

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

U.S. SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

VS.

GOLDEN STATE EQUITY INVESTORS
INC.; aka GOLDEN GATE INVESTORS,
INC,

Defendant.

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CIVIL ACTION NO. 4:09-CV-1307

OPINION AND ORDER

Pending before the Court are Plaintiff U.S. Securities and Exchange Commission's Motions for Disbursement of Funds (Docs. 33, 35, 36, 38). On May 8, 2009, the Court granted Final Judgment in favor of Plaintiff pursuant to a settlement agreement. Doc. 6. On May 26, 2009, Defendant paid to the Clerk of Court \$1,577,579.00, which was deposited in an interest-bearing account. On May 22, 2012, the Court appointed Damasco & Associates LLP to serve as Tax Administrator. Doc. 10. The Court has since ordered the Clerk to pay specified amounts to Damasco & Associates LLP for tax obligations, fees, and expenses. Docs. 15, 16, 20, 24, 29. On November 2, 2012, the Court appointed RG/2 to serve as Distribution Agent. Doc. 21. On March 20, 2013, the Court approved the Distribution Plan. Doc. 26. On April 3, 2014, the Court ordered the Clerk to pay \$64,731.81 for fees and expenses to the Distribution Agent. Doc. 32.

The Court, having considered Plaintiff Securities and Exchange Commission's Motion for an Order to Transfer Funds to the Distribution Agent for Disbursement to Eligible Claimants (Doc. 33) and the submitted Declaration of Michael J. Lee in Support of the Securities and Exchange Commission's Motion, and for good cause shown,

It is hereby **ORDERED** that Plaintiffs' Motions (Docs. 33, 35, 36, 38) are **GRANTED**

and further **ORDERED** that:

1. The Clerk of the Court shall issue a check to RG/2 Claims Administration LLC (“Distribution Agent”), from the Court Registry Investment System (“CRIS”) account number 4:09-cv-1307, under the case name designation “SEC v. Golden State Equity Investors, Inc.” for the entire amount on deposit in the CRIS, minus Court registry fees.

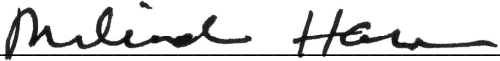
The Clerk shall make the check payable to “SEC v. Golden State Distribution Fund” and shall send the check by overnight mail to

RG/2 Claims Administration LLC
ATTN.: Michael J. Lee
30 South 17th Street
Philadelphia, PA 19103

2. The Distribution Agent shall:

- a. Deposit these funds pursuant to Section 3.27 of the Distribution Plan;
- b. Reserve \$16,524.66 from the Fair Fund to pay for accrued and anticipated future tax obligations of the Fund and the future fees and costs of the Tax Administrator, including accrued for fees and expenses of \$2,124.66;
- c. Reserve \$5,840.69 for accrued but unpaid fees and expenses of the Distribution Agent, RG/2, and \$3,500, for the estimated cost of the distribution agent to complete the distribution; and
- d. Distribute the remaining funds to Eligible Claimants pursuant to the Final Payee List in accordance with the terms of the Distribution Plan.

SIGNED at Houston, Texas, this 3rd day of February, 2015.



MELINDA HARMON
UNITED STATES DISTRICT JUDGE