

1 DAVID R. ZARO (BAR NO. 124334)
 JOSHUA A. DEL CASTILLO (BAR NO. 239015)
 2 MATTHEW D. PHAM (BAR NO. 287704)
 ALLEN MATKINS LECK GAMBLE
 3 MALLORY & NATSIS LLP
 865 South Figueroa Street, Suite 2800
 4 Los Angeles, California 90017-2543
 Phone: (213) 622-5555
 5 Fax: (213) 620-8816
 E-Mail: dzaro@allenmatkins.com
 6 jdelcastillo@allenmatkins.com
 mpham@allenmatkins.com

7 Attorneys for Receiver
 8 GEOFF WINKLER

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA
 11 WESTERN DIVISION

12 SECURITIES AND EXCHANGE
 COMMISSION,

13 Plaintiff,

14 vs.

15 RALPH T. IANNELLI and ESSEX
 16 CAPITAL CORP.,

17 Defendants.

Case No. 2:18-cv-05008-FMO-AFM

**RECEIVER'S TENTH INTERIM
 REPORT AND PETITION FOR
 FURTHER INSTRUCTIONS**

Date: April 28, 2022
 Time: 10:00 a.m.
 Ctrm: 6D
 350 W. 1st Street, 6th Floor
 Los Angeles, CA 90012
 Judge Hon. Fernando M. Olguin

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1 Geoff Winkler (the "Receiver"), the Court-appointed permanent receiver for
2 defendant Essex Capital Corporation ("Essex") and its subsidiaries and affiliates
3 (collectively, with Essex, the "Receivership Entities" or "Entities"), hereby submits
4 the following tenth interim report and petition for further instructions (the "Report")
5 for the period from October 1, 2021, through December 31, 2021 (the "Reporting
6 Period"),¹ in accordance with Rule 66-6 of the Local Civil Rules of the United
7 States District Court for the Central District of California and the Court's (a) *Order*
8 *Regarding Preliminary Injunction and Appointment of a Permanent Receiver* (the
9 "Appointment Order") entered on December 21, 2018, ECF No. 66, (b) *Order in Aid*
10 *of Receivership* (the "Order in Aid") entered on February 1, 2019, ECF No. 69, and
11 (c) *Order Regarding Permanent Injunction* (the "Permanent Injunction Order")
12 entered on September 9, 2019, ECF No. 113.

13 **I. PRELIMINARY STATEMENT.**

14 As reflected in the Receiver's previously submitted interim reports, the
15 Receiver has had substantial success in his efforts to identify, marshal, and
16 administer the available assets of the Receivership Entities (the "Receivership
17 Assets" or "Assets"), and, as set forth in this Report, the Receiver has continued to
18 do so throughout the Reporting Period. During the Reporting Period, in addition to
19 handling matters of ordinary estate administration for the receivership estate (the
20 "Estate"), the Receiver largely focused his efforts on two categories: (a) continuing
21 his efforts to recover Receivership Assets from profiting investors and others in
22 possession of such Assets, including via the continuation of litigation brought on
23 behalf of the Receivership Entities, and (b) completing his review of all timely
24 investor claims and finalizing his recommendations regarding the treatment of such
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27 ¹ While this Report generally covers the Reporting Period, it also addresses
28 developments prior to and following the Reporting Period to the extent they are
relevant to the subjects addressed herein, as necessary.

1 claims and an associated, proposed plan for distribution on any claims ultimately
2 deemed allowed by the Court.

3 Most notably, during the Reporting Period, the Receiver took the following
4 actions:

- 5 • Continued the prosecution of, and efforts to settle, the Asset-recovery action
6 styled *Winkler v. 915 Elm Avenue CVL, LLC* and bearing Case No. 2:21-cv-
7 00869-FMO-AFM (the "CVL Action"), in which he seeks to recover no less than
8 \$2.5 million from 915 Elm Avenue CVL, LLC ("CVL") on claims for avoidance
9 of fraudulent transfers, breach of contract, and unjust enrichment;
- 10 • Continued the prosecution of nine pending disgorgement actions against alleged
11 profiting investors, altogether seeking to recover over \$8 million in fictitious
12 profits received by those investors;
- 13 • Resolved another prospective disgorgement claim against a profiting investor,
14 without the need to commence formal litigation;
- 15 • Began preparing a new complaint (which has since been filed) against William S.
16 Reyner, Jr. ("Reyner"), the manager of CVL and an alleged profiting investor
17 already subject to a disgorgement action, for fraud and breach of fiduciary duty
18 relating to certain actions taken by Reyner as member and manager of CVL,
19 which actions were discovered or further illuminated as a result of the Receiver's
20 discovery efforts in the CVL Action;
- 21 • Prepared and filed his *Motion for Order: (1) Approving Proposed Distribution*
22 *Plan; (2) Approving Recommended Treatment of Claims; and (3) Authorizing*
23 *Distributions on Allowed Claims* (the "Claims Motion"), see ECF No. 220, after
24 completing his analysis of all submitted claims and finalizing his proposed plan
25 for distribution, and recommended treatment of claims.

26 In addition to the above, the Receiver has continued to administer the
27 remaining Assets of the Estate, and, as of the date of his standardized fund
28 accounting report for the Reporting Period (the "SFAR"), he held approximately

1 \$4,185,938.54 in cash on hand, for the administration and benefit of the
2 Receivership Entities.

3 **II. RELEVANT PROCEDURAL HISTORY.**

4 The Receiver invites the Court and all interested parties to review the
5 following filings² for the relevant factual and procedural background relating to the
6 subjects addressed in this Report:

- 7 • Plaintiff the Securities and Exchange Commission's *Complaint*, filed on
8 June 5, 2018, ECF No. 1;
- 9 • *Defendants' Answer to Complaint and Affirmative Defenses*, filed on
10 August 1, 2018, ECF No. 37;
- 11 • The Appointment Order, entered on December 21, 2018, ECF No. 66;
- 12 • The Order in Aid, entered on February 1, 2019, ECF No. 69;
- 13 • The *Mediation Report*, filed on April 5, 2019, ECF No. 74;
- 14 • The *First Interim Report and Petition for Further Instructions of Receiver, Geoff*
15 *Winkler*, filed on April 30, 2019, ECF No. 78;
- 16 • The *Final Judgment as to Defendant Ralph T. Iannelli*, entered on June 5, 2019,
17 ECF No. 93;
- 18 • The *Second Interim Report and Petition for Further Instructions of Receiver,*
19 *Geoff Winkler*, filed on August 14, 2019, ECF No. 103;
- 20 • The *Judgment Against Defendant Essex Capital Corporation*, entered on
21 September 9, 2019, ECF No. 110;
- 22 • The Permanent Injunction Order, entered on September 9, 2019, ECF No. 113;
- 23 • The *Third Interim Report and Petition for Further Instructions of Receiver,*
24 *Geoff Winkler*, filed on November 18, 2019, ECF No. 123;

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28 ² These filings, as well as others, are available on the Receiver's website,
<https://essex-receivership.com/>.

- 1 • The *Motion of Receiver, Geoff Winkler, for Authority to Pursue Litigation*
2 *Against 915 Elm Avenue CVL, LLC*, filed on December 5, 2019, ECF No. 125,
3 and the order thereon, entered on July 29, 2020, ECF No. 177;
- 4 • The *Fourth Interim Report and Petition for Further Instructions of Receiver,*
5 *Geoff Winkler*, filed on March 2, 2020, ECF No. 149, and the supplement
6 thereto, filed on March 4, 2020, ECF No. 153;
- 7 • The *Stipulation for Order: (1) Establishing Claims Procedures; and (2) Setting*
8 *Claims Bar Date*, filed on April 20, 2020, ECF No. 168, and the order thereon,
9 entered on July 31, 2020, ECF No. 179;
- 10 • The *Motion of Receiver, Geoff Winkler, for Order Approving and Authorizing*
11 *Performance of Settlement Agreement*, filed on June 11, 2020, ECF No. 172, and
12 the order thereon, entered on July 29, 2020, ECF No. 178;
- 13 • The *Fifth Interim Report and Petition for Further Instructions of Receiver, Geoff*
14 *Winkler*, filed on July 24, 2020, ECF No. 174, and the supplement thereto, filed
15 on August 12, 2020, ECF No. 185;
- 16 • The *Motion of Receiver, Geoff Winkler, for Authority to Prosecute Claims*
17 *Against Seed Mackall LLP*, filed on August 10, 2020, ECF No. 184, and the
18 order thereon, entered on September 2, 2020, ECF No. 186;
- 19 • The *Stipulation to Authorize Receiver's Sale of Leased Assets, Free and Clear of*
20 *Liens and Encumbrances*, filed on September 23, 2020, ECF No. 188, and the
21 order thereon, entered on October 6, 2020, ECF No. 189;
- 22 • The *Motion of Receiver, Geoff Winkler, for Authority to Establish Disgorgement*
23 *Procedures and Undertake Disgorgement Efforts*, filed on October 13, 2020,
24 ECF No. 190, and the order thereon, entered on November 12, 2020, ECF
25 No. 195;
- 26 • The *Sixth Interim Report and Petition for Further Instructions of Receiver, Geoff*
27 *Winkler*, filed on December 8, 2020, ECF No. 197;
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- 1 • The *Seventh Interim Report and Petition for Further Instructions of Receiver, Geoff Winkler*, filed on May 19, 2021, ECF No. 206;
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- 3 • The *Eighth Interim Report and Petition for Further Instructions of Receiver, Geoff Winkler*, filed on August 24, 2021, ECF No. 210;
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- 5 • The *Ninth Interim Report and Petition for Instructions of Receiver, Geoff Winkler*, filed on November 22, 2021, ECF No. 215; and
- 6
- 7 • The Claims Motion, filed on December 21, 2021, ECF No. 220.

8 **III. THE RECEIVER'S ACTIVITIES AND EFFORTS DURING THE**
9 **REPORTING PERIOD.**

10 Of the tasks identified above, the Receiver's most critical undertakings during
11 the Reporting Period include the following:

12 **A. Asset Identification, Administration, Recovery, and Monetization.**

13 As reflected in his most recent SFAR, attached hereto as **Exhibit 1**, at the end
14 of the Reporting Period, the Receiver held a total of approximately \$4,185,938.54 in
15 cash for the administration and benefit of the Receivership Entities. In addition, he
16 continues to hold and administer non-cash Assets, the value of which he has
17 estimated at as much as \$10 million,³ inclusive of prospective third-party recoveries.
18 In addition to the cash and non-cash Assets already in the Receiver's possession and
19 which he believes are recoverable, during the Reporting Period, the Receiver
20 undertook the following efforts to recover additional Assets, in accordance with his
21 authority under the Permanent Injunction Order and this Court's subsequent orders:

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³ In previous interim reports, the Receiver presented a higher estimate of the Entities' non-cash Assets. He has since reduced this estimate based on accounting refinements completed, and additional information obtained, thereafter.

1 1. Continued Settlement of Prospective Disgorgement Claims
2 Against Profiting Investors.

3 On November 12, 2020, this Court entered its *Order Granting Motion of*
4 *Receiver, Geoff Winkler, for Authority to Establish Disgorgement Procedures and*
5 *Undertake Disgorgement Efforts* (the "Disgorgement Procedures Order"). *See* ECF
6 No. 195. The Disgorgement Procedures Order authorized the Receiver to
7 commence disgorgement efforts against those investors in the Receivership Entities
8 whom he determined, on the basis of his forensic accounting, had received more in
9 payments from the Entities than they invested in or contributed to the Entities. The
10 Disgorgement Procedures Order also authorized the Receiver to settle his
11 prospective disgorgement claims without further order of the Court, provided any
12 settlements he negotiated fell within the parameters established by the Court.

13 As reflected in prior reports, the Receiver commenced issuing disgorgement
14 demands, paired with settlement proposals consistent with the parameters of the
15 Disgorgement Procedures Order, to suspected profiting investors in early 2021. The
16 Receiver has issued dozens of disgorgement demands and settlement proposals to
17 suspected profiting investors.

18 Thereafter, the Receiver entered into negotiations with a number of profiting
19 investors, through their representatives (often counsel) or directly, to settle his
20 claims without resorting to litigation. This negotiation and settlement process has
21 been very successful to date, with the Receiver's efforts culminating in the recovery
22 of Assets exceeding \$2.3 million. Though the substantial majority of the Receiver's
23 settlements with suspected profiting investors were negotiated and finalized in the
24 prior reporting periods, the Receiver reached one more settlement with a profiting
25 investor during the Reporting Period (with the investor wiring the \$50,000
26 settlement payment a few days following the end of the Reporting Period). The
27 Receiver remains in discussions with a very small number of additional suspected
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1 profiting investors and is optimistic that additional recoveries may be made without
2 resorting to litigation.

3 2. Continued Prosecution of the CVL Action.

4 On July 29, 2020, the Court entered a minute order authorizing the Receiver
5 to prosecute claims against CVL, a limited liability company created in
6 November 2015, by and between defendant Ralph Iannelli ("Iannelli") and Reyner,
7 to purchase, own, and operate a lumber-yard business (the "Lumber Yard").

8 The Receiver has concluded that CVL's purchase of the Lumber Yard from
9 James Gally ("Gally") and his affiliated entities Carpinteria Valley Lumber Co. and
10 J&G Clay Properties, LLC (collectively, with Gally, the "Gally Entities") was
11 funded, in large part, by hundreds of thousands of dollars from Essex, as well as a
12 \$1.5-million seller-carryback loan from Gally, which Essex—who has never held an
13 interest in CVL—had agreed to repay to Gally pursuant to a promissory note (the
14 "Essex-to-Gally Note"). Contemporaneously with Essex's execution of the Essex-
15 to-Gally Note, CVL executed a companion note (the "CVL-to-Essex Note"),
16 agreeing to repay \$1.5 million to Essex for its agreement to repay the seller-
17 carryback loan to Gally.

18 In addition, the Receiver's analysis has further indicated that another
19 \$250,000 from the Receivership Entities was transferred to CVL, which was
20 apparently intended to be a loan to CVL that would allow it to pay off an inventory
21 loan owed to the Gally Entities. In connection with CVL's receipt of those funds
22 from Essex, the Receiver's records reflect that CVL executed a promissory note
23 agreeing to repay \$125,000 to Iannelli (the "Iannelli Inventory Note") and a
24 promissory note agreeing to repay \$125,000 to Essex (the "Essex Inventory Note").

25 Both of the promissory notes from CVL to Essex (i.e., the CVL-to-Essex
26 Note and the Essex Inventory Note) have since matured and are now in default.
27 CVL, however, has contested its repayment obligations to Essex. Over and above
28 the payment obligation incurred by Essex under the Essex-to-Gally Note, and

1 Essex's attendant right to be repaid by CVL under the CVL-to-Essex Note and the
2 Essex Inventory Note, the Receiver further confirmed that an estimated \$1.1 million
3 was diverted from Essex's accounts and transferred to, or for the benefit of, CVL. In
4 total, over \$2,100,000 in Essex funds and obligations were used and incurred in
5 connection with CVL's formation and the purchase of the Lumber Yard.

6 On January 29, 2021, the Receiver filed his complaint against CVL,
7 commencing the CVL Action, in which he asserts claims for avoidance of
8 fraudulent transfers, breach of contract, and unjust enrichment based on the above-
9 described facts. Prior to the Reporting Period, the pleadings had closed, and fact
10 discovery was already under way.

11 During the Reporting Period, the Receiver engaged in significant discovery
12 efforts, including propounding written discovery requests on CVL and taking the
13 depositions of four witnesses, including Reyner. From those efforts, the Receiver
14 learned, among other things, that Reyner did not believe that the CVL-to-Essex Note
15 was enforceable at the time that he executed the note on behalf of CVL, that Reyner
16 had no intention of binding CVL to the contractual obligations set forth in the CVL-
17 to-Essex Note, and that Reyner had made false or misleading statements regarding
18 when and why the CVL-to-Essex Note came into existence. These discoveries led
19 the Receiver to prepare a new complaint against Reyner, in his individual capacity,
20 for fraud and breach of fiduciary duty, which was ultimately filed on
21 February 4, 2022.

22 During the Reporting Period, the Receiver also participated in a mandatory
23 settlement conference with CVL before the Honorable Suzanne H. Segal (ret.).
24 Though the conference ended without the parties reaching a settlement, extensive
25 settlement discussions continued thereafter, initially facilitated by Judge Segal. The
26 Receiver continues to engage in settlement discussions with CVL, now directly, in
27 the hope that the disputes relating to and arising from CVL's formation and purchase
28 of the Lumber Yard can be resolved.

3. Continued Prosecution of Disgorgement Actions.

In accordance with his authority under the Disgorgement Procedures Order, as of the date of this Report, the Receiver has commenced a total of ten disgorgement actions against profiting investors (one of which has since been dismissed following a settlement) before this Court. Those actions are styled as follows:

- *Winkler v. Fazio, et al.*, Case No. 2:21-cv-02987-FMO-AFM (the "Fazio Action");
- *Winkler v. WLD Davis Holdings, LLC, et al.*, Case No. 2:21-cv-03209-FMO-AFM;⁴
- *Winkler v. Siemens, et al.*, Case No. 2:21-cv-04515-FMO-AFM;
- *Winkler v. Fead, et al.*, Case No. 2:21-cv-04519-FMO-AFM;
- *Winkler v. Largura, et al.*, Case No. 2:21-cv-04534-FMO-AFM;
- *Winkler v. Reyner, et al.*, Case No. 2:21-cv-05730-FMO-AFM;
- *Winkler v. McCloskey, et al.*, Case No. 2:21-cv-05757-FMO-AFM;
- *Winkler v. Hopen Life Science Ventures, et al.*, Cal. Case No. 2:21-cv-06049-FMO-AFM;
- *Winkler v. Nicholson, et al.*, Case No. 2:21-cv-07458-FMO-AFM; and
- *Winkler v. Emmons, et al.*, Case No. 2:21-cv-07267-FMO-AFM.

While the Receiver is confident in the claims alleged in the above-identified actions and is prepared to take those matters to trial, if necessary, he remains amenable to negotiating reasonable settlements with the profiting investors. With respect to the six pending disgorgement actions in which scheduling orders have already been issued, this Court has scheduled deadlines in March 2022 and beyond for the parties to attend mandatory settlement conferences before the Honorable

⁴ This disgorgement action was dismissed by the Receiver, with prejudice, following the parties' settlement of all claims relating to the Receiver's complaint and the payment of the settlement amount due to the Receiver under terms of the settlement.

1 Alexander F. MacKinnon, and it is the Receiver's hope that Judge MacKinnon can
2 facilitate the parties' respective settlement efforts.⁵

3 However, in the meantime, during the Reporting Period, the Receiver has had
4 to continue prosecuting the pending disgorgement actions. In connection with
5 discovery, the Receiver has developed nearly universal sets of discovery requests
6 that can be easily adapted to be used in each of the actions, and, so far, the Receiver
7 has only had to respond to discovery requests propounded in one case—the Fazio
8 Action. In addition, as the Receiver intends to establish the actual-fraudulent-intent
9 element through the "Ponzi scheme presumption" when putting on his case in chief
10 (and he is also aware that certain defendants in the disgorgement actions are
11 planning to argue that there was no Ponzi scheme at the time of the transfers at
12 issue), during the Reporting Period, the Receiver, with his counsel, also developed a
13 comprehensive roadmap for how he will prove the existence of the Ponzi scheme,
14 which will be used in each of the disgorgement actions.

15 **B. Claims Processing and Development of Prospective Distribution**
16 **Plan.**

17 The Receiver has completed his processing of all timely submitted claims
18 and, at this time, no claims remain unresolved, although a handful of investors have
19 disputed the Receiver's valuation of their claims. In all, more than 94% of investors
20 have accepted the Receiver's valuation of their claims.

21 Having processed all claims-related materials, the Receiver began developing
22 a proposed plan to govern distributions on any claims allowed by the Court in the
23 second half of 2021. During the Reporting Period, the Receiver finalized his
24 mathematical approach governing such plan of distribution and came up with a
25 hybrid rising-tide approach, whereby the first 50% of funds to be distributed are
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28 ⁵ Indeed, a settlement in principle has already been reached in the *Fazio* matter,
after the conclusion of two Mandatory Settlement Conference meetings before
Judge MacKinnon.

1 distributed among the least "whole" investor group and then the remaining 50% of
2 funds are distributed on a strict pro rata basis. The Receiver's proposed plan of
3 distribution and recommended treatment of claims were then set forth in the Claims
4 Motion, which was filed on December 21, 2021, and has since been taken under
5 submission by the Court.

6 **C. Attending to Pre-Receivership Litigation Matters.**

7 At the time of the Receiver's appointment, there were two actions against the
8 Receivership Entities pending before the Superior Court of California, County of
9 Santa Barbara, both of which had been stayed pursuant to the Permanent Injunction
10 Order: (a) the action captioned as *Gabler v. Essex Capital Corp., et al.* and bearing
11 Case No. 18CV03423 (the "Gabler Action")⁶; and (2) the action captioned as *Dennis*
12 *v. Iannelli, et al.* and bearing Court Case No. 18CV03317 (the "Dennis Action").

13 The plaintiff in the Gabler Action, who had alleged that defendants Melissa
14 Iannelli, Ralph Iannelli, and Essex breached the terms of a promissory note,
15 however, has since voluntarily dismissed his action, without prejudice. The plaintiff
16 in the Dennis Action, which remains pending, had alleged that defendants Ralph
17 Iannelli and Essex operated a fraudulent investment scheme and sought relief upon a
18 number of tort claims.

19 The Receiver and his counsel have continued to monitor the Dennis Action
20 and have previously informed the court presiding over that action of the litigation
21 stay imposed by the Appointment Order and maintained by the Permanent
22 Injunction Order, in order to protect and preserve the Estate from diminution. The
23 Receiver will continue to monitor and, through counsel, make necessary
24 appearances and keep the court presiding over the Dennis Action abreast of
25 developments in the instant action, as appropriate.

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28 ⁶ As previously noted, the plaintiff in the Gabler Action filed a request for
dismissal of his complaint, without prejudice, on May 5, 2021.

1 **D. Communications with Investors and Other Interested Parties.**

2 In accordance with the Order in Aid, the Receiver continues to maintain a
3 receivership website for this matter, which, among other things, he uses as a means
4 of communicating with investors in the Receivership Entities. Specifically, the
5 Receiver posts all of his filings to the website, which also includes a portal through
6 which investors and other interested parties may register to receive email notice of
7 such filings. The Receiver will continue to post additional updates to the website as
8 they become relevant and available.

9 **IV. CONCLUSION AND PETITION FOR FURTHER INSTRUCTIONS.**

10 Assuming that the Court accepts this Report and authorizes the Receiver to
11 undertake the actions recommended herein, as well as to continue those actions
12 provided for in the Appointment Order, Order in Aid, and Permanent Injunction
13 Order, the Receiver proposes to submit a further interim report to this Court,
14 addressing his progress, findings, conclusions, and additional recommendations, in
15 approximately 90 to 120 days.

16 Accordingly, and based on the foregoing, the Receiver respectfully requests
17 that the Court enter an order:

- 18 1. Accepting this Report;
- 19 2. Authorizing the Receiver to continue to administer the Receivership
20 Entities and their Estate in accordance with the terms of the Appointment Order,
21 Order in Aid, and Permanent Injunction Order;
- 22 3. Authorizing the Receiver to undertake the recommendations presented
23 herein; and

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1 4. Providing such other and further relief as the Court deems necessary
2 and appropriate under the circumstances.

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5 Dated: March 25, 2022

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
DAVID R. ZARO
JOSHUA A. DEL CASTILLO
MATTHEW D. PHAM

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8 By: /s/ Matthew D. Pham

9 MATTHEW D. PHAM
10 Attorneys for Receiver
11 GEOFF WINKLER

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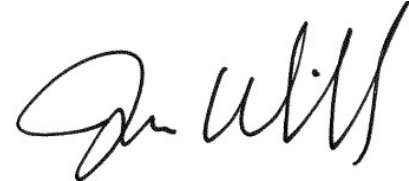
VERIFICATION OF GEOFF WINKLER

I, Geoff Winkler, verify as follows:

1. I am the Court-appointed permanent receiver for Essex Capital Corporation and its subsidiaries and affiliates.
2. I have read the foregoing RECEIVER'S TENTH INTERIM REPORT AND PETITION FOR FURTHER INSTRUCTIONS and know its contents.
3. The matters stated in the foregoing document are true to the best of my knowledge, information, and belief.

I verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on March 25, 2022, at Salem, Oregon.



Geoff Winkler

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EXHIBIT 1**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Essex Capital Corporation**

Receivership; Civil Docket No. 18-cv-05008-FMO-AFM

Reporting Period from 10/01/2021 to 12/31/2021

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2021):	\$ 4,522,135.41		
	Increases in Fund Balance:			
Line 2	Business Income	\$ -		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	-		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	30,775.28		
Line 7	Third-Party Litigation Income	35,717.47		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		\$ 66,492.75	\$ 4,588,628.16
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	(402,689.62)		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	-		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses	-		
	1. Attorney Fees	\$ -		
	2. Litigation Expenses	-		
	Total Disbursements for Receivership Operations		\$ (402,689.62)	
Line 10f	Tax Administrator Fees and Bonds		-	
Line 10g	Federal and State Tax Payments		-	
	Total Disbursements for Receivership Operations			\$ (402,689.62)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....	\$ -		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses		\$ -	
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator.....	-		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	Total Plan Implementation Expenses		\$ -	
	Total Disbursements for Distribution Expenses Paid by the Fund			\$ -
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$ -		
Line 12b	Federal Tax Payments	-		
	Total Disbursements to Court/Other:		\$ -	
	Total Funds Disbursed (Lines 9 - 11):			\$ (402,689.62)
Line 13	Ending Balance (As of 12/31/2021):			\$ 4,185,938.54
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents		4,185,938.54	
Line 14b	Investments		2,555,746.29	
Line 14c	Other Assets or Uncleared Funds		6,425,000.00	
	Total Ending Balance of Fund - Net Assets			\$ 13,166,684.83

STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Essex Capital Corporation
 Receivership; Civil Docket No. 18-cv-05008-FMO-AFM
 Reporting Period from 10/01/2021 to 12/31/2021

OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator	\$ -		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<i>Total Plan Development Expenses Not Paid by the Fund</i>		\$ -	
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator	\$ -		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>		\$ -	
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			-
Line 16	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		\$ -	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	Total Disbursements to Court/Other Not Paid by the Fund:			\$ -
Line 17	DC & State Tax Payments			\$ -
Line 18	No. of Claims:			
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>	0		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>	75		
Line 19	No. of Claimants/Investors:			
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>	0		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>	0		

Receiver: **Geoff Winkler**

By:  _____

Geoff Winkler
 (printed name)

Chief Executive Officer
American Fiduciary Services LLC
Receiver, Essex Capital Corporation, et al.

Date: January 31, 2022

PROOF OF SERVICE

Securities and Exchange Commission v. Ralph T. Iannelli and Essex Capital Corporation
USDC, Central District of California – Case No. 2:18-cv-05008-FMO-AFM

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

On **March 25, 2022**, I caused to be served on all the parties to this action addressed as stated on the attached service list the document entitled: **RECEIVER’S TENTH INTERIM REPORT AND PETITION FOR FURTHER INSTRUCTIONS**

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

OVERNIGHT DELIVERY: I deposited in a box or other facility regularly maintained by express service carrier, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelope(s) or package(s) designed by the express service carrier, addressed as indicated on the attached service list, with fees for overnight delivery paid or provided for.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

E-FILING: By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **March 25, 2022** at Los Angeles, California.

/s/ Martha Diaz

Martha Diaz