

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 ELEVENTH INTERIM
REPORT AND PETITION FOR
FURTHER INSTRUCTIONS**

Date: August 4, 2022

Time: 10:00 a.m.

Ctrm: 6D

Judge: Hon. Fernando M. Olguin

18
19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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 January 1, 2022, through March 31, 2022 (the
 6 "Reporting Period"),¹ in accordance with Rule 66-6 of the Local Civil Rules of the
 7 United States District Court for the Central District of California and the Court's
 8 (a) *Order Regarding Preliminary Injunction and Appointment of a Permanent*
 9 *Receiver* (the "Appointment Order") entered on December 21, 2018, ECF No. 66,
 10 (b) *Order in Aid of Receivership* (the "Order in Aid") entered on February 1, 2019,
 11 ECF No. 69, and (c) *Order Regarding Permanent Injunction* (the "Permanent
 12 Injunction") 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 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 or commencement of
 23 litigation brought on behalf of the Receivership Entities.

24 Most notably, during the Reporting Period, the Receiver took the following
 25 actions:

26 _____

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.

- 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 recover
4 damages from 915 Elm Avenue CVL, LLC ("CVL") on claims for breach of
5 contract and unjust enrichment (with the parties subsequently reaching a
6 settlement, in principle, following the Reporting Period);
- 7 • Commenced the action styled *Winkler v. Reyner, et al.* and bearing Case
8 No. 2:22-cv-00800-FMO-AFM (the "Reyner II Action") against William S.
9 Reyner, Jr. ("Reyner"), the manager of CVL, alleging causes of action arising
10 from and in connection with certain actions taken by Reyner as member and
11 manager of CVL; and
- 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 those
15 disgorgement actions since having been settled and dismissed subsequent to the
16 Reporting Period).

17 In addition to the above, the Receiver has continued to administer the
18 remaining Assets of the Estate, and, as of the date of his standardized fund
19 accounting report for the Reporting Period (the "SFAR"), held approximately
20 \$4,298,879.22 in cash for the administration and benefit of the Receivership
21 Entities.

22 **II. RELEVANT PROCEDURAL HISTORY**

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

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

- 1 • Plaintiff the Securities and Exchange Commission's *Complaint*, filed on
- 2 June 5, 2018, ECF No. 1;
- 3 • *Defendants' Answer to Complaint and Affirmative Defenses*, filed on
- 4 August 1, 2018, ECF No. 37;
- 5 • The Appointment Order, entered on December 21, 2018, ECF No. 66;
- 6 • The Order in Aid, entered on February 1, 2019, ECF No. 69;
- 7 • The *Mediation Report*, filed on April 5, 2019, ECF No. 74;
- 8 • The *First Interim Report and Petition for Further Instructions of Receiver, Geoff*
- 9 *Winkler*, filed on April 30, 2019, ECF No. 78;
- 10 • The *Final Judgment as to Defendant Ralph T. Iannelli*, entered on June 5, 2019,
- 11 ECF No. 93;
- 12 • The *Second Interim Report and Petition for Further Instructions of Receiver,*
- 13 *Geoff Winkler*, filed on August 14, 2019, ECF No. 103;
- 14 • The *Judgment Against Defendant Essex Capital Corporation*, entered on
- 15 September 9, 2019, ECF No. 110;
- 16 • The Permanent Injunction, entered on September 9, 2019, ECF No. 113;
- 17 • The *Third Interim Report and Petition for Further Instructions of Receiver,*
- 18 *Geoff Winkler*, filed on November 18, 2019, ECF No. 123;
- 19 • The *Motion of Receiver, Geoff Winkler, for Authority to Pursue Litigation*
- 20 *Against 915 Elm Avenue CVL, LLC*, filed on December 5, 2019, ECF No. 125,
- 21 and the order thereon, entered on July 29, 2020, ECF No. 177;
- 22 • The *Fourth Interim Report and Petition for Further Instructions of Receiver,*
- 23 *Geoff Winkler*, filed on March 2, 2020, ECF No. 149, and the supplement
- 24 thereto, filed on March 4, 2020, ECF No. 153;
- 25 • The *Stipulation for Order: (1) Establishing Claims Procedures; and (2) Setting*
- 26 *Claims Bar Date*, filed on April 20, 2020, ECF No. 168, and the order thereon,
- 27 entered on July 31, 2020, ECF No. 179;
- 28

- 1 • The *Motion of Receiver, Geoff Winkler, for Order Approving and Authorizing*
2 *Performance of Settlement Agreement*, filed on June 11, 2020, ECF No. 172, and
3 the order thereon, entered on July 29, 2020, ECF No. 178;
- 4 • The *Fifth Interim Report and Petition for Further Instructions of Receiver, Geoff*
5 *Winkler*, filed on July 24, 2020, ECF No. 174, and the supplement thereto, filed
6 on August 12, 2020, ECF No. 185;
- 7 • The *Motion of Receiver, Geoff Winkler, for Authority to Prosecute Claims*
8 *Against Seed Mackall LLP*, filed on August 10, 2020, ECF No. 184, and the
9 order thereon, entered on September 2, 2020, ECF No. 186;
- 10 • The *Stipulation to Authorize Receiver's Sale of Leased Assets, Free and Clear of*
11 *Liens and Encumbrances*, filed on September 23, 2020, ECF No. 188, and the
12 order thereon, entered on October 6, 2020, ECF No. 189;
- 13 • The *Motion of Receiver, Geoff Winkler, for Authority to Establish Disgorgement*
14 *Procedures and Undertake Disgorgement Efforts*, filed on October 13, 2020,
15 ECF No. 190, and the order thereon, entered on November 12, 2020, ECF
16 No. 195;
- 17 • The *Sixth Interim Report and Petition for Further Instructions of Receiver, Geoff*
18 *Winkler*, filed on December 8, 2020, ECF No. 197;
- 19 • The *Seventh Interim Report and Petition for Further Instructions of Receiver,*
20 *Geoff Winkler*, filed on May 19, 2021, ECF No. 206;
- 21 • The *Eighth Interim Report and Petition for Further Instructions of Receiver,*
22 *Geoff Winkler*, filed on August 24, 2021, ECF No. 210;
- 23 • The *Ninth Interim Report and Petition for Instructions of Receiver, Geoff*
24 *Winkler*, filed on November 22, 2021, ECF No. 215;
- 25 • The *Motion for Order: (1) Approving Proposed Distribution Plan; (2) Approving*
26 *Recommended Treatment of Claims; and (3) Authorizing Distributions on*
27 *Allowed Claims*, filed on December 21, 2021, ECF No. 220; and
28

- The *Receiver's Tenth Interim Report and Petition for Instructions*, filed on March 25, 2022, ECF No. 229.

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

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

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

As reflected in his most recent SFAR, attached hereto as **Exhibit 1**, at the end of the Reporting Period, the Receiver held a total of approximately \$4,298,879.22 in cash for the administration and benefit of the Receivership Entities. In addition, he continues to hold and administer non-cash Assets, the value of which he has estimated to be in the seven-figure range,³ inclusive of prospective third-party recoveries. In addition to the cash and non-cash Assets already in the Receiver's possession and which he believes are recoverable, during the Reporting Period, the Receiver undertook the following efforts to recover additional Assets, in accordance with his authority under the Permanent Injunction and this Court's subsequent orders:

1. Continued Prosecution of the CVL Action.

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

The Receiver has concluded that CVL's purchase of the Lumber Yard from James Gally ("Gally") and his affiliated entities Carpinteria Valley Lumber Co. and

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 J&G Clay Properties, LLC (collectively, with Gally, the "Gally Entities") was
2 funded, in large part, by hundreds of thousands of dollars from Essex, as well as a
3 \$1.5-million seller-carryback loan from Gally, which Essex—who has never held an
4 interest in CVL—had agreed to repay to Gally pursuant to a promissory note (the
5 "Essex-to-Gally Note"). Contemporaneously with Essex's execution of the Essex-
6 to-Gally Note, CVL executed a companion note (the "CVL-to-Essex Note"),
7 agreeing to repay \$1.5 million to Essex for its agreement to repay the seller-
8 carryback loan to Gally.

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

16 Both of the promissory notes from CVL to Essex (i.e., the CVL-to-Essex
17 Note and the Essex Inventory Note) have since matured and are now in default.
18 CVL, however, has contested its repayment obligations to Essex. Over and above
19 the payment obligation incurred by Essex under the Essex-to-Gally Note, and
20 Essex's attendant right to be repaid by CVL under the CVL-to-Essex Note and the
21 Essex Inventory Note, the Receiver further confirmed that an estimated \$1.1 million
22 was diverted from Essex's accounts and transferred to, or for the benefit of, CVL. In
23 total, over \$2,100,000 in Essex funds and obligations were used and incurred in
24 connection with CVL's formation and the purchase of the Lumber Yard.

25 On January 29, 2021, the Receiver filed his complaint against CVL,
26 commencing the CVL Action, in which he asserts claims for avoidance of
27 fraudulent transfers, breach of contract, and unjust enrichment based on the above-
28 described facts. As Iannelli had transferred his interest in CVL (which the estimated

1 \$1.1 million of Essex's funds had been used by Iannelli to pay for) to the Estate, the
2 Receiver elected to subsequently withdraw his fraudulent transfer claims through the
3 filing of his first amended complaint.

4 Prior to the Reporting Period, the Receiver had participated in a mandatory
5 settlement conference with CVL before the Honorable Suzanne H. Segal (ret.).
6 Thereafter, during the Reporting Period, the parties continued to hold settlement
7 discussions, with Judge Segal acting as the intermediary and the parties ultimately
8 exchanging multiple settlement proposals between one another. However, the
9 parties reached an impasse that could not be resolved through further mediated
10 discussions.

11 Due to that impasse, the Receiver turned his attention to preparing a motion
12 for summary judgment on one of his claims, the claim for breach of contract relating
13 to CVL's failure to pay the CVL-to-Essex Note. CVL also moved for summary
14 judgment on that claim, as well as for summary judgment or partial summary
15 judgment on the Receiver's three remaining claims. The hearing on the parties'
16 summary judgment motions was set for May 12, 2022, but has since been continued
17 after the Receiver and CVL advised the Court that they had reached a settlement, in
18 principle. The parties' counsel are currently negotiating a settlement agreement
19 intended to resolve the disputes that are the subject of the CVL Action, as well as
20 the Reyner II Action (discussed below), if finalized and approved by the Court.

21 **2. Commencement of the Second Action Against Reyner.**

22 Separate from the CVL Action and the Receiver's disgorgement action against
23 Reyner and related parties, the Receiver also commenced the Reyner II Action, a
24 separate action against Reyner alleging causes of action arising from and in
25 connection with Reyner's alleged actions and inactions while acting as the sole
26 manager of CVL. The conduct underlying the Reyner II Action was discovered in
27 the course of the Receiver's discovery efforts in the CVL Action, which prompted
28 the need for the Receiver to pursue the separate action against Reyner.

1 The Receiver filed the complaint that commenced the Reyner II Action on
 2 February 4, 2022. However, since then, the parties have stipulated to continue the
 3 deadline for Reyner to respond to the complaint in light of the settlement in
 4 principle reached between the Receiver and CVL. It is the parties' intention that any
 5 settlement that resolves the CVL Action would also resolve the Reyner II Action.

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

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

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

- 22 • *Winkler v. Fazio, et al.*, Case No. 2:21-cv-02987-FMO-AFM (the "Fazio
 23 Action");
- 24 • *Winkler v. WLD Davis Holdings, LLC, et al.*, Case No. 2:21-cv-03209-FMO-
 25 AFM;⁴

26
 27
 28 ⁴ This disgorgement action was dismissed by the Receiver, with prejudice, prior to
 the Reporting Period, as a result of the parties' settlement of all claims relating to

- 1 • *Winkler v. Siemens, et al.*, Case No. 2:21-cv-04515-FMO-AFM (the "Siemens
- 2 Action");
- 3 • *Winkler v. Fead, et al.*, Case No. 2:21-cv-04519-FMO-AFM (the "Fead Action");
- 4 • *Winkler v. Largura, et al.*, Case No. 2:21-cv-04534-FMO-AFM (the "Largura
- 5 Action");
- 6 • *Winkler v. Reyner, et al.*, Case No. 2:21-cv-05730-FMO-AFM;
- 7 • *Winkler v. McCloskey, et al.*, Case No. 2:21-cv-05757-FMO-AFM;
- 8 • *Winkler v. Hopen Life Science Ventures, et al.*, Cal. Case No. 2:21-cv-06049-
- 9 FMO-AFM;
- 10 • *Winkler v. Nicholson, et al.*, Case No. 2:21-cv-07458-FMO-AFM; and
- 11 • *Winkler v. Emmons, et al.*, Case No. 2:21-cv-07267-FMO-AFM.

12 During the Reporting Period, the Receiver and the defendants in a number of
13 disgorgement actions participated in mandatory settlement conferences before the
14 Honorable Alexander F. MacKinnon (and in some cases, multiple sessions were
15 held in a particular action). In three (3) of those actions—namely, the Fazio, Fead,
16 and Siemens Actions—following the settlement conferences with Judge
17 MacKinnon, the respective parties in each action successfully reached a settlement.
18 After the end of the Reporting Period, settlement agreements in those three (3)
19 actions were approved by the Court, with all three actions now dismissed after the
20 Receiver's receipt of the settlement payments from the defendants.

21 As to the remaining disgorgement actions, while the Receiver is confident in
22 the claims alleged in those actions and is prepared to take those matters to trial, if
23 necessary, he remains amenable to negotiating reasonable settlements with the
24 profiting investors. In each of those pending actions, this Court has scheduled
25 deadlines for the parties to also attend mandatory settlement conferences before
26

27
28 the Receiver's complaint and the payment of the settlement amount due to the
Receiver under terms of the settlement.

1 Judge MacKinnon (some of which took place shortly after the end of the Reporting
2 Period), and it is the Receiver's hope that Judge MacKinnon can facilitate the
3 parties' respective settlement efforts.⁵

4 However, in the meantime, during the Reporting Period, the Receiver had had
5 to continue prosecuting the pending disgorgement actions. For the since-settled
6 Fazio, Fead, and Siemens Actions, discovery was already underway, which required
7 the Receiver to serve written discovery requests on the defendants in each of those
8 actions, relying on the nearly universal sets of discovery requests that he had
9 developed that could be easily adapted for each action. The Receiver also prepared
10 templates for a motion for summary judgment and the related materials, which could
11 similarly be adapted for each disgorgement action, when appropriate. However, due
12 to the settlements reached thus far, the Receiver has not yet had to file any summary
13 judgment motions in any of the disgorgement actions.

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

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

20 Having processed all claims-related materials, the Receiver developed a
21 proposed plan to govern distributions on any allowed claim and then moved for the
22

23 ⁵ Indeed, a settlement in principle has already been reached in the Largura Action.
24 Following the conclusion of two settlement conference sessions before Judge
25 MacKinnon, the defendant in the Largura Action, unfortunately, passed away.
26 The defendant's passing put a pause on the settlement discussions between the
27 parties, but the defendant's successor promptly reached out and the parties were
28 able to reach a settlement shortly thereafter. The Receiver intends to finalize the
settlement agreement in connection with the Largura Action once the defendant's
successor has formally substituted into the action.

1 Court's approval of such proposed distribution plan. In the motion, the Receiver
2 came up with a hybrid rising-tide approach, whereby the first 50% of funds to be
3 distributed are distributed among the least "whole" investor group and then the
4 remaining 50% of funds are distributed on a strict *pro rata* basis. The Court
5 ultimately approved the Receiver's distribution plan after the Reporting Period, on
6 April 20, 2022.

7 The Receiver had intended to make interim distributions pursuant to the
8 Court-approved distribution plan shortly upon receipt of such approval.
9 Unfortunately, the Receiver encountered a number of unanticipated administrative
10 obstacles, including his office having to engage in a longer-than-expected process to
11 obtain a qualified settlement fund (QSF) designation from the Internal Revenue
12 Service, and his tax professionals having to address a number of outstanding tax-
13 related issues concerning potential pre-receivership tax liabilities, which have
14 delayed the Receiver's anticipated distributions. Nevertheless, the Receiver is
15 confident that those issues will largely be resolved within the next thirty (30) days,
16 and he presently expects to commence making distributions on allowed claims
17 shortly thereafter.

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

19 At the time of the Receiver's appointment, there were two actions against the
20 Receivership Entities pending before the Superior Court of California, County of
21 Santa Barbara, both of which had been stayed pursuant to the Permanent Injunction:
22 (a) the action captioned as *Gabler v. Essex Capital Corp., et al.* and bearing Case
23 No. 18CV03423 (the "Gabler Action")⁶; and (2) the action captioned as *Dennis v.*
24 *Iannelli, et al.* and bearing Court Case No. 18CV03317 (the "Dennis Action").
25
26

27 ⁶ 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 The plaintiff in the Gabler Action, who had alleged that defendants Melissa
2 Iannelli, Ralph Iannelli, and Essex breached the terms of a promissory note,
3 however, has since voluntarily dismissed his action, without prejudice. The plaintiff
4 in the Dennis Action, which remains pending, had alleged that defendants Ralph
5 Iannelli and Essex operated a fraudulent investment scheme and sought relief upon a
6 number of tort claims.

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

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

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

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

23 Assuming that the Court accepts this Report and authorizes the Receiver to
24 undertake the actions recommended herein, as well as to continue those actions
25 provided for in the Appointment Order, Order in Aid, and Permanent Injunction, the
26 Receiver proposes to submit a further interim report to this Court, addressing his
27 progress, findings, conclusions, and additional recommendations, in approximately
28 90 to 120 days.

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

- 3 1. Accepting this Report;
4 2. Authorizing the Receiver to continue to administer the Receivership
5 Entities and their Estate in accordance with the terms of the Appointment Order,
6 Order in Aid, and Permanent Injunction;
7 3. Authorizing the Receiver to undertake the recommendations presented
8 herein; and
9 4. Providing such other and further relief as the Court deems necessary
10 and appropriate under the circumstances.

11
12
13 Dated: July 5, 2022

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

14
15
16 By: /s/ Matthew D. Pham

17 MATTHEW D. PHAM
18 Attorneys for Receiver
19 GEOFF WINKLER
20
21
22
23
24
25
26
27
28

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	Beginning Balance (As of 01/01/2022):	\$ 4,185,938.54		
	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	22,661.89		
Line 7	Third-Party Litigation Income	91,160.79		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		\$ 113,822.68	\$ 4,299,761.22
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	-		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	(882.00)		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses	-		
	1. Attorney Fees	\$ -		
	2. Litigation Expenses	-		
	Total Disbursements for Receivership Operations		\$ (882.00)	
Line 10f	Tax Administrator Fees and Bonds		-	
Line 10g	Federal and State Tax Payments		-	
	Total Disbursements for Receivership Operations			\$ (882.00)
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):			\$ (882.00)
Line 13	Ending Balance (As of 03/31/2021):			\$ 4,298,879.22
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents		4,298,879.22	
Line 14b	Investments		2,533,084.40	
Line 14c	Other Assets or Uncleared Funds		6,283,000.00	
	Total Ending Balance of Fund - Net Assets			\$ 13,114,963.62

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
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	-		
	Total Plan Development Expenses Not Paid by the Fund		\$ -	
<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	-		
	Total Plan Implementation Expenses Not Paid by the Fund		\$ -	
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other 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>	# of Claims Received This Reporting Period	0		
<i>Line 18b</i>	# of Claims Received Since Inception of Fund	75		
Line 19	No. of Claimants/Investors:			
<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: April 29, 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 **July 5, 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 ELEVENTH 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 laSws of the United States of America that the foregoing is true and correct. Executed on **July 5, 2022** at Los Angeles, California.



Martha Diaz