**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.
_____/

# RECEIVER'S CREDITOR CLAIM STATUS REPORT

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-and-

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**THE RECIEVER'S CREDITOR CLAIM STATUS REPORT**

Jonathan E. Perlman, 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 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 dated December 2, 2022 [ECF No. 322], respectfully submits his Creditor Claim Status Report (the "Report").

## I. Background

On May 11, 2020, the Securities and Exchange Commission ("SEC") filed a Complaint for Injunctive and Other Relief [ECF No. 1] (the "Complaint") in the United States District Court for the Southern District of Florida (the "Court") against Defendants FMGC and GP, and Relief Defendants Feeder Fund LP, Feeder Fund Ltd., and the Master Fund. The SEC also filed an Expedited Motion for Appointment of Receiver (the "Motion for Appointment"). [ECF No. 3.]

The Complaint alleges that Defendants engaged in deceptive conduct in violation of Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), and 15 U.S.C. § 78j(b), and Exchange Act Rules 10b-5, 17 C.F.R § 240.10b-5; and FMGC violated Sections 206(1), (2), and (4), and 207 of the Investment Advisers Act of 1940 (the "Advisers Act"), 15 U.S.C. §§ 80b-6(1), 80(b)-6(4), and 80b-7, and Advisers Act Rules 206(4)-7 and 206(4)-8, 17 C.F.R. §§ 275.206(4)-7, 275.206(4)-8. [*Id*. at ¶ 9.]

In this particular scheme, the Feeder Funds raised money from investors and fed that money to the Master Fund, which provided financing and investment banking services to small and medium sized businesses. [ECF No. 284, at 4.] FMGC, the investment adviser to the Funds, was entitled to compensation based on the amount of the Funds' assets (the "NAV"). [*Id*.] GP, the general partner of Master Fund and Feeder Fund LP, was entitled to compensation based on the profitability of Master Fund. [*Id*. at 5.] Furthermore, the Complaint alleged that since 2010 and continuing through at least November 2019, certain officers, directors, and employees caused FMGC to fraudulently engage in revenue recognition practices (e.g., booking anticipated revenue as earned revenue) that artificially inflated the Master Fund's revenue and the Funds' NAV. [*Id*. at 5-6.] As a result, certain officers, directors, and employees for the Defendants caused the Funds to report to investors that the Funds were profitable every month, with an ever-increasing NAV, keeping investors ignorant of the Funds' skyrocketing losses. [*Id*. at 5-6.] When the loan business dried up, Defendants turned to investment banking, and a similar pattern emerged, with Defendants booking illusory fees as earned revenue that it never collected. [*Id*. at 6-7.] Armed with these practices, the Defendants raised in excess of $500 million from investors. Based upon the Receiver's analysis and investigation, investors sustained out of pocket losses that exceed $300,000,000 and insufficient assets exist to satisfy all investor and creditor claims.

Since his appointment, the Receiver increased the Receivership Entities' cash holdings from $287,683 to well over $68 million dollars. The increases were the product of the Receiver and his team's successful efforts, including through the sale of assets, repatriation of assets, and litigation. That work remains ongoing.

In 2022, the Receiver proposed a *pro rata* distribution under "Rising Tide" plans that treated investors and creditors similarly. This Court approved the Receiver's plans to provide a

first interim distribution to bring all unsubordinated investors and creditors with allowed claims up to a 23.05% return. [ECF No. 284, 322.]

For the creditors specifically, on December 2, 2022, this Court ordered the Receiver to undertake actions to resolve all outstanding claims, including filing a status report by March 17, 2023, providing an update as to the Receiver's actions, analysis and resolution of timely claims filed by creditors. In accordance with the Court's directive, this report follows.

## II. Creditor Distribution Plan Activities

At the time he filed his Motion for Approval of Creditor Distribution Plan and First Interim Distribution to Creditors [ECF No. 294], the Receiver identified 27 possible unsecured creditors at the time he filed his Motion for Approval of Creditor Distribution Plan and First Interim Distribution to Creditors [ECF No. 294], with potential claims that the Receiver calculated could amount to $2,207,235. The Receiver provided, by e-mail and mail,[1] these known potential creditors with notice of the Receiver's creditor distribution plan motion and, thus, an opportunity to object to the plan.. Only one creditor objected. This Court overruled that objection and approved the proposed creditor distribution plan on December 2, 2022. [ECF No. 322]. That order set a creditor claims bar deadline of sixty (60) days from the date of the order, which fell on January 31, 2023 (the "Claims Bar Date"). As the Court made clear, creditors who did not comply with the order by submitting a claim by the Claims Bar Date would be forever barred from asserting a claim against any of the Receivership Entities or the Receiver. [ECF No. 322, at 4 ("As the name "Claims Bar Date" suggests, creditors [are] barred from filing claims once the 60 days lapse.").]

[1] Certain of these known potential creditors retained counsel who made appearances in this case. For these parties, they received notice of the motion through this Court's ECF system.

As directed by the Court, the Receiver e-mailed and mailed all known potential creditors with the Court's order, including the Claims Bar Date and the Receiver's proof of claim form that the Court approved. [ECF No. 322]. Creditors who entered an appearance in this case through counsel, also received notice of the Claims Bar Date through this Court's service of its order through the ECF system.

In further compliance with this Court's order, the Receiver also published notice of the Claims Bar Date in a prominent Florida newspaper (the *South Florida Sun Sentinel*) and one of the most well-known international newspapers (*The Wall Street Journal*) within ten (10) days of December 2, 2022. [ECF No. 322]. The Receiver published the notices on December 8 (*WSJ*) and 12 (*Sun Sentinel*), 2023.[2]

As of the Claims Bar Date, the Receiver received ten purported creditor claims, asserting claims totaling $11,756,743.36. Since then, the Receiver received no additional claims. As directed by the Court, the Receiver then entered into discussions and negotiations to amicably resolve the ten claimants' claims, the results and status of which are set forth below.

## III. Law Governing Receivership Distributions

"A district court has broad powers and wide discretion to determine relief in an equity receivership." *SEC v. Quiros*, 966 F.3d 1195, 1199 (11th Cir. 2020) (internal quotation marks omitted); *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). "This discretion derives from the inherent powers granted an equity court to fashion relief," *SEC v. Wells Fargo Bank, N.A.*, 848 F.3d 1339, 1344 (11th Cir. 2017), and the fact that "most receiverships involve multiple parties and complex transactions." *SEC v. EB5 Asset Manager, LLC*, 2016 WL 11486857, at *3 (S.D. Fla. Dec. 8, 2016). This Court has already determined that the Creditor Distribution Plan is "fair and

[2] These notices are attached as Ex. A and Ex. B.

reasonable" because it treats "[i]nvestors, known creditors, and unknown creditors" as the same under the *pro rata* rising tide distribution scheme. [ECF No. 322, at 11-12.] As the Supreme Court has long held, "equality is equity[.]" *Cunningham v. Brown*, 265 U.S. 1, 13 (1924) (alteration added). Thus, when determining which claims to accept and which to disallow, the Receiver need not accept all claims, especially those that would treat some investors, or as here, creditors unequally.

For example, "[d]isallowing claims for interest, attorneys' fees, consequential damages, and punitive or tort damages places non-investors on the same footing as investors by ensuring that all claimants are limited to their losses of principal." *SEC v. Francisco*, No. 8:16-cv-02257, Dkt. No. 340, at *7 (C.D. Cal. Mar. 13, 2019); *SEC v. Mutual Benefits Corp*., No. 04-cv-60573, Dkt. No. 2188, at 3 (S.D. Fla. Oct. 22, 2008) ("claims where the investors have sought some form of consequential damages . . . are disallowed as recognizing them would be impractical . . . and inequitable."); *SEC v. Homeland Comms. Corp*., 2010 WL 2035326, at *3 (S.D. Fla. May 24, 2010) ("The Court agrees with the Receiver that recognizing consequential damages beyond the original investment would not be practical or equitable . . . Awarding consequential damages would also potentially lead to inequitable results. If some claimants were granted consequential damages, the pool of funds available to be distributed to [the] other victims would be reduced. If the funds are distributed equitably to all victims, then each victim . . . may recover some fraction of their lost investments. However, if [some victims] are granted extra consequential damages, the other victims would recover less than their pro-rata share of the seized assets. Claims for consequential damages will not be allowed.").[3]

[3] Similarly, in Bankruptcy actions, acting under the court's equitable powers under Article III, judges have "the power under the principles of equity to disallow claims for punitive damages" as "payment of punitive damages would prevent the fair and equitable treatment," "frustrate [a]

In particular, post-judgment interest is particularly disfavored. Generally, "after property of an insolvent is *in custodia legis* interest thereafter accruing is not allowed on debts payable out of the fund realized by a sale of the property. But that is not because the claims had lost their interest-bearing quality during that period, but is a necessary and enforced rule of distribution, due to the fact that in case of receiverships the assets are generally insufficient to pay debts in full." *American Iron & Steel Mfg. Co. v. Seaboard Air Line Ry.*, 233 U.S. 261, 266 (1914). Moreover, "inequality would result in the payment of interest which accrued during the delay incident to collecting and distributing the funds. As this delay was the act of the law, no one should thereby gain an advantage or suffer a loss. For that and like reasons, in case funds are not sufficient to pay claims of equal dignity, the distribution is made only on the basis of the principal of the debt." *Id.*; *see also Vanston Bondholders Protective Comm. v. Green*, 329 U.S. 156, 163 (1946) ("The general rule in bankruptcy and in equity receivership has been that interest on the debtors' obligations ceases to accrue at the beginning of proceedings. Exaction of interest, where the power of a debtor to pay even his contractual obligations is suspended by law, has been prohibited because it was considered in the nature of a penalty imposed because of delay in prompt payment -- a delay necessitated by law if the courts are properly to preserve and protect the estate for the benefit of all interests involved.") (superseded by statute on other grounds); *Chemical Bank v. First Trust, N.A. (In re Southeast Banking Corp.)*, 156 F.3d 1114, 1119 (11th Cir. 1999) (quoting *Vanston* and holding same); *Varsity Carpet Servs. v. Richardson (In re Colortex Indus.)*, 19 F.3d 1371, 1380 (11th Cir. 1994) (holding same and adding "[i]n addition to avoiding unfairness as

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fair distribution," "and would subvert the stated purposes of the Plan and of public policy." *In re Celotex Corp.*, 204 B.R. 586, 613 (Bankr. M.D. Fla. 1996).

between competing creditors, the denial of postpetition interest on prepetition claims also avoided the administrative inconvenience of recomputation of interest.").

## IV. Negotiations With Creditors Who Timely Filed Claims

This Court ordered the Receiver to negotiate with all creditors who filed a proof of claim form by the Claims Bar Date. As discussed below, the Receiver was able to come to an agreement with many of the creditors, but some issues remain outstanding. The Receiver will use the second 30-day negotiation under this Court's order to attempt to resolve these claims.

### A. Carnegie Funds SA

Carnegie Fund Services S.A. ("Carnegie") is a limited liability company located in Geneva, Switzerland that represented Feeder Fund LTD in Switzerland pursuant to a February 2015 Representation Agreement between Carnegie and Caledonian Trust (Cayman) Limited on behalf of Feeder Fund LTD. Under the Agreement, Carnegie was to receive an annual representation fee and reimbursement for all reasonable costs, expenses, and time spent for work carried out in relation to its representation of Feeder Fund LTD towards investors and the Swiss authorities. Carnegie's CHF 13,412.50 claim relies on this provision.

According to its proof of claim, Carnegie seeks renumeration for legal work in connection with its representation of Feeder Fund LTD in Switzerland as well as the payment of the annual representation fee. In support thereof, Carnegie attached two invoices: (1) an invoice for CHF 10,000 for its annual representation from July 13, 2020 to July 12, 2021; and (2) a timesheet invoice for the period of April 1, 2020 to June 30, 2020. These two invoices show that Carnegie's claim is almost entirely based on unapproved services provided after the Receiver's appointment. The only portion of Carnegie's claim that occurred pre-Receivership is the May 1, 2020 time entry for CHF 87.50. Accordingly, for this First Interim Distribution, the Receiver recommends that Carnegie receive 23.05% of their total allowed claim of CHF 87.50 converted to USD using the

May 1, 2020 conversion rate, resulting in an initial distribution of $20.98. The Receiver has not received a response from Carnegie regarding the Receiver's recommendation at the time of this Report.

B. Fox Rothschild

Fox Rothschild LLP ("Fox Rothschild") filed a claim for $24,642.50 based on outstanding invoices arising from its representation of Xcell Networks, Inc. ("Xcell"). Xcell was wholly owned by Master Fund. Fox Rothschild was retained by Xcell, with the Receiver's consent, after the Receivership's appointment to address certain IRS issues that existed pre-Receivership. The Receiver has no objection to Fox Rothschild's claim and recommends that Fox Rothschild receive 23.05% of their total allowed claim, resulting in an initial distribution of $5,680.10.

C. Liam Bailey, as Liquidator for Pie Face Pty Ltd.

This claim was filed by Liam Bailey and Christopher Palmer, both of O'Brien Palmer, (the "Pie Face Receivers") as receivers of three companies in the Pie Face Group of Companies. The Pie Face Group consists of Australian corporations and Mr. Palmer and Mr. Bailey are Australian citizens who reside in Australia. The Pie Face Receivers were appointed by Master Fund, who was a secured creditor in the Pie Face Group, in late 2016. The Pie Face Receivers, as receivers of a company in Australia, are personally liable for debts the company incurs under their supervision. Master Fund, as part of the appointment, agreed to indemnify the Pie Face Receivers for "any debts or liabilities incurred in continuing to trade the business of the Company."

When the Pie Face Receivers were appointed, Master Fund provided a directive to them, determining that the business should be traded for three months to show its value for potential acquisition. Therefore, throughout 2017, under the supervision of the Pie Face Receivers, the Pie Face Group continued operations at a loss, while trying to sell the business, the intellectual property, and the franchise network to third parties as a going concern. On April 11, 2017, a deal

was reached with United Petroleum Limited ("United") to acquire the IP and franchise network for $2,000,000. Under that deal, United provided USD $200,000 to the Pie Face Receivers as a deposit and placed USD $198,000 in escrow in order to run the business for 18 more weeks. Formal agreements were executed on June 30, 2017. However, during this time period, the Pie Face Group was not profitable and was trading at a loss, the escrowed funds turned out to not be enough, and continued operations caused Pie Face Group's accumulated cash funds to be diminished and increased tax liabilities with the Australian Taxation Office ("ATO"). Instead of paying the outstanding balance with the ATO, the Pie Face Receivers used those funds to continue on-going operations instead of asking for more funding from TCA.

In October 2017, the Pie Face Receivers offered a central kitchen facility that was owned by the Pie Face Group for sale,and entered into an agreement with Munch Food Co Pty Ltd. ("Munch") to acquire the premises and to license the kitchen while the deal proceeded. This sale was meant to settle the funds due to the ATO and to provide a return to Master Fund. The sale was eventually repudiated by United, and while TCA tried to negotiate new terms between all three parties, the Pie Face Receivers were instructed by Master Fund to continue running the company, incurring further losses. Munch quickly began to fail to pay its agreed-upon license fees, and upon instruction by Master Fund, the Pie Face Receivers did not enforce the significant debts owed to the Pie Face Group by Munch. While this occurred, the tax liability with the ATO continued to rise. No payments were ever made on the debts with the ATO.

As filed, the Pie Face Group, and therefore, the Pie Face Receivers, have outstanding liabilities to the ATO in the amount of AUD 2,905,967.00 and have requested remuneration from TCA for AUD 134,163.00 for a total claim of AUD 3,040,130.00, representing over USD $2,000,000. Yet, the ATO has taken no action to recover any of the funds that are owed to it by

the Pie Face Group, and most certainly no judgment has been rendered against the Pie Face Group by the ATO. The Receiver does not deny the right of the Pie Face Receivers to seek indemnification under the contract if a judgment is ever rendered, the Receiver only recommends that this claim be disallowed as part of the First Interim Distribution and not paid out while there is no active recovery or enforcement action from the ATO. If the Receiver was to pay out 23.05 percent of the Pie Face Group's liability to the ATO, and the ATO never collects on its outstanding debts, the Pie Face Receivers will receive a windfall of over USD $461,000.

Moreover, with TCA itself under receivership, it is unlikely that the ATO will enforce its full judgment against Pie Face Group, and therefore through indemnification hurt the innocent investors who lost their funds in TCA's scheme here. As it is more than likely that—even in the event that the ATO commences an enforcement action against the Pie Face Group—the ATO will settle its claims for less than the full amount, any decision to advance funds to the Pie Face Receivers at this time would be unconscionable and would deprive TCA's investors of potential further recovery. The Pie Face Receivers object to the Receiver's characterization of their claim.

D. AW Exports

This claim was filed by AW Exports Pty Ltd., Warwick Broxon, and Jonathan James Kaufman (collectively, "AW Exports"). AW Exports is an Australian corporation, and Mr. Broxon and Mr. Kaufman are both Australian citizens who reside in Australia.

In or around May 2016, the then-liquidator of Australian Worldwide Pty Ltd. ("Australian Worldwide")—Mr. Christopher Palmer, *see also* Section III.C, *supra*—procured funding from Master Fund in order to fund a litigation action against AW Exports Pty Ltd. and provide operating expenses to Australian Worldwide, as the company was in liquidation and needed capital. This funding was guaranteed via two deeds between Master Fund and Australian Worldwide – a Funding Deed (signed May 31, 2016) and a Litigation Funding Deed (undated). Under the terms

of the deeds, Master Fund would be liable for any adverse costs in the litigation proceedings. The deeds were also filed before the court in New South Wales, Australia, as evidence that TCA assumed the cost for any adverse judgments.

Unfortunately for Mr. Palmer, Australian Worldwide, and Master Fund, the litigation effort against AW Exports ended in failure, whereby the New South Wales court entered a judgment against Australian Worldwide "with costs," which was certified as of September 8, 2020 for AUD $425,575.92, with post-judgment interest accruing per day at a prescribed rate of 6.1%.

The Receiver and AW Exports agreed to a resolution of this claim. As part of that agreement, the Receiver will convert the judgment from Australian dollars to U.S. dollars as of the date of the 2020 judgment, using a conversion rate of AUD 0.7206 to USD $1.00. Thus, the Americanized value of AW Exports' claim is deemed to be $306,669.79. For this First Interim Distribution, the Receiver recommends that AW Exports will receive 23.05% of their total allowed claim, resulting in an initial distribution of $70,687.39.

The Receiver and AW Exports also agreed to table AW Exports' claim for interest of USD $51.25 per diem from September 8, 2020 until such time as all investors of TCA are paid in full. Otherwise, interest in an equity receivership is not a recoverable claim and the Receiver recommends denying AW Exports' claim for interest over their objection. *See, e.g.*, *Vanston*, 329 U.S. at 163; *In re Colortex Indus.*, 19 F.3d at 1380.

E. French Gerleman Electric Company

French Gerleman Electric Company ("French Gerleman") filed a claim for $100,000 based on outstanding invoices due to it from an entity named ITS Solar, LLC ("ITS Solar"). ITS Solar is a solar panel, automation and services company based in Millstadt, Illinois. ITS Solar, LLC and Master Fund entered into a Senior Secured Credit Facility Agreement for $5 million and a Promissory Note $1,1000,000 both effective as of May 18, 2017. The Master Fund is a senior

secured creditor on all of ITS Solar's assets. The guarantors of the loan are In-Land Management Group, LLC and Rick Schmidt, Jr. French Gerleman seeks payment from Master Fund pursuant to a Guaranty Agreement of Master Fund in favor of French Gerleman for purchases made by ITS Solar after the date of the agreement dated September 13, 2018. Based upon the guaranty agreement and the time of the invoices, the Receiver recommends that this claim be allowed for the amount of services without any interest, late fees or penalties. French Gerleman does not object to the Receiver's recommendation.

F. Stig Gjerlaug

Stig Gjerlaug filed a claim on behalf of himself and his company, BEAST Energy Services, Inc. ("BEAST") for $15,000. BEAST is an oil field services company located in Midland, Texas. In October 2019, BEAST sought working capital and applied for a $2 million business loan from Master Fund. Prior to conducting its due diligence, Master Fund sent BEAST a term sheet, which required a non-refundable cash deposit in the amount of $15,000 for expenses incurred during Master Fund's due diligence period. Although Mr. Gjerlaug provides only proof of a $5,000 wire transfer on November 13, 2019, he claims to have paid the full $15,000 non-refundable deposit. The term sheet that Mr. Gjerlaug's claim relies upon makes explicitly clear that the $15,000 was a non-refundable due diligence fee to be applied to Master Fund's third-party expenses. The Receiver accordingly recommends that Mr. Gjerlaug's claim be disallowed. The Receiver has not received a response from Mr. Gjerlaug regarding the Receiver's recommendation at the time of this Report.

G. EdisonLearning, Inc.

In January 2017, Master Fund loaned $8.1 million to EdisonLearning, Inc. ("EdisonLearning"), an education services company that manages and operates public charter schools and provides online learning services in multiple states. The borrower and its principal

defaulted on the loan. After 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 Master Fund to settle its remaining debts. That settlement agreement provided a full release for the Receivership Entities for any claims of EdisonLearning and the foreclosure case was dismissed.

In the early months of 2022, the Receiver negotiated with and entered into an amendment of the settlement agreement with EdisonLearning, which this Court approved. [ECF Nos. 250, 251]. Under the amendment, which was signed by all parties as of May 6, 2022, EdisonLearning agreed to pay the Receiver five million four hundred thousand dollars ($5,400,000.00) by June 30, 2022, to satisfy the payment obligations contained in the settlement agreement. In the event of a default, the amendment provides that the Receiver may pursue all rights and remedies he is entitled to under the original settlement agreement. EdisonLearning defaulted under its obligations under the amendment. The Receiver reserves his rights to enforce his rights under the original settlement agreement including the $10.5 million minimum EdisonLearning owes TCA thereunder.

EdisonLearning filed a claim against the Receivership Estate for $8,079,169, which is entirely comprised of consequential damages for claims which were compulsory counterclaims in the state court foreclosure action and released in the original settlement agreement. The Receiver recommends that EdisonLearning's claim be disallowed.

H. Richard Scarrott

Richard Scarrott filed a claim for $10,748.90. Mr. Scarrott is a former employee of a non-receivership entity, T-Cap Marketing and Management located in London, England. Mr. Scarrott asserts that he is owed statutory redundancy payments in the amount of $10,748.90 and in support provided proof of employment in the form of a termination letter and payslips from March, April

and May 2020. The payslips and employment termination letter both show that Mr. Scarrott was not employed or paid by a Receivership entity. The Receiver accordingly recommends that Mr. Scarrott's claim be disallowed to which Mr. Scarrott objects.

I. Taylor David

Taylor David, an Australian law firm, filed a claim in the amount of AUD $43,468.84 for outstanding invoices for Pre-Receivership legal services for Master Fund. The Receiver confirmed that Taylor David was retained by Master Fund to provide legal services in Australia. The six outstanding invoices that form the basis of Taylor David's claim request payment for legal services provided pre-Receivership in connection with both the AW Worldwide and Pie Face matters referenced above. The Receiver does not dispute Taylor David's claim and recommends that Taylor David receive 23.05% of their total allowed claim, applying the AUD to USD conversion rate as of the date of each invoice,[4] resulting in an initial distribution of USD $28,929.48.

J. Underweiser & Underweiser LLP

Underweiser & Underweiser LLP ("Underweiser") filed a claim for USD $4,475 based on four unpaid invoices for legal services provided from April to July 2020. Underweiser was retained by Master Fund pre-Receivership and continued to provide legal services for the same case after May 11, 2020 at the Receiver's request. The Receiver recommends that this claim be allowed in full, resulting in an initial distribution of USD $1,031.48.

[4] The invoices are dated 11/04/2019 (1 AUD = 0.6862 USD), 11/28/2019 (1 AUD = 0.6767 USD), and 05/06/2020 (1 AUD = 0.638 USD).

## V. Potential Creditors With Barred Claims Through Failure to File By the Claims Bar Date

The following list of potential creditors are those who the Receiver provided personal notice of the Claims Bar Date, but nonetheless, did not file a claim by the Claims Bar Date. Therefore, the Receiver recommends that the Court find these potential claims expressly barred.

### A. Potential Creditors Who Did Not Submit Claims

| Vendor | Nature of Claim | Amount |
|---|---|---|
| TierPoint LLC | Server Infrastructure Hosting | $31,424.86 |
| Kaufman Rossin | Accounting Services and File Preparation | $20,030.00 |
| Signs R Us Inc. | Removed signage from NY Office | $217.75 |
| Vcorp | Registered Agent Services for TCA Global Credit Master Fund | $6,977.75 |
| VCorp | Registered Agent Services for TCA Fund Management Group | $11,360.25 |
| Baker Donelson | David Manning et al. | $51,836.98 |
| Signs R Us Inc. | Removed signage from NY Office | $217.75 |
| Baker Donelson | Hypertension Diagnostics | $4,290.59 |
| Baker Donelson | Galveston Property | $5,360.25 |
| NiTel, Inc. | Florida Internet Service | $326.62 |
| Caldew Capital | Referral Agreement with TCA Fund Management Group Corp | $10,000.00 |
| EdgarAgents LLC | Accounting for TCA Global Credit Master Fund L.P. | $1,773.50 |
| Pensar Systems Ltd | IT Services to UK office | $4,256.07 |
| Saira Iqbal | Statutory Redundancy Payment | $6,900.79 |
| Ananya Mazumder | Statutory Redundancy Payment | $9,391.22 |
| ADP, Inc. | Tax Adjustment for State Unemployment Insurance | $1,694.70 |
| BCGE | Paying Agent Agreement with TCA Global Credit Fund Ltd | $3,223.19 |
| Lonworld UK Limited | Rent | $83,114.87 |
| HM Revenue & Customs | P11Db Tax | $1,830.03 |

These parties were notified directly via mail and, in certain cases, also by e-mail and through publication of the Claims Bar Date. As of the date of this report, 45 days have elapsed since the Claims Bar Date. As this Court made clear, a failure to timely file a claim with the Receiver is grounds for barring a claim. *See* ECF No. 322 ("Creditors [are] barred from filing claims once the 60 days lapse.").

Where individuals have proper notice of the Claims Bar Date, a district court can properly deny any late filed claim. *See Bendall v. Lancer Mgmt. Group, LLC*, 523 Fed. Appx. 554, 558 (11th Cir. 2013) *SEC v. Wells Fargo Bank, N.A.*, 848 F.3d 1339, 1344 (11th Cir. 2017) ("An unsecured creditor is required to file a proof of claim for its claim to be allowed.").

Consistent with the Claims Bar Order, the Receiver requests that the Court confirm that these 23 potential creditors are barred from asserting any purported claims in these proceedings.

B. Paycation Travel, Inc.

Paycation Travel, Inc. ("Paycation") also failed to file a claim as a creditor by the Claims Bar Date. The Receiver specifically addresses Paycation here because they filed an objection to the investor distribution plan, and represented it was a creditor. Paycation failed to file any objections to the creditor distribution plan, nor did it timely file any claim despite receiving notice of the Claims Bar Date. In fact, counsel for Paycation personally appeared in this action—and thus received direct notice through ECF of the Receiver's Motion for Approval of Creditor Distribution Plan and First Interim Distribution to Creditors [ECF No. 294] and the order of this Court granting the Receiver's motion, approving his Creditor Distribution Plan on December 2, 2022, and establishing a Claims Bar Date of January 31, 60 days from the date of the order. [ECF No. 322]. Counsel for Paycation were also specifically mailed the creditor proof of claim form, and were put on record notice of the Claims Bar Date through publication (see above). For those

reasons, the Receiver recommends that Paycation's unfiled claim against the Receivership be disallowed and barred.

Dated: March 17, 2023

Respectfully submitted,

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*Attorneys for Jonathan E. Perlman, Esq., Receiver for the Receivership Entities*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 17, 2023, 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 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/ Greg M. Garno
Attorney

**SERVICE LIST**
***Securities and Exchange Commission v. TCA Fund Management Group Corp., et al.***
**Case No. 20-Civ-21964-CMA**

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# EXHIBIT A

THE WALL STREET JOURNAL.

## BUSINESS OPPORTUNITIES

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Manuf. / Relocate your company here $9.4M,
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75 AC Comm Land Prime Frontage US HWY 1 Daytona
$175K/ac OR $150K/ac for 45-day close.
Flooring Biz $750K, Turn Key, w/Property + $1.75M
Style & Trim Biz $4.2M Business & Property
**Contact Watson Realty Corp Text or Call**
**Bob Brewster (386) 341-0423**

## PUBLIC NOTICES

**NOTICE OF CLAIMS BAR DATE**

TO: All Creditors of TCA Fund Management Group Corp. and TCA Global Credit Fund GP, Ltd., TCA Global Credit Fund, LP, TCA Global Credit Fund, Ltd., TCA Global Credit Master Fund, LP, and TCA Global Lending Corp. (collectively, the Receivership Entities").

As you may be aware, the Receivership Entities have been placed in receivership pursuant to an Order issued by the United States District Court for the Southern District of Florida in an action styled Securities and Exchange Commission v. TCA Fund Management Group Corp., et al., Case No.: 20-CIV-21964-CMA (the "Action") and Jonathan E. Perlman (the "Receiver") has been appointed as Receiver. The Receiver is responsible for administering all claims which may be asserted against the Receivership Entities, subject to approval of the Court.

The purpose of this Notice is to inform you that the Court has set a Claims Bar Date of January 31, 2023 (the "Claims Bar Date"), by which time any and all persons with claims against the Receivership Entities must submit a claim. If you have not already filed a claim, you must do so on or before the Claims Bar Date. If you do not already have a claim form, you can request a copy by sending an email to: receiver@tcafundreceivership.com, or by requesting one from the Receiver's office at the address set forth herein:

Jonathan E. Perlman, Receiver
TCA Fund Management Group Corp. et al.
c/o Genovese Joblove Battista, P.A.
100 SE Second Street, Suite 440
Miami, FL 33131

**All claims should be post marked on or before the Claims Bar Date. If you have already filed a claim with the Receiver, you may ignore this Notice. Failure to file a claim with the Receiver on or before the Claims Bar Date will result in your claim forever being barred.**

# EXHIBIT B

## Foreclosure Sales – Miscellaneous

Published in South Florida Sun-Sentinel, Ft. Lauderdale on December 12, 2022

**Location**

Broward County,

**Notice Text**

NOTICE OF CLAIMS BAR DATE TO: All Creditors of TCA Fund Management Group Corp. and TCA Global Credit Fund GP, Ltd., TCA Global Credit Fund, LP, TCA Global Credit Fund, Ltd., TCA Global Credit Master Fund, LP, and TCA Global Lending Corp. (collectively, the Receivership Entities ). As you may be aware, the Receivership Entities have been placed in receivership pursuant to an Order issued by the United States District Court for the Southern District of Florida in an action styled Securities and Exchange Commission v. TCA Fund Management Group Corp., et al., Case No.: 20-CIV-21964-CMA (the Action ) and Jonathan E. Perlman (the Receiver ) has been appointed as Receiver. The Receiver is responsible for administering all claims which may be asserted against the Receivership Entities, subject to approval of the Court. The purpose of this Notice is to inform you that the Court has set a Claims Bar Date of January 31, 2023 (the Claims Bar Date ), by which time any and all persons with claims against the Receivership Entities must submit a claim. If you have not already filed a claim, you must do so on or before the Claims Bar Date. If you do not already have a claim form, you can request a copy by sending an email to: receiver@tcafundreceivership.com, or by requesting one from the Receiver s office at the address set forth herein: Jonathan E. Perlman, Receiver TCA Fund Management Group Corp. et al. c/o Genovese Joblove Battista, P.A. 100 SE Second Street, Suite 440 Miami, FL 33131 All claims should be post marked on or before the Claims Bar Date. If you have already filed a claim with the Receiver, you may ignore this Notice. Failure to file a claim with the Receiver on or before the Claims Bar Date will result in your claim forever being barred. 12/12/2022 7339837