



I.

1. William D. Brown was appointed Receiver for the Defendants and Relief Defendants on July 2, 2007.

2. Pursuant to the Court's July 2, 2007 Freeze Order, the Receiver has seized and has in his possession cash and other non-liquid assets in the amount of \$13,552,442 as of May 30, 2008. The property in Roatan, Honduras is excluded from this amount due to the uncertainty of its value.

3. On March 13, 2008, the Court granted Receiver's Second Amended Motion to Make First Interim Partial Distribution of Estate Funds to Creditors, allowing the Receiver to return nearly \$25 million to defrauded investors whose investments had been verified pursuant to the "Plan A" calculation presented by the Receiver (the "First Distribution") [Dkt. No. 283].

4. By this Motion, Receiver seeks to distribute an additional \$4 million to investors whose investments have been verified ("Proposed Second Interim Partial Distribution"). Receiver has devised the Proposed Second Interim Partial Distribution using the "Plan A" calculation previously approved by the Court on March 13, 2008. A true and correct copy of the Proposed Second Interim Partial Distribution is attached hereto as **Exhibit A**.

5. Sixteen investments were excluded from the First Distribution due to a lack of supporting documentation. The Receiver subsequently was able to verify the amounts owed to nine of the investors. Thus, included in the \$4,000,000 distribution is the amount these nine investors would have received in the First Distribution, but for the lack of documentation. The "catch-up" amount for these investors is \$705,081.03.

6. Adequate funds will be retained in the Receivership to fund current operations. As the Receivership continues to augment the Estate and accumulate cash, the Receiver anticipates recommending additional distributions.

**II.**  
**Conclusion**

For the reasons stated herein, the Receiver respectfully requests that he be permitted to make a second interim partial distribution in line with the "Plan A" calculation previously approved by the Court.

Respectfully submitted:

*/s/ Spencer C. Barasch*

---

Spencer C. Barasch  
State Bar No. 00789075  
Suzanne B. Campbell  
State Bar No. 24027547  
ANDREWS KURTH LLP  
1717 Main Street, Suite 3700  
Dallas, Texas 75201  
Telephone: (214) 659-4400  
Facsimile: (214) 659-4401

Joe C. Holzer  
Texas State Bar No. 09933800  
ANDREWS KURTH LLP  
600 Travis, Suite 4200  
Houston, Texas 77002  
Telephone: (713) 220-4172  
Facsimile: (713) 238-7278

**COUNSEL FOR RECEIVER**  
**WILLIAM D. BROWN**

**CERTIFICATE OF SERVICE**

I hereby certify that on June 23, 2008, I electronically submitted the foregoing document with the clerk of the court for the U.S. District Court, Northern District of Texas, using the electronic case files system of the court. The electronic case files system sent a "Notice of Electronic Filing" to the following individuals who have consented in writing to accept this Notice as service of this document by electronic means:

Phillip W. Offill, Jr.  
10440 N. Central Expressway, Suite 1295  
Dallas, Texas 75240

John H. Carney  
John H. Carney and Associates  
One Meadows Building  
5005 Greenville Avenue, Suite 200  
Dallas, Texas 75206

Ed Tomko  
Curran Tomko Tarski LLP  
1700 Pacific Avenue, Suite 4545  
Dallas, Texas 75201

Jeffrey B. Norris  
U.S. Securities & Exchange Commission  
801 Cherry Street, 19th Floor  
Fort Worth, Texas 76102

Lindy D. Jones  
Jones Allen & Fuquay  
8828 Greenville Avenue  
Dallas, Texas 75243

I hereby certify that I have served the foregoing document by mailing a copy to the following individuals:

Dennis W. Bowden  
10220 Marsh Lane  
Dallas, Texas 75229

William M. Ravkind  
William Ravkind & Associates, LLC  
One Meadows Building  
5005 Greenville Avenue, Suite 200  
Dallas, Texas 75206

Mr. and Mrs. Robert Kreck  
203 N. 20th Street  
Cape Coral, Florida 33909

Mr. Jim Miller  
214 Michael Blvd.  
Hurst, Texas 76053

Mr. William P. Wood  
12770 Waterford Circle  
Apt. 240  
Fort Meyers, Florida 33919

*/s/ Spencer C. Barasch*

\_\_\_\_\_  
Spencer C. Barasch