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11  
12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **SOUTHERN DIVISION**

15 Consumer Financial Protection Bureau  
and Maria T. Vullo, Superintendent of  
16 Financial Services of the State of New  
York,

17 Plaintiffs,

18 v.

19 Pension Funding, LLC; Pension  
20 Income, LLC; Steven Covey; Edwin  
Lichtig; and Rex Hofelter,

21 Defendants.  
22

Case No. 8:15-cv-1329

**RECEIVER'S FORENSIC  
ACCOUNTING REPORT AND  
RECOMMENDATIONS**

Date: December 9, 2016  
Time: 2:30 p.m.  
Ct. No.: 10A  
Judge: Hon. Josephine L. Staton

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1 **I. EXECUTIVE SUMMARY**

2 On January 8, 2016, via Order Entering Stipulated Preliminary Injunction,  
3 Appointment of a Receiver, and Related Matters ("Appointment Order"), this Court  
4 appointed Krista Freitag ("Receiver") as permanent receiver for Pension  
5 Funding, LLC, Pension Income, LLC, and their subsidiaries, affiliates, and  
6 successors-in-interest, including PGR, LLC ("PF-PI" or the "Receivership Entities").

7 This equity receivership arises from the Complaint for Violations of the  
8 Consumer Financial Protection Act and New York Banking and Financial Services  
9 Laws ("Complaint") (Dkt. No. 1), filed on August 20, 2015 by the Consumer  
10 Financial Protection Bureau ("Bureau") and Superintendent of Financial Services of  
11 the State of New York ("Superintendent").

12 The Complaint alleges Defendants offered consumers ("Pensioners") "pension  
13 advances" - lump-sum payments - in return for agreeing to direct all or part of their  
14 pension payments to the Receivership Entities, over eight years, to repay the  
15 advances. The Complaint also alleges that while soliciting Pensioners to "sell" their  
16 pension income, Defendants simultaneously solicited investors ("Investors"),<sup>1</sup> often  
17 retirees, recruited through a network of financial advisors, to provide the capital for  
18 the Pensioner advances. For a promise of a 6 percent annual return, Investors paid  
19 the Receivership Entities an amount sufficient to fund the lump-sum advances to  
20 Pensioners, as well as additional fees and the Receivership Entities' expenses and  
21 profits.

22 The Appointment Order directs the Receiver "to make an accounting, as soon  
23 as practicable, to this Court and the Plaintiffs of the status of each completed  
24 transaction related to Defendants' pension-advance products and to propose a  
25 methodology, subject to the Court's approval, for determining how to unwind or  
26 otherwise resolve any such transaction." In order to complete these tasks, it was

27 \_\_\_\_\_  
28 <sup>1</sup> Throughout this Report, Investors may sometimes also be referred to as  
"Buyers." Such terms are used interchangeably.

1 necessary for the Receiver and her staff to complete a forensic accounting. To that  
2 end, the Receiver and her staff have (a) reviewed and analyzed the Receivership  
3 Entities' bank records and books and records, (b) evaluated the Receivership  
4 Entities' sources of funds, and (c) evaluated the Receivership Entities' use of funds.  
5 The Receivership Entities' bank accounts included in this report are listed on  
6 Exhibit 1.

7 Through this forensic accounting, the Receiver has determined where the  
8 money raised by the Receivership Entities came from, how it was transferred  
9 between and among them, and to whom it was disbursed. Importantly, this  
10 accounting allows the Receiver to analyze and ascertain the activity, status, and  
11 balance of Pensioner and Investor accounts. To briefly summarize, according to  
12 Receivership Entities' bank and book records, during the period from August 2011  
13 through early January 2016, PF-PI raised approximately \$26 million from  
14 approximately 181 Investors and used another \$1 million of company money to  
15 fund, among other things, (a) Lump Sum Payments to 286 Pensioners in the total  
16 amount of approximately \$15.4 million, (b) commission and agency payments to  
17 third parties totaling approximately \$2.2 million, (c) net payments to or for the  
18 benefit of Defendants Lichtig, Hofelter, and Covey totaling approximately  
19 \$3.4 million, (d) an investment in a loan secured by real estate in the net amount of  
20 \$1.2 million, (e) monthly payments to Investors whose Pensioners defaulted on their  
21 contracts in the total amount of approximately \$1.2 million, and (f) new contracts  
22 with Pensioners (with PF-PI as the Investor) totaling approximately \$1 million.

23 Armed with the forensic accounting analysis summarized below, the Receiver  
24 is able to make recommendations herein with regard to unwinding or otherwise  
25 resolving the Pensioner and Investor transactions. The Receiver's recommendations  
26 are briefly summarized as follows:

27 **Pensioner Transactions** - The Receiver recommends that collections from  
28 Pensioners be limited to the "Lump Sums" they received in light of the strong

1 likelihood that Federal and New York laws were violated by Defendants in  
2 soliciting and carrying out Pensioner transactions;

3       **Collections from Pensioners** - The Receiver recommends and seeks  
4 authority to begin collection activity on defaulted Pensioners, including, where and  
5 only as appropriate, filing actions and enforcing judgments to collect the full Lump  
6 Sums; and

7       **Investor Claims** - The Receiver recommends and sets forth proposed  
8 procedures for the efficient and effective review and administration of Investor  
9 claims against the receivership estate.

10       These recommendations are discussed further in Section VI below.

## 11       **II. FORENSIC ACCOUNTING ANALYSIS AND FINDINGS**

12       This report and accounting covers the transactional history of the  
13 Receivership Entities for the period from August 2011 to January 8, 2016 (the date  
14 of entry of the Appointment Order). While a few of the contracts have terms which  
15 vary from the typical contract, the Receivership Entities' books and records  
16 generally show that Investor funds were used by the Receivership Entities to cover,  
17 (a) up front, Lump Sum payments to Pensioners, (b) commission and/or agency fee  
18 payments, (c) Receivership Entity Management Fee, Life Insurance and Reserve  
19 impound accounts, and (d) Receivership Entity "profit." Once the aforementioned  
20 initial Investor funding and Pensioner payments occurred, the Pensioners' future  
21 monthly pension payments became payable to the Pensioner's associated Investor.<sup>2</sup>  
22 The last payment sent to Investors was in the month of January 2016, prior to entry  
23 of the Appointment Order. Investors are comprised of third parties, insiders  
24 (*e.g.*, Defendant Edwin Lichtig), and the Receivership Entities (*i.e.*, the  
25  
26

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27 <sup>2</sup> There are some Pensioners with POA accounts whose monthly payment exceed  
28 the monthly contract payment; in this instance, the excess funds are transferred  
back to the Pensioner each month.

1 Receivership Entities used funds in company (reserve) accounts to fund new  
2 Pensioner contracts).

3 **A. The Transaction Contracts**

4 The books and records of PF-PI show that Investor/Pensioner transactions  
5 generally included the following documents:

- 6 1. *Offer Sheet* - PF-PI and the Buyer signed this document, in which the  
7 Receivership Entity made Buyer an offer to purchase a specific cash flow  
8 asset. This document dictated that the Purchase Price (defined below) was  
9 payable to Escrow Agent (defined below as PF-PI) and reflected a specific  
10 Pensioner Name, Pension Payor, Aggregate Payment (*e.g.*, total of  
11 96 months of Purchased Cash Flow), Purchase Price (total to be funded to  
12 Escrow Agent to cover Lump Sums plus other fees and expenses),  
13 Purchased Cash Flow (monthly payment) and Effective Interest Rate (6%).  
14 An example, without the Pensioner Name, is reflected below for reference  
15 purposes.

<b>Pension Payor:</b>	<b>Military</b>
<b>Aggregate Payments:</b>	<b>\$130,527.36</b>
<b>Purchased Cash Flow:</b>	<b>\$1,359.66</b>
<b>Purchase Price:</b>	<b>\$104,075.45</b>
<b>Effective Interest Rate:</b>	<b>6%</b>

- 20 2. *Risks* - this document was signed/acknowledged by Buyers and while  
21 stating that the source of repayment "should be secure and at the low end  
22 of the risk scale," it goes on to lay out risks associated with the transaction.  
23 Such risks include, but are not limited to, the Pensioner may die during the  
24 eight year term upon which the monthly pension income terminates and  
25 the Pensioner may breach the contract and redirect the monthly payments  
26 away from the Buyer, in which case PF-PI provides a 100 percent payout  
27  
28

1 guarantee; however, the guarantee is only as strong as the solvency of the  
2 reserve fund.

3 3. *Buyer's Master Agreement* - PF-PI and the Buyer entered into this  
4 agreement whereby the Receivership Entity was to operate as an escrow  
5 agent matching the Buyer with one Pensioner. As escrow agent, it was to  
6 locate the Pensioner, collect documents verifying Pensioner's ability to  
7 meet commitments, provide the Investor and Pensioner documents for  
8 signature, and send Pensioner information to Buyer. This document  
9 notably states, among other things, that Buyer will enter into purchase  
10 agreements with a Pensioner who intends to sell his/her rights and interest  
11 in receiving certain payment streams in consideration and exchange for a  
12 discount one-time payment. This agreement specifies the aggregate  
13 amount of Pensioner cash flow the Buyer was purchasing, and that such  
14 aggregate amount included the Lump Sums plus a 9 percent (of purchase  
15 price) marketing distribution, 8 percent redirect insurance distribution, and  
16 2.84 percent death insurance distribution.

17 4. *Buyer and Reserve Funds Agreement* - PF-PI and the Buyer entered into  
18 this agreement whereby the Buyer sought protection against a redirect<sup>3</sup>  
19 (Pensioner not forwarding his/her payments) or death of Pensioner. In this  
20 agreement, the Buyer agreed to let the escrow company (PF-PI) allocate 8  
21 percent and 2.84 percent up front to the redirect reserve fund to  
22 respectively protect against Pensioner redirect risk and death of the  
23 Pensioner risk. Notably, this document states that each Buyer's 8 percent  
24 and 2.84 percent contribution to the reserve funds are for the benefit of all  
25 PF-PI Buyers, providing combined resources for the Buyer group; and that  
26

27  
28 <sup>3</sup> Throughout this Report, the term "redirect" is used interchangeably with the term  
"Default."

1 subject to the financial health of the reserve fund, the Buyer gets 100  
 2 percent payout even if the Pensioner redirects.

3 5. *Buyer and Pensioner Purchase Agreement for Purchase of Future Income*  
 4 *Stream ("BPPA")* - a Buyer and the Pensioner entered into this agreement  
 5 whereby in exchange for consideration of receipt of a one-time  
 6 payment - the Lump Sums - Pensioner agrees to remit a specified number  
 7 of periodic payments for the benefit of the Buyer. This agreement  
 8 specifies the Lump Sums from Buyer to Pensioner and the Pensioner's  
 9 96 consecutive monthly/periodic payment amounts to Buyer.

10 6. *Pensioner and PF-PI Agreement* - PF-PI and the Pensioner entered into  
 11 this agreement whereby the PF-PI sought protection against future claims  
 12 by Pensioner. In this agreement, "if the Pensioner fails to forward the  
 13 monthly payments to the Buyer, [PF-PI] has the right to take legal  
 14 action . . . via punitive or accommodating relief."

15 7. *Durable Power of Attorney for Deposit Account* - many Pensioners signed  
 16 this document which granted limited and specific power of attorney to  
 17 PF-PI, as agent, to open and transact in a specific bank account set up in  
 18 Pensioner's name.

19 For ease of reference, the following matrix reflects the above-discussed  
 20 agreements and the parties to each.

	Buyer	Pensioner
Receivership Entity	(1) Offer Sheet (2) Risks (3) Buyer's Master Agreement (4) Buyer & Reserve Funds Agreement	(6) Pensioner & Receivership Entity Agreement (7) Durable Power of Attorney for Deposit Account
Buyer		(5) Buyer and Pensioner Purchase Agreement for Purchase of Future Income Stream



1 Most contract files also contained an internal document, the "Waterfall,"  
 2 which reflected the financial aspects of the initial transaction, from the "Retail" price  
 3 (aka the "Purchase Price" - the amount paid by the Investor), to the "Wholesale"  
 4 price (aka the "Lump Sums" - the amount funded to the Pensioner), to the additional  
 5 agency fees and commissions paid, to the reserves, fees and profit retained by the  
 6 Receivership Entities. The following is a snapshot of part of a typical contract's  
 7 Waterfall document. This contract had a monthly Pensioner payment of \$1,359.66  
 8 for 96 months.

Funding Distributions	
Retail	104,075.45 X
Wholesale	56,836.71
Agent 9%	9,366.79 X
Reserve 8%	8,326.04 X
Mgmt Fee 5%	5,203.77 X
Ins Res 2.84%	2,955.74 X
PF General 9%	9,366.79 X
Broker	0
PI Profit	12,019.61 X

20 While the Receiver did not focus on calculating the interest rates on each  
 21 contract, a sample calculation test on a typical contract, such as that above, resulted  
 22 in a 6.14 percent return for the Investor (the Effective Interest Rate referenced in the  
 23 contracts) and a 28.55 percent effective interest rate for the Pensioner (in this  
 24 instance, the Pensioner received a Lump-Sum of \$56,836.71 and was contracted to  
 25 pay back \$130,527.36 (\$1,359.66 per month for 96 months). The Investor would  
 26 receive this total of \$130,527.36 on his/her \$104,075.45 payment. The majority of  
 27 the contracts had 96 month payment terms; however, a few contracts did have  
 28 shorter payment terms (e.g., 48 months or 82 months). There were also a few

1 unique contracts, with addenda (add-on funding), annual payment terms, and other  
2 varying terms.

3 As "escrow agent," PF-PI generally (a) received the Purchase Price from  
4 Investors, (b) paid the Lump Sum payments to Pensioners, (c) paid the  
5 Commissions/Agency Fees, and (d) retained the "reserve" account funds, PF-PI  
6 commissions and profits. They then 'serviced' the contracts, meaning they oversaw  
7 and/or directly initiated the monthly payments from Pensioner to Buyer, and  
8 pursued collection from Pensioners who redirected or defaulted.

9 **B. Number of Pensioners and Investors**

10 The total number of contracts reflected in this report is 305 (282 third-party  
11 contracts,<sup>4</sup> 11 insider contracts, and 12 PF-PI contracts), all of which consist of  
12 286 different Pensioners and 183 different Investors (179 third parties and four  
13 insiders/PF-PI). There are several Pensioners and Investors who entered into  
14 multiple contracts. The 23 insider/PF-PI contract Buyers include Defendant Ed  
15 Lichtig (7), Jasimeyer, LLC (an Ed Lichtig entity)<sup>5</sup> (4), and PF-PI (12).

16 The contracts discussed in this report include 21 contracts which were funded,  
17 managed, and serviced by PF-PI, but written on template contracts under the name  
18 Structured Investments Co., LLC ("SICO"). SICO was a predecessor to PF-PI run  
19 by Defendant Steven Covey and is not expressly included in the Appointment  
20 Order. However, the Receiver did not treat such contracts, which were funded in  
21 August – October 2011 and serviced entirely by PF-PI, differently from other PF-PI  
22 contracts.

23

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26 <sup>4</sup> One of which was purchased from an Investor by the Receivership Entities  
subsequent to the initial transaction.

27 <sup>5</sup> Note that Defendant Lichtig maintains that this entity is his adult children's  
28 entity. The California Secretary of State website, however, reflects Mr. Lichtig  
as the Agent for Service of Process (and also shows this entity's status as  
canceled). In addition, Jasimeyer checks were signed by Mr. Lichtig.

1           **C. Receivership Entity Reserve Accounts**

2           Through January 2016, prior to the Receiver's appointment, Investors were  
3 generally paid the contractual monthly payment each month, whether or not their  
4 Pensioners defaulted. In the event of default, funds were used from the  
5 Receivership Entity reserve accounts to cover the monthly shortfall. As a result of  
6 the significant amount of Pensioner defaults and bankruptcy filings, this shortfall  
7 coverage was quickly draining reserve funds.

8           As previously mentioned, assuming the January 2016 reserve account funds  
9 used to pay Investors monthly installments (approximately \$80,000) persisted, the  
10 Receiver estimates the Receivership Entities' cash would have been depleted on or  
11 before August 2016.

12           The Receivership Entities also used approximately \$967,000 of company  
13 (reserve) account funds to invest in 12 Pensioner contracts.<sup>6</sup> Of that amount,  
14 approximately \$724,000 went to Pensioners, \$7,000 was used to pay broker  
15 commissions, \$70,000 funded PF-PI Commissions, \$22,000 remained in the reserve  
16 accounts, and \$144,000 went to PF-PI as profit. PF-PI also purchased an additional  
17 contract from an Investor for \$30,328. Pensioner payments, through September 30,  
18 2016, associated with these Receivership Entity contracts total approximately  
19 \$618,000. One of these contracts was involved in a lawsuit dismissed with  
20 prejudice, six of these contracts have Lump Sum Payments repaid, two large  
21 contracts - accounting for nearly \$283,000 of the invested funds - involve  
22 Pensioners who redirected their pension payments, three contracts (including the  
23 contract purchased from an Investor) are paying current, and one contract's first  
24 payment is scheduled to commence in November 2016. Collection activities for  
25 Pensioners in default are discussed below. It is important to note that payments  
26

27 \_\_\_\_\_  
28 <sup>6</sup> This investment amount includes an \$8,000 investment for which no contract has  
been located.

1 collected toward Lump Sums on these Receivership Entity (and Insider) contracts  
2 since the Receiver's appointment will benefit all Third-Party Investors.

3 **D. Investor Account Summary**

4 As previously mentioned, the last payment made to Investors occurred in  
5 January 2016 prior to entry of the Appointment Order. Accordingly and because  
6 only the Third-Party Investors will be eligible to participate in the claims process,  
7 the following table reflects Third-Party Investor account activity for the period from  
8 August 2011 through January 8, 2016:

9 Third-Party Investor Contract Purchase Price	(\$24,968,096)
10 Third-Party Contract Pensioner Payments (08/2011-01/2016)	\$9,796,068
11 Third-Party Contract Reserve Subsidy (08/2011-01/2016)	\$1,121,777
12 <b>Third-Party Investor Net Loss Total<sup>7</sup></b>	<b>(\$14,050,251)</b>

13  
14 Given the span of time the contracts were entered into (first in August 2011  
15 and last in December 2014), early Third-Party Investors have a net loss of  
16 approximately 28 percent of their Purchase Price, while the latest Third-Party  
17 Investors have a net loss of approximately 84 percent of their Purchase Price. The  
18 average net loss is approximately 57 percent.

19 The Third-Party Investor Net Loss total is \$14,050,251. The total of unpaid  
20 Lump Sums is \$3,083,047, of which \$1,299,605 is owing from Pensioners who are  
21 paying current. Total cash in the receivership estate as of September 30, 2016 is  
22 \$2,500,797, plus the aforementioned \$1,100,000 participation interest in a real estate  
23 loan. Total overpayments from Pensioners, *i.e.*, payments in excess of Lump Sums,  
24  
25

26 <sup>7</sup> Due to various additional payments confirmed made upon review of Pensioner  
27 POA accounts received mid-July, this Third-Party Net Loss total is \$31,898  
28 lower than the Creditor Claim total on the Schedule of Known Creditors filed  
under seal on July 28, 2016 (Dkt. No. 99). Only the Third-Party Investor Net  
Loss individuals will be eligible to participate in the investor claims process.

1 is \$673,706. Once the Investor claims process is completed, the Receiver will file a  
 2 motion seeking approval of a specific plan for distributing receivership estate assets.

3 **E. Pensioner Account Summary as of September 30, 2016**

4 The following table reflects the total Lump Sums made to Pensioners less the  
 5 total payments made by Pensioners to Investors. Also included is the amount  
 6 Pensioners have paid over and above the Lump Sums they received since the  
 7 Receiver's appointment.

<b>Total Lump Sum Payments to Pensioners</b>	<b>\$15,409,684</b>
Total Pensioner Payments Made (08/2011-01/2016)	(\$10,761,140)
Total Pensioner Payments Made (02/2016-09/2016)	(\$1,565,497)
<b>Total Pensioner Payments (08/11-09/16)</b>	<b>(\$12,326,637)</b>
<b>Total Unpaid Net Lump Sum</b>	<b>\$3,083,047</b>
Lump Sum Overpayments made by Pensioners	\$673,706

13 The following table reflects various categories of Pensioner contracts, all  
 14 discussed in more detail hereinafter:

<b>Contract Category</b>	<b>No. of Contracts</b>	<b>Unpaid Lump-Sum Balances (as of 9/30/16)</b>
Death (discussed further below)	3	\$50,443
Bankruptcy (further broken out below)	35	\$865,025
Legal Settlements/Default Judgments	11	\$323,847
Payment Stream Redirects (letter sent)	55	\$1,216,344
Lump-Sum Totals Repaid/Total Overpaid	97	(\$ 672,217) <sup>8</sup>
Paying Current <sup>9</sup>	104	\$1,299,605
<b>TOTAL</b>	<b>305</b>	<b>\$3,083,047</b>

26 \_\_\_\_\_  
 27 <sup>8</sup> Varies from total above as one Pensioner who filed bankruptcy has overpaid her Lump Sum.

28 <sup>9</sup> If categorized here, Pensioners are mostly paying each month, either the contract amount or an agreed upon amount.

1           **F.     Pensioner Death and Bankruptcies**

2           The Receivership Entities did not have a collective or comprehensive file of  
3 bankruptcy documentation. As a result, the Receiver has reviewed physical,  
4 electronic, and email records to attempt to identify and obtain copies of Pensioner  
5 bankruptcy records. Upon obtaining same, the Receiver works with counsel to  
6 determine what proofs of claim were filed, what distribution plans have been  
7 confirmed, and what, if anything, the Receiver can do to effectuate recovery if  
8 claims bar dates have passed and/or the payment obligations do not appear to have  
9 been discharged.

10           Of the 286 Pensioners, 3 have passed away and 29 (affecting 35 contracts) are  
11 known to have filed for bankruptcy protection (25 prior to the Receiver's  
12 appointment and 4 since the Receiver's appointment). The confirmed impact on  
13 Investor repayment is further presented in the table below.

14

<b>Unrecoverable Lump Sum Unpaid Balances Confirmed as of September 30, 2016:</b>	<b>No.</b>	<b>Amount</b>
Death	3	\$50,443
Chapter 7 or 13 Bankruptcy – Debt Discharged	21	\$539,408
<b>Total Confirmed Unrecoverable Unpaid Lump Sum Balances</b>	<b>24</b>	<b>\$589,851</b>

15  
16  
17  
18

19           In new bankruptcies filed by Pensioners, provided there are material assets in  
20 the bankruptcy estate, the Receiver has filed proofs of claim. The Receiver will  
21 continue to monitor bankruptcies, as appropriate, and has filed three proofs of claim  
22 affecting four contracts; three of the four are expected to distribute material  
23 amounts. There is one additional Chapter 13 case with a confirmed plan availing  
24 \$680 in total distributions to all unsecured creditors of the debtor. This proof of  
25 claim bar date is November 1, 2016. Unless there is a dramatic change in the  
26 debtor's income or financial status, the Receiver does not intend to file a proof of  
27 claim in this particular case.  
28

1 In addition to the confirmed unrecoverable Lump Sums summarized above,  
2 the table below further expands upon the current status and impact of the additional  
3 known bankruptcies.

	No.	Amount
Bankruptcy – Collection Outcome Pending	7	\$149,138
Bankruptcy – Distribution Plan in Effect	4	\$50,066
Bankruptcy – Distribution Plan Anticipated	3	\$126,413
<b>Total</b>		<b>\$325,617</b>

4  
5  
6  
7  
8 1. Settlements/Default Judgments - Pre-Receivership Collections

9 Historically, Defendants filed complaints against Pensioners who redirected  
10 their payment streams. Certain of these complaints were discharged by a  
11 subsequent bankruptcy filing and certain were simply dismissed without prejudice  
12 (with no substantive explanation). One suit, affecting one Receivership Entity  
13 contract, was dismissed *with* prejudice. The Receiver is aware of four (4) legal  
14 settlements which were entered into, all of which are in default, with one paying less  
15 than the contractual amount agreed upon.<sup>10</sup> The Receiver is also aware Defendants  
16 obtained default judgments against five Pensioners, affecting eight contracts. None  
17 of the aforementioned settlement defaults or default judgments have been enforced,  
18 however. The Receiver's recommendations regarding collection efforts going  
19 forward are discussed below.

20 2. Pensioner Redirects & Payment Adjustments

21 In addition to the bankruptcy filings, 55 Pensioner contracts have had their  
22 payment streams redirected. In an attempt to cost-effectively get these Pensioners to  
23 resume payments, the Receiver has sent letters to all defaulted Pensioners. To date,  
24 nine of the noticed Pensioners (affecting 10 contracts) have restarted payments  
25 and/or have pledged to restart payments (these Pensioners are, however, still  
26 included in the Payment Stream Redirects category for purposes of this report).

27  
28 <sup>10</sup> This one contract is categorized herein as paying "current."

1                   3.     Temporary Suspension of Collection from Pensioners

2             In anticipation of the Court ordering repayment of Lump Sum amounts  
3 received, the Receiver temporarily suspended collection from Pensioners who were  
4 known to have already paid back the Lump Sum amounts they received. Such  
5 temporary suspensions total 87 through September 30, 2016. Ten additional  
6 contracts' Lump Sums have been paid in full - those Pensioners had stopped paying.

7                   4.     Lump Sums Repaid - Overpayment of Lump Sums

8             As discussed above and in anticipation of the Court ordering repayment of  
9 Lump Sum amounts received, the Receiver temporarily suspended collection from  
10 Pensioners who were known to have paid back their Lump Sums. The 97 contracts  
11 on which the Receiver has temporarily suspended payment or for which payment  
12 had already stopped have collective Lump Sum overpayments of \$673,706. If the  
13 Receiver's proposal regarding collection of Lump Sums is approved, the Receiver  
14 will return the overpayment of funds to the appropriate Pensioners who overpaid.

15                   5.     Life Insurance Policies

16             A few life insurance payments were made early on, but there are no known  
17 active policies. The Receiver sent letters to insurance companies known to have  
18 been paid (and discovered through her forensic accounting), but has not found any  
19 active policies. In the BPPA, PF-PI retained the right to obtain (as beneficiary) and  
20 pay for an insurance policy on the Pensioner's life. It also retained the right,  
21 however, to drop the coverage without permission or notice to the Pensioner.

22                   6.     Lynk Loans

23             Upon her appointment, the Receiver learned that the Receivership Entities  
24 held a \$1.2 million loan participation interest (now \$1.1 million - \$100,000 of  
25 principal has since been repaid) in a commercial note secured by a Commercial  
26 Deed of Trust over three separate pieces of real property:

- 27                   • 22.21 acres of raw land in Fort Washington, Maryland;  
28                   • 28 single-family lots located in Clinton, Maryland; and



- 32 single-family lots located in Upper Marlboro, Maryland.

Immediately upon learning of this asset, the Receiver reached out to the lead lender (the Receivership Entities hold a participating interest) to obtain all associated books and records and to direct interest and other payments to the receivership estate. Such interest payments are being made current in the amount of \$7,333.33 per month. The Receiver continues to obtain updates on the status of this asset; however, the original maturity date of the note is well past due and timing for full repayment or foreclosure on the collateral remains to be determined.

Upon her appointment, the Receiver also discovered an additional loan participation asset previously held in the Receivership Estate Defined Benefit Pension Plan, but which had been transferred to a retirement account in the name of Defendant Edwin Lichtig shortly before the Receiver's appointment. Receivership Entity funds did contribute into this retirement plan and such contributions are captured in the Insider Net Payments category in Section IV below.

#### 7. Other Miscellaneous

For the 305 contracts reflected herein, 43 (primarily) third-party individuals were paid a total of \$2.1 million in agency fees. Of this total, one Investor was paid a total of \$222,253 of agency fees. Several others appear to be family members of Investors, but confirmation has not yet been obtained.

### **III. SOURCES AND USES OF PENSIONER CONTRACT FUNDS**

The Receiver and her staff have performed an accounting on 40 Receivership Entity bank accounts and 256 Power of Attorney ("POA") bank accounts, *i.e.*, accounts set up to receive pension payments and over which PF-PI has power of attorney. Activity for four additional receivership accounts used by the Receiver is also reflected herein. The following is a global summary of the Pensioner contracts:

<b>SOURCE OF PENSIONER CONTRACT FUNDS:</b>	<b>AMOUNT</b>
Third Party Investor Funds	\$24,968,096
Defendant Edwin Lichtig Funds	\$694,424

1	Jasimeyer (Ed Lichtig Related Entity) Funds	\$241,207
2	Receivership Entity Funds used for Pensioner Contracts	\$967,437
3	Receivership Entity Funds used to Purchase Pensioner Contract from Investor	\$30,328
4	<b>TOTAL SOURCE OF PENSIONER CONTRACT FUNDS</b>	<b>\$26,901,492</b>
5	<b>USE OF PENSIONER CONTRACT FUNDS:</b>	
6	Reserve Impound Account Payments	(\$2,168,695)
7	Life Insurance Impound Account Payments	(\$625,658)
8	Management Fee Impound Account Payments	(\$377,183)
9	Commission Payments to Receivership Entities	(\$1,687,043)
10	Profit Payments to Receivership Entities	(\$4,403,888)
11	<b>TOTAL PENSIONER CONTRACT FUNDS PAID TO RECEIVERSHIP ENTITIES</b>	<b>(\$9,262,467)</b>
12	Pensioner Lump Sum Payments	(\$15,409,684)
13	Commission & Agency Fee Payments to Third Parties	(\$2,229,341)
14	<b>TOTAL USE OF PENSIONER CONTRACT FUNDS</b>	<b>(\$26,901,492)</b>

**IV. SOURCES AND USES OF RECEIVERSHIP ENTITY FUNDS**

The following table reflects the sources of the Total Pensioner Contract Funds Paid to Receivership Entities shown above, plus other sources of funds to the Receivership Entities:

<b>SOURCE OF FUNDS THROUGH 1/08/16:</b>	<b>AMOUNTS</b>
Reserve Impound Account	\$2,168,695
Life Insurance Impound Account	\$625,658
Management Fee Impound Account	\$377,183
Commissions Paid to Receivership Entities	\$1,687,043
Receivership Entity Profit	\$4,403,888
<b>TOTAL INVESTOR FUNDS TO RECEIVERSHIP ENTITIES</b>	<b>\$9,262,467</b>
PF-PI Purchased Contract Revenue	\$537,897
Lynk Loan Payment Interest Revenue	\$214,865
Other Revenue (e.g., referral fees) <sup>11</sup>	\$75,191
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$10,090,420</b>

<sup>11</sup> PF-PI received funds from other companies to whom it appears they referred Pensioners and/or Investors.

1 The following table reflects the uses of the \$10,090,420 in funds received by  
 2 Receivership Entities as of January 8, 2016:

<b>USE OF FUNDS THROUGH 1/08/16:</b>	
Credit Card & Bank Fees	(\$502,450)
Outside Commissions <sup>12</sup>	(\$17,322)
Office Expense	(\$628,070)
Legal Costs & Fees	(\$465,303)
Other Professional Fees	(\$126,286)
Marketing Fees	(\$79,613)
Payroll Related	(\$819,173)
Taxes	(\$111,710)
<b>Total PF-PI Related Expenses</b>	<b>(\$2,749,927)</b>
Insider Net Payments	(\$3,403,092)
Lynk Loan Investment	(\$1,200,000)
Reserve Subsidy Payments to Investors	(\$1,189,948)
Company Funds Used for PF-PI Contracts	(\$967,437)
Company Funds Used for PF-PI Contract Purchased from Investor	(\$30,328)
Life Insurance Payments	(\$14,859)
Other Misc. Investments	(\$8,165)
<b>TOTAL USE OF FUNDS</b>	<b>(\$9,563,756)</b>
<b>CASH BALANCE AS OF RECEIVER APPOINTMENT</b>	<b>\$526,664</b>

19 In January 2016, more than \$80,000 of company reserve account funds were  
 20 used to pay Investors due to the numerous defaulted Pensioners. Given that  
 21 collections generally decrease with additional defaults and the Lynk Loan remains  
 22 illiquid, with \$526,664 in the bank accounts at January 8, 2016, and conservatively  
 23 assuming no operating expenses, it is estimated the Receivership Entities could have  
 24 completely run out of cash on or before August 2016.

25  
 26  
 27  
 28 <sup>12</sup> These commissions were not funded directly from the Pensioner contracts. It is not entirely clear to what the commissions relate.

**V. POST-RECEIVERSHIP RECEIPTS AND DISBURSEMENTS**

The following table reflects the receipts and disbursements of funds for the receivership estate since the Receiver's appointment:

<b>Account Cash Balance at 1/7/16</b>	<b>\$689,737</b>
January 8, 2016 Pensioner Payments	\$99,009 <sup>13</sup>
January 8, 2016 Investor Payments	(\$262,082) <sup>14</sup>
<b>Account Cash Balance at 1/8/16</b>	<b>\$526,664</b>
Recovery – Bird Marella Law Firm Retainer	\$9,743
Recovery – David Arietta Law Firm Retainer	\$14,084
Recovery – Ramsey Law Firm Retainer	\$7,472
Collection – Loan Principal	\$100,000
Collection – Loan Interest (Feb.-Sept.)	\$59,400
Collection – Rex Hofelter Judgment	\$40,000
Collection – Ed Lichtig Judgment	\$282,108
Collection – Pensioner Payments (Feb.-Sept.)	\$1,606,349
Collection – Other Investments	\$8,000
Collection – Other Misc. & Interest	\$1,404
Receiver Fees	(\$73,438)
Receiver Legal Fees	(\$30,988)
Pensioner Payments Rejected (Feb.-Sept.)	(\$40,852)
Other Miscellaneous Expenses <sup>15</sup>	(\$9,149)
<b>Cash Book Balance at 9/30/16</b>	<b>\$2,500,797</b>

**VI. RECOMMENDATIONS**

**A. Collection of Pensioner Lump Sums**

As the Court knows, this case involves serious claims asserted by the Bureau and Superintendent, along with substantial evidence submitted in support of those claims. The claims include violations of the Consumer Financial Protection Act of

<sup>13</sup> Pensioner payments collected prior to the Receiver's appointment, but posted to the account on January 8, 2016.

<sup>14</sup> Payments to Investors issued prior to the Receiver's appointment, but posted to the account on January 8, 2016.

<sup>15</sup> Primarily reflects bank fees and income tax related payments.

1 2010, violations of New York Banking Laws in the form of usury, false, and  
2 misleading advertising of loans, unlicensed money transmitting, and violations of  
3 New York Financial Services Laws in the form of intentional misrepresentations of  
4 material fact regarding a financial product. Defendants initially disputed the claims  
5 against them, but then stipulated to a preliminary injunction, appointment of the  
6 Receiver, and final judgments against Defendants Edward Lichtig and Rex Hofelter.  
7 Defendant Steven Covey never responded to the complaint and a default judgment  
8 was entered against him.

9       The Receiver has carefully considered the interests of Pensioners and  
10 Investors and endeavored to balance those interests in determining what additional  
11 amounts should be collected from Pensioners at this point. To collect nothing  
12 further from Pensioners in light of the likelihood that federal and state laws were  
13 violated would grant Pensioners a windfall in the sense that they received the Lump  
14 Sums and, in some cases, would have to repay very little of them. It would also  
15 force Investors to bear an unfair amount of losses. On the other hand, to collect the  
16 full amounts due from Pensioners under the contracts would ignore the likely  
17 material misrepresentations made to Pensioners, violations of usury and money  
18 transmitting laws, and other harmful conduct of Defendants in connection with the  
19 pension-advance transactions. Accordingly, the Receiver recommends the Lump  
20 Sums advanced to Pensioners be collected such that Pensioners are not forced to  
21 repay more than they actually received. In this manner, Investors will receive a  
22 meaningful recovery, although the total amount of the recovery will not be known  
23 until the Receiver's collection work (discussed below) is completed.

24       As noted in her interim reports, the Receiver has temporarily suspended  
25 collections from Pensioners who have already repaid their Lump Sums. If the Court  
26 approves the recommendation for Pensioners to repay Lump Sums, the Receiver  
27 will permanently cease collection from these Pensioners and will limit her collection  
28 activity from the remaining Pensioners to recovery of the full Lump Sum.

1 While it is difficult to estimate the exact timing of Pensioner payments for a  
2 variety of reasons (primarily bankruptcy and other default/collection matters), the  
3 best estimated timeline for collection of the vast majority of Lump Sums appears to  
4 be into late 2018 (notwithstanding some bankruptcy distribution plans, which have a  
5 five year horizon, and a handful of outlier 'settlement' contracts). For example, of  
6 the 104 "current" contracts, all things held constant, it is estimated that 20 Lump  
7 Sums would be paid by the end of 2016, 56 would be paid by the end of 2017, and  
8 26 would be paid by the end of 2018 (there are two outlier contracts).

9 **B. Pensioner Collections**

10 Of the 66 Pensioner contracts in default, with a default judgment or a  
11 defaulted settlement agreement, the largest concentration of the Pensioners is  
12 located in Florida (11), followed by New York and Maryland (each with 6), North  
13 Carolina and Texas (each with 5) and California (4).

14 The Receiver recommends and requests authority to commence collection  
15 activity on defaulted Pensioner accounts as necessary and appropriate to collect the  
16 full Lump Sums they received. Thus far, the Receiver has sent letters to defaulted  
17 Pensioners and has filed proofs of claim in Pensioner bankruptcies as necessary to  
18 preserve the receivership estate's right to collect. If the Court approves the  
19 Receiver's proposal to collect the full Lump Sums paid to Pensioners, then  
20 collection activity should commence as necessary to protect the receivership estate's  
21 rights. The Receiver will endeavor to work with Pensioners on payment plans and  
22 will focus on keeping collection costs to a minimum. However, in some instances it  
23 may be necessary and appropriate to engage collection counsel to pursue and  
24 enforce claims against Pensioners (located in California or other states). Any and all  
25 such collection fees and costs will be brought to the Court for approval in fee  
26 applications similar to those filed by the Receiver and her general counsel, Allen  
27 Matkins Leck Gamble Mallory & Natsis LLP. The Receiver will use her business  
28

1 judgment in pursuing collections from Pensioners and focus on maximizing the net  
2 recovery for the receivership estate from all such activity.

3 **C. Claims Process**

4 Procedures for the administration of Investor claims should be established so  
5 there is an efficient and effective process for determining the proper amount of each  
6 Investor's claim against the receivership estate. As discussed above, the Receiver  
7 has completed her forensic accounting and therefore has generated an accurate  
8 schedule of each Investor's transfers to and from PF-PI. Moreover, there are only  
9 179 third-party Investors. Accordingly, the Receiver does not believe a lengthy  
10 claims process is necessary.

11 Instead, the Receiver proposes Investors be sent a letter along with a schedule  
12 of their transfers to and from PF-PI, showing their total net loss. The letter will  
13 inform Investors that if they dispute their total net loss amount (which amount will  
14 be used to determine their claim), they must respond in writing within 30 days, state  
15 the nature of their dispute, and provide documentation supporting their position.  
16 The Receiver will consider all such responses, attempt to resolve disputes with  
17 applicable Investors, and if a resolution cannot be reached, file a motion requesting  
18 the Court determine the applicable claims. The Receiver will simultaneously file a  
19 schedule of proposed allowed claim amounts for all Investors. This abbreviated  
20 claims process will effectively resolve any and all claim disputes while minimizing  
21 administrative expenses.

22 In cases in which the assets of the receivership estate are insufficient to pay  
23 Investor direct losses, the appropriate method of calculating investor claims is the  
24 amount invested in the enterprise, less the amount received on account of the  
25 investment (also known as "money in, money out"). *See SEC v. Capital*  
26 *Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005) (describing a net claim  
27 calculation as "an administratively workable and equitable method of allocating the  
28 limited assets of the receivership"); *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107,

1 1116 (9th Cir. 1999). Accordingly, any and all distributions or other amounts  
2 Investors received prior to the receivership should be deducted from their claims  
3 such that their claim amounts reflect their actual net losses from their amounts  
4 invested (*i.e.*, their Purchase Price).

5 Finally, for the reason discussed above, Investor claims should not include  
6 amounts above and beyond their direct net losses. Indirect losses or consequential  
7 damages, such as interest, attorney fees, IRA fees, opportunity costs, and other fees  
8 or costs Investors may have incurred or may have been promised should not be  
9 added to allowed claims. The assets of the receivership estate are woefully  
10 insufficient to pay Investor direct net losses, so allowing investors to tack on claims  
11 for additional indirect losses is not appropriate. Moreover, the need to review and  
12 object to such claims would unnecessarily increase administrative expenses.

13 **VII. CONCLUSION**

14 For the reasons discussed above, the Receiver requests approval of her  
15 forensic accounting report provided herein and her recommendations concerning the  
16 collection of Lump Sums from Pensioners, collection activity against Pensioners (as  
17 necessary and appropriate), pursuit of claims to recover voidable transactions, and  
18 the proposed investor claims process.

19  
20 Dated: October 19, 2016

By:   
KRISTA L. FREITAG  
Receiver

21  
22 Dated: October 19, 2016

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
By:           /s/ Edward Fates            
EDWARD G. FATES  
Attorneys for Receiver  
KRISTA L. FREITAG

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24  
25  
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27  
28



# **EXHIBIT 1**

	Bank	Entity	Account Nickname	Account Number
1	East West	Receivership	Checking	4628
2	East West	Receivership	ICS	4628
3	South County Bank/Surf City	Receivership	Checking	6551
4	South County Bank/Surf City	Receivership	Money Market	6601
1	JP Morgan/Chase	Pension Income, LLC	Trust	5376
2	JP Morgan/Chase	Pension Income, LLC	Wait List	5384
3	JP Morgan/Chase	Pension Income, LLC	Insurance Impound	5855
4	JP Morgan/Chase	Pension Income, LLC	Pension Collection	5863
5	JP Morgan/Chase	Pension Income, LLC	Distribution	5871
6	JP Morgan/Chase	Pension Income, LLC	Management Impound	5889
7	JP Morgan/Chase	Pension Income, LLC	Reserve	5897
8	JP Morgan/Chase	Pension Income, LLC	General	5905
9	JP Morgan/Chase	Pension Income, LLC	ACH Clearing	9870
10	JP Morgan/Chase	Pension Income	Payroll	5186
11	JP Morgan/Chase	Pension Income, LLC	Reserve #2	QB Only
12	JP Morgan/Chase	Pension Income, LLC	Insurance Impound #2	QB Only
13	JP Morgan/Chase	Pension Income, LLC	Trust	QB Only
14	JP Morgan/Chase	Pension Income, LLC	Management Impound	QB Only
15	JP Morgan/Chase	Pension Income, LLC	Distribution	QB Only
16	JP Morgan/Chase	Pension Income, LLC	Pension Collection	QB Only
17	JP Morgan/Chase	Pension Funding	Servicing Account	0201
18	JP Morgan/Chase	Pension Funding	Payroll Account	8817
19	JP Morgan/Chase	Pension Funding	General	7603
20	South County Bank/Surf City	Pension Income, LLC	ACH Clearing	4016
21	South County Bank/Surf City	Pension Income, LLC	PENSION COLLECTION	4040
22	South County Bank/Surf City	Pension Funding, LLC	General Account	4057
23	South County Bank/Surf City	Pension Funding, LLC	servicing	4065
24	South County Bank/Surf City	Pension Funding, LLC	PAYROLL	4073
25	South County Bank/Surf City	Pension Income, LLC	WAIT LIST	4099
26	South County Bank/Surf City	Pension Income, LLC	TRUST	4107
27	South County Bank/Surf City	Pension Income, LLC	RESERVE	4115
28	South County Bank/Surf City	Pension Income, LLC	GENERAL	4123
29	South County Bank/Surf City	Pension Income, LLC	MANAGEMENT IMPOUND	4131
30	South County Bank/Surf City	Pension Income, LLC	INSURANCE IMPOUND	4149
31	South County Bank/Surf City	Pension Income, LLC	DISTRIBUTION	4156
32	South County Bank/Surf City	Pension Income, LLC	OBLIGATIONS ACCOUNT	4446
33	South County Bank/Surf City	PGR LLC	Reserve Account	4495
34	South County Bank/Surf City	PGR LLC	General Account	4529
35	South County Bank/Surf City	PGR LLC	Management Account	4537
36	South County Bank/Surf City	PGR LLC	Future Obligations	4610
37	Wells Fargo	Pension Income / Ed Lichtig	N/A	9123
38	Wells Fargo	Pension Income / Ed Lichtig	N/A	9426
39	Wells Fargo	Pension Income / Ed Lichtig	N/A	4175
40	Wells Fargo	Pension Income	Defined Benefit Plan	7819
1	JP Morgan/Chase	Pensioner	POA	0453
2	JP Morgan/Chase	Pensioner	POA	0396
3	JP Morgan/Chase	Pensioner	POA	9950
4	JP Morgan/Chase	Pensioner	POA	0099
5	JP Morgan/Chase	Pensioner	POA	0412
6	JP Morgan/Chase	Pensioner	Pension Income, LLC	7012
7	JP Morgan/Chase	Pensioner	POA	0370
8	JP Morgan/Chase	Pensioner	Rex Hofelter POA Acct	9364
9	JP Morgan/Chase	Pensioner	POA	8028
10	JP Morgan/Chase	Pensioner	POA	4980

	Bank	Entity	Account Nickname	Account Number
11	JP Morgan/Chase	Pensioner	POA	0230
12	JP Morgan/Chase	Pensioner	POA	0446
13	JP Morgan/Chase	Pensioner	POA	0669
14	JP Morgan/Chase	Pensioner	POA	8010
15	JP Morgan/Chase	Pensioner	POA	8705
16	JP Morgan/Chase	Pensioner	POA	0487
17	JP Morgan/Chase	Pensioner	Pension Income, LLC	0586
18	JP Morgan/Chase	Pensioner	POA	9810
19	JP Morgan/Chase	Pensioner	POA	1940
20	JP Morgan/Chase	Pensioner	POA	9753
21	JP Morgan/Chase	Pensioner	POA	0214
22	JP Morgan/Chase	Pensioner	Pension Income, LLC	0552
23	JP Morgan/Chase	Pensioner	POA	0028
24	JP Morgan/Chase	Pensioner	POA	9984
25	JP Morgan/Chase	Pensioner	POA	0438
26	JP Morgan/Chase	Pensioner	POA	9844
27	JP Morgan/Chase	Pensioner	POA	9449
28	JP Morgan/Chase	Pensioner	POA	2336
29	JP Morgan/Chase	Pensioner	POA	0073
30	JP Morgan/Chase	Pensioner	POA	9372
31	JP Morgan/Chase	Pensioner	Rex Hofelter POA Acct	0164
32	JP Morgan/Chase	Pensioner	POA	9787
33	JP Morgan/Chase	Pensioner	POA	8036
34	JP Morgan/Chase	Pensioner	POA	0644
35	JP Morgan/Chase	Pensioner	POA	0321
36	JP Morgan/Chase	Pensioner	POA	8410
37	JP Morgan/Chase	Pensioner	POA	0057
38	JP Morgan/Chase	Pensioner	POA	8394
39	JP Morgan/Chase	Pensioner	POA	9869
40	JP Morgan/Chase	Pensioner	Pension Income, LLC	0685
41	JP Morgan/Chase	Pensioner	Pension Income, LLC	7020
42	JP Morgan/Chase	Pensioner	POA	9851
43	JP Morgan/Chase	Pensioner	POA	0651
44	JP Morgan/Chase	Pensioner	POA	9828
45	JP Morgan/Chase	Pensioner	POA	7898
46	JP Morgan/Chase	Pensioner	POA	0222
47	JP Morgan/Chase	Pensioner	POA	0578
48	JP Morgan/Chase	Pensioner	POA	8697
49	JP Morgan/Chase	Pensioner	POA	8044
50	JP Morgan/Chase	Pensioner	Pension Income, LLC	0560
51	JP Morgan/Chase	Pensioner	POA	8961
52	JP Morgan/Chase	Pensioner	POA	9498
53	JP Morgan/Chase	Pensioner	POA	0461
54	JP Morgan/Chase	Pensioner	POA	0628
55	JP Morgan/Chase	Pensioner	POA	0362
56	JP Morgan/Chase	Pensioner	Pension Income, LLC	9968
57	JP Morgan/Chase	Pensioner	POA	9787
58	JP Morgan/Chase	Pensioner	POA	0198
59	JP Morgan/Chase	Pensioner	POA	0032
60	JP Morgan/Chase	Pensioner	POA	0180
61	JP Morgan/Chase	Pensioner	POA	2328
62	JP Morgan/Chase	Pensioner	Rex Hofelter POA Acct	0594
63	JP Morgan/Chase	Pensioner	POA	8402
64	JP Morgan/Chase	Pensioner	POA	8713
65	JP Morgan/Chase	Pensioner	POA	0081
66	JP Morgan/Chase	Pensioner	POA	0040

	Bank	Entity	Account Nickname	Account Number
67	JP Morgan/Chase	Pensioner	POA	0610
68	JP Morgan/Chase	Pensioner	POA	9902
69	JP Morgan/Chase	Pensioner	POA	0420
70	JP Morgan/Chase	Pensioner	POA	0404
71	JP Morgan/Chase	Pensioner	POA	0388
72	JP Morgan/Chase	Pensioner	Rex Hofelter POA Acct	0036
73	JP Morgan/Chase	Pensioner	POA	8979
74	JP Morgan/Chase	Pensioner	POA	0156
75	JP Morgan/Chase	Pensioner	POA	0602
76	JP Morgan/Chase	Pensioner	POA	0077
77	JP Morgan/Chase	Pensioner	POA	0149
78	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3196
79	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3212
80	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3220
81	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3238
82	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3246
83	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3253
84	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3261
85	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3279
86	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3287
87	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3295
88	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3303
89	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3311
90	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3329
91	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3337
92	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3345
93	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3352
94	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3360
95	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3378
96	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3386
97	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3394
98	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3402
99	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3410
100	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3428
101	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3436
102	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3444
103	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3451
104	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3469
105	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3477
106	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3485
107	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3493
108	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3501
109	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3519
110	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3527
111	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3535
112	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3543
113	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3550
114	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3568
115	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3576
116	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3584
117	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3592
118	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3600
119	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3618
120	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3626
121	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3634
122	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3642

	Bank	Entity	Account Nickname	Account Number
123	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3659
124	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3667
125	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3691
126	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3725
127	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3733
128	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3741
129	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3758
130	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3766
131	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3774
132	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3782
133	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3790
134	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3808
135	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3816
136	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3824
137	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3832
138	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3840
139	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3857
140	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3873
141	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3881
142	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3899
143	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3907
144	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3923
145	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3931
146	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3949
147	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3956
148	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3964
149	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3972
150	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3980
151	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4020
152	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4038
153	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4046
154	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4053
155	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4061
156	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4079
157	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4087
158	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4095
159	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4103
160	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4111
161	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4129
162	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4137
163	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4145
164	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4152
165	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4178
166	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4186
167	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4194
168	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4202
169	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4210
170	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4228
171	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4251
172	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4269
173	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4277
174	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4285
175	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4293
176	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4301
177	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4319
178	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4327

	Bank	Entity	Account Nickname	Account Number
179	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4368
180	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4376
181	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4384
182	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4392
183	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4400
184	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4418
185	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4426
186	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4434
187	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4442
188	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4459
189	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4467
190	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4475
191	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4483
192	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4491
193	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4509
194	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4517
195	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4525
196	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4541
197	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4558
198	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4590
199	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4608
200	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4616
201	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4624
202	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4632
203	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4640
204	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4657
205	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4665
206	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4673
207	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4699
208	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4715
209	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4723
210	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4731
211	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4749
212	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4756
213	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4764
214	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4780
215	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4798
216	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4806
217	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4848
218	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4855
219	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4863
220	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4871
221	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4889
222	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4897
223	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4905
224	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4921
225	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4939
226	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4947
227	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4954
228	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4962
229	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	4988
230	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5019
231	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5027
232	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5035
233	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5043
234	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5050

	Bank	Entity	Account Nickname	Account Number
235	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5068
236	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5076
237	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5092
238	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5100
239	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5118
240	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5126
241	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5142
242	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5159
243	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5167
244	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5175
245	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5183
246	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5191
247	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5209
248	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5217
249	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5225
250	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5233
251	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5241
252	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5258
253	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5266
254	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5274
255	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	5282
256	South County Bank/Surf City	Pensioner	Rex Hofelter POA Acct	3915
			Total Receivership Bank Accounts	4
			Total Company Bank Accounts	40
			Total POA Bank Accounts	256