

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
WICHITA FALLS DIVISION**

SECURITIES AND EXCHANGE COMMISSION	§	
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
MILLENNIUM BANK,	§	
UNITED TRUST OF SWITZERLAND S.A.,	§	Case No.: 7:09-CV-050-O
UT of S, LLC,	§	
MILLENNIUM FINANCIAL GROUP,	§	
WILLIAM J. WISE,	§	
d/b/a STERLING ADMINISTRATION,	§	
d/b/a STERLING INVESTMENT SERVICES	§	
d/b/a MILLENNIUM AVIATION,	§	
KRISTI M. HOEGEL, a/k/a KRISTI M.	§	
CHRISTOPHER	§	
a/k/a BESSY LU,	§	
JACQUELINE S. HOEGEL, a/k/a JACQUILINE S.	§	
HOEGEL,	§	
a/k/a JACKIE S. HOEGEL,	§	
PHILIPPE ANGELONI, and BRIJESH CHOPRA,	§	
	§	
Defendants,	§	
	§	
And	§	
	§	
UNITED T OF S, LLC, STERLING I.S., LLC,	§	
MATRIX ADMINISTRATION, LLC,	§	
JASMINE ADMINISTRATION, LLC,	§	
LYNN P. WISE, DARYL C. HOEGEL, RYAN D.	§	
HOEGEL,	§	
and LAURIE H. WALTON,	§	
	§	
Relief Defendants.	§	
	§	

REPORT OF THE RECEIVER DATED JANUARY 13, 2020

Richard B. Roper, III (“Receiver”) files this Report to the Court regarding the affairs and findings of the Receivership, respectfully showing as follows:

By order dated March 26, 2009, this Court appointed Richard B. Roper as Receiver for the assets and records of the Defendants and Relief Defendants in the above-referenced case and all entities they own or control. The Receivership Order, and the subsequent orders re-appointing the Receiver, direct the Receiver to prepare and submit written periodic reports to the Court and to the parties. Further, this Court ordered on December 12, 2019 that the Receiver provide an update on his efforts and all that is needed to bring this matter to conclusion. (Dkt. No. 309) This Report is intended to brief the Court on the status of matters undertaken for the benefit of the Receivership Estate.

I. OVERVIEW

This Receiver’s Report is the eighth substantive update to the Receivership Court of the Receiver’s activities. The Receiver’s goal throughout his administration of the Receivership has been, and continues to be, to maximize the amount available to distribute to investors who lost money as a result of the fraud (the “Net Losing Investors”). In the time frame since the last Receiver’s Report, the Receiver has not incurred significant fees or even filed a fee application in an effort to avoid further costs to the estate while ancillary matters are winding down.

II. RECENT WORK UNDERTAKEN BY THE RECEIVER

In accordance with this Court’s Order (Dkt. No. 309), the Receiver provides information related to each inquiry in Mr. James H. Davis’ letter (Dkt. No. 308) as follows:

1. How much have you as receiver collected total in money amount to date?

To date, the Receiver has collected over \$2,405,583.32.

2. When can we expect the remaining from the small payout sent to us on March 2013?

In 2013, the Receiver requested and received authority to make an interim distribution of more than \$2.3 million to nearly 600 Net Losing Investors. Since making this distribution, the Receiver's efforts have been, and continue to be, to maximize the amount available to distribute to Net Losing Investors.

As described more fully in response to question 4 below related to the funds in St. Vincent, the Receiver has been working with and will continue to work with the Department of Justice regarding the Receiver's claim to the liquidated funds located in St. Vincent. Due to the sizeable nature of repatriating such funds to the United States and seeking a right to distribute such funds to Investors, the Receiver deems that waiting to make a final distribution to Investors and waiting to terminate the Receivership until this loophole is closed is meritorious. Therefore, the Receiver cannot yet predict when the next and final distribution will be made.

3. Who are the 150-200 people getting JP Morgan settlement?

In *Edmund J. Mansor and Roberta M. Mansor v. JPMorgan Chase Bank, N.A.*, Case No. 1:12-cv-10544-JGD, pending in the District Court for the District of Massachusetts (the "Chase Action"), Plaintiffs Edmund Mansor and Roberta Mansor commenced a class action lawsuit, claiming that Defendant JPMorgan Chase Bank, N.A. ("Chase") aided and abetted a Ponzi scheme run primarily by William Wise through companies affiliated with Wise, including Millennium Bank, United Trust of

Switzerland, and Sterling IS. Chase denies all such claims. Plaintiffs and Chase agreed to a settlement.

Prior to the class settlement, on June 21, 2017 the Receiver was deposed in the Chase Action. The Receiver's testimony was used to support the class action and ultimately the class action settlement in the amount of \$4,625,000.00.

The Class Members in the Chase Action are the following:

- Elaine J. Abbott
- Devendra & Rekha Agrawal
- Paul Akre
- William Donald Allison
- Frank Amalemba
- Boyce and Betty Jo Anderson
- A. P., A. F., and F. A. P. Antunes
- Joseph and Carmela Apice
- Zoe Graves
- Amir Banoub
- Thomas and Hazel Baribeau
- Wilene Bautista
- Dahires Ducas Bettle
- William Bishop, Sr.
- Ronald and Dorilda Bissell
- Nancy and Robert Blystone
- Franklin R. and/or Audrey A. Brown

- Estate of Laverne E. Brown
- Ursula Brown
- Clyde Brown, Jr.
- James Bruno
- Gary Weidig and Carol Brzezinski
- Trevor Buckley
- Donald and Henrietta Buffington
- Arthur and Bevera Burch
- David and Carol Busta
- Henry E. Calandra
- Calavachio & O'Neal
- Frank J. Canu Living Trust
- Sandra Ciliano
- Charles M. Cobb
- Patrick W. Conlon
- Fatma and Mohamed Curdy
- Mohamed and Rania Curdy
- David and/or Lillian Daigle
- Carol and Joseph Dallos
- Martha Danko
- Rajesh Dasari
- Laveta B. Davis
- Dayspring Enterprises

- Ruth Deglmann
- Joseph Dellalonga
- Irving Dentz
- Charles and Phyllis DeSoto Living Trust
- Robert and Barbara Diebert
- Jim Diethelm
- Charles Dilibertore
- Matthew Donohue
- Gregory J. Ducas
- Lloyd Ehalt
- Mark and Terrie Faughn
- Gildo and Laura Fermeglia
- Herbert Ferstadt
- Margie Fetter
- Laurie Figaniak
- Donald Filbert
- Doris M. Fortney
- Herbert Frahm
- Lazarus and Frances Francino
- Robert and Mary Friedmann
- Ronald Fruge
- Katherine Y. Fung
- Valery and/or Tatyana Gesin

- Barbara Gibbs
- Marvin and Carolyn Glass
- Roman Glova
- Bernard S. Goldenzweig
- Czeslaw and Krystyna Golkowski-Golkowska
- Bertricia N. Goodrum
- Gerald Graves
- Rajan Gupta
- Neerja Gursahaney
- Terrence Hannam
- Gregory Head
- Sylvia and R. Turner Heustis
- Harold and Claudette Higgins
- Sharon R. Hollis Revocable Trust
- Michael F. Holly
- Ralph T. Jarvis
- Karen Jernigan
- Ralph V. and Nola B. Johnson
- Fred R. and/or Marilyn Jones
- Amir Heshmatollah Khosravi-Hafshejani
- William A. Kiefer
- Frances Kleinman
- Mary L. Knutson

- Konstantin Kogan
- Robert S. Kolb
- Howard and/or Dorothy Kossman
- Janis Krieger
- Darwin and Mary Kristofferson
- Camille LaFratta
- Adrian and Linda Landberg
- Estelle or Gary Lawrence
- Carlene and/or Peter Lagassy
- Brian R. and Karen L. Lenzen
- Diedrich J. and Jeanette E. Lenzen
- Astara Leopold
- Raymond Leshynski
- Orville Lewis
- Joan Lieberman
- Carl and Judy Limauro
- James and Pauline Lindblad, III
- Sadie and James Lindemulder Family Trust
- George E. Mansor
- Chrysanthos and/or Constance Liolis
- Jerry and Carolyn Lovinggood
- John Alexander Lowell
- Joyce Manning

- Edmund and Roberta Mansor
- Janice Maran
- Harold and Cynthia McCabe
- Marilou McIntyre
- Rulesha McKinney
- Carol Mechtel
- Jesse and Kelli Ann Mechtel
- MedFin Revocable Trust
- Josette and Jordania Mediodia
- Nathan, Jr. or Joan Melber
- John F. Mertel
- Gretchen Meyers
- Michael and Betty Mirich, III
- Russell and Joanne Montgomery-Bjerklie
- Tammy Moore-Coney
- Gail Murphy
- Richard and Deirdre Murphy
- Jeffery Muzzarelli
- Arlene J. Nelson
- Pamela Ni
- Kumiko Nielsen
- Jerome H. Nosal, II
- Mary Olson Trude Oeser

- Ben Page
- Sam Page
- Deborah and Robert Paradise
- Ajay Pathak
- Swati Pathak
- Thomas Peevler
- Diana Person
- William and/or Donna Podobinski
- Palace of Praise
- Cornelius Proctor
- Anita Pyle
- Richard Raptosh
- Doreen Reid
- Pamela Rich
- Michael Sandowski
- A. W. Schlottmann
- Bernadette Schlottman
- Gary and/or Janice Schroeder
- Jack Schumann
- Raymond J. Seraphin
- Nancy Sheeler
- Margie Shouse
- Cecilia Smith

- Deanna Sobie
- Roger A. Sparks
- Errol R. and Patricia A. Stai Living Trust
- Arthur and Barbara Stakes
- Florine Starkell
- Elizabeth and/or Joseph J. Starzyk
- James and Gail Staub
- John Stefanache
- Charles Svoboda
- Nabil Tadros
- Earl and Sandra Tanner
- Msgr. Joseph Tash
- Robert and Polly Taylor
- Mark and Kathy Theis
- Eleanor Thomas Revocable Trust
- George Tryfiates
- William T. Turnage, Jr.
- Merrie Van Loy
- Harry Victorine
- Milanka and/or Dobrila Vlasovich
- Kelly L. Wallace
- Elizabeth Hu Wang
- Joseph and Arlene Wech

- Charles H. and Sandra G. Westgate
- Hazel Wilson
- The R. V. Winkler Trust
- Linda Wong
- Shirley Woodcock
- Peter C. Yin
- Olga Zlotnikov
- Thomas Miller
- Leah Popp
- Deborah Scott
- Edward Petillo
- Leslie and or Marie Aubuchon
- Suzanne M. Brandenberger
- Kathryn G. Costello
- Ryszard and Jadwiga Baranski-Baranska
- Joe Glasscock
- Maurice P. Karam
- Promila Mehta
- Robert Wasielewski
- Rita Raudenbush
- Kenneth Michael James
- Daniel and or Tara Farrell
- Sharon Gilchrist

- Larry and Barbara Davis
- Clarita Bungcayao

4. What is the amount of money DOJ froze in St. Vincent (or other locations)?

Since the inception of the Receivership, the Receiver has been engaged in attempting to repatriate assets located in St. Vincent, a hub for the Defendants' fraudulent activities. A court-appointed liquidator in St. Vincent took control of most of the assets of the Defendants. As a result of that liquidation, no remaining funds were made available by the liquidators to any investors. Rather, all of the funds in the estate of the liquidators were used up in payments in fees and claims. Nevertheless, the Receiver worked with the SEC and the Department of Justice to ensure that assets not in the estate of the liquidator were held under restraint. These assets are linked to Defendant Mr. Wise and entities Mr. Wise used in his scheme to defraud investors. Specifically, nearly \$2 million Caribbean dollars have been liquidated related to assets, such as wines, vehicles, boats, and foreign accounts potentially owned or traceable to Mr. Wise. The Department of Justice is working on a mutual legal assistance treaty (MLAT) with St. Vincent to repatriate such liquidated funds to the United States. The Receiver has been working with and will continue to work with the Department of Justice regarding the Receiver's claim to the liquidated funds located in St. Vincent. Due to the sizeable nature of repatriating such funds to the United States and seeking a right to distribute such funds to Investors, the Receiver deems that waiting to make a final distribution to Investors and waiting to terminate the Receivership until this loophole is closed is meritorious.

5. *What is the claw back amount you captured?*

As stated in response to question 1 above, the Receiver has collected over \$2,405,583.32.

6. *When are checks being sent for any and all of the above?*

Chase Action Settlement Checks:

On November 13, 2018, United States Magistrate Judge Judith G. Dein in the Chase Action entered the Final Order and Judgment. Since the entry of this Final Order and Judgment, the Receiver has complied with his responsibilities as settlement administrator, which are set forth in the Settlement Agreement. To the extent possible, the Receiver has mailed all Chase Action settlement checks to the Class Members listed in response to question 3 above.

Next Distribution in the Millennium Receivership:

As articulated above, the Receiver has been working with and will continue to work with the Department of Justice to repatriate the liquidated funds located in St. Vincent, which total approximately \$2 million Caribbean dollars. As of the date of this filing, the Receivership account has approximately \$815,220.34, of which \$466,035.08 are the remaining funds from the Chase Action settlement that will ultimately be donated to a mutually agreed-upon charity approved by the Court in the Chase Action pursuant to the terms of the Settlement Agreement. The remaining \$349,185.26 in the Millennium Receivership account is the total amount that the Receiver currently has for the next distribution, as well as for administrative costs and winding down the Receivership. Due to the sizeable nature of repatriating the St. Vincent funds to the United States and seeking a right to distribute such funds to Investors, the Receiver deems that waiting to

make a final distribution to Investors and waiting to terminate the Receivership until this loophole is closed is meritorious. Therefore, the Receiver cannot yet predict when the next and final distribution will be made.

III. REMAINING TASKS

The primary tasks facing the Receiver to complete his duties are the following:

- Work with the government to attempt to repatriate funds for the benefit of the Receivership Estate;
- Conclude administration of the Class Action Settlement in *Edmund J. Mansor and Roberta M. Mansor v. JPMorgan Chase Bank, N.A.*, Case No. 1:12-cv-10544-JGD;
- Distribute the remaining funds to nearly 600 Net Losing Investors; and
- Complete administrative tasks related to winding down and closing the Receivership.

As described above, the Receiver's goal is to maximize collection given the scarce resources of the Receivership Estate.

IV. CONCLUSION

The Receiver has devoted the bulk of his time since his last report to this Court to attempting to restore additional funds to the Receivership Estate. The analysis contained in this Report represents the best possible picture of Millennium Bank's financial affairs in light of the extremely poor recordkeeping of the Defendants, the limitations of the bank records provided in response to the Receiver's subpoena, and the unavailability until now of the master of the scheme, William Wise. The Receiver will continue to undertake those tasks required to faithfully and most efficiently administer the Estate.

The Receiver asks for such other and further relief, general or special, at law or in equity, to which he may otherwise be entitled.

Respectfully submitted,

THOMPSON & KNIGHT, LLP

/s/ Jennifer Rudenick Ecklund _____

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**COUNSEL FOR THE RECEIVER,
RICHARD B. ROPER**

CERTIFICATE OF SERVICE

On January 13, 2020, I electronically submitted the foregoing document to the Clerk of the Court for the United States District Court for the Northern District of Texas using the electronic case filing system of the Court.

/s/ Jennifer Rudenick Ecklund _____

Jennifer Rudenick Ecklund