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1 Krista Freitag (“Receiver”), the Court-appointed Receiver herein, hereby files
2 her Receiver’s Report (3Q13) and Recommendations re Claim and Distribution
3 Procedure.

4 **I. INTRODUCTION**

5 Receiver recommends that this receivership be wound up under the procedure
6 described herein. This recommendation is based in part on her belief that “the low
7 hanging fruit has been harvested,” and that future efforts are not likely to bring
8 additional dollars into the estate – absent undertaking significant litigation, for which
9 one estate lacks the appetite, and for which the other estates lack the funding. Asset
10 searches indicate that the receivership entities own no real property. The business
11 records available to Receiver are incomplete (and are likely to stay that way). Key
12 witnesses have asserted their 5th Amendment rights against self-incrimination, and/or
13 are located outside of the United States. The Receiver and her counsel have worked
14 with numerous parties to obtain records regarding transfers to Canada that might be
15 recoverable, but has been unable to obtain them, and faces the prospect of
16 commencing a legal proceeding in Canada to do so. Further, the Receiver has little
17 evidence suggesting that litigation would ultimately bear fruit for the estates, and in
18 fact has draft documentation suggesting that some targets may have defenses against
19 any basic fraudulent transfer claims.

20 The Receiver and her counsel receive regular calls from investors asking that
21 the receivership be wound up now, and the money on hand returned to investors –
22 rather than “rolling the dice” and spending that money on litigation, in hopes of
23 increasing the pot. The Court too has expressed concern over the preservation of
24 estate funds to return to investors, addressing the issue in its recent ruling on fee
25 applications. See Docket No. 50. Accordingly, the Receiver recommends that she
26 commence winding up the receivership in the fashion described below. If, during the
27 process of winding up, any additional information is obtained which gives the
28

1 Receiver reason to believe recovery of investor funds appears more probable, the
2 Receiver will notify the Court.

3 Receiver has recovered several hundred thousand dollars, the balance of which
4 – after costs of administration – will be returned to investors. While Receiver wishes
5 a greater recovery were possible, she believes that the likely recovery under the wind
6 up procedure proposed herein is the best possible outcome under the circumstances.
7 When the Securities & Exchange Commission first presented this case to Receiver, it
8 was administratively insolvent, and presented a clear risk to Receiver and her counsel
9 that they would go unpaid for their efforts. Receiver took the case anyway, and that
10 risk has paid off for investors, in the form of the distributions described herein –
11 distributions that were not thought possible at the outset of this case.

12 13 **II. STATEMENT OF THE CASE**

14 **A. Procedural Background**

15 On March 7, 2013, the Commission filed a complaint (Docket No. 3) initiating
16 the instant litigation against Defendants Alvin R. Brown, First Choice Investment, Inc.
17 (“Defendant FCI”)¹ and Advanced Corporate Enterprises, Inc.² alleging violations of
18 various securities laws.

19 _____
20 ¹ Defendant Al Brown appears to have operated two different entities under the name First Choice Investment, Inc. –
21 with First Choice Investment, Inc. incorporated in Nevada in 2008, and First Choice Investments, Inc. (with an “s”),
22 incorporated in Nevada in 2012; investment records and communications generally do not appear to delineate between
23 the two, thus the Receiver has consolidated all Defendant FCI activity.

24 ² Defendant Al Brown appears to have operated two different entities under the name Advanced Corporate Enterprises,
25 Inc.:

26 (a) one incorporated in California in approximately 2005, which appears to have focused primarily on American
27 investors and to have raised the majority of its funds in or prior to 2009 (“Defendant ACorp – CA”); and

28 (b) a second one incorporated in Nevada in approximately 2011 (February is file date), which appears to have focused
primarily on Canadian investors (“Defendant ACorp – NV”).

Business records and communications generally do not appear to delineate between the two; however, the financial
records available to the Receiver reflect ACorp-CA operations (e.g., tax returns filed under ACorp-CA through 2010).
Bank records used to prepare the ‘sources and uses’ included in the Receiver’s Preliminary Accounting and Report
(2Q13) appear to reflect primarily Canadian investor activity.

1 At the Commission's request, on March 7, 2013, the Court entered its order
2 (Docket No. 5) appointing Receiver as a temporary receiver for Defendant FCI and
3 Defendants ACorp and the entities they control and manage with full powers of an
4 equity receiver. Thereafter, Defendant Brown stipulated to the appointment of
5 Receiver on a permanent basis (Docket No. 17). On April 8, 2013, the Court so
6 ordered (Docket No. 18).

7 On May 6, 2013, the Receiver filed an interim report and request for
8 instructions regarding the scope of Receiver's authority (Docket No. 19). On May 23,
9 2013, the Court entered an order extending the Receiver's rights and responsibilities
10 to two of Defendant's affiliated entities, First Choice Energy Partners, LP, a/k/a First
11 Choice Oil and Gas Energy Partners ("Defendant FCEP") and Advanced Concepts
12 Enterprises, Inc. ("Defendant ACE").

13 **B. Updated Accounting Results**

14 In an effort to locate from where the receivership entities raised money, and
15 where it went, the Receiver has performed a detailed "sources and uses" accounting
16 from original bank records for Defendant FCI, Defendant FCEP, Defendant ACorp –
17 NV, Defendant ACE (two accounts only), and a summary "sources and uses" from
18 financial records provided to her for Defendant ACorp – CA, due to lack of
19 underlying supporting documentation for Defendant ACorp - CA. Very limited
20 Defendant ACE bank records and/or financial records are available after 2008, and
21 thus a detailed sources and uses has not been prepared for Defendant ACE. In late
22 October 2013, Receiver received from an independent accountant, Quickbooks
23 records for the period from 2004 through 2008 for Defendant ACE. To date, a basic
24 summary of the Quickbooks financial records has been performed. The Receiver is in
25 the process of performing limited additional review of the financial records provided
26 to determine if there is any probability of obtaining additional information which
27 would aid in recovery of investor funds. If anything is gained from said review, the
28 Receiver will notify the Court.

1 Receiver believes she has obtained the records that can be obtained cost-
2 effectively (or possibly at all). Despite her efforts to date, certain entity-level basic
3 financial information, particularly for Defendant ACE, and detail level bank records
4 (i.e. electronic transfer support and check copies) for Defendant ACorp – CA and
5 Defendant ACE, remains incomplete.

6 Additional supporting documentation has been reviewed since the publication
7 of the Receiver’s Preliminary Accounting and Report (Q213), and based upon said
8 review, bank records support the following:

- 9 • Defendant FCI raised \$1,260,780³ from investors; \$119,197 of funds
10 deposited into Defendant FCI bank accounts were attributable to
11 Defendant FCEP investor funds (and are not included in the \$1,260,780
12 number),
- 13 • Defendant ACorp – NV raised \$2,339,683⁴ from investors, and
- 14 • Defendant FCEP raised \$364,901⁵ from investors; \$119,197 of these
15 funds were deposited into Defendant FCI bank accounts.

16 For Defendant FCI, Defendant ACorp – NV and Defendant FCEP, bank records
17 show that \$523,297 of cash was taken by Defendant Al Brown through withdrawals
18 and personal expenses, and that \$1,899,936 was wired to Canadian bank accounts,
19 \$659,383 of which, based upon physical wire records located, was immediately
20 traceable to Donato Prezioso and/or a purported Canadian-based health-food
21

22 ³ Based on investor lists provided to the Receiver, an additional \$83,720 may have been raised, but said investor deposits
23 cannot be located specifically; however, precise sources for \$102,152 of deposits into Defendant FCI bank accounts
cannot be definitively determined.

24 ⁴ Based on investor lists provided to the Receiver, an additional \$192,281 may have been raised, but said investor
25 deposits cannot be located specifically; however, precise sources for \$499,796 of deposits into Defendant ACorp - NV
26 bank accounts cannot be definitively determined. Included in the \$2,339,683 is \$76,250 of deposits from two investors
who had also invested in Defendant ACorp – CA.

27 ⁵ Based on investor lists provided to the Receiver, it is possible an additional \$26,875 of funds were raised; however,
28 \$21,500 of said funds appear to have been diverted by Defendant Brown (as per FedEx records) upon appointment of the
Receiver (March 7, 2013). The other \$5,375 appears to have been invested subsequent to the Receiver’s appointment.
The Receiver has attempted to reach out to these three investors, to no avail to date.

1 supplement distributor with no apparent connection to the real estate business or to
2 Defendants ACorp.

3 Bank Records for two Defendant ACE bank accounts show that \$372,968 of
4 funds were transferred to said Defendant ACE bank accounts from Defendant FCI,
5 Defendant ACorp – NV and Defendant FCEP bank accounts. Of the funds transferred
6 to the noted Defendant ACE bank accounts, \$241,426 of funds were transferred to
7 Defendant Brown’s personal bank accounts. Lastly, \$39,190 of the Defendant ACE
8 funds were taken by Defendant Al Brown through withdrawals and personal expenses.

9 Below is a summary of the material categories of uses of funds for Defendant
10 FCI, Defendant ACorp – NV, Defendant FCEP, and Defendant ACE. For greater
11 detail, see Exhibit “A”:

	Transfers to Canadian Bank Account
Defendant ACorp - NV	\$1,899,936
Total	\$1,899,936
	Payments to Defendant Brown
Defendant ACorp - NV	\$213,617
Defendant FCI	\$309,576
Defendant FCEP	\$107
Defendant ACE transfers⁶	\$241,426
Defendant ACE	\$39,190
Total	\$803,916
	Payments to Individuals⁷
Defendant FCI	\$535,875

26 _____
27 ⁶ This transfer amount is not included in the total expenses summarized below.

28 ⁷ Payments made to individuals with one or more references to marketing, promotional, commission, etc. on the physical payments or in Defendant Brown’s Quickbooks file.

1	Defendant ACE	\$7,200
2	Total	\$543,075
3		Office/Operating/Professional
4		Expenses
5	Defendant ACorp - NV	\$68,984
6	Defendant FCI ⁸	\$209,967
7	Defendant FCEP	\$243
8	Defendant ACE	\$51,370
9	Total	\$330,565
10		Colorado Funds (Now Recovered)
11	Defendant FCEP	\$182,750
12	Total	\$182,750
13		'Going Public' Expenses
14	Defendant FCI	\$180,750
15	Defendant ACE	\$1,250
16	Total	\$182,000
17		Payments to Investors
18	Defendant FCI	\$167,629
19	Total	\$167,629
20		

21 These expenses represent \$3,868,443 or approximately 94% of the total
22 disbursements from the bank accounts reflected on Exhibit "A" for Defendant FCI,
23 Defendant ACorp – NV, Defendant FCEP and Defendant ACE. The Receiver has not
24 found evidence of real property holdings for any of these aforementioned entities.
25 Further, asset searches indicate that the receivership entities own no real property.
26

27 _____
28 ⁸⁸ The Receiver recovered a credit balance from a law firm for the benefit of Defendant FCI in the amount of \$3,293.

1 The ‘Capital Stock’ accountings provided by Defendant Brown show that
 2 Defendant ACorp – CA may have raised \$1,722,694⁹ from investors. As mentioned
 3 previously, financial records were made available to the Receiver, to include 2005 –
 4 2010 Quickbooks financial records and the 2010 tax return. While based on
 5 Defendant Brown’s financial records, it appears that several real property projects
 6 may have existed and/or have been ‘associated with’ Defendant ACorp-CA, to include
 7 projects commonly referred to as Lucia, Artesia, Budlong, Arlington, Palo Vista (PV)
 8 and SP or PCH, the only asset remaining on the Defendant ACorp-CA balance sheet
 9 in 2010 (the last year of financial record availability) was a \$929,000 “Project
 10 ACorp.” Further, Defendant Brown’s financial records reflect that \$779,000 or 84% of
 11 this \$929,000 is attributable to outbound international wire transfers. Given the
 12 Receiver’s limited options in Canada discussed below, the ultimate whereabouts
 13 and/or use of these funds is not clear. Lastly, asset searches reveal that properties
 14 identified on Defendant ACorp-CA’s books as Lucia, Artesia, Budlong, Arlington,
 15 Palo Vista (PV), and PCH or SP were titled not in the name of the company, but rather
 16 in the name of Defendant Brown personally. Asset searches also indicate that these
 17 properties were purchased as early as 1998¹⁰ and as recent as 2005; asset searches
 18 reflect that all were foreclosed upon long ago, prior to 2008.

19 Below is a summary of the material categories of uses of funds for Defendant
 20 ACorp – CA for the period from 2005 through 2010.

	“Project” Expenses
ACorp	\$992,516
Arlington	\$90,081
Artesia	\$112,398
Budlong	\$111,603

27 ⁹ Based on investor lists provided to the Receiver, an additional \$325,700 may have been raised.

28 ¹⁰ Pursuant to investor lists provided by Defendant Brown, the earliest investor invested in 2005.

1	(3)First Choice Energy Partners, LP	\$139,207.35
2	(4)Advanced Concepts Enterprises, Inc.	<u>\$ 1,456.47</u>
3	Total	<u>\$156,089.21</u>

4 The Receiver has also located two individual IRA accounts of third parties on
 5 which Advanced Corporate Enterprises is listed as an interested party. Receiver
 6 initially froze those accounts, to prevent Defendant Brown from attempting to remove
 7 funds from them, but she now intends to remove the freeze, and to so inform the IRA
 8 owners.

9 The following summarizes cash activity of the receivership estate:

11	Cash Recovered by Receiver	\$ 42,489
12	Colorado Recovery	\$ 182,750
13	Legal Refund Recovery	\$ 3,293
14	Receiver Fees/Expenses	(\$ 35,091)
15	Receiver Legal Fees/Expenses	(\$ 26,465)
16	Computer Forensics	(\$ 10,140)
17	Bank Fees/Misc.	<u>(\$ 747)</u>
18	Cash Balance at October 4, 2013	<u>\$ 156,089</u>

20 **D. Income Tax Returns**

21 Unfortunately, it appears that Receiver is legally obligated to file tax returns for
 22 the entities under her control. See 26 USC §6012(b)(3)).¹² This means that meager
 23 estate funds will have to be spent on the preparation of tax returns, and with this
 24 pleading, Receiver respectfully requests that the Court authorize her to retain the firm
 25

26 ¹² In a case where a receiver, trustee in a case under title 11 of the United States Code, or assignee, by order of a court of
 27 competent jurisdiction, by operation of law or otherwise, has possession of or holds title to all or substantially all the
 28 property or business of a corporation, whether or not such property or business is being operated, such receiver, trustee,
 or assignee shall make the return of income for such corporation in the same manner and form as corporations are
 required to make such returns. 26 USC §6012(b)(3)).

1 of Lavine, Lofgren, Morris & Engelberg, LLP to prepare and file the income tax
2 returns for the receivership entities.

3 Tax returns have not been filed for several years for the various defendant
4 entities. For example, Defendant ACorp – CA has filed returns for 2005 through
5 2010, but has not filed returns for 2011 or 2012. Defendant FCI, Defendant FCEP
6 and Defendant ACorp – NV have no history of tax returns ever being filed.

7 Given the lack of delineation in operations between the two Defendant ACorp
8 entities and the Defendant FCI entities, the Receiver has made a business
9 determination to file under one Defendant ACorp tax id number, and under one
10 Defendant FCI tax id number. For Defendant FCI, and Defendant FCEP, the bank
11 records will be used to complete the returns (as applicable).

12 It is estimated that the returns will cost between \$2,000 and \$3,000 per entity
13 per year due to the limited financial records available for the applicable periods, and
14 the need to use the Receiver’s bank activity detail to prepare the returns – both of
15 which factors make the task more expensive than it would be had the companies
16 maintained quality financial records. Based upon the number of years for which
17 returns have not been filed, the total cost could reach approximately \$16,000.
18 Receiver believes that such rates represent the market, and are fair and reasonable
19 under the circumstances.

20 **E. Increasing the Receivership Estate Recovery Would Require Significant**
21 **Litigation**

22 **1. Potential Litigation Targets**

23 As described above, based upon bank records available, the Receiver has
24 performed a thorough “sources and uses” accounting of the Defendants’ FCI, FCEP,
25 ACE (two accounts) and ACORP – NV funds (a copy of which is attached as Exhibit
26 A), and based on financial records provided to her, a summary “sources and uses”
27 accounting for Defendant ACorp – CA, a copy of which is attached as Exhibit “B”.
28 Based upon Defendant’s financial records and as supported by asset searches

1 performed on the Defendant entities, including Defendant Brown, it appears no real
2 properties are owned by Defendant ACorp – CA. As previously mentioned, limited
3 financial records subsequent to 2008 are currently in the Receiver’s possession for
4 Defendant ACE.

5 As previously mentioned, if, during the process of winding up, any additional
6 information is obtained which gives the Receiver reason to believe recovery of
7 investor funds appears more probable, the Receiver will notify the Court.

8
9 **2. Canadian Targets**

10 As described above, the bank records shows that nearly \$2 million of ACorp -
11 NV funds appear to have made it across the border into Canada. Receiver has been
12 able to trace \$659,383 to Donato Prezioso (an individual believed to reside in
13 Canada). Receiver has been able to trace another \$1,240,552 million to accounts
14 maintained at Canadian Imperial Bank of Commerce (“CIBC”). Based upon
15 Defendant Brown’s financial records, it also appears that \$778,943 of ACorp – CA
16 funds were wired internationally. The Receiver, directly or through counsel, has
17 worked with CIBC, the Commission, the equivalent securities regulator in Canada,
18 and the Royal Canadian Mounted Police in an effort to obtain records sufficient to
19 learn the identity of the holder(s) of the account(s) and to locate Donato Prezioso.
20 Those parties have informed Receiver that they are unable to locate and/or provide the
21 Receiver with the requested information, and Receiver is informed and believes that in
22 order to get it, she would have to commence a legal proceeding in Canada. Not only
23 does the Receiver lack a firm belief that such efforts would result in a recovery at
24 some point, the Defendant ACorp estates lack the funds to prosecute the Canadian
25 procedure (or to spend estate resources to conduct additional *legal* investigation
26 beyond that which has been done, needed to gain confidence that the effort would be
27 worthwhile).

28 **3. Other Targets**

1 In addition to the foregoing, the bank records show the following as the largest
2 recipients of Defendant ACorp – NV, Defendant FCI , Defendant ACE, and
3 Defendant FCEP funds, and thus potential litigation targets:

4		
5	(1) Al Brown	\$803,916
6	(2) Alan Bernard	\$155,612
7	(3) John Fortenberry	\$170,600
8	(4) Capital Restoration	\$182,000
9		

10 Defendant ACorp – CA financial records show the following as the most
11 significant use of funds:

12		
13	(1) Projects Arlington, Artesia, Budlong, Lucia, PCH/SP, PV	\$1,350,101
14		

15 The ACorp-CA financial records also show receipts in the amount of \$448,834
16 attributable to ‘Rental Income’ and the aforementioned projects. Because these assets
17 were titled in Defendant Brown’s name, it appears that Defendant Brown personally
18 benefited from these expenditures, which are expressly not included and are in
19 addition to the \$803,916 received by Defendant Brown referenced above.

20

21 **4. Lack of Information**

22 As described above, Receiver has essentially no meaningful financial records
23 beyond 2008 for Defendant ACE. As to the other Defendants, Receiver believes she
24 has obtained the records that can be obtained cost-effectively (or possibly at all).
25 Despite her efforts, the information available to her remains incomplete, as she does
26 not have complete detail level bank records and supporting documentation thereto
27 (i.e., electronic transfer support and/or check copies) for Defendants ACorp – CA and
28 ACE and/or complete financial statements for each of the other entities. She has

1 received no cooperation from principals of the Defendants, with both Al Brown and
2 another key witness – John Fortenberry -- having asserted their 5th Amendment rights
3 against self-incrimination. This lack of information has greatly hindered Receiver’s
4 efforts, and left her hamstrung when it comes to locating potential additional assets
5 (particularly second generation assets possibly purchased with investor funds), and
6 evaluating potential litigation recoveries.

7 **5. Litigation Would Be Expensive, Time Consuming and Risky**

8
9 Even if litigation were limited to the five targets identified above, it would still
10 be time consuming and expensive. The Receiver is informed and believes that
11 resolving each of the five cases at summary judgment for a cost of \$25,000 each is
12 likely a “best case” scenario – one that would cost the estates \$125,000, and take at
13 least six months. The Receiver is informed and further believes a more likely scenario
14 would result in costs significantly higher than the aforementioned. If each of the five
15 went to trial, the total cost would be in the many hundreds of thousands of dollars, and
16 total time of a year or two. The estates do not have the ability to finance that
17 litigation.

18 Litigation would be risk-filled. As described above, Receiver has little
19 information needed to evaluate claims against targets, no cooperation from witnesses,
20 and essentially no money in any of the three estates which might assert claims
21 (Defendant FCI, Defendants ACorp and Defendant ACE). While Receiver can
22 enunciate basic fraudulent transfer claims against the targets, the targets would likely
23 have defenses, including the argument that they were hired by the Defendants to do a
24 job, they did that job, and they got paid fairly for it. Receiver located a draft of a
25 contract between Defendant ACorp and one of the Canadian targets under which the
26 Canadian target agreed to provide Defendant ACorp with investor relations services in
27 connection with the company’s efforts to go public. The Canadian target would likely
28 defend any litigation with that contract.

1 Even if the Receiver were to succeed in obtaining a judgment against one or
2 more individuals, collection would likely be an issue. Four of the targets are
3 individuals. To the extent possible, Receiver has had asset searches conducted, which
4 have revealed no assets likely to be available to satisfy a judgment. The asset searches
5 indicate that at one point, Defendant Al Brown and/or his wife owned a handful of
6 real properties, none of which remain titled in either of their names today, and most if
7 not all of which appear to have been sold or foreclosed upon in 2007 or earlier. Asset
8 searches revealed no real property assets in the name of John Fortenberry. The name
9 “Alan Bernard” is so common as to generate an enormous amount of results, and the
10 Receiver lacks the additional information about this individual needed to perform a
11 meaningful asset search. Two of the targets are in Canada (one of which is a company
12 which appears to be defunct). Simply conducting discovery across the border would
13 require retention of Canadian counsel to procure Letters Rogatory. Receiver obtained
14 estimates from a Canadian firm, which informed her that such a process would cost
15 approximately \$5,000 if unopposed, and could exceed \$20,000 if opposed by any of
16 the parties affected. In the event that such discovery led to litigation the costs would
17 greatly exceed those figures.

18 **6. Defendant FCEP Investors Do Not Want Litigation**

19 Receiver and her counsel have been contacted by numerous investors in
20 Defendant FCEP, and have discussed the case with many of them in detail. Not a
21 single one has expressed an interest in undertaking the costs, risks and delays of
22 litigation in hopes of increasing the pot. They want the Defendant FCEP funds
23 currently held by Receiver to be paid out as quickly as possible. They contend that
24 they have been offered additional energy investment opportunities in Colorado that
25 will allow them to mitigate their damages, and need the money now to take advantage
26 of those opportunities. Receiver believes that their wishes should be respected.

27 **7. The Other Estates Lack the Money to Litigate**

1 As described above, the other receivership estates have the following cash
2 positions as of October 4, 2013:

3	(1) First Choice Investment, Inc.	\$ 14,279.22
4	(2) Advanced Corporate Enterprises, Inc.	\$ 1,146.17
5	(3) Advanced Concepts Enterprises, Inc.	<u>\$ 1,456.47</u>
6	Total	<u>\$ 16,881.86</u>

7 The sums are likely inadequate to further investigate the litigation claims (e.g.,
8 fraudulent transfers) – much less actually prosecute them. None of the investors with
9 whom Receiver’s counsel raised the issue of financing such litigation or purchasing
10 the estates’ litigation rights has expressed an interest in doing so or an awareness of
11 any party who might be willing to do so. Receiver believes that attempting to locate
12 financing on the open market would be difficult to impossible, given the risks
13 involved and the lack of information needed to evaluate the likelihood of success. In
14 the event that between now and the closure of this receivership, a party emerges
15 willing to either (1) fund the litigation, or (2) purchase the estates’ litigation rights,
16 Receiver can consider such offer.

17 Finally, in the event that any individual investor wishes to pursue his or her own
18 claims against any of the potential litigation targets, he/she remains free to do so.
19 Closure of the receivership will not cut off those rights in any fashion – and may in
20 fact make those rights simpler to assert.

21 **III. WINDING-UP OF THE RECEIVERSHIP SHOULD COMMENCE**

22 Based on the foregoing, Receiver believes that she should begin the process of
23 winding up these receivership estates. To allow the case to remain open will simply
24 allow additional fees to accrue, as the Receiver will be required to file regular
25 accountings, respond to investor inquiries, and address other matters which may arise
26 (the recent motion to intervene filed by investor Vanatta illustrates this point well).
27 Those additional fees will erode distributions to investors.
28

1 **A. FCEP Claims Procedure**

2 Accordingly, Receiver believes the Court should approve the winding up
3 procedure (“Claims Procedure”) described below:

4 (1) Within 10 days of entry of an order approving the Claims procedure,
5 Receiver will serve upon all known investors in Defendant FCEP (i) a copy of the
6 order, and (ii) a copy of a “Claim Form” in substantially the form attached as Exhibit
7 “C” hereto.

8 (2) Investors shall have until 45 days following service of the foregoing
9 documents (“Claims Deadline”) to have delivered to the Receiver a completed Claim
10 Form and supporting documentation;

11 (3) Receiver shall have until 45 days following the Claims Deadline to file
12 with the Court any motion to determine a claim (“Objection Deadline”);

13 (4) From the date on which all claim objections are finally determined (either
14 by settlement or order of the Court), Receiver shall have 60 days to pay to investors
15 their pro rata share of (i) the funds on hand in the Defendant FCEP estate, minus (ii) a
16 reserve in the amount of \$20,000, which will be used to pay administrative expenses
17 and other charges up through the Court’s approval of Receiver’s final report and
18 account. Any investor who does not cash his or her distribution check within 90 days
19 of issuance shall forfeit his or her right to that or any other distribution in the case, and
20 such funds shall become unencumbered funds of the Defendant FCEP estate.

21 (5) Receiver’s final report and account shall provide that any funds
22 remaining in the Defendant FCEP estate at the time of Court approval of Receiver’s
23 Final Report after satisfaction of administrative expenses shall be used to pay a second
24 round of distributions to Defendant FCEP investors (using the same pro rata amounts
25 as above); provided, however, that in the event the aggregate sum available for this
26 distribution is less than \$2,500, then the funds shall be paid by Receiver to the
27 Commission for payment over to the United States Treasury. Any checks not cashed
28

1 within 90 days of issuance shall be paid by Receiver to the Commission for payment
2 over to the United States Treasury.

3 **B. Other Estates**

4 Given the very small sums of money in the other three estates, Receiver does
5 not believe that a claim objection and distributions process can be implemented cost-
6 effectively in a fashion which will provide for meaningful distributions to investors in
7 Defendants FCI, Acorp and ACE. She believes that the sums remaining in those
8 estates should be used to pay administrative expenses. She believes that doing so is
9 fair, as it will minimize the burden on the Defendant FCEP estate – which estate has
10 borne the majority of the administrative expenses in this case.

11 **IV. CONCLUSION**

12 Based on the foregoing, Receiver respectfully requests that the Court enter an
13 order in the form attached as Exhibit “D” hereto, approving the wind up procedure on
14 the terms set forth herein.

15
16 Dated: November 19, 2013

SULLIVAN, HILL, LEWIN, REZ & ENGEL
A Professional Law Corporation

17
18 By: Christopher V. Hawkins
19 Christopher V. Hawkins
Attorneys for Krista L. Freitag. Receiver

EXHIBIT A

Exhibit A

Page 18

Inter Affiliate Transfers from (to) - read in columnar format:	2880	9282	6762	6770	3728	7889	5886	5698	2975	3177	6127	7448	2983	9277	TOTAL
7889 First Choice Investment, Inc. dba First Choice Energy Partners, Inc.	(40,641.00)	30.00	(71,653.00)	747.50	-	(747.50)	10.00	-	10.00	10.00	10.00	10.00	-	(90.00)	(\$11,566.50)
6770 First Choice Energy Partners, Inc. dba First Choice Energy Partners, Inc.	-	-	(163,103.94)	-	-	-	-	-	-	-	-	-	-	(90.00)	(\$163,851.44)
3728 First Choice Investment, Inc. dba First Choice Energy Partners, Inc.	-	-	(12,693.75)	-	-	-	-	-	-	-	-	-	-	(88,575.00)	(\$112,693.75)
9282 First Choice Investment, Inc. dba First Choice Energy Partners, Inc.	(450.00)	-	-	-	-	(30.00)	(55.00)	-	30.00	-	430.00	-	11,550.00	9,6315.00	\$355,240.69
6762 First Choice Investment, Inc. dba First Choice Energy Partners, LP	-	-	450.00	-	-	40,641.00	-	-	-	-	-	-	-	-	\$41,091.00
2890 First Choice Energy Partners, LP	-	-	-	-	-	-	(4,550.00)	-	-	-	-	-	-	-	(\$4,550.00)
5698 Advanced Corporate Enterprises, Inc. dba Advanced Capital Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5686 Advanced Corporate Enterprises, Inc. dba Advanced Capital Enterprises	-	-	55.00	-	-	(10.00)	3,550.00	1,000.00	-	-	(6,787.50)	510.00	11,700.00	373,099.34	\$383,116.84
7448 Advanced Corporate Enterprises, Inc.	-	-	-	-	-	(10.00)	(510.00)	-	(5,238.63)	(50.00)	(3,875.81)	-	-	(490.79)	(\$10,175.20)
6127 Advanced Corporate Enterprises, Inc.	-	(30.00)	(430.00)	-	-	(10.00)	6,787.50	-	(134,856.39)	53.00	3,875.81	-	(17,175.00)	(13,300.34)	(\$155,085.42)
3177 Advanced Corporate Enterprises, Inc.	-	-	-	-	-	-	-	-	991.00	-	(53.00)	50.00	-	-	\$988.00
2975 Advanced Corporate Enterprises, Inc.	-	-	-	-	-	(10.00)	-	-	(91.00)	134,856.39	5,238.63	-	(65.22)	(65.22)	\$139,028.80
9277 Advanced Concepts Enterprises	-	88,575.00	(100,350.00)	-	(12,500.00)	90.00	(457,530.34)	(1,000.00)	65.22	(3,762.66)	490.76	-	(1,965.36)	(5,000.00)	(\$496,887.38)
0549 Alvin Roy Brown or Debra Brown	-	-	465.00	-	-	(10.00)	(193.00)	-	(825.00)	-	155.00	-	(14,311.00)	(227,115.00)	(\$241,834.00)
5339 Benjamin Brown and Alvin Roy Brown	-	-	-	-	-	(10.00)	-	-	-	-	-	-	-	(100.00)	(\$110.00)
6689 Advanced Assets Solutions, Inc.	-	-	(1,050.00)	-	-	(10.00)	-	-	11,500.00	-	-	-	-	(17,190.00)	(\$6,750.00)
7174 Advanced Assets Solutions, Inc.	-	-	-	-	-	(10.00)	-	-	-	-	-	-	(700.00)	(5,110.00)	(\$5,750.00)
3413 Advanced Assets Solutions, Inc.	-	-	-	-	-	(500.00)	-	-	-	-	-	-	-	(1,550.00)	(\$250.00)
2848 First Choice Investment, Inc.	-	-	-	(250.00)	-	-	-	-	-	-	-	-	-	-	(\$250.00)
2983 Advanced Concepts Enterprises, Inc.	-	-	(1,050.00)	-	-	(11,700.00)	-	-	(5,566.74)	-	(53,234.06)	1,000.00	-	2,572.00	(\$77,978.80)
4308 Alvin Brown dba First Choice Investment, Inc.	-	-	(1,500.00)	-	-	-	-	-	8,750.00	-	-	-	-	-	(\$1,500.00)
6853 ACOEP Enterprises checks, Advanced Concepts Enterprises	-	-	(8,750.00)	-	-	-	-	-	(59,150.00)	-	-	-	-	-	(\$9,150.00)
Net Inter Affiliate Transfers	(41,091.00)	87,275.00	(873,610.69)	163,601.44	193.75	111,026.50	(464,190.66)	0.00	(541,520.54)	(988.00)	67,768.36	11,175.20	(10,851.36)	117,830.02	(637,982.66)
Receipts: Investors on Lists Provided to Receiver:															
Adam W Gurney							\$24,980.00								\$24,980.00
Alan J Boyles							\$5,000.00								\$5,000.00
Alan Olczowka							\$105,975.00								\$105,975.00
Antoine Marcel Athikpahaou							\$5,000.00								\$5,000.00
Asghan M Khan			\$16,500.00				\$50,000.00								\$16,500.00
Barbara Hawkins							\$59,000.00								\$59,000.00
Bernard, Loreta Bucci							\$115,000.00								\$115,000.00
Brian Hepp							\$4,990.00								\$4,990.00
Brian Romine							\$26,250.00								\$26,250.00
Bruno Redi Mik (Rusud)							\$25,000.00								\$25,000.00
Russell Julie							\$9,982.00								\$9,982.00
C McKinlay							\$43,855.33								\$43,855.33
MCKINLAY HOLDINGS LTD.							\$20,000.00								\$20,000.00
Central Florida Auto Salvage Inc							\$5,000.00								\$5,000.00
Curtis L Hughes							\$4,780.82								\$4,780.82
Dale Douglas							\$4,965.24								\$4,965.24
Daimac Pharmacy (McDonald)							\$9,990.00								\$9,990.00
Daniel Hill							\$5,000.00								\$5,000.00
Danny Kruger							\$4,982.00								\$4,982.00
Darcy Dobush							\$49,677.50								\$49,677.50
Darcy Donald (Dobush?)							\$447,508.61								\$447,508.61
David Hayes, Kathleen Hayes							\$15,000.00								\$15,000.00
David Krupke							\$12,294.36								\$12,294.36
Don Hemphill							\$59,982.00								\$59,982.00
Donald Leman							\$4,990.00								\$4,990.00
Diane Nelson							\$9,825.11								\$9,825.11
Edward C Miller							\$7,500.00								\$7,500.00
Miller and Associates							\$21,500.00								\$21,500.00
Edward D Warzak Jr							\$8,000.00								\$8,000.00
Evereux Inc (Schalk)							\$7,500.00								\$7,500.00
Eric Childs							\$4,000.00								\$4,000.00

	2880	9282	6762	6770	3728	7889	5886	5698	2975	3177	6127	7448	2983	9277	TOTAL
Frank Premier															\$86,000.00
Fred Vanotta			\$17,500.00				\$4,990.00								\$17,500.00
Garr D Hillis			\$5,000.00				\$4,985.00								\$5,000.00
Gary Parsons															\$4,990.00
Gerie Blackburn			\$10,000.00				\$5,000.00								\$10,000.00
George Nielsen							\$46,078.67								\$46,078.67
Glenn Bayless															\$50,585.19
Glenn Hunter			\$15,000.00				\$4,985.00		\$5,990.00						\$15,000.00
Guy Moreagratneau															\$5,990.00
Hannah Schulte															\$4,985.00
Hatness Trudy															\$26,000.00
Harman Family Trust, Dale Harman			\$26,000.00												\$10,000.00
Illegible - Daniel A. Leonard?			\$10,000.00												\$19,136.92
Industrial Fluid Consultants (Ray Gagnon)															\$16,500.00
Irene E Williams-Wilson							\$4,985.00								\$4,985.00
IRQC Service Supply (SROCC' Scott Rupert)															\$5,000.00
James W Loughhead			\$5,000.00				\$88,428.00								\$88,428.00
Janette D'Neto															\$2,500.00
Jasper Freese			\$2,500.00				\$10,000.00								\$10,000.00
Jeffrey Ludwig															\$5,000.00
Jerry, Elizabeth Keebler			\$5,000.00				\$4,982.00								\$9,388.79
Johnas Van Lankvelt															\$9,388.79
John Simonsen			\$335,000.00	\$15,000.00											\$350,000.00
John Tomblin															\$9,388.79
John W Lewis, Lisa L Daniels			\$16,500.00												\$16,500.00
Jon Macdonald							\$14,970.00								\$9,458.95
Joseph Kelly Doherty							\$32,925.00								\$14,970.00
Doherty's Fabrication Repair															\$32,925.00
Karen Caldwell			\$22,006.50				\$9,982.00								\$22,006.50
Kevin Lyons															\$20,000.00
Kevin Hardcastle							\$29,982.00								\$31,964.00
Larry J Lybbert			\$29,355.72				\$1,982.00								\$29,355.72
Leor Capital (Jimmy John Lurie)															\$5,000.00
Leonard Olson							\$5,000.00								\$10,000.00
Luc Pelouquin															\$19,970.00
Lyle Nakaska			\$2,500.00												\$2,500.00
Margorie Cook			\$14,671.00												\$14,671.00
Mark Darren Bares			\$16,500.00												\$16,500.00
Mark Darren Bares															\$19,841.98
Mark Huggard			\$10,000.00												\$10,000.00
Marlys M Bergeman			\$2,500.00												\$2,500.00
Marvin, Dianne Thomas															\$10,000.00
Marvin Peters			\$16,500.00				\$10,000.00								\$16,500.00
Mark Thomas															\$199,975.00
Michael J. King			\$199,975.00				\$36,861.50								\$36,861.50
Michael Lundberg							\$9,883.78								\$9,883.78
Michael Peterson							\$60,443.25								\$60,443.25
Michelle Christanson							\$10,000.00								\$10,000.00
Mickey Robinson			\$33,000.00												\$33,000.00
Mohamed Ahmed															\$15,000.00
Patrick J. Schulte															\$15,000.00
Reg Roth Lunds															\$31,250.00
Richard F Gibbons, Arnette M. Gibbons			\$14,671.00												\$14,671.00
Robert Cisell															\$2,482.00
Robert E. Dettle			\$10,000.00												\$10,000.00
Robert Norris			\$24,555.00												\$24,555.00
Robert Richter			\$5,000.00												\$5,000.00
Ross Cowan															\$6,250.00
Roy Cappadona			\$5,000.00												\$5,000.00
Rygn Sileski															\$19,344.00
Rygn Toth															\$9,676.66
Scott C Larsen			\$10,000.00												\$10,000.00
Sean Aughey															\$14,673.50
Shelly Rose															\$9,982.00
Sime Farm															\$29,982.00
Stanley Thorseth							\$2,235.00								\$2,235.00
Steven O Letourneau			\$25,000.00				\$95,625.00								\$25,000.00
STRANGESTMENTS LTD							\$97,847.00								\$97,847.00
Stuart Blair															\$48,800.00
Sunwest Trust															\$48,800.00

	2880	9282	6762	6770	3728	7889	5886	5698	2975	3177	6127	7488	2983	9277	TOTAL
Thomas A Marshall															\$9,990.00
Thomas Peharsch															\$99,975.00
TM Wellspring, LLC / Michael Boldan	\$16,500.00		\$99,975.00												\$16,500.00
Trey Becker															\$9,379.98
Verla Martin, Jonie Dorris			\$10,000.00												\$10,000.00
Vernon Crawford															\$11,280.00
Vic Colorado			\$5,000.00												\$5,000.00
Wendy Debeau									\$9,982.00						\$9,982.00
Wesley Clarkson										\$9,888.79					\$9,888.79
Wills Electric									\$59,650.72	\$50,000.00					\$109,650.72
William Cadree										\$23,115.00	\$36,095.00				\$59,210.00
William Nalder															\$14,671.00
Wire - Brent Palmer															\$16,500.00
Wire - Richard Bertran III															\$16,500.00
Wire - Richard Lafontaine															\$58,684.00
Wire - The Cliff Raffi Goldsmith															\$14,671.00
Cashier's Check - Grant, Long															\$47,671.00
Yoder Express	\$33,000.00		\$25,000.00												\$58,000.00
Receipts: Investors on Lists Provided to Recel	\$245,704.22	\$0.00	\$1,280,780.00	\$20,000.00	\$0.00	\$119,197.00	\$1,727,161.76	\$0.00	\$612,520.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,965,363.83
Receipts (Additional Research Underway):															
Cher Noble Enterprises							\$77,464.00								\$77,464.00
Corbell Appliances									\$8,990.00						\$8,990.00
Derrin Autobody							\$9,828.34								\$9,828.34
Escrow Mart Inc							\$2,500.00								\$2,500.00
GI Green							\$3,083.85								\$3,083.85
GTK Electric Controls LTD							\$5,000.00								\$5,000.00
Kids Offroad Services											\$10,000.00				\$10,000.00
Leer Capital/Jimmy John (LH/E)							\$12,550.00								\$12,550.00
Lloyd Whistler							\$5,025.00								\$5,025.00
Richard Brandel									\$12,500.00						\$12,500.00
Sargent Painting							\$19,175.00								\$19,175.00
Sunset Concrete							\$1,942.27								\$1,942.27
Sylvia H Bosser									\$2,982.00						\$2,982.00
Way Heating Air															\$10,000.00
Wire - Stanley John Foreberry															\$27,787.19
Cash/Misc. - unable to currently identify source of funds	\$100.00	\$10,350.00	\$16,200.00	\$27,750.00	\$1,327.25	\$3,300.00	\$144,999.90	\$230.99	\$5,300.00	\$17,715.50	\$100.00	\$27,787.19	\$15,100.00	\$266,702.99	
Sumwest Trust			\$10,100.00							\$10,000.00					\$10,100.00
TBD			\$9,975.00							\$10,768.14					\$28,478.64
Receipts (Additional Research Underway):	\$100.00	\$10,350.00	\$49,425.00	\$27,750.00	\$1,327.25	\$13,300.00	\$370,445.02	\$0.00	\$99,772.00	\$1,000.00	\$28,478.64	\$100.00	\$27,787.19	\$15,100.00	\$644,935.10
Receipts (Other Miscellaneous):															
Advanced Corp									\$500.00						\$500.00
Ranchers Exploration Partners LLC															\$950.00
Regulation D Resources Ent															\$950.00
Roland Smith									\$1,000.00						\$1,000.00
Interest Payment										\$0.04					\$0.47
Total Other Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.16	\$1,500.00	\$0.04	\$0.00	\$0.27	\$1,150.00	\$0.00	\$0.00	\$0.00	\$2,653.47
Grand Total Receipts	\$245,804.22	\$10,350.00	\$1,290,205.00	\$47,750.00	\$1,330.41	\$133,997.00	\$2,097,606.78	\$0.04	\$712,293.85	\$1,000.27	\$29,628.64	\$100.00	\$27,787.19	\$15,100.00	\$4,612,952.40
Disbursements:															
Defendant Brown Cash Withdrawals, Payments to Cash, Debit Card Transactions (restaurants, gas, grocery, water, cell phone, concrete, cable, etc.):															
Cash		(\$8,500.00)													(\$8,500.00)
Cash							(\$2,100.00)								(\$2,100.00)
Cash							(\$37,280.00)								(\$37,280.00)
Cash							(\$1,750.00)								(\$1,750.00)
Cash							(\$25,000.00)								(\$25,000.00)
Cash Withdrawals		(\$100.00)					(\$42,667.25)								(\$42,767.25)
Alvin Brown							(\$514,525.20)								(\$514,525.20)
Alvin Brown															(\$8,090.00)
Herman Glass and Mirror															(\$30,449.29)
USA Credit Card Payments															(\$2,175.00)
Key Bank															(\$2,400.00)
Personal Debits (restaurants, payroll, gas, grocery, atly, water, cell, concrete, cable,															(\$150.00)
cell, concrete, cable,															(\$1,519.75)
cell, concrete, cable,															(\$4,924.84)
cell, concrete, cable,															(\$2,662.10)
cell, concrete, cable,															(\$1,300.00)
cell, concrete, cable,															(\$2,765.84)
cell, concrete, cable,															(\$69,534.04)
cell, concrete, cable,															\$0.00
cell, concrete, cable,															(\$100,162.69)
cell, concrete, cable,															(\$17,095.00)
cell, concrete, cable,															\$0.00
cell, concrete, cable,															(\$43,775.74)
cell, concrete, cable,															(\$143.32)
cell, concrete, cable,															(\$5,031.33)
cell, concrete, cable,															(\$34,159.06)
cell, concrete, cable,															(\$562,487.71)
cell, concrete, cable,															(\$17,095.00)

	2880	9282	6762	6770	3728	7889	5886	5698	2975	3177	6127	7488	2983	9277	TOTAL
Advanced Corporate Enterprises Inc. DBA Advanced Capital Enterprise							\$9,990.00								\$9,990.00
Advanced Corporate Enterprises, Inc									\$9,379.98						\$9,379.98
Advanced Concepts Enterprises															\$11,280.00
Advanced Concepts Enterprises															\$5,000.00
Advanced Concepts Enterprises															\$9,982.00
Advanced Concepts Enterprises															\$5,970.00
Advanced Concepts Enterprises															\$369,059.51
Advanced Concepts Enterprises															\$50,000.00
Advanced Concepts Enterprises															\$59,210.00
Advanced Concepts Enterprises															\$14,671.00
Advanced Concepts Enterprises															\$16,500.00
Advanced Concepts Enterprises															\$58,684.00
Advanced Concepts Enterprises															\$14,671.00
Advanced Concepts Enterprises															\$47,671.00
Advanced Concepts Enterprises															\$25,000.00
Advanced Concepts Enterprises															\$3,965,363.83
Advanced Concepts Enterprises															\$77,464.00
Advanced Concepts Enterprises															\$8,990.00
Advanced Concepts Enterprises															\$9,828.34
Advanced Concepts Enterprises															\$2,500.00
Advanced Concepts Enterprises															\$3,083.85
Advanced Concepts Enterprises															\$5,000.00
Advanced Concepts Enterprises															\$10,000.00
Advanced Concepts Enterprises															\$10,000.00
Advanced Concepts Enterprises															\$114,765.67
Advanced Concepts Enterprises															\$5,025.00
Advanced Concepts Enterprises															\$12,500.00
Advanced Concepts Enterprises															\$19,175.00
Advanced Concepts Enterprises															\$90,000.00
Advanced Concepts Enterprises															\$1,942.27
Advanced Concepts Enterprises															

	2880	9282	6762	6770	3728	7889	5886	5698	2975	3177	6127	7448	2983	9277	TOTAL
John Powell															
UJ Lewis															
Keith Jones															
New Light LLC, Cheyenne Wyoming															
Scott Kastleman															
Gold Coast Partners															
Tobacco Cpe															
Tobacco															
Total payments to individuals with one or more	\$0.00	\$0.00	\$0.00	(\$4,122.00)	(\$297,939.50)	(\$124,624.00)	\$0.00	(\$153,311.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$549,074.50)
Office Related:															
Configure Office Systems															
ABM Parking Service															
Douglas Emmett															
JMV Executive Suites															
Total Office Related	\$0.00	(\$979.63)	(\$979.63)	(\$2,769.36)	(\$1,184.00)	(\$26,928.00)	(\$2,050.00)	(\$5,984.00)	(\$32,931.86)	(\$6,544.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$40,454.99)
Operating Expenses:															
AAVCOM															
Bank Fees															
Corporate Registrations															
Eron Adams															
Fedex															
Franchise Tax Board															
Mailing/Mod/Telephone/Printing/Off															
ic/Computers															
Nerife Denonhan															
Treel															
USPS/USPS															
Total Operating Expenses	(\$243.47)	(\$7,996.50)	(\$86,783.23)	(\$4,283.46)	(\$122.20)	(\$32,172.68)	(\$8,591.27)	\$0.00	(\$5,868.32)	(\$12.00)	(\$98.47)	(\$30,881.01)	(\$2,949.58)	(\$33,469.99)	(\$220,996.70)
Professional Fees:															
Efran Wramontes															
Huang, Kan & Company LLP															
Dave Young															
Professional Fees															
Matrix Law Firm															
Nathaniel Youmans															
Methvan & Associates															
AKG Bookkeeping															
Total Professional Fees	\$0.00	(\$9,500.00)	(\$23,538.00)	(\$614.00)	\$0.00	(\$31,150.00)	\$0.00	\$0.00	(\$13,025.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$14,950.00)	(\$69,163.00)
Alternative Funding:															
Pearl Capital															
Strategic Funding															
Strategic Funding															
Total Alternative Funding	\$0.00	\$0.00	\$0.00	(\$4,462.50)	(\$17,337.50)	\$0.00	\$0.00	\$0.00	(\$10,124.00)	\$12,894.00	(\$22,736.50)	\$0.00	\$0.00	\$0.00	(\$37,304.00)
Other Misc:															
Ron Huber															
Joe Spirt Veltl															
Lee Jones															
Margrita Daminova															
Roland Smith Novato															
Peter C Wittlin AC Trust Actt															
Key Van															
Keith Harris															
Keith Harris															
Intl Call															
Action Stock Transfer Corp															
Art Fund Investment															
Swan Group of Companies															
JPR Consultants, Inc															
Pacific Corporate Services															
Peter's Architecture															
Unknown Expenses															
Total Other Misc.	(\$14.50)	\$0.00	\$0.00	(\$4,578.95)	(\$89.33)	(\$100.00)	(\$28,573.00)	(\$200.00)	(\$1,194.96)	\$0.00	(\$1,800.00)	\$0.00	(\$6,454.92)	(\$42,294.11)	(\$86,049.77)
Grand Total Disbursements	(\$188,114.58)	(\$4,297.35)	(\$906,355.87)	(\$308,586.46)	(\$1,522.20)	(\$244,972.52)	(\$1,632,699.06)	\$0.00	(\$370,771.31)	(\$12.00)	(\$396,367.28)	(\$11,024.39)	(\$16,935.83)	(\$130,823.16)	(\$4,097,381.63)
Grand Total	21,599	3,628	10,238	2,765	2	51	817	0	1	0	1,039	251	0	2,107	42,489
Cross-check to Bank Balances at 3/14/2013	21,599	3,628	10,238	2,765	2	51	817	0	1	0	1,039	251	0	2,107	42,489

EXHIBIT B

Exhibit B

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ACORP
Receipts & Disbursement
1/6/2005 - 12/30/10

	Acct 9198	Acct 8751	Acct 2756	Acct 2785	Acct 6127	Totals
Sources (Receipts)						
Capital Stock	213,250.00	995,859.00	30,998.00	442,780.89	39,806.00	1,722,693.89
Logan Loan	592,656.06					592,656.06
Misc	4,768.76		1,136.79	325.00		6,230.55
Projects: A Corp	15,100.84	8,000.00		40,480.00		63,580.84
Arlington	31,393.14					31,393.14
Artesia	45,368.78					45,368.78
Budling	37,990.37					37,990.37
Lucia	104,069.89					104,069.89
PCH	20,778.01			1,000.00		21,778.01
PV	16,204.29					16,204.29
SP	17,457.50					17,457.50
Rental Income	174,571.96					174,571.96
Working Capital Loan					58,867.00	58,867.00
Transfers: Acct 8751	359,655.65					359,655.65
Acct 2785			119,335.50			119,335.50
ACE	984,352.63	58,120.00	26,432.47	4,733.37		1,073,638.47
Other	165,544.69					165,544.69
	<u>2,783,162.57</u>	<u>1,061,979.00</u>	<u>177,902.76</u>	<u>489,319.26</u>	<u>98,673.00</u>	<u>4,611,036.59</u>

Uses (Disbursements)						
Bank Fees	(12,148.00)	(2,468.52)	(3,386.58)	(1,421.38)	(104.00)	(19,528.48)
Capital Stock	(12,500.00)					(12,500.00)
Misc	(141,867.96)	(363.96)	(46,217.97)	(2,899.38)	(13,600.26)	(204,949.53)
Legal	(10,225.00)		(8,950.00)		(1,500.00)	(20,675.00)
Logan Loan	(80,924.56)	(1,000.00)	(200.00)			(82,124.56)
Personal	(6,230.40)		(4,775.57)	(193.00)	(83.70)	(11,282.67)
Projects: A Corp	(18,632.85)	(662,940.00)	(22,151.24)	(288,792.33)		(992,516.42)
Arlington	(90,081.25)					(90,081.25)
Artesia	(112,397.52)					(112,397.52)
Budling	(111,603.13)					(111,603.13)
Lucia	(670,182.25)	(100.00)	(20,933.95)	(6,906.44)		(698,122.64)
PCH	(174,008.98)		(2,720.00)	(1,050.00)		(177,778.98)
PV	(68,598.87)					(68,598.87)
SP	(91,518.51)					(91,518.51)
Raising Capital Expense	(87,999.31)		(1,548.15)		(5,500.00)	(95,047.46)
Rental Income Exp	(69,318.03)	(624.57)				(69,942.60)
Working Capital Loan					(51,530.06)	(51,530.06)
Transfers: Acct 9198		(359,655.65)				(359,655.65)
Acct 2756				(119,335.50)		(119,335.50)
ACE	(1,024,990.95)	(34,826.30)	(67,019.30)	(68,721.23)	(23,700.00)	(1,219,257.78)
	<u>(2,783,227.57)</u>	<u>(1,061,979.00)</u>	<u>(177,902.76)</u>	<u>(489,319.26)</u>	<u>(96,018.02)</u>	<u>(4,608,446.61)</u>

2,654.98 2010 cash balance

Interco Transfer Summary:

Transfers: Acct 8751	359,655.65					359,655.65
Acct 2785			119,335.50			119,335.50
ACE	984,352.63	58,120.00	26,432.47	4,733.37		1,073,638.47
Transfers: Acct 9198		(359,655.65)				(359,655.65)
Acct 2756				(119,335.50)		(119,335.50)
ACE	(1,024,990.95)	(34,826.30)	(67,019.30)	(68,721.23)	(23,700.00)	(1,219,257.78)

Net Interco. Transfer (145,619.31)

Total Expenses not taking into account interco. transfers (2,910,197.68)

SECURITIES AND EXCHANGE COMMISSION vs. ALVIN R. BROWN, ET AL.,
CASE NO. CASE NO. CV 13-01629-ABC (VBKx)
PROOF OF CLAIM FORM

PLEASE FOLLOW THESE INSTRUCTIONS CAREFULLY.

- The claim form must be filled out as accurately as possible. Forms that are incomplete or inaccurate may result in delay or denial of your claim. Attach additional sheets to the form if more space is needed.
- If the category of your claim is not included on the list on the form, identify the nature of the claim with sufficient clarity to allow for classification.
- Attach any contract, bond, undertaking or other evidence to support your claim.
- Print the form and mail or deliver it to the address below. DO NOT attempt to file the claim via the Court's CM/ECF system. If mailed, the postmark must be by 5:00 p.m. (Pacific Standard Time) on the bar date. If delivered, it must be received at the address below by 5:00 p.m. (Pacific Standard Time) on the bar date.

THE BAR DATE IS _____, 2013 AT 5:00 P.M. PACIFIC STANDARD TIME.

PROOF OF CLAIM FORMS MUST BE MAILED OR DELIVERED TO THE FOLLOWING ADDRESS:

**Krista L. Freitag, Receiver
c/o E3 Advisors
355 S. Grand Avenue, Suite 2450
Los Angeles, CA 90071 USA**

Exhibit C
Page 28

SECURITIES AND EXCHANGE COMMISSION vs. ALVIN R. BROWN, ET AL.,
CASE NO. CASE NO. CV 13-01629-ABC (VBKx)
PROOF OF CLAIM FORM

PLEASE PRINT OR TYPE

(1) Claimant Information:

Name(s): _____

Phone No.: _____

Email Address: _____

Mailing Address: _____

(2) Name, Address and Phone No. of Claimant's Attorney, if Any:

Name of Attorney(s): _____

Phone No.: _____

Email Address: _____

Company/Firm: _____

Address: _____

(3) Amount of Claim as of _____, 2013:

\$ _____

NAME OF PARTY CLAIM IS MADE AGAINST (*Check all that apply*):

ALVIN R. BROWN

FIRST CHOICE INVESTMENT, INC.

ADVANCED CORPORATE ENTERPRISES, INC., d/b/a A-CORP ENTERPRISES a/k/a ACORP
DEVELOPMENT a/k/a A-CORP INVESTMENT

FIRST CHOICE ENERGY PARTNERS, LP, a/k/a FIRST CHOICE OIL AND GAS ENERGY PARTNERS

ADVANCED CONCEPTS ENTERPRISES, INC.

Exhibit C
Page 29

SECURITIES AND EXCHANGE COMMISSION vs. ALVIN R. BROWN, ET AL.,
CASE NO. CASE NO. CV 13-01629-ABC (VBKx)
PROOF OF CLAIM FORM

(4) Documentation Of Claim:

- (a) Date claim was incurred: _____
- (b) Nature/description of claim: _____
- (c) Attach copies of all documents in support of this claim, such as notes, guarantees, invoices, statements, contracts, court judgments.

(5) Security Interests:

- (a) If any portion of your claim is secured by property of any of the Defendants, or any other entity, check this box:
- (b) Set forth the identity, description and current value of any security interest or collateral securing your claim.

- (c) Attach copies of all documents on which you rely to establish that your claim is secured in whole or in part.

- (d) State the current value of all security interests or collateral you hold and provide all documentation on which you rely to establish such value.

(6) Supporting Documents: *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. **DO NOT SEND ORIGINAL DOCUMENTS.** If the documents are not available, please explain. If the documents are voluminous, attach a summary.

(7) Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

SECURITIES AND EXCHANGE COMMISSION vs. ALVIN R. BROWN, ET AL.,
CASE NO. CASE NO. CV 13-01629-ABC (VBKx)
PROOF OF CLAIM FORM

Date: _____

Signature: _____

Sign and print the name and title, if any, of the creditor or person authorized to file this claim (attach copy of power of attorney, if any)

Mail This Completed Form To:

**Krista L. Freitag, Receiver
c/o E3 Advisors
355 S. Grand Avenue, Suite 2450
Los Angeles, CA 90071 USA**

STATE OF _____)

SS.:

COUNTY OF _____)

_____, of full age, being duly sworn according to law, upon her/his oath deposes and says: All information contained herein and all documents furnished herewith are true, complete and accurate; ALVIN R. BROWN, FIRST CHOICE INVESTMENT, INC., and ADVANCED CORPORATE ENTERPRISES, INC., d/b/a A-CORP ENTERPRISES a/k/a ACORP DEVELOPMENT a/k/a A-CORP INVESTMENT (collectively, the "Defendants"), is indebted to me in the amount shown above; there is no security for the debt other than as stated above; there are no third parties liable on this debt, except as stated above; and there are no offsets or counterclaims which the Defendants have against me, except as stated above.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Sworn to and subscribed before me
this _____ day of _____, 2013.

Notary Public

Exhibit C
Page 31

EXHIBIT D

Exhibit D

Page 32

1 SULLIVAN HILL LEWIN REZ & ENGEL
A Professional Law Corporation
2 Christopher V. Hawkins, SBN 222961
550 West C Street, Suite 1500
3 San Diego, CA 92101
Telephone: (619) 233-4100
4 Facsimile: (619) 231-4372

5 Attorneys for Krista L. Freitag, Receiver

6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 vs.

13 ALVIN R. BROWN, FIRST CHOICE
INVESTMENT, INC., and
14 ADVANCED CORPORATE
ENTERPRISES, INC., d/b/a A-CORP
15 ENTERPRISES a/k/a ACORP
DEVELOPMENT a/k/a A-CORP
16 INVESTMENT,

17 Defendants.

CASE NO. CV 13-01629-ABC (VBKx)

**[PROPOSED] ORDER
APPROVING CLAIM AND
DISTRIBUTION PROCEDURE**

Ctrm: 680
United States Courthouse
Edward R. Roybal Federal Building
255 East Temple Street
Los Angeles, CA 90012-3332
Judge: Hon. Audrey B. Collins

19
20 The Court having considered the Receiver’s Report and Recommendations Re
21 Claim and Distribution Procedure; notice appearing proper; and good cause appearing
22 therefor,

23 IT IS HEREBY ORDERED THAT the Claim Procedure (as defined in the
24 report) is approved for the receivership estate of First Choice Energy Partners, LP,
25 a/k/a First Choice Oil and Gas Energy Partners.

26 IT IS HEREBY ORDERED THAT Receiver is authorized to employ Lavine,
27 Lofgren, Morris & Engelberg, LLP to prepare and file the income tax returns for the
28 receivership entities.

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IT IS HEREBY ORDERED THAT Receiver is authorized to retain an auctioneer to sell the remaining hard assets of the Defendants, or if that cannot be done cost-effectively, then to abandon those assets.

IT IS SO ORDERED.

Dated: January ____, 2014

HON. AUDREY B. COLLINS
UNITED STATES DISTRICT JUDGE