

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(Miami Division)
Case No.: 10-22078-CV-MORENO/TORRES

SECURITIES & EXCHANGE COMMISSION,

Plaintiff,

vs.

ESTATE OF KENNETH WAYNE MCLEOD,
F & S ASSET MANAGEMENT GROUP, INC. and
FEDERAL EMPLOYEE BENEFITS GROUP, INC.,

Defendants.

Notice to Creditors

This motion objects to 5 claims: Capital Analysts Inc., Advance Funeral Funding LLC, Michael Ian Polsky, Nicklous T. Cooper and Ronald & Nanette VanGundy. If you are not one of these parties, the Receiver is not presently objecting to your claim. However, if you have received a distribution prior to the Receivership Case or a settlement payment from a third party, by this motion, the Receiver seeks to reduce the amount of your claim.

**RECEIVER'S MOTION (I) TO SET AMOUNT OF DISPUTED CLAIMS
AND (II) ESTABLISH PROCEDURE TO CALCULATE CLAIMS DISTRIBUTION**

Michael I. Goldberg (the "Receiver"), in his capacity as receiver of Defendants, F&S Asset Management, Inc. and Federal Employee Benefits Group, Inc. (collectively, the "Receivership Entities"), through undersigned counsel, hereby files this Motion (I) To Set Amount of Disputed Claims and (II) Establish Procedure to Calculate Claims Distribution (the "Motion"). In support of this Motion, the Receiver states as follows:

I. Background

On June 24, 2010, the United States Securities and Exchange Commission ("SEC") initiated these proceedings (the "Receivership Case") in the United States District Court for the
{27192050;2}

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Southern District of Florida (the "Receivership Court"). In its complaint, the SEC alleged that the Receivership Entities, along with Kenneth Wayne McLeod ("McLeod"), perpetrated a Ponzi scheme by defrauding nearly three hundred (300) investors (the "Investors") out of more than \$34 million. The SEC also sought the appointment of a receiver over the Receivership Entities. The Receivership Court appointed Michael I. Goldberg as receiver for the Receivership Entities.

Upon his appointment, the Receiver undertook an investigation to locate and secure assets owned by the Receivership Entities or purchased with funds illegally diverted from the Receivership Entities. The Receiver located and liquidated certain assets in which the Receivership Entities and/or McLeod had an interest. The Receiver is currently holding the sum of \$1,478,622.18 for distribution to creditors with allowed claims and payment of administrative expenses.

II. Claims Process

By previous Order, the Receivership Court authorized the Receiver to open a probate estate for McLeod in the Circuit Court for St. Johns County, Florida (the "Probate Case")(DE No. 35). The Receiver is currently serving as the Curator of McLeod's estate. A claims bar date was set in the Probate Case, as required under Florida statute. The Receiver provided notice of the Probate Case and the claims bar date to all known potential creditors of McLeod and the Receivership Entities, including the Investors. A total of 133 claims were filed in the Probate Case.

The Receiver also initiated a claims process in the Receivership Case. On July 25, 2011, the Receiver filed a Motion for Order (1) Setting Claims Bar Date; (II) Authorizing Receiver to

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Treat Investor Claims Filed in Probate Action as Claims "Filed" in the Receivership Proceeding; and (III) Approving a Claims Administration Procedure (the "Claims Motion") (D.E. 68). The Claims Motion was approved by Order of this Court (the "Claims Order") on August 22, 2011 (D.E. 70). Pursuant to the Claims Order, the Court scheduled October 31, 2011 as the claims bar date.

The Court authorized the Receiver to accept certain claims filed in the Probate Case as being deemed "filed" in the Receivership Case¹, with the caveat that the claims filed in the Probate Case were not automatically deemed "allowed" claims. As such, the Receiver has the opportunity to review and object to any claims he believes are incorrect or unsubstantiated against the Receivership Entities. In addition to the probate claims deemed filed in the Receivership Case, six additional claims were filed in the Receivership Case, for a total of one hundred and thirty-nine (139) claims (the "Claims") (those individuals and entities that filed claims shall collectively be referred to herein as the "Claimants"). Three of those Claims have been withdrawn, and one of those Claims was satisfied.² Additionally, the Receiver is disputing five (5) Claims (the "Disputed Claims"), as more fully described below.³ The remaining one hundred twenty-nine (129) Claims are not being challenged by the Receiver.

¹ All Investor claims were transferred to the Receivership Case, as well as those claims filed by Receivership Entities' creditors. Claims pertaining to debts owed individually by McLeod remained in the Probate Case.

² Claim No. 234 filed by Wells Fargo Bank was satisfied upon the sale of the Port Industrial Land approved by this Court on 12/25/12 [D.E. 86].

³ This figure includes the three (3) "Unrelated Claims" as referenced in Section 3(C) below.

The Claimants filed Claims in the total sum of \$48.7 million.⁴ The Receiver has reviewed all of the Claims and compared them to the Receivership Entities' books and records in an attempt to verify the accuracy of the Claims. The Receiver also took into consideration the amount of money received by the Claimants in the form of distributions and settlement with third parties. Out of the one hundred and twenty-five (125) Investor Claims, fifty four (54) Investors received the aggregate sum of \$5.9 million from distributions made by the Receivership Entities prior to the Receivership Case. Moreover, 95 Investors brought claims against the brokerage firms where McLeod worked prior to the Receivership Case to recover damages. These Investors entered into confidential settlements with the brokerage firms. Due to the confidential nature of the settlements, the amounts received are not included in this motion. (As more fully described herein, the Receiver recommends that those Investors' claims be reduced by the amounts they received from third parties.)

III. Objection to Disputed Claims

The Claims Order provides that, in the event the Receiver and the Claimant are unable to agree on the Claim amount:

"...the Receiver shall file with the Receivership Court a Motion to Set Claim amount. The Motion to Set Claim amount shall set forth the dispute over the claim and provide the Receivership Court with the documents in the Receiver's possession justifying the Receiver's position. The Claimant can then file a response to the Receiver's motion pursuant to the Receivership Court's local rules."

⁴ This amount includes a claim of \$15 million filed by Capital Analysis, Inc. ("Capital Analysis"), one of the securities firms which employed McLeod. Moreover, although Claimants reported investments of \$48,471,776.58, they also reported pre-receivership distributions totaling \$5,865,439.39. Accordingly, the total net claims before any third party offsets are applied was \$42,606,337.19.

Thus far, the Receiver has reconciled and confirmed all but five (5) Claims (the "Disputed Claims"). Pursuant to the Claims Order, through this Motion, the Receiver formally objects to the Disputed Claims and seeks entry of an Order reducing or striking the Disputed Claims. The Receiver's explanation for the objecting to each of the Disputed Claims is set forth below.

Pursuant to Local Rule 7.1(c), holders of Disputed Claims have fourteen (14) days after service of this Motion to file a response to the treatment of their claim as recommended by the Receiver. Failure to do so may be deemed sufficient cause for granting the Motion by default. The Receiver may within seven (7) days of service of the response, serve a reply. No further memoranda of law shall be filed without prior leave of Court. All materials in support of the motion, response or reply shall be served with the filing. In the event responses are filed, pursuant to Local Rule 7.1(b), the Receiver will request that the Receivership Court schedule a hearing to resolve the Claims Objections. The Receiver will highlight and summarize the procedures for the Claims Objections in a letter to be sent to each Disputed Claimholder's last known address, and also provide them with a copy of this Motion.

A. The Receiver Disputes Claim No. 20 Filed by Capital Analysts Incorporated and Believes its Claim Should be Subordinated to Investors' Claims

Capital Analysts Incorporated ("CAI") improperly seeks to recoup from the receivership estate settlement proceeds it paid to Investors in settlement of arbitration claims brought by various Investors against CAI based on CAI's tortious conduct which those Investors alleged contributed to their losses. On December 27, 2010, CAI filed its claim for \$15 million in the Probate Case which was subsequently transferred to the Receivership Case by Court Order [D.E.

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70]. According to CAI, the "bases for the claim are the contracts between the decedent, Kenneth W. McLeod, and [...] CAI and the decedent's actions that have breached his obligations to CAI and have exposed CAI to potential liability to various parties [....]. Specifically, these other parties include Investors who "commenced various FINRA arbitration proceedings against CAI." Notably, however, the claims brought by Investors were based on CAI's individual conduct for which CAI has no right to recover from the receivership estate.

At the time McLeod perpetrated the Ponzi Scheme affecting the Investors with whom CAI settled, McLeod was a registered securities representative with CAI. Investors sued CAI for its own misfeasance, including claims for negligent supervision and breaches of various federal and state securities laws. The Receiver subpoenaed a copy of a Statement of Claim filed by two Investors in a FINRA arbitration against CAI and believes the allegations set forth in that Statement of Claim are representative of the claims filed by other Investors against CAI.⁵ Those investors alleged that CAI was liable to Investors for the damages they incurred, because, among other things, CAI aided McLeod by "providing him access to the market for securities investors, lending him an aura of respectability, and then failing to adequately supervise McLeod and the securities transactions he recommended" to Investors.

The Statement of Claim also alleged that CAI is liable to Investors based on various theories of liability, including the doctrine of *respondent superior*, its actions as a controlling person, agency law principles and negligence. Specifically, the Investors alleged that CAI authorized or, in the alternative, intentionally or negligently permitted, McLeod to engage in the activities that caused their

⁵ The Investors participated in FINRA arbitrations which are private. Accordingly, the Statement of Claim reviewed by the Receiver could only be obtained by subpoena. The Receiver, therefore, is not attaching a copy of the Statement of Claim as an exhibit, but will make it available to the Court for in camera inspection if requested.

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investment losses. Such allegations stem from CAI's negligent supervision of McLeod because the Investors allege that CAI, among other things, failed to properly review the securities investments recommended to Investors, failed to properly inspect and supervise McLeod's Jacksonville, Florida office, failed to properly supervise McLeod's activities in a manner reasonably designed to prevent or detect improper activity, failed to properly monitor and follow-up on communications with current or prospective broker/dealer customers, and failed to reasonably monitor or supervise the transfer of funds for purposes of their investments.

Further, Investors allege that CAI permitted a number of violations of laws, rules, and regulations, as well as its own internal policies and procedures in connection with the securities recommended to Investors by McLeod. Among other provisions, Investors allege that CAI violated various sections of Florida's Administrative Code, the Florida Securities Protection Act and Florida's Blue Sky Law (Fla. Stat. §517.011, et seq.). In summary, the Investors alleged that, instead of receiving conservative investments backed by government securities, they were victimized by a CAI registered representative and, therefore, CAI is independently liable.

Finally, Investors allege they were financially and emotionally devastated as a result of CAI's failures as a supervising broker/dealer, negligence, gross negligence, and negligent supervision. The Investors sought "actual damages proximately or legally caused by [CAI's] actions and/or inactions, benefit of the bargain damages, lost opportunity costs, model portfolio damages, prejudgment interest, and additional damages." With respect to the additional damages, the Investors alleged that punitive damages were appropriate in order to deter CAI from failing to appropriately protect investors in the future.

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Ignoring the separate nature of the claims against it, CAI seeks indemnification from McLeod's estate and, thus, the receivership estate for the monies it paid to settle Investors' claims. CAI takes the position that McLeod's estate should be "responsible by contract, tort, or other common law, theories of indemnification or contribution, statute, or other bases, for all losses arising from [McLeod's] conduct." The Receiver wholly rejects CAI's position.

In fact, through a letter dated October 1, 2012, the Receiver denied CAI's claim in its entirety. The letter set forth the Receiver's position that CAI is not entitled to recover from the receivership estate at all and, even less, as a result of its settlement payments to Investors.⁶ Indeed, were CAI's claim to be allowed, CAI would effectively be diluting the claims of the very same Investors with whom it settled – thereby further victimizing Investors who thought they fruitfully recovered from an independent wrongdoer by way of settlement.

Notably, CAI did not file a lawsuit against McLeod based on theories of indemnification or contribution prior to Claims Bar Date. CAI took no affirmative action against McLeod until it sustained losses following settlement agreements it voluntarily entered into with Investors. CAI should be prohibited from using its settlements as a way to "buy a claim" it would not otherwise have – particularly when CAI failed to take any legal action to establish McLeod's alleged liability to CAI outside of the receivership estate.

Also troubling is that the Receiver was not a party to the settlements in his representative capacity on behalf of either the receivership or probate estates, nor was he made aware or the amount of the settlements until CAI notified the Receiver of its claim. CAI did not consolidate

⁶ Attached as Composite Exhibit A, for the Court's consideration, are CAI's claim form and the Receiver's objection letter.

the Investors' suits, defend the actions, or take other actions which could arguably have reduced its losses. Instead, CAI unilaterally chose to enter into settlement agreements with Investors.

It is inequitable for CAI to now seek to recover its losses – which equal an amount far greater than the total amount being held by the Receiver for distribution – from the receivership estate. The Receiver believes equity necessitates the striking or subordination of CAI's claim to all other claims filed in this Receivership Case and requests the Court approve the Receiver's objection and subordination of CAI's claim in its entirety.

B. The Receiver Disputes Claim No. 1 Filed by Advance Funeral Funding LLC⁷

Advance Funeral Funding LLC ("AFF") incurred a debt of \$8,968.05, for funeral expenses paid by AFF to Hardage-Giddens Funeral Home on behalf of McLeod's wife, Susan McLeod, based on an Irrevocable Assignment/Reassignment of life insurance benefits executed by Ms. McLeod. Following the commencement of this action by the SEC, this Court entered its Preliminary Injunction Imposing Asset Freeze and Other Relief as to Defendant Estate of Kenneth Wayne McLeod (the "Injunction"), thereby freezing the life insurance proceeds which Ms. McLeod intended to cover McLeod's funeral expenses. The Receiver objected to AFF's claim as it was not timely filed and because AFF is not entitled to share in the funds from the receivership estate generally.

AFF's claims are personal in nature and its right to recover funds is more properly adjudicated in the Probate Case. Accordingly, on February 14, 2011, the Receiver's probate counsel sent a letter to AFF, along with a blank claim form, notifying it that the deadline to file a

⁷ Attached as Composite Exhibit B, for the Court's consideration, is AFF's claim information and the Receiver's objection letter.

claim in the probate proceedings expired on March 16, 2011. Despite receiving said notice, AFF failed to submit a claim in the probate proceedings by the due date. Accordingly, AFF's claim was time barred in the Probate Case.

After missing the deadline to file its claim in the Probate Case, AFF chose to file a claim in the Receivership Case instead of seeking recovery directly from Ms. McLeod. AFF's payment of McLeod's funeral expenses is wholly unrelated to the Ponzi Scheme which formed the basis for this Receivership Case.

Regardless, of the forum, the Receiver does not believe AFF is entitled to funds from either the probate or receivership estates. Ms. McLeod entered into a settlement agreement with the Receiver regarding McLeod's life insurance policy, from which Ms. McLeod received \$442,883.99 in life insurance proceeds, including interest. (D.E. 64). Ms. McLeod agreed to the funeral expenses which she intended to be paid from the life insurance proceeds. Following her settlement with the Receiver regarding the insurance proceeds, the payment to AFF should be paid by Ms. McLeod from her portion of those proceeds. McLeod's victims should not have to pay for his personal funeral expenses.

Accordingly, the Receiver requests the Court authorize the Receiver to deny AFF's claim in its entirety in both the Receivership Case and the Probate Case.

C. The Receiver Disputes Claims Filed by Individuals Who Did Not Invest in The Receivership Entities

Only Investors that invested in the Receivership Entities and who were directly affected by the Ponzi Scheme perpetrated by McLeod, should be entitled to participate in a distribution from the receivership estate. Indeed, the receivership estate and the claims process were created

by this Court in order to marshal and administer the assets of the Receivership Entities *only*. This Receivership Case was not established to correct every wrongdoing of McLeod.

The Receiver has received 3 claims from individuals who engaged McLeod, in his capacity as a registered representative, to manage their individual brokerage accounts with various brokerage firms: (1) Michael Ian Polsky (Claim #95), (2) Nicklous T. Cooper (Claim #28), and (3) Ronald & Nanette VanGundy (Claim #131) ("Unrelated Claimants").⁸ Despite each of the claims being timely filed, the Receiver objected to the claims as they were unrelated to the FEBG Ponzi Scheme.

In fact, the claims were based more generally on losses sustained as a result of McLeod's performance as the Unrelated Claimants' representative and included claims such as "churning" and "excessive trading", among others. Despite being requested to produce documents demonstrating any involvement with the Receivership Entities, the Unrelated Claimants failed to do so. Accordingly, the Receiver hereby requests the Court to deny the Unrelated Claimants' claims as they have no connection to the Receivership Entities and, therefore, are not entitled to share in a distribution from the receivership estate.

IV. Mechanism to Calculate Claims Distribution

After the Disputed Claims are resolved, the Receiver will seek authorization to make a distribution to the Claimants, on a pro-rata basis, based on the amount of their allowed Claims. Presently, the Receiver estimates that the allowed claims equal \$14,128,933.46. However, the Receiver has marshaled the sum of \$1.4 million for distribution to pay allowed claims and

⁸ Attached as Composite Exhibit C, for the Court's consideration, are the Unrelated Claimants' claim forms and the Receiver's responsive objection letters.

administrative expenses. In situations such as this case, where the amount of claims exceeds the funds available for distribution, the Receivership Court is obligated to devise an equitable system of distribution with the goal of treating each claimant fairly and as nearly equal as possible. *See U.S. v. Cabe*, 311 F.Supp.2d 501, 504 (D.S.C. 2003).

In deciding how the assets of the receivership estate should be paid out to aggrieved investors and other creditors, courts have “broad authority ... to approve a plan of distribution proposed by [the] receiver.” *SEC v. Parish*, No. 07-00919, 2010 WL 5394736 at *5 (D.S.C. February 10, 2010); *S.E.C. v. Byers*, 637 F.Supp.2d 166, 174 (S.D.N.Y.2009) (citing *S.E.C. v. Credit Bancorp, Ltd.*, 290 F.3d 80, 82–83 (2d Cir.2002); *S.E.C. v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 332 (5th Cir.2001)). The Receivership Court has the power to approve any plan as long as it is “ ‘fair and reasonable.’ ” *Parish*; (quoting *Byers*, 637 F.Supp.2d at 174); *see also S.E.C. v. P.B. Ventures*, 1991 WL 269982, at *2 (E.D.Pa. Dec. 11, 1991) (“No specific distribution scheme is mandated so long as the distribution is ‘fair and equitable.’ ”)

What is “fair and equitable” for one victim may be perceived as “unfair and inequitable” to another, depending on how each stands to benefit under the selected distribution scheme. *Parish*, 2010 WL 5394736 at *5. “For a District Court sitting in equity, ... it is important to remember that each investor’s recovery comes at the expense of the others.” *Byers*, 637 F.Supp.2d at 176. When, as here, there is “a small pie and many disappointed investors,” there is an inherent conflict among investors. *Commodity Futures Trading Comm’n v. Hoffberg*, 1993 WL 441984, at *2 (N.D.Ill. Oct. 28, 1993).

An equitable plan of distribution, therefore, will not necessarily be better for each and every investor than any other plan since each investor will fare differently under different plans. Thus, since equity demands equal treatment of investors in a factually similar case, *see e.g. Capital Consultants*, 397 F. 3d at 738-739, and, since all the investors in the present case should be considered to occupy the same legal position as other investors, equity should not permit any individual investor in this case any preferential treatment over any another investor for “equality is equity”. *See generally S.E.C. v. Elliott*, 953 F.2d 1560, 1570 (11th Cir. 1992), *rev’d in part on other grounds*, 998 F. 2d 922 (11th Cir. 1993).

Accordingly, the Receiver proposes that distributions be calculated based on the “net investment method.” Under this approach, any cash distributions received prior to the SEC’s filing of the Receivership Case, and any funds received from collateral sources would be subtracted from the total amount of the actual investment and that would be the starting point for the pro rata distribution. The net investment approach easily levels the playing field in terms of the amount of actual money paid into an investment scheme by investors. The equity of this approach is illustrated by the following examples:

Example 1: Investor A invests \$100,000 into a Ponzi scheme, never takes any money out and therefore has a claim for the full \$100,000. Assuming a pro rata multiplier of 10%, Investor A’s distribution would be \$10,000.⁹

Example 2: Investor B invests \$100,000 into a Ponzi scheme, but received a cash distribution from the Receivership Entities prior to the receivership of \$20,000. Investor B’s net investment amount therefore is \$80,000. Assuming a pro rata multiplier of 10%, Investor B’s distribution would be \$8,000.

⁹ The Receiver uses a 10% as the pro rata distribution solely by way of example. The Receiver has not yet determined the percent of distribution.

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Example 3: Investor C invested \$100,000 into a Ponzi scheme and received no sums back from the Receivership Entities, but entered into a settlement with a third party based on the same loss whereby Investor C obtained a payment of \$60,000. Investor C's net investment amount therefore is \$40,000. Assuming a pro rata multiplier of 10%, Investor C's distribution would be \$4,000.

Upon careful consideration of all available methods of calculation, the Receiver recommends the net investment method be used in this case because he believes it to be the most equitable method of calculating claims for purposes of a distribution of receivership assets under the unique facts of this Receivership Case. The Receiver finds it wholly inequitable to ignore any distributions and third party payments (e.g., settlement payments received by investors from settlements with CAI), and intends to base his calculations on the amount of an Investor's gross investment. This is particularly true given that fifty-two (52) Investors received distributions and ninety-five (95) Investors received third party payments.¹⁰

A list is attached hereto as Exhibit D, identifying each Investor with an Undisputed Claim that received pre-receivership distributions from the Receivership Entities and/or funds from collateral sources, and the corresponding amounts which should be subtracted from their gross investment for purposes of calculating their net claim.¹¹ Due to a confidentiality agreement between the Receiver, CAI, and other settling third party defendants, portions of Exhibit D have been redacted so as not to disclosure the amounts awarded under the third party settlements. The

¹⁰ The Court could order Investors to repay all cash distributions, following which the Receiver could make a distribution based on each Investors' actual investment. The practical problems associated with this approach, however, preclude it from being a viable option. Indeed, many of the Investors may not have access to the money in a liquid nature and, therefore, litigation would be expensive and time-consuming.

¹¹ The Receiver notes that the Court could adopt what is known as the "rising tide" approach. Under this approach, the amount of an Investor's received cash distributions would be deducted, dollar for dollar, from the amount of the Investor's total distribution award. For example, if Investor A had a gross investment of \$100,000, and had received \$15,000 in cash distributions and the pro rata multiplier were 10%, they would not receive a distribution at all. The limited amount of funds available for distribution makes the rising tide approach impractical.

Receiver will disclose these amounts to each Investor listed on Exhibit D separately in a letter, along with a copy of this Motion. Moreover, the Receiver intends on filing contemporaneously with the filing of this Motion, an *ex-parte* motion to file Exhibit D under seal.

The Receiver strongly urges the Court to approve the net investment method as it is the most equitable. It would provide the greatest number of Claimants with the greatest recovery possible without inequitably rewarding some investors at the expense of others. *See Byers*, 637 F.Supp.2d at 184. After the Receivership Court approves a formula to calculate Claims distribution, the Receiver will formalize a plan of distribution and return same to the Court for final approval.

WHEREFORE, the Receiver respectfully requests this Court enter an Order (i) setting the amount of the Disputed Claims and/or denying the Disputed Claims in full; (ii) establish the net investment method for calculating claims distributions; and (iii) for such other relief that is just and proper.

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CERTIFICATION PURSUANT TO LOCAL RULE 7.1

Pursuant to Local Rule 7.1, undersigned counsel hereby certifies that the Receiver has conferred with counsel for the SEC who has no objection to the relief requested herein.

Respectfully submitted,

AKERMAN SENTERFITT
Court Appointed Receiver
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, Florida 33301
Telephone: (954) 463-2700
Facsimile: (954) 463-2224

By: Michael I. Goldberg
Michael I. Goldberg, Receiver
Florida Bar No.: 886602

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of October 2013, I electronically filed the foregoing Motion with the Clerk of the Court by using the CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record and other interested parties identified on the attached Service List in the manner specified, either via transmission of Notice of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronic notices.

By: /s/ Michael I. Goldberg
Michael I. Goldberg, Receiver
Florida Bar No.: 886602

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod
Case No.: 10-22078-CIV-MORENO/BROWN

SERVICE LIST

1:10-cv-22078-FAM

Notice has been electronically mailed to:

C. Ian Anderson andersonci@sec.gov, jacqmeinv@sec.gov, landaul@sec.gov
Securities & Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131
andersonci@sec.gov
representing **Securities and Exchange Commission**

Michael Ira Goldberg michael.goldberg@akerman.com, charlene.cerda@akerman.com,
kimberly.matregrano@akerman.com; Tamara Jill Savin tamara.savin@akerman.com
Akerman Senterfitt
350 E Las Olas Boulevard, Suite 1600
Fort Lauderdale, FL 33301-0006
954-463-2700
954-463-2224 (fax)
michael.goldberg@akerman.com
representing **Michael I. Goldberg, Receiver**

Matthew R. Kachergus sheplaw@att.net
William J. Sheppard
Matthew R. Kachergus
D. Gray Thomas
Sheppard White Thomas & Kachergus PA
215 Washington Street
Jacksonville, FL 32202
904-356-9661
904-356-9667 (fax)
sheplaw@att.net
representing **Estate of Kenneth Wayne McLeod**

Mark Devereaux mark.devereaux@usdoj.gov
Assistant United States Attorney
USAO No. 049
300 N. Hogan Street, Suite 700
Jacksonville, Florida 32202-4270
904-301-6300
904-301-6310 (fax)
representing **United States of America**

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod
Case No.: 10-22078-CIV-MORENO/BROWN

Notice has been sent by Certified Mail RRR to:

Internal Revenue Service Center
Attention: Service Center Director
Ogden, Utah 84201

Internal Revenue Service
Attention: SPECIAL PROCEDURES INSOLVENCY UNIT
P.O. Box 21126
Philadelphia, PA 19114

Department of Treasury
Office of the General Counsel
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

U.S. Department of Justice
Office of the Attorney General
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001

Notice has been posted on the Receiver's website at:
www.febginfo.com

EXHIBIT "A"

Michael I. Goldberg, Receiver
Las Olas Centre II
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, Florida 33301-2229
Toll Free (800) 223-2234
Website: www.febginfo.com

October 1, 2012

VIA EMAIL & U.S. MAIL

J. Andrew Bertron, Jr., Esquire
Nelson Mullins Riley & Scarborough LLP
3600 Maclay Blvd., South, Suite 202
Tallahassee, Florida 30212

Re: Securities and Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
United States District Court for the Southern District of Florida
Case No.: 10-22078-CV-Moreno/Torres

Claimant Name: Capital Analysts Incorporated
Claim Amount: \$15,000,000
Claim No.: 020

Dear Mr. Bertron:

As you know, I am the court appointed Receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc. (collectively "Receivership Entities"). This letter is to notify you that I **object** to the claim Capital Analysts Incorporated's ("CAI") filed in the above-referenced case.

Specifically, by filing its claim, CAI is attempting to recoup money it paid out as settlement funds to various victims who suffered substantial losses as a result of Kenneth Wayne McLeod's Ponzi scheme conducted while he was a registered representative for CAI. It is my understanding that these individuals sued CAI alleging that it had a duty to supervise Mr. McLeod and should be held responsible for Mr. McLeod's wrongful actions. Moreover, it is my understanding that these individuals alleged that CAI was a joint tortfeasor of McCleod, irrespective of whether or not it was a direct participant in Mr. McLeod's fraud. CAI chose to settle with these individuals rather than fight these claims.

By filing its claim, CAI attempts to recover some of its loses from the Receivership Entities. I can only assume that CAI's claim is based on some sort of alleged right to contribution.

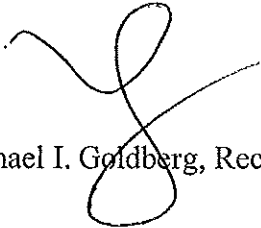
J. Andrew Bertron, Jr., Esquire
Nelson Mullins Riley & Scarborough LLP
October 1, 2012
Page 2

However, it is my position that CAI is effectively diluting the recovery of the very same victims they have settled with in ancillary proceedings and its claim should be subordinate to the claims of innocent victims.

You should know that disputed claims will be dealt with through an objection process to be outlined by the court at a later date. Typically this entails an opportunity for you to file with the court a written objection to my findings and, if necessary, a hearing to determine whether your objections are meritorious. However, it is worth noting that the distribution in this case is expected to be minimal, therefore, it is my hope that CAI will voluntarily agree to walk away from its claim without the need for either of us to incur legal expense.

If you would like to discuss this matter further, please contact me directly at (954) 468-2444.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael I. Goldberg", with a large, stylized loop at the end.

Michael I. Goldberg, Receiver

IN THE CIRCUIT COURT FOR ST. JOHNS COUNTY, FLORIDA,
PROBATE DIVISION

IN RE:)	File No. CP 10-375	RECEIVED CLERK OF COURT ST. JOHNS COUNTY FLORIDA 2010 DEC 27 P 1:55
)		
ESTATE OF)	Division 55	
KENNETH W. MCLEOD,)		
Deceased.)	STATEMENT OF CLAIM BY: CAPITAL ANALYSTS INCORPORATED	

The undersigned hereby presents for filing against the above estate this statement of claim and alleges:

(1) The bases for the claim are the contracts between the decedent, Kenneth W. McLeod, and Capital Analysts Incorporated ("CAI") and the decedent's actions that have breached his obligations to CAI and have exposed CAI to potential liability to various parties, including but not limited to certain individual investors who have commenced various FINRA arbitration proceedings against CAI and other parties. This claim also encompasses all potential amounts for which CAI may be held responsible arising from claimants and governmental or self-regulatory authorities who have not yet commenced proceedings against CAI arising from or related to decedent's to conduct but may do so in the future. Those investors are identified as the claimants on Exhibit A to this claim, and their arbitrations listed on Exhibit A are referred to collectively as the "Arbitrations." The decedent was a former registered securities representative with CAI. It is from that relationship that this claim has arisen. As a registered representative of CAI, decedent had contractual obligations to CAI and owed CAI certain fiduciary duties arising from the relationship. To the extent decedent's actions have breached those obligations and have exposed CAI to liability for damages in the Arbitrations and for penalties, fines or other amounts assessed by government and industry regulators including self-regulatory organizations,

decedent's estate should be responsible by contract, tort, or other common law, theories of indemnification or contribution, statute, or other bases, for all losses arising from decedent's conduct, including but not limited to the claimants' losses alleged in the Arbitrations which total approximately Fifteen Million and 00/100 Dollars (\$15,000,000.00), plus CAI's legal fees, costs, and expenses associated with the Arbitrations, and any judgments, awards, settlements, restitution, penalties, and fines arising from, but not limited to, all arbitrations, other lawsuits, regulatory proceedings, or other matters associated with decedent, whether currently pending or otherwise commenced in the future.

(2) The name and address of the claimant are Capital Analysts Incorporated, 303 Broadway, Suite 1500, Cincinnati, Ohio, 45202, and the name and address of the claimant's attorney is set forth below.

(3) The amount of the claim could exceed Fifteen Million and 00/100 Dollars (\$15,000,000.00) based upon the damages claimants have alleged in the Arbitrations, plus other potential losses referenced in item 1 above.

(4) The claim is contingent or unliquidated because the claims asserted in the Arbitrations are pending and other potential unasserted claims have not been resolved and because it is unknown if any action will be taken by any governmental or self-regulatory authority.

(5) The claim is not secured.

Under penalties and pains of perjury, I declare that I have read the foregoing, and the facts alleged are true, to the best of my knowledge and belief.

Signed on December 22, 2010.

Attorneys for Claimant, Capital Analysts Incorporated

NELSON MULLINS RILEY
& SCARBOROUGH LLP

By: J. Andrew Bertron, Jr.
J. Andrew Bertron, Jr.
Florida Bar No. 982849
3600 Maclay Boulevard South
Suite 202
Tallahassee, Florida 30212
(850) 907-2507 - phone
(850) 907-2552 - telecopy
andy.bertron@nelsonmullins.com

Claimant

Copy mailed to attorney for Personal
Representative on 12/27/10

CLERK OF THE CIRCUIT COURT

By: C. Kidd



IN THE CIRCUIT COURT FOR ST. JOHNS COUNTY, FLORIDA,
PROBATE DIVISION

IN RE:)	File No. CP 10-375
)	
ESTATE OF)	Division 55
KENNETH W. MCLEOD,)	
)	
Deceased.)	EXHIBIT A TO STATEMENT OF CLAIM
)	BY CAPITAL ANALYSTS
)	INCORPORATED

List of proceedings involving Capital Analysts Incorporated including claims allegedly arising from the actions of the decedent, Kenneth W. McLeod:

1. *Thomas and Karen Martin v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation*, FINRA Arbitration No. 10-03715.
2. *Sandra Gilley, Scott and Montye Crawford, John and Monica Riley, and Harry Richards v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation*, FINRA Arbitration No. 10-03620.
3. *Gary and Karyn Lang, Mary Salazar, Kristine Tierney, and Michael and Julie Cashman v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation*, FINRA Arbitration No. 10-05054.
4. *Clara Cosgrove, Colette Dennehy, Candice Teresi, Walter and Elaine Morrison, Mark and Theresa Hamlet, Tracy and Susan Donahue, Steven and Melissa Derr, James and Tamara Slater, Thomas and Genia Cindric, Stephen and Mary Snyder, Bettina Catalano, and Andrew and Olivia Thompson v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation*, FINRA Arbitration No. 10-00823.

5. *Rebecca Branum, Deborah Loftus-Errthum, James and Nancy Woolley, and Anthony Anglada v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation, FINRA Arbitration No. 10-05064.*
6. *Anthony and Jean Marotta, Milton and Kelly Galanos, David and Lisa Grant, Thomas and Cynthia Bush, and Joseph and Donna Bendig v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation, FINRA Arbitration No. 10-05066.*
7. *Gail Fagan, Barbara and Robert Devine, Kimberly Pribble, Scott Snyder, Joey Lenseigne, Robert and Colleen Marchi, Brian and Kryssa Miller, Michael Parra, Hugh Goben, Carlos Mitchem II, and John and Kristine Kelley v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation, FINRA Arbitration No. 10-04914.*
8. *Gladys Crespo, Daniel and Martha Brown, Donald and Sandy Garrett, Justin and Tammy Peterson, Keith and Gladys Kruskall, Joe Figueroa, Ronald and Shigemi Grimes, Brian and Victoria Quirk, and Richard and Carol Reck v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation, FINRA Arbitration No. 10-04954.*
9. *Edward Kohn Jr., Sandra Hill, Mark and Mary Ellen Trouville, Kurt and Clara Coront, Adam Arbitman, Ronald Branch Jr., Patrick and Kelly Campbell, John and Laura Cannon, Rachel Cannon, James Dicaprio, Douglas and Laurie Garner, Harold Garner, Sandra Goetz, Mitchell and Jami Price, Debra Wright and James Sourini, Gregory Swift, and Robert Vance v. Capital Analysts Incorporated and Lincoln Financial Securities Corporation, FINRA Arbitration No. 10-05186.*

10. Any and all other arbitrations, lawsuits, proceedings brought before regulatory or self-regulatory authorities, or other matters, whether currently pending or commenced in the future.

EXHIBIT "B"



Kimberly Matregrano
Paralegal

Akerman Senterfitt
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Tel: 954.463.2700
Fax: 954.463.2224

Dir: 954.759.8929
kimberly.matregrano@akerman.com

August 20, 2012

VIA U.S. MAIL & EMAIL

Advance Funeral Funding LLC
Attn: Jason Drewry, Owner
4116 Jean Shackelford Drive
Chesapeake, VA 23221

**Re: Securities and Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
United States District Court for the Southern District of Florida
Case No.: 10-22078-CV-Moreno/Torres**

**Claimant Name: Advance Funeral Funding LLC
Claim Amount: \$8,968.05
Claim No.: 001**

Dear Mr. Drewry:

I am writing to you on behalf of Michael I. Goldberg, the court appointed Receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc. (collectively "Receivership Entities") in connection with the above-referenced matter (the "Receivership Case"). This letter is to notify you that the Receiver objects to Advance Funeral Funding LLC's (hereafter "Advance Funeral") claim for the payment of Kenneth McLeod's funeral expenses filed in the Receivership Case. Specifically, the Receiver objects to Advance Funeral's claim because payment of Mr. McLeod's funeral expenses is considered a personal debt, and not an obligation of the Receivership Entities.

You should know that all disputed claims will be dealt with through an objection process to be outlined by the court at a later date. Typically this entails an opportunity for you to file with the court a written objection to the Receiver's findings and, if necessary, a hearing to determine whether your objections are meritorious.

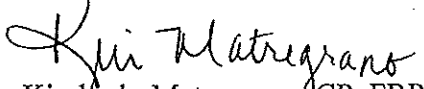
akerman.com

Advance Funeral Funding LLC
Attn: Jason Drewry, Owner
August 20, 2012
Page 2

If you would like to discuss this matter further, please contact our office at (800) 223-2234.

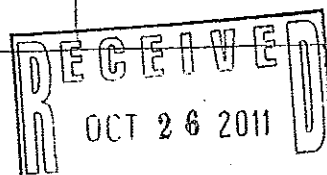
Sincerely,

AKERMAN SENTERFITT


Kimberly Matregrano, CP, FRP
Florida Registered Paralegal

PROOF OF CLAIM TO BE FILED WITH RECEIVER - DO NOT FILE WITH COURT

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA MIAMI DIVISION		PROOF OF CLAIM	
SECURITY AND EXCHANGE COMMISSION, Plaintiff, vs. ESTATE OF KENNETH WAYNE McLEOD, F&S ASSET MANAGEMENT GROUP, INC. and FEDERAL EMPLOYEES BENEFITS GROUP, INC., Defendants.		CASE NO.: 10-22078-Civ-Moreno	
DEADLINE FOR FILING OF CLAIM: This Proof of Claim must be received by the Receiver's office no later than <u>October 31, 2011</u> . Failure to timely file a claim shall result in a waiver of any rights to participate in any distribution of funds through this Receivership.			
I. CLAIMANT CONTACT INFORMATION: Name of Claimant(s): <u>Advance Funeral Funding LLC</u> Name of Person submitting form on behalf of Claimant, if different: <u>Jason Drewry - Owner</u> **Please attach Power of Attorney or Letters of Administration Physical Address Where Notices and Checks Should be Sent: (Do NOT use P.O. Box unless Military) <u>4116 Jean Shackelford Drive</u> <u>Chesapeake VA 23321</u> Telephone No.: _____ Email Address: _____ SS# or Tax Payer ID: _____ Date of Birth: _____ Check one: How are you affiliated with the Receivership Entities: I am an <input type="checkbox"/> Investor <input type="checkbox"/> Business Creditor <input checked="" type="checkbox"/> Other		CLAIM STATUS: <input type="checkbox"/> Check box if you have never received any notices from the Receiver <input checked="" type="checkbox"/> Check box if your address differs from the address on the envelope sent to you by the Receiver Check here if this Claim Form: <input type="checkbox"/> amends <input checked="" type="checkbox"/> replaces <input type="checkbox"/> supplements. a previously filed Claim Form in the Probate Proceedings. If so, please provide the date when you filed your initial claim _____ <input type="checkbox"/> Check box if you are aware that anyone else has filed a Proof of Claim relating to your claim. (Attach statement explaining same).	
SEND CLAIM FORM TO: Michael I. Goldberg, Receiver c/o Federal Employee Benefits Group, Inc. Akerman Senterfitt 350 E. Las Olas Blvd., Suite 1600 Ft. Lauderdale, Florida 33301-2229 For Questions Call: (800) 223-2234		THIS SPACE IS FOR RECEIVER'S USE ONLY: Claim No.: <u>#1</u>	



II. INVESTMENT HISTORY (Complete this section if you are an Investor – Business & Other Creditors should skip to Section IV below)

What is the total amount of money you invested? Please list the date and dollar amount for each separate principal investment made. The total should only include actual funds you gave to any of the Receivership Entities and should not include any credits, interest, rollovers, dividends, etc. Please provide copies of checks (front and back), wire transfer verifications, account statements, carbon checks, evidencing each investment listed below (Use additional sheets if necessary)

[illegible]

PROOF OF CLAIM

SECURITIES & EXCHANGE COMMISSION v. ESTATE OF KENNETH WAYNE MCLEOD, ET AL.
Case No.: 10-22078-CIV-MORENO

2 of 5

IV. BUSINESS & OTHER CLAIMS (Complete this section ONLY if you are a Business Creditor or have Other Claims against the Receivership Entities)**1. Basis of Claim: (Check One)**

- ☐ Goods Sold
- ☐ Services Performed
- ☐ Money Loaned
- ☐ Taxes
- ☐ Wages, salaries or compensation
- ☒ Other (Please provide a detailed explanation. Attach additional sheet if necessary):

Assignment on LIFE Insurance - docs attached

2. Entity with whom claim was incurred: Susan McLeod

3. Date(s) serviced performed or when claim was incurred: June 28, 2010

4. Is a Legal Action Pending? ☐ Yes ☒ No If so, please indicate the following:

Case Name: _____ Case No.: _____

Jurisdiction Pending: _____

Date Case Commenced: _____ If Court Judgment, Date Obtained: _____

5. Total Amount of Claim \$ 8968.05

- ☐ Check this box if you contend your claim is subject to a security interest. If so, you must attach copies of all security agreements and other documents to evidence the secured status.
- ☐ Check this box if your claim includes interest, or other charges, such as attorney's fees, lost profits, or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

V. GENERAL

In addition to the payments listed in Section III, have you ever received anything else of value either directly or indirectly from Kenneth Wayne McLeod, Federal Employees Benefits Group, or F&S Asset Management Group, Inc. (for example personal property, shares of stock, interest in business ventures) ☐ Yes ☒ No

If yes, please explain below the circumstances and reasons for the transfers, and identify what was received, when it was received, and where it came from (Attach additional sheet if necessary).

PROOF OF CLAIM

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-CIV-MORENO

4 of 5

VI. CERTIFICATION OF TRUTHFULNESS

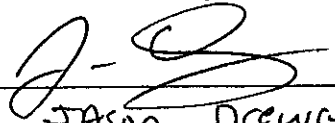
I, the undersigned, hereby certify, under penalty of perjury, that all of the information provided in this Proof of Claim, including all attachments, is true and correct and that the undersigned is authorized to make this claim. I further certify that I have a duty to supplement or amend my Proof of Claim to disclose a material change with respect to any answer or information provided herein.

Signed, under penalty of perjury this 20th day of October, 2011

Signature: _____

Print Name: _____

Title, if any: _____


JASON Drewry
Owner - AFA LLC

To receive an acknowledgement of the filing of your claim, we strongly encourage you to send your Proof of Claim via certified and/or registered mail, return receipt requested, OR include a self-addressed postage prepaid envelope with your Proof of Claim when submitting it to the Receiver. Claim Forms that have been modified or redacted in any way may be rejected.

****IMPORTANT NOTICE****

**YOUR PROOF OF CLAIM MUST BE RECEIVED BY THE RECEIVER'S OFFICE
NO LATER THAN OCTOBER 31, 2011 TO BE CONSIDERED
A TIMELY FILED CLAIM**

**MAIL THE COMPLETED AND SIGNED FORM AND ALL OF
YOUR DOCUMENTATION TO:**

**Michael I. Goldberg, Receiver
c/o Federal Employees Benefits Group, Inc.
Akerman Senterfitt
350 East Las Olas Blvd., Suite 1600
Ft. Lauderdale, Florida 33301-2229**

**For Questions Concerning Filing of Your Proof of Claim
Call the Receiver's Office at (800) 223-2234**

**For additional information concerning this receivership, please visit the
Receiver's website at: www.febginfo.com**

PAYMENT MEMORANDUM**ADVANCE FUNERAL FUNDING, LLC**P. O. Box 5068
Portsmouth, VA 23703Toll Free: (877) 638-2955
Fax: (866) 459-4546

DATE:	June 28, 2010
AFF Case #:	29013
Case Manager:	Bridgette Rice
Payment Type:	ACH
Net Amount Paid:	\$8,541.00

Customer: Hardage-Giddens Funeral Home

Attention: Karen C. Bacchus

Fax #: 904-260-6735

CONTRACT #: 234201002271

An ACH payment is being transmitted for credit to your location account, representing payment on the following request.

<i>Insured</i>	<i>Insurance Company</i>	<i>Assigned/Avail.</i>	<i>AFF 5% Fee</i>	<i>Payable</i>
Kenneth W. McLeod	Prudential Policy #V6012949	\$8,968.05	\$427.05	\$8,541.00
TOTALS		\$8,968.05	\$427.05	\$8,541.00

→→ IMPORTANT: The following checked documents MUST be forwarded to our office within 3 (three) business days of your receipt of this payment—Do not wait for the death certificate—send all other documents and forward the Death Certificate when it is available. *The funds above are being paid contingent upon our receiving the following documents within 3 (three) business days.*

- (✓) Original completed, signed and notarized Irrevocable Assignment / Reassignment(s) for each of the above insurance companies / policies.
- (✓) 1 Original Certified final Death Certificate with raised seal
- (✓) Original claim form (claimants statement) for Prudential completed and signed by the beneficiary or beneficiaries
- (✓) Original policy OR a completed and notarized Lost Policy Affidavit
- (✓) Copy of the Funeral or Cemetery Contract signed by the beneficiary or beneficiaries
- () Other:

OTHER CONTINGENCIES: NONE

Typed by: CDK

Advance Funeral Funding sincerely appreciates your business!

ADVANCE FUNERAL FUNDING, LLC

P.O. BOX 5068
Portsmouth, VA 23703-5068
Tax ID #: 20-1640964

Case # **29013**

July 2, 2010

PRUDENTIAL LIFE
ATTN: LIFE CLAIMS
2101 WELSH ROAD
DRESHER, PA 19026

Re: Insured: KENNETH W MCCLEOD
Policy Number(s): V6012

To Whom It May Concern:

Advance Funeral Funding, LLC has paid a reassignment on the above-referenced insured in the amount of **\$8,968.05**. The following checked documents are submitted in regards to our claim for payment:

- ☒ Original Irrevocable Assignment and Reassignment(s)
- ☒ Claimant's Statement/Claim Form(s)
- ☐ Original life insurance policy(s) and / or Lost Policy Affidavit(s).
- ☒ Original **Finalized** Certified Death Certificate showing Cause of Death
- ☐ Pending Death Certificate (finalized Original Death Certificate will follow)
- ☐ Death Certificate is **not available** at this time (will follow)
- ☐ Copy of the itemized funeral contract
- ☐ Other:
- ☐ Other:

Please review the enclosed documents, and forward a check in the amount of **\$8,968.05** payable solely and exclusively to Advance Funeral Funding, LLC, P.O. BOX 5068, Portsmouth, VA 23703-5068.

Best Regards,

Michelle Ray

Claims Department Manager

MRR:ae

07/30/2010 FRI 16:56 FAX 7576381804 AFF

IRREVOCABLE ASSIGNMENT

FOR VALUE RECEIVED, I (WE), THE UNDERSIGNED BENEFICIARIES UNDER THE INSURANCE POLICY, OR DEATH BENEFIT CERTIFICATE NUMBER, OR BEING THE PERSON EQUITABLY ENTITLED TO THE BENEFITS THEREUNDER ON

POLICY NUMBER(S) V16012
 ISSUED BY Prudential (POLICY NUMBER) (POLICY NUMBER) (POLICY NUMBER) (POLICY NUMBER) FOR THE TOTAL
 AMOUNT OF Eight thousand nine hundred sixty eight + 05/100 \$ 8968.05
 ON THE LIFE OF Kenneth M. McLeod (TOTAL FACE VALUE OF THE ABOVE POLICY(S)) (DOLLARS)
 DO HEREBY IRREVOCABLY ASSIGN, SET
 OVER AND TRANSFER UNTO Hardage-Giddens Funeral Home ("THE FUNERAL HOME"), ITS - HIS SUCCESSORS AND
 ASSIGNS.
 THE SUM OF \$ Eight thousand nine hundred sixty eight + 05/100 \$ 8968.05
 (WRITE IN THE AMOUNT BEING ASSIGNED) (DOLLARS)

PLUS STATUTORY INTEREST FROM THE INSURED'S DATE OF DEATH, WHICH IS TO BE PAID FROM THE BENEFITS OF THE ABOVE-MENTIONED POLICY OR CERTIFICATE, THE CONSIDERATION FOR THE ASSIGNMENT OF THIS AMOUNT BEING (1) FUNERAL SERVICES RENDERED IN THE BURIAL OF SAID DECEASED BY THE FUNERAL HOME, WHICH SERVICES HAVE BEEN ACCEPTED BY US, AND / OR (2) ADVANCE PAYMENT OF PROCEEDS OF THE ABOVE-MENTIONED POLICY(S). I (WE) HEREBY AUTHORIZE AND DIRECT THE ABOVE-NAMED INSURANCE COMPANY TO PAY \$ 8968.05 TO ADVANCE FUNERAL FUNDING, LLC, AT P.O. BOX 5068, PORTSMOUTH, VA 23703, MAKING THE CHECK FOR THE REASSIGNED PROCEEDS PAYABLE SOLELY TO ADVANCE FUNERAL FUNDING, LLC, AND NOT JOINTLY TO ME (US) AND ADVANCE FUNERAL FUNDING, LLC. IN THE EVENT THAT ANY PAYMENTS OF THE SAID PROCEEDS ARE ERRONEOUSLY PAID TO ME (US) BY THE ABOVE-NAMED INSURANCE COMPANY, SUBSEQUENT TO THE EXECUTION OF THIS ASSIGNMENT TO THE FUNERAL HOME NAMED ABOVE OR THE BELOW REASSIGNMENT BY THE FUNERAL HOME TO ADVANCE FUNERAL FUNDING, LLC, THEN I (WE) AGREE TO HOLD THE SAID PROCEEDS IN TRUST FOR THE USE OF ADVANCE FUNERAL FUNDING, LLC, AND TO IMMEDIATELY REMIT SAID FUNDS TO ADVANCE FUNERAL FUNDING, LLC, WITHOUT THE NECESSITY OF A REQUEST FROM ADVANCE FUNERAL FUNDING, LLC, SO TO DO.
 I (WE) APPOINT ADVANCE FUNERAL FUNDING, LLC, AS OUR ATTORNEY-IN-FACT TO ACT FOR US WITH FULL POWER TO MAKE COLLECTION OF, COMPROMISE SETTLE AND TO ENDORSE OR RECEIPT IN MY (OUR) NAMES, OR OTHERWISE, ANY CHECK, DRAFT, RECEIPT OR RELEASE FOR THE PROCEEDS OF SAID POLICY OF INSURANCE OR CERTIFICATE, AS FULLY TO ALL INTENTS AND PURPOSES AS WE OURSELVES COULD DO, HEREBY RATIFYING AND CONFIRMING ALL THAT OUR SAID ATTORNEY MAY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF. THIS POWER OF ATTORNEY SHALL BE IRREVOCABLE, AND COUPLED WITH AN INTEREST. I (WE) ALSO AUTHORIZE AND DIRECT THE ABOVE-NAMED INSURANCE COMPANY, AND / OR THE EMPLOYER OF THE ABOVE-NAMED DECEASED INSURED, AND/OR ANY ORGANIZATION, AGENCY, ENTITY, OR PERSON ACTING AS CARETAKER OF THE INFORMATION ABOUT THE POLICY(S) AND BENEFICIARY (S) OF THE POLICY (S), TO GIVE AND RELEASE TO ADVANCE FUNERAL FUNDING, LLC, ANY AND ALL INFORMATION IT REQUESTS REGARDING THE POLICY (S) AND BENEFICIARY(S). THE UNDERSIGNED HEREBY GRANTS ADVANCE FUNERAL FUNDING, LLC, PERMISSION TO OBTAIN FROM THE AFORESAID PARTY(S) ALL PRIVACY ACT AND FREEDOM OF INFORMATION ACT INFORMATION REQUESTED BY IT TO PROCESS ALL INSURANCE CLAIMS HEREUNDER, INCLUDING OBTAINING CERTIFIED COPIES OF THE DEATH CERTIFICATE FOR THE DECEASED INSURED. I (WE) AGREE THAT PORTSMOUTH, VIRGINIA, SHALL BE THE IRREVOCABLE EXCLUSIVE JURISDICTION AND VENUE FOR LEGAL PROCEEDINGS ARISING HEREUNDER. EACH ASSIGNOR HEREIN DOES HEREBY ACKNOWLEDGE THAT HE / SHE DOES NOT RETAIN OR KEEP ANY CONTROL OVER THE FUNDS ASSIGNED TO THE FUNERAL HOME, AND REASSIGNED TO ADVANCE FUNERAL FUNDING, LLC, AND THAT THE ABOVE-SPECIFIED LIFE INSURANCE PROCEEDS ARE IRREVOCABLY ASSIGNED, AND REASSIGNED BELOW TO ADVANCE FUNERAL FUNDING, LLC. I (WE) AGREE THAT PORTSMOUTH, VIRGINIA, SHALL BE THE IRREVOCABLE AND EXCLUSIVE JURISDICTION AND VENUE FOR LEGAL PROCEEDINGS ARISING HEREUNDER.

IN WITNESS WHEREOF, I (WE) HAVE HEREUNTO SET OUR HAND(S) AND SEAL(S) THIS 25th DAY OF June (MONTH), 2010 (YEAR):

STATE OF FLORIDA
 CITY / COUNTY OF Duval

[Signature]
 (SIGNATURE OF 1st BENEFICIARY)

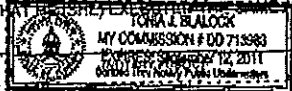
Spouse
 (RELATIONSHIP TO INSURED)

(SIGNATURE OF 2nd BENEFICIARY)

(RELATIONSHIP TO INSURED)

I, Tonia Blalock, A NOTARY PUBLIC IN AND FOR THE STATE AND CITY / COUNTY AFORESAID, DO HEREBY CERTIFY THAT Susan McLeod, PERSONALLY KNOWN TO ME TO BE THE SAME PERSON(S) WHOSE NAME(S) IS ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT, APPEARED BEFORE ME THIS 25 DAY OF June (MONTH), 2010 (YEAR), IN PERSON, AND ACKNOWLEDGED THAT HE / SHE ENTERED INTO THE SAME AS HIS (HER) FREE AND VOLUNTARY ACT FOR THE USES AND PURPOSES SET FORTH ABOVE.

MY COMMISSION EXPIRES: September 12, 2011



IRREVOCABLE REASSIGNMENT TO ADVANCE FUNERAL FUNDING, LLC

FOR VALUE RECEIVED, THE UNDERSIGNED DO HEREBY IRREVOCABLY ASSIGN, TRANSFER, CONVEY AND SET OVER UNTO ADVANCE FUNERAL FUNDING, LLC, P.O. BOX 5068, PORTSMOUTH, VIRGINIA 23703, ITS SUCCESSORS AND ASSIGNS, ALL OF OUR RIGHTS, TITLE, INTEREST AND CLAIM IN AND TO THE WITHIN ASSIGNMENT, AND APPOINT ADVANCE FUNERAL FUNDING, LLC, AS OUR ATTORNEY-IN-FACT, HEREBY RATIFYING AND CONFIRMING ALL THAT OUR SAID ATTORNEY MAY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF. THIS POWER OF ATTORNEY SHALL BE IRREVOCABLE, AND COUPLED WITH AN INTEREST. I ALSO DIRECT THAT PAYMENT BE MADE DIRECTLY AND SOLELY TO ADVANCE FUNERAL FUNDING, LLC, IN THE EVENT THAT ANY PAYMENTS OF PROCEEDS ARE MADE BY THE INSURANCE COMPANY, OR ITS AGENT, TO ME, ERRONEOUSLY, SUBSEQUENT TO THE EXECUTION OF THIS REASSIGNMENT TO ADVANCE FUNERAL FUNDING, LLC, THEN I AGREE TO HOLD THE PROCEEDS IN TRUST AND TO IMMEDIATELY PAY THE PROCEEDS TO ADVANCE FUNERAL FUNDING, LLC, WITHOUT THE NECESSITY OF ANY REQUEST TO SO PAY THE FUNDS ON BEHALF OF MYSELF AND THE FUNERAL HOME. I AGREE THAT PORTSMOUTH, VIRGINIA, SHALL BE THE EXCLUSIVE JURISDICTION AND VENUE FOR LEGAL PROCEEDINGS HEREUNDER. I / WE ACKNOWLEDGE AND AGREE THAT \$ 8968.05 OF THE AMOUNT ASSIGNED TO TOWN & COUNTRY FUNERAL HOME IN THE ABOVE IRREVOCABLE ASSIGNMENT IS A "FACTORS DISCOUNT FEE" ASSESSED TO ME / US SOLELY BY ADVANCE FUNERAL FUNDING, LLC, AND NOT REQUIRED OF ME / US TO BE PAID TO ADVANCE FUNERAL FUNDING, LLC, AS A PART OF MY / OUR PURCHASE AGREEMENT WITH TOWN & COUNTRY FUNERAL HOME. I / WE AGREE TO PAY THE FACTORING DISCOUNT FEE TO ADVANCE FUNERAL FUNDING, LLC, AND DIRECT THE ABOVE-NAMED INSURANCE COMPANY TO PAY THE TOTAL AMOUNT ASSIGNED HEREIN ABOVE.

STATE OF FLORIDA
 CITY / COUNTY OF Duval

BY: [Signature]
 (AUTHORIZED SIGNATORY OF FUNERAL HOME)

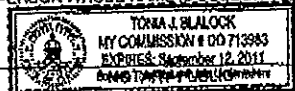
[Signature]
 (SIGNATURE OF 1st BENEFICIARY)

Spouse
 (RELATIONSHIP TO INSURED)

(SIGNATURE OF 2nd BENEFICIARY)

(RELATIONSHIP TO INSURED)

I, Tonia Blalock, A NOTARY PUBLIC IN AND FOR THE STATE AND CITY / COUNTY AFORESAID, DO HEREBY CERTIFY THAT Susan McLeod / Karen Pachaus, PERSONALLY KNOWN TO ME TO BE THE SAME PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, APPEARED BEFORE ME THIS 25 DAY OF June, 2010



MY COMMISSION EXPIRES: September 12, 2011

2903

07/30/2010 FRI 16:57 FAX 7576381804 AFF

OFFICE of VITAL STATISTICS
CERTIFIED COPY

[illegible]

Chief Deputy Registrar

WARNING:

THIS DOCUMENT IS PRINTED OR PHOTOGRAPHED ON SECURITY PAPER WITH A WATERMARK OF THE GREAT SEAL OF THE STATE OF FLORIDA. DO NOT ACCEPT WITHOUT VERIFYING THE PRESENCE OF THE WATERMARK. THE DOCUMENT FACE CONTAINS A BLUE-COLORED BACKGROUND AND GOLD EMBOSSED FIM. THE BACK CONTAINS SPECIAL LINKS WITH TEXT AND BRAGS IN THERMOGRAPHIC INK.

DH FORM 147 (08-04)

CERTIFICATION OF VITAL RECORD

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ADVANCE-FUNERAL-FUNDING

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Prudential

**Life Insurance Death Benefits
Claim Form**

The Prudential Insurance Company of America
Prudco Life Insurance Company of New Jersey
Prudco Life Insurance Company
All are Prudential Financial companies.

IMPORTANT:
Use this form to apply for life insurance death benefits. If there is more than one claimant, each claimant must complete a separate form.

Be sure to attach a certified death certificate with the state seal, and send us the policy(ies), if available. A certified death certificate is either the original death certificate issued by the state where the insured passed away, or a copy of the original death certificate that has a raised seal of the state.

If you have any questions, please call our customer service office at (800) 456-1025.

On these pages, I, you, and your refer to the claimant. We, us, and our refer to the Prudential company that issued the policy.

Policy Information:
Please list each life insurance policy number for which you are making a claim. The number may be eight or nine characters long; include any letter prefixes.

V601

Name of insured (first, middle initial, last name) Kenneth W Maleod

Date of birth (mo/day/yr) 2 Date of death (mo/day/yr) 06/22/2010

Claimant Information:
Name of claimant (first, middle initial, last name) Susan M Maleod

Street 1543 Wentworth Avenue

City, State, ZIP code Jacksonville, FL 32259

Date of birth month/day/year Daytime telephone (904) 753-0453 Evening telephone (904) 230-4281

This form is being completed by. (Must check one.)

☒ Beneficiary - Have you assigned any portion of this claim to a funeral home? ☒ Yes ☐ No.

If Yes, in order for us to consider the assignment, you must include with this claim form a copy of the assignment that specifies the amount assigned.

☐ Power of attorney for the beneficiary (Attach a copy of power of attorney authorization only if completing the form on behalf of the beneficiary.)

☐ Representative of the insured's estate (Attach a copy of proof of appointment. If there is a will that will not be probated, we may be able to pay the insured's heirs directly if permitted by law.)

☐ Trustee (Attach a copy of trust agreement.) By checking the following box, the claimant confirms that he/she is the sole trustee of a revocable or irrevocable trust where the trust is authorized to own and withdraw funds from a life insurance policy and the trust is not a testamentary trust. ☐

☐ Legal guardian for the beneficiary (Attach a copy of the court order naming you as guardian. If the beneficiary is a minor, please provide the minor's name and date of birth below.)

Name of minor (first, middle initial, last name) _____

Date of birth (month/day/year) _____

☒ Assignee (Specify amount you are claiming.) \$8,968.05 - Advance Funeral Fundy LLC

☐ Other (Please specify) _____

COMB-323 FL & NC Ed. 6/2009

Page 1 of 5 Kenneth W Maleod



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ADVANCE-FUNERAL-FUNDING

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For the purposes of evaluation of a claim for insurance benefits, I authorize all physicians, hospitals, clinics, medical providers, other health providers, pharmacies, employers, insurance companies, investigative consumer reporting agencies and other agencies, including governmental organizations and the Social Security Administration, to provide the insured's entire medical and employment record to Prudential, excluding psychotherapy notes.

You are authorized to permit the Prudential or its authorized representative to obtain a copy of the entire medical record, including but not limited to, treatment for communicable diseases such as the human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS), drug and alcohol use and all other information relative to the physical health, mental health, dental care, or employment pertaining to:

Insured's name (first name, middle initial, last name) Kenneth W Mcleod

Date of birth (month/day/year) _____

Date of death (month/day/year) 06/22/2010

I authorize Prudential or its authorized representatives to disclose policy and benefits information, including but not limited to the claim status and the amount of insurance and benefit proceeds, in its explanation of benefits to beneficiaries, funeral home representatives, and assignees of the insurance benefits or in response to inquiries from these individuals.

This authorization will remain valid while the claim is pending, but not for more than one year and can be revoked by giving written notice to Prudential. Prudential may be unable to complete the claim process and may deny benefits if this form is unsigned or revoked. Prudential will not release this information to any other entity other than its reinsurers or service providers without written authorization, unless required or allowed by law or ordered by a court of law. A copy of this authorization form will be provided to you upon request. A photocopy of this authorization is as valid as the original.

Once disclosed to Prudential, this information will no longer be protected by the Health Insurance Portability and Accountability Act, but will be protected by other applicable federal and state laws relating to the protection of personal information. For purposes of this authorization, I hereby revoke any prior restriction on disclosure of medical records provided to any medical provider and authorize the release of the insured's entire medical record to Prudential, excluding psychotherapy notes.

If you would like taxes withheld, please complete this section. Otherwise, we will not withhold taxes unless required by law. Note: For additional information, please see the Tax Withholding Election Information on page 3.

☐ Withhold federal income taxes from the taxable portion of the payment.☐ Withhold state income taxes from the taxable portion of the payment.

Other alternatives and settlement options may require other tax forms. If needed, these will be sent to you.

If (a) or (b) is not completed, we may not be able to process your request.

(a) Under penalties of perjury, I certify that my correct taxpayer identification number is:

Beneficiary's Social Security number - or - Beneficiary's employer identification number

I am not subject to backup withholding for the reasons stated under "Backup withholding" in the Tax Certification Information section on page 3.

☐ I have been notified by the Internal Revenue Service that I am subject to backup withholding due to underreporting of interest or dividends. (Check this box only if you are subject to backup withholding.)

(b) ☐ I am not a U.S. person (including resident alien). I am a citizen of _____

Attach the applicable IRS Form W-BEN, ECI, EXP, IMY.

I have read and agree to sections 1 through 6. By signing this form, I certify that the information I have provided is true and complete. I understand that there may be tax implications as a result of this request. It is fraudulent to fill out this form with information I know to be false or to omit important facts. Criminal and/or civil penalties can result from such acts. For Florida claimants: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

The Internal Revenue Service does not require your consent to any provision in this document other than the certifications required to avoid backup withholding.

x Susan M. McLeod
Claimant's signature

06/25/2010
month / day / yearWife
Relationship to the insured

COMB-36B FL & NC Ed. 6/2009

Page 4 of 5 Kenneth W Mcleod



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For the Alliance Account settlement option, please leave this section (Section 3) blank.

If you would like to select an alternative payment or settlement option, indicate it here (as described in the brochure Your Options for Receiving a Life Insurance Policy Benefit):

If you would like to select another payment option allowed in the policy, including a lump sum settlement check, indicate your payment option:

Lump Sum - see assignment to Advance Fund LLC

If death benefits are paid by way of a settlement or payment option other than on Alliance Account and any amount remains payable upon your death, please indicate to whom you wish the remaining amount to be paid.

Check one: ☐ Pay my estate ☒ Pay the following beneficiary(ies)

Primary Beneficiary(ies) (class 1)	Relationship	Age	Social Security number
<u>Susan M. McLeod</u>	<u>Wife</u>		
Secondary Beneficiary(ies) (class 2)	Relationship	Age	Social Security number

Federal and state income tax withholding. Federal and some state tax laws require us to withhold income taxes from certain cash payments unless you elect out of withholding or certain other circumstances apply. We are required to withhold federal income taxes and certain state income taxes from the taxable portion of any payment from a non-qualified annuity, an IRA, a section 403(b) tax-deferred annuity, and some section 401(a) plans. We have presented this information based on our understanding of tax law. You may wish to consult with a tax or legal adviser because neither we nor our representatives can provide tax or legal advice.

If your payment is from a non-governmental section 457 plan, withholding on your payment will be like wage withholding. If your payment is from a section 403(b) tax-deferred annuity, a section 401(a) qualified plan, or a governmental section 457 plan and is an "eligible rollover distribution," you will not be able to elect out of federal income tax withholding. Federal taxes will be withheld at a flat 20 percent rate, unless you elect to have your eligible rollover distribution directly rolled over to an IRA or to another qualified plan. Federal and state income taxes may be withheld if you do not provide a U.S. residential address. You will not be able to elect out of withholding if we are notified that your taxpayer identification number (TIN) is incorrect.

Estimated tax and possible penalties. If you elect to have no income tax withholding from your payment, or if you do not have enough income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You may be subject to Internal Revenue Service penalties, including fines and imprisonment, if you fail to provide your correct TIN, fail to report taxable interest or dividends on your tax return, or give false tax information.

The taxpayer identification number for the beneficiary is:

- A Social Security number if you are an individual or the owner of a sole proprietorship;
- The employer identification number (EIN) if you represent a trust, estate, corporation, partnership, or tax-exempt organization;
- The TIN of the grantor/trustee if you represent a grantor trust, or that of the actual owner of a trust-like entity not recognized as a legal or valid trust under state law.

If you are a guardian completing this form for someone else (including a minor), be sure to provide that person's Social Security number.

Backup withholding. You must tell us if the IRS has notified you that you are subject to backup withholding because you didn't report all your taxable interest and dividends on your tax return. You are not subject to backup withholding if either (a) you did not receive such a notice from the IRS, (b) the IRS told you that you are no longer subject to a backup withholding order, or (c) you are exempt from such withholding. If you have been notified that you are subject to backup withholding, please check the box as indicated.

Citizenship. You must indicate if you are not a U.S. person (including resident alien). In that case, you must state the country in which you are a citizen and submit the applicable IRS Form W-8(BEN, ECI, EXP, IMY). In most situations, the IRS Form W-8BEN will be the appropriate IRS Form W-8.



CASAHHQZRBS-01



SYS005031911

EXHIBIT "C"



Kimberly Matregrano
Paralegal

Akerman Senterfitt
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Tel: 954.463.2700
Fax: 954.463.2224

Dir: 954.759.8929
kimberly.matregrano@akerman.com

March 26, 2012

VIA U.S. MAIL

Nicklous T. Cooper
Unit 3030, Box 5143
DPO, AA 34004

Re: Securities and Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
United States District Court for the Southern District of Florida
Case No.: 10-22078-CV-Moreno/Torres

Claim No.: 28

Dear Mr. Cooper:

I am writing to you on behalf of Michael I. Goldberg, the court appointed Receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc. (collectively "Receivership Entities") in connection with the above-referenced matter (the "Receivership Case"). This letter is to notify you that the Receiver objects to your claim filed in the Receivership Case in total. Specifically, the Receiver objects to your claim on the basis that he is only recognizing claims directly related to the FEBG Bond Fund Ponzi scheme. Your claim, as filed, is based on "churning" and "excessive trading" by Mr. McLeod in and out of your brokerage account that he managed for you while working as a registered representative. Accordingly, unless you notify us within 30 days from the date of this letter that you invested in the FEBG Bond Fund, the Receiver will have no choice but to list your claim as disputed when it comes time to move the court for authorization to confirm claims and make an initial distribution.

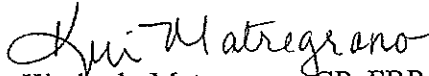
You should know that disputed claims will be dealt with through an objection process to be outlined by the Court at a later date. Typically this entails an opportunity for you to file with the Court a written objection to the Receiver's findings and, if necessary, a hearing to determine whether your objections are meritorious.

Nicklous T. Cooper
March 26, 2012
Page Two

If you would like to discuss this matter further, please contact our office at (800) 223-2234.

Sincerely,

AKERMAN SENTERFITT


Kimberly Matregrano, CP, FRP
Florida Registered Paralegal

PROOF OF CLAIM TO BE FILED WITH RECEIVER - DO NOT FILE WITH COURT

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA MIAMI DIVISION		PROOF OF CLAIM	
SECURITY AND EXCHANGE COMMISSION, Plaintiff, vs. ESTATE OF KENNETH WAYNE McLEOD, F&S ASSET MANAGEMENT GROUP, INC. and FEDERAL EMPLOYEES BENEFITS GROUP, INC., Defendants.		CASE NO.: 10-22078-Civ-Moreno	
DEADLINE FOR FILING OF CLAIM: This Proof of Claim must be received by the Receiver's office no later than October 31, 2011 . Failure to timely file a claim shall result in a waiver of any rights to participate in any distribution of funds through this Receivership.			
I. CLAIMANT CONTACT INFORMATION: Name of Claimant(s): <u>NICKLOUS T. COOPER</u> Name of Person submitting form on behalf of Claimant, if different: _____ **Please attach Power of Attorney or Letters of Administration _____ Books Should be Sent: _____ Nicklous T. Cooper Unit 3030, Box 5143 DPO, AA 34004 Telephone No.: <u>011 571 275-2269</u> Email Address: <u>COOPERNT@STATE.GOV</u> SS# or Tax Payer ID: _____ Date of Birth: _____ Check one: How are you affiliated with the Receivership Entities: I am an <input checked="" type="checkbox"/> Investor <input type="checkbox"/> Business Creditor <input type="checkbox"/> Other		CLAIM STATUS: <input checked="" type="checkbox"/> Check box if you have never received any notices from the Receiver <input type="checkbox"/> Check box if your address differs from the address on the envelope sent to you by the Receiver Check here if this Claim Form: <input type="checkbox"/> amends <input type="checkbox"/> replaces <input type="checkbox"/> supplements a previously filed Claim Form in the Probate Proceedings. If so, please provide the date when you filed your initial claim _____ <input type="checkbox"/> Check box if you are aware that anyone else has filed a Proof of Claim relating to your claim. (Attach statement explaining same).	
SEND CLAIM FORM TO: Michael I. Goldberg, Receiver c/o Federal Employee Benefits Group, Inc. Akerman Senterfitt 350 E. Las Olas Blvd., Suite 1600 Ft. Lauderdale, Florida 33301-2229 For Questions Call: (800) 223-2234		THIS SPACE IS FOR RECEIVER'S USE ONLY: Claim No.: <u>28</u> <div style="border: 1px solid black; padding: 5px; text-align: center;"> RECEIVED NOV - 4 2011 By _____ 1 of 5 </div>	

IV. BUSINESS & OTHER CLAIMS (Complete this section ONLY if you are a Business Creditor or have Other Claims against the Receivership Entities)

1. Basis of Claim: (Check One)

- ☐ Goods Sold
☐ Services Performed
☐ Money Loaned
☐ Taxes
☐ Wages, salaries or compensation
☒ Other (Please provide a detailed explanation. Attach additional sheet if necessary):

PRINCIPLE AMOUNT OF FIDELITY ACCOUNT, ESTABLISHED AND MANAGED BY FERG WAS "CHURNED" OR TRADED BEYOND REASONABLE FREQUENCY TO GENERATE EXCESS FERG FEES.

2. Entity with whom claim was incurred: FIDELITY INVESTMENTS
 3. Date(s) serviced performed or when claim was incurred: UPON DISCOVERY OF DEATH AND FRAUD.
 4. Is a Legal Action Pending? ☐ Yes ☒ No If so, please indicate the following.

Case Name: _____ Case No.: _____

Jurisdiction Pending: _____

Date Case Commenced: _____ If Court Judgment, Date Obtained: _____

5. Total Amount of Claim \$ 92,977.88

- ☐ Check this box if you contend your claim is subject to a security interest. If so, you must attach copies of all security agreements and other documents to evidence the secured status.
☐ Check this box if your claim includes interest, or other charges, such as attorney's fees, lost profits, or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

V. GENERAL

In addition to the payments listed in Section III, have you ever received anything else of value either directly or indirectly from Kenneth Wayne McLeod, Federal Employees Benefits Group, or F&S Asset Management Group, Inc. (for example personal property, shares of stock, interest in business ventures) ☐ Yes ☒ No

If yes, please explain below the circumstances and reasons for the transfers, and identify what was received, when it was received, and where it came from (Attach additional sheet if necessary).

N/A

PROOF OF CLAIM

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-CIV-MORENO

VI. CERTIFICATION OF TRUTHFULNESS

I, the undersigned, hereby certify, under penalty of perjury, that all of the information provided in this Proof of Claim, including all attachments, is true and correct and that the undersigned is authorized to make this claim. I further certify that I have a duty to supplement or amend my Proof of Claim to disclose a material change with respect to any answer or information provided herein.

Signed, under penalty of perjury this 28 day of OCTOBER, 2011.

Signature: 

Print Name: NICHOLAS T. COOPER

Title, if any: _____

To receive an acknowledgement of the filing of your claim, we strongly encourage you to send your Proof of Claim via certified and/or registered mail, return receipt requested, OR include a self-addressed postage prepaid envelope with your Proof of Claim when submitting it to the Receiver. Claim Forms that have been modified or redacted in any way may be rejected.

****IMPORTANT NOTICE****

**YOUR PROOF OF CLAIM MUST BE RECEIVED BY THE RECEIVER'S OFFICE
NO LATER THAN OCTOBER 31, 2011 TO BE CONSIDERED
A TIMELY FILED CLAIM**

**MAIL THE COMPLETED AND SIGNED FORM AND ALL OF
YOUR DOCUMENTATION TO:**

**Michael I. Goldberg, Receiver
c/o Federal Employees Benefits Group, Inc.
Akerman Senterfitt
350 East Las Olas Blvd., Suite 1600
Ft. Lauderdale, Florida 33301-2229**

**For Questions Concerning Filing of Your Proof of Claim
Call the Receiver's Office at (800) 223-2234**

**For additional information concerning this receivership, please visit the
Receiver's website at: www.febginfo.com**



Kimberly Matregrano
Paralegal

Akerman Senterfitt
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Tel: 954.463.2700
Fax: 954.463.2224

Dir: 954.759.8929
kimberly.matregrano@akerman.com

May 23, 2012

VIA U.S. MAIL

Ronald and Nanette VanGundy
P.O. Box 12572
Chandler, AZ 85248

Re: Securities and Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
United States District Court for the Southern District of Florida
Case No.: 10-22078-CV-Moreno/Torres

Claim No.: 131

Dear Mr. and Mrs. VanGundy:

I am writing to you on behalf of Michael I. Goldberg, the court appointed Receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc. (collectively "Receivership Entities") in connection with the above-referenced matter (the "Receivership Case"). This letter is to notify you that the Receiver objects to your claim filed in the Receivership Case in total. Specifically, the Receiver objects to your claim on the basis that he is only recognizing claims directly related to the FEBG Bond Fund Ponzi scheme. Your claim, as filed, appears to be based on other investments you had with Mr. McLeod and which he managed on your behalf as a registered representative of Capital Analysts. Accordingly, unless you notify us within 30 days from the date of this letter that you invested in the FEBG Bond Fund, the Receiver will have no choice but to list your claim as disputed when it comes time to move the court for authorization to confirm claims and make an initial distribution.

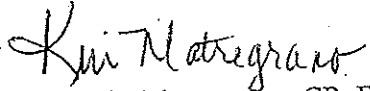
You should know that disputed claims will be dealt with through an objection process to be outlined by the court at a later date. Typically this entails an opportunity for you to file with the court a written objection to the Receiver's findings and, if necessary, a hearing to determine whether your objections are meritorious.

Ronald and Nanette VanC dy
March 23, 2012
Page Two

If you would like to discuss this matter further, please contact our office at (800) 223-2234.

Sincerely,

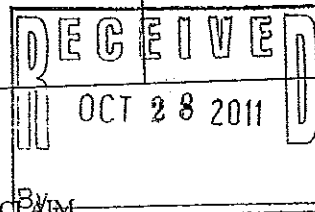
AKERMAN SENTERFITT

A handwritten signature in cursive script that reads "Kim Matregrano".

Kimberly Matregrano, CP, FRP
Florida Registered Paralegal

PROOF OF CLAIM TO BE FILED WITH RECEIVER – DO NOT FILE WITH COURT

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA MIAMI DIVISION		PROOF OF CLAIM	
SECURITY AND EXCHANGE COMMISSION, Plaintiff, vs. ESTATE OF KENNETH WAYNE McLEOD, F&S ASSET MANAGEMENT GROUP, INC. and FEDERAL EMPLOYEES BENEFITS GROUP, INC., Defendants.		CASE NO.: 10-22078-Civ-Moreno	
DEADLINE FOR FILING OF CLAIM: This Proof of Claim must be received by the Receiver's office no later than October 31, 2011 . Failure to timely file a claim shall result in a waiver of any rights to participate in any distribution of funds through this Receivership.			
I. CLAIMANT CONTACT INFORMATION: Name of Claimant(s): <u>Ronald VanGundy</u> <u>Nanette VanGundy</u> Name of Person submitting form on behalf of Claimant, if different: _____ **Please attach Power of Attorney or Letters of Administration Physical Address Where Notices and Checks Should be Sent: (Do NOT use P.O. Box unless Military) <u>P.O. Box 12572</u> <u>Chandler, AZ 85248</u> Telephone No.: _____ Email Address: _____ SS# or Tax Payer ID: _____ Date of Birth: _____ Check one: How are you affiliated with the Receivership Entities: I am an <input checked="" type="checkbox"/> Investor <input type="checkbox"/> Business Creditor <input type="checkbox"/> Other		CLAIM STATUS: <input type="checkbox"/> Check box if you have never received any notices from the Receiver <input type="checkbox"/> Check box if your address differs from the address on the envelope sent to you by the Receiver Check here if this Claim Form: <input type="checkbox"/> amends <input type="checkbox"/> replaces <input type="checkbox"/> supplements a previously filed Claim Form in the Probate Proceedings. If so, please provide the date when you filed your initial claim _____ <input type="checkbox"/> Check box if you are aware that anyone else has filed a Proof of Claim relating to your claim. (Attach statement explaining same).	
SEND CLAIM FORM TO: Michael I. Goldberg, Receiver c/o Federal Employee Benefits Group, Inc. Akerman Senterfitt 350 E. Las Olas Blvd., Suite 1600 Ft. Lauderdale, Florida 33301-2229 For Questions Call: (800) 223-2234		THIS SPACE IS FOR RECEIVER'S USE ONLY: Claim No.: <u>131</u>	



IV. BUSINESS & OTHER CLAIMS (Complete this section ONLY if you are a Business Creditor or have Other Claims against the Receivership Entities)

1. Basis of Claim: (Check One)

- ☐ Goods Sold
☐ Services Performed
☐ Money Loaned
☐ Taxes
☐ Wages, salaries or compensation
☐ Other (Please provide a detailed explanation. Attach additional sheet if necessary):

2. Entity with whom claim was incurred: _____
 3. Date(s) serviced performed or when claim was incurred: _____
 4. Is a Legal Action Pending? ☐ Yes ☐ No If so, please indicate the following:
 Case Name: _____ Case No.: _____
 Jurisdiction Pending: _____
 Date Case Commenced: _____ If Court Judgment, Date Obtained: _____

5. Total Amount of Claim \$ _____

- ☐ Check this box if you contend your claim is subject to a security interest. If so, you must attach copies of all security agreements and other documents to evidence the secured status.
☐ Check this box if your claim includes interest, or other charges, such as attorney's fees, lost profits, or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

V. GENERAL

In addition to the payments listed in Section III, have you ever received anything else of value either directly or indirectly from Kenneth Wayne McLeod, Federal Employees Benefits Group, or F&S Asset Management Group, Inc. (for example personal property, shares of stock, interest in business ventures) ☐ Yes ☒ No

If yes, please explain below the circumstances and reasons for the transfers, and identify what was received, when it was received, and where it came from (Attach additional sheet if necessary).

PROOF OF CLAIM

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
 Case No.: 10-22078-CIV-MORENO

VI. CERTIFICATION OF TRUTHFULNESS

I, the undersigned, hereby certify, under penalty of perjury, that all of the information provided in this Proof of Claim, including all attachments, is true and correct and that the undersigned is authorized to make this claim. I further certify that I have a duty to supplement or amend my Proof of Claim to disclose a material change with respect to any answer or information provided herein.

Signed, under penalty of perjury this 10th day of October, 2011

Signature:

Print Name:

Title, if any:

Ronald H. VanCuren
Ronald H. VanCuren

To receive an acknowledgement of the filing of your claim, we strongly encourage you to send your Proof of Claim via certified and/or registered mail, return receipt requested, OR include a self-addressed postage prepaid envelope with your Proof of Claim when submitting it to the Receiver. Claim Forms that have been modified or redacted in any way may be rejected.

****IMPORTANT NOTICE****

**YOUR PROOF OF CLAIM MUST BE RECEIVED BY THE RECEIVER'S OFFICE
NO LATER THAN OCTOBER 31, 2011 TO BE CONSIDERED
A TIMELY FILED CLAIM**

**MAIL THE COMPLETED AND SIGNED FORM AND ALL OF
YOUR DOCUMENTATION TO:**

**Michael I. Goldberg, Receiver
c/o Federal Employees Benefits Group, Inc.
Akerman Senterfitt
350 East Las Olas Blvd., Suite 1600
Ft. Lauderdale, Florida 33301-2229**

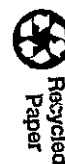
**For Questions Concerning Filing of Your Proof of Claim
Call the Receiver's Office at (800) 223-2234**

**For additional information concerning this receivership, please visit the
Receiver's website at: www.febginfo.com**

PROOF OF CLAIM

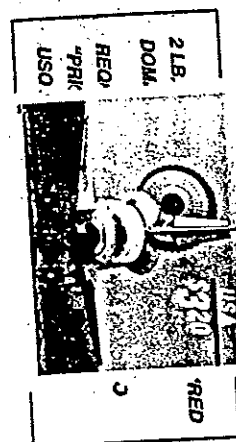
Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-CIV-MORENO

5 of 5



PRIORITY MAIL
UNITED STATES POSTAL SERVICE®

www.usps.com



NO USE:

USAF:

1. COMPLETE ADDRESS LABEL AREA

Type or print required return address and addressee information.

ESCRIBA LA DIRECCION EN EL AREA INDICADA

Escriba en letras de imprenta la dirección del remitente y la del destinatario.

2. PAYMENT METHOD

Affix postage, meter strip or PC postage label to area indicated in upper right hand corner.

FORMA DE PAGO

En el área superior del lado derecho, coloque sello postal, franja de máquina franqueadora o etiqueta de franqueo impreso por computadora.

3. ATTACH LABEL (If provided)

Remove label backing and adhere where indicated.

ADHIERA ETIQUETA (Si le fue provista)

Remueva la parte posterior y adhiera en la zona de adherencia indicada.

FEBG/FEIS, Inc.

P.O. Box 687

Fernandina Beach, FL 32035-0687

Wm Grady file

FEBG/FEIS, Inc.

P.O. Box 687

Fernandina Beach, FL 32035-0687

PLACE LABEL HERE

ADHIERA ETIQUETA AQUI

The efficient FLAT RATE ENVELOPE. You don't have to weigh the envelope... just pack all your correspondence and documents inside and pay only the 2 lb. Priority Mail postage rate. We Deliver.

Postage is the property of the U.S. Postal Service and is provided solely for use in sending Priority Mail. Misuse may be a violation of federal law.

El franqueo es propiedad del Servicio Postal de los Estados Unidos y se proporciona sólo para el envío de correo Priority. El uso no intencional constituye infracciones.

Prepared Exclusively For:

Ronald H Van Gundy

Prepared by:
Kenneth W McLeod
WSSI
WSSI
P.O. BOX 687
FERNANDINA BEACH, Florida 32035-0687
(904) 277-0079
Fax: 904/277-2626
feisinc@aol.com

12/11/00



Distributed by American Skandia Marketing, Inc.
One Corporate Drive, PO Box 883, Shelton, CT 06484-0883
www.americanskandia.com

New Account Information Form



Washington Square Securities, Inc.
A ReliaStar Company
20 Washington Avenue South • Minneapolis, MN 55401

TYPE OF REGISTRATION

- ☒ Individual
☐ UGMA/UTMA
☐ Joint With Rights of Survivorship
☐ Joint Tenants in Common
☐ Other (Circle): Investment Club, Partnership, Trust, Corporation, Sole Proprietorship, Estate, Community Property, Church, Non-prototype IRA, Non-prototype Qualified Plan. (Make sure to attach the appropriate required legal documents; ie. TCIP, Corp Reso, ECT.)

QUALIFIED PLAN TYPE (IF APPLICABLE)

- ☒ IRA ☐ Pension/Profit Sharing ☐ SEP ☐ 401(K)
☐ 403(B) ☐ Other

(1) ACCOUNT INFORMATION - Regulations require us to obtain ALL information in each applicable section.

Name: Ronald H. Van Gundy Date of Birth: 1/16/46 Home Phone: 612-361-146
 Citizenship: ☐ United States ☐ Resident Alien ☐ Non-Resident Alien Complete if Non-Resident Alien (also include a W-8 and a copy of passport) Social Security/Tax ID Number: 36
 Mailing Address: PO Box 7385 City: C
 Legal Address (if different): 5144 W. Linda Ln. City: C
 Employer: Retired Disability Occu: 12/20/0
 Business Address: City: 12/20/0
 Are you affiliated with or do you work for a member firm of a stock exchange or NASD? If so, notification of your intent to open an account will be sent to your employer as required by regulations. ☐ Yes ☒ No

(2) IF JOINT ACCOUNT PLEASE COMPLETE

Name of Joint Tenant: Wendy
 Citizenship: ☐ United States ☐ Resident Alien ☐ Non-Resident Alien Complete if Non-Resident
 Employer: Occu: 12/20/0
 Business Address: City: 12/20/0

(3) IF UNIFORM GIFT/TRANSFER TO MINOR (UGMA/UTMA) PLEASE COMPLETE

Name of Minor: Wendy Date of Birth: 12/20/0 State: 12/20/0 Minor's Social Security Number: 12/20/0

(4) SUITABILITY INFORMATION - Regulations require us to obtain ALL information in this section.

Annual Income Range: (From all Sources)	Estimated Net Worth (Exclusive of home and farm)	Investment Assets (Cash And Securities)	Investment Objectives	Time Horizon	Marital Status	Tax Bracket	Bank Reference
<input type="checkbox"/> Less than \$25,000	<input type="checkbox"/> Less than \$50,000	<input type="checkbox"/> Less than \$50,000	<input type="checkbox"/> Preservation of Income	<input type="checkbox"/> Short Term (0-5 years)	<input type="checkbox"/> Single	<input type="checkbox"/> 15%	
<input type="checkbox"/> \$25,000-\$49,999	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> Income	<input type="checkbox"/> Intermediate (6-10 years)	<input checked="" type="checkbox"/> Married	<input type="checkbox"/> 28%	
<input type="checkbox"/> \$50,000-\$99,999	<input checked="" type="checkbox"/> \$100,000-\$500,000	<input checked="" type="checkbox"/> \$100,000-\$500,000	<input checked="" type="checkbox"/> Capital Appreciation	<input checked="" type="checkbox"/> Long term (over-10 years)		<input checked="" type="checkbox"/> 33%	
<input checked="" type="checkbox"/> \$100,000-\$500,000	<input type="checkbox"/> Over \$500,000	<input type="checkbox"/> Over \$500,000	<input type="checkbox"/> Speculation	<input type="checkbox"/> Combination (please specify)		<input type="checkbox"/> Other %	
<input type="checkbox"/> Over \$500,000			<input type="checkbox"/> Trading Profits				

(5) CUSTOMER PLEASE READ AND SIGN

CERTIFICATION: BY SIGNING, I CERTIFY UNDER PENALTY OF PERJURY (1) THAT THE TAXPAYER IDENTIFICATION NUMBER SHOWN ABOVE IS CORRECT, AND (2) THAT THE IRS HAS NEVER NOTIFIED ME THAT I AM SUBJECT TO BACKUP WITHHOLDING AS A RESULT OF A FAILURE TO REPORT ALL INTEREST OR DIVIDENDS, OR IF SO, THE IRS HAS NOTIFIED ME THAT I AM NO LONGER SUBJECT TO BACKUP WITHHOLDING. (NOTE: IF CLAUSE (2) IS NOT TRUE IN YOUR CASE, STRIKE IT OUT, AND IF YOU ARE A CO-OWNER, INITIAL THE STRIKEOUT.)
 I REPRESENT THAT I HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS GOVERNING THIS ACCOUNT AND AGREE TO BE BOUND BY SUCH TERMS AND CONDITIONS AS CURRENTLY IN EFFECT AND AS MAY BE AMENDED FROM TIME TO TIME. THIS ACCOUNT IS GOVERNED BY A PRE-DISPUTE ARBITRATION AGREEMENT ON THE REVERSE SIDE OF THIS NEW ACCOUNT INFORMATION FORM. I ACKNOWLEDGE RECEIPT OF THE PRE-DISPUTE ARBITRATION AGREEMENT. I FURTHER ACKNOWLEDGE RECEIPT OF A PROSPECTUS, IF APPLICABLE.

Signature: Ronald H. Van Gundy Date: 12/13/00 X
 Joint Tenant Signature (if any): _____ Date: _____

(6) REGISTERED REPRESENTATIVE PLEASE COMPLETE

Name of Security/Investment: Asap II V.A. IRA (Pension Plan R/o) Amount Invested: \$121,000
 Applications attached for the above initial investments.

IMPORTANT NOTICE TO REGISTERED REPRESENTATIVE

When opening an account for a customer, the registered representative should obtain sufficient information to determine the suitability of his/her recommendations. Recommendations should be suitable in light of the customer's financial status and investment objectives.

The Office of Supervisory Jurisdiction (OSJ) approves all new accounts. Therefore, this new account must be submitted along with the initial order (all transactions except NFSC accounts) for all customers. This WSSI New Account Application must accompany all other applications and correspondence.

If a new account form is not submitted along with the application/order, or is incomplete, the application may be returned to the registered representative.
 Representative acknowledges providing all required information, including a prospectus, if applicable.

Representative Name (please print): Lenneth Wayne McLeod Representative Number: 4565171995/476
 Representative Signature: [Signature] Date: _____

(7) WASHINGTON SQUARE SECURITIES, INC. HOME OFFICE USE ONLY

Approved by: _____ Date: _____



Washington Square Securities, Inc.

Member of ING Group

Member NASD and SIPC

VARIABLE ANNUITY ACKNOWLEDGMENT FORM

Product Name: Ronald Van Gundy (print full name of the variable annuity selected)

- I. I understand that a variable annuity is an insurance contract with an Insurance Company.
- II. I understand that a purchase of a variable annuity is a long-term product that lacks liquidity and will have penalties for early withdrawal. This annuity includes a surrender charge of 7.5%, declining to 0% over 7 years, as outlined in the Prospectus.

My Registered Representative has disclosed the following information to me:

- | | |
|---|---|
| <p>1. If I have purchased a variable annuity in a qualified plan, I understand that I have purchased a tax deferred product in a tax deferred account.</p> <p>2. I understand that variable annuities are being offered through Washington Square Securities, Inc., a registered broker/dealer.</p> <p>3. I understand that the principal, yields, and returns on variable annuity sub-accounts may fluctuate and are not guaranteed.</p> | <p>4. I have been given a current Prospectus for each variable annuity that provides complete information including disclosure of fees and expenses associated with this annuity. My Registered Representative has reviewed this with me.</p> <p>5. The product features of the variable annuity I purchased were outlined for me and I was told to refer to the prospectus for additional detail.</p> <p>6. I also understand that withdrawals from the annuity prior to age 59-1/2 may be subject to a tax penalty.</p> |
|---|---|

I am purchasing a variable annuity for the following reasons (check all that apply):

- | | |
|---|---|
| <p><input checked="" type="checkbox"/> Guaranteed fees</p> <p><input checked="" type="checkbox"/> Family protection through death benefit</p> <p><input checked="" type="checkbox"/> Lifetime income payments</p> | <p><input type="checkbox"/> Tax deferral (See #1 above)</p> <p><input checked="" type="checkbox"/> Diversification (multiple sub-accounts)</p> <p><input checked="" type="checkbox"/> Professional management</p> <p><input type="checkbox"/> Other _____</p> |
|---|---|

The funds used to purchase this variable annuity came from the liquidation or exchange of another product (i.e. fixed annuity, variable annuity, variable life, mutual fund and/or certificate of deposit):

Yes

No

(If yes, please complete the *Client Acknowledgement of Source of Funds Form*)

I/we further acknowledge my/our understanding of the aforementioned statements and represent that the contents have been explained to my/our satisfaction.

Ronald Van Gundy
Customer Name (print)

Ronald H Van Gundy
Customer Signature

1-10-01
Date

Joint Customer Name (print)

Joint Customer Signature

Date

[Signature]
Registered Representative Signature

Date

4565
REP #

71995
AGENT ID#

Registered Principal Signature

Date

File: Home Office (original)

Registered Representative (copy)

Client (copy)

01/10/01
17:46:07

THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
RETIREMENT, SAFETY & INSURANCE DEPARTMENT
RETIREMENT MODULE
IRA FUND TRANSFER LISTING AS OF 01/10/2001

REPORT: B80050RA
PAGE: 14

***** C O O P / E E *****

SYSTEM NUMB: 01-26075-001 ATTN: MELISSA EVANS PAYMENT ORDER NUMBER: 32241
SYSTEM NAME: UNITED ELECTRIC COOPERATIVE, I IRA BANK: AMERICAN SKANDIA
SYSTEM ADDR: HIGHWAY 136 EAST IRA ADDRESS: FBO: RONALD H. VAN GUNDY
SYSTEM ADDR: P O BOX 757 IRA ADDRESS: SHELTON, CT 06484
SYSTEM ADDR: MARYVILLE, MO 64468 IRA ABA NO:
PARTICIPANT: IRA TRF NO:
PAYEE NAME: IRA ACCT NO:
TAX CODE: G

EFFECTIVE DATE: 01/01/2001
TOTAL AMOUNT OF XFER: \$ 129,626.01
REASON FOR DISTRIB: \$ RETIR 0.00
EMP-CONTRIBUTIONS: \$ 0.00
CAPITAL GAINS: \$ 129,626.01
ORDINARY INCOME: \$ 129,626.01
TOTAL TAXABLE AMOUNT: \$

PLEASE MAIL IRA CK TO:
AMERICAN SKANDIA
ATTN: CUSTOMER SERVICE
P O BOX 905
SHELTON CT 06484

SCHEDULE

ANNUITY NUMBER: C... ISSUE DATE: January 19, 2001

TYPE OF BUSINESS: IRA

PARTICIPANT: Ronald H. Van Gundy

DATE OF BIRTH: SEX: Male

PARTICIPANT: SEX:

DATE OF BIRTH:

ANNUITANT: Ronald H. Van Gundy

ANNUITANT'S DATE OF BIRTH: ANNUITANT'S SEX: Male

ANNUITY DATE: April 01, 2034

CONTINGENT ANNUITANT: AS NAMED IN ANY ENROLLMENT FORM OR LATER CHANGED

BENEFICIARY: AS NAMED IN ANY ENROLLMENT FORM OR LATER CHANGED

PURCHASE PAYMENT: \$129626.01 NET PURCHASE PAYMENT: \$129626.01

MINIMUM ADDITIONAL PURCHASE PAYMENT: \$100

MINIMUM WITHDRAWAL AMOUNT: \$100

MINIMUM ACCOUNT VALUE AFTER WITHDRAWAL: \$1,000

MINIMUM SURRENDER VALUE AT COMMENCEMENT OF SYSTEMATIC WITHDRAWAL PROGRAM: \$20,000

MINIMUM ACCOUNT VALUE AT COMMENCEMENT OF DOLLAR COST AVERAGING PROGRAM: \$20,000

MINIMUM ACCOUNT VALUE AT COMMENCEMENT OF REBALANCING PROGRAM: \$20,000

MINIMUM INITIAL PURCHASE PAYMENT IN RESPECT TO BANK DRAFTING: \$1,000

TOTAL MINIMUM MONTHLY PURCHASE PAYMENTS IN RESPECT TO BANK DRAFTING: \$750

MINIMUM ANNUITY PAYMENT: \$100 PER MONTH

CUT OFF DATE: THE DECEDENT'S 90TH BIRTHDAY

04/26/06

American Skandia
Attn: Appointments
Fax: 1-800-207-7806

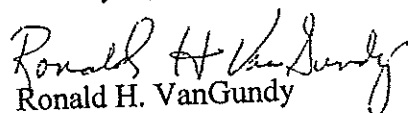
Re: Letter of Instruction

Please take my present account :) and make it into a House Account.

Effective immediately, please remove Kenneth Wayne McLeod and all others associated with his business, Capital Analysts Inc., from my account. They are no longer authorized to service this account in any manner.

Contract Number
Individual Retirement Annuity
Issued 01/19/2001

Thank you,


Ronald H. VanGundy
P.O. Box 11252
Tempe, AZ 85284



Professionalism, Experience, Integrity

FEDERAL EMPLOYEE BENEFITS GROUP, INC.
841 Prudential Drive, Suite 1500 • Jacksonville, FL 32207
PHONE: (904) 398-1001 • FAX: (904) 398-0091 • www.febg.com

June 9, 2006

Ronald Van Gundy
P.O. Box 11252
Tempe, AZ 85284

Re: Personal Account Update
Username:
Client Number: 12255

Dear Ronald,

In our continued efforts to support your financial objectives effectively, it is our desire to streamline the process in which annual personal data updates are obtained.

We have attached the Federal Employee Benefits Group/Federal Employee Investment Services (FEBG®/FEIS) Confidential Personal Questionnaire for your review. Please assess the accuracy of the data contained in this document, and make revisions as necessary. For households with multiple clients only one letter will be sent. Upon receipt of your input, all corrections will be made in a timely and confidential manner.

You may provide us this information via standard mail by returning the attached sheet with corrections to FEBG®/FEIS, 841 Prudential Drive, Suite 1500, Jacksonville, FL 32207, or via the Internet at www.febg.com (click the "client login" button on the "contact us" tab). The above referenced username and password will be required for you to access our secure site. Please feel confident that our online systems provide you, our clients, with the highest level of security available.

Annual reminders to keep this data accurate will be sent to the email address you provide. If you have any questions regarding this request, please contact our office.

As always, thank you for your business and friendship.

Kind regards,

K. Wayne McLeod
President/CEO
Federal Employee Benefits Group, Inc.



FEBG/FEIS CONFIDENTIAL PERSONAL QUESTIONNAIRE

Today's date: _____

Please write correctly, missing info above each line

PERSONAL DATA

Client Name: Van Gundy, Ronald H () M On file ☐ On file ☐ Social Security # US citizen Home Email Address _____ Cell Phone _____

Spouse Name: Van Gundy, Joyce N () F On file ☐ On file ☐ Social Security # US citizen Home Email Address _____ Cell Phone _____

Home Phone: P.O. Box 11252 Home Address: Tempe State: AZ Zip: 85284

OCCUPATION

Client's Employer / Agency: _____ Job Title: _____ Work Address: _____ City: _____ State: _____ Zip: _____

Work Phone: _____ Work Fax: _____ Work Email Address: _____

Spouse's Employer / Agency: _____ Job Title: _____ Work Address: _____ City: _____ State: _____ Zip: _____

CHILDREN

Work Phone: _____ Work Fax: _____ Work Email Address: _____

Last Name: _____ First Name: _____ MI: _____ Gender: _____ Birthdate: _____

Wish to Fund College? _____

REMARKS

Please Remove us from your data base - we no longer wish to be associated with you

Mail this FEBG/FEIS form to: 841 Prudential Drive Suite 1500 Jacksonville FL 32207

B 000000100

**American
Skandia**A Prudential Financial Company

American Skandia

A Prudential Financial Company

Prudential Annuity Services, P.O. Box 13686

Philadelphia, PA 19178

RONALD H. VAN GUNDY
PO BOX 12572
CHANDLER AZ 85248-0027

Acknowledgement Letter

Date: JANUARY 24 2008
Owner: Ronald H. Van Gundy
Annuitant: Ronald H. Van Gundy
Contract #: (
Product: AS Advisors Plan II - 19
Market Type: IRA

Page 1 of 1

If you have any questions, please contact the Annuity Service Center at 1-800-752-6342.

We have surrendered the above contract as a transfer.

For fund level detail of this transaction, please refer to the confirmation that you received separately.

Financial Breakdown Information

GROSS FUND WITHDRAWAL AMT	117763.77
NET AMOUNT OF CHECK	117763.77

(VPAS d076429)

Transaction Reference Number:

C13800776980



Invest-By-Mail Form

FMT CO CUST IRA ROLLOVER
FBO RONALD H VANGUNDY
PO BOX 12572
CHANDLER

AZ 85248-0027

FIDELITY BROKERAGE SERVICES LLC
PO BOX 770001
CINCINNATI OH 45277-0003

Amount of Investment

\$

To make an additional deposit into
your account please detach and
return this slip with your check(s)
made payable to National Financial
Services LLC.

099 0140589101 10 015



Confirmation Statement

Please keep this portion for your records.

01/28/2008

YOUR FIDELITY BROKERAGE ACCOUNT NUMBER IS: 140589101

Date	Transaction	Amount
01/28	Check received	\$117,763.77

If you need additional information on this account, please visit us at Fidelity.com or
call a Fidelity Brokerage Representative at 1-800-544-6666.



Kimberly Matregrano
Paralegal

Akerman Senterfitt
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Tel: 954.463.2700
Fax: 954.463.2224

Dir: 954.759.8929
kimberly.matregrano@akerman.com

May 21, 2012

VIA U.S. MAIL

Mr. Michael Ian Polsky
5318 E. 2nd Street, #575
Long Beach, CA 90803

Re: Securities and Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
United States District Court for the Southern District of Florida
Case No.: 10-22078-CV-Moreno/Torres

Claim No.: 95

Dear Polsky:

I am writing to you on behalf of Michael I. Goldberg, the court appointed Receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management, Inc. (collectively "Receivership Entities") in connection with the above-referenced matter (the "Receivership Case"). This letter is to notify you that the Receiver objects to your claim filed in the Receivership Case in total. Specifically, the Receiver objects to your claim on the basis that he is only recognizing claims directly related to the FEBG Bond Fund *Ponzi scheme*. Your claim, as filed, appears to be based on losses you incurred through Mr. McLeod relating to your brokerage account that he managed on your behalf while working as a registered representative. Accordingly, unless you notify us within 30 days from the date of this letter that you invested in the FEBG Bond Fund, the Receiver will have no choice but to list your claim as disputed when it comes time to move the court for authorization to confirm claims and make an initial distribution.

You should know that disputed claims will be dealt with through an objection process to be outlined by the Court at a later date. Typically this entails an opportunity for you to file with the Court a written objection to the Receiver's findings and, if necessary, a hearing to determine whether your objections are meritorious.

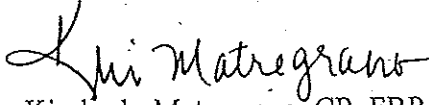
akerman.com

Michael Ian Polsky
May 21, 2012
Page Two

If you would like to discuss this matter further, please contact our office at (800) 223-2234.

Sincerely,

AKERMAN SENTERFITT

A handwritten signature in cursive script, reading "Kim Matregrano".

Kimberly Matregrano, CP, FRP
Florida Registered Paralegal

PROOF OF CLAIM TO BE FILED WITH RECEIVER – DO NOT FILE WITH COURT

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA MIAMI DIVISION	PROOF OF CLAIM
SECURITY AND EXCHANGE COMMISSION, Plaintiff, vs. ESTATE OF KENNETH WAYNE McLEOD, F&S ASSET MANAGEMENT GROUP, INC. and FEDERAL EMPLOYEES BENEFITS GROUP, INC., Defendants.	CASE NO.: 10-22078-Civ-Moreno
DEADLINE FOR FILING OF CLAIM: This Proof of Claim must be received by the Receiver's office no later than October 31, 2011 . Failure to timely file a claim shall result in a waiver of any rights to participate in any distribution of funds through this Receivership.	
I. CLAIMANT CONTACT INFORMATION: Name of Claimant(s): <u>MICHAEL IAN POLSKY</u> Name of Person submitting form on behalf of Claimant, if different: <u>SAME</u> **Please attach Power of Attorney or Letters of Administration Physical Address Where Notices and Checks Should be Sent: (Do NOT use P.O. Box unless Military) <u>5318 E 2ND ST #575</u> <u>LONG BEACH, CA</u> <u>90803</u> Telephone No.: _____ Email Address: _____ SS# or Tax Payer ID: _____ Date of Birth: _____ Check one: How are you affiliated with the Receivership Entities: I am an <input checked="" type="checkbox"/> Investor <input type="checkbox"/> Business Creditor <input type="checkbox"/> Other	CLAIM STATUS: <input checked="" type="checkbox"/> Check box if you have never received any notices from the Receiver <input checked="" type="checkbox"/> Check box if your address differs from the address on the envelope sent to you by the Receiver Check here if this Claim Form: <input type="checkbox"/> amends <input type="checkbox"/> replaces <input type="checkbox"/> supplements a previously filed Claim Form in the Probate Proceedings. If so, please provide the date when you filed your initial claim _____ <input type="checkbox"/> Check box if you are aware that anyone else has filed a Proof of Claim relating to your claim. (Attach statement explaining same).
SEND CLAIM FORM TO: Michael I. Goldberg, Receiver c/o Federal Employee Benefits Group, Inc. Akerman Senterfitt 350 E. Las Olas Blvd., Suite 1600 Ft. Lauderdale, Florida 33301-2229 For Questions Call: (800) 223-2234	THIS SPACE IS FOR RECEIVER'S USE ONLY: Claim No.: <u>95</u> <div style="border: 2px solid black; padding: 5px; text-align: center;"> RECEIVED OCT 12 2011 1 of 5 </div>

II. INVESTMENT HISTORY (Complete this section if you are an Investor – Business & Other Creditors should skip to Section IV below)

What is the total amount of money you invested? Please list the date and dollar amount for each separate principal investment made. The total should only include actual funds you gave to any of the Receivership Entities and should not include any credits, interest, rollovers, dividends, etc. Please provide copies of checks (front and back), wire transfer verifications, account statements, carbon checks, evidencing each investment listed below (Use additional sheets if necessary)

[illegible]

PROOF OF CLAIM

SECURITIES & EXCHANGE COMMISSION v. ESTATE OF KENNETH WAYNE MCLEOD, ET AL.
Case No.: 10-22078-CIV-MORENO

2 of 5

What is the total amount of money you actually received, either in the form of interest, principal, dividends, withdrawals, referral fees, commissions, or other. These amounts should only include actual funds you received and should not include unpaid or roll-over interest that accrued in your account. Please break down each individual payment you received and provide copies of checks (front and back), wire transfer verifications, account statements, 1099's, correspondence (including email correspondence) evidencing each payment listed below. (Use additional sheets if necessary).

[illegible]

IV. BUSINESS & OTHER CLAIMS (Complete this section ONLY if you are a Business Creditor or have Other Claims against the Receivership Entities)**1. Basis of Claim: (Check One)**

- ☐ Goods Sold
- ☒ Services Performed
- ☐ Money Loaned
- ☐ Taxes
- ☐ Wages, salaries or compensation
- ☐ Other (Please provide a detailed explanation. Attach additional sheet if necessary):
- _____
- _____
- _____

2. Entity with whom claim was incurred: FEBG / McLeod

3. Date(s) serviced performed or when claim was incurred: 1996 - Present

4. Is a Legal Action Pending? ☒ Yes ☐ No If so, please indicate the following:

Case Name: McLeod Case No.: _____

Jurisdiction Pending: _____

Date Case Commenced: _____ If Court Judgment, Date Obtained: _____

5. Total Amount of Claim \$ 10,000.00

☒ Check this box if you contend your claim is subject to a security interest. If so, you must attach copies of all security agreements and other documents to evidence the secured status.

☐ Check this box if your claim includes interest, or other charges, such as attorney's fees, lost profits, or late fees in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

V. GENERAL

In addition to the payments listed in Section III, have you ever received anything else of value either directly or indirectly from Kenneth Wayne McLeod, Federal Employees Benefits Group, or F&S Asset Management Group, Inc. (for example personal property, shares of stock, interest in business ventures) ☐ Yes ☒ No

If yes, please explain below the circumstances and reasons for the transfers, and identify what was received, when it was received, and where it came from (Attach additional sheet if necessary).


PROOF OF CLAIM

Securities & Exchange Commission v. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-CIV-MORENO

VI. CERTIFICATION OF TRUTHFULNESS

I, the undersigned, hereby certify, under penalty of perjury, that all of the information provided in this Proof of Claim, including all attachments, is true and correct and that the undersigned is authorized to make this claim. I further certify that I have a duty to supplement or amend my Proof of Claim to disclose a material change with respect to any answer or information provided herein.

Signed, under penalty of perjury this 6 day of OCT, 2011

Signature: 

Print Name: MICHAEL POLSKY

Title, if any: _____

To receive an acknowledgement of the filing of your claim, we strongly encourage you to send your Proof of Claim via certified and/or registered mail, return receipt requested, OR include a self-addressed postage prepaid envelope with your Proof of Claim when submitting it to the Receiver. Claim Forms that have been modified or redacted in any way may be rejected.

****IMPORTANT NOTICE****

**YOUR PROOF OF CLAIM MUST BE RECEIVED BY THE RECEIVER'S OFFICE
NO LATER THAN OCTOBER 31, 2011 TO BE CONSIDERED
A TIMELY FILED CLAIM**

**MAIL THE COMPLETED AND SIGNED FORM AND ALL OF
YOUR DOCUMENTATION TO:**

**Michael I. Goldberg, Receiver
c/o Federal Employees Benefits Group, Inc.
Akerman Senterfitt
350 East Las Olas Blvd., Suite 1600
Ft. Lauderdale, Florida 33301-2229**

**For Questions Concerning Filing of Your Proof of Claim
Call the Receiver's Office at (800) 223-2234**

**For additional information concerning this receivership, please visit the
Receiver's website at: www.febginfo.com**

EXHIBIT "D"

EXHIBIT "D"**LIST OF UNDISPUTED CLAIMANTS WHO EITHER RECEIVED PRE-RECEIVERSHIP DISTRIBUTIONS
FROM THE RECEIVERSHIP ENTITIES AND/OR FUNDS FROM COLLATERAL SOURCES**SEC vs. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-cv-Moreno/Brown

Claim No.	Claimant Last Name	Claimant First Name	Amount Claimed By Investor/Creditor as (Invested)	Amount Claimed By Investor/Creditor as (Received)	Net Claim Amount Per Investor/Creditor's Records	RECEIVER'S CONFIRMED INVESTED AMOUNT	RECEIVER'S CONFIRMED RECEIVED AMOUNT	RECEIVER'S CONFIRMED NET CLAIM AMOUNT	3RD PARTY SETTLEMENT AMOUNTS	RECEIVER'S ADJUSTED NET CONFIRMED CLAIM AMOUNT
3	Anglada	Anthony L.	\$ 214,000.00	\$ 143,500.00	\$ 70,500.00	\$ 214,000.00	\$ 143,500.00	\$ 70,500.00		
4	Arbitman	Adam R.	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 45,000.00	\$ 7,005.94	\$ 37,994.06		
6	Begley	Joseph W.	\$ 5,050.00	\$ -	\$ 5,050.00	\$ 5,050.00	\$ -	\$ 5,050.00		
7	Bendig	Joseph & Donna	\$ 200,000.00	\$ 153,673.20	\$ 46,326.80	\$ 200,000.00	\$ 153,673.20	\$ 46,326.80		
9	Bonifant	Brian & Maura	\$ 128,000.00	\$ -	\$ 128,000.00	\$ 128,000.00	\$ -	\$ 128,000.00		
10	Botelho	Lana	\$ 143,773.00	\$ 62,063.60	\$ 81,709.40	\$ 143,773.00	\$ 62,063.60	\$ 81,709.40		
11	Branch	Ronald V.	\$ 110,000.00	\$ -	\$ 110,000.00	\$ 110,000.00	\$ -	\$ 110,000.00		
12	Branum	Rebecca	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ 35,000.00		
14	Brown	Daniel & Martha	\$ 7,000.00	\$ -	\$ 7,000.00	\$ 7,000.00	\$ -	\$ 7,000.00		
15	Brown	Marcus	\$ 70,000.00	\$ -	\$ 70,000.00	\$ 70,000.00	\$ -	\$ 70,000.00		
16	Bush	Tom & Cynthia	\$ 205,000.00	\$ 104,850.62	\$ 100,149.38	\$ 205,000.00	\$ 104,850.62	\$ 100,149.38		
17	Campbell	Patrick & Kelly	\$ 246,661.62	\$ 112,470.25	\$ 134,191.37	\$ 246,661.62	\$ 112,470.25	\$ 134,191.37		
18	Cannon	Laura L.	\$ 277,055.00	\$ 130,000.00	\$ 147,055.00	\$ 277,055.00	\$ 130,000.00	\$ 147,055.00		
19	Cannon	Rachel J.	\$ 309,000.00	\$ 66,865.00	\$ 242,135.00	\$ 309,000.00	\$ 66,865.00	\$ 242,135.00		
23	Cashman	Michael & Julie	\$ 1,057,000.00	\$ 62,000.00	\$ 995,000.00	\$ 1,057,000.00	\$ 62,000.00	\$ 995,000.00		
24	Catalano	Bettina S.	\$ 75,000.00	\$ 6,147.05	\$ 68,852.95	\$ 75,000.00	\$ 6,147.05	\$ 68,852.95		
25	Cindric, II, Personal Representative	Thomas E.	\$ 245,291.82	\$ 40,371.52	\$ 204,920.30	\$ 245,291.82	\$ 40,371.52	\$ 204,920.30		
26	Cindric	Thomas & Gena	\$ 48,000.00	\$ -	\$ 48,000.00	\$ 48,000.00	\$ -	\$ 48,000.00		
29	Coront	Kurt & Clara	\$ 458,500.00	\$ 202,500.00	\$ 256,000.00	\$ 458,500.00	\$ 202,500.00	\$ 256,000.00		
30	Cosgrove	Clara D.	\$ 85,000.00	\$ 42,500.00	\$ 42,500.00	\$ 85,000.00	\$ 42,500.00	\$ 42,500.00		
32	Craig	Kyle B.	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00		
33	Craw	Michael J. & Sharon A.	\$ 290,053.00	\$ 188,500.00	\$ 101,553.00	\$ 290,053.00	\$ 188,500.00	\$ 101,553.00		
34	Crawford	Scott & Montye	\$ 85,000.00	\$ 22,507.92	\$ 62,492.08	\$ 85,000.00	\$ 22,507.92	\$ 62,492.08		
35	Crespo	Gladys	\$ 112,535.65	\$ -	\$ 112,535.65	\$ 112,535.65	\$ -	\$ 112,535.65		
37	Davis	Weston Shaw	\$ 133,000.00	\$ 22,500.00	\$ 110,500.00	\$ 133,000.00	\$ 22,500.00	\$ 110,500.00		
38	Davis	Lori Morgan	\$ 763,550.10	\$ 53,190.00	\$ 710,360.10	\$ 763,550.10	\$ 53,190.00	\$ 710,360.10		
39	Davidson	James T & Mary Beth	\$ 34,403.16	\$ 18,000.00	\$ 16,403.16	\$ 34,403.16	\$ 18,000.00	\$ 16,403.16		
40	Derr	Steven & Melissa	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00		
41	Dennehy	Colette	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00		
43	Devine	Barbara & Robert	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -	\$ 60,000.00		
44	DiCaprio	James F.	\$ 95,000.00	\$ -	\$ 95,000.00	\$ 95,000.00	\$ -	\$ 95,000.00		
45	Donahue	Tracy & Susan	\$ 36,000.00	\$ -	\$ 36,000.00	\$ 36,000.00	\$ -	\$ 36,000.00		
47	Fagan	Gail	\$ 518,000.00	\$ 36,000.00	\$ 482,000.00	\$ 518,000.00	\$ 36,000.00	\$ 482,000.00		
48	Figueroa	Joesph	\$ 176,000.00	\$ -	\$ 176,000.00	\$ 176,000.00	\$ -	\$ 176,000.00		
49	Frude	Jacqueline E.	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00		
51	Frude	Wilfred E.	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ 1,000,000.00	\$ -	\$ 1,000,000.00		
52	Galanos	Milton G. & Kelly	\$ 32,549.02	\$ -	\$ 32,549.02	\$ 32,549.02	\$ -	\$ 32,549.02		
53	Garner	Douglas Keith & Laurie	\$ 170,000.00	\$ -	\$ 170,000.00	\$ 170,000.00	\$ -	\$ 170,000.00		

Claim No.	Claimant Last Name	Claimant First Name	Amount Claimed By Investor/Creditor as (Invested)	Amount Claimed By Investor/Creditor as (Received)	Net Claim Amount Per Investor's Records	RECEIVER'S CONFIRMED INVESTED AMOUNT	RECEIVER'S CONFIRMED RECEIVED AMOUNT	RECEIVER'S CONFIRMED NET CLAIM AMOUNT	3RD PARTY SETTLEMENT AMOUNTS	RECEIVER'S ADJUSTED NET CONFIRMED CLAIM AMOUNT
54	Garner	Harold Eugene	\$ 599,728.00	\$ -	\$ 599,728.00	\$ 599,728.00	\$ -	\$ 599,728.00		
56	Gilley	Sandra S.	\$ 98,000.00	\$ 17,840.40	\$ 80,159.60	\$ 98,000.00	\$ 17,840.40	\$ 80,159.60		
57	Goben	Hugh Franklin	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 160,000.00	\$ 10,000.00	\$ 150,000.00		
58	Gobtz	Sandra L.	\$ 100,000.00	\$ 10,363.20	\$ 89,636.80	\$ 100,000.00	\$ 12,363.20	\$ 87,636.80		
60	Grant	David & Lisa	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -	\$ 40,000.00		
61	Grimes	Ronald R. & Shidemi	\$ 145,500.00	\$ -	\$ 145,500.00	\$ 145,000.00	\$ -	\$ 145,000.00		
62	Hamlet	Mark W. & Theresa	\$ 350,000.00	\$ 143,235.00	\$ 206,765.00	\$ 350,000.00	\$ 143,235.00	\$ 206,765.00		
63	Hill	Sandra L.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
66	Kelley, III	John C.	\$ 95,000.00	\$ 16,000.00	\$ 79,000.00	\$ 95,000.00	\$ 16,000.00	\$ 79,000.00		
67	Kelley	John C. Jr. & Kristine M.	\$ 338,000.00	\$ -	\$ 338,000.00	\$ 502,000.00	\$ 163,171.15	\$ 338,828.85		
68	Klumb	Larry S. & Leanne M.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
69	Kohn, Jr.	Edward J.	\$ 675,000.00	\$ -	\$ 675,000.00	\$ 675,000.00	\$ -	\$ 675,000.00		
70	Kruskall	Keith G. & Gladys Liliana	\$ 538,786.40	\$ 200,104.83	\$ 338,681.57	\$ 538,786.40	\$ 200,104.83	\$ 338,681.57		
71	Krutak, Sr.	Elsa M. & James J.	\$ 775,000.00	\$ 736,843.00	\$ 38,157.00	\$ 775,000.00	\$ 736,843.00	\$ 38,157.00		
73	Lang	Gary J. & Karyn V.	\$ 110,087.75	\$ -	\$ 110,087.75	\$ 110,087.75	\$ -	\$ 110,087.75		
74	Lang	Marquet E.	\$ 157,441.36	\$ 62,976.90	\$ 94,464.46	\$ 157,441.36	\$ 62,976.90	\$ 94,464.46		
75	Latoeki	Larry & Phyllis	\$ 112,000.00	\$ 44,000.00	\$ 68,000.00	\$ 112,000.00	\$ 44,000.00	\$ 68,000.00		
76	Lenseigne	Joel A.	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 20,000.00		
77	Lofthus-Erthum	Deborah	\$ 1,269,661.44	\$ -	\$ 1,269,661.44	\$ 1,269,661.44	\$ -	\$ 1,269,661.44		
78	Marchi	Robert M. & Colleen	\$ 282,466.60	\$ -	\$ 282,466.60	\$ 282,466.60	\$ -	\$ 282,466.60		
79	Marotta	Anthony C. & Jean M.	\$ 283,868.55	\$ 169,151.52	\$ 114,717.03	\$ 283,868.55	\$ 169,151.52	\$ 114,717.03		
81	Martin	Phillip M. & Janice	\$ 146,000.00	\$ 28,800.00	\$ 117,200.00	\$ 146,000.00	\$ 28,800.00	\$ 117,200.00		
82	Martin	Thomas B. & Karen S.	\$ 225,000.00	\$ 18,800.00	\$ 206,200.00	\$ 225,000.00	\$ 18,800.00	\$ 206,200.00		
83	McLeod	Billy D. & Frances B.	\$ 64,392.75	\$ 35,000.00	\$ 29,392.75	\$ 64,392.75	\$ 35,000.00	\$ 29,392.75		
84	Michelotti	Robert & Marci	\$ 55,000.00	\$ 41,500.00	\$ 13,500.00	\$ 55,000.00	\$ 41,500.00	\$ 13,500.00		
85	Michelotti	Victoria J.	\$ 70,000.00	\$ 40,100.00	\$ 29,900.00	\$ 70,000.00	\$ 40,100.00	\$ 29,900.00		
86	Miller	Brian S. & Kryssa M.	\$ 250,000.00	\$ -	\$ 250,000.00	\$ 250,000.00	\$ -	\$ 250,000.00		
87	Miller	Jerry L.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
88	Mitchem, II	Carlos L.	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 300,000.00	\$ -	\$ 300,000.00		
89	Morgan	Elaine G.	\$ 1,075,000.00	\$ 15,000.00	\$ 1,060,000.00	\$ 1,075,000.00	\$ 15,000.00	\$ 1,060,000.00		
90	Morrison	Walter & Elaine	\$ 35,815.30	\$ -	\$ 35,815.30	\$ 35,815.30	\$ -	\$ 35,815.30		
91	O'Brien	Sean	\$ 6,673.40	\$ 2,392.00	\$ 4,281.40	\$ 6,673.40	\$ 2,392.00	\$ 4,281.40		
92	Olah	Carolyn B. and Nicholas	\$ 261,814.18	\$ 14,465.00	\$ 247,349.18	\$ 261,814.18	\$ 14,565.00	\$ 247,249.18		
93	Parra	Michael	\$ 252,144.25	\$ 34,678.00	\$ 217,466.25	\$ 252,144.25	\$ 34,678.00	\$ 217,466.25		
94	Peterson	Justin L.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
96	Pribble	Kimberly D.	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00		
97	Price	Mitchell L.	\$ 43,355.00	\$ -	\$ 43,355.00	\$ 43,355.00	\$ -	\$ 43,355.00		
98	Quirk	Brian & Victoria	\$ 82,000.00	\$ -	\$ 82,000.00	\$ 82,000.00	\$ -	\$ 82,000.00		
99	Rambo	Beverly	\$ 100,000.00	\$ 31,000.00	\$ 69,000.00	\$ 100,000.00	\$ 31,000.00	\$ 69,000.00		
100	Ranger	Derek & Jennifer	\$ 200,000.00	\$ -	\$ 200,000.00	\$ 200,000.00	\$ -	\$ 200,000.00		
101	Reck	Richard & Carol	\$ 160,000.00	\$ 50,500.00	\$ 109,500.00	\$ 160,000.00	\$ 50,500.00	\$ 109,500.00		
102	Richards	Harry G.	\$ 186,614.88	\$ -	\$ 186,614.88	\$ 186,614.88	\$ -	\$ 186,614.88		
103	Riley	John J. & Monica S.	\$ 400,000.00	\$ -	\$ 400,000.00	\$ 400,000.00	\$ -	\$ 400,000.00		
105	Russo, Jr.	Michael R.	\$ 60,828.58	\$ -	\$ 60,828.58	\$ 73,408.58	\$ 12,580.00	\$ 60,828.58		
106	Salazar	Mary C.	\$ 604,424.89	\$ 216,629.51	\$ 387,795.38	\$ 495,424.89	\$ 115,399.50	\$ 380,025.39		
107	Schiffer	Vivian	\$ 80,000.00	\$ 46,566.50	\$ 33,433.50	\$ 80,000.00	\$ 46,566.50	\$ 33,433.50		

Claim No.:	Claimant Last Name	Claimant First Name	Amount Claimed By Investor/Creditor as (Invested)	Amount Claimed By Investor/Creditor as (Received)	Net Claim Amount Per Investor/Creditor's Records	RECEIVER'S CONFIRMED INVESTED AMOUNT	RECEIVER'S CONFIRMED RECEIVED AMOUNT	RECEIVER'S CONFIRMED NET CLAIM AMOUNT	3RD PARTY SETTLEMENT AMOUNTS	RECEIVER'S ADJUSTED NET CONFIRMED CLAIM AMOUNT
108	Schreiber	Albert R. & Jo Anne	\$ 95,000.00	\$ -	\$ 95,000.00	\$ 95,000.00	\$ -	\$ 95,000.00		
112	Shruhan	Donald K. and Kimberly	\$ 200,000.00	\$ -	\$ 200,000.00	\$ 200,000.00	\$ -	\$ 200,000.00		
113	Stines	Patrick J. & Linda L.	\$ 181,000.00	\$ 106,500.00	\$ 74,500.00	\$ 181,000.00	\$ 106,500.00	\$ 74,500.00		
115	Smith	William L. & Cynthia J.	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 150,000.00		
116	Snyder	Scott	\$ 90,000.00	\$ 28,494.54	\$ 61,505.46	\$ 90,000.00	\$ 28,494.54	\$ 61,505.46		
117	Snyder	Stephen P.	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00		
118	Sourini	James and Debra Wright	\$ 1,940,979.00	\$ 1,622,064.24	\$ 318,914.76	\$ 1,940,979.00	\$ 1,622,064.24	\$ 318,914.76		
119	Slater	James & Tamara	\$ 65,000.00	\$ 40,000.00	\$ 25,000.00	\$ 65,000.00	\$ 40,000.00	\$ 25,000.00		
120	Stanton	Michael	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
121	Swift	Gregory C.	\$ 50,000.00	\$ 5,000.00	\$ 45,000.00	\$ 50,000.00	\$ 5,000.00	\$ 45,000.00		
122	Tanella	Jude A. & Nancy S.	\$ 250,000.00	\$ 16,000.00	\$ 234,000.00	\$ 250,000.00	\$ 16,000.00	\$ 234,000.00		
123	Teresi	Candice	\$ 133,956.76	\$ -	\$ 133,956.76	\$ 133,956.76	\$ -	\$ 133,956.76		
124	Thompson	Andrew & Olivia	\$ 80,000.00	\$ 48,840.80	\$ 31,159.20	\$ 80,000.00	\$ 48,840.80	\$ 31,159.20		
126	Tierney	Kristine	\$ 95,000.00	\$ 15,000.00	\$ 80,000.00	\$ 95,000.00	\$ 15,000.00	\$ 80,000.00		
127	Tilley	Kathy Ralford	\$ 98,000.00	\$ 3,500.00	\$ 94,500.00	\$ 98,000.00	\$ 3,500.00	\$ 94,500.00		
129	Trouville	Mark & Mary Ellen Robert	\$ 75,000.00	\$ 60,978.62	\$ 14,021.38	\$ 75,000.00	\$ 60,978.62	\$ 14,021.38		
130	Vance	Robert	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
132	Waddell	William & Patricia	\$ 8,315,000.00	\$ 312,500.00	\$ 8,002,500.00	\$ 8,315,000.00	\$ 312,500.00	\$ 8,002,500.00		
136	Woolley	James A & Nancy I	\$ 208,871.54	\$ 30,212.40	\$ 178,659.14	\$ 208,871.54	\$ 30,212.40	\$ 178,659.14		
138	Zellers	Steven S. & Ruth A.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00		
			\$31,192,833.00	\$ 5,732,675.62	\$ 25,460,157.38	\$ 31,267,912.90	\$ 5,826,302.70	\$ 25,441,610.20		