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 8 GEOFF WINKLER

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

12 SECURITIES AND EXCHANGE  
 13 COMMISSION,

14 Plaintiff,

15 vs.

16 RALPH T. IANNELLI and ESSEX  
 CAPITAL CORP.,

17 Defendants.

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

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

Date: October 13, 2022  
 Time: 10:00 a.m.  
 Ctrm: 6D  
 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 eleventh interim report and petition for further instructions (the  
5 "Report") for the period from April 1, 2022 through June 30, 2022 (the "Reporting  
6 Period")<sup>1</sup>, 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") entered on  
12 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 continuing his efforts to  
21 recover Receivership Assets from profiting investors and other third parties in  
22 possession of such Assets, including via the continuation of litigation brought on  
23 behalf of the Receivership Entities.

24 Perhaps most critically, during the Reporting Period, the Receiver took the  
25 following actions:

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27 <sup>1</sup> While this Report generally covers the Reporting Period, it also addresses  
28 developments prior and subsequent to the Reporting Period, to the extent they are  
relevant to the subjects addressed herein.

- 1 • Continued the prosecution of, and efforts to settle, the Asset-recovery action  
2 styled *Winkler v. 915 Elm Avenue CVL, LLC* and bearing Case No. 2:21-cv-  
3 00869-FMO-AFM (the "CVL Action"), in which he originally sought to  
4 recover damages from 915 Elm Avenue CVL, LLC ("CVL") on claims for  
5 breach of contract and unjust enrichment (with the parties subsequently  
6 reaching a settlement, in principle, following the Reporting Period);
  - 7 • Continued the prosecution of the Asset-recovery action styled *Winkler v.*  
8 *Reyner, et al.* and bearing Case No. 2:22-cv-00800-FMO-AFM (the  
9 "Reyner II Action") against William S. Reyner, Jr. ("Reyner"), the manager  
10 of CVL, alleging causes of action arising from and in connection with  
11 certain actions taken by Reyner as member and manager of CVL;
  - 12 • Continued the prosecution of nine (9) pending disgorgement actions against  
13 alleged profiting investors, altogether seeking to recover, at face value, over  
14 \$8 million in fictitious profits received by those investors (with three (3) of  
15 those disgorgement actions since having been settled and dismissed  
16 subsequent to the Reporting Period); and
  - 17 • Worked steadfastly with his tax professionals in connection with his  
18 forthcoming distribution to creditors of the Receivership Entities whose  
19 claims for reimbursement were previously approved by the Court. As  
20 reflected in prior submissions from the Receiver, this distribution was  
21 unexpectedly delayed as a result of complications encountered by the  
22 Receiver in connection with finalizing Entity tax returns, which returns are  
23 critical to enabling the Receiver to determine the amount available for an  
24 initial, interim distribution. However, the Receiver is confident he will soon  
25 have all the information he requires to commence making a distribution on  
26 allowed claims in accordance with the Court-approved distribution plan.
- 27 In addition to the above, the Receiver has continued to administer the remaining  
28 Assets of the Estate, and, as of the date of his standardized fund accounting report

1 for the Reporting Period (the "SFAR"), held approximately \$4,612,073.54, in cash,  
2 for the administration and benefit of the Receivership Entities.

3 **II. RELEVANT PROCEDURAL HISTORY**

4 The Receiver invites the Court and all interested parties to review the  
5 following filings<sup>2</sup> 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,*  
15 *Geoff Winkler*, filed on April 30, 2019, ECF No. 78;
- 16 • The *Final Judgment as to Defendant Ralph T. Iannelli*, entered on  
17 June 5, 2019, 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, 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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<sup>2</sup> These filings, as well as others, are available on the Receiver's website,  
28 <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*  
8 *(2) Setting Claims Bar Date*, filed on April 20, 2020, ECF No. 168, and the  
9 order thereon, 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,  
12 and the order thereon, entered on July 29, 2020, ECF No. 178;
- 13 • The *Fifth Interim Report and Petition for Further Instructions of Receiver,*  
14 *Geoff Winkler*, filed on July 24, 2020, ECF No. 174, and the supplement  
15 thereto, filed 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*  
20 *of Liens and Encumbrances*, filed on September 23, 2020, ECF No. 188, and  
21 the order thereon, entered on October 6, 2020, ECF No. 189;
- 22 • The *Motion of Receiver, Geoff Winkler, for Authority to Establish*  
23 *Disgorgement Procedures and Undertake Disgorgement Efforts*, filed on  
24 October 13, 2020, ECF No. 190, and the order thereon, entered on  
25 November 12, 2020, ECF No. 195;
- 26 • The *Sixth Interim Report and Petition for Further Instructions of Receiver,*  
27 *Geoff 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,*  
2 *Geoff Winkler*, filed on May 19, 2021, ECF No. 206;
- 3 • *The Eighth Interim Report and Petition for Further Instructions of Receiver,*  
4 *Geoff Winkler*, filed on August 24, 2021, ECF No. 210;
- 5 • *The Ninth Interim Report and Petition for Instructions of Receiver, Geoff*  
6 *Winkler*, filed on November 22, 2021, ECF No. 215;
- 7 • *The Motion for Order: (1) Approving Proposed Distribution Plan;*  
8 *(2) Approving Recommended Treatment of Claims; and (3) Authorizing*  
9 *Distributions on Allowed Claims*, filed on December 21, 2021, ECF No. 220;
- 10 • *The Receiver's Tenth Interim Report and Petition for Instructions*, filed on  
11 March 25, 2022, ECF No. 229; and
- 12 • *The Receiver's Eleventh Interim Report and Petition for Instructions*, filed on  
13 July 5, 2022, ECF No. 236.

14 **III. THE RECEIVER'S ACTIVITIES AND EFFORTS DURING THE**  
15 **REPORTING PERIOD**

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

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

19 As reflected in his most recent SFAR, attached hereto as **Exhibit 1**, at the end  
20 of the Reporting Period, the Receiver held a total of approximately \$4,612,073.47,  
21 in cash, for the administration and benefit of the Receivership Entities. In addition,  
22 he continues to hold and administer non-cash Assets, the value of which he has  
23 estimated to be in the seven-figure range,<sup>3</sup> inclusive of prospective third-party  
24 recoveries. In addition to the cash and non-cash Assets already in the Receiver's  
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26 <sup>3</sup> In previous interim reports, the Receiver presented a higher estimate of the  
27 Entities' non-cash Assets. He has since reduced this estimate based on  
28 accounting refinements completed, and additional information obtained,  
thereafter.

1 possession and which he believes are recoverable, during the Reporting Period, the  
2 Receiver undertook the following efforts to recover additional Assets, in accordance  
3 with his authority under the Permanent Injunction and this Court's subsequent  
4 orders:

5 **1. Continued Prosecution of the CVL Action.**

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

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

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

27 Both of the promissory notes from CVL to Essex (i.e., the CVL-to-Essex  
28 Note and the Essex Inventory Note) have since matured and are now in default.



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

8 On January 29, 2021, the Receiver filed his complaint against CVL,  
9 commencing the CVL Action, in which he asserts claims for avoidance of  
10 fraudulent transfers, breach of contract, and unjust enrichment based on the above-  
11 described facts. As Iannelli had transferred his interest in CVL (which the estimated  
12 \$1.1 million of Essex's funds had been used by Iannelli to pay for) to the Estate, the  
13 Receiver elected to subsequently withdraw his fraudulent transfer claims through the  
14 filing of his first amended complaint.

15 Prior to the Reporting Period, the Receiver had participated in a mandatory  
16 settlement conference with CVL before the Honorable Suzanne H. Segal (ret.).  
17 Thereafter, during the Reporting Period, the parties continued to hold settlement  
18 discussions, with Judge Segal acting as the intermediary and the parties ultimately  
19 exchanging multiple settlement proposals between one another. However, the  
20 parties reached an impasse that could not be resolved through further mediated  
21 discussions.

22 Thereafter, the Receiver filed a motion for summary judgment on one of his  
23 claims, the claim for breach of contract relating to CVL's failure to pay the CVL-to-  
24 Essex Note. CVL also moved for summary judgment on that claim, as well as for  
25 summary judgment or partial summary judgment on the Receiver's three remaining  
26 claims. The hearing on the parties' summary judgment motions was set for May 12,  
27 2022, but has since been continued after the Receiver and CVL advised the Court  
28 that they had reached a settlement, in principle.



1 The parties' respective counsel recently finalized the negotiation of a  
2 settlement agreement intended to resolve the disputes that are the subject of the  
3 CVL Action, as well as the Reyner II Action (discussed below), if approved by the  
4 Court. Certain actions must be taken after the end of the Reporting Period before a  
5 petition for Court approval can be submitted, but the Receiver currently anticipates  
6 requesting Court approval in August or September 2022.

7 **2. Prosecution of the Second Action Against Reyner.**

8 Separate from the CVL Action and the Receiver's disgorgement action against  
9 Reyner and related parties, the Receiver continued to prosecute the Reyner II  
10 Action, a separate action against Reyner alleging causes of action arising from and  
11 in connection with Reyner's alleged actions and inactions while acting as the sole  
12 manager of CVL. The conduct underlying the Reyner II Action was discovered in  
13 the course of the Receiver's discovery efforts in the CVL Action, which prompted  
14 the need for the Receiver to pursue the separate action against Reyner.

15 The Receiver filed the complaint that commenced the Reyner II Action on  
16 February 4, 2022. However, since then, the parties have stipulated to continue the  
17 deadline for Reyner to respond to the complaint in light of the settlement in  
18 principle reached between the Receiver and CVL. It is the parties' intention that any  
19 settlement that resolves the CVL Action would also resolve the Reyner II Action,  
20 and the settlement agreement finalized by the parties just shortly after the end of the  
21 Reporting Period includes such a resolution.

22 **3. Continued Prosecution of Disgorgement Actions.**

23 On November 12, 2020, this Court entered its *Order Granting Motion of*  
24 *Receiver, Geoff Winkler, for Authority to Establish Disgorgement Procedures and*  
25 *Undertake Disgorgement Efforts* (the "Disgorgement Procedures Order"). See ECF  
26 No. 195. The Disgorgement Procedures Order authorized the Receiver to  
27 commence disgorgement efforts against those investors in the Receivership Entities  
28 whom he determined, on the basis of his forensic accounting, had received more in

1 payments from the Entities than they invested in or contributed to the Entities. The  
2 Disgorgement Procedures Order also authorized the Receiver to settle his  
3 prospective disgorgement claims without further order of the Court, provided any  
4 settlements he negotiated fell within the parameters established by the Court.

5 In accordance with his authority under the Disgorgement Procedures Order,  
6 as of the date of this Report, the Receiver has commenced a total of ten (10)  
7 disgorgement actions against profiting investors before this Court (one of which was  
8 settled and dismissed prior to the Reporting Period). Those actions are styled as  
9 follows:

- 10 • *Winkler v. Fazio, et al.*, Case No. 2:21-cv-02987-FMO-AFM (the "Fazio  
11 Action");
- 12 • *Winkler v. WLD Davis Holdings, LLC, et al.*, Case No. 2:21-cv-03209-FMO-  
13 AFM;<sup>4</sup>
- 14 • *Winkler v. Siemens, et al.*, Case No. 2:21-cv-04515-FMO-AFM (the "Siemens  
15 Action");
- 16 • *Winkler v. Fead, et al.*, Case No. 2:21-cv-04519-FMO-AFM (the "Fead  
17 Action");
- 18 • *Winkler v. Largura, et al.*, Case No. 2:21-cv-04534-FMO-AFM (the "Largura  
19 Action");
- 20 • *Winkler v. Reyner, et al.*, Case No. 2:21-cv-05730-FMO-AFM (the "Reyner  
21 Action");
- 22 • *Winkler v. McCloskey, et al.*, Case No. 2:21-cv-05757-FMO-AFM (the  
23 "McCloskey Action");

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26 <sup>4</sup> This disgorgement action was dismissed by the Receiver, with prejudice, prior to  
27 the Reporting Period, as a result of the parties' settlement of all claims relating to  
28 the Receiver's complaint and the payment of the settlement amount due to the  
Receiver under terms of the settlement.

- 1 • *Winkler v. Hopen Life Science Ventures, et al.*, Cal. Case No. 2:21-cv-  
2 06049-FMO-AFM (the "Hopen Action");
- 3 • *Winkler v. Nicholson, et al.*, Case No. 2:21-cv-07458-FMO-AFM (the  
4 "Nicholson Action"); and
- 5 • *Winkler v. Emmons, et al.*, Case No. 2:21-cv-07267-FMO-AFM (the  
6 "Emmons Action").

7 During the Reporting Period, the Receiver made significant progress on the  
8 settlement front with respect to four disgorgements. The Receiver and the  
9 defendants in three of those actions—namely, in the Fazio, Fead, and Siemens  
10 Actions—successfully finalized their settlement agreements, which were approved  
11 by the Court and then followed by the Receiver's receipt of those defendants'  
12 settlement payments and the Court's dismissal of the actions on the parties'  
13 stipulations. Unfortunately, the defendant in the Largura Action passed away during  
14 the Reporting Period, but the Receiver was nevertheless able to reach a prompt  
15 settlement, in principle, with the defendant's successor. While that successor must  
16 still be formally substituted in as the defendant, the Receiver expects that a  
17 settlement agreement in connection with the Largura Action will be finalized,  
18 executed, and approved by the Court prior to the end of the next reporting period.

19 The Receiver also participated in mandatory settlement conferences before  
20 Magistrate Judge MacKinnon in the Reyner and McCloskey Actions during the  
21 Reporting Period; unfortunately, no settlements were reached in these matters at  
22 mediation.

23 As to the remaining disgorgement actions—the Emmons, Nicholson, and  
24 Hopen Actions—while the Receiver is confident in the claims alleged in those  
25 actions and is prepared to take those matters to trial, if necessary, he remains  
26 amenable to negotiating reasonable settlements with the profiting investors. In each  
27 of those actions, this Court has scheduled deadlines for the parties to attend  
28 mandatory settlement conferences before Magistrate Judge MacKinnon (which are

1 all before the end of the next reporting period), and the Receiver is optimistic that  
2 the Court can facilitate the parties' respective settlement efforts.

3 In the meantime, of course, the Receiver has been required to continue  
4 prosecuting the pending disgorgement actions during the Reporting Period. His  
5 efforts have included (a) responding to the discovery requests propounded by the  
6 defendants in the Reyner, Emmons, and Nicholson Actions; and (b) propounding  
7 discovery on the defendants in the Emmons and Nicholson Action (having already  
8 served discovery on the defendants in the Reyner Action prior to this Reporting  
9 Period). In the McCloskey Action, though the parties are presently awaiting the  
10 Court's ruling on the defendants' motion seeking to compel arbitration and dismiss  
11 the action, the Receiver nevertheless proceeded to propound discovery on the  
12 defendants in an abundance of caution (given the Court's scheduling order explicitly  
13 stating that the deadlines therein remain effective notwithstanding a pending motion  
14 to dismiss).

15 The Receiver also previously prepared supplemental templates for a motion  
16 for summary judgment and the related materials, which he expects can be adapted  
17 for each disgorgement action, when appropriate. However, due to the settlements  
18 reached thus far, the Receiver has not yet had to file any summary judgment  
19 motions in any of the disgorgement actions. Unless the parties reach a settlement,  
20 the Receiver will shortly be filing for summary judgment in the Reyner Action.

21 **B. Development of Prospective Distribution Plan.**

22 As reflected in the Receiver's earlier submissions, the Receiver has completed  
23 processing of all timely claims against the Receivership Entities and, as of the date  
24 of this Report, no claims remain unresolved.

25 Having processed all claims-related materials, the Receiver developed a  
26 proposed plan to govern distributions on any allowed claim and then moved for the  
27 Court's approval of such proposed distribution plan. In the motion, the Receiver  
28 came up with a hybrid rising-tide approach, whereby the first 50% of funds to be

1 distributed are distributed among the least "whole" investor group and then the  
2 remaining 50% of funds are distributed on a strict *pro rata* basis. The Court  
3 ultimately approved the Receiver's distribution plan after the Reporting Period, on  
4 April 20, 2022.

5 The Receiver had intended to make interim distributions pursuant to the  
6 Court-approved distribution plan shortly upon receipt of such approval.  
7 Unfortunately, as reflected in the Receiver's prior submissions to the Court, the  
8 Receiver encountered a number of unanticipated administrative obstacles, including  
9 a longer than expected wait to obtain a qualified settlement fund (QSF) designation  
10 from the Internal Revenue Service and his tax professionals having to address a  
11 number of outstanding tax-related issues concerning potential pre-receivership tax  
12 liabilities, including with respect to filing returns critical to estimating distribution  
13 payments. These matters had unexpectedly delayed the Receiver's planned  
14 distributions, but he was able to make an interim distribution following the  
15 Reporting Period.

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

17 At the time of the Receiver's appointment, there were two actions against the  
18 Receivership Entities pending before the Superior Court of California, County of  
19 Santa Barbara, both of which had been stayed pursuant to the Permanent Injunction:  
20 (a) the action captioned as *Gabler v. Essex Capital Corp., et al.* and bearing Case  
21 No. 18CV03423 (the "Gabler Action")<sup>5</sup>; and (2) the action captioned as *Dennis v.*  
22 *Iannelli, et al.* and bearing Court Case No. 18CV03317 (the "Dennis Action").

23 The plaintiff in the Gabler Action, who had alleged that defendants Melissa  
24 Iannelli, Ralph Iannelli, and Essex breached the terms of a promissory note,  
25 however, has since voluntarily dismissed his action, without prejudice. The plaintiff  
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27 <sup>5</sup> As previously noted, the plaintiff in the Gabler Action filed a request for  
28 dismissal of his complaint, without prejudice, on May 5, 2021.

1 in the Dennis Action, which remains pending, had alleged that defendants Ralph  
2 Iannelli and Essex operated a fraudulent investment scheme and sought relief upon a  
3 number of tort claims.

4 The Receiver and his counsel have continued to monitor the Dennis Action  
5 and have previously informed the court presiding over that action of the litigation  
6 stay imposed by the Appointment Order and maintained by the Permanent  
7 Injunction, in order to protect and preserve the Estate from diminution. The  
8 Receiver will continue to monitor and, through counsel, make necessary  
9 appearances and keep the court presiding over the Dennis Action abreast of  
10 developments in the instant action, as appropriate.

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

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

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

20 Assuming that the Court accepts this Report and authorizes the Receiver to  
21 undertake the actions recommended herein, as well as to continue those actions  
22 provided for in the Appointment Order, Order in Aid, and Permanent Injunction, the  
23 Receiver proposes to submit a further interim report to this Court, addressing his  
24 progress, findings, conclusions, and additional recommendations, in approximately  
25 90 to 120 days.

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

- 28 1. Accepting this Report;

1           2.     Authorizing the Receiver to continue to administer the Receivership  
2 Entities and their Estate in accordance with the terms of the Appointment Order,  
3 Order in Aid, and Permanent Injunction;

4           3.     Authorizing the Receiver to undertake the recommendations presented  
5 herein; and

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

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10 Dated: September 14, 2022

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

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By:           /s/ Matthew D. Pham

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MATTHEW D. PHAM  
Attorneys for Receiver  
GEOFF WINKLER

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**VERIFICATION OF GEOFF WINKLER**

I, Geoff Winkler, verify as follows:

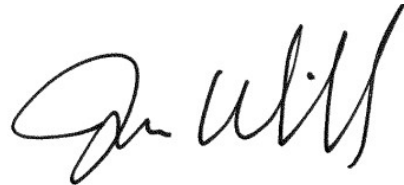
1. I am the Court-appointed permanent receiver for Essex Capital Corporation and its subsidiaries and affiliates.

2. I have read the foregoing RECEIVER'S TWELFTH 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 September 14, 2022, at Salem, Oregon.



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Geoff Winkler

# **EXHIBIT 1**

**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Essex Capital Corporation**  
 Receivership; Civil Docket No. 18-cv-05008-FMO-AFM  
 Reporting Period from 01/01/2022 to 03/31/2022

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	<b>Beginning Balance (As of 01/01/2022):</b>	\$ 4,298,879.22		
	<b>Increases in Fund Balance:</b>			
Line 2	<b>Business Income</b>	\$ -		
Line 3	<b>Cash and Securities (in transit)</b>	-		
Line 4	<b>Interest/Dividend Income</b>	-		
Line 5	<b>Business Asset Liquidation</b>	-		
Line 6	<b>Personal Asset Liquidation</b>	-		
Line 7	<b>Third-Party Litigation Income</b>	750,217.47		
Line 8	<b>Miscellaneous - Other</b>	-		
	<b>Total Funds Available (Lines 1 - 8):</b>		\$ 750,217.47	\$ 5,049,096.69
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>	(425,720.49)		
Line 10b	<i>Business Asset Expenses</i>	-		
Line 10c	<i>Personal Asset Expenses</i>	-		
Line 10d	<i>Investment Expenses</i>	-		
Line 10e	<i>Third-Party Litigation Expenses</i>	-		
	1. Attorney Fees	\$ -		
	2. Litigation Expenses	-		
	<b>Total Disbursements for Receivership Operations</b>		\$ (425,720.49)	
Line 10f	<i>Tax Administrator Fees and Bonds</i>		-	
Line 10g	<i>Federal and State Tax Payments</i>		(11,302.66)	
	<b>Total Disbursements for Receivership Operations</b>			\$ (437,023.15)
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<b>Total Plan Development Expenses</b>		\$ -	
Line 11b	<i>Distribution Plan Implementation Expenses:</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. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	<b>Total Plan Implementation Expenses</b>		\$ -	
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			\$ -
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	\$ -		
Line 12b	<i>Federal Tax Payments</i>	-		
	<b>Total Disbursements to Court/Other:</b>		\$ -	
	<b>Total Funds Disbursed (Lines 9 - 11):</b>			\$ (437,023.15)
Line 13	<b>Ending Balance as of 6/30/22</b>			\$ 4,612,073.54
Line 14	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	<i>Cash &amp; Cash Equivalents</i>		4,612,073.54	
Line 14b	<i>Investments</i>		2,533,084.40	
Line 14c	<i>Other Assets or Uncleared Funds</i>		5,532,782.53	
	<b>Total Ending Balance of Fund - Net Assets</b>			\$ 12,677,940.47

**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Essex Capital Corporation**  
 Receivership; Civil Docket No. 18-cv-05008-FMO-AFM  
 Reporting Period from 01/01/2022 to 03/31/2022

OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
<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 &amp; Bonds Not Paid by the Fund</i>			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund</b>			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		\$ -	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	<b>Total Disbursements to Court/Other Not Paid by the Fund:</b>			\$ -
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			\$ -
<b>Line 18</b>	<b>No. of Claims:</b>			
<i>Line 18a</i>	# of Claims Received This Reporting Period	0		
<i>Line 18b</i>	# of Claims Received Since Inception of Fund	75		
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			
<i>Line 19a</i>	# of Claimants/Investors Paid This Reporting Period	0		
<i>Line 19b</i>	# of Claimants/Investors Paid Since Inception of Fund	0		

Receiver: **Geoff Winkler**

By: 

**Geoff Winkler**  
 (printed name)

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

Date: July 30, 2022