ICAV JOLs”) over TCA ICAV (k/n/a New Horizons Credit Strategies ICAV). The notice also stated that TCA ICAV creditors must “send their names and addresses and particulars of their debts or claims and the names and addresses of their solicitors” to Messrs. Wallace and O’Leary at their Dublin address by September 21, 2020.

The Receiver’s Retained Professionals conducted a tracing analysis of funds flowing to known TCA ICAV accounts and identified at least \$1,225,131.01 in transfers from Receivership Entity accounts to TCA ICAV. On September 18, 2020, the Receiver sent, via Federal Express courier, to Messrs. Wallace and O’Leary a letter containing the particulars of the Receivership Entities’ claims. The Receiver has not yet received a response.

In addition, the Receiver attempted to open a line of communication with the ICAV JOLs but has been unsuccessful to date. The Receiver will continue to monitor the status of the TCA ICAV liquidation proceedings and attempt to communicate with the ICAV JOLs regarding the

Receiver's claims as well as the other issues between TCA ICAV and the Receivership Entities outlined in the First Report.

III. ACTIONS TAKEN BY THE RECEIVER DURING THE REPORTING PERIOD

A. The Receivership Bank Accounts

The Receiver continues to maintain five receivership bank accounts at Axos Bank. As of the filing of this Report, the receivership accounts have a total balance of \$12,680,225.00. A schedule of the Receiver's receipts and disbursements is attached hereto as Exhibit "A."

B. Business Operations

The Receiver and his counsel continue to familiarize themselves with the business operations of the Receivership Entities, by among other things, interviewing employees and former employees, third parties, investors, borrowers, and former professionals while securing and reviewing hundreds of thousands of pages of documents and electronic data. The Receiver and his Retained Professionals completed the securing of e-platforms, servers, additional laptops, and now have unfettered control and access to all known data storage and organizational systems, including SharePoint and Outlook.

DSI, with the Receiver's guidance, continues to manage day-to-day operations of special purpose vehicle businesses owned by Receivership Entities ("SPVs"), and to provide financial advisory services to aid in maximizing the value of SPVs and other Receivership Entity assets. The Receiver and DSI continue to communicate daily regarding the SPVs and the Receivership's loan portfolio in order to assess, formulate and execute a plan to maximize value of all assets.

Initially, the Receiver and his Retained Professionals utilized six former FMGC employees and six contractors to retain institutional knowledge, and most economically transition ongoing operations to the Receiver's team. Since then, the Receiver let five employees go, and entered into

an independent contractor relationship, at lower hourly rates, and for less hours, for the remainder, at a significant savings to the Receivership Estate. Two such contractors, Dennis McIntosh and Michael Klein, assist with particular SPVs, including executing on a sales process. Nelson Lamis and Jackie Gogin assist with administration and portfolio management. Miriam Cunningham aids with payroll for the Receivership Entities and SPVs.

C. Employee Related Issues

At the time of the Receiver's appointment, FMGC was an operating business. As such, the Receiver and his Retained Professionals spent time and made expenditures, as required, regarding employee matters, including payroll and the 401k termination. FMGC was previously paying independent contractor, Miriam Cunningham, for her role in several activities including: (1) coordinating and providing HR services to several of the SPVs; (2) payroll and benefits historical research; and (3) research requested by the Receiver's forensic accountants, Yip Associates. During the Second Reporting Period, the Receiver determined it was in the best interest of the Receivership Estate to return the HR services of the SPVs to the individual SPV entities. That adjustment has been made during the Second Reporting Period.

As noted in the Receiver's First Report, the Receiver formally instituted the termination of the 401k plan. The Receiver, with the assistance of Retained Professionals, terminated the plan, solicited participants to roll over their accounts to other 401k plan providers, and is currently coordinating efforts with the plan administrators and service providers to manage the final details of the plan termination. The tasks remaining to finalize the termination of the 401k plan include a refund to the Receivership Estate of remaining non-participant funds, and preparation of the final IRS Form 5500 documents to be filed in the fourth quarter of 2020.

As noted in the Receiver's First Report, ADP provided payroll services to several SPVs

and former SPVs, including Broward Collision, Pivot, National Healthcare/Champion Pain Care, TCA Aerospace, TPNI, Transmarine, Ouch, and Xcell. FMGC was also fronting for the cost of ADP's services and invoicing the SPVs for reimbursement. FMGC did not maintain sufficient recordkeeping or accounting reflecting whether the SPVs paid such invoices and the last time FMGC generated such an invoice was in February 2020. The Receiver ceased this practice and advised the SPVs to pay ADP directly. The Receiver and his Retained Professionals continue to work with ADP to complete this transition.

D. Accounting and Forensic Work

As of the date of filing the First Report, Yip Associates has analyzed the activity for 32 separate bank accounts (the "Analyzed Bank Accounts") for the period of March 2015 through May 2020 held at the following seven different institutions:

Institution	No. of Accounts
Coutts	11
Butterfield - Guernsey	8
Morgan Stanley	4
Bank of America	4
Ocean Bank	3
Deutsche Bank	1
BB&T	1
TOTAL	32

Those accounts are denominated in the following currencies: USD, EUR (Euro), GBP (British Pound Sterling), CHF (Swiss Franc), and AUD (Australian Dollar).

Additionally, Yip Associates has constructed a database of over 22,200 banking transactions, which details the source of funds and disbursements to and from the Analyzed Bank Accounts. Specifically, the database provides the underlying transactions in order to trace the following:

- (a) Investor funds deposited into the Receivership Entity accounts;

- (b) Transfers from Feeder Fund LP and Feeder Fund Ltd. to the Master Fund accounts;
- (c) Loans made by the Master Fund;
- (d) Repayment of loans (principal and interest) as well as payment of investment banking fees by the Receivership Entities;
- (e) Transfers from the Master Fund to FMGC for payment of management fees and performance fees;
- (f) Transfers between the related entities for business operations; and
- (g) Transfers to third parties who may have improperly received funds from the Receivership Entities.

This comprehensive database is a work in progress, as the Receiver and Yip Associates are still receiving additional bank records. The tracing analysis has identified, additional bank accounts, and the Receiver has sought the corresponding bank and credit card records by issuing additional subpoenas. The Receiver anticipates receiving those bank records prior to the next quarterly report, and expects to be able to present his initial findings related to the tracing of funds at such time.

E. Receivership Entities' Tax Returns

To date, Rehmann, the Receiver's tax consultant, prepared and filed 2019 federal income tax returns for each of the Receivership Entities. Due to the complexity of the interrelationship of the financial transactions between the Receivership Entities, the volume of documentation, and the condition of the records, the analysis and assembling of the information into an accurate and reportable tax return was still ongoing at the time the 2019 tax returns were due. Therefore, the tax returns that Rehmann prepared and that the Receiver filed were "notice" that placed the Internal Revenue Service on notice that the Receivership Entities are in Receivership, and explained that

the returns will be amended at such time as the Receiver has fully assembled reliable and accurate tax reporting information.

The Receiver, GJB, and Rehmann continue to review hundreds of pages of financial records in an effort to assemble and prepare tax returns that accurately reflect the activities of each of the Receivership Entities and provide the investors with an accurate reporting of their respective shares of reportable income. During this Second Reporting Period, Rehmann has also assisted the Receiver with responses to various taxing authorities regarding multiple tax issues and consulted with the Receiver on a regular basis about the relevant tax issues facing the Receivership, individual Receivership Entities, and investors.

F. Receivership Entities' Technology Progress

During the Second Reporting Period, the Receiver, in consultation with DSI and GJB, decided to discontinue using the Receivership Entities' previous IT contractor, IronOak Defense, and transition to e-Forensics Incorporated ("EFI"). EFI will provide similar services to the Receivership Entities to support the Receivership Entities' IT infrastructure, but at a lower cost, saving the Receivership Estate approximately \$3,000 per month. The Receiver sought and obtained Court approval for this transition. *See* [ECF No. 60, 61].

The services EFI will provide include, among others: (1) ensuring all software and services subscriptions will remain active with the assigned licenses; (2) providing consultation regarding new systems installations and configurations; (3) continuing to provide network management, firewall management, cloud server and infrastructure support, workstation patch management, virus and malware protection licensing, axcient for backups of laptops and servers, exchange email archiving, monitoring tools, spam filters, Microsoft Office 365, Highrise CRM, Adobe Cloud, and Office 365 backups; and (4) providing Service Level Agreement coverage.

Additionally, E-Hounds completed making digital copies of all electronic information and forensically imaging all hard drives and servers. To date, this currently includes nine hard drives, twenty-two laptops, and fifteen computers (including All-in-Ones, Desktop Towers, and Servers). Data imaged during this period includes hard drives and six laptops from the TCA London office.

G. Circle Investment Support Services (“Circle Partners”)

The Receiver continues to receive investor communications received by Circle Partners and is responding to these communications accordingly. The Receiver and Retained Professionals continue to review the data provided by Circle Partners to compile investor-related and fund-tracing analyses. Negotiations as to the continued role of Circle Partners in the fund administration activities are ongoing. The Receiver has terminated agreements with Advent Geneva/Broadridge Managed Solutions, Inc., software previously used by Circle Partners to prepare NAV calculations, saving the Receivership Estate approximately \$27,000 in fees.

H. Communications with Third Parties

As noted in the First Report, the Receiver and his Retained Professionals served over 130 persons and entities with the TRO, document requests, and demands for turnover of information. During the Second Reporting Period, the Receiver and his Retained Professionals have discovered an additional double-digit number of individuals and financial institutions with relevant information, upon whom the Receiver served the TRO and demands for turnover of information. In recent weeks, the Receiver has received large batches of data from Deutsche Bank, Bank of America, and Morgan Stanley. The Receiver served Chase Bank, American Express, Barclays, and Capital One Bank with subpoenas.

I. Website/Ongoing Communications

The Receiver continues to maintain the toll-free Receivership “Hotline” at 833-984-1101

and 305-913-6731, and an email address for general inquiries: receiver@tcافundreceivership.com. The Receiver also regularly updates the Receivership website www.tcافundreceivership.com to provide updated information for investors and interested parties. This Report will be posted on the Receivership website, and Receiver plans to also send the Report to investors for whom the Receiver has e-mail addresses.

J. Investor Interviews

The Receiver and his team continued to communicate with investors and investment advisors (many of whom represent multiple investors) who have approached the Receiver, at their request. Since the Receiver's First Report, the Receiver and his Retained Professionals have been in contact with over one hundred investors. The Receiver also maintains a repository of documents that investors have provided.

K. Receivership Entities' Records

The Receivership Entities' records contain millions of pages of documents, including relating to: (1) assets, (2) operations, (3) personnel files, (4) marketing, and (5) compliance with industry norms and regulations. The Receiver and his Retained Professionals have continued to spend significant amounts of time reviewing the Receivership Entities' corporate records. Through such review and analyzation, the Receiver and his Retained Professionals are able to operate the ongoing business operations of the Receivership Entities, and gain a fuller understanding of the SPVs and loan portfolio holdings. Additionally, the Receiver and his Retained Professionals continue to investigate possible litigation targets, and review documents in order to recover and preserve assets of the Receivership Estate.

Due to the nature of the Receivership and the fact that at the time of the Receiver's appointment, the offices of the Receivership Entities had already closed, all documents and files

stored at the Aventura Florida office were moved to a storage unit in North Miami, Florida. In the course of the Receiver's investigations into the corporate records and documents of the Receivership Entities and in an effort to organize and catalogue the hundreds of thousands of files maintained in the North Miami storage unit, the Receiver's professionals reviewed over 70 boxes of files and records and prepared an index. After review, the Receiver and his Retained Professionals determined that the files located in the North Miami storage unit relate primarily to the loan portfolio of the Master Fund. The Receiver terminated the storage unit lease and moved the records to GJB's Miami office.

The Receiver and his team reviewed thousands of documents related to, among other things: monthly portfolio reporting and NAV calculations; contracts for banking services and financial consulting agreements with borrowers; financial statement working papers; reconciliations between the Master Fund and the Feeder Funds; capital ledgers for the Master Fund and Feeder Funds; fund transfer confirmation documents related to financial audits performed over time; SPV analysis performed by the Receivership Entities; marketing materials used in connection with investors; and internal operations emails.

L. Claims

Feeder Fund Ltd. has three hundred and thirty-seven investors from forty-one countries. Feeder Fund LP has a total of forty-one investors, only one of whom appears to be a foreign investor. The total amount of investor claims will likely exceed \$500 million. Certain of the purported investors have taken the position that their interests should be treated differently from other shareholders under Cayman Islands law. Specifically, certain investors are taking the position that their interests should get preferred treatment as redemption creditors. Other investors have claimed that they paid subscription monies but did not receive any shares, and therefore, their

investment monies were held on trust and the Receiver was obligated to return them immediately.

In addition, there may be other third parties who provided services and facilities to the Receivership Entities who may have claims. Also, some former employees may attempt to assert claims against the Receivership.

The unique nature of this Receivership may present the need for multiple classifications of claims. The Receiver has not yet established a formal claims process. The Receiver plans on submitting a proposed claims and distribution process for Court approval within the next 90 days, so as to ensure that when it is appropriate to make distributions, such distributions are not delayed.

IV. CAYMAN ISLANDS PROCEEDINGS

During this Second Reporting Period, the Receiver and his Retained Professionals have continued to communicate with the Cayman Islands Monetary Authority in order to keep it apprised with respect to the Receivership. Additionally, Collas Crill continued to assist the Receiver by providing analysis into claims made by subscribers who did not receive shares in Feeder Fund Ltd. following their payment of subscription monies. Negotiations regarding the potential proposed protocols with the Cayman Islands Joint Official Liquidators (“JOLs”) paused as of mid-July, 2020. The Receiver and JOLs, however, have continued to discuss other avenues in which to work cooperatively.

V. RECEIVERSHIP ESTATE ASSETS

A. Cash Assets

In accordance with the Receivership Order, the Receiver and GJB continue to identify financial accounts associated with the Receivership Entities, advise these financial institutions of the existence of the Receivership Estate and the asset freeze ordered by the Court. To date, the Receiver has recovered \$13,773,054.00 for the Receivership Estate. In addition to the Receivership

Estate's bank accounts at Axos, the following is a brief description of the steps taken regarding financial institutions since the filing of the First Report:

i. BB&T/Truist Bank: BB&T was the primary banking institution for the Receivership Entities' portfolio and SPV operations. On May 11, 2020, there were twelve (12) bank accounts operated by FMGC at BB&T. The Receivership Entities primarily used the BB&T accounts to secure loan or investment banking fee payments from debtors and SPVs, which accounts FMGC could "sweep" upon the debtors' receipt of payment from, keep FMGC's loan or fee payment and then wire the remainder to the borrowers.

As of the beginning of the Second Reporting Period, FMGC had six accounts at BB&T. The Receiver closed two accounts during this Second Reporting Period. Accordingly, four accounts remain active for the benefit of SPVs that the Receivership owns or controls. DSI provides an oversight function to check and verify SPV cash transfer, disbursement, and payroll requests to fund the SPV business operations. The underlying funds reside at the SPV level, and the Receiver and his Retained Professionals have visibility and oversight into the accounts noted below.

<u>SPV Name</u>	<u>Bank Name</u>	<u>Balance as of September 30, 2020</u>
Arrayit	BB&T	Account Closed
Redfin	BB&T	Account Closed
Zenergy	BB&T	\$10,550
Xcell	BB&T	\$596
Transmarine	BB&T	\$59,655
Transmarine	BB&T	\$65,496

The Receiver maintains one additional BB&T account. This account is a general lockbox to receive funds deposited from various loan portfolio clients and is maintained in case additional funds are received from portfolio clients, even though the Receiver and his Retained Professionals have directed loan portfolio clients to begin making payments instead to the receivership accounts at Axos Bank.

<u>SPV Name</u>	<u>Bank Name</u>	<u>Balance as of September 30, 2020</u>
TCA Fund	BB&T	\$113,882

ii. Morgan Stanley:

During the Second Reporting Period, the Receiver and his Retained Professionals did a further analysis of the Morgan Stanley accounts held by the Receivership Entities. Based upon this investigation, the Receiver has demanded the turnover of \$394,094.00 from Morgan Stanley and anticipates securing these funds during the next quarterly period.

iii. JP Morgan Chase: The Receiver recently discovered a Receivership Entity account at JP Morgan Chase. The Receiver served JP Morgan Chase with a subpoena on October 13, 2020 to secure documents and information relating to this account. To date, JP Morgan Chase has not responded to the subpoena.

B. Special Purpose Vehicles

The Receivership's most valuable assets identified to date are businesses that the Master Fund owns (typically as 100% member/manager) through SPVs. The Master Fund typically began its relationship with these businesses by providing secured debt financings. When the borrower failed to meet its obligations, the Master Fund filed suit and ultimately executed an Article 9 UCC foreclosure sale of the borrower's assets to a newly formed entity owned by the Master Fund that

would resume operations. The Receiver is currently managing sixty (60) SPVs, registered in a number of jurisdictions both domestic and international. The sixty (60) SPVs are not all currently operating. Accounting for dormant entities, there appear to be approximately forty-seven (47) SPVs that are either operating or own property of potential value to the Receivership Estate.

Below is a summary of the SPVs and their status, broken down into investment categories.

1. SPV – Domestic²

Pivot Energy. To date, Pivot Energy has a pipeline of over 150 Megawatts of electricity currently in development all over the United States. In 2019, the company grew its revenue by almost 240%. During the Second Reporting Period, Pivot Energy management, DSI and the Receiver undertook a comprehensive selection process to identify and retain an investment bank with expertise in marketing and selling solar energy developers. Following selection of the prevailing candidate and negotiation of an engagement letter on discounted terms, the Receiver on October 26, 2020 filed a Motion for Approval to Retain CohnReznick Capital Markets Securities, LLC as Investment Banker for this assignment [ECF No. 62]. The Court subsequently granted the motion. *See* [ECF No. 63]. Thereafter, CohnReznick, Pivot's management, DSI, and the Receiver began the marketing process and preliminarily anticipate a sale in the first quarter of 2021.

TCA Broward Collision, LLC. During the Second Reporting Period, legacy issues relating from prior ownership of the entity have resulted in several lawsuits that have clouded the occupancy of both the existing Broward Collision Service Center and the intended new location of the service center.

Adverse results in these lawsuits could materially affect the prospects of Broward Collision's viability, and in October 2020, the landlord of the current operating facility served

² For a detailed analysis of each asset and its position within the portfolio, please see Section 6.B of the First Report.

Broward Collision with an eviction notice. Attempts to resolve some of these issues have not been successful, partly because of the placement of TCA ICAV into its own receivership under Irish law, and the overall complexity of the situation. TCA ICAV holds the note and mortgage on one of the locations on which Broward Collision operates. Further, extended uncertainty regarding Broward Collision's legal situation may adversely affect its relationship with Carstar as the franchisor, and could further imperil Broward Collision's ability to continue as a going concern. The litigation involved in this matter is detailed below in Section 5.E, *supra*.

National Healthcare/Champion Pain Care. As stated in the First Report, the Master Fund had been negotiating a sale of the practices back to the physicians on behalf of the Master Fund. The Receiver continues to evaluate the best strategy to maximize value to the Estate.

TPNI. As stated in the First Report, TPNI consists of three separate divisions. During the Second Reporting Period, the web division suspended operations with the departure of the division's employees. TPNI also received a cease and desist letter from the prior owner of one of the divisions within TPNI. TPNI and the Receiver are evaluating counter-claims against the prior owners for interference in TPNI's operations. There is little synergy between the three divisions, and all three divisions are located in separate cities. The TPNI investment is currently cash flow negative and the Receiver and his professionals anticipate that the TPNI investment will require additional capital later in the year if not sold before that time. Approximate revenues for 2020 will be substantially below \$2 million.

During the Second Reporting Period, TPNI experienced the departure of the key personnel in its web development division. Management of TPNI is evaluating the potential ramifications of this development upon its business. The Receiver has initiated a sale process with a goal of closing the transaction by early fourth quarter of 2020. A proposed sale of TPNI to its management has

been accepted in concept and the Receiver is drafting definitive documentation evidencing same. No material recovery is expected.

Transmarine. During the Second Reporting Period, Transmarine has continued to operate on a positive basis without need for capital infusion. While it is possible that some of the maintenance work currently being performed is a pull-forward of demand, Transmarine is optimistic that demand will remain strong in the future. The Receiver continues to monitor this investment and is considering strategic options. Since the First Report, the Receiver and his Retained Professionals have been working with Transmarine and tax professionals retained by Transmarine to address certain IRS issues that existed prior to the appointment of the Receiver. Upon resolution of these issues, the Receiver plans to execute on a plan to maximize value for this Receivership asset.

Xcell Networks. Xcell Networks has historically had issues managing cash flow, partly due to the project nature of the work and long billing cycles. Recent demand also appears to have been negatively impacted by the pending merger between Sprint and T-Mobile. Xcell Networks recently furloughed workers due to funding issues. Prior to this occurring, the Receiver and DSI selected and retained Earl Corporate Advisors as an investment banker to run a sales process for Xcell Networks in order to maximize the benefit of the asset to the Receivership Estate. The Receiver filed a motion to retain the Earl Corporate Advisors and authorize the payment of the \$10,000.00 retainer [ECF No. 66], which this Court subsequently granted. [ECF No. 67].

In addition, the Receiver and his Retained Professionals are working with Xcell to address certain IRS issues that existed prior to the appointment of the Receiver. The Receiver and his Retained Professionals have been in contact with the tax professionals hired by Xcell to assist in developing the best strategy to resolve these issues.

2. SPV – International

InduMate. As stated in the First Report, InduMate is comprised of several Swedish entities. Since the First Report, the Frykenmontage AB subsidiary has been sold to its management with the proceeds being held as collateral supporting the bank loan for the other subsidiaries. The sale of a second subsidiary, InduMate Karlstadt, also closed in October 2020. Indumate's independent restructuring officer, Peter Wahlberg, is optimistic that the last subsidiary, InduMate Gavle, can be sold by year-end. As part of the subsidiary sales, InduMate AB is being wound up and the ultimate sale proceeds will be used to fund Swedish statutory liquidation requirements and pay off the SPV's secured bank debt in Sweden, with remaining proceeds to go to the Receivership Estate.

Cleland Ltd. Since the First Report, the Receiver has been in communications with former TCA counsel in Scotland regarding the status of re-registration of this property. Based upon the allegations made by the SEC against the Receivership Entities, Scottish counsel identified several new steps necessary to complete the re-registration process outlined in the First Report. In the short term, the Receiver will finalize the retention of counsel in Scotland and complete the re-registration process to eventually sell the Cleland property.

JLE Holdings, LTD/Zeecol. The Master Fund is the 100% equity owner of the JLE Holdings, LTD/Zeecol investment, but a prior owner has asserted an existing economic ownership stake in the company. The Receiver's attorneys are evaluating the claims and determining the proper response. The ongoing business operations of JLE is projected to remain stable throughout the remainder of 2020. The company's pipeline of work has been limited due to COVID-19, but they are working current backlog and adjusting projects to the current environment. The company has an outside CRO, Connor McElhinney of the advisory firm McGrathNicol, who is assisting in

the management and turnaround of the operations. His fees are paid directly by JLE. All the aforementioned activities preceded the Receivership. JLE Holdings, LTD/Zeecon is looking to refinance their existing line of credit to maintain ongoing operational costs. Further strategic options will be dependent on the legal review of the JLE Holdings, LTD/Zeecon's ownership status under appropriate United States and New Zealand law.

3. SPV – Real Property and Other Assets

Galveston, Texas Real Property (a/k/a Viridis). TCA Acquisitions III, LLC (FL), a wholly-owned Master Fund SPV holds title to certain real property located in Galveston, Texas that was recovered from a former borrower, Viridis. Prior to the Receiver's appointment, the Defendants looked into having this property authorized as a wetlands mitigation bank. The three parcels comprise approximately 2,241 acres in the Galveston, Texas area. The appraisal value for tax purposes is \$275,050 for the three lots.³

Subsurface oil and gas lease rights held by third parties exist on the property. Oil and gas lessees cannot extract gas or oil without purchasing the surface rights or obtaining an easement from the Receiver. GJB, through its communications with the law firm of Baker, Donaldson, learned that a Houston oil and gas company, Hilcorp Energy Co., has plans to drill for oil on the property. In order to do so, Hilcorp requires access to bring an oil rig through the canal adjacent to the property. In addition, the U.S. Army Corps. of Engineers is requiring Hilcorp to perform on-site mitigation through building up the marsh, in order to maintain the waterway.

Through communications with Receiver's counsel, Blake Hoffman of Hilcorp has made a preliminary offer to purchase the property in its entirety. In accordance with 28 U.S.C. §2001(b), the Receiver is working with Hilcorp to obtain the required court-approved additional independent

³ The figures are drawn from the Galveston, TX Central Appraisal District.

appraisals, to seek confirmation of a private sale to Hilcorp, if the sale price is adequate and the conditions of 28 U.S.C. §2001(b) are otherwise met. If the sale price is sufficient, the Receiver believes that the sale to Hilcorp may yield the maximum value of this property for the Receivership, given Hilcorp's stated need to purchase the property to accomplish its offshore drilling.

Lexington, North Carolina Real Property. TCA Share Holdings, LLC (f/k/a TCA MCA, LLC (NV)), is the title holder of certain real property located at 419 Salem Street, Lexington, North Carolina. The Master Fund is the 100% equity owner of TCA Shareholdings, LLC. The Receiver will begin the process of selling this property in the near future.

Mint Leasing Vehicles. As stated in the First Report, the auctions run by Center Street Finance were stalled due to the COVID-19 pandemic. In recent weeks, however, the auctions resumed. Center Street Finance successfully auctioned off all vehicles and paid the net proceeds in the amount of \$46,019.22 to the Receiver.

4. SPV – Others

Below is a list of other SPVs owned by the Master Fund that have no current operations and no significant assets.

- TCA Royalty Foods I, LLC (FL)
- TCA Crescent Construction Company LLC (FL)
- TCA MLM Marketing, LLC (FL)
- Fundamental TCA LLC (FL)
- TCA EF4K Services, LLC (FL)
- TCA Floral Marketing, LLC (NV)
- TCA – GFS Corp (FL)
- TCA – Go Green SPV, LLC (FL), which includes Go Green Hydroponics, Inc. (CA)
- TCA Home Health Care, LLC (Being Used for MOTA) (FL)
- TCA Hotel Management, LLC (FL)
- TCA Hydroponics Supply, LLC (f/k/a TCA Jolin Foods, LLC) (FL)
- TCA Maritime Ventures, Inc. (Marshall Islands)

- TCA Medical Group, LLC (FL)
- TCA Mountain Resources, LLC (FL)
- TCA NY Bulbs, LLC (FL), which includes Veriteq Corporation (FL)
- TCA LUC Group, LLC (FL)

C. Loan Portfolio

The Fund prospectuses, annual financial audits, and monthly and other reports suggest that one of the Receivership's most substantial and valuable asset categories should be performing loans. As explained in the Receiver's First Report, however, the Receiver and his Retained Professionals discovered that there were only two performing loans, and seven others that are paying regularly, but far less than the monthly amount due under their loan agreements. The remainder of the loan portfolio is entirely non-performing. As such, during the Second Reporting Period, DSI further stratified the loan portfolio into the categories listed below. These categories are intended to qualify the portfolio. Such qualification, however, is a work in progress and will likely result in many of the loans going into litigation. DSI is working diligently to document each loan portfolio with the following possible outcomes: (1) performing and current on contractual payments; (2) possible sale of the loan individually or as part of a portfolio sale; (3) referral to legal counsel for default and collection; or (4) referral to legal counsel for collections litigation.

A summary of the loan portfolio,⁴ including those that are in litigation, is outlined below:

1. Communicating and Making Payments

Amian Angels (f/k/a Oncologix):

Loan Origination:	January 2014
Loan Principal:	\$500,000
Last Payment:	September 2020
Remaining Balance:	\$198,031.12
Status:	Communicating and Submitted/Will Submit Settlement Proposal

⁴ Interest is calculated in Section V.C as of June 1, 2020.

Oncologix Tech Inc. and the Master Fund entered into a Revolving Convertible Promissory Note on January 3, 2014 for \$500,000. In April 2016, Oncologix Tech Inc. entered into a settlement agreement with the Master Fund for the amount owing at the time of the default (\$2,113,008 principal at an interest rate of 18%). Oncologix Tech Inc. defaulted on the settlement. On August 28, 2018, Amian Angels, the revenue generating subsidiary of Oncologix Tech Inc., filed for Chapter 7 bankruptcy.

The Master Fund won the bankruptcy auction as to Amian Angel's assets. On or about November 1, 2018, the assets were acquired from the Master Fund for \$400,000 and the Master Fund entered into a new \$1 million Revolving Line of Credit Loan at 8% interest in a newly-formed company, Amian Care Services, LLC. Amian Care Services, LLC agreed to pay 100% of the Master Fund's legal fees (\$12,000.00) and all legal fees owed to the to the bankruptcy trustee (\$5,000.00).

Amian Angels is currently making monthly payments under its payment schedule of \$8,030.53 directly into the Receivership accounts. DSI is discussing resolution of the outstanding indebtedness with Amian.

epWorld

Loan Origination:	December 2012
Loan Principal:	\$550,000
Loan Interest:	\$60,149.46
Remaining Balance:	\$610,149.46
Last Payment:	September 2020
Status:	Communicating and Making Payments

epWorld's business is a magazine catering to the disabilities and special needs community located in Florida. On December 31, 2012, the Master Fund and epWorld entered into a Senior Secured Revolving Credit Facility for a \$5 million secured revolving loan. On November 2, 2016, the Master Fund and epWorld entered into a Forbearance and Release Agreement acknowledging

CASE NO. 20-CIV-21964-CMA

epWorld defaulted under the credit agreement and the existing debt owed at the time of default. In consideration for the immediate assignment and transfer of 100% of the voting common stock of epWorld to TCA EP World LLC (SPV), TCA agreed to forbear and release the individual guarantor from obligations under the credit agreement or the validity guaranty. Monthly payments of \$1,417.00 were being made to the Master Fund. The last payment made to the Receiver by the epWorld was on July 15, 2020. The Receiver and his Retained Professionals are communicating with epWorld about its past due payments and resolution of its payment obligations.

Pacific Ventures

Loan Origination:	June 20, 2017
Loan Principal:	\$2,500,000
Loan Interest:	\$412,627
Total Balance:	\$2,803,813
Status:	Further Communication and Review Required

Pacific Ventures (“PACV”) is a public company located in Southern California. PACV has three divisions, San Diego Farmers Market, SnoBar and Seaport Meat. SnoBar is non-operational.

San Diego Farmers Market is a farmers market in San Diego, California. The Master Fund entered into an agreement to provide a Senior Secured Credit Facility of up to \$6,000,000 to PACV. The Receiver understands from the parties that PACV used financing to purchase the farmers market. Per the Master Fund’s books and records, the balance on the loan is \$2,803,018.00 as of June 1, 2020. PACV also owes the Master Fund an investment banking fee of \$2,500,000.00 for obtaining additional financing for PACV to purchase Seaport Meat, a meatpacking and meat purveyor business. That additional financing, in the amount of \$4,000,000.00 was provided by TCA ICAV. Additionally, the Master Fund holds a security interest over the San Diego Farmers Market.

Prior to the Receiver’s appointment, the Defendants permitted PACV to pay only \$10,000.00 (not the required \$75,000.00) per month, to avoid a default so PACV could attempt to

do a capital raise. PACV is in the process of attempting to complete a capital or debt raise to pay off the purchase debt for both San Diego Farmers Market and Seaport Meat. The Receiver has communicated directly with counsel for PACV on a number of occasions regarding its attempts to satisfy its obligations to the Receiver and has specifically reserved all rights available to the Receivership in respect of seeking to recover against PACV based on the full \$75,000.00 monthly amount due.

2. Active, Pre-Litigation Matters

Redfin Network

Loan Origination:	September 2012
Loan Principal:	\$552,063
Loan Interest:	\$149,240
Total:	\$701,303
Status:	Communicating and Submitted/Will Submit Proposal

The borrower was a credit card processing business, located in Florida, which was transferred to the Master Fund in lieu of foreclosure in July 2013. The borrower was making payments until March 2020. The Master Fund was negotiating a \$200,000.00 payoff with the borrower, but recently, the borrower indicated that it would not be able to pay \$200,000.00 and would like to work out a different settlement. The business appears to be shuttered and settlement discussions are ongoing.

Nassau Holdings

Loan Origination:	April 2017
Loan Principal:	\$263,005
Loan Interest:	\$33,938
Total Outstanding:	\$296,943
Last Payment:	September 2020
Status:	Communicating and Submitted/Will Submit Settlement Offer

Nassau Holdings provides media and communications services, real estate, marine services, and food services through its subsidiaries. Nassau Holdings owns and operates radio

CASE NO. 20-CIV-21964-CMA

broadcasting stations in Maine, New Hampshire, Vermont, New Jersey, Pennsylvania, and Maryland. For this transaction, the Master Fund only took a senior position on three (3) entities (Nassau Publications, LLC, RH LeChard Marine Contracting, and Nassau Journals, LLC). Nassau and the Master Fund entered into a Senior Secured Credit Facility Agreement for \$3 million and a promissory note for \$675,000.00 effective March 31, 2017 that was extended (maturity date) on October 5, 2018 and again on August 5, 2019. The borrower has been making the \$500 per week payment and per discussions with the Receiver and DSI will continue until the borrower has the ability to refinance. Alternatively, the borrower proposed a *de minimis* settlement proposal and DSI continues to advance settlement discussions.

Arrayit

Loan Origination:	June 2018
Settlement Principal:	\$379,365
Accrued Interest:	\$2,787
Total:	\$91,248
Status:	Communicative and Submitted/Will Submit Settlement

DSI has been in communication with the borrower and has provided requested lockbox information to assist in the borrower reconciliation of account balances. The Receiver and DSI are working with the borrower to formulate a plan of repayment or settlement.

Inventergy Global Inc.

Loan Origination:	December 2017
Loan Principal:	\$2,326,418
Loan Interest:	\$1,121,333
Fees w/ Interest:	\$8,784,388
Total Outstanding:	\$12,232,139
Status:	Non-Responsive and Not Paying

The borrower is an intellectual property and patent litigation company located in California. The loan is in default as of April 29, 2018 and the last payment was made on May 28, 2018. A settlement agreement was entered into in November 2018, pursuant to which borrower was to obtain other financing by February 28, 2019, in the amount of at least \$1 million. Pursuant

CASE NO. 20-CIV-21964-CMA

to the settlement agreement, the Master Fund and the other lender would then enter into an inter-creditor agreement, and the Master Fund would receive \$200,000 at closing. The borrower did not obtain financing pursuant to the terms of the settlement agreement, and at this time, no inter-creditor agreement exists. Additionally, no payments have been made to the Master Fund for over two years. DSI has attempted to contact the guarantor, however, the guarantor has not been responsive to multiple attempts.

First Class Vacations

Loan Origination:	April 2014
Loan Principal:	\$639,184
Loan Interest:	\$540,277
Total:	\$1,179,461
Status:	Responsive and Not Paying

The borrower is a cruise ship business located in Florida. The loan went into default in 2016. In September 2019, a forbearance agreement was entered into, which required the borrower to make monthly payments of \$100,000 beginning in January 2020 to the Master Fund. The Master Fund is the senior secured creditor on all of the borrower's assets, as well as holds a personal guaranty. The borrower only made one partial payment in February 2020, and is currently in particular distress due to the cancellations of reservations and shutdown of the cruise ship industry caused by the pandemic. DSI has requested financial statements and information to corroborate the borrower's stated inability to pay. The Receiver will continue to investigate and analyze this situation to determine the best course of action.

GrowSolutions

Loan Origination:	December 2015
Loan Principal:	\$545,823
Loan Interest:	\$383,395
Total:	\$929,218
Status:	Responsive and Not Paying

The borrower, located in Colorado, defaulted on the loan in June 2017. The borrower

CASE NO. 20-CIV-21964-CMA

assigned the company to the Master Fund and all of the assets were sold. DSI has been in communication with the borrower and repayment discussions are ongoing.

Bitzio, Inc. (aka Cleantech)

Loan Origination:	December 2015
Loan Principal:	\$5,318,568
Loan Interest:	\$641,366
Remaining Balance:	\$5,959,933
Last Payment:	January 2020
Status:	Non-Responsive

The Master Fund loaned money to Bitzio, Inc., located in Georgia, to purchase GS Cleantech. GS Cleantech is in the ethanol production industry. The loan in is in default as of October 11, 2019. Bitzio, Inc. stopped making royalty payments to the Master Fund in January 2020. The Master Fund is a senior secured creditor on all Bitzio, Inc.'s assets. DSI has made multiple attempts to contact the borrower who has been non-responsive. The Receiver will continue to investigate and analyze this situation to determine the best course of action.

ITS Solar

Loan Origination:	June 2017
Loan Principal:	\$3,481,500
Loan Interest:	\$1,325,125
Total:	\$5,066,728
Status:	Non-Responsive

ITS Solar is a solar panel, automation and services company based in Millstadt, Illinois. The Master Fund is a senior secured creditor on all of IT Solar's assets. Additionally, there is a personal guaranty on the loan. The last payment made on the loan was May 2020. The borrower has been non-responsive to communication attempts from DSI. The Receiver has also attempted to communicate with the borrower but has not received the requested information regarding ITS Solar's financials.

LUC Group

Loan Origination:	July 2019
Loan Principal:	\$1,958,004

CASE NO. 20-CIV-21964-CMA

Loan Interest:	\$117,606
Fees w/ Interest:	\$321,081
Total:	\$2,396,691
Status:	Non-Responsive

The borrower provides sewer and water utility infrastructure installations in Illinois. The LUC Group loan is currently in default, though no official default notice has yet been sent. The last payment was made on November 29, 2019. The borrower offered to settle the loan for a minimal payoff amount. Previously, the Master Fund and FMGC attempted to obtain the financials of LUC Group, but the borrower has not provided any as of the filing of this Report. Additionally, the Master Fund is a senior secured creditor on all of Luc Group's assets, as well as holds a personal and spousal guaranty. DSI has continued communication attempts with the borrower, however, the borrower has been non-responsive.

DroneUSA, Inc.

Loan Origination:	September 2016
Loan Principal:	\$5,753,041.67
Loan Interest:	\$1,754,964.07
Total Outstanding:	\$7,508,005.74 ⁵
Status:	Further Communication and Review Required

DroneUSA, located in Connecticut, is one of two divisions of Bantek. The other Bantek division is Howco Distribution. Bantek is a public company. The Master Fund and Drone USA entered into a Senior Secured Credit Facility Agreement for \$6,500,000 and a Convertible Promissory Note for \$3,500,000 effective September 13, 2016. In April 2017, the borrower defaulted and entered into a settlement agreement with the Master Fund in January 2018. Pursuant to the settlement agreement, the original Promissory Note was split into two replacement notes: First Replacement Note A for \$1,000,000 and First Replacement Note B for \$4,788,641.67. The settlement agreement was amended in November 2018 to consolidate the two First Replacement

⁵ This amount is effective as of July 31, 2020.

CASE NO. 20-CIV-21964-CMA

Notes into one Second Replacement Note for \$6,018,192.42 and to resolve existing defaults. In September 2019, the borrower defaulted and has not made a payment since July 2019.

The Receiver and his professionals discovered in their investigation, however, that DroneUSA appears to be non-operational. The related businesses have significant debts, lack of liquidity, hangover contract liability issues, and management problems. The value of this loan is unclear at this time give the lack of liquidity along with limited assets that constrain any financing of the operations. The Receiver will continue to investigate and analyze this situation to determine the best course of action.

Sofame Technologies

Loan Origination: December 2017
 Settlement Principal: \$75,000
 Total Outstanding: \$75,000
 Status: Non-Responsive

The Court confirmed the Receiver's authority to enter into an asset assignment agreement with respect to Sofame Technologies, Inc., which should net an additional recovery to the Receivership Estate of approximately \$49,000. [ECF No. 40].

MPI

Loan Origination: February 2019
 Loan Principal: \$30,000
 Total Outstanding: \$28,700
 Status: Communicative and Will Submit Settlement Proposal

DSI contacted the borrower who submitted a settlement proposal and the Receiver's negotiations continue.

3. Settlement Agreements

Hearts & Hands

Total Outstanding: \$2,216,643
 Status: Chapter 11 Bankruptcy

Hearts and Hands of Care, Inc. is respite services and human health care facility that

CASE NO. 20-CIV-21964-CMA

facilitates access to quality services and supports that foster independence, personal choice, and dignity to individuals with disabilities, seniors and vulnerable adults. Hearts and Hands filed for Chapter 11 on July 22, 2019. The Master Fund filed a Proof of Claim for \$1,985,000.00 on November 18, 2018. The debtor confirmed a plan on July 1, 2020. In September 2020, under the confirmed bankruptcy plan, the Receiver received the first installment payment of \$20,000.00 from the debtor.

Comprehensive Care

Loan Origination:	December 2017
Loan Principal:	\$428,711.61
Total Outstanding:	\$428,712
Status:	Non-Responsive, But Making Payments

The initial loan between the Master Fund and Comprehensive Care was for a \$1 million Revolving Convertible Promissory Note, effective April 30, 2013. The loan defaulted and the parties reached a settlement agreement in September of 2015. The agreement called for an initial payment of \$10,000.00 and monthly payments equal to 25% of the profits from its business. As of September 2020, payments have been received each month in accordance with the settlement agreement terms, and the amount received varies between \$200.00 and \$600.00. Additionally, the borrower sends an income statement each month, but has been non-responsive to DSI's requests for further discussions.

State Security and Investigations Services

Loan Origination:	March 2019
Loan Principal:	\$500,000
Total Outstanding:	\$428,074
Status:	Currently Making Payments

The borrower was a security company for schools and other businesses, but is currently defunct. The initial loan between the Master Fund and State Security and Investigation Services was \$500,000.00. The parties reached a settlement agreement in March 2019 for \$442,074.00.

Settlement payments of \$1,000.00 have been received each month in accordance with the terms of the settlement agreement.

Peak (Welch Settlement)

Loan Origination: September 2019
 Settlement Principal: \$150,000
 Total: \$123,974
 Status: Communicating and Making Payments

The two Peak guarantors entered into two separate settlement agreements of this defaulted loan in early 2019. The guarantor Welch entered into an agreement for payments totaling \$150,000.00 in February 2019. This settlement agreement required an initial payment of \$10,000, twelve (12) monthly payments of \$1,500.00 each, 50 monthly payments of \$2,826.00 each, and a final payment of \$1,736.00. The Welch guarantor is current on the payments under the settlement agreement.

Sprockets

Loan Origination: December 2013
 Settlement Principal: \$608,776
 Accrued Interest: \$2,097
 Total: \$610,873
 Status: Communicative and Submitted/Will Submit Settlement

Preferred Secured Agents, Inc. and the Master Fund entered into a Credit Agreement for \$5 million and a Revolving Note for \$1 million effective December 2, 2013. The Master Fund provided a second funding of an additional \$500,000.00 on May 4, 2014. A settlement agreement for this defaulted loan for \$800,000 was entered into in January 2019. The agreement called for an initial payment of \$200,000 (which was paid), twelve (12) monthly payments of \$2,000 each (which were also paid), and monthly payments of \$13,955.18 for the next four (4) years. In March 2020, a revised settlement agreement was entered into, which changed the monthly payment amount from \$13,955.18 to \$3,000 for twelve (12) months, and payments to increase to \$18,624.70

CASE NO. 20-CIV-21964-CMA

each subsequent month thereafter. The borrower is current on payments, and \$3,000 is wired to the Receiver each month. DSI has been in contact with the borrower who has submitted a *de minimis* settlement proposal. The Receiver and DSI continue to advance settlement discussions with the borrower.

Hypertension Diagnostics

Loan Origination:	October 2013
Loan Principal:	\$490,490.07
Loan Interest:	\$216,051.36
Total Outstanding:	\$706,541
Status:	Further Review Required

The Master Fund and Hypertension Diagnostics entered into a Senior Secured Revolving Credit Facility Agreement for \$3 million and a Revolving Convertible Promissory Note for \$550,000.00 effective October 10, 2013. The Credit Agreement was amended on February 12, 2014 to issue a First Replacement revolving Note for \$669,490.84. Thereafter, on October 20, 2014, the Master Fund filed suit against Hypertension Diagnostics for default. On July 1, 2015, the parties entered into a settlement agreement for \$616,287.95. The Master Fund (and Receiver) has received monthly payments of \$500.00 to date.

P&D Electric

Loan Origination:	August 2013
Settlement Principal:	\$553,713
Accrued Interest:	\$17,894
Total:	\$571,607
Status:	Further Communication and Review Required

The borrower is an electrical construction company located in New York. A settlement agreement for this defaulted loan was entered into for \$553,831.23 in October 2018. The settlement agreement called for monthly payments of \$4,000, which the borrower consistently made until early 2020. The Master Fund also received a security interest in property located in New York purportedly valued at approximately \$900,000 as part of the settlement. The borrower has

expressed an interest in paying the settlement off at a discount. The Receiver will continue to discuss with the borrower a possible resolution of the outstanding obligations.

Dryworld Industries, Inc.

Loan Principal:	\$1,515,000
Loan Interest:	\$1,130,733
Total:	\$2,645,733
Status:	Further Communication and Review Required

The borrower is located in Canada. The Master Fund has security interests in intellectual property and patents, and holds a personal guaranty. The parties were in the process of settling, but the potential purchaser stopped pursuing the settlement. Canadian counsel plans to check with the potential purchaser within thirty (30) days to determine whether the potential purchaser wants to continue with the settlement agreement.

Peak (Moss Settlement)

Loan Origination:	July 2015
Settlement Principal:	\$453,500
Accrued Interest:	\$75,583
Total:	\$519,083
Status:	Non-Responsive

The two Peak guarantors entered into two separate settlement agreements of this defaulted loan in early 2019. The guarantor Moss entered into an agreement for \$700,000 in January 2019. An initial payment of \$250,000 was made in January 2020, but the guarantor has not made any of the remaining payments. These payments were required to be made over 24 months. Attempts to contact the guarantor though counsel have been unsuccessful.

4g Metals

Loan Origination:	August 2018
Settlement Principal:	\$650,000
Accrued Interest:	\$11,565.59
Total Outstanding:	\$313,277
Status:	Non-Responsive

CASE NO. 20-CIV-21964-CMA

4G Metals is a metal recycling company. The Master Fund and 4G Metals initially entered into a Senior Secured Revolving Credit Facility Agreement for up to \$3 million, and a Revolving Note for \$2 million effective June 16, 2015. By January 25, 2016, 4G Metals was in default for failure to provide the Master Fund monthly reporting in accordance with the terms of the credit agreement. On August 20, 2018, the Master Fund and 4G Metals agreed to a settlement forbearance agreement of \$650,000.00 for this defaulted loan. The agreement called for an initial payment of \$200,000.00, and accrued interest at 6% per annum. Monthly payments of \$12,000.00 each were to be made through August 2019, and \$18,000.00 each through September 2020. The borrower made the initial payments and the required monthly payments through May 2019, a \$6,000.00 payment in July 2019, and a \$75,000.00 payment in October 2019. The borrower was attempting to find refinancing and pay off the settlement, but has not been in communication with the Master Fund or the Receiver, despite attempts, since February 2020.

iTeknik

Loan Origination:	December 2016
Loan Principal:	\$5,698,063.82
Loan Interest:	\$3,642,686.20
Fees w/ Interest:	\$5,101.58
Total Outstanding:	\$8,760,852
Status:	Further Review Required

The Master Fund and iTeknik entered into a Securities Purchase Agreement and a Senior Secured, Convertible, Redeemable Debenture for \$5 million effective December 20, 2016. As a result of existing defaults and other disputes between the parties, litigation was commenced on April 4, 2017. On June 21, 2019, the parties entered into a settlement agreement for \$4 million. iTeknik has not made any payments to the Master Fund under the terms of the settlement agreement.

Care Environmental

Loan Origination:	December 2017
-------------------	---------------

CASE NO. 20-CIV-21964-CMA

Loan Principal:	\$235,424.37
Loan Interest:	\$41,594.32
Total Outstanding:	\$277,018.69
Status:	Further Communication and Review Required

The Master Fund and Care Environmental initially entered into a Senior Secured Revolving Credit Facility Agreement for up to \$1.5 million, and a promissory note of \$675,000.00 effective December 29, 2016. The borrower's obligations are secured by a Security Agreement between the guarantor, on behalf of the borrower, and the Master Fund dated consistently with the effective Credit Facility Agreement date. The Master Fund Security Agreement provides continuing and unconditional first priority security interest in all assets and property. In addition, Goodman Factors entered into a Factoring and Security Agreement with the Master Fund and the borrower, giving the Master Fund ownership of certain accounts receivable purchased under the Factoring Agreement. The borrower defaulted on the loan in February of 2017 for failing to make certain payments in accordance with the terms of the Credit Facility Agreement. On March 12, 2018, the borrower entered into a Forbearance Agreement with a temporary forbearance period ending March 31, 2018.

Effective May 24, 2018, the Master Fund and the borrower entered into a Settlement Agreement with a Replacement Promissory Note of \$283,600.00 at a 14% per annum interest rate. In addition to the \$283,600.00 note, the Settlement Agreement stated that the borrower was to pay all other obligations due under the terms of the Credit Facility Agreement (the "Original Credit Agreement"), with an effective date December 29, 2016. The monthly payments per the settlement terms consists of six (6) payments of \$13,615.44 from November 30, 2017 through April 30, 2018, one (1) payment of \$24,450.00 payment on May 31, 2018, six (6) payments of \$36,389.00 (including a \$11,938.66 investment banking fee increase) from June 30, 2018 through November 20, 2018, four (4) payments of \$24,450.00 from December 31, 2018 through March 31, 2019, two

CASE NO. 20-CIV-21964-CMA

(2) payments of \$36,389.25 (including a \$11,938.66 investment banking fee increase) from April 30, 2019 through May 31, 2019, and five (5) payments of \$25,726.98 from June 31, 2019 through the maturity date of October 31, 2019. The borrower has not made any payments since the end of July 2019. The guarantor has been unresponsive DSI's contact attempts.

Hispanica International Delights

Loan Origination:	July 2016
Loan Principal:	\$150,000
Total Outstanding:	\$150,000
Status:	Further review required

The Master Fund and Hispanica International Delights entered into a Senior Secured Revolving Credit Facility Agreement for \$7.5 million and a Revolving Note for \$1.6 million effective July 5, 2016. On November 27, 2017, the Revolver and the Note were replaced by a Debenture for \$650,000.00. In April 2017, Hispanica International Delights defaulted on the loan, and the Master Fund commenced litigation against Hispanica International Delights and the corporate guarantors shortly thereafter. Then, Hispanica International Delights and the corporate guarantors commenced legal action against the Master Fund, which was subsequently voluntarily dismissed. On June 29, 2018, the Master Fund and Life on Earth f/k/a Hispanica International Delights entered into a confidential settlement agreement for \$560,000.00, comprised of \$410,000.00 cash payments and a \$15,000.00 stock payment. The Master Fund has received all of the \$410,000.00 cash payments and DSI is looking into whether this loan has been paid in full.

Fortran Corp.

This borrower has been making periodic payments since the appointment of the Receiver and has paid off the balance of the \$70,000 settlement agreement over the course of the last five months.

4. Judgments Previously Obtained

Dixie Foods: PRBI

Loan Origination:	December 2014
Loan Principal:	\$2,260,533.70
Judgment Amount:	\$2,589,325.70 as of June 6, 2016, plus default interest at 18% and attorneys' fees
Status:	Further Legal Review Required

The Master Fund and Preferred Restaurant Brands entered into a Debenture for \$1 million effective December 31, 2014. The Debenture was amended on October 27, 2015 to increase the principal borrowing to \$1,460,553.70. The inter-creditor agreement entered into as part of the Debenture was amended on November 11, 2016 to increase the principal borrowing by \$150,000.00. On March 10, 2016, the Master Fund commenced litigation against the borrower for \$2,611,931.40 owed on the Debenture and to assert enforcement of the guarantee against guarantors. On June 21, 2016, a final judgment was entered against the defendants, and on August 18, 2017, the Master Fund dismissed one of the guarantors from the judgment.

Patient Access Solutions

Loan Origination:	August 2016
Loan Principal:	\$778,500
Judgment Amount:	\$1,099,294.50
Total Outstanding:	\$1,043,376
Status:	Further Legal Review Required

The Master Fund and Patient Access Solutions entered into a Senior Secured Credit Facility and a Convertible Promissory Note for \$700,000.00 effective September 16, 2016. The borrower defaulted and the parties entered into a Forbearance Agreement on December 17, 2017. The Master Fund commenced litigation against the borrower on September 29, 2017, and subsequently obtained a judgment against Patient Access Solutions and the individual guarantor for unpaid amounts accrued and owing on October 19, 2018. The borrower made one post-judgment payment in January 2019.

5. Litigation Matters

FlameX Inc.

Loan Principal:	\$4,100,000
Loan Interest:	\$4,409,843
Total:	\$8,509,843

FlameX Inc., located in Canada, designs and produces mold resistant coating for wood products. Prior to the Receiver's appointment, FlameX filed for bankruptcy in Canada. The last payment made by the borrower was in February 2016. There does not appear to be any assets or non-exempt income available to creditors at this time.

Zenergy Energy Services

Zenergy Energy Services, LLC ("Zenergy"), a publicly traded company located in Plano, Texas, specializes in the sale and management of Managed Energy Services Agreements, whereby Zenergy agrees to install and own select energy-efficient machinery and equipment at a client's site in return for a contractual portion of the resulting energy savings. The Master Fund was a senior secured creditor on all of Zenergy's assets and holds a personal guaranty. In November 2019, Zenergy filed for Chapter 11 bankruptcy protection, partly due to the debt owing to the Master Fund. Thereafter, TCA ICAV provided Zenergy with post-petition financing to fund operations. To date, Zenergy has been unable to confirm its bankruptcy plan due to a lack of exit financing.

6. Loans Requiring Further Investigation and Analysis

The following loans require the Receiver and his professionals to further investigate the nature of the loan, the borrower, and the best course of action. The Receiver will update this section as more information becomes available in subsequent reports.

- Canalytics / Zen – \$8,231,687 + \$5,538,750 Investment Banking Fee
- ECO-Waste - \$9,829,326
- StikeLeather - \$1,713,130
- Axiologix - \$1,659,235

- Artec Global Media - \$1,605,000
- The Staffing Group - \$1,364,981
- Brace Shop - \$1,355,339
- Texas Mills - \$1,007,088
- MailPix - \$909,722
- Elite Books - \$750,000
- Hightex Group - \$659,824
- Ludvik Holdings - \$538,650
- SeanieMac - \$300,532
- Sun Industries - \$245,000
- Kerr Utility Technologies - \$58,094
- Southbay Logistics

D. TCA Aerospace

In late October, DSI visited TCA Aerospace and met with TCA Aerospace management to better understand the operations and business models for each of the TCA Aerospace operating companies. Additional information has been requested of these operating companies that will be evaluated by the Receiver and his Retained Professionals upon receipt. TCA Aerospace is currently owned by the Opportunities Fund, but the Master Fund sold the company to the Opportunities Fund in a pre-Receivership transaction that resulted in a seller note as partial payment for the company's equity. The Opportunities Fund owes the Master Fund approximately \$8.5 million, with a security interest limited to \$5 million from TCA Aerospace in the Master Fund's favor to partially guarantee the obligations.

E. Litigation Initiated by the Master Fund Against Borrowers

The Receiver and his counsel, GJB, have made substantial progress in the litigation matters involving the Receivership Entities. GJB continues to work diligently to gather, analyze and pursue civil claims in litigation and bankruptcy proceedings in multiple jurisdictions, the majority of which involve monies loaned by the Master Fund to various businesses. The Master Fund and its related entities and subsidiaries are involved in active litigation in over 50 different matters,

pending in Florida, Georgia, Texas, New York, Connecticut, California, Arizona, Illinois, South Africa, Canada and Australia, in both state and federal courts. In the majority of these proceedings, the Master Fund is the plaintiff seeking to recover on secured credit agreements, notes and personal guaranties from borrowers and guarantors in default. Some of the remaining matters are more complicated, such as those where borrower entities and their principals have raised affirmative defenses and counterclaims sounding in fraud, breach of notice requirements in loan agreements, and unlawful lending practices by the Master Fund. Others involve significant internal disputes among the borrowers, guarantors and third parties surrounding the Master Fund loans, alleged schemes to defraud involving other the Master Fund borrowers, disputed rights to accounts receivable held by third parties, real property foreclosures, involuntary guarantor bankruptcy proceedings, and indemnification claims for costs awards and foreign tax liability.

Receiver's counsel has made significant strides in gathering, analyzing and assessing the factual and legal issues and hurdles that the Receiver must navigate in his efforts to recover on the Master Fund's defaulted loans. In active loan foreclosure proceedings, GJB has assigned legal professionals to prepare appropriate motions and pleadings, attend court hearings, and to pursue and complete favorable settlement negotiations where appropriate and beneficial to the Receivership. GJB has prepared or obtained full litigation summaries, representation proposals and litigation strategies from the Receivership Entities' former local counsel in proceedings outside of Florida. GJB has also successfully negotiated with counsel in other matters where the Master Fund or its related entities are defending lease, commercial construction services, mortgage foreclosure or other claims. GJB has advised the Receiver as to which active matters the Receiver should actively pursue, and is in the process of reopening and prosecuting those proceedings in order to secure final judgments or settlements. GJB is also obtaining proposals for retention of

local counsel where necessary and appropriate (subject to the Court's approval) to achieve favorable results in foreign jurisdictions. Finally, GJB continues to analyze the potential for asset recovery in the remaining proceedings, given the legal and factual hurdles particular to each, and the financial status of the relevant borrowers and guarantors. In each of these cases, it is the Receiver's goal to obtain monies due and owing from borrowers as efficiently and cost-effectively as possible, with an eye toward obtaining optimum recovery without the need to resort to continued litigation, wherever possible.

The following is an updated summary of the litigation matters that Receiver's counsel has been actively analyzing, pursuing and defending during this reporting period:

- ***TCA Global Credit Master Fund v. Montbriar, Inc., Paycation Travel, Inc., at al., Broward County Circuit Court, Case No. CACE-16-019532***
- ***Paycation Travel, Inc., Xstream Travel, Inc., and David Manning, v. TCA Global Credit Master Fund, Montbriar, Inc., Jeremy Monte, et al., Collin County Court, Texas, Case No. 199-03524-2016***

The Master Fund brought suit against the borrower and the guarantors for breach of a secured credit facility agreement and replacement note, pursuant to which borrower was loaned a total of \$9.2 million. Two of the corporate guarantors and its principal, Paycation Travel, Xstream Travel and David Manning, all located in Texas, filed a preemptive suit in Texas state court against the borrower and the Master Fund. The Florida court stayed the Florida proceeding pending conclusion of the Texas proceeding under the first-to-file rule. The Master Fund reached a settlement in the Florida action with the borrower and remaining guarantors, in exchange for cooperation and assistance in the Texas proceedings.

In the Texas proceeding, the guarantors pled claims against the borrower and the Master Fund for fraud and conspiracy in connection with the loans. The Master Fund raised counterclaims in the Texas proceeding for breach of the credit facility agreement and notes, and for fraudulent

transfer, tortious interference and unjust enrichment. Based upon limited discovery, those claims include Manning's transfer of at least \$2 million in funds from Paycation to another travel services company, Traverus, which continues to operate. The whereabouts of the remainder of the loan funds remains unknown. However, during the pendency of the proceeding, \$1.4 million in receipts held by a third-party credit merchant vendor was placed in escrow with the Texas court, pending determination of the Receiver's counterclaims to recover the loan proceeds. Despite vigorous opposition and motion practice from Manning's counsel, Receiver's counsel managed to secure a stay of those proceedings to allow time to analyze the merits of the case.

After careful review of the litigation files in both proceedings, the loan documents, pending summary judgment motions, and communications with the Master Fund's local counsel in Texas, Baker Donelson, the Receiver is in the process of retaining Baker Donelson to represent the Receivership in the Texas proceeding. The Receiver intends to complete limited discovery and pursue the pending motions for summary judgment to bring the matter to a close via final judgment or favorable settlement. Given the funds in escrow and the businesses currently operated by the guarantors, the Receiver believes there are sufficient assets available for recovery should his counterclaims be successful. Once local counsel is approved and retained, the Receiver's goal is to lift the stay and vigorously pursue this matter.

- ***TCA Global Credit Master Fund, L.P. v. Jeremy G. Ostrowski, Jocelyn Hughes-Ostrowski, and Estreamtv, Inc., Broward County Circuit Court, Case NO. CACE 17-019907 (02)***

On July 17, 2018, the Master Fund sued loan guarantors (and Canadian citizens) Jeremy G. Ostrowski and Jocelyne Hughes-Ostrowski to recover \$7.7 million in loans made to the Ostrowski's digital television 'on-site' advertising businesses (known as the Zomongo companies, operating out of Calgary, Alberta), on which the borrower defaulted. The Master Fund also sued

Estreamtv, Inc., a third party which likely holds accounts receivable intended for payment to the Master Fund in repayment of the borrower's debt. Receiver's counsel is moving to obtain a final judgment after a clerk's default was entered in the main Florida proceeding, with the intent to proceed to recover those assets from Estreamtv, Inc., and against the guarantors, who have filed bankruptcy in Canada.

Receiver's counsel, GJB, has been in extensive contact with the Master Fund's local Canadian counsel, Barry Crump, who filed proofs of claim on behalf of the Master Fund and has been monitoring those claims in each of those proceedings (*In Re: Bankruptcy of Jeremy Gene Ostrowski*, Estate No.: 25-2501205; *In Re: Bankruptcy of Jocelyne Ostrowski*, Estate No.: 25-2617256). A non-party judgment creditor, Radium, Inc., who secured a New York state court judgment of \$5.4 million against the Zomongo companies and the Ostrowskis, recently moved to lift the stay in the Canadian bankruptcy proceedings on allegations of fraud against the Ostrowskis—similar to those raised by the Master Fund in the Florida proceeding. Two evidentiary hearings have taken place on Radium's motion, which should be concluded within the next month. Radium's counsel is aware of the Receiver's status as a secured creditor of the Ostrowskis, and has made overtures to Receiver's counsel about reaching agreement if there are funds on which to recover. From Radium's discovery efforts, it appears that the Ostrowskis, through their related Zomongo entities, have bank accounts holding up to \$12 million in funds.

The Receiver believes that it is in the best interests of the Receivership Estate to retain Mr. Crump to continue to represent him in the active bankruptcy proceedings in Canada, with the goal being to secure substantial recovery of the loan amount as efficiently as possible. Mr. Crump has practiced before the judge in the bankruptcy court in Canada, and has a relationship with Radium's counsel. Mr. Crump has prepared a proposal for his retainer which the Receiver is considering. If

acceptable and approved by the Court, Mr. Crump will continue to monitor Radium's efforts to lift the bankruptcy stays, and will contact Radium's counsel in an effort to reach agreement to pursue maximum recovery on the \$7.7 million loan as efficiently as possible.

- ***TCA Global Credit Master Fund, L.P. v. Illegal Burger, LLC, J&F Restaurants, LLC, James M. Nixon, and Perla L. Nixon, Broward County Circuit Court, Case No. CACE-18-023812 (14)***

On October 8, 2018, the Master Fund brought an action against the borrower, a Colorado restaurant chain, and against the Nixons, as guarantors, seeking \$565,267.07 in unpaid principal, fees and interests due to borrower's default on a credit agreement and note. The borrower, Illegal Burger LLC, is a restaurant chain based in Denver, Colorado. Receiver's counsel has attended two status conferences in this proceeding, wherein the trial court lifted the stay and set the matter for trial in November 2020, upon the Receiver's representation of its intent to vigorously pursue recovery of the monies owed. Thereafter, under pressure from Receiver's counsel, Illegal Burger agreed to negotiate a settlement. Based upon financial statements secured by Receiver's counsel, it is apparent that Illegal Burger's restaurant business is struggling as a result of the current COVID-19 pandemic. Illegal Burger initially offered \$60,000 to settle the case. However, due to the Receiver and GJB's efforts to pressure Illegal Burger through counteroffers, Illegal Burger finally agreed to a settlement of \$150,000, payable in full to the Receiver within 90 days of execution. Pursuant to that agreement, should the borrower and guarantors fail to timely make payment, the Receiver is entitled to a consent judgment of \$400,000. The parties are currently reviewing the written settlement agreement for execution, and trial has been continued until November 30, 2020.

- ***TCA Global Credit Master Fund, L.P. v. Medytox Solutions, Inc., Health Technology Solutions, Inc. F/k/a Medytox Information Technology, Inc., et al., Broward County Circuit Court, Case No. CACE-18-018385 (21)***

CASE NO. 20-CIV-21964-CMA

On August 1, 2018, the Master Fund filed suit seeking \$2,029,748.20 in principal, fees and interest against a defaulted borrower and guarantors on loan agreements in connection with a senior secured redeemable debenture. The total loan amount was \$1,741,892.51. The borrower is an integrated medical solutions provider operating out of Carson City, Nevada. On December 12, 2018, the Master Fund amended its complaint to include claims related to an inter-creditor agreement with Sabby Management, increasing the amount sought to \$2,421,315.10. The Master Fund claims that Sabby's refusal to authorize its claims against the defendants for debt owed to Sabby is a breach of their inter-creditor agreement.

Prior to the Receiver's appointment, the defaulting parties did not vigorously defend this lawsuit. However, the Master Fund's former counsel and counsel for the defendants agreed to put the litigation on hold to enter into informal settlement negotiations, which were never consummated. Since that time, Shutts & Bowen has appeared as new counsel for the borrower and guarantors. With the Receiver's approval, GJB is reaching out to new counsel to hold the defaulting parties to their prior agreement to negotiate a settlement in good faith. If settlement discussions do not proceed or are otherwise delayed, because the defendants failed to answer the Master Fund's Amended Complaint, the Receiver will move for default and proceed to judgment. Given the number of defendants and related parties in this suit, GJB is also investigating the borrower's assets and other sources of recovery, including third-party accounts receivable that could have been used by the borrower to repay the loan.

- ***Intelligent Highway Solutions, Inc. v. TCA Global Credit Master Fund, L.P. v. Crescent Construction Company, Inc., Philip Kirkland, William D. Jones, Broward County Circuit Court, Case No. CACE 18-000934 (02)***

On April 30, 2018, the defaulted borrower (Intelligent Solutions), an Elk Grove, California company that services and provides energy-saving technology for intelligent highway systems,

filed a pre-emptive lawsuit against the Master Fund *Intelligent Highway Solutions vs. TCA Global Credit Master Fund, L.P.*, 2017-00219822-CU-FR (Sac. Cty Sup. Ct., CA), asserting claims for unlicensed lending under California among other claims. The borrower alleged that the Master Fund failed to provide advisory services (for which it agreed to pay \$1.5 million) in connection with the loan funds it received (\$631,855). The court dismissed the California action due to a forum selection clause in the loan agreements. The borrower filed an identical action in Florida.

The Master Fund moved to dismiss the borrower's claims, and filed counter and cross claims against the borrower, co-borrower and guarantors, seeking to recover for breach of the credit agreement, revolving note, and guaranties. The total loan amount was \$631,000, but the borrowers also owed \$1.5 million in advisory services fees, and interest. After motion practice, the borrower abandoned its affirmative claims for relief, filed its answer, and borrower's counsel withdrew from the case. Borrowers have failed to obtain new counsel, in violation of the court's order. Prior to the Receiver's appointment, the trial court stayed the proceedings to permit the parties to negotiate a settlement. Borrower has since reached out to counsel for the Receiver, who is initiating settlement negotiations. If those negotiations fail or are delayed, the Receiver intends to re-open the proceedings to obtain outstanding discovery and move for summary judgment, as the pleadings are closed. GJB is also investigating the borrower's and guarantor's assets in order to advise the Receiver on settlement and future collection efforts.

- ***TCA Global Credit Master Fund, L.P. v. Independent Charter Academy Network, LLC, EdisonLearning, Inc., Edison Receivables Company LLC, Edison Schools, Inc., Edison Learning Limited, Bridgescape Learning, LLC, Provost Systems, Inc., Theodore Roosevelt College and Career Academy, Inc., Provost International, Inc., Learnnow, Inc., and Thomas M. Jackson, Broward County Circuit Court, Case No. CACE 18-016887 (09)***

In January 2017, the Master Fund loaned \$8.1 million to the borrower, EdisonLearning, Inc., an education services company that manages and operates public charter schools and provide

online learning services in multiple states. The borrower and its principal, however, defaulted on the loan and diverted funds otherwise available to the Master Fund in repayment, among other violations of the terms of the loan agreements. After the Master Fund brought suit to foreclose on the loan, on June 25, 2019, the parties executed a settlement agreement, by which the debtors agreed to market and sell the EdisonLearning E-Learning Business by June 25, 2020 for a minimum of \$10.5 million, to be paid to the Master Fund to settle its remaining debts. Should EdisonLearning fail to make payment in full, under the settlement agreement the Receiver is entitled to file a consent judgment for that amount with the court.

Shortly after the Receiver was appointed, EdisonLearning's counsel contacted Receiver's counsel to seek an extension of the June 25, 2020 deadline in order to secure the sale of the E-Learning Business. In return for complete transparency with regard to its financial position, the Receiver agreed to extend the time for EdisonLearning to work with its brokers to secure a sale of the E-Learning Business under the settlement agreement, to avoid default. In August 2020, EdisonLearning obtained new counsel, who, given EdisonLearning's alleged financial troubles due to the COVID-19 pandemic, requested additional time to consult with Edison's accountants and brokers to provide a proposal to repay the funds owed. Despite the prior litigation and settlement of all claims, EdisonLearning, through counsel, recently provided a detailed summary of new claims for damages associated with alleged fraud and breaches by the Master Fund in connection with the original loan. EdisonLearning now claims it was damaged to the tune of \$10 million in purported lost profits. EdisonLearning offers to pay the Receiver \$500,000 over a period of 3 years to resolve this dispute. Receiver's counsel and forensic professionals are currently analyzing EdisonLearnings submission and financial statements to determine EdisonLearning's ability to pay the \$10.5 million it currently owes. It is the Receiver's position that

EdisonLearning's "claims" for damages are entirely without merit and moot, given that those claims were previously litigated and settled. Depending upon the actual financial status of EdisonLearning, EdisonLearning's threat of bankruptcy and other legal considerations, the Receiver and its counsel will determine whether to make a counter-offer to resolve the dispute, or to proceed with filing the consent judgment.

- ***TCA Global Credit Master Fund, L.P. v. American Gold Rush, LLC, Krystal Lazares-Scaretta, and Robert Scaretta, Broward County Circuit Court, Case No. CACE-17-021221***

On November 21, 2017, the Master Fund sued the borrower and guarantors for \$1,073,439.95 plus fees and interest, due to the borrower's default on an \$800,000 secured debenture. On February 12, 2019, the court entered summary judgment against the borrower and Ms. Lazares-Scaretta. On April 12, 2019, the Master Fund secured a default judgment against Mr. Scaretta. The Master Fund retained local counsel to domesticate the judgments in New York, where the guarantors hold property and have twice attempted to re-open pawn shops under different names.

To date, the guarantors have evaded service for collection on the judgments. The Receiver's counsel is in discussions with the Master Fund's former local counsel in New York to determine whether collection on the judgment is viable. In the meantime, the Receiver is in possession of an alleged original Picasso painting. Through the efforts of Receiver's counsel, the Receiver has learned that Robert Scaretta provided the Picasso, alleging it to be worth between \$7-8 million, to the Master Fund as collateral when behind on loan payments (the loan never came out of default). The Master Fund held the Picasso at its warehouse in Michigan. The chain of custody of the painting is unclear. The Receiver's counsel has been contacted by Peter Lazares, Ms. Scaretta's father, who claims to be the consignee charged with selling the painting on behalf

of one William Kennedy Simmons, the alleged owner and consignor. However, documents obtained by the Receiver's counsel reveal only handwritten notes purporting to be a consignment agreement. GJB has also been contacted by a group of buyers represented by John Davis of Domaine Precious Metals. Through purported "letters of intent" provided by Davis, he has been offering to buy this painting from Lazares for upwards of \$100,000,000 since 2017, conditioned on an appraisal. Davis claims to be the "group leader" of a group of investors who have raised the capital to purchase the painting.

Mr. Lazares recently obtained counsel, who contends that his client's rights via the consignment trump the Receiver's rights to the painting as collateral under the loan agreements. In the interests of efficiency, the Receiver has approved a meeting between all interested parties to determine the ownership of the painting, to attempt to reach agreement on repayment of the loan through this collateral, and to arrange for an appraisal of the painting.

- ***TCA Global Credit Master Fund, L.P. v. Keith Eric Petron, RZNK, LLC, Tarps R Us, Inc., RZNK 2, LLC, Broward Collision Truck and Auto Repair Center, LLC, Broward County Circuit Court, Case No. CACE 18-024831 (14)***
- ***TCA 4675 NW 103 Avenue Sunrise, LLC v. RZNK 2, LLC, et al., Case No. CACE-18-019377 (09)***
- ***Alliance Holdco, LLC v. TCA Broward Collision, LLC, COSO 19-4553 (61), CACE 19-20581 (13), CACE 20-1309 (9)***
- ***Atlantic Southern Paving and Sealcoating, LLC v. TCA Broward Collision, LLC, et al., CACE 19-14792 (3)***
- ***Lease Corp. v. TCA Broward Collision, LLC, et al., CACE 20-4385 (21)***

This series of related cases involves borrower Broward Collision, the recipient and obligor on two loans from the Master Fund in June and December 2017. Broward Collision eventually filed for bankruptcy on June 22, 2018 (*In Re Broward Collision, Inc.*, Case 18-17492-RBR (Bankr. S.D. Fla.)). The Master Fund filed a claim for \$1.6 million pursuant to the loan transaction. The

bankruptcy court approved the sale of Broward Collision to a Master Fund affiliate, TCA Broward Collision, LLC, for \$332,985.50. TCA Broward collision then purchased leases for two auto body shops located on property in Sunrise and Lauderdale Lakes, Florida. The owner brought eviction actions against TCA Broward Collision. Atlantic Southern Paving and Lease Corp. also brought actions against tenant Broward Collision on a construction lien for paving services and to repossess auto-body paint equipment. The Receiver's counsel continues with discussions with counsel for the landlord in an effort to resolve these claims amiably and without incurring financial harm to the Receivership Entities and their subsidiaries.

The Receiver recently agreed to Lease Corp's Motion for Relief from Blanket Stay, as the Receivership Entity, as lessee, has no right to possess Lease Corp.'s paint room and equipment on the leased premises. Lease Corp is working with counsel for the Receiver to secure its property, while under a hold harmless order to protect the Receiver for any damage to the property incurred in the removal.

Atlantic Southern Paving recently moved to amend its complaint for to recover payment for alleged construction services provided to TCA Broward Collision. GJB attended the hearing, and despite providing the Broward court with the Order Appointing Receiver and informing the court and opposing counsel of the Receivership Court's stay order, the Broward court granted Atlantic Southern Paving's motion. GJB has since filed a Motion to Stay based upon the stay order, and for an enlargement of time to answer plaintiffs' new (and improperly sought) claims. Despite best efforts, Atlantic Southern's counsel refuses to abide by the federal court stay order. The hearing on the Receiver's Motion to Stay is set for a special set hearing on December 17, 2020.

On October 12, 2020, Sunrise Three Industrial, as landlord, filed and served new tenant eviction complaints against TCA Broward Collision. Receiver's counsel has prepared and filed motions to stay in those actions, pursuant to the Order Appointing Receiver.

- ***TCA Global Credit Master Fund, L.P. v. Groupe Mercator Transport US, Inc., 8894132 Canada, Inc., 8895791 Canada, Inc., d/b/a Utc Air Ground, and Jean-Pierre Apelian, Broward County Circuit Court, Case No. CACE-19-000406 (14)***

On January 4, 2019, the Master Fund filed a complaint against the borrower and guarantors, based on their defaults on a loan under a series of transactions. The Master Fund arranged to provide financing to Groupe Mercator, a Canadian freight-forwarding firm, to pay off Mercator's lenders. In connection with that transaction, the Master Fund allegedly arranged for another Fund borrower, David Fuselier, to then operate the Groupe Mercator business through two new companies in Canada. The loan amount was \$2.6 million; the current loan payoff, with interest, is \$3.1 million.

On March 4, 2019, the defendant guarantors filed counterclaims against the Master Fund and against former Chief Portfolio Manager, Donna M. Silverman. Defendants assert that Ms. Silverman committed fraud in presenting Fuselier as trustworthy, when she knew otherwise. Defendants also claimed that the Master Fund charged an excessive rate of interest in violation of the Nevada High Interest Lending Statute.⁶ However, the Master Fund alleged that Fuselier diverted funds owed to it, and directed Robert Gagnon, manager of the new companies, 8894132 Canada, Inc. and 8895791 Canada, Inc. (the "Numbered Entities"), to withhold financial reporting, and not to deposit revenues into the lockbox as required in the loan agreements. Fuselier and Gagnon then allegedly moved all of the assets of the Canadian Numbered Entities, which were essentially formed to collect and hold Mercator's receivables, to another company (ATL Canada,

⁶ The controlling loan documents require the application of Nevada law.

Inc.), which is now conducting the same business. The Master Fund sued Fuselier separately, but he declared bankruptcy and the debt was discharged. Neither the borrower nor the guarantors ever repaid either loan.

The matter was heavily litigated before the pandemic and the appointment of the Receiver. The parties exchanged discovery requests and responses, and defendants have a motion to compel pending regarding the Master Fund's responses to defendants' request for production. The Master Fund filed a motion to strike affirmative defenses and to dismiss defendants' counterclaims for fraud and breach of contract, which has been fully briefed. The trial court stayed the proceedings after the Receiver was appointed.

Since that time, counsel for Receiver attended case management conferences before Judge Carlos Augusto Rodriguez on September 9, 2020 and October 13, 2020. The Receiver requested that Judge Rodriguez lift the stay, and informed the court that the Receiver intends to vigorously pursue the claims to final judgment. On October 27, 2020, Judge Rodriguez entered an order lifting the stay, ordered the parties to specially set the motion to dismiss and other pending motions, and set another case management conference for December 2, 2020.

Prior to the appointment of the Receiver, Groupe Mercator made a nominal settlement offer, which the Master Fund rejected. While pursuing its claims in the litigation, the Receiver's counsel will also initiate the re-opening of settlement discussions, should Groupe Mercator still intend to negotiate a settlement in good faith.

- ***8894132 Canada Inc. v. Semafo Inc. and TCA Global Credit Master Fund, LP, Quebec, Case No. 500-17-088880-151; In the matter of the Bankruptcy of 8894132 Canada Inc. (debtor) and TCA Global Credit Master Fund, LP (creditor), Quebec 540-11-010847-194; In the matter of the Bankruptcy of 8895791 Canada Inc. (debtor) and TCA Global Credit Master Fund, LP, Quebec 540-11-010848-192***

CASE NO. 20-CIV-21964-CMA

In a proceeding directly related to the Groupe Mercator proceedings, the Master Fund retained Canadian counsel to institute involuntary bankruptcy actions against the Numbered Entities. The Numbered Entities opposed the bankruptcy proceedings, and a hearing was set for March 31, 2020. The proceedings have since been on hold due to the COVID-19 pandemic. Counsel for the Receiver has been in contact with the Master Fund's local counsel in Canada, who informed the Receiver that there are likely no assets in either of these proceedings.

However, local counsel was also tasked to pursue a collection action against a South African mining company, Semafo, for its failure to remit \$300,000 in payments owed to Groupe Mercator for freight services provided. The court previously stayed that proceeding indefinitely at the end of 2019, after a local terrorist attack in South Africa. The court has now set the matter for trial in December 2020, and counsel for the Receiver is in discussions with Canadian counsel to determine the best course of action. Semafo previously made settlement overtures in that proceeding as well, which the Receiver intends to pursue, should the terms be favorable and in the best interests of the Receivership Estate.

- ***TCA Global Credit Master Fund, L.P. v. Champion Pain Care Corp., Champion Care Corp., Garland A. Brown, Jr. and Terrance George Owen, Broward County Circuit Court, Case No. 17-007571 (25)***

On April 20, 2017, the Master Fund filed suit seeking \$15,376,221 from the defaulted borrower, a Delaware corporation, and the guarantors, located in Canada and Arizona, for breach of a credit agreement revolving note. On July 18, 2017, the Master Fund dismissed its claims against the borrower pursuant to a share pledge agreement, and its acquisition of majority control of the borrower. On October 5, 2018, the Master Fund settled with Terrance Owen and that case was dismissed.

CASE NO. 20-CIV-21964-CMA

On May 1, 2018, the Court entered a default judgment against Garland Brown as to liability, and the Master Fund filed a motion for summary judgment on damages in the amount of \$50,000 against Brown for transfers made in breach of his validity certificate. Prior to the appointment of the Receiver, the Master Fund was in settlement negotiations with Brown. Counsel for the Receiver is re-opening settlement discussions with Brown. If those do not prove fruitful, the Receiver intends to seek a final judgment against Brown and initiate collection proceedings.

- ***TCA Global Credit Master Fund, L.P. v. The Pulse Beverage Corporation, Robert Yates, Broward County Circuit Court, Case No. CACE 18-005773 (14)***

On March 12, 2018, the Master Fund brought suit seeking \$1,371,405.72 in principal, fees and interest due from the borrower and its guarantor, for breach of a credit agreement and amended replacement note. After a contempt order was entered against it, borrower's counsel withdrew on October 21, 2019. Thereafter, the parties engaged in settlement negotiations with regard to the monies owed. Prior to the appointment of the Receiver, the Master Fund chose to voluntarily dismiss the action without prejudice. Receiver's counsel is investigating whether the borrower and its guarantor have assets available for collection, in which case the Receiver will consider reopening the case and revisiting settlement discussions.

- ***TCA Global Credit Master Fund, L.P. v. Ludvik Holdings, Inc., Frank Kristan, and Katherine Kristan, Broward County Circuit Court, Case No. CACE 18-019469 (14)***

On August 15, 2018, the Master Fund filed suit against the borrower and guarantors on a \$300,000 loan from the Master Fund. On November 18, 2019, the court entered a clerk's default. Receiver's counsel is investigating whether Ludvik Holdings and the Kristans have assets available for collection, in which case the Receiver will obtain a final judgment on the clerk's default, and record it.

- ***TCA Global Credit Master Fund, L.P. v. Unittiv, Inc., Ludvik Holdings, Inc., Frank Kristan, and Katherine Kristan, Broward County Circuit Court, Case No. CACE-18-024498 (05)***

On October 16, 2018, the Master Fund brought suit against the borrower, a Delaware investment holding company, and guarantors on a \$2.75 million secured redeemable debenture and related loan agreements. On October 10, 2019, the Master Fund obtained a Final Default Judgment for \$6,522,467.24 against the borrower and guarantors. According to the Master Fund's former counsel, the Master Fund declined to vigorously pursue collection efforts, due to defendants' post-judgment discovery responses. However, Receiver's counsel is investigating whether Unittiv, Ludvik Holdings and the Kristans have assets available for collection, in which case the Receiver will obtain a final judgment on the default, and record it.

- ***Gary Grim, et al., v. TCA, et al., Case No. 1:15-CV-3592 (N.D. Ga.)***
- ***KAT Exploration, Inc., et al., v. Gary Grim, et al., Case No. 2015-CV-268068 (Superior Court of Fulton County, GA)***
- ***TCA v. Roswell Jeep Eagle, Inc. d/b/a The Pre-Owned Jeep Store, Case No. 2015-CV-268155 (Superior Court of Fulton County, GA)***
- ***Roswell Jeep Eagle Corp. v. Kat Exploration, Inc., Arb. No. 01-16-0001-0686 (AAA)***

These related cases concern a \$1.9 million loan the Master Fund made to KAT Exploration, which was to be used to purchase a Jeep store in Cartersville, Georgia. After the borrower defaulted, Gary Grim, a shareholder of KAT Exploration, filed suit in the U.S. District Court for the Northern District of Georgia against the Master Fund seeking damages in excess of \$30 million, alleging tortious interference with a third party and unlawful disclosure of identifying information by the Master Fund. Eventually, Grim voluntarily dismissed his suit without prejudice on February 2, 2016. The Master Fund settled with KAT Exploration, and assumed control of KAT Exploration through that settlement.

On November 16, 2015, the Master Fund, through local counsel, filed suit against Roswell Jeep Eagle, Inc. seeking an immediate writ of possession for the collateral vehicles securing the Master Fund's loan. The Georgia court stayed the litigation pending the outcome of an arbitration proceeding pending between KAT Exploration (the borrower, owned by the Master Fund) and Roswell. The borrower alleged it wired \$1 million to Roswell in connection with its purchase of Roswell's assets (vehicles in the dealership), which it therefore owns. The arbitration panel entered an award finding that KAT Exploration owned the collateral. The collateral was sold for approximately \$30,000, which funds KAT Exploration retains the rights to.

Counsel for the Receiver has been in contact with the Master Fund's local counsel in Georgia concerning final judgment on the arbitration award. Through GJB's efforts, on September 4, 2020, the Georgia court entered a Final Judgment and Order Confirming Arbitration Award in the Receiver's favor. Receiver's counsel is investigating whether KAT Exploration (now the Receiver) received the \$30,000 proceeds from the sale of the collateral, as well as other possible sources of recovery.

- ***TCA Global Credit Master Fund, L.P. v. Peak PEH LLC d/b/a Peak Services, Charles F. Welch, Jr., Lonnie Moss, Misty Moss, and Renee D.T. Welch, Broward County Circuit Court, Case No. CACE-17-004886 (05)***

On March 10, 2017, the Master Fund filed suit to recover \$986,065.48 against the borrower, a plumbing and HVAC company located in Alpharetta, Georgia, on a senior secure debenture and amended note, on which the borrower defaulted in making payments. The Master Fund also brought claims against the individual guarantors. On July 21, 2017, the court entered defaults against the borrower and a guarantor. The Master Fund also retained local counsel in Georgia to initiate actions against the guarantors. On August 30, 2018, final judgment was entered against Lonnie and Misty Moss for \$1,296,593.54 in the Superior Court for Fulton County,

Georgia, which was reduced to \$846,593.54 after partial payment to the Master Fund. The Master Fund's former counsel domesticated the Georgia judgments in Florida, but was unable to secure service on the guarantors. The Receiver's counsel is investigating whether Peak Services and the Mosses have assets available for collection, in which case the Receiver will pursue payment on the judgments.

- ***TCA Global Credit Master Fund, L.P. v. Quants Corporation, Gokhan Kisacikoglu, and Quantsplus, LLC, Broward County Circuit Court, Case No. CACE 16-022449 (08)***

On December 9, 2016, the Master Fund filed an action against the borrower, a Los Angeles financial software company, and its guarantors for \$1,122,563.70, plus interest, costs, and attorney's fees, for breach of a credit agreement and revolving note. The parties eventually executed a forbearance agreement, under which defendants waived all defenses and agreed to make payments to the Master Fund.

Defendants failed to make payments as promised, and the court entered judgment for \$1,430,040.92 in the Master Fund's favor. Defendants appealed. On March 26, 2020, Florida's Fourth District Court of Appeal affirmed the entry of the judgment. Before the Receiver's Appointment of the Receiver, the Master Fund retained local counsel in California to pursue execution on the judgment. Discovery in aid of execution has been issued, but defendants have failed to properly respond to that discovery. Counsel for the Receiver is in discussions with the Master Fund's former local counsel regarding a contingency fee arrangement to pursue motions to compel post-judgment discovery, and to collect on the judgment for the Receiver.

- ***TCA Global Credit Master Fund, L.P. v. Cityworks Construction LLC, Carl Nurse, Martha Gucovschi, and Noe Gucovschi, Broward County Circuit Court, CACE 16-006991 (02)***

On July 25, 2016, the Master Fund filed a Complaint seeking \$1,359,975.60 plus attorneys' fees, costs, and interest against the borrower and individual guarantors for breach of a secured

credit facility agreement and note. On June 18, 2019, the Master Fund obtained a final judgment against CityWorks and Carl Nurse for \$2,067,660.50, plus accruing interest and attorneys' fees.

On February 23, 2018, Noe Guscovschi filed for bankruptcy in the Southern District of Florida, Case No. 18-12053-RAM. On February 27, 2018, Marta Rabinovich also filed for bankruptcy in the Southern District of Florida, Case No. 18-12178-AJC. The Master Fund retained bankruptcy counsel to represent it in the bankruptcies. The Receiver's counsel continues to monitor the bankruptcy proceedings to protect the Receiver's interests in collecting on this judgment.

- ***TCA Global Credit Master Fund, L.P. v. Luxe Boutiques LLC, St. Germain LLC, Elysees LLC and Cecil Elrod, Broward County Circuit Court, Case No. CACE-19-010149 (13)***

On May 9, 2019, the Master Fund filed suit seeking \$1,068,505.10 against the borrower, a Boston, Massachusetts provider of luxury fur boutiques, and its guarantors for breach of the secured credit facility agreement, replacement note and guaranty agreements, pursuant to which it borrowed \$425,000 from the Master Fund. On October 15, 2019, the court entered an order striking defendants' affirmative defenses, and their counsel withdrew. New counsel appeared, but also withdrew via agreed order on April 7, 2020. The court's order on withdrawal of counsel provided that if the borrower did not obtain new counsel within twenty (20) days, the borrower would be subject to a default. The borrower failed to do so. Efforts were made to settle this matter prior to the appointment of the Receiver, but those efforts were not fruitful. The Receiver's counsel is investigating whether Luxe Boutiques, St. Germain, Elysees and Elrod have assets available for collection, in which case the Receiver will obtain a default final judgment and pursue recovery.

- ***TCA Global Credit Master Fund, L.P. v. First Capital Real Estate Investments, LLC, et al., Broward County Circuit Court, Case No. CACE 16-022381 (03); TCA Global Credit Master Fund, L.P. v. First Capital Real Estate Investments, LLC, et al. El Dorado (CA) County Superior Court Case No. PC20190310***

CASE NO. 20-CIV-21964-CMA

On June 28, 2018, the Master Fund sued the borrower and individual and corporate guarantors for \$8,145,311.60 in principal, fees and interest for their breach of a credit facility agreement and promissory note on a \$5 million loan. The Master Fund also instituted foreclosure proceedings over three hotel properties, two located in Texas and one in New Mexico. The Master Fund purchased those properties at the non-judicial foreclosure sales.

On February 22, 2017, the defendants improperly removed the case to federal court (*TCA v. First Capital Real Estate Investments, LLC, et al.*, Case No.: 17-cv-60393-JAL/Goodman (S.D. Fla.)). On September 17, 2018, the parties entered into a settlement agreement, which defendants' breached. The Master Fund moved to enforce the settlement agreement, and on January 16, 2019, the court entered a final consent judgment against the Defendants for \$1,657,723.10. The Master Fund domesticated the judgment in California, and retained local counsel, Jeffrey Jensen, Esq., to pursue collection. The Receiver's counsel is in discussions with Mr. Jensen regarding a contingency fee arrangement to pursue motions to compel post-judgment discovery, and to collect on the judgment for the Receiver.

- ***TCA Global Credit Master Fund, LP v. 1200 Wolcott St. of Waterbury LLC et al.*, Case No. UWY-CV 18-6043552-S (Superior Court of Connecticut); *Savings Bank of Danbury v. 1200 Wolcott St. of Waterbury LLC et al.*, Case No. UWY-CV19-6046173-S (Superior Court of Connecticut)**

On October 31, 2017, the Master Fund loaned \$2,000,000.00 to Apple Auto Wholesalers of Waterbury LLC. Of the full loan amount, \$1,300,000.00 was disbursed at the closing with the remaining \$700,000.00 to be disbursed at a later date. The loan was guaranteed by 1200 Wolcott Street of Waterbury LLC (through a mortgage on real property located at 1200 Wolcott Street in Waterbury, Connecticut) and by Mr. Hallan Iff. The Master Fund's mortgage was not recorded until late 2018. As confirmed by documents obtain from senior lienors by GJB, the Receiver's interest in the real property is in fourth position, after a first mortgage in favor of New England

Certified Development Corp. for \$442,000.00 dated October 27, 2015; a second mortgage in favor of Savings Bank of Danbury in the amount of \$534,000.00 dated October 27, 2015; a third mortgage of \$600,000.00 dated July 5, 2018, and tax liens from the City of Waterbury. The total mortgages ahead of the Receiver's interest total at least \$1.576 million. According to counsel for the Savings Bank of Danbury, the real property is valued at between \$1.1 and \$1.2 million. Counsel for the Receiver is in discussions with counsel for Savings Bank of Danbury to reach a possible agreement in the Bank's action to foreclose on the property.

The Master Fund filed suit to foreclose on the mortgage and for a deficiency judgment through local counsel in Connecticut, Jeffrey Underheiser, Esq. On September 23, 2019, the Master Fund moved for summary judgment against the defendants. The summary judgment motion remains pending, and counsel for the Receiver is in discussions with Mr. Underheiser regarding a contingency fee arrangement to pursue a final deficiency judgment.

In addition to the mortgage on the 1200 Wolcott property, the Master Fund also obtained a second mortgage on Mr. Iff's apartment in Miami, Florida. Counsel for Iff has contacted GJB, seeking to reach an agreement to allow Mr. Iff to maintain his ownership of the Miami property, in the face of another foreclosure proceeding by the first mortgagee. The value of the Miami property is approximately \$950,000. The Receiver's counsel will continue discussions with Mr. Iff to obtain maximum recovery on his secured interests.

- ***TCA Global Credit Master Fund, L.P. v. Preferred Secured Agents, Inc. d/b/a Sprockets Retail, Broward County Circuit Court, Case No. CACE 15-000552 (18)***

On January 9, 2015, the Master Fund brought suit against Sprockets Retail, a Fresno, CA children's clothing retailer, as borrower, and three individuals, as guarantors, seeking \$2,019,558.60 due to the borrower's default. In November 2016, the court entered an order striking

defendants' pleadings and entering a judgment of liability against the defendants. On June 29, 2018, the Master Fund moved for summary judgment on damages.

On or about March 16, 2020, the parties executed a settlement agreement, whereby the borrower agreed to repay the loan, and the Master Fund's interests were further secured by a mortgage on property in Half Moon Bay, CA. The total amount owed to the Master Fund is \$600,000.00, and the borrower remains current on its settlement payments. Should the borrower default under the settlement agreement, the Receiver will seek entry of a final consent judgment in the amount of \$2 million, as provided by that agreement, and seek to foreclose on the mortgage.

- ***TCA Global Credit Master Fund, L.P. v. Ian Stikeleather and White Plum, Inc., Broward County Circuit Court, Case No: CACE-17-011156 (21)***

The Master Fund filed suit against the guarantors of a Los Angeles, CA online women's clothing retailer, seeking to recover \$1,981,239.20, plus interest, costs, and attorney's fees for breach on guaranties on a \$1,800,000.00 revolving note. On October 21, 2019, guarantor's counsel withdrew. On January 13, 2020, the court entered a clerk's default against all defendants, but the Master Fund did not elect to seek a judgment. Though counsel, the Receiver is moving for entry of final judgment on the clerk's default. Receiver's counsel is investigating whether White Plum and Stikeleather have assets available for collection.

- ***AW Exports Pty Ltd. & Ors ats Australian Worldwide Pty Ltd (in liq) & Anor Supreme Court of New South Wales, Proceedings 2017/00040926; In re Pie Face Pty Ltd. (A.C.N. 087 384 736)***

The Master Fund loaned monies to two entities in Australia, Australian Worldwide (a grocery exporter) and Pieface (a fast food pie chain). Both of those entities are currently in liquidation. In *Australian Worldwide*, the Master Fund retained a receiver/liquidator under Australian procedure to pursue an adversary proceeding against the officer and directors of the debtor, for fraudulent transfers. The Master Fund did not prevail in that proceeding, and the court

entered an award of fees and costs in defendants' favor. Defendants now seek to recover approximately \$400,000.00 (AUS) from the liquidator in that proceeding. Pursuant to the liquidator's contract with the Master Fund, the Master Fund is required to indemnify the liquidator for that cost and fee award. Defendants have contacted the Receiver's counsel to seek payment of the costs. The Receiver's counsel is in discussions with the Master Fund's liquidator's local counsel with regard to staying the proceedings in Australia to prevent any accrual of liability.

In the *Pieface* matter, the Master Fund also engaged a receiver/liquidator, which has been served with a \$1.9 million (AUS) tax liability from the Australian Taxation Office, for which the liquidator may seek indemnification from Receiver. The Receiver's counsel is working with its forensics professionals to determine the location of the original loan proceeds. The Receiver's counsel is also in discussions with local counsel with regard to the staying the proceedings in Australia.

- ***Enterprise Bank & Trust v. In-Land Management Group, L.L.C., Richard C. Schmidt, Sr., Richard C. Schmidt, Jr., and TCA Global Credit Master Fund, LP, Case No. 19CH0470, St. Clair County Circuit Court, Illinois.***

In connection with a February 28, 2017 loan of \$1.1 million to In-Land Management Group, the Master Fund secured a mortgage on real property located at 609 South Breese Street, Millstadt, IL 62260. The Master Fund's mortgage is junior to a first mortgage in favor of Enterprise Bank, in the amount of \$800,000. The Bank filed suit to foreclose on its mortgage, and force a sale of the property, which the Bank eventually purchased for \$392,000. The Receiver's counsel has been in contact with the Bank's counsel, who seeks final approval of the sale and entry of a deficiency judgment. The Master Fund did not pursue any legal proceedings with regard to this loan and mortgage. The Receiver's counsel is investigating the loan agreements, the amounts outstanding and the possibility of filing suit to recover those monies for the Receivership Estate.

VI. THE RECEIVER'S OBSERVATIONS

The Receiver's priorities during the Second Reporting Period continued to be to identify, secure, and preserve the Receivership Entities' assets, including records, outstanding loans and debts, and the SPV-businesses. The Receiver also prioritized completing analysis of the Receivership's loan and litigation portfolios, and beginning the process of converting such "assets" into recoveries wherever possible. It was also the Receiver's priority to obtain sufficient bank records to forensically reconstruct where Receivership Entity (and investor) monies have gone. Lastly, the Receiver prioritized determining and initiating a sales process for wasting assets, as well as those assets whose maximum value might be realized early on.

The Receiver is pleased to report significant progress on all fronts. The Receiver and his Retained Professionals secured additional data from computers previously located elsewhere in the U.S. and internationally. Thousands of additional bank records were obtained which the Receiver's forensic accountant utilized to conduct initial flow of funds and tracing analyses that may lead to future recoveries. For example, the Receiver already used this data to file a claim in the TCA ICAV liquidation in Ireland.

DSI completed its initial loan portfolio review and is in the midst of rehabilitating loans where possible, with the remainder quickly going to collection or litigation. Likewise, GJB completed its litigation portfolio review, and existing lawsuits are being settled where possible and stays have been lifted to restart litigation when the other side is collectible, such that the Receiver expects the litigation to yield a net benefit to the Receivership Estate.

Lastly, as described above in this Report, certain SPV assets have already been successfully liquidated. Others, including Pivot Energy, have entered the sales process.

VII. CONTINUING WORK

During the next reporting period, the Receiver and his professionals will continue to manage the Receivership's SPV businesses, prepare them for sale, and employ a sales process designed to maximize value. The Receiver also expects to pare down the loan portfolio to a small number of performing loans through settlement or otherwise. Likewise, the Receiver hopes to settle as many of the open litigation matters as possible.

The Receiver also currently plans time to submit a proposed claims and distribution plan during the next reporting period. This would allow the possibility of an early initial distribution during the receivership process, which is something the Receiver would like to be able to do for investors.

The Receiver will, of course, continue to investigate third party litigation claims. As the Receiver mentioned previously, the value of the assets in the Receiver's possession (excluding litigation claims) is far less than the Funds' NAVs, as reported to investors and prospective investors. Accordingly, meaningful distributions will require substantial litigation recoveries from third parties.

The Receiver and his team will continue to handle investor inquiries and provide investors and investment advisors with information as it becomes available.

Date: November 5, 2020.

Respectfully submitted,

Jonathan E. Perlman, Esq.
Florida Bar No. 773328
jperlman@gjb-law.com
Receiver for the Receivership Entities

-and-

GENOVESE JOBLOVE & BATTISTA, P.A.

CASE NO. 20-CIV-21964-CMA

Gregory M. Garno, Esq.

Florida Bar No. 87505

ggarno@gjb-law.com

Elizabeth G. McIntosh, Esq.

Florida Bar No. 1011555

emcintosh@gjb-law.com

Irina R. Sadovnic

Florida Bar No. 124502

isadovnic@gjb-law.com

Attorneys for Jonathan E. Perlman, Esq.,

Receiver for the Receivership Entities

100 Southeast 2nd Street, 44th Floor

Miami, FL 33131

Tel: (305) 349-2300

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served via CM/ECF Notification and/or U.S. Mail to all parties and notification of such filing to all CM/ECF participants in this case on the 5th day of November, 2020.

By: /s/ Gregory M. Garno
Gregory M. Garno, Esq.

EXHIBIT “A”

TCA Activity - Receiver Accounts at Axos Bank**Sources and Uses of Funds**

Period: May 11 - Aug. 4, Aug. 5 - Nov. 2, and CTD

	Receiver 1st Qtrly Report May 11 - Aug. 4	Receiver 2nd Qtrly Report Aug. 5 - Nov. 2	Case-to-Date
TCA Account Beginning Balance	\$ -	\$ 13,390,131	\$ -
TCA Fund Management Group Corp	\$ -	\$ 255,272	\$ -
TCA Global Credit Fund GP, Ltd.	\$ -	\$ -	\$ -
TCA Global Credit Master Fund, LP	\$ -	\$ 4,262,555	\$ -
TCA Global Credit Fund, LP	\$ -	\$ 9,015	\$ -
TCA Global Credit Fund, Ltd.	\$ -	\$ 8,863,289	\$ -
Sources of Funds:			
Transfer From Butterfield Bank	13,209,223	-	13,209,223
Transfer from BB&T Bank	143,992	-	143,992
Transfer from Ocean Bank	143,690	-	143,690
Loan Portfolio Receipts	44,092	126,964	171,056
Returned Deposits	32,690	35,013	67,703
Interest Income	17,749	19,641	37,390
Total Sources	\$ 13,591,437	\$ 181,618	\$ 13,773,054
Uses of Funds:			
Payroll	124,599	-	124,599
Payroll Taxes	9,021	-	9,021
Professional Fees	-	810,480	810,480
Insurance Premium	18,620	3,217	21,837
Service Provider	16,750	-	16,750
Independent Contractor	12,571	50,817	63,388
Safe Harbor Payment	9,535	-	9,535
IT Expense	8,959	18,778	27,737
HR Expense	1,200	1,990	3,190
Storage	50	4,258	4,308
Other	-	1,982	1,982
Total Uses	\$ 201,306	\$ 891,524	\$ 1,092,829
Cash Balance	\$ 13,390,131	\$ 12,680,225	\$ 12,680,225
Balance by Account			
TCA Fund Management Group Corp	\$ 255,272	\$ 371,015	\$ 371,015
TCA Global Credit Fund GP, Ltd.	\$ -	-	-
TCA Global Credit Master Fund, LP	\$ 4,262,555	\$ 8,031,170	\$ 8,031,170
TCA Global Credit Fund, LP	\$ 9,015	\$ 9,028	\$ 9,028
TCA Global Credit Fund, Ltd.	\$ 8,863,289	\$ 4,269,012	\$ 4,269,012
Sum of Account Balances	\$ 13,390,131	\$ 12,680,225	\$ 12,680,225
	\$ -	\$ -	\$ -