

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-21964-CMA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TCA FUND MANAGEMENT GROUP CORP.,  
*et al.*,

Defendants.

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**RECEIVER'S FOURTH QUARTERLY STATUS REPORT**

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### EXECUTIVE SUMMARY

1. On May 11, 2020, this Court appointed Jonathan E. Perlman, Esq. as Receiver over Defendants and Relief Defendants TCA Fund Management Group Corp., TCA Global Credit Master Fund, L.P, TCA Global Credit Fund GP, Ltd., TCA Global Credit Fund LP, and TCA Global Credit Fund, Ltd. *See* [ECF No. 5]. On May 18, 2020, the Court expanded the Receivership to include TCA Global Lending Corp., which served as a “tax blocker” for the TCA Global Credit Fund, Ltd. feeder fund investors. *See* [ECF No. 16].
2. At the time of the Receiver’s appointment, the Receivership Entities’ combined U.S. bank accounts had a total balance of \$287,683.00. The Receivership Entities’ bank accounts at Axos Bank currently have a combined balance of \$12,147,587. Income and expenses are reflected in Exhibit “A,” attached hereto.
3. During this Fourth Reporting Period, the Receiver and the investment banking firm retained in the Third Reporting Period to market the Receivership’s most valuable operating business, Pivot Energy (aka TCA Microgrid Energy LLC), continued the extensive process discussed in the prior report. [ECF No. 108]. Prospective purchasers submitted binding offers, those offers were further negotiated until a highest best offer was determined. The Receiver and his professionals entered into exclusivity with the highest bidder to negotiate the terms of a definitive agreement, and on May 18, 2021, the parties signed a definitive agreement for the sale of all of Pivot Energy’s assets in a transaction valued at \$67 million, of which \$66 million is to be paid in cash. The Receiver thereafter filed an Agreed Motion for approval of the sale which the Court granted. Closing is scheduled in a few days on June 1.
4. With regard to other operational SPVs, the Receiver concluded the sale of the last subsidiary of Indumate, an SPV located in Sweden, and received sale proceeds of approximately \$360,000. TCA Media Services and Broward Collision were also disposed of. Additionally, the Receiver successfully negotiated the sale of SPV National Healthcare (aka Champion Pain Clinic) which agreement is still being papered.
5. The Receiver also continued to identify additional financial accounts and to serve individuals and financial institutions with subpoenas for documents and information. The Receiver’s forensic accountant, Yip Associates, continued to utilize bank records as the records were received to construct and add to a database of all financial transactions, thereby allowing the Receiver and his team to identify all transferees, as well as to analyze claims for avoidance and recovery of same. During the Fourth Reporting Period, Yip Associates analyzed an additional 28 bank accounts.
6. The Receiver and his professionals used this bank reconstruction data to reconcile investor investments and redemption activity against the fund administrator’s records, and to begin developing an equitable claims and distribution plan, which the Receiver will submit as soon as possible. In furtherance of development of a distribution plan, the Court entered an order requiring investors to provide certain information. Since then, the Receiver and his team have been in daily contact with record financial institution

investors (nominees) and unidentified beneficial owner investors in the Funds, who have been providing information and documents as necessary for analysis to develop an equitable distribution plan.

7. The Receiver and Rehmann, the Receiver's tax consultant, having filed 2019 returns during the Second Reporting Period, continued to gather necessary documents and work on tax returns for the 2020 year. Extensive work was done to collect and prepare 1099 forms for the Receivership Entities.
8. During the Fourth Reporting Period, the Receiver's financial advisor, Development Specialists Inc. ("DSI"), continued to assist the Receiver with preserving and maximizing value from the Receivership Entities' special purpose vehicle assets ("SPVs"), especially Pivot Energy. DSI also assisted in obtaining recoveries on the Receivership's loan portfolio, including analysis for litigation and/or settlement discussions with borrowers and guarantors, as well as working on a sales and marketing process to potentially sell such loans where in the Estate's best interests.
9. The Receiver and GJB continued to make progress with the Receivership litigation portfolio, moving several local and foreign matters toward resolution through favorable settlement negotiations, retaining local counsel, and pursuing final judgments in multiple cases.
10. The Receiver and GJB also continued to investigate third party claims and issued over 30 subpoenas and document requests to further those investigations. The Receiver expects to file a number of lawsuits during the next quarter and is working with counsel to handle matters on a contingency basis, subject to Court approval, in order to minimize risk of loss to the Receivership and best align the Receivership's and litigation counsel's interests.
11. During the Fourth Reporting Period, the Cayman Islands-recognized joint liquidators for Receivership Entity Feeder Fund Ltd. filed a petition in this district's bankruptcy court under Chapter 15 of the bankruptcy code seeking recognition and various rights in United States courts. The Receiver and GJB spent significant time resolving the issues raised by the Chapter 15 Petition, ultimately entering into a settlement stipulation, that will, if approved by this Court, grant the JOLs limited rights to intervene and be heard in this Court on matters that substantially affect the Feeder Fund Ltd. Receivership Entity.
12. The Receiver and his professionals also continued to respond to inquiries from the Cayman Islands Monetary Authority and from the Cayman Islands Joint Official Liquidators for Receivership Entity TCA Global Credit Fund, Ltd. The Receiver, with the assistance of the Funds' registered agent in London, paid the registration fees for Master Fund, Feeder LP, and GP.

## THE RECEIVER'S FOURTH QUARTERLY STATUS REPORT

Jonathan E. Perlman, as court-appointed Receiver (the "Receiver") over the Receivership Defendants TCA Fund Management Group Corp. ("FMGC") and TCA Global Credit Fund GP, Ltd. ("GP") (FMGC and GP are hereinafter referred to collectively as "Defendants") and Relief Defendants TCA Global Credit Fund, LP ("Feeder Fund LP"), TCA Global Credit Fund, Ltd. ("Feeder Fund Ltd.," and with Feeder Fund LP, "Feeder Funds"), TCA Global Credit Master Fund, LP (the "Master Fund") (Master Fund, together with Feeder Funds, are the "Funds"), and Receivership Entity TCA Global Lending Corp. ("Global Lending") (Defendants, the Funds, and Global Lending are hereinafter referred to collectively as the "Receivership Entities"), by and through undersigned counsel and pursuant to this Court's order appointing the Receiver [ECF No. 5], respectfully submits his Fourth Quarterly Status Report (the "Report").

The following is an update of the Receiver's efforts since the Third Quarterly Status Report (the "Third Report") filed on February 3, 2021. [ECF No. 108]. This Report contains assessments and observations, which are subject to change as the Receiver and his professionals continue to conduct their investigation and review the affairs of the Receivership Entities and related parties.

### I. BACKGROUND

The Receiver filed his First Quarterly Status Report on August 4, 2020 (the "First Report"). [ECF No. 48]. The First and Second Reports provide background information on the events that led up to the appointment of the Receiver and a detailed explanation of the Receivership Entities and the Receiver's professionals.<sup>1</sup> This Report covers the period since the

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<sup>1</sup> All capitalized terms will have the same meaning as defined in the Receiver's First Report and First Interim Omnibus Application for Allowance and Payment of Professional Fees and Reimbursement of Expenses for May 11, 2020 Through June 30, 2020. [ECF No. 48, 55].

filing of the Third Report, February 3, 2021, to the date of this filing (the “Fourth Reporting Period”).

## **II. RELATED FUNDS**

The First Report provides background information and a detailed explanation of the two affiliated investment funds that were managed under the “TCA Capital” umbrella, specifically, the TCA Opportunities Fund, I-A, LP (“TCA Opportunities Fund”) and the TCA Special Situations Credit Strategies ICAV (an Irish Collective Asset Vehicle incorporated in Ireland) (“TCA ICAV”). *See* [ECF No. 48].

During the Fourth Reporting Period, the Receiver continued to engage with the TCA ICAV Joint Official Liquidators regarding the claim submitted by the Receiver and the interrelated loans and transactions. The Receiver and GJB have continued to investigate whether to expand the Receivership to include TCA Opportunities Fund and the Receiver will be filing a motion in the near future to expand the Receivership to include TCA Opportunities Fund.

## **III. ACTIONS TAKEN BY THE RECEIVER DURING THIS REPORTING PERIOD**

### **A. The Receivership Bank Accounts**

The Receiver continues to maintain five Receivership bank accounts at Axos Bank. As of the filing of this Report, the Receivership accounts have a total balance of \$12,147,587. A schedule of the Receiver’s receipts and disbursements is attached hereto as Exhibit “A.”

### **B. Business Operations**

DSI continued to provide financial advisory services to aid in maximizing the value of SPVs, including Pivot Energy, as well as the loan portfolio and other Receivership Entity assets. During this Fourth Reporting Period, the Receiver significantly reduced the utilization of outside contractors.

**C. Employee Related Issues**

During this Fourth Reporting Period, the Receiver finalized the transition of all human resource services for the SPVs to the remaining SPVs.

**D. Accounting and Forensic Work**

Yip Associates analyzed activity for an additional 28 bank accounts bringing the total to 53 accounts (the “Analyzed Bank Accounts”) for the period of March 2015 through May 2020 held at the following eight different institutions:

<b>Institution</b>	<b>No. of Accounts</b>
Bank of America	4
BB&T	2
Butterfield Bank / Guernsey	8
Caledonian Global Financial Services	6
Coutts	11
Deutsche Bank	10
JP Morgan Chase	2
MorganStanley	6
Ocean Bank	3
Alpha FX	1
<b>TOTAL</b>	<b>53</b>

Yip Associates constructed a database, with over 31,000 transactions, detailing the source of funds to and disbursements from the various bank accounts. More specifically, the database provides the underlying transactions to trace:

- (a) investor funds deposited into the Receivership Entity accounts;
- (b) transfers from Feeder Funds to Master Fund accounts;
- (c) loans made by Master Fund;
- (d) repayment of loans (principal and interest) as well as payment of investment banking fees (“IB Fees”) by the Receivership Entities;
- (e) transfers from Master Fund to TCA Fund Management Corp. for payment of



Management Fees and Performance Fees;

(f) transfers between the related entities for business operations; and

(g) transfers to third parties who may have improperly received funds from the Receivership Entities.

During this Fourth Reporting Period, additional bank records for the period prior to February 2015 were received and the timeframe of the analysis was expanded to the inception of the Receivership Entities. In connection with these efforts, over 10,000 transactions were added to the database.

**E. Calculation of Management Fees / Performance Fees and IB Fees**

As stated in the previous status report, Yip Associates received and analyzed monthly NAV packages for the period of February 2012 through November 2019 (“Available NAV Period”). The monthly NAV packages included calculations for: Net Asset Valuations, Investment Positions, Payables, Receivables, Management Fees, and Performance Fees. Yip Associates analyzed the Available NAV Period to determine the amount of Management/Performance Fees due from Master Fund to FMGC. Yip Associates continues to analyze these Monthly NAV Packages to: (a) identify the borrowers who had agreements with Master Fund; and (b) quantify IB Fees due and paid to Master Fund.

During this Fourth Reporting Period, Yip Associates completed the reconciliation of the Management/Performance Fees identified in the NAV packages to actual funds transferred for Management/Performance Fees during the Available NAV Period. Yip Associates reconciled the amounts transferred for Management Fees/Performance Fees between February 2012 and October 2016 based on newly obtained bank records. Between March 2012 and May 2020, there was approximately \$78 million transferred to FMGC for Management/Performance Fees.

Additionally, Yip Associates analyzed the monthly NAV Packages during the Available NAV Period to quantify the IB Fees due to Master Fund. Yip Associates is in the process of reconciling the amount of IB Fees due based on the NAV Packages to the actual amounts paid. Lastly, Yip Associates analyzed the Investment Positions portfolio included in the monthly NAV Packages.

**F. Analysis of Investments, Redemptions & Claims**

During this Fourth Reporting Period, Yip Associates continued to analyze payments to insiders and entities belonging to insiders, as well as reviewed whether insiders redeemed their investments with TCA. Yip Associates continued to analyze investors who made redemption requests but whose requests were never paid (“Unpaid Redemptions”). Yip Associates (a) reviewed such redemption requests made between October 2019 and March 2020; and (b) reconciled payments remitted to these investors from the Receivership Entities’ bank accounts. Yip Associates also continued to analyze and reconcile the Unpaid Redemptions, as well as the situations of subscribers who paid monies to the Receivership Entities, but who never received confirmation that they had become investors with an ownership interest in the Funds (“Unpaid Subscribers”).

Additionally, Yip Associates is in the process of analyzing investor subscription and redemption transactions into and out of the Feeder Funds’ based bank account activity and records provided by Circle Partners. Yip Associates also identified investor nominees with multiple beneficial account holders and is working with the Receiver’s Counsel to obtain necessary records from the nominees.

**G. Sale Process and Result for TCA Microgrid Energy**

During the Fourth Reporting Period, the Receiver approved the sale of all of TCA

Microgrid Energy, LLC's (d/b/a Pivot Energy) ("Pivot Energy") assets free and clear of liens, claims, encumbrances, and other interests to Pivot Energy, Inc. for \$67 million (\$66 million in cash, plus an additional \$1 million in assumed debt) through a certain Asset Purchase Agreement dated May 18, 2021 (the "APA"). After undertaking a comprehensive marketing process, which targeted over 250 potential buyers, and receiving 19 non-binding letters of intent, the Receiver and his retained professionals created an exhaustive two-step sales process resulting in four final offers to buy Pivot Energy, the Receivership Estate's largest asset. The Receiver accepted the highest and best all cash offer and extensively negotiated the terms of the APA for the ultimate benefit of the Receivership Estate. As described below, the Receiver and his professionals undertook a deliberate sales process to maximize value to the Receivership Estate and obtain fair market value.

#### **H. Marketing and Sales Process**

CohnReznick Capital Market Securities, LLC ("CRC"),<sup>2</sup> at the direction of the Receiver, led an exhaustive and competitive process to sell Pivot Energy. Prior to the launch of the sales process, CRC reached out to over 250 interested parties in the active market to gauge the interest and appetite for the transaction. CRC analyzed the pros and cons of working with potential buyers and assisted the Receiver and Pivot Energy in finalizing a target buyer list. CRC also worked with the Receiver and Pivot Energy to formalize a strategy for the sales process. This process included creating a "teaser" (a one-page anonymized marketing document introducing the transaction to prospective buyers) and a detailed bottoms-up corporate financial model, also

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<sup>2</sup> As explained in the Receiver's Motion for Approval to Retain CohnReznick Capital Markets Securities, LLC as Investment Banker, the Receiver interviewed five different investment banking firms, and ultimately determined that CRC was his preferred choice to assist him with the sale of Pivot Energy. *See* [ECF No. 62]. This Court granted Receiver's Motion for Approval to Retain CohnReznick Capital Markets Securities, LLC as Investment Banker on October 5, 2020. *See* [ECF No. 63].

referred to as an Executive Summary and Confidential Information Memorandum (“CIM”), to support buyer due diligence, accentuate the strengths of Pivot Energy’s platform, and maximize value of Pivot Energy. The entire process took over six months, including the negotiation process of the APA.

CRC prepared process letters and a financial model, and compiled the deal data room with the goal of optimizing the valuation and improving the market position of Pivot Energy. Additionally, CRC conducted extensive due diligence of Pivot Energy’s pipeline, business model, and track record, while soliciting input from the Receiver and Pivot Energy’s management to maximize value for the transaction and upfront proceeds, as well as drive competitive tension in the process.

During the Fourth Reporting Period, as described more fully below, CRC implemented its two-phase transaction process, which involved outreach to 265 potential buyers that ultimately resulted in 19 non-binding letters of intent (“Non-Binding LOIs”) and four final offers (“Final Offers”), with the Receiver ultimately accepting the highest and best offer.

#### **1. Phase I (Non-Binding Offers): The Indicative Phase**

During the first phase of CRC’s two-stage transaction process, which spanned the end of the Third Reporting Period and the Fourth Reporting Period, CRC reached out to 265 potential buyers. Those potential buyers included private equity and infrastructure investors, insurance funds, pension funds, and corporate and strategic investors. This wide-ranging approach ensured broad coverage of the active market for potential buyers in the United States and overseas. Ultimately, of the 265 potential buyers contacted, 72 potential buyers executed NDAs and 19 potential buyers submitted Non-Binding LOIs. Thereafter, CRC completed follow-up discussions with the potential buyers to gauge their ability to timely close, access to capital, risk

of movements in pricing, as well as overall execution risk, with the goal of inviting a specific number of potential buyers to participate in Phase II. The Phase I process from the time of the marketing launch to notification of the Phase II Bidders (as defined below) took place over 78 days, from November 5, 2020 through January 22, 2021.

## **2. Phase II (Final Offers): Due Diligence and Final Bidding Phase**

Following receipt of the 19 Non-Binding LOIs and CRC's further evaluation of the potential buyers, CRC, together with the Receiver and Pivot Energy, selected parties to participate in Phase II of the transaction process. Phase II of the transaction process took place over 70 days, from January 22, 2021 through April 2, 2021, during the Fourth Reporting Period.

Of the 19 potential buyers who submitted Non-Binding LOIs, the Receiver selected nine to participate in Phase II (the "Phase II Bidders") and were provided access to the virtual data room to review information on Pivot Energy and the transaction. The Receiver's selection of the Phase II Bidders was based on the following: (1) transaction value; (2) upfront transaction proceeds; (3) level of engagement in Phase I; and (4) the ability to successfully close the transaction. Other quantitative and qualitative factors were considered, including familiarity with renewable energy and DG investing, the form of investment, and the ability to potentially improve the purchase price upon further due diligence.

Thereafter, of the nine Phase II Bidders, four potential buyers ultimately submitted binding final offers (the "Final Offers") and a markup of the transaction document prepared by the Receiver for further evaluation. Once the Receiver received the Final Offers, the Receiver leveraged the competitive dynamic to drive more favorable deal terms and increase value from the potential buyers. CRC also provided due diligence support to Pivot Energy with the goal of ultimately driving maximum value in the Final Offers submitted. The Final Offers ranged in

value from \$55 million to \$67 million, representing the upper valuation range from Non-Binding LOIs received. This is a testament to the excellent work done by CRC and Pivot management during the sales process.

CRC, together with Pivot Energy, the Receiver, and DSI, ultimately selected investment funds affiliated with Energy Capital Partners IV, LLC (“ECP”) as the buyer of Pivot Energy. ECP’s final offer of \$67 million (\$66 million in cash, and \$1 million in assumed debt) represented the highest offer received in Phase II. ECP’s offer was not only the highest offer, but CRC, the Receiver, and DSI determined that the other aspects of the ECP’s offer were also best for Pivot Energy and the Receivership Estate. Moreover, ECP is an experienced energy infrastructure investor focused on existing and new-build energy infrastructure projects.<sup>3</sup>

**i. Material Terms of the Asset Purchase Agreement**

For the last six weeks, the Receiver and his advisors, in conjunction with Pivot Energy, fully negotiated a comprehensive APA<sup>4</sup> with ECP. *See* [ECF No. 137 at Ex. B]. The APA results in the sale of substantially all assets (the “Assets”) and assumption of most liabilities by Pivot Energy, Inc., a newly-formed Delaware corporation (the “Buyer”) owned by Energy Capital Partners IV-A, LP, Energy Capital Partners IV-B, LP, Energy Capital Partners IV-C, LP and Energy Capital Partners IV-D, LP, private equity funds managed and advised by affiliates of ECP for a purchase price of \$67 million as adjusted at closing by final calculations of certain

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<sup>3</sup> Since inception, ECP and related investment funds managed and advised by affiliates of ECP have raised over \$21 billion of capital commitments. ECP’s current and past renewable energy investments include investments in Convergent, Nextlight Renewable Power, Sungevity, Sunnova, and Terra-Gen.

<sup>4</sup> The description of the terms of the APA contained in this Motion is only a summary intended solely for ease of reference. In case of any conflict between the description of the APA contained in this Motion and the actual language of the APA, the APA shall control. *See* [ECF No. 137 at Ex. B].

activity. The sale is expected to close on or around June 1, 2021.

Further details of the material terms of the APA and the extensive negotiation process the Receiver and his professionals undertook are set forth in Receiver's Agreed Verified Motion to (I) Approve the Sale of the Assets of TCA Microgrid Energy, LLC ("Pivot Energy") Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Authorize and Approve the Asset Purchase Agreement; (III) Approve the Payment of the Transactional Fee to CohnReznick Capital Market Securities, LLC; (IV) Approve the Payment of the Settlement Amount to Rick Hunter Under Certain Settlement Agreement; (V) Approve the Payment of Certain Management Payments Pursuant to Stock Appreciation Rights Agreement; and (VI) Granting Related Relief [ECF No. 137 and Ex. B thereto].

#### **I. Receivership Entities' Tax Returns**

As stated in the Third Report, Rehmann, the Receiver's tax consultant, prepared and filed 2019 federal income tax returns for each of the Receivership Entities. The tax returns that the Receiver filed were "notice" filings, which placed the Internal Revenue Service on notice that the Receivership Entities are in Receivership, that prior filings regarding income and taxes due appear overstated, and explained that the returns will be amended once the Receiver has assembled reliable and accurate tax reporting information.

During this Fourth Reporting Period, Rehmann continued to gather information needed to prepare the necessary income tax filings, prepared various tax forms, reviewed outstanding tax issues, and coordinated tax compliance matters for the Receivership. Rehmann, with the Receiver's assistance, also attended to other tax-related matters, including handling tax issues that arose pre-receivership, tax issues relating to certain SPVs and asset dispositions, and execution of various IRS forms on behalf of the Receivership Entities. The Receivership Entities

received an extension of time to file the final returns, and investor K-1s. The Receiver also collected the necessary information from various vendors to prepare and issue tax form 1099s

**J. Receivership Entities' Technology Progress**

The Receiver continues to request and receive voluminous amounts of documents which were uploaded and are being maintained by E-Hounds on a secure searchable database. The Receiver's professionals also continued to review such documents.

**K. Communications with Third Parties**

During the Fourth Reporting Period, the Receiver served an additional 30 persons and entities with the TRO, document requests, and demands for turnover of information and continued pressuring financial institutions to provide requested documentation. The Receiver issued subpoenas to former law firms and other former service providers to the Receivership Entities. The Receiver will continue to work with these persons and entities to secure compliance with these document requests, and if necessary, seek an order of the Court compelling them to do so, as evidenced by the most recent Motion to Compel directed at American Express Bank.

**L. Website/Ongoing Communications**

The Receiver continues to maintain the toll-free Receivership "Hotline" at 833-984-1101 and 305-913-6731, and an email address for general inquiries: [receiver@tcafundreceivership.com](mailto:receiver@tcafundreceivership.com). The Receiver also regularly updates the Receivership website [www.tcafundreceivership.com](http://www.tcafundreceivership.com) to provide updated information for investors and interested parties. This Report will be posted on the Receivership website, and the Receiver plans to also send the Report to investors for whom the Receiver has e-mail addresses.

**M. Investor Interviews**

The Receiver and his team continued to communicate with investors and investment



advisors (many of whom represent multiple investors). The Receiver also continues to maintain a repository of documents and information provided by investors.

**N. Receivership Entities' Records**

The Receivership Entities' records contain millions of pages of documents relating to: (1) assets, (2) operations, (3) personnel files, (4) marketing, and (5) compliance with industry norms and regulations. The Receiver and his professionals continued to review the Receivership Entities' corporate business records. The Receiver and his team also continue to review data and information from various sources in response to requests and subpoenas.

**O. Investigation of Third Party Litigation Claims**

During the Fourth Reporting Period, the Receiver and his professionals continued to investigate numerous third party claims that the Receiver expects to begin filing shortly as the Receivership moves into its next phase. In addition, the Receiver initiated negotiations with counsel to handle a number of litigation matters on a contingency fee basis in order to minimize expense and risk of loss to the Receivership Estate.

**P. Investigation of Investor, Subscriber and Redemption Claims and Preparation of Interim Claims and Distribution Plan**

During the Fourth Reporting Period, on March 8, 2021, the Receiver filed a Motion to Compel Financial Institutions to Disclose the Investment Details of Beneficial Owners. [ECF No. 118]. The pre-receivership books and records allowed the receiver to identify approximately \$56 million transferred by putative record investors, redemption investors and/or subscribers to Feeder LP and \$665 million to Feeder LTD – the two principal vehicles created by the Receivership Entities to receive investments and/or subscriptions. The books and records, however, indicate that a significant number of transactions involving investors appear to have been made through intermediary financial institutions acting as nominees for beneficial owners

of the actual investments. Apparently (and often), single nominees acted on account of more than one beneficial owner. The Receiver's professionals have identified 60 potential nominees that appear to have collectively invested over \$570 million and withdrawn over \$248 million from the Receivership Entities.

During the Fourth Reporting Period, the Receiver and the Receiver's professionals commenced a comprehensive data collection and analysis project from the information received from financial institutions, nominees, custodian account managers, financial advisors, and/or the beneficial owners directly disclosing the ultimate beneficial owners and their investment transaction history. Nominees, custodian account managers, financial advisors, and beneficial owners who have not complied with the Court's order above are urged to do so, as investors who have not complied may be declared ineligible to assert or be awarded a recovery under the distribution plan.

#### **IV. CHAPTER 15 PROCEEDINGS**

On February 16, 2021, the Cayman Islands' recognized liquidators for Receivership Entity Feeder Fund Ltd. ("JOLs") filed a petition in the bankruptcy court of this District seeking foreign representative recognition under Chapter 15 of the U.S. Bankruptcy Code.

The Receiver and the JOLs thereupon entered into negotiations to resolve as much of the JOLs' claims as possible. On April 15, 2021, the JOLs, with the Receiver's consent, filed an *Unopposed Ex Parte Motion to Abate Deadline for Receiver and the SEC to Object to Recognition and for Related Relief* ("Motion to Abate"), (1) seeking to abate the Objection Deadline, (2) informing the Bankruptcy Court of a preliminary agreement reached between the parties, (3) requesting that the Bankruptcy Court treat the Recognition Hearing as a status conference for the parties to present their agreement to the Bankruptcy Court, and (4) requesting

a continuance pending resolution of remaining issues. *Id.* at ¶¶ 2-7.

At the status conference before the Bankruptcy Court, the parties announced a preliminary agreement to an order withdrawing the reference of the Chapter 15 Action from the Bankruptcy Court to this Court and assigning the Chapter 15 Action to this Court (“Proposed Withdrawal Order”), thereby substantially streamlining and reducing expense to the benefit of the Receivership Entities. The parties also stipulated to entry of an order by this Court: (a) granting recognition of the JOLs and the Cayman action as only a “nonmain” proceeding; (b) recognizing the JOLs as “foreign representatives,” of Feeder Fund Ltd., and (c) granting the JOLs limited rights to intervene and be heard in the Receivership Action with respect to Receivership Entity Feeder Fund Ltd. as set forth in a “Proposed Order Granting Recognition and Related Relief” and “Proposed Agreement”).<sup>5</sup>

Following the April 20, 2021 status conference before the Bankruptcy Court, the parties worked diligently to finalize the Proposed Agreement. On May 20, 2021, the parties jointly filed a Stipulated Joint Motion for (I) Withdrawal of the Reference of the Chapter 15 Case and (II) Entry of Agreed Order Granting Recognition of Foreign Nonmain Proceeding and Incorporated Memorandum of Law (“Stipulated Withdrawal Motion”) [Bankr. ECF No. 22].

In addition, simultaneous with the filing of the Stipulated Withdrawal Motion, the JOLs filed an Unopposed Ex Parte Motion for (A) Immediate Transmittal of Records of Stipulated Joint Motion for (I) Withdrawal of the Reference of the Chapter 15 Case and (II) Entry of Agreed Order Granting Recognition of Foreign Nonmain Proceeding and Incorporated Memorandum of Law; and (B) Related Relief (“Unopposed Motion for Related Relief”). That

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<sup>5</sup> The Receiver kept the SEC apprised of the negotiations with the JOLs, and shared the documents referenced above with the SEC for review and comment. The SEC authorized the Receiver to state that they have no objection to the relief requested.

motion asked the Bankruptcy Court to shorten the response time to the Stipulated Withdrawal Motion and requested immediate transmittal of the Chapter 15 Case record to the District Court. On May 21, 2021, the Bankruptcy Court granted that motion.

This Court has not yet ruled on the Stipulated Withdrawal Motion.<sup>6</sup>

As noted in the Third Report, prior to their filing of a Chapter 15 Petition, the JOLs served a written demand upon the Receiver to turn over \$4.25 million of funds he is holding in Receivership Entity LTD Feeder's Receivership Account. The Receiver refused the JOLs' request as being legally unfounded and violative of the Court's Order appointing the Receiver which directed the Receiver to take and maintain possession of those funds. The Receiver expects the JOLs to make a similar request of the Court once it is granted recognition to be heard in this case. Nothing in the motions and proposed orders above is intended to grant any such rights, and the JOLs have agreed not to argue otherwise. The Receiver intends to object to any Motion by the JOLs seeking monies from the Receivership Bank Accounts, as such payment would reduce funds available for distribution to investors and other stakeholders.

## **V. CAYMAN ISLANDS PROCEEDINGS**

During this Fourth Reporting Period, the Receiver paid Cayman registration fees on behalf of Master Fund, Feeder LP and GP. Collas Crill provided the Receiver with advice and assistance regarding ongoing regulatory and tax matters in the Cayman Islands. The Receiver and Collas Crill continue to communicate with the Cayman Islands Monetary Authority to provide updates on the Receivership.

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<sup>6</sup> See *In re: TCA Global Credit Fund Ltd.*, Case No. 21-CV-21905-KMW (S.D. Fla. 2021).

## VI. RECEIVERSHIP ESTATE ASSETS

### A. Cash Assets

In accordance with the Receivership Order, the Receiver and GJB continue to identify financial accounts associated with the Receivership Entities, as well as advise these financial institutions of the existence of the Receivership Estate and the asset freeze ordered by the Court. To date, the Receiver has recovered \$14,978,142 for the Receivership Estate, with an additional approximate \$52 million to be received by wire from the TCA Microgrid/Pivot Energy transaction within the next few days. This will bring the total recovery to date to approximately \$66 million. In addition to the Receivership Estate's bank accounts at Axos, the following is a brief description of the steps taken regarding financial institutions since the filing of the Third Report:

i. BB&T/Truist Bank: BB&T was the primary banking institution for the Receivership Entities' portfolio and SPV operations. On May 11, 2020, there were twelve (12) bank accounts operated by FMGC at BB&T. The Receivership Entities primarily used the BB&T accounts to secure loan or investment banking fee payments from debtors and SPVs, as well as lock boxes that allowed borrowers' clients to deposit funds. Ultimately, FMGC would "sweep" FMGC's loan or fee payment from that account and then wire the remainder to the borrowers.

Four accounts at BB&T remain open for the benefit of SPVs that the Receivership owns or controls. Two of these accounts, held on behalf of Zenergy and Xcell, relate to SPV matters that are winding down. DSI provides an oversight function to check and verify SPV cash transfer, disbursement, and payroll requests to fund the SPV business operations. The underlying funds reside at the SPV level, and the Receiver and his professionals have visibility and oversight into the accounts noted below.

<u>SPV Name</u>	<u>Bank Name</u>
Zenergy	BB&T
Xcell	BB&T
Transmarine	BB&T
Transmarine	BB&T

The Receiver maintains one additional BB&T account in the name of TCA Fund Management Group Corp. This account is a general lockbox to receive funds deposited from various loan portfolio clients and is maintained in case additional funds are received from portfolio clients, even though the Receiver and his Retained Professionals have directed loan portfolio clients to begin making payments to the Receivership accounts at Axos Bank.

ii. JP Morgan Chase: JP Morgan Chase was served with a subpoena on October 13, 2020 to secure documents and information relating to this account. JP Morgan Chase, albeit late, provided documents concerning the Receivership Entities' accounts which have been incorporated into the analysis and reconstruction work performed by Yip Associates. Some information remains outstanding but the Receiver and GJB continue to follow up and communicate with the bank to receive the complete records.

### **B. Special Purpose Vehicles**

The Receivership's assets include businesses that the Master Fund owns (typically as 100% member/manager) through SPVs. The Master Fund typically began its relationship with these businesses by providing secured debt financings. When the borrower failed to meet its obligations, the Master Fund sued and ultimately executed an Article 9 UCC foreclosure sale of the borrower's assets to a newly formed entity owned by the Master Fund that would resume operations. As of the Fourth Reporting Period, five SPVs remain operational. Sales processes

have concluded for two SPVs (Indumate and TCA Media Services) and will imminently conclude for another (TCA Microgrid Energy d/b/a Pivot Energy). A proposed sale of another (National Healthcare/Champion Pain Clinic) is pending. Since the last Receiver's Report, Broward Collision has ceased operations.

Below is a summary of the SPVs and their status, broken down into investment categories.

### 1. SPV – Domestic<sup>7</sup>

**Pivot Energy aka TCA Microgrid.** By way of background, Receivership Entity Master Fund is the 99% equity owner of Pivot Energy. Receivership Entity Lending Corp. is the 0.8% owner of Pivot Energy. And, Receivership Entity Feeder LP is the 0.2% owner of Pivot Energy. Pivot Energy was founded in 2009 and its headquarters are currently located in Denver, Colorado. Pivot Energy has developed relationships with high-quality offtakers across diverse industries, including commercial, retail, K-12 schools, higher education, military, and government. From inception, its focus was on commercial and industrial (“C&I”) solar energy projects, including community solar, small utility solar, and private rooftop solar equipment installations. Currently, its primary business is shifting heavily towards community solar development with an intent on expanding the business model to include ownership of these developments.

Pivot Energy has developed 17 operational community solar projects across Colorado and Michigan, totaling 19.25 megawatts of electricity. Pivot Energy has also established a diverse portfolio across the C&I and community solar space with more than 300 deployed projects. Pivot Energy's development to date has included more than 300 C&I and municipal

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<sup>7</sup> For a detailed analysis of each asset and its position within the portfolio, please *see* Section 6.B of the First Report.

projects that range between 25 kilowatts and 2 megawatts. Additionally, its community solar projects have served C&I and municipal offtakers, as well as residential subscribers.

As explained in the Receiver's First, Second, and Third Quarterly Status Reports, Pivot Energy has had significant recent success, growing its revenue by almost 240% in 2019. *See* [ECF No. 48, 70, 108]. To date, Pivot Energy has a pipeline of over 150 megawatts of electricity currently in development all over the United States. [*Id.*].

**TCA Broward Collision, LLC.** As discussed in the Third Report, Broward Collision ceased operations in early January 2021 after failing to successfully resolve a myriad of pending legal matters. The litigation involved in this matter is detailed below in Section 5.E, *infra*. After significant negotiations, the Receiver successfully collected the \$150,000 in cash collateral, plus accrued interest, that backstopped the letter of credit made in favor of Carstar. This SPV is also completing the transfer of its franchise agreement and other assets to a third-party buyer. The Receiver and Carstar entered into a mutual release which essentially concludes the Receiver's involvement in Broward Collision.

**National Healthcare/Champion Pain Care.** During the Fourth Reporting Period, negotiations were successfully concluded with the physician-employees and definitive documentation is being drafted. The Receiver expects to close the transaction during June 2021 and receive net proceeds of \$190,000.

**TPNI.** During this Fourth Reporting Period, the sale was successfully closed and the proceeds were received.

**Transmarine.** During the Fourth Reporting Period, Transmarine continued to operate on a positive basis without the need for capital infusion. The Receiver continues to monitor this investment and consider strategic options. The Receiver and his professionals continue to work



with Transmarine and the tax attorneys it retained to resolve a tax liability claim asserted by the IRS. Transmarine's counsel has requested an administrative hearing to dispute the IRS claim. The Receiver will continue to work out the best sales process to maximize value and expects to execute on such plan as soon as the IRS claim is resolved.

**Xcell Networks.** As discussed in the Third Report, Xcell Networks ceased operating, in part due to the pandemic. The Receiver expects no recovery from this asset.

## 2. SPV – International

**Indumate.** As discussed in prior reports, Indumate is a Swedish holding company with three subsidiaries: Frykenmontage AB, Indumate Karlstadt, and Indumate Gavle. Sale of Frykenmontage AB and Indumate Karlstadt were successfully completed in October 2020, with the proceeds substantially going to satisfy existing first lien bank debt obligations in Sweden and transaction-related costs. During the Fourth Reporting Period, the Receiver successfully concluded the sale of the third subsidiary and received net proceeds of \$360,000. A small balance remains in the SPV's operating account to pay remaining liabilities and liquidation obligations pursuant to Swedish law. Any unused funds will be wired to the Receiver in July 2021.

**Cleland Ltd.** During this reporting period, the Receiver's professionals in Scotland successfully obtained a limited defense against money laundering application from the UK National Crime Agency, a necessary step towards full re-registration of the subject property. Scotland counsel also formally commenced proceedings to complete the registration. Once completed, the Receiver will engage a sales process for the property.

**JLE Holdings, LTD/Zeeocol.** As discussed in the previous reports, a prior owner asserted a significant ownership interest in JLE Holdings, LTD/Zeeocol and filed a lawsuit in New

Zealand seeking, amongst other things, legal determination and enforcement of such purported ownership interest. During the Fourth Reporting Period, the Receiver and his New Zealand counsel discussed settlement with opposing counsel as well as the legal ramifications of plaintiff's violation of the stay provisions of this Court's Receivership Appointment Order. The Receiver and DSI continue to closely monitor JLE's business operations and improving profitability. Onsite oversight continues to be provided by outside Chief Restructuring Officer Connor McElhinney of the McGrath Nicol Firm, who assists in managing the operations. The Receiver's strategic plan will depend both on the successful resolution of ownership issues and forward looking performance.

### **3. SPV – Real Property and Other Assets**

#### **Galveston, Texas Real Property (owned through SPV TCA Acquisitions III LLC).**

During this Fourth Reporting Period, the Receiver continued to evaluate Master Fund's interest in this property and received two offers for purchase, which were substantially less than the appraisals for the property which were also received during this reporting period. The Receiver continues to negotiate with interested purchasers and is also considering putting the property up for auction.

**Lexington, North Carolina Real Property.** TCA Share Holdings, LLC (f/k/a TCA MCA, LLC (NV)), is the title holder of certain real property located at 419 Salem Street, Lexington, North Carolina. The Master Fund is the 100% equity owner of TCA Shareholdings, LLC. The Receiver will begin the process of selling this property in the near future.

### **4. SPV – Others**

Below is a list of other SPVs owned by the Master Fund that were out of business prior to the Receiver's appointment. DSI and GJB during the Fourth Period completed their review of

documents and files relating to these matters and have concluded that they have minimal, if any, assets that can be readily monetized:

- TCA Royalty Foods I, LLC (FL)
- TCA Crescent Construction Company LLC (FL)
- TCA MLM Marketing, LLC (FL)
- Fundamental TCA LLC (FL)
- TCA EF4K Services, LLC (FL)
- TCA Floral Marketing, LLC (NV)
- TCA – GFS Corp (FL)
- TCA – Go Green SPV, LLC (FL), which includes Go Green Hydroponics, Inc. (CA)
- TCA Home Health Care, LLC (Being Used for MOTA) (FL)
- TCA Hotel Management, LLC (FL)
- TCA Hydroponics Supply, LLC (f/k/a TCA Jolin Foods, LLC) (FL)
- TCA Maritime Ventures, Inc. (Marshall Islands)
- TCA Medical Group, LLC (FL)
- TCA Mountain Resources, LLC (FL)
- TCA NY Bulbs, LLC (FL), which includes Veriteq Corporation (FL), Brake Shop guarantor
- TCA LUC Group, LLC (FL)

### **C. Loan Portfolio**

The Fund prospectuses, annual financial audits, and monthly and other reports suggest that one of the Receivership's most substantial and valuable assets are performing loans. As explained in prior reports, however, the Receiver and his professionals discovered that there were only two performing loans, and three others that were paying regularly, but far less than the monthly amount due under their loan agreements. During the Fourth Reporting Period, DSI continued to evaluate and investigate the loan portfolio, the underlying business status, the individual account debtors, and guarantors' status in order to make business recommendations to the Receiver and his legal team on the next steps or course of action. Also, during this Fourth Reporting Period, DSI worked with the Receiver's counsel to evaluate pre litigation settlement approach strategies for several matters. DSI has been authorized by the Receiver to explore

preliminary discussions with several parties on a possible sale of portions of the loan portfolio.

As noted in the category subheadings below, the portfolio is classified into four categories as follows:

1. Performing and Active Matters
2. Transferred to GJB for Legal Action
3. Other/Post Judgment Collection
4. Resolved Matters

Performing and active matters are generally situations where the portfolio debtor is engaged in communication with DSI or GJB, is making periodic monetary payments, and is working on further accommodations to pay down or refinance the obligation. Loans Transferred for Legal Action now comprise the largest portion of the portfolio. Resolved Matters include portfolio matters where the loan has either been administered, is in a bankruptcy subject to a claim and future claim payments, has been paid off, or has been deemed to be uncollectable and the file closed. The Other/Post Judgment Collection category includes portfolio debtor matters where a judgment has been obtained. The Receiver's legal counsel will assess post-judgment work and assess steps necessary to attempt to monetize the judgment.

A current summary of the loan portfolio,<sup>8</sup> including those that are in litigation, is outlined below:

**1. Performing and Active Matters**

**Amian Angels (f/k/a Oncologix):**

Loan Origination:	January 2014
Loan Principal:	\$157,173
Loan Interest:	\$1,118
Last Payment:	March 2021
Remaining Balance:	\$158,291
Status:	Communicating and Making Payments

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<sup>8</sup>Interest is calculated in Section V.C as of December 31, 2020.

Amian Angels continues to make monthly payments under its payment schedule of \$8,030.53 to the Master Fund Receivership Account. The Receiver and his professionals are currently in negotiations for a lump sum resolution of the outstanding indebtedness with Amian.

**EP World, Inc.**

Loan Origination:	December 2012
Loan Principal:	\$548,701
Loan Interest:	\$69,186
Remaining Balance:	\$617,887
Last Payment:	April 2021
Status:	Communicating and Making Payments

Monthly payments of \$1,417.00 are being made to the Master Fund. The Receiver and his professionals are discussing possible strategies to resolve this debt.

**Pacific Ventures**

Loan Origination:	June 2017
Loan Principal:	\$2,263,952
Loan Interest:	\$897,817
Total Balance:	\$3,161,769
Last Payment:	April 2021
Status:	Communicating and Making Partial Payments

Prior to the Receiver's appointment, the Defendants permitted PACV to pay only \$10,000.00 (not the required \$75,000.00) per month, to avoid a default so PACV could attempt to complete a capital raise. During this period, PACV failed to make its required monthly payments and, after demand by the Receiver, made certain payments to cure its default. PACV is in the process of attempting to complete a capital or debt raise to pay off the purchase debt for both San Diego Farmers Market and Seaport Meat. The Receiver has communicated directly with counsel for PACV on a number of occasions regarding its attempts to satisfy its obligations to the Receiver and has specifically reserved all rights available to the Receivership with respect to seeking to recover against PACV based on the full \$75,000.00 monthly amount due.

**Nassau Holdings**

Loan Origination:	March 2017
Loan Principal:	\$263,113
Loan Interest:	\$61,293
Total Outstanding:	\$324,406
Last Payment:	May 2021
Status:	Communicating and Making Payments

Nassau Holdings (“Nassau”) provides media and communications services, real estate, marine services, and food services through its subsidiaries. Nassau Holdings owns and operates radio broadcasting stations in Maine, New Hampshire, Vermont, New Jersey, Pennsylvania, and Maryland. For this transaction, the Master Fund only took a senior position on three (3) entities (Nassau Publications, LLC, RH LeChard Marine Contracting, and Nassau Journals, LLC). Nassau and the Master Fund entered into a Senior Secured Credit Facility Agreement for \$3 million and a promissory note for \$675,000 effective March 31, 2017 that was extended (maturity date) on October 5, 2018 and again on August 5, 2019. The borrower continued to make the \$500 per week payment during this Reporting Period, and it continues to attempt to refinance the debt so as to be able to pay more than the *de minimis* offer it previously presented. This loan is being marketed for sale as part of the loan portfolio.

**Peak (Welch Settlement)**

Loan Origination:	September 2019
Settlement Principal:	\$105,478
Settlement Interest:	\$293
Total:	\$105,771
Last Payment:	April 2021
Status:	Communicating and Making Payments

The two Peak guarantors entered into two separate settlement agreements of this defaulted loan in early 2019. The guarantor, Welch, entered into an agreement for payments totaling \$150,000 in February 2019. This settlement agreement required an initial payment of \$10,000, twelve (12) monthly payments of \$1,500 each, 50 monthly payments of \$2,826 each,

and a final payment of \$1,736. The Welch guarantor is current on the payments under the settlement agreement. Collection efforts are continuing against the remaining Peak guarantors.

## 2. Loans Transferred to GJB for Legal Action

### **Redfin Network, Inc.**

Loan Origination:	October 2012
Loan Principal:	\$566,063
Loan Interest:	\$257,608
Total:	\$823,671
Last Payment:	May 2020

Redfin Network, Inc. (“Redfin”) was a credit card processing business, located in Florida. Redfin and the Master Fund entered into a Senior Secured Revolving Credit Facility Agreement for \$3,000,000 and a Revolving Promissory Note effective October 26, 2012 for \$350,000 related to working capital financing. The business was transferred to the Master Fund in lieu of foreclosure in July 2013. The borrower was making payments until March 2020, but thereafter claimed to be experiencing a business downturn due to the COVID-19 pandemic. The Master Fund had attempted to negotiate a \$200,000 payoff with the borrower, and DSI thereafter unsuccessfully attempted to engage with the borrower. GJB has learned that the borrower continues to state an inability to meet even the \$200,000 payoff amount. GJB’s investigations revealed that current numbers show negative net income for the business, but did reveal approximately \$170,000 in Redfin’s business account, and other related accounts appear to show assets of about \$300,000. GJB is seeking to re-engage the borrower in settlement discussions given this information. GJB has also prepared a final default letter to Redfin and all guarantors to be served before proceeding with litigation if the Receiver’s settlement demands are not met.

### **Arrayit Corporation**

Loan Origination:	December 2015
Settlement Principal:	\$88,462
Accrued Interest:	\$16,610
Total:	\$105,072

Arrayit Corporation (“Arrayit”) is a manufacturer of laboratory equipment and supplies. TCA Global Credit Master Fund, LP and Arrayit entered into a Senior Secured Revolving Credit facility agreement for \$5,000,000 and a Revolving Note for \$750,000 both effective December 18, 2015. The Credit Agreement and Revolving Note have been amended multiple times to resolve existing defaults, acknowledge balance owed and agree to distribution of funds from the lockbox account. Arrayit made payments through March 2020, but has not made any payments since that time. The total amount remaining on the loan is \$99,551. Notice of Default has been prepared and provided. GJB is revisiting settlement with the borrower given the amount owed, but intends to proceed to judgment should those efforts prove unsuccessful.

**Inventergy Global Inc.**

Loan Origination:	December 2017
Loan Principal:	\$2,202,016
Loan Interest:	\$1,942,181
Fees w/ Interest:	\$12,703,668
Total Outstanding:	\$16,203,668
Last Payment:	May 2018

The borrower is an intellectual property and patent litigation company located in California. The loan is in default as of April 29, 2018, and the last payment was made on May 28, 2018. A settlement agreement was entered into in November 2018, pursuant to which borrower was to obtain other financing by February 28, 2019, in the amount of at least \$1 million. Pursuant to the settlement agreement, the Master Fund and the other lender would then enter into an inter-creditor agreement, and the Master Fund would receive \$200,000 at closing. The borrower did not obtain financing pursuant to the terms of the settlement agreement, and at this time, no inter-creditor agreement exists. The borrower failed to make any payments to Master Fund for two years prior to going into receivership. Notice of Default has been prepared and served, and GJB is preparing a lawsuit for breach of the settlement agreement. GJB is also



contacting the borrower to obtain updated financial information regarding the borrower's ability to pay.

**First Class Vacations**

Loan Origination:	April 2014
Loan Principal:	\$934,785
Loan Interest:	\$464,805
Total:	\$1,399,590
Last Payment:	February 2020

The borrower is a cruise ship business located in Florida. Borrower and the Master Fund entered into two separate forbearance agreements, and monthly payments were set to begin in early 2020. The borrower only made one partial payment in February 2020, and claims it suffered from cancellations of reservations associated with the shutdown of the entire cruise ship industry during the ongoing COVID-19 pandemic. GJB has learned that the borrowers remain responsive to payment inquiries, but continue to claim financial distress. GJB and the Receiver have determined the best course of action is to re-engage with the debtor, given that the cruise industry will be restarting soon, in an effort to secure favorable repayment while avoiding litigation.

**GrowSolutions**

Loan Origination:	December 2015
Loan Principal:	\$545,823
Loan Interest:	\$571,097
Total:	\$1,116,920
Last Payment:	January 2020
Status:	Transferred for Legal Action

On January 30, 2019, TCA entered into a Claim Purchase Agreement with Livingston Asset Management LLC ("Livingston"), a subsidiary of Southridge Capital Management LLC ("SouthRidge"). The agreement indicates that Livingston agreed to purchase the claim amount of \$729,874 (includes outstanding principal and interest) for \$729,874. Per this agreement, Livingston was required to file an action against GrowSolutions in the State of Maryland seeking

payment of the claim no less than 10 days after January 30, 2019. After filing the action, Livingston agreed to seek an order from the Court, pursuant to which the Court approves a settlement agreement between GrowSolutions and Livingston, obligating GrowSolutions to exchange shares of its common stock in satisfaction of the claim.

On March 5, 2019, Livingston entered into a reassignment of the claim to transfer, assign, grant, and convey the right, title, and interest of the Livingston back to TCA. Further, on March 5, 2019, Chad Fischl, acquired control of 51 shares of Series A Preferred Stock of the Company, representing 100% of the Company's total issued and outstanding Series A Preferred Stock, from TCA Share Holdings, LLC a Limited Liability Company, in exchange for agreeing to become the President, Chief Executive Officer and Director of the Company.

Subsequently, GrowSolutions settled this obligation with Livingston by transferring stock on GrowSolutions valued at \$1.5MM, with a cap of 9.99% of the total shares of the company. This stock should now be owned by TCA pursuant to the 3/5/19 reassignment by Livingston to TCA. GrowSolutions is currently being traded as a penny stock on the pink sheets. GJB is continuing to investigate if the stock transaction was completed. If TCA does own stock in GrowSolutions, DSI will investigate any value in the stock and look to liquidate the same.

**Bitzio, Inc. (aka Cleantech)**

Loan Origination:	December 2015
Loan Principal:	\$3,594,618
Loan Interest:	\$3,268,245
Remaining Balance:	\$6,862,862
Last Payment:	January 2020

Bitzio, Inc. ("Bitzio") operates in the apparel sector and owns 3-4 apparel lines. The Master Fund and Bitzio, Inc. entered into a Senior Secured Revolving Credit Facility Agreement for \$5,000,000 and a Senior Secured Revolving Convertible Promissory Note for \$2,900,000 effective December 31, 2015 for the purposes of purchasing the stock of GS Cleantech

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Corporation (“GS Cleantech”) as a debt repayment. GS Cleantech is in the ethanol production industry. The loan went into default as of October 11, 2018. Bitzio, Inc. stopped making royalty payments to the Master Fund in January 2020. The Master Fund is a senior secured creditor on all Bitzio, Inc.’s assets. Notice of Default was prepared and served, and GJB is preparing a lawsuit for breach of the Credit Facility Agreement and Note. GJB is also investigating the payments made and owed, as well as the current assets of the borrower.

**ITS Solar**

Loan Origination:	May 2017
Loan Principal:	\$3,557,903 (includes \$2,000,000 investment banking fee)
Loan Interest:	\$2,276,433
Total:	\$5,834,336
Last Payment:	May 2020

ITS Solar is a solar panel, automation and services company based in Millstadt, Illinois. The Master Fund is a senior secured creditor on all of IT Solar’s assets. Additionally, there is a personal guaranty on the loan. The last payment made was for \$40.60 in May 2020. During discussions with DSI, the borrower indicated that they dispute the outstanding balance per the Master Fund records. GJB is investigating the accurate principal amounts owed, in an effort to engage the borrower to provide requested financial information, including evidence of the borrower’s claimed lower principal amount. GJB is preparing and will serve a proper Notice of Default once the principal and payments issue is resolved, and will proceed to file suit should further settlement negotiations prove fruitless.

**LUC Group (Legacy Underground)**

Loan Origination:	July 2019
Loan Principal:	\$2,242,609
Loan Interest:	\$423,370
Fees w/ Interest:	\$321,081
Total:	\$2,658,218
Last Payment:	May 2020

The borrower provides sewer and water utility infrastructure installations in Illinois. On June 14, 2019, TCA and LUC Group entered into a Senior Secured Revolving Credit Facility Agreement and Senior Secured Revolving Promissory Note in the original principal amount of \$3M. The note is secured by a security agreement, also dated June 14, 2019, which grants a continuing and unconditional first priority security interest in and to any and all property of LUC Group. The LUC Group loan is currently in default, with the last payment made in May 2020. The borrower offered to settle the loan for a minimal payoff amount. GJB has reviewed and investigated the loan and prior settlement efforts, and has prepared and sent a default and demand to LUC Group. In response to this demand, Franklin Capital Group has reached out to the Receiver claiming a senior secured position in all assets of LUC Group. The Receiver is considering next steps, and planning legal action against the individual guarantor.

**Bantek, Inc. (f/k/a DroneUSA, Inc.)**

Loan Origination:	September 2016
Loan Principal:	\$5,490,542
Loan Interest:	\$2,625,612
Total Outstanding:	\$8,116,154
Last Payment:	July 2019

DroneUSA, located in Connecticut, is one of two divisions of Bantek. The other Bantek division is Howco Distribution. Bantek is a public company. DroneUSA appears to have ceased operations. During communications with DSI, the borrower disputed the outstanding loan balance and made a low settlement offer. GJB has learned that the company has significant debts and a lack of liquidity, but is revisiting efforts to obtain payment from the borrower. GJB will proceed with a formal demand, and is preparing to file a lawsuit for breach of the settlement agreement and Second Replacement Note if the demand is not met.

**Sofame Technologies**

Loan Origination:	December 2017
Settlement Principal:	\$75,000
Total Outstanding:	\$75,000

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Canadian counsel provided the Receiver with a memorandum indicating 12 steps that needed to be completed in the Canadian courts before the funds could be released to the Receiver. As of January 2021, the courts had completed 7 of the 12 steps and counsel informed the Receiver that the Canadian proceedings continue to proceed as expected and the Receiver expects to receive the funds as stated in the prior Report. *See* [ECF No. 40].

**MPI**

Loan Origination:	December 2015
Loan Principal:	\$30,000 (Settlement Amount)
Total Outstanding:	\$29,200
Last Payment:	August 2019

MPI Industries, LLC performs infrastructure services for telecommunications including construction servicing and maintenance of wireless towers. On February 16, 2018, TCA filed an Adversary Proceeding in the Bankruptcy Court styled as *TCA Global Credit Master Fund, LP v. David Ristick*. On January 2, 2019, David Ristick and TCA entered into a Settlement Agreement stipulating that TCA shall receive \$30,000 in addition to any distributions related to its allowed claim (\$5,227,940.09) in full and final satisfaction of all claims TCA has against MPI and all guarantors. The \$30,000 was to be paid in monthly payments of \$100 from February 1, 2019 through January 1, 2022 at which time a balloon payment of \$26,400 was due. MPI made the \$100 monthly payments through August 2019 but has not made any payments since. GJB reviewed the loan and settlement obligations, and worked to obtain payment from the delinquent borrower. GJB has successfully resolved this matter by securing payment of \$10,000, payable in two equal payments due on May 31, 2021 and June 30, 2021.

**Comprehensive Care**

Loan Origination:	April 2013
Loan Principal:	\$428,062
Total Outstanding:	\$428,062
Last Payment:	July 2020

## CASE NO. 20-CIV-21964-CMA

The initial loan between the Master Fund and Comprehensive Care was for a \$1 million Revolving Convertible Promissory Note, effective April 30, 2013. The loan defaulted and the parties reached a settlement agreement in September 2015. The agreement called for an initial payment of \$10,000 and monthly payments equal to 25% of the profits from its business. The Borrower made payments each month in accordance with the settlement agreement terms through July 2020, and the amount received varies between \$200 and \$600. GJB has learned that the borrower is no longer in business, but is revisiting efforts to obtain payment from the borrower. GJB will proceed with a formal demand, and is preparing to file a lawsuit for breach of the settlement agreement if the demand is not met.

**State Security and Investigation Services**

Loan Origination:	March 2019
Loan Principal:	\$423,074
Total Outstanding:	\$423,074
Last Payment:	October 2020

The borrower was a security company for schools and other businesses, but is currently defunct. The initial loan between the Master Fund and State Security and Investigation Services was \$500,000. The parties reached a settlement agreement in March 2019 for \$442,074. Settlement payments of \$1,000 had been received each month in accordance with the terms of the settlement agreement. However, the last two payments were returned for insufficient funds. GJB has reviewed the loan files and settlement documents, and is investigating the borrower's assets and ability to pay the debt owed. GJB will proceed with a formal demand, and is preparing to file a lawsuit for breach of the settlement agreement if the demand is not met.

**Sprockets Retail**

Loan Origination:	December 2013
Settlement Principal:	\$605,911
Accrued Interest:	\$18,648
Total:	\$624,559
Last Payment:	September 2020

Preferred Secured Agents, Inc. d/b/a Sprockets Retail is a children's clothing company. The borrower made the monthly payments in accordance with the Settlement Agreement through September 2020 but has not paid since. GJB reviewed the file and initiated settlement negotiations with one of the individual guarantors, for resolution of his guaranty. The Receiver offered to settle the outstanding balance owed by for \$150,000, which offer expired on April 29, 2021. GJB received a counteroffer which it is reviewing and considering along with the Receiver. GJB is preparing to file a lawsuit for breach of the settlement agreement if settlement negotiations continue to prove fruitless.

**Hypertension Diagnostics**

Loan Origination:	October 2013
Loan Principal:	\$490,490
Loan Interest:	\$323,092
Total Outstanding:	\$813,582
Last Payment:	August 2018

The Master Fund and Hypertension Diagnostics entered into a Senior Secured Revolving Credit Facility Agreement for \$3 million and a Revolving Convertible Promissory Note for \$550,000 effective October 10, 2013. The Credit Agreement was amended on February 12, 2014 to issue a First Replacement revolving Note for \$669,490.84. Thereafter, on October 20, 2014, the Master Fund filed suit against Hypertension Diagnostics for default. On July 1, 2015, the parties entered into a settlement agreement for \$616,287.95. Given the age of this debt, GJB is reviewing the loan documents, communications and payment history with the borrower, and investigating the borrower and its assets to determine the potential for recovery. GJB is preparing a demand for the outstanding debt owed, and is preparing to file a lawsuit for breach of the Promissory Note if the demand is not met.

**P&D Electric**

Loan Origination:	August 2013
Settlement Principal:	\$497,444
Accrued Interest:	\$116,753
Total:	\$614,197
Last Payment:	January 2020

P&D Electric is an electrical construction company located in New York. The borrower and the Master Fund entered into a settlement agreement for this defaulted loan for \$553,831.23 in October 2018. The settlement agreement called for monthly payments of \$4,000, which the borrower consistently made until early 2020. The Master Fund also received a security interest in property located in New York purportedly valued at approximately \$900,000 as part of the settlement. During this Reporting Period, GJB successfully negotiated with the borrower and guarantors to enter into a supplemental amendment to the settlement agreement, for a lump sum payment of \$150,000, subject to final documentation.

**Peak (Moss Settlement)**

Loan Origination:	July 2015
Settlement Principal:	\$453,500
Accrued Interest:	\$121,383
Total:	\$574,886
Last Payment:	January 2019

On August 30, 2018, the Superior Court for Fulton County, Georgia entered judgment in favor of TCA Global Credit Master Fund against Lonnie and Misty Moss (“Judgment Debtors”) in the amount of \$1,296,593 with post-judgment interest accruing. The two Peak guarantors entered into two separate settlement agreements of this defaulted loan in early 2019 and a separate judgment was entered against Renee Welch. On January 23, 2019, the Judgment Debtors made a payment and provided other consideration totaling \$846,593 thus reducing the amount due to \$450,000. The guarantor, Moss, has not made any remaining payments. The Receiver, through GJB’s efforts, has worked to domesticate the Moss judgment. Once the



judgment has been properly domesticated, the Receiver will initiate garnishment proceedings. Further, the Receiver has learned that another entity, Ferguson Enterprises Inc., has begun collection proceedings against Lonnie Moss. The Receiver filed a copy of the Receivership Order in Ferguson's collection action.

**4G Metals**

Loan Origination:	June 2015
Settlement Principal:	\$650,000
Accrued Interest:	\$27,386
Total Outstanding:	\$329,096
Last Payment:	October 2019

4G Metals is a metal recycling company. GJB has reviewed the loan documents and correspondence, and learned that the borrower previously conveyed an effort to obtain refinancing to pay off the remainder of the loan. The borrower remained in contact through the end of 2020, and GJB has determined to pursue further negotiations in an effort to resolve the outstanding amounts owed. Notice of Default was prepared and provided. GJB is also seeking to obtain updated financial information from the borrower regarding its refinancing and ability to pay.

**Care Environmental**

Loan Origination:	December 2017
Loan Principal:	\$235,424
Loan Interest:	\$47,563
Total Outstanding:	\$320,308

The Master Fund and Care Environmental initially entered into a Senior Secured Revolving Credit Facility Agreement for up to \$1.5 million, and a promissory note of \$675,000 effective December 29, 2016.

Effective May 24, 2018, the Master Fund and the borrower entered into a Settlement Agreement with a Replacement Promissory Note of \$283,600 at a 14% per annum interest rate. In addition to the \$283,600 note, the Settlement Agreement stated that the borrower was to pay

all other obligations due under the terms of the Credit Facility Agreement (the “Original Credit Agreement”), with an effective date of December 29, 2016. The monthly payments per the settlement terms consisted of five (5) payments of \$25,726.98 from June 31, 2019 through the maturity date of October 31, 2019. The borrower, however, failed to make any payments since the end of July 2019. GJB has learned that the borrower made a total of \$353,000 pre- Receivership. Notices of Default have been prepared and provided. GJB has determined to prepare a demand letter, and to reach out to the borrower to initiate settlement negotiations. GJB is also preparing the Affidavit required to file the Consent Judgment, pursuant to the Settlement Agreement.

**TCA Energy Solutions, LLC (Noveda Technologies)**

Loan Origination:	December 2017
Loan Principal:	\$1,005,899
Loan Interest:	\$571,612
IB Fee:	\$5,000,000
Interest on IB Fee:	\$1,369,608
Total Outstanding:	\$7,947,120
Last Payment:	none

On December 31, 2017, TCA Energy Solutions (“TCA Energy”), LLC, entered into a Senior Secured Credit Facility Agreement with Master Fund, with total available financing up to \$5,000,000, and agreed to a revolving note in conjunction to the Senior Secured Credit Agreement with a principal amount of \$1,400,000 at the interest rate of 16%. TCA Energy also agreed to a Senior Secured Redeemable Fee Debenture on December 31, 2017, for a principal amount of \$5,000,000 at the interest rate of 8%. The borrower has not made any payments to date on the advance nor on the investment banking fee. GJB has reviewed the loan agreements and prepared the appropriate Notice of Event of Default and a demand for final payment. GJB is also investigating the borrowers and the guarantors, as well as the principal of the borrower, who is involved with another pending legal proceeding involving the Receiver in Texas.

**Flux Carbon Corp. (Pervasip Corp. / Canalytix)**

Loan Origination:	December 2017
Loan Principal:	\$10,841,639 (including IB Fee)
Loan Interest:	\$3,106,301
Total Outstanding:	\$13,947,941
Last Payment:	September 2019

Pervasip Corp. and the Master Fund entered into a Senior Secured Convertible, redeemable debenture agreement on October 14, 2015 for principal of \$500,000 (“2015 Pervasip Debenture”). At the date of the agreement, an aggregate amount of \$1,006,181.66 of unpaid principal, accrued but unpaid interest, and other fees were outstanding in conjunction to the 2015 Pervasip Purchase Agreement and 2015 Pervasip Debenture. In conjunction with the 2015 Pervasip Purchase Agreement, Flux Carbon Corporation (“Flux”) and Influx Capital, LLC, entered into a Senior Secured Redeemable Debentures purchase agreement with the Master Fund on June 30, 2017. On June 30, 2017, Pervasip Corp. entered into a Senior Secured Redeemable Debenture agreement with Flux Carbon Corp. (“2017 Pervasip Purchase Agreement”) whereby Flux would purchase up to \$5,000,000 of redeemable debentures, and the proceeds will flow to Pervasip directly, or the subsidiaries of Pervasip, Canalytix WA LLC (“CWA”) and Canalytix Co LLC (“CCO”). The proceeds were to be used by Pervasip or the subsidiaries to make subsequent loans, including a loan pursuant to the Zen Purchase Agreement. The Zen Purchase Agreement was entered by Zen Organization, Inc. (“Zen”) and CWA, with JFK Holdings LLC, G.R.T.U. LLC, Zen Staffing LLC, and Zen Goods LLC as corporate guarantors. The Zen Purchase Agreement notes that \$1,000,000 of the 2017 Pervasip Debenture proceeds were to be funded directly to CWA pursuant to the 2017 Pervasip Purchase Agreement.

On June 30, 2017, Pervasip Corp. entered into a Senior Secured Redeemable Debenture (“Fee Debenture”) for a principal of \$5,275,000 at a 10% interest rate. Pervasip Corp. also entered into a Master Funding and Payment Agreement with a principal debenture of \$2,400,000.

Borrowers made monthly payments of \$35,000 through March 2019 and the last payment received was in September 2019. GJB has reviewed the various loan agreements and is preparing a demand letter to recover the amounts owed, and is preparing to file a lawsuit for breach of the Fee Debenture if the demand is not met.

### 3. Other/Post-Judgment Collections:

#### **Patient Access Solutions**

Loan Origination:	September 2016
Loan Principal:	\$792,472
Judgment Amount:	\$1,099,295
Total Outstanding:	\$1,072,699
Last Payment:	January 2019
Status:	Post Judgment Collection

The Master Fund and Patient Access Solutions entered into a Senior Secured Credit Facility and a Convertible Promissory Note for \$700,000 effective September 16, 2016 and the borrower defaulted. Master Fund commenced litigation against the borrower on September 29, 2017, and obtained a judgment against Patient Access Solutions and the individual guarantor for unpaid amounts accrued and owing on October 19, 2018. The borrower made one post-judgment payment in January 2019. The borrower has been in discussions with DSI regarding a possible further settlement and resolution. Based upon the uncertainty of these discussions, the Receiver and DSI are also assessing post-judgment collection legal actions.

#### **Kerr Utility Technologies**

Loan Origination:	September 2014
Last Known Balance:	\$57,338
Judgement Amount:	\$1,122,784
Last Payment:	July 2018
Status:	Post Judgement Collection

The Master Fund and Kerr Utility Technologies, Inc. (“Kerr”) entered into a Credit Agreement effective September 2014. Kerr defaulted in January 2015 and TCA obtained a default final judgement in the amount of \$1,122,784 (plus interest). Kerr entered into two

Settlement Agreements with the Master Fund and the Guarantor (the first Settlement Agreement being in October 2016 and the second Settlement Agreement being in February 2018) to make 72 monthly payments of \$966.30 from April 2018 through March 2024. Kerr made the monthly payment for the first nine months but has not made a payment since December 2018. The loan was previously identified as closed. However, based upon DSI's review, DSI recommends an assessment of the judgement and post-judgment collectability.

**World Art Auctions, LLC**

Loan Origination:	November 2013
Loan Principal:	\$787,435
Loan Interest:	\$605,478
Total Outstanding:	\$1,392,913
Last Payment:	unknown

The Master Fund and World Art Auctions, LLC ("World Art") entered into a Senior Secured Revolving Credit Agreement effective November 13, 2013. In 2015, World Art and one of the guarantors filed for Chapter 7 bankruptcy and a trustee was appointed to the jointly administered cases. The Master Fund and the trustee entered into a Settlement Agreement in May 2018 whereby World Art was to provide TCA art at a set appraised value along with a cash payment. Pre-Receivership, the art was moved to Miami into a storage locker. Further investigation continues into the current status, value and appropriate disposition of the art.

**Sack Lunch Productions, Inc.**

Loan Origination:	October 2015
Last Payment:	unknown
Loan Principal:	\$1,952,533
Loan Interest:	\$1,109,227
Total Outstanding:	\$3,061,866

The Master Fund and Sack Lunch Productions, Inc. ("Sack Lunch") entered into a Senior Secured Revolving Credit Agreement and a Convertible Promissory Note in October 2015. Sack Lunch defaulted and the Master Fund commenced litigation against Sack Lunch in Broward

County, Florida for the existing defaults. In October 2017, the Master Fund, Sack Lunch, the Corporate Guarantor and the Validity Guarantor entered into a Settlement Agreement whereby the Master Fund was entitled to receive monthly payments and payment of the remaining balance by March 2018. DSI continues to investigate the collectability of this loan.

**Dixie Foods: PRBI**

Loan Origination:	December 2014
Loan Principal:	\$2,260,534
Judgment Amount:	\$2,589,326 as of June 6, 2016, plus default interest at 18% and attorneys' fees
Interest:	\$1,592,900
Total Outstanding:	\$3,853,434
Last Payment:	November 2017
Status:	Post Judgment Collection

The Master Fund and Preferred Restaurant Brands entered into a Debenture for \$1 million effective December 31, 2014. The Debenture was amended on October 27, 2015 to increase the principal borrowing to \$1,460,553.70. On March 10, 2016, the Master Fund commenced litigation against the borrower for \$2,611,931.40 owed on the Debenture and to assert enforcement of the guarantee against guarantors. On June 21, 2016, a final judgment was entered against the defendants. The borrower's only payments were in August and November 2017. GJB has reviewed the file and is initiating post-judgment collection actions.

**iTeknik Holding Corporation**

Loan Origination:	December 2016
Loan Principal:	\$5,698,064
Loan Interest:	\$3,642,686
Fees w/ Interest:	\$5,102
Total Outstanding:	\$8,760,852

The Master Fund and iTeknik entered into a Securities Purchase Agreement and a Senior Secured, Convertible, Redeemable Debenture for \$5 million effective December 20, 2016. As a result of existing defaults and other disputes between the parties, litigation was commenced on April 4, 2017. On June 21, 2019, the parties entered into a settlement agreement for \$4 million.

TCA appears to have purchased all the property of iTeknik Holding Corporation and Big Rhino Corporation via a credit bid at an auction in March 2020, including furniture, accounts receivable, and intellectual property. DSI and the Receiver's counsel are currently reviewing prospects for monetizing these assets.

#### 4. Resolved Matters

##### Mint Leasing Vehicles

As of the Third Reporting Period, this asset has been fully administered, including receipt of proceeds from sale of numerous automobiles, and no further Receiver action is expected.

##### Hearts & Hands

Total Outstanding:	\$2,216,643
Status:	Chapter 11 Bankruptcy plan

Hearts and Hands of Care, Inc. is a respite services and human health care facility that facilitates access to quality services and supports that foster independence, personal choice, and dignity to individuals with disabilities, seniors and vulnerable adults. Hearts and Hands filed for Chapter 11 on July 22, 2019. The Master Fund filed a Proof of Claim for \$1,985,000 on November 18, 2018. The debtor confirmed a plan on July 1, 2020. To date, under the confirmed bankruptcy plan, the Receiver has received three payments totaling \$163,674 from this matter.

##### Fortran Corp.

This borrower has been making periodic payments since the appointment of the Receiver and has paid off the balance of the \$70,000 settlement agreement.

##### Hispanica International Delights

Loan Origination:	July 2016
Loan Principal:	\$150,000
Total Outstanding:	\$150,000

The Master Fund and Hispanica International Delights entered into a Senior Secured Revolving Credit Facility Agreement ("Revolver") for \$7.5 million and a Revolving Note

(“Note”) for \$1.6 million effective July 5, 2016. On November 27, 2017, the Revolver and the Note were replaced by a Debenture for \$650,000.00. In April 2017, Hispanica International Delights defaulted on the loan, and the Master Fund commenced litigation against Hispanica International Delights and the corporate guarantors shortly thereafter. Then, Hispanica International Delights and the corporate guarantors commenced legal action against the Master Fund, which was subsequently voluntarily dismissed. On June 29, 2018, the Master Fund and Life on Earth f/k/a Hispanica International Delights entered into a confidential settlement agreement for \$560,000, comprised of \$410,000 cash payments and a \$15,000 stock payment. The Master Fund has received the \$410,000 cash payments but not the stock payment. DSI is evaluating sale of the stock interest in Life on Earth.

#### **Zenergy Energy Services**

Zenergy Energy Services, LLC (“Zenergy”), a publicly traded company located in Plano, Texas, specializes in the sale and management of Managed Energy Services Agreements, whereby Zenergy agrees to install and own select energy-efficient machinery and equipment at a client’s site in return for a contractual portion of the resulting energy savings. The Master Fund was a senior secured creditor on all of Zenergy’s assets and holds a personal guaranty. In November 2019, Zenergy filed for Chapter 11 bankruptcy protection, partly due to the debt owing to the Master Fund. Thereafter, TCA ICAV provided Zenergy with post-petition financing to fund operations. During this period, Zenergy, in connection with confirming its bankruptcy plan, settled with the Receiver and ICAV for a lump sum payment of \$121,522.90 which is being held by counsel for the Receiver pending a resolution between the Receiver and ICAV as to how the settlement proceeds should be shared.



### 5. Loans Requiring Further Investigation and Analysis

DSI reviewed the operative documents and underlying files for 30 loans that were identified as closed per TCA records. Based on investigation and analysis of the loans, one was recommended for legal action, one was determined to be a post-judgment collection, 12 require no further action, 6 were determined to be duplicates of existing loans, and 10 require further financial and legal evaluation to determine if there is any ability to collect the outstanding balances.

#### ECO-Waste

Loan Origination:	September 2017
Last Known Balance:	\$8,687,402 (includes \$4,000,000 IB & Advisory Fee)

The Master Fund and Eco Waste and Recycling, LLC (“Eco Waste”) entered into a Senior Secured Redeemable Debenture Agreement effective September 6, 2017. Eco Waste defaulted in February 2018 for failure to pay, and the Master Fund issued a demand for payment of \$5,966,701.30 in May 2018 from the borrowers and personal guarantors. Eco Waste filed for Chapter 7 bankruptcy in July 2018 and in August 2018, the Master Fund commenced litigation against the guarantors. In October 2018, the Chapter 7 Trustee proposed to abandon all property of the Eco Waste estate. On October 10, 2018, a Judgment was entered against the guarantors for \$6,441,601 plus accruing default interest. Based on a review of the underlying documentation, it appears TCA was unsuccessful pursuing the guarantors. Collection of the outstanding balance appears remote based upon DSI’s review.

#### Axiologix

Loan Origination:	September 2013
Last Known Balance:	\$1,659,235

The Master Fund and Axiologix entered into a Senior Secured Revolving Credit Facility Agreement effective September 2013. On August 26, 2015, iWorld Services (“IWS” or “Seller”)

and Axiologix, Inc. (“Parent Company”) entered into an Asset Sale Agreement with Telco Worldwide Billing Corp (“Acquiror” or “Telco”) to sell a telecommunication switch and its related hardware and software and related intellectual property to operate the switch. The Master Fund and Acquiror entered into a Senior Secured Revolving Credit Facility Agreement and a Revolving Promissory Note, effective September 11, 2015, for \$500,000 and advisory fees of \$750,000. The file includes a guarantor. Telco defaulted, and collection of the outstanding balance appears remote based upon DSI’s review.

**Artec Global Media**

Based on a review of the file and discussions with TCA personnel, the loan balance was written off and no further action is required.

**The Staffing Group**

Loan Origination:	April 2016
Last Known Balance:	\$1,773,707

The Master Fund and The Staffing Group Ltd. (“The Staffing Group”) entered into a Senior Secured Revolving Credit Facility Agreement effective April 2016. The borrower initially defaulted in December 2016 and the Master Fund issued a demand for payment of \$1,569,957 in May 2018. TCA records indicate the outstanding balance was written off in July 2019.

**Texas Mills**

Loan Origination:	December 2016
Last Known Balance:	\$1,761,431

The Master Fund and Texas Mills LLC (“Texas Mills” or “Borrower”) entered into a Senior Secured Revolving Credit Facility Agreement effective December 2016. Texas Mills defaulted in May 2017 for taking out additional debt from other lenders in violation of the Credit Agreement. The Master Fund commenced litigation against Texas Mills and the Guarantors in June 2017 and obtained a default judgment for \$1,379,817.08 against the Borrower and

Guarantors in November 2018. Collection of the outstanding balance appears remote based upon DSI's review.

**MailPix (Artful Color)**

Loan Origination: October 2016  
Last Known Balance: \$909,721

The Master Fund and Artful Color, Inc. d/b/a Mypix2.com ("Borrower") entered into a Senior Secured Credit Facility Agreement effective October 2016. The file contains a personal guarantor. The borrower defaulted after failing to make the January 2017 payment and on January 19, 2017, the Borrower filed a voluntary Chapter 11 bankruptcy petition. In March 2017, the Master Fund commenced litigation against the guarantor for recovery of \$1,105,747.80 owed plus interest and attorneys' fees. In June 2017, the guarantor filed a Chapter 13 bankruptcy petition. TCA records indicate a "final payment" was made in April 2020.

**Elite Books**

Loan Origination: December 2015  
Last Known Balance: \$1,195,250

The Master Fund and Elite Books, Inc. ("Elite Books" or "Borrower") entered into a Senior Secured Revolving Credit Facility Agreement effective December 2015 and committed to an initial loan of \$870,000. The Borrower defaulted in July 2017 and has not made any payments since June 2017. Company records indicate no evidence of litigation or settlement agreements and collection of the outstanding balance appears remote based upon DSI's review.

**Hightex Group PLC, a UK company**

Loan Origination: February 2014  
Last Known Balance: \$1,086,488

The Master Fund and Hightex Group, PLC, located in England and Wales, entered into a Facility Agreement for up to \$10,000,000 in February 2014. The Agreement was guaranteed by Hightex Limited, Hightex International AG and Hightex GmbH. In conjunction with the Facility

Agreement, the Master Fund and Hightex Group, PLC executed a Debenture. The company went into administrative receivership to organize a capital reconstruction. It appears this entity was being maintained as a public shell company for possible future sale or use.

**SeanieMac**

Loan Origination: December 2016  
Last Known Balance: \$355,379

The Master Fund and SeanieMac International, Ltd. (“SeanieMac”) entered into a Credit Agreement effective December 2016. SeanieMac first defaulted in May 2017 for failure to pay interest owed and in June 2017 entered into a Settlement Agreement and Consent to Transfer Pledged Series E Preferred Stock in exchange for a \$100,000 credit to the outstanding balance. Collection of the outstanding balance appears remote based upon DSI’s review.

**Sun Industries**

Based on a review of the file and discussions with TCA personnel, the loan balance was written off and no further action is required.

**Southbay Logistics**

Loan Origination: July 2017  
Last Known Balance: \$1,594

Southbay Logistics International, LLC (“Southbay”) provides various logistical services in and around the Los Angeles area, including but not limited to drayage, trans-loading, cross-docking, and trucking services. The Master Fund and Southbay entered into a Secured Debenture Facility in July 2017 for \$800,000. Per TCA records, the loan appeared to be mostly paid off in October 2019 and no further action is required.

**TCA Farms, LLC (C&D Fruit and Vegetable Co., Inc.)**

C&D Fruit and Vegetable Co., Inc. filed for Chapter 11 bankruptcy and entered into a Settlement Agreement with the Master Fund. The Master Fund received payments pursuant to

the Settlement Agreement and the Guarantors were released. C&D Fruit and Vegetable Co., Inc.'s bankruptcy was closed in March 2020 and no further action is required.

**CEC Electrical Contracting LLC**

Based on a review of the file, the guarantor to the loan sold property and remitted the proceeds as part of the Settlement Agreement with the Master Fund. The final payment was received in April 2019 and no further action is required.

**CTX Virtual Technologies, Inc.**

Based on a review of the file, the guarantor fulfilled payment of \$150,000 as part of the Settlement Agreement with the Master Fund and has been released. No further action is required.

**Fundamental (Universal Cash Fund)**

The loan balance appears to have been paid in full in February 2020 and no further action is required.

**Middlefork Holdings, LLC**

Three of the five corporate guarantors to the Credit Agreement between the Master Fund and Middle Fork Holdings, LLC ("Middlefork") filed for Chapter 7 bankruptcy and entered into a Settlement Agreement with the Master Fund. The Master Fund received payments pursuant to the Settlement Agreement and no further action is required.

**New Lead Holdings**

Per discussions with TCA personnel, the loan was written off subsequent to the sale of the collateral in July 2018. No further action is required.

**Oysterworld Limited**

The borrower went into Administration in 2016 and the limited assets were liquidated and distributed by the Administrators. No further action is required.

**Shangri-La Construction, L.P. / World Mechanical**

Per discussions with TCA personnel, the loans with Shangri-La Construction, LP and World Mechanical were paid off in February 2020. No further action is required.

**Mota Drones (MOTA Group)**

Investigation pending on this matter.

**Gourmet Food Solutions**

Investigation pending on this matter.

**D. TCA Aerospace**

In late October 2020, DSI visited TCA Aerospace and met with TCA Aerospace management to better understand the operations and business models for each of the TCA Aerospace operating companies. The Receiver requested and recently received additional information from these operating companies. TCA Aerospace is currently owned by the Opportunities Fund, but the Master Fund sold the company to the Opportunities Fund in a pre-Receiver transaction that resulted in a seller note as partial payment for the company's equity. The Opportunities Fund owes the Master Fund approximately \$8.5 million, with a security interest limited to \$5 million from TCA Aerospace in the Master Fund's favor to partially guarantee the obligations. On January 27, 2021, Alyce Schreiber, on behalf of William Fickling, caused TCA Aerospace to change its name to Precision Aerospace Group, LLC. Simultaneously, TCA Aerospace (n/k/a Precision Aerospace) changed its registered address to a shared/virtual office space in Aventura, Florida. The Receiver continues to consider options with regard to these TCA entities and transfers.

**E. Litigation Initiated by the Master Fund Against Borrowers**

The Receiver and his counsel, GJB, have made substantial progress in the litigation

matters involving the Receivership Entities. GJB continues to analyze and pursue civil claims in litigation and bankruptcy proceedings in multiple jurisdictions, the majority of which involve monies loaned by the Master Fund to various businesses. The Master Fund and its related entities and subsidiaries are involved in active litigation in over 40 different matters pending in Florida, Georgia, Texas, New York, Connecticut, California, Arizona, Illinois, Canada and Australia, in both state and federal courts. In the majority of these proceedings, the Master Fund is the plaintiff seeking to recover on secured credit agreements, notes and personal guaranties from borrowers and guarantors in default. Some matters are more complicated, involving affirmative defenses and counterclaims of fraud, breach of notice requirements in loan agreements, usury, and unlawful lending practices by the Master Fund. Others involve internal disputes among the borrowers, guarantors and third parties surrounding the Master Fund loans, alleged schemes to defraud involving other Master Fund borrowers, disputed rights to accounts receivable held by third parties, real property foreclosures, disputes over pledged assets, involuntary guarantor bankruptcy proceedings, adversary proceedings in bankruptcy by disgruntled creditors and indemnification claims for costs awards and foreign tax liability.

The Receiver's team is pursuing the active matters aggressively, analyzing factual and legal issues to overcome the hurdles that the Receiver must navigate in his efforts to recover on the Master Fund's defaulted loans. Wherever possible, Receiver's counsel is seeking to resolve these disputes without needlessly involving the courts, in the interests of efficiency and with the utmost concern for conserving and expanding the assets of the Receivership. In matters where settlement efforts are met with resistance, GJB is pursuing recovery vigorously in court. In those proceedings, GJB has assigned legal professionals to prepare appropriate motions and pleadings, attend court hearings, to obtain default and final judgments, and to continue to pursue favorable

settlement negotiations where appropriate and beneficial to the Receivership. Some matters have been resolved through settlement or with favorable results in court, as set forth below. GJB has also successfully negotiated with counsel in other matters where the Master Fund or its related entities are defending claims, including eviction actions, commercial construction disputes, mortgage foreclosure actions and other claims. GJB has advised the Receiver as to which active matters the Receiver should actively pursue, and is also in the process of issuing proper default notices and preparing complaints to initiate court proceedings against borrowers and guarantors that remain delinquent, despite best collection efforts over recent months. GJB has also obtained, and the Receiver has executed (with SEC counsel and court approval), retainer agreements to engage local counsel in multiple jurisdictions where necessary to achieve favorable results. Finally, GJB is focused on analyzing the potential for asset recovery in the new and remaining proceedings, given the legal and factual hurdles particular to each, and the financial status of the relevant borrowers and guarantors. In each of these cases, it is the Receiver's goal to obtain monies due and owing from borrowers as efficiently and cost-effectively as possible, with an eye toward obtaining optimum recovery without the need to resort to continued litigation, wherever possible.

The following is an updated summary of the litigation matters that Receiver's counsel has been pursuing, defending and monitoring during this reporting period:

- ***TCA Global Credit Master Fund v. Montbriar, Inc., Paycation Travel, Inc., et al., Broward County Circuit Court, Case No. CACE-16-019532***
- ***Paycation Travel, Inc., Xstream Travel, Inc., and David Manning, v. TCA Global Credit Master Fund, Montbriar, Inc., Jeremy Monte, et al., Collin County Court, Texas, Case No. 199-03524-2016***

The Master Fund brought suit against the borrower and the guarantors for breach of a secured credit facility agreement and replacement note, pursuant to which borrower was loaned a



total of \$7.78 million. Two of the corporate guarantors and its principal, Paycation Travel, Xstream Travel and David Manning, all located in Texas, filed a preemptive suit in Texas state court against the borrower and the Master Fund. The Florida court stayed the Florida proceeding pending conclusion of the Texas proceeding under the first-to-file rule. The Master Fund reached a settlement in the Florida action with the borrower and remaining guarantors, in exchange for cooperation and assistance in the Texas proceedings. On April 28, 2021, the Court entered an order administratively closing the Florida proceeding. The case may be re-opened on motion by any party.

In the Texas proceeding, the guarantors pled claims against the borrower and the Master Fund for fraud and conspiracy in connection with the loans. The Master Fund raised counterclaims in the Texas proceeding for breach of the credit facility agreement and notes, and for fraudulent transfer, tortious interference and unjust enrichment. Based upon limited discovery, those claims include Manning's transfer of at least \$2 million in funds from Paycation to another travel services company, Traverus, which continues to operate. The whereabouts of the remainder of the loan funds is the subject of local counsel's discovery efforts and accounting expert investigation. During the pendency of the proceeding, \$1.4 million in receipts held by a third-party credit merchant vendor, World Pay U.S., Inc., was placed in escrow with the Texas court, pending determination of the Receiver's counterclaims to recover the loan proceeds. Both Manning and the Receiver claim entitlement to those funds, but it does provide an established source of recovery should the Receiver prevail.

During this Reporting Period, the Receiver sought and secured this Court's approval for Matthew White and Valerie Henderson of Baker Donelson to represent the Receiver in the Texas litigation, at discounted rates. Baker Donelson has provided a status report requested by

Receiver's counsel, providing advice on the pending summary judgment motions, and the necessary discovery and strategy to set and complete meaningful mediation. Baker Donelson is now moving to lift the stay in the Texas proceeding, issuing subpoenas to obtain necessary bank records to track the loan funds, and preparing for hearings on the pending motions for summary judgment.

- ***TCA Global Credit Master Fund, L.P. v. Jeremy G. Ostrowski, Jocelyn Hughes-Ostrowski, and Estreamtv, Inc., Broward County Circuit Court, Case NO. CACE 17-019907 (02)***

On July 17, 2018, the Master Fund sued loan guarantors (and Canadian citizens) Jeremy G. Ostrowski and Jocelyne Hughes-Ostrowski to recover \$7.2 million in loans made to the Ostrowski's digital television 'on-site' advertising businesses (known as the "Zomongo companies," operating out of Calgary, Alberta), on which the borrower defaulted. The Zomongo companies were essentially a sham, never making a single sale. The Florida proceeding is administratively stayed, and can be re-opened by the Receiver at any time, if necessary. The main source of recovery, however, will be through proceedings currently pending in Canada, as a result of the guarantors filing for bankruptcy there.

During this Fourth Reporting Period, the Receiver sought and obtained this Court's approval to retain local Canadian counsel, Barry Crump of Burnet, Duckworth & Palmer, LLP in Calgary, who previously filed proofs of claim on behalf of the Master Fund, and has been monitoring those claims in each of those proceedings (*In Re: Bankruptcy of Jeremy Gene Ostrowski*, Estate No.: 25-2501205; *In Re: Bankruptcy of Jocelyne Ostrowski*, Estate No.: 25-2617256). The likely distribution from those proceedings is next to nothing, according to local counsel.

However, New York judgment creditor Radium, Inc., which secured a \$5.4M judgment

against the Zomongo companies and the Ostrowskis, intervened, and also brought a separate action against other Zomongo-related entities understood to hold assets and funds for Jeremy Ostrowski. Counsel for Radium has information that the related Zomongo entities in the secondary action have bank accounts holding substantial funds for Ostrowski, on which local counsel believes the Receiver may be able to collect, if they exist and the secondary action is successful. Radium claimed it was defrauded, and the bankruptcy court had ordered a mini-trial on those fraud claims before deciding to lift the stay, after receiving affidavits from the debtors and Radium. That hearing was to take place on February 5, 2021, but the bankruptcy court has since ordered the parties to meet and agree on a procedure for that hearing, which negotiations remain in progress.

Mr. Crump has been in contact with counsel for Radium regarding the Receiver's claims and priority, in an effort to agree to an order that would require Radium to provide the Receiver notice of any proposed execution under any judgment Radium may obtain in their secondary action against multiple Zomongo-related defendants, or a front-end sharing agreement that would resolve the distribution of actual judgment proceeds between Radium and the Receiver. Radium's counsel is considering these proposals. Mr. Crump will raise this issue with Radium again in conjunction with the hearing on the application to lift the bankruptcy stays. Mr. Crump is also prepared to intervene in the secondary action on behalf of the Receiver, if necessary. The Receiver continues to pursue recovery of the loan proceeds efficiently and vigorously.

- ***TCA Global Credit Master Fund, L.P. v. Flame X, Inc., Complete Construction Technologies, Inc., 1209675 Alberta, Inc., Robin Elanik and Brett Elanik (Action No. 1603-10202, Alberta); In the matter of Bankruptcy of Brett Elanik (Estate No. 24-2616611, Alberta).***

TCA obtained a summary judgment and Cost Order against all defendants in this proceeding in Canada, on which there was \$5.74 million USD owing on February 11, 2020, on

which date the guarantor and principal, Brett Elanik, filed for bankruptcy. The bankruptcy proceeding is under summary administration, and a Trustee was appointed. The Trustee accepted TCA's Proof of Claim in the amount of \$7.7 million CAN. During this Fourth Reporting Period, Receiver's local counsel, Barry Crump, has been in communications with the Trustee to determine whether there are assets available for distribution. Substantial progress has been made on that front, and the Receiver will continue to pursue these assets in an effort to collect on the outstanding amounts owed.

- ***TCA Global Credit Master Fund, L.P. v. Dryworld Industries, Inc. (Action No. 1701-00535, Alberta).***

In 2015, TCA loaned \$4 million to Dryworld, an athletic clothing maker. Of that original loan, over \$2.65 million remains owing. TCA, through local counsel Barry Crump, brought an action in Alberta, Canada to recover the amounts owed. As of 2017, Dryworld had defaulted on its loan obligations, was no longer operating, and had no assets other than certain trademarks. The Receiver, through TCA, retains the rights to some of the trademarks (the Dryfeet Brand logo and the Dryworld name and logo). Dryworld sought a new lender to begin a new operation.

During this Fourth Reporting Period, Mr. Crump has re-initiated discussions with the new lender to close the existing litigation through execution of an Assignment of Indebtedness and Royalty Agreement, whereby the Receiver would assign all of his rights in the litigation, including the debt and security, in exchange for a small payment and a first priority royalty on the gross profits of Dryworld (as a new operating entity) until the Receiver has received a substantial amount in royalties. Settlement discussions had previously stalled due to the pandemic, and Dryworld had reverted to offering a nominal payment and no royalties. With new negotiations, however, Mr. Crump believes the Receiver can obtain a favorable settlement. Negotiations remain ongoing, and the Receiver will make every effort to maximize recovery in

this previously stalled matter.

- ***TCA Global Credit Master Fund, L.P. v. Illegal Burger, LLC, J&F Restaurants, LLC, James M. Nixon, and Perla L. Nixon, Broward County Circuit Court, Case No. CACE-18-023812 (14)***

On October 8, 2018, the Master Fund brought an action against the borrower, a Colorado restaurant chain, and against the Nixons, as guarantors, seeking \$565,267.07 in unpaid principal, fees and interests due to borrower's default on a credit agreement and note. The borrower, Illegal Burger LLC, is a restaurant chain based in Denver, Colorado. Through GJB's efforts, the trial court lifted the stay and set the matter for trial in November 2020, upon the Receiver's representation of its intent to vigorously pursue recovery of the monies owed. Thereafter, Illegal Burger agreed to negotiate a settlement. Based upon financial statements secured by Receiver's counsel, Illegal Burger's restaurant business was struggling as a result of the current COVID-19 pandemic. GJB and the Receiver ultimately entered into a settlement with Illegal Burger in the amount of \$150,000, payable in full to the Receiver within 90 days of execution. The parties executed the settlement agreement (which contains remedies and penalties if Illegal Burger fails to pay) on November 24, 2020, and on the same day the Court entered an order dismissing the case, reserving jurisdiction to enforce the terms of the settlement agreement. The settlement amount has now been timely paid, in full.

- ***TCA Global Credit Master Fund, L.P. v. Medytox Solutions, Inc., Health Technology Solutions, Inc. f/k/a Medytox Information Technology, Inc., et al., Broward County Circuit Court, Case No. CACE-18-018385 (21)***

On August 1, 2018, the Master Fund filed suit seeking \$2,029,748.20 in principal, fees and interest against a defaulted borrower and guarantors on loan agreements in connection with a senior secured redeemable debenture. The total loan amount was \$3,000,000. The borrower was a Nevada integrated medical solutions provider operating out of Palm Beach, Florida.

Guarantor/Defendant Rennova Health, Inc. owns several other related medical solutions companies.

Prior to the Receiver's appointment, the defaulting parties did not vigorously defend this lawsuit. The Master Fund's former counsel and counsel for the defendants agreed to put the litigation on hold to enter into informal settlement negotiations, which were never consummated. Since that time, Shutts & Bowen has appeared as new counsel for the borrower and guarantors. During this Fourth Reporting Period, counsel for the Receiver has been in negotiations with borrower's new counsel to potentially reach a settlement, in an effort to avoid the incurrence of litigation costs. Counsel for Medytox has claimed that Medytox disputes the amounts owed to pay off the loan. Counsel for the Receiver obtained the necessary documents to establish that the amounts the Receiver seeks are accurate. The Receiver has obtained a good-faith settlement offer from the borrower, and has requested additional financial information in order to properly analyze that offer and prepare a counteroffer. If settlement discussions do not result in a favorable settlement for the Receivership estate, the Receiver will vigorously pursue a final judgment to recover the monies owed.

- ***Intelligent Highway Solutions, Inc. v. TCA Global Credit Master Fund, L.P. v. Crescent Construction Company, Inc., Philip Kirkland, William D. Jones, Broward County Circuit Court, Case No. CACE 18-000934 (02)***

On April 30, 2018, the defaulted borrower, Intelligent Solutions, an Elk Grove, California company that services and provides energy-saving technology for intelligent highway systems, filed a pre-emptive lawsuit against the Master Fund, *Intelligent Highway Solutions vs. TCA Global Credit Master Fund, L.P.*, 2017-00219822-CU-FR (Sac. Cty Sup. Ct., CA), asserting claims for unlicensed lending under California among other claims. The borrower alleged that the Master Fund failed to provide advisory services (for which it agreed to pay \$1.5 million) in

connection with the loan funds it received (\$631,855). The court dismissed the California action due to a forum selection clause in the loan agreements. The borrower filed an identical action in Florida.

The Master Fund moved to dismiss the borrower's claims, and filed counter and cross claims against the borrower, co-borrower and guarantors, seeking to recover for breach of the credit agreement, revolving note, and guaranties. After motion practice, the borrower abandoned its affirmative claims for relief, filed its answer, and borrower's counsel withdrew from the case. Borrowers have failed to obtain new counsel, in violation of the court's order. During this Fourth Reporting Period, the Receiver has been investigating the borrower and guarantors' assets to seek potential recovery. Counsel for the Receiver is also preparing motions to obtain a final judgment on its claims on the Note, in order to collect on any remaining assets subject to execution.

- ***TCA Global Credit Master Fund, L.P. v. Independent Charter Academy Network, LLC, EdisonLearning, Inc., Edison Receivables Company LLC, Edison Schools, Inc., Edison Learning Limited, Bridgescape Learning, LLC, Provost Systems, Inc., Theodore Roosevelt College and Career Academy, Inc., Provost International, Inc., Learnnow, Inc., and Thomas M. Jackson, Broward County Circuit Court, Case No. CACE 18-016887 (09)***

In January 2017, the Master Fund loaned \$8.1 million to the borrower, EdisonLearning, Inc., an education services company that manages and operates public charter schools and provides online learning services in multiple states. The borrower and its principal, however, defaulted on the loan and diverted funds otherwise available to the Master Fund in repayment, among other violations of the terms of the loan agreements. After the Master Fund brought suit to foreclose on the loan, on June 25, 2019, the parties executed a settlement agreement, by which the debtors agreed to market and sell the EdisonLearning E-Learning Business by June 25, 2020 for a minimum of \$10.5 million, to be paid to the Master Fund to settle its remaining debts. The

Receiver is entitled to file a consent judgment for that amount with the court.

The Receiver has been in negotiations with EdisonLearning to obtain payment of the amounts owed. During the Fourth Reporting Period, and through diligent efforts, counsel for the Receiver finally obtained sufficient financial information from EdisonLearning to make an informed settlement decision. The parties remain in settlement talks. Should those negotiations not result in a favorable settlement for the Receivership in the very near future, the Receiver will proceed with filing the consent judgment, and will vigorously pursue all avenues of recovery available to him.

- ***TCA Global Credit Master Fund, L.P. v. American Gold Rush, LLC, Krystal Lazares-Scaretta, and Robert Scaretta, Broward County Circuit Court, Case No. CACE-17-021221***

On November 21, 2017, the Master Fund sued the borrower and guarantors for \$1,073,439.95 plus fees and interest, due to the borrower's default on an original \$800,000 secured debenture, later increased to \$1,040,272.21 under an amended secured redeemable debenture. On February 12, 2019, the court entered summary judgment against the borrower and Ms. Lazares-Scaretta. On April 12, 2019, the Master Fund secured a default judgment against Mr. Scaretta. The Master Fund retained local counsel to domesticate the judgments in New York, where the guarantors previously held property. The guarantors have evaded service for collection on the judgments, but the Receiver has learned that the guarantors do not have any assets, with one exception.

The Receiver has been in possession of a claimed original Picasso painting provided by guarantor Robert Scaretta as collateral for the loan. Mr. Scaretta provided the Picasso, representing its worth at between \$7-8 million, to the Master Fund as collateral when behind on loan payments (the loan never came out of default). The painting is currently held in controlled



storage. During this Fourth Reporting Period, Receiver's counsel has been in discussions with the alleged consignee/owner, the guarantors and potential buyers to reach an agreement to have the painting appraised. If of value, the parties will negotiate a sale and distribution of the proceeds, in an effort to recover monies owed on this loan.

- ***TCA Global Credit Master Fund, L.P. v. Keith Eric Petron, RZNK, LLC, Tarps R Us, Inc., RZNK 2, LLC, Broward Collision Truck and Auto Repair Center, LLC, Broward County Circuit Court, Case No. CACE 18-024831 (14)***
- ***TCA 4675 NW 103 Avenue Sunrise, LLC v. RZNK 2, LLC, et al., Case No. CACE-18-019377 (09)***
- ***Alliance Holdco, LLC v. TCA Broward Collision, LLC, COSO 19-4553 (61), CACE 19-20581 (13), CACE 20-1309 (9)***
- ***Atlantic Southern Paving and Sealcoating, LLC v. TCA Broward Collision, LLC, et al., CACE 19-14792 (3)***

This series of related cases involves borrower Broward Collision, the recipient and obligor on two loans from the Master Fund in June and December 2017. Broward Collision eventually filed for bankruptcy on June 22, 2018 (*In Re Broward Collision, Inc.*, Case 18-17492-RBR (Bankr. S.D. Fla.)). The Master Fund filed a claim for \$1.6 million pursuant to the loan transaction. The bankruptcy court approved the sale of Broward Collision to a Master Fund affiliate, TCA Broward Collision, LLC, for \$332,985.50. TCA Broward collision then purchased leases for two auto body shops located on properties in Sunrise and Lauderdale Lakes, Florida. The owner brought eviction actions against TCA Broward Collision. Atlantic Southern Paving and Lease Corp. also brought actions against tenant Broward Collision on a construction lien for paving services and to repossess auto-body paint equipment. The Receiver agreed to turnover the premises to the landlord in connection with the shuttering of the business.

In the *TCA 4675 NW 103 Avenue Sunrise, LLC v. RZNK 2, LLC, et al.* matter, counsel for the Receiver attended a case management conference on April 26, 2021. On behalf of

Receivership Entity TCA Broward Collision—a Defendant in that case—the Receiver advised the court of the pending Receivership stay order. Accordingly, the state court administratively closed the proceeding.

Atlantic Southern Paving moved to amend its complaint to recover payment for alleged construction services provided to TCA Broward Collision. Despite providing the Broward court with the Order Appointing Receiver and informing the court and opposing counsel of the Receivership Court's stay order, the Broward court granted Atlantic Southern Paving's motion. GJB filed a Motion to Stay in state court based upon the stay order, and for an enlargement of time to answer plaintiffs' new (and improperly sought) claims. Before the hearing on the Motion to Stay, Atlantic Southern moved for stay relief in this Court, which was heard on December 7, 2020. The Court denied Atlantic Southern's motion, and the Broward County court entered an order staying the state court proceedings on December 16, 2020. During this Fourth Reporting Period, the Court has since ordered the parties to a Case Management Conference on May 17, 2021. Counsel for the Receiver does not expect a change in the status of the stay in this proceeding.

- ***TCA Global Credit Master Fund, L.P. v. Groupe Mercator Transport US, Inc., 8894132 Canada, Inc., 8895791 Canada, Inc., d/b/a Utc Air Ground, and Jean-Pierre Apelian, Broward County Circuit Court, Case No. CACE-19-000406 (14)***

On January 4, 2019, the Master Fund filed a complaint against the borrower and guarantors, based on their defaults on a loan under a series of transactions. The Master Fund arranged to provide financing to Groupe Mercator, a Canadian freight-forwarding firm, to pay off Mercator's lenders. In connection with that transaction, the Master Fund allegedly arranged for another Fund borrower, David Fuselier, to then operate the Groupe Mercator business through two new companies in Canada. The loan amount was \$2.6 million; the current loan

payoff, with interest, is \$3.1 million. Receiver's counsel has learned that Groupe Mercator Transport is an active company, with annual sales of \$5.78 million.

On March 4, 2019, the defendant guarantors filed counterclaims against the Master Fund and against former Chief Portfolio Manager, Donna M. Silverman. Defendants assert that Ms. Silverman committed fraud in presenting Fuselier as trustworthy, when she knew otherwise. Defendants also claimed that the Master Fund charged an excessive rate of interest in violation of the Nevada High Interest Lending Statute.<sup>9</sup> However, the Master Fund alleged that Fuselier diverted funds owed to it, and directed Robert Gagnon, manager of the new companies, 8894132 Canada, Inc. and 8895791 Canada, Inc. (the "Numbered Entities"), to withhold financial reporting, and not to deposit revenues into the lockbox as required in the loan agreements. Fuselier and Gagnon then allegedly moved all the assets of the Canadian Numbered Entities, which were essentially formed to collect and hold Mercator's receivables, to another company, ATL Canada, Inc., which is now conducting the same business. The Master Fund sued Fuselier separately, but he declared bankruptcy and the debt was discharged. Neither the borrower nor the guarantors ever repaid either loan.

The matter was heavily litigated before the pandemic and the appointment of the Receiver. The matter was stayed for a time due to COVID-19 and the appointment of the Receiver, but on October 27, 2020, Judge Rodriguez entered an order lifting the stay, ordered the parties to specially set the Receiver's motion to dismiss Defendants' counterclaims and other pending motions.

On December 14, 2020, the court heard lengthy arguments on the Receiver's motion to strike affirmative defenses and jury trial demand, and motion to dismiss defendants'

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<sup>9</sup> The controlling loan documents require the application of Nevada law.

counterclaims, including the borrower's claims and affirmative defenses under Nevada's high interest loan statute. At the hearing, the court requested additional briefing and proposed orders on the many legal issues heard at the hearing. On January 5, 2021, the court granted the Receiver's motion to strike and motion to dismiss many of the defendants' counterclaims and affirmative defenses, including the defendants' claims under Nevada Statutes. The court held that Nev. Stat. Chapter 604A does not apply to the guarantors because they are not "customers" under the statute. Importantly, the court further dismissed defendants' Chapter 604A claims because the statute does not apply to commercial loans—a significant holding.

During this Fourth Reporting Period, counsel for Guarantor Apelian, in advance of a case management conference, attempted to seek reconsideration of the court's order of dismissal, which reconsideration the court denied on May 2, 2021. The court also set the matter for trial on the Court's September 2021 trial docket. Receiver's counsel is now preparing the case for close of discovery, mediation and trial.

- ***8894132 Canada Inc. v. Semafo Inc. and TCA Global Credit Master Fund, LP, Quebec, Case No. 500-17-088880-151; In the matter of the Bankruptcy of 8894132 Canada Inc. (debtor) and TCA Global Credit Master Fund, LP (creditor), Quebec 540-11-010847-194; In the matter of the Bankruptcy of 8895791 Canada Inc. (debtor) and TCA Global Credit Master Fund, LP, Quebec 540-11-010848-192***

In a proceeding related to the Groupe Mercator proceedings, the Master Fund retained Canadian counsel to institute involuntary bankruptcy actions against the Numbered Entities. The Numbered Entities opposed the bankruptcy proceedings, and a hearing was set for March 31, 2020. The proceedings have since been on hold due to the COVID-19 pandemic. Counsel for the Receiver has been in contact with the Master Fund's local counsel in Canada, who informed the Receiver that there are likely no assets in either of these proceedings.

However, local counsel was also tasked to pursue a collection action against a South

African mining company, Semafo, for its failure to remit \$300,000 in payments owed to Groupe Mercator for freight services provided. The court previously stayed that proceeding indefinitely at the end of 2019, after a local terrorist attack in South Africa. The court re-set the matter for trial in early December 2020.

Counsel for the Receiver participated in a two-day trial in Canada against Semafo and its local entities. In a victory for the Receivership estate, on January 5, 2021 the court entered judgment in the Receiver's favor and against Semafo, requiring Semafo to pay the Receiver approximately \$318,000.

During this Fourth Reporting Period, and despite a lack of substantive basis, counsel for Semafo filed a Notice of Appeal of the judgment. Local counsel filed a motion to dismiss the appeal, which was denied on March 31, 2021. Semafo's Initial Brief is due June 8, 2021. A decision affirming the Judgment is expected between June and September 2022.

- ***TCA Global Credit Master Fund, L.P. v. Champion Pain Care Corp., Champion Care Corp., Garland A. Brown, Jr. and Terrance George Owen, Broward County Circuit Court, Case No. 17-007571 (25)***

On April 20, 2017, the Master Fund filed suit seeking \$15,376,221 from the defaulted borrower, a Delaware corporation, and the guarantors, located in Canada and Arizona, for breach of a credit agreement revolving note. On July 18, 2017, the Master Fund dismissed its claims against the borrower pursuant to a share pledge agreement, and its acquisition of majority control of the borrower. On October 5, 2018, the Master Fund settled with Terrance Owen and that case was dismissed.

On May 1, 2018, the Court entered a default judgment against Garland Brown as to liability, and the Master Fund filed a motion for summary judgment on damages in the amount of \$50,000 against Brown for transfers made in breach of his validity certificate. The Court entered

a final default judgment against Brown as to liability, but the court ordered an evidentiary hearing to determine the amount of damages. Counsel for the Receiver is reviewing the evidence, including an alleged \$10,000 fraudulent transfer to Brown, to prepare to re-open the matter and set the hearing on the amount of the judgment against Brown. At this time, Receiver's counsel does not believe Brown has any assets or ability to pay this judgment.

- ***TCA Global Credit Master Fund, L.P. v. The Pulse Beverage Corporation, Robert Yates, Broward County Circuit Court, Case No. CACE 18-005773 (14)***

On March 12, 2018, the Master Fund brought suit seeking \$1,371,405.72 in principal, fees and interest due from the borrower and its guarantor, for breach of a credit agreement and amended replacement note. After a contempt order was entered against it, borrower's counsel withdrew on October 21, 2019. Thereafter, the parties engaged in settlement negotiations with regard to the monies owed. Prior to the appointment of the Receiver, the Master Fund voluntarily dismissed this action without prejudice.

- ***TCA Global Credit Master Fund, L.P. v. Ludvik Holdings, Inc., Frank Kristan, and Katherine Kristan, Broward County Circuit Court, Case No. CACE 18-019469 (14)***

On August 15, 2018, the Master Fund filed suit against the borrower and guarantors on a \$300,000 loan from the Master Fund. On November 18, 2019, the court entered a clerk's default. Receiver's counsel understands that TCA did not pursue recovery on this default because the borrower is currently subject to a prior IRS tax lien that far exceeds the Receiver's claim. TCA also did not obtain a final judgment in this matter because the same individuals and entities are subject to the much larger \$6.5 million final judgment in the *Unitiv* litigation (below). However, Receiver's counsel will proceed to obtain a final default judgment in this matter. Guarantor Frank Kristan recently approached counsel for the Receiver to inform that he will not oppose entry of the final judgment.

- ***TCA Global Credit Master Fund, L.P. v. Unitiv, Inc., Ludvik Holdings, Inc., Frank Kristan, and Katherine Kristan, Broward County Circuit Court, Case No. CACE-18-024498 (05)***

On October 16, 2018, the Master Fund brought suit against the borrower, a Delaware investment holding company, and guarantors on a \$2.75 million secured redeemable debenture and related loan agreements. On October 10, 2019, the Master Fund obtained a Final Default Judgment for \$6,522,467.24 against the borrower and guarantors. After investigation, Receiver's counsel understands that TCA did not pursue recovery on this default because the borrower is currently subject to a prior IRS tax lien that far exceeds the Receiver's claim. However, Receiver's counsel is investigating whether there are any assets available for recovery that are not subject to prior liens.

- ***Gary Grim, et al., v. TCA, et al., Case No. 1:15-CV-3592 (N.D. Ga.)***
- ***KAT Exploration, Inc., et al., v. Gary Grim, et al., Case No. 2015-CV-268068 (Superior Court of Fulton County, GA)***
- ***TCA v. Roswell Jeep Eagle, Inc. d/b/a The Pre-Owned Jeep Store, Case No. 2015-CV-268155 (Superior Court of Fulton County, GA)***
- ***Roswell Jeep Eagle Corp. v. KAT Exploration, Inc., Arb. No. 01-16-0001-0686 (AAA)***

These related cases concern a \$1.9 million loan the Master Fund made to KAT Exploration, which was to be used to purchase a Jeep store in Cartersville, Georgia. After the borrower defaulted, Gary Grim, a shareholder of KAT Exploration, filed suit in the U.S. District Court for the Northern District of Georgia against the Master Fund seeking damages in excess of \$30 million, alleging tortious interference with a third party and unlawful disclosure of identifying information by the Master Fund. Eventually, Grim voluntarily dismissed his suit without prejudice on February 2, 2016. The Master Fund settled with KAT Exploration, and assumed control of KAT Exploration through that settlement.

On November 16, 2015, the Master Fund, through local counsel, filed suit against Roswell Jeep Eagle, Inc. seeking an immediate writ of possession for the collateral vehicles securing the Master Fund's loan. The Georgia court stayed the litigation pending the outcome of an arbitration proceeding pending between KAT Exploration (the borrower, owned by the Master Fund) and Roswell. The borrower alleged it wired \$1 million to Roswell in connection with its purchase of Roswell's assets (vehicles in the dealership), which it therefore owns. The arbitration panel entered an award finding that KAT Exploration owned the collateral. The collateral was sold for approximately \$30,000, which funds KAT Exploration retains the rights to. Through GJB's efforts, the Georgia court entered a Final Judgment and Order Confirming Arbitration Award in the Receiver's favor.

- ***TCA Global Credit Master Fund, L.P. v. Peak PEH LLC d/b/a Peak Services, Charles F. Welch, Jr., Lonnie Moss, Misty Moss, and Renee D.T. Welch, Broward County Circuit Court, Case No. CACE-17-004886 (05)***

On March 10, 2017, the Master Fund filed suit to recover \$986,065.48 against the borrower, a plumbing and HVAC company located in Alpharetta, Georgia, on a senior secure debenture and amended note, on which the borrower defaulted in making payments. The Master Fund also brought claims against the individual guarantors. On July 21, 2017, the court entered defaults against the borrower and a guarantor. The Master Fund retained local counsel in Georgia to initiate actions against the guarantors. Guarantor Welch filed for bankruptcy in Georgia, and was discharged in September 2019. Thereafter, Welch and TCA entered into a new settlement agreement, pursuant to which Welch is currently making settlement payments.

On August 30, 2018, final judgment was entered against Lonnie and Misty Moss for \$1,296,593.54 in the Superior Court for Fulton County, Georgia, which was reduced by \$846,593.54 in January 2019 pursuant to a settlement reached with the Mosses. During this



Fourth Reporting Period, Receiver's counsel has been investigating Lonnie and Misty Moss and their assets in an effort to recover the remaining \$450,000 owed pursuant to the settlement.

- ***TCA Global Credit Master Fund, L.P. v. Quants Corporation, Gokhan Kisacikoglu, and Quantsplus, LLC, Broward County Circuit Court, Case No. CACE 16-022449 (08)***

On December 9, 2016, the Master Fund filed an action against the borrower, a Los Angeles financial software company, and its guarantors for \$1,122,563.70, plus interest, costs, and attorney's fees, for breach of a credit agreement and revolving note. The parties eventually executed a forbearance agreement, under which defendants waived all defenses and agreed to make payments to the Master Fund.

Defendants failed to make payments as promised, and the court entered judgment for \$1,430,040.92 in the Master Fund's favor. Defendants appealed. On March 26, 2020, Florida's Fourth District Court of Appeal affirmed the entry of the judgment. Before the Receiver's Appointment of the Receiver, the Master Fund retained local counsel in California to pursue execution on the judgment. Discovery in aid of execution has been issued, but defendants have failed to respond to that discovery. Local counsel believes it unlikely defendants have any assets on which to recover.

During this Fourth Reporting Period, counsel for Quants has approached counsel for the Receiver to negotiate a settlement of the amounts owed on the judgment. Receiver's counsel intends to proceed with negotiations and will consider recommending a favorable settlement under the circumstances, while also investigating other sources of possible recovery.

- ***TCA Global Credit Master Fund, L.P. v. CityWorks Construction LLC, Carl Nurse, Martha Guscovschi, and Noel Guscovschi, Broward County Circuit Court, CACE 16-006991 (02)***

On July 25, 2016, the Master Fund filed a Complaint seeking \$1,359,975.60 plus

attorneys' fees, costs, and interest against the borrower and individual guarantors for breach of a secured credit facility agreement and note. On June 18, 2019, the Master Fund obtained a final judgment against CityWorks and Carl Nurse for \$2,067,660.50, plus accruing interest and attorneys' fees.

On February 23, 2018, Noel Guscovschi filed for bankruptcy in the Southern District of Florida, Case No. 18-12053-RAM. On February 27, 2018, Marta Rabinovich also filed for bankruptcy in the Southern District of Florida, Case No. 18-12178-AJC. The Master Fund retained bankruptcy counsel to represent it in the bankruptcies. The Receiver's counsel continues to monitor the bankruptcy proceedings to protect the Receiver's interests in collecting on this judgment. Schraiberg Landau is monitoring this matter on behalf of Master Fund.

TCA's former counsel understood that there were no assets available on which to recover from the borrower and Carl Nurse. Counsel for the Receiver recently learned that Carl Nurse has started another company in the name of CityWorks Building Company, Inc., a construction company operating out of Hollywood, Florida. GJB is investigating and will initiate proceedings to collect on the judgment against Nurse, if possible.

- ***TCA Global Credit Master Fund, L.P. v. Luxe Boutiques LLC, St. Germain LLC, Elysees LLC and Cecil Elrod, Broward County Circuit Court, Case No. CACE-19-010149 (13)***

On May 9, 2019, the Master Fund filed suit seeking \$1,068,505.10 against the borrower, a Boston, Massachusetts provider of luxury fur boutiques, and its guarantors for breach of the secured credit facility agreement, replacement note and guaranty agreements, pursuant to which it borrowed \$425,000 from the Master Fund. On October 15, 2019, the court entered an order striking defendants' affirmative defenses, and their counsel withdrew. New counsel appeared, but also withdrew via agreed order on April 7, 2020. The court's order on withdrawal of counsel

provided that if the borrower did not obtain new counsel within twenty (20) days, the borrower would be subject to a default. The borrower failed to do so. Efforts were made to settle this matter prior to the appointment of the Receiver, but those efforts were unsuccessful. Receiver's counsel moved to strike defendants' pleadings and for entry of court default. The matter is set for hearing on June 2, 2021. Receiver's counsel has also investigated the borrower's and guarantors' assets in order to facilitate potential recovery.

- ***TCA Global Credit Master Fund, L.P. v. First Capital Real Estate Investments, LLC, et al., Broward County Circuit Court, Case No. CACE 16-022381 (03); TCA Global Credit Master Fund, L.P. v. First Capital Real Estate Investments, LLC, et al. El Dorado (CA) County Superior Court Case No. PC20190310***

On June 28, 2018, the Master Fund sued the borrower and individual and corporate guarantors for \$8,145,311.60 in principal, fees and interest for their breach of a credit facility agreement and promissory note on a \$5 million loan. The Master Fund also instituted foreclosure proceedings over three hotel properties, two located in Texas and one in New Mexico. The Master Fund purchased those properties at the non-judicial foreclosure sales.

On February 22, 2017, the defendants improperly removed the case to federal court (*TCA v. First Capital Real Estate Investments, LLC, et al.*, Case No.: 17-cv-60393-JAL/Goodman (S.D. Fla.)). On September 17, 2018, the parties entered into a settlement agreement, which defendants' breached. The Master Fund moved to enforce the settlement agreement, and on January 16, 2019, the court entered a final consent judgment against the defendants for \$1,657,723.10. The Master Fund domesticated the judgment in California, and retained local counsel, Jeffrey Jensen, Esq., to pursue collection.

During this Fourth Reporting Period, Receiver's counsel has learned that the borrower is insolvent, and the principal guarantor is unlikely to have significant assets, as he is the subject of an existing SEC enforcement proceeding. However, Receiver's counsel continues to investigate

whether there are any other assets available to satisfy the consent judgment.

- ***TCA Global Credit Master Fund, LP v. 1200 Wolcott St. of Waterbury LLC et al., Case No. UWY-CV 18-6043552-S (Superior Court of Connecticut); Savings Bank of Danbury v. 1200 Wolcott St. of Waterbury LLC et al., Case No. UWY-CV19-6046173-S (Superior Court of Connecticut)***

On October 31, 2017, the Master Fund loaned \$2,000,000.00 to Apple Auto Wholesalers of Waterbury LLC. Of the full loan amount, \$1,300,000.00 was disbursed at the closing with the remaining \$700,000.00 to be disbursed at a later date. The loan was guaranteed by 1200 Wolcott Street of Waterbury LLC (through a mortgage on real property located at 1200 Wolcott Street in Waterbury, Connecticut) and by Mr. Hallan Iff. The Master Fund's mortgage was not recorded until late 2018. As confirmed by documents obtained from senior lienors by GJB, the Receiver's interest in the real property is in fourth position, after a first mortgage in favor of New England Certified Development Corp. for \$442,000.00 dated October 27, 2015; a second mortgage in favor of Savings Bank of Danbury in the amount of \$534,000.00 dated October 27, 2015; a third mortgage of \$600,000.00 dated July 5, 2018, and tax liens from the City of Waterbury. The total mortgages ahead of the Receiver's interest total at least \$1.576 million. According to counsel for the Savings Bank of Danbury, the real property is valued at approximately \$1.3 million. Counsel for the Receiver, with the consent of SEC counsel, agreed to lift the stay to permit the Bank to foreclose on the real property, with the Receiver to retain its full rights in the lawsuit, and to recover any proceeds remaining from the sale.

In addition to the mortgage on the 1200 Wolcott property, the Master Fund also obtained a second mortgage on Mr. Iff's apartment in Miami, Florida. Counsel for Iff has contacted GJB, seeking to reach an agreement to allow Mr. Iff to maintain his ownership of the Miami property, in the face of another foreclosure proceeding by the first mortgagee. The value of the Miami property is approximately \$950,000, but it is subject to a senior first mortgage.

During the Fourth Reporting Period, the Bank's foreclosure judgment was entered, and the property is set to be sold on August 7, 2021. In addition, counsel for the Receiver has been in negotiations with Mr. Iff and his counsel for a release of the Receiver's second mortgage on Mr. Iff's Miami apartment, in exchange for a reasonable payment.

- ***TCA Global Credit Master Fund, L.P. v. Preferred Secured Agents, Inc. d/b/a Sprockets Retail, Broward County Circuit Court, Case No. CACE 15-000552 (18)***

On January 9, 2015, the Master Fund brought suit against Sprockets Retail, a Fresno, California children's clothing retailer, as borrower, and three individuals, as guarantors, seeking \$2,019,558.60 due to the borrower's default. In November 2016, the court entered an order striking defendants' pleadings and entering a judgment of liability against the defendants. On June 29, 2018, the Master Fund moved for summary judgment on damages.

On or about March 16, 2020, the parties executed a settlement agreement, whereby the borrower agreed to repay the loan, and the Master Fund's interests were further secured by a mortgage on property in Half Moon Bay, California. The total amount owed to the Master Fund is \$600,000.00, and the borrower entered into a settlement payment arrangement, but has failed to meet its payment obligations since September 2020. The Receiver is now in settlement discussions with the borrower.

- ***TCA Global Credit Master Fund, L.P. v. Ian Stikeleather and White Plum, Inc., Broward County Circuit Court, Case No: CACE-17-011156 (21)***

The Master Fund filed suit against the guarantors of a Los Angeles, California online women's clothing retailer, seeking to recover \$1,981,239.20, plus interest, costs, and attorneys' fees for breach on guaranties on a \$1,800,000.00 revolving note. On October 21, 2019, guarantor's counsel withdrew. On January 13, 2020, the court entered a clerk's default against all defendants, but the Master Fund did not elect to seek a judgment.

During this Fourth Reporting Period, Receiver's counsel moved for and obtained an order granting its Motion for Entry of Default Judgment. The Receiver is presently revising the Order to provide the accurate amount of the judgment, including interest (approximately \$3.9 million). The Court also permitted the Receiver to prepare and submit a separate motion for entry of an award of attorneys' fees. Receiver's counsel has also completed its investigation into potential assets to recover on these judgments.

- ***AW Exports Pty Ltd. & Ors ats Australian Worldwide Pty Ltd (in liq) & Anor Supreme Court of New South Wales, Proceedings 2017/00040926; In re Pie Face Pty Ltd. (A.C.N. 087 384 736)***

The Master Fund loaned monies to two entities in Australia, Australian Worldwide (a grocery exporter) and Pie Face (a fast food pie chain). Both of those entities are currently in liquidation. In *Australian Worldwide*, the Master Fund retained a receiver/liquidator under Australian procedure to pursue an adversary proceeding against the officer and directors of the debtor, for fraudulent transfers. The Master Fund did not prevail in that proceeding, and the court entered an award of fees and costs in defendants' favor. Defendants now seek to recover approximately \$400,000.00 (AUS) from the liquidator in that proceeding, and in turn against the Receiver. Counsel for the Receiver has been in contact with defendants' counsel regarding their alleged claim for costs.

In the *Pie Face* matter, the Master Fund also engaged a receiver/liquidator, which has been served with a \$1.9 million (AUS) tax liability from the Australian Taxation Office, for which the liquidator may seek indemnification from Receiver. Receiver's counsel is investigating the details of this loan and the loan proceeds.

- ***Enterprise Bank & Trust v. In-Land Management Group, L.L.C., Richard C. Schmidt, Sr., Richard C. Schmidt, Jr., and TCA Global Credit Master Fund, LP, Case No. 19CH0470, St. Clair County Circuit Court, Illinois.***

In connection with a February 28, 2017 loan of \$1.1 million to In-Land Management Group, the Master Fund secured a mortgage on real property located at 609 South Breese Street, Millstadt, Illinois 62260. The Master Fund's mortgage is junior to a first mortgage in favor of Enterprise Bank, in the amount of \$800,000. The Bank filed suit to foreclose on its mortgage, and force a sale of the property, which the Bank eventually purchased for \$392,000. The Receiver's counsel has been in contact with the Bank's counsel, who seeks final approval of the sale and entry of a deficiency judgment, which was recently delayed by objection of the defendants at the sale confirmation hearing.

## **VII. THE RECEIVER'S OBSERVATIONS**

As stated in the last Report, the Receiver's priorities for the Fourth Reporting Period included preparing SPVs for sale and employing sales processes to maximize their value, as well as obtaining records and information to complete a financial reconstruction of the Receivership's affairs, and information needed to develop an equitable distribution plan.

The Receiver is pleased to report significant progress on these and other priorities. Most importantly, the Receiver successfully negotiated the sale of the Receiver's most valuable SPV, TCA Microgrid Energy (aka Pivot Energy), in a \$67 million transaction that will close in a few days. The value of the transaction, as well as the terms (almost all cash), significantly exceeded valuations provided by numerous investment banking firms. Funds from closing will provide the primary source of the first interim distribution to investors and other stakeholders.

As detailed in this Report, the Receiver also completed the sale or disposition of other operating SPV businesses, including Broward Collision, the last of the Indumate SPV entities,

and TCA Media Services. A settlement was also agreed upon in principle with respect to SPV Champion-National Healthcare.

The Receiver's forensic accountant made significant progress toward completing financial reconstruction of the Receivership Entities' affairs, and began analysis of the data received to date from nominees regarding individual beneficial owner level transactions, as necessary to develop a distribution plan.

Counsel continued to make significant progress with its litigation and loan portfolio, resolving actions, and pursuing loan recoveries (without litigation where possible). Counsel also made progress in its investigation of fraudulent transfer and other third party claims.

Lastly, the Receiver and his counsel successfully resolved the Chapter 15 Petition filed by the Cayman Islands--recognized fiduciaries for Receivership Entity Feeder Fund Ltd. that the Receiver hopes will minimize expense and disruption to the Receivership, while providing an opportunity for mutually beneficial cooperation in the future.

#### **VIII. CONTINUING WORK**

During the next reporting period, the Receiver and his professionals will manage and prepare for sale the five remaining SPV businesses, including attempting to resolve the pending litigation over the Zeecol/JLE operating SPVs. Additionally, the Receiver will pursue a sales process for real estate assets.

The Receiver and counsel will also begin filing third party litigation claims, some or all of which are expected to be handled on a contingency basis. As mentioned previously, the value of the assets in the Receiver's possession (excluding litigation claims) is far less than the Funds' NAVs, as reported to investors and prospective investors. Accordingly, meaningful distributions will require substantial litigation recoveries.



The Receiver and his team will also continue its collection of documents and analysis necessary to prepare a proposed claims and distribution plan in order to make a first interim distribution as soon as possible..

The Receiver and his team will continue to handle investor inquiries and provide investors and investment advisors with information as it becomes available.

Respectfully submitted,

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*Receiver for the Receivership Entities*

-and-

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**CERTIFICATE OF SERVICE**

I hereby certify that on May 27, 2021, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified either via transmission or Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

/s/ Elizabeth G. McIntosh

Attorney

# Exhibit “A”

**TCA Activity - Receiver Accounts at Axos Bank**  
**Sources and Uses of Funds**

	<b>Receiver 1st</b>	<b>Receiver 2nd</b>	<b>Receiver 3rd</b>	<b>Receiver 4th</b>	<b>Case-to-Date</b>
	<b>Qtrly Report</b>	<b>Qtrly Report</b>	<b>Qtrly Report</b>	<b>Qtrly Report</b>	
	<u>May 11 - Aug. 4</u>	<u>Aug. 5 - Nov. 2</u>	<u>Nov. 3 - Jan. 29</u>	<u>Jan. 30 - May. 25</u>	
<b>TCA Account Beginning Balance</b>	\$ -	\$ 13,390,131	\$ 12,680,225	\$ 12,345,339	\$ -
TCA Fund Management Group Corp - x5045	\$ -	\$ 255,272	\$ 371,015	\$ 383,686	\$ -
TCA Global Credit Fund GP, Ltd. - x5037	\$ -	\$ -	\$ -	\$ -	\$ -
TCA Global Credit Master Fund, LP - x5003	\$ -	\$ 8,863,289	\$ 8,031,170	\$ 7,681,150	\$ -
TCA Global Credit Fund, LP - x5011	\$ -	\$ 9,015	\$ 9,028	\$ 9,034	\$ -
TCA Global Credit Fund, Ltd. - x5029	\$ -	\$ 4,262,555	\$ 4,269,012	\$ 4,271,469	\$ -
<b>Sources of Funds:</b> <sup>1</sup>					
Transfer From Butterfield Bank	13,209,223	-	-	-	13,209,223
Transfer from BB&T Bank	143,992	-	-	-	143,992
Transfer from Ocean Bank	143,690	-	-	-	143,690
Transfer from Morgan Stanley	-	-	519,782	-	519,782
Business Income	44,092	80,958	71,513	207,643	404,205
Interest Income	17,749	19,641	6,973	14,265	58,629
Business Asset Liquidation	-	46,019	-	379,592	425,612
Miscellaneous - Other	32,690	35,000	3,890	1,428	73,008
<b>Total Sources</b>	<u>\$ 13,591,437</u>	<u>\$ 181,618</u>	<u>\$ 602,159</u>	<u>\$ 602,928</u>	<u>\$ 14,978,142</u>
<b>Uses of Funds:</b> <sup>1</sup>					
<b>Business Asset and Operating Expenses</b>					
Independent Contractor	12,571	50,817	46,692	16,213	126,293
IT Expense	7,334	18,778	11,172	5,081	42,365
Storage	50	4,258	3,219	3,469	10,996
Other	-	1,982	9,273	14,675	25,930
Insurance Premium	18,620	3,217	-	-	21,837
HR Expense	1,200	1,990	-	-	3,190
Payroll	124,599	-	-	-	124,599
Payroll Taxes	9,021	-	-	-	9,021
Service Provider	16,750	-	20,000	-	36,750
Safe Harbor Payment	9,535	-	-	-	9,535
<b>Receiver or Other Professional Fees</b>					
Professional Fees	1,625	810,480	846,690	761,243	2,420,039
<b>Total Uses</b>	<u>\$ 201,306</u>	<u>\$ 891,524</u>	<u>\$ 937,045</u>	<u>\$ 800,680</u>	<u>\$ 2,830,555</u>
<b>Cash Balance</b>	<u>\$ 13,390,131</u>	<u>\$ 12,680,225</u>	<u>\$ 12,345,339</u>	<u>\$ 12,147,587</u>	<u>\$ 12,147,587</u>
<b>Balance by Account</b>					
TCA Fund Management Group Corp - x5045	\$ 255,272	\$ 371,015	\$ 383,686	\$ 441,560	\$ 441,560
TCA Global Credit Fund GP, Ltd. - x5037	\$ -	\$ -	\$ -	\$ -	\$ -
TCA Global Credit Master Fund, LP - x5003	\$ 8,863,289	\$ 8,031,170	\$ 7,681,150	\$ 7,433,933	\$ 7,433,933
TCA Global Credit Fund, LP - x5011	\$ 9,015	\$ 9,028	\$ 9,034	\$ 615	\$ 615
TCA Global Credit Fund, Ltd. - x5029	\$ 4,262,555	\$ 4,269,012	\$ 4,271,469	\$ 4,271,479	\$ 4,271,479
<b>Sum of Account Balances</b>	<u>\$ 13,390,131</u>	<u>\$ 12,680,225</u>	<u>\$ 12,345,339</u>	<u>\$ 12,147,587</u>	<u>\$ 12,147,587</u>
Check	\$ -	\$ -	\$ -	\$ -	\$ -

<sup>1</sup> The activity categorization has been updated since the filing of the 2nd quarterly report to better align with the filed Statement of Financial Affairs Report.

## TCA Portfolio Loan Receipts

## Summary by Period

Portfolio Name	Receiver 1st	Receiver 2nd	Receiver 3rd	Receiver 4th	Case-to-Date
	Qtrly Report	Qtrly Report	Qtrly Report	Qtrly Report	
	May 11 - Aug. 4	Aug. 5 - Nov. 2	Nov. 3 - Jan. 29	Jan. 30 - May. 25	
<b>Axos</b>					
Amian Care Services	\$ 24,092	\$ 24,092	\$ 16,061	\$ 24,092	\$ 88,336
Kapila/Broward Collision	\$ -	\$ -	\$ 14,086	\$ -	\$ 14,086
Hearts and Hands of Care Inc.	\$ -	\$ 20,489	\$ 21,663	\$ 121,523	\$ 163,675
Lerner	\$ -	\$ 16,364	\$ -	\$ -	\$ 16,364
Peak (Welch Settlement)			\$ 9,703	\$ 11,204	\$ 20,907
Pacific Ventures Group	\$ 20,000	\$ 20,000	\$ 10,000	\$ 40,000	\$ 90,000
Ready Refresh	\$ -	\$ 13	\$ -	\$ -	\$ 13
Cityworks (Bankruptcy)	\$ -	\$ -	\$ -	\$ 10,824	\$ 10,824
<b>Axos Total</b>	<b>\$ 44,092</b>	<b>\$ 80,958</b>	<b>\$ 71,513</b>	<b>\$ 207,643</b>	<b>\$ 404,205</b>
<b>BB&amp;T</b>					
Comprehensive Care	\$ 1,119	\$ -	\$ -	\$ -	\$ 1,119
EP World	\$ 4,751	\$ 4,251	\$ 4,251	\$ 5,668	\$ 18,921
Fortran Corp	\$ 30,000	\$ 25,000	\$ -	\$ -	\$ 55,000
ITS Solar	\$ 41	\$ -	\$ -	\$ -	\$ 41
Luc Group	\$ 4,556	\$ -	\$ -	\$ -	\$ 4,556
Nassau Holdings	\$ 6,108	\$ 6,500	\$ 6,500	\$ 8,000	\$ 27,108
Redfin	\$ 48	\$ -	\$ -	\$ -	\$ 48
Peak (Welch Settlement)	\$ 4,425	\$ 1,475	\$ -	\$ -	\$ 5,900
Sprockets	\$ 9,000	\$ 6,000	\$ -	\$ -	\$ 15,000
State Security	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ 6,000
Transmarine Acq	\$ 30,000	\$ 30,000	\$ 30,000	\$ 40,000	\$ 130,000
<b>BB&amp;T Total</b>	<b>\$ 93,048</b>	<b>\$ 76,226</b>	<b>\$ 40,751</b>	<b>\$ 53,668</b>	<b>\$ 263,693</b>
<b>Total Portfolio Loan Receipts</b>	<b>\$ 137,139</b>	<b>\$ 157,184</b>	<b>\$ 112,264</b>	<b>\$ 261,311</b>	<b>\$ 667,898</b>