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10 Attorneys for Receiver  
11 THOMAS HEBRANK

12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**

14 SECURITIES AND EXCHANGE  
15 COMMISSION,

16 Plaintiff,

17 v.

18 PACIFIC WEST CAPITAL GROUP,  
INC.; ANDREW B CALHOUN IV;  
19 PWCG TRUST; BRENDA CHRISTINE  
BARRY; BAK WEST, INC.;  
20 ANDREW B CALHOUN JR.; ERIC  
CHRISTOPHER CANNON; CENTURY  
21 POINT, LLC; MICHAEL WAYNE  
DOTTA; and CALEB AUSTIN MOODY  
22 (dba SKY STONE),

23 Defendants.

Case No. 2:15-cv-02563 AB (ASx)

**RECEIVER'S THIRTY-SECOND  
INTERIM REPORT AND  
RECOMMENDATIONS**

Ctrm.: 7B  
Judge: Hon. André Birotte Jr.

1 Thomas C. Hebrank ("Receiver"), the Court-appointed permanent receiver  
2 for PWCG Trust pursuant to the Judgment as to Defendant PWCG Trust  
3 ("Appointment Order") (Dkt. No. 145), hereby submits this Thirty-Second Interim  
4 Report and Recommendations. This report covers the Receiver's activities during  
5 the fourth quarter of 2025.

## 6 I. EXECUTIVE SUMMARY

7 Pursuant to the powers, authority, and directives contained in the  
8 Appointment Order, the Receiver has continued his work to preserve and protect  
9 the assets of PWCG Trust, including its life insurance policies ("Policies") and  
10 cash reserves. Pursuant to the Court's orders, the Receiver has pooled the cash  
11 reserves and, with assistance from Longevity, formerly known as ITM Twentyfirst  
12 ("21st"), has continued to manage the portfolio of Policies, make all required  
13 premium payments to keep the Policies in force, and tracked and collected death  
14 benefits from Policy maturities. As discussed below, the Receiver now anticipates  
15 being able to make a third interim distribution in the near future in the total amount  
16 of \$9 million.

## 17 II. SUMMARY OF THE RECEIVER'S WORK AND POLICIES

### 18 A. The Status of the Policies.

19 The portfolio of Policies currently contains a total of 34 active Policies with  
20 death benefits totaling approximately \$75.0 million. In 2018, it looked as though  
21 the Receiver would need to borrow against the portfolio to cover Policy premiums  
22 until sufficient death benefits were received from Policy maturities to make interim  
23 distributions. Fortunately that turned out not be the case, and not only did the  
24 Receiver not have to borrow (or incur any costs associated therewith), but in 2021,  
25 the Receiver was able to issue an initial round of interim distribution checks in the  
26  
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1 aggregate amount of \$37 million to investors with allowed claims.<sup>1</sup> This interim  
2 distribution reduced the total allowed investor net loss claims in the receivership  
3 from approximately \$106 million to approximately \$69 million.

4 The Receiver continues to closely monitor the performance of the portfolio,  
5 including periodic evaluations of whether it is best to hold or sell the remaining  
6 Policies. In 2025, the Receiver obtained an updated valuation, including updated  
7 medical records and life expectancy reports ("LE Reports") on each of the insureds  
8 from 21st. The data obtained indicates that the recovery for investors will be  
9 substantially greater if the Receiver continues to hold the Policies until maturity, as  
10 opposed to selling them in the near term. The LE Reports and projections  
11 indicated that the total net recovery from the portfolio (after all Policies have  
12 matured, less the cost of premiums, but excluding administrative expenses and  
13 taxes) would be approximately \$58 million. That would mean that, factoring in the  
14 prior distribution and the MPC settlement funds paid, that the net recovery from  
15 the remaining portfolio may be close to sufficient to pay investor net loss claims in  
16 full, although it is projected to take until 2033 (or possibly beyond) to achieve that  
17 result.

18 As part of the updated valuation, the Receiver also reexamined whether a  
19 sale of the portfolio of policies may be advisable in lieu of holding them until  
20 maturity. According to the updated valuation from 21st, the portfolios current  
21 valuation, based on a 15% internal rate of return or net present value would be  
22 approximately \$30 million, after payment of a 2% sales commission. This is  
23 substantially lower than the projected \$58 million net recovery if all policies are  
24 held until their projected maturity dates.

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28 <sup>1</sup> The Receiver believes the fact that certain policies matured earlier than projected, making borrowing unnecessary and a first interim distribution possible earlier than expected, was due primarily to the COVID-19 pandemic.

1 In the last few weeks, six Policies have matured, which will result in the  
2 receivership receiving a little over \$12.4 million in death benefits in the next  
3 approximately 60 days. The Receiver has adjusted and reevaluated the cash flow  
4 projection to account for these earlier than anticipated maturities and now  
5 anticipates being able to make a third interim distribution in the near term pursuant  
6 to the Court-approved Distribution Plan. After reserving sufficient cash for future  
7 policy premiums and taxes, the Receiver anticipates this interim distribution will  
8 be in the total amount of \$9 million.

9 Pursuant to the Court-approved Distribution Plan, the Receiver will make  
10 further rounds of interim distributions to investors with allowed claims at such  
11 times as when, as a result of Policy maturities, cash has accumulated in the  
12 receivership estate to allow the Receiver to safely make such distributions.

13 **B. Investor Communications**

14 The Receiver has established a dedicated web page on his website which is  
15 being used to provide case information, regular updates, and answers to frequently  
16 asked questions to investors and creditors. The Internet address for the webpage is  
17 as follows: <http://www.ethreadvisors.com/cases/pwcg/>. The Receiver mailed a  
18 letter to all investors in the week following his appointment to inform them of the  
19 receivership and direct them to the website to obtain further notices and updates.  
20 The Receiver has posted the Appointment Order and other filings relating to the  
21 receivership on the webpage and will continue to update it with relevant filings and  
22 orders of the Court. Investors and creditors can sign up at the webpage to receive  
23 monthly email updates about the case. To ensure receipt of future notices,  
24 investors and creditors should promptly contact the Receiver's office at  
25 pwcg@ethreadvisors.com if their contact information changes and provide their  
26 new contact information.

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### III. SUMMARY OF RECEIPTS AND DISBURSEMENTS

The following table reflects a summary of the receipts and disbursements for the receivership estate from October 1, 2025, through December 31, 2025:

Balance as of 10/1/25	\$4,558,743
Policy Maturities	\$1,914,609
Interest & Misc. Income	\$30,853
Disbursements to Receiver/Professionals	(\$0)
Policy Premium Pmts & Business Asset Expenses	(\$1,782,046)
Federal & State Taxes	(\$0)
Investor Distributions	\$0
Ending Balance as of 12/31/25	\$4,722,159

In addition, the Standardized Fund Accounting Report for the receivership estate for the corresponding time period of October 1, 2025, through December 31, 2025, is attached hereto as Exhibit A.

### IV. RECOMMENDATIONS

The Receiver's efforts to maximize recoveries for the receivership estate are ongoing. The Receiver and his professionals make the following recommendations.

#### A. Life Expectancy and Cash Flow Analysis

The Receiver, with the assistance of 21st, will continue to monitor the portfolio and evaluate the benefits of holding versus selling the Policies.

#### B. Provide Reports to the Court on a Quarterly Basis

The Receiver will continue to provide reports to the Court on a quarterly basis, as well as seeking Court approval of fees and costs on a quarterly basis.



# EXHIBIT A

Thomas C. Hebrank, Receiver  
E3 Advisors  
501 West Broadway, Suite 290  
San Diego, CA 92101  
(619) 567-7223

## **STANDARDIZED FUND ACCOUNTING REPORT**

CIVIL - RECEIVERSHIP FUND

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SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,  
v.  
PACIFIC WEST CAPITAL GROUP, INC.; ANDREW B CALHOUN IV; PWCG TRUST; et  
al, Defendants

Case No. 2:15-cv-02563 FMO (FFMx)

REPORTING PERIOD 10/01/25 TO 12/31/25



STANDARDIZED FUND ACCOUNTING REPORT for PWCG Trust - Cash Basis

Case No. 2:15-cv-02563 FMO (FFMx)

Reporting Period 10/01/25 to 12/31/25

FUND ACCOUNTING (See instructions):			
	Detail	Subtotal	Grand Total
Line 1 Beginning Balance (As of 10/01/25):	4,558,743		4,558,743
<i>Increases in Fund Balance:</i>			
Line 2 Business Income			-
Line 3 Policy Maturities	1,914,609		1,914,609
Line 4 Interest/Dividend Income	6,558		6,558
Line 5 Business Asset Liquidation	-		-
Line 6 Personal Asset Liquidation	-		-
Line 7 Third-Party Litigation Income			-
Line 8 Misc - Insurance & Prop Tax Refunds	24,295		24,295
Total Funds Available (Lines 1 - 8):	6,504,205		6,504,205
<i>Decreases in Fund Balance:</i>			
Line 9 Disbursements to Investors			-
Line 10 Disbursements to Receivership Operations			-
Line 10a Disbursement to Receiver or Other Professionals	-		-
Line 10b Business Asset Expenses	(1,782,046)		(1,782,046)
Line 10c Personal Asset Expenses	-		-
Line 10d Investment Expenses	-		-
Line 10e Third-Party Litigation Expenses	-		-
1. Attorney Fees	-		-
2. Litigation Expenses	-		-
Total Third-Party Litigation Expenses	-		-
Line 10f Tax Administrator Fees and Bonds	-		-
Line 10g Federal and State Tax Payments	-		-
Total Disbursements for Receivership Operations	-		(1,782,046)
Line 11 Disbursements for Distribution Expenses Paid by the Fund:			-
Line 11a Distribution Plan Development Expenses:			-
1. Fees:			-
Fund Administrator.....	-		-
Independent Distribution Consultant (IDC)..	-		-
Distribution Agent.....	-		-
Consultants.....	-		-
Legal Advisors.....	-		-
Tax Advisors.....	-		-
2. Administrative Expenses	-		-
3. Miscellaneous	-		-
Total Plan Developmental Expenses	-		-
Line 11b Distribution Plan Implementation Expenses:			-
1. Fees:			-
Fund Administrator.....	-		-
IDC.....	-		-
Distribution Agent.....	-		-
Consultants.....	-		-
Legal Advisors.....	-		-
Tax Advisors.....	-		-
2. Administrative Expenses	-		-
3. Investor Identification:			-
Notice/Publishing Approved Plan.....	-		-
Claimant Identification.....	-		-
Claims Processing.....	-		-
Web Site Maintenance/Call Center.....	-		-
4. Fund Administrator Bond	-		-
5. Miscellaneous	-		-
6. Federal Account for Investor Restitution (FAIR) Reports Expenses	-		-
Total Plan Implementation Expenses	-		-
Total Disbursements for Distribution Expenses Paid by the Fund	-		-
Line 12 Disbursements to Court/Other:			-
Line 12a Investment Expenses/Court Registry Investment System (CRIS) Fees	-		-
Line 12b Federal Tax Payments	-		-
Total Disbursement to Court/Other:	-		-
Total Funds Disbursed (Lines 9 - 11):			(1,782,046)
Line 13 Ending Balance (As of 12/31/25):			4,722,159

**STANDARDIZED FUND ACCOUNTING REPORT for PWCG Trust - Cash Basis**

Case No. 2:15-cv-02563 FMO (FFMx)

Reporting Period 10/01/25 to 12/31/25

<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			4,722,159
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	Total Ending Balance of Fund - Net Assets			4,722,159

OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
<b>Report of Items NOT to be Paid by the Fund:</b>				
<b>Line 15</b>	<b>Disbursement for Plan Administration Expenses Not Paid by the Fund:</b>			
Line 15a	Plan Development Expenses Not Paid by the Fund:			
	1. Fees:			
	Fund Administrator.....	-		-
	IDC.....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Miscellaneous	-		-
	<b>Total Plan Developmental Expenses Not Paid by the Fund</b>			-
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator.....	-		-
	IDC.....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Investor Identification			
	Notice/Publishing Approved Plan.....	-		-
	Claimant Identification.....	-		-
	Claims Processing.....	-		-
	Web Site Maintenance/Call Center.....	-		-
	4. Fund Administrator Bond	-		-
	5. Miscellaneous	-		-
	6. FAIR Reporting Expenses	-		-
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>			-
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund			-
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees	-		-
Line 16b	Federal Tax Payments	-		-
	Total Disbursement to Court/Other Not Paid by the Fund:			-
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>	-		-
<b>Line 18</b>	<b>No. of Claims:</b>			
Line 18a	# of Claims Received This Reporting Period.....			1,548
Line 18b	# of Claims Received Since Inception of Fund.....			1,548
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			
Line 19a	# of Claimants/Investors Paid this Reporting Period.....			1,548
Line 19b	# of Claimants/Investors Paid Since Inception of Fund.....			1,548

Receiver:

By:

Thomas C. Hebrank

Court-Appointed Receiver

Date:

1/14/26

**PWCG Trust**  
**Quarterly Operating Report - Financial Summaries**

	<b>RR#29</b> <b>03/31/25</b>	<b>RR#30</b> <b>06/30/25</b>	<b>RR#31</b> <b>09/30/25</b>	<b>RR#32</b> <b>12/31/25</b>
Beginning Cash	4,145,970	6,400,666	6,353,183	4,558,743
<u>Receipts</u>				
Policy Maturities	4,068,540	2,013,315	-	1,914,609
Investor Recoveries	-	-	-	-
Interest Income	30,400	16,995	27,246	6,558
Miscellaneous - Other	420	5,735	-	24,295
Policy Sales	-	-	-	-
Total Receipts	4,099,360	2,036,046	27,246	1,945,462
<u>Disbursements</u>				
Disbursements to Receiver/Professionals	-	(10,485)	(35,317)	-
Business Asset Expenses	(1,834,563)	(1,748,856)	(1,786,370)	(1,782,046)
Investor Distributions	(10,101)	-	-	-
Litigation Expenses	-	-	-	-
Net Business Asset Expenses	(1,844,664)	(1,759,341)	(1,821,687)	(1,782,046)
Federal and State Tax Payments/Refunds	-	(324,187)		
Total Disbursements	(1,844,664)	(2,083,528)	(1,821,687)	(1,782,046)
Ending Cash	6,400,666	6,353,183	4,558,743	4,722,159
<u>Bank Statements</u>				
Checking	76,056	63,262	101,575	93,016
PWCG Trust #1	2,323,458	1,198,495	713,521	753,954
PWCG Trust #2	655,495	1,728,844	353,873	478,885
CD	3,065,427	3,082,188	3,109,215	3,115,610
CBB				
Western Alliance	280,230	280,394	280,559	280,694
	6,400,666	6,353,183	4,558,742	4,722,159