

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MARK A. JONES,

Defendant.

Case No. 1:16-cv-10524-RGS

**SECURITIES AND EXCHANGE COMMISSION'S MEMORANDUM IN SUPPORT OF
ITS MOTION FOR AN ORDER APPROVING A DISTRIBUTION PLAN AND
APPOINTING A DISTRIBUTION AGENT**

The Securities and Exchange Commission (the "SEC") respectfully submits this Memorandum in support of its motion to approve the proposed Distribution Plan attached as Exhibit A (the "Plan") and to appoint a distribution agent (the "Motion"). Upon notification by the SEC of the expiration of the notice period described below, the SEC requests that this Court enter an Order (1) directing the Clerk of this Court to pay all funds held in this Court's Registry Investment System for this action (the "CRIS Account") to the SEC; (2) approving the Plan; and (3) appointing Catherine E. Pappas, an SEC employee, as distribution agent (the "Distribution Agent").

Immediately after filing the Motion, the SEC will send notice in the form attached as Exhibit B (the "Investor Notice") to the last known addresses of all identified investors in this matter. The Investor Notice provides directions on how to object to the distribution described in the Plan and investment specifics set forth in the Investor Notice, and also requests that each investor listed on the Attachment B to the Investor Notice or who objects to the Plan return a

Substitute Form W-9 (enclosed with the Notice). Upon expiration of the thirty (30) day notice period, the SEC will notify the Court of any objections and its response(s) to the same, simultaneously providing a copy of that notification to all objecting entities, and, as appropriate, seek entry of the proposed Order accompanying this Memorandum.

I. BACKGROUND

A. The Civil Action

On March 15, 2016, the SEC filed a Complaint against Mark A. Jones (“Jones”) accompanied by a motion seeking an asset freeze and other emergency relief. Dkt. Nos. 1, 2. The SEC alleged that, between 2007 and 2015, Jones raised nearly \$10 million through a fraudulent offering of securities in an enterprise called “The Bridge Fund”. According to the Complaint, Jones told investors that he would pool their money to provide short-term bridge loans to Jamaican companies that had been approved for commercial bank loans but were awaiting funding. The SEC alleged that, in fact, Jones used the money for personal expenses and to make payments to other investors. By Order entered on March 15, 2016, this Court entered an order freezing Jones’s assets and granting other emergency relief. Dkt. No. 6.

On March 7, 2017, upon motion of the SEC, the Clerk of Court entered default as to Jones. Dkt. No. 23. On March 28, 2017, this Court entered default judgment against Jones (the “Final Judgment”), ordering him to pay to the SEC disgorgement of \$3,586,510, prejudgment interest of \$236,463.48, and a civil penalty of \$160,000. Dkt. No. 29. In the Final Judgment, the Court ordered the SEC to hold the funds pending the submission and approval of a distribution plan.

B. The Distribution Fund

The SEC currently holds approximately \$302,000 paid to it on behalf of Jones in an interest bearing account at the SEC (the “SEC Account”), including \$4,945.43 in post-judgment interest. Another approximately \$6,200 in proceeds from the sale of Jones’s car is currently held in the CRIS Account, *see* Dkt. Nos. 18-20. The SEC anticipates an additional collection of approximately \$300,000 later this year. The entirety of the funds in the SEC Account, the CRIS Account, future collections, and accrued interest, is referred to herein as the “Distribution Fund.”

On March 29, 2018, this Court appointed Miller Kaplan Arase LLP, a certified public accounting firm with an office in San Francisco, California, as Tax Administrator to execute all income tax reporting requirements of the Distribution Fund. Dkt. No. 31.

C. Harmed Investors

The SEC has identified twenty-five investors in The Bridge Fund (the “Investors”), twelve of whom were harmed by Jones in an aggregate amount of, approximately, \$3.7 million (the “Harmed Investors”).¹ To preserve their privacy, Investors are identified on the attachments to the Investor Notice by an investor number. The Investor Notice, informing Investors of their investor number, will be sent to each Investor at their last known address.

II. THE PROPOSED DISTRIBUTION

A. The Plan

In the Plan, the SEC proposes using the “Rising Tide” methodology to calculate Distribution Payments² because several Harmed Investors Recovered³ a significant percentage

¹ The SEC believes the remaining thirteen investors have recovered their Investment in full. All twenty-five Investors will receive the Investor Notice.

² Capitalized terms in this description are as defined in the Plan.

³ “Recovery(ies)” are defined in the Plan as the aggregate amount of Investment recovered by an Investor, whether through repayment by the Defendant, Distribution Payment, or otherwise.

of their Investments⁴ through withdrawals and other payments, whereas two Harmed Investors have recovered 6% or less of their Investments. *See* Attachment A to the Investor Notice (Exhibit B). Under the Rising Tide methodology, any Recoveries previously obtained by Harmed Investors through withdrawals or otherwise, are considered distributions. Anyone who has previously Recovered a significant percentage of their investment will not get a distribution until those who have little or no Recovery recoup the same percentage (the “Recovery Ratio”). In this case, assuming an Initial Distribution of approximately \$300,000, the SEC estimates the Recovery Ratio will be, approximately, 21.5%, meaning that through Recoveries, including the Initial Distribution, the SEC anticipates that all Harmed Investors will Recover, or have Recovered, at least 21.5% of their Investment.⁵ If and when additional collections are made and further distributions occur, the Recovery Ratio should increase.⁶

As an example of the application of this methodology, assume there are two fictitious Harmed Investors, both of whom invested \$10,000 and one of whom (Investor 1) withdrew \$8,000; and a Recovery Ratio of 21%. As demonstrated in the chart below, under the Rising Tide methodology, Investor 1 has Recovered 80% of their Investment and is not eligible

⁴ “Investment” is defined in the Plan as the aggregate out-of-pocket investment made by an Investor in The Bridge Fund, exclusive of interest, dividend, or paper profit.

⁵ The Recovery Ratio, estimated at 21.5%, is based on the distribution of \$300,000 and will change if, for instance, the reserve for Administrative Costs changes and/or if additional collections are made before the Initial Distribution. The Tax Administrator has not yet calculated a final reserve and the SEC has conservatively estimated a reserve for the purposes of the Motion.

⁶ The SEC estimates that, if an additional \$300,000 is recovered (as expected), the Recovery Ratio will increase to, approximately, 36%, and, based on its current calculations of Investments and Recoveries, at least two additional Harmed Investors will be eligible to receive Distribution Payments.

for a Distribution Payment, whereas Investor 2, who has Recovered nothing, is eligible for a Distribution Payment of \$2,100, or 21% of their Investment.

(Line)	Investor 1		Investor 2	
1	Investment	\$ 10,000.00	Investment	\$ 10,000.00
2	Recovery Ratio	21.00%	Recovery Ratio	21.00%
3	Pro Rata Share (Line 1*Line2)	\$ 2,100.00	Pro Rata Share (Line 1*Line2)	\$ 2,100.00
4	Recovery	\$ 8,000.00	Recovery	\$ -
5	Distribution Payment (must be > 0) (Line 3-Line 4)	\$ (4,400.00)	Distribution Payment (must be > 0) (Line 3-Line 4)	\$ 2,100.00
6	Ineligible for a distribution because already recouped 80% of the Investment, which exceeds the 21% Recovery Ratio.		Eligible for a distribution of 21% because has not recovered any of the Investment.	

B. The Distribution Agent and Administrative Costs

In order to minimize administrative costs, the SEC proposes that Catherine E. Pappas, Senior Adviser in the SEC’s Division of Enforcement, act as Distribution Agent for the Distribution Fund. In the absence of distribution agent costs, the SEC expects administrative costs will include only taxes, tax administration fees and costs, and investment costs (the “Administrative Costs”).

III. THIS COURT SHOULD GRANT THE RELIEF REQUESTED

A district court has broad discretion in approving an SEC plan of distribution, and that determination is reviewed for abuse of discretion. *See also SEC v. Quan*, 870 F.3d 754, 762 (8th Cir. 2017); *SEC v. Malek*, 397 Fed. Appx. 711, 715 (2d Cir. 2010), *citing SEC v. Loewenson*, 290 F.3d 80, 87 (2d Cir. 2002); *WorldCom, Inc. v. SEC*, 467 F.3d 73, 84 (2d Cir. 2006). The job of the district court is to ensure that the proposed plan of distribution is fair and reasonable. *See Quan*, 870 F.3d at 762; *SEC v. J. P. Morgan Sec. LLC*, 266 F. Supp. 3d 225, 227, 230 (D.D.C. Jul. 20, 2017); *SEC v. CR Intrinsic Investors, LLC*, 164 F. Supp. 3d 433, 435 (S.D.N.Y. 2016)

See also WorldCom, 467 F.3d at 83-85 (because the SEC is fulfilling a statutory role in determining how to distribute recovered funds to investors, it is entitled to the deference of a “fair and reasonable” standard—that the plan fairly and reasonably distributes limited funds among the potential claimants). *Cf. Crandall v. PTC Inc.*, Civ. Act. No. 16-10471-WGY, 2017 U.S. Dist. LEXIS 217581, *16 (D. Mass. Jul. 14, 2017)(in a class action, the Court approves a plan of allocation as fair and reasonable); *Courtney v. Avid Tech., Inc.*, Civ. Act. No. 13-10686-WGY, 2015 U.S. Dist. LEXIS 66837, *3 (D. Mass. May 12, 2015) (in a class action, approving a plan of allocation as “in all respects fair and reasonable”); *Hill v. State St. Corp.*, Civ. Act. No. 09-12146-GAO, 2014 U.S. Dist. LEXIS 179702, *27-*32 (D. Mass. Nov. 26, 2014) (finding the plan of allocating settlement proceeds in a class action to be fair and reasonable).

In this case, the SEC proposes using a “Rising Tide” methodology to ensure that those Harmed Investors who have Recovered a substantial percentage of their Investments do not get additional funds through this distribution until those who have Recovered little or none of their Investment receive some of their Investment back. No Harmed Investor who Recovered more than the (approximately) 21.5% Recovery Ratio will receive compensation until all Harmed Investors have recovered at least 21.5% of their Investment. The SEC believes this methodology to be the most fair and reasonable approach to distribution under the circumstances here—limited funds and Harmed Investors with varying Recoveries. *See SEC v. Huber*, 702 F.3d 903, 906 (7th Cir. 2012) (Posner, J.), and the cases cited therein (finding the Rising Tide methodology most commonly used and judicially approved for apportioning receivership assets), *SEC v. Torchia*, Civ. Act. No. 1:15-3904-WSD, 2017 U.S. Dist. LEXIS 156524, *28-32 (Aug. 7, 2017, N.D. Ga.) (finding the Rising Tide methodology fair and equitable); *CFTC v. Mason*, Civ. Act. No. 3:13-196-GCM, 2014 U.S. Dist. LEXIS 147770, *3-*8 (Oct. 14, 2014 W.D.N.C.)

(describing alternative calculations and finding the “rising tide” methodology most equitable where funds insufficient to make investors whole, preventing “a customer who previously received funds... from benefitting at the expense of other investors...”).

By way of further relief, the SEC moves this Court to appoint the undersigned, Catherine E. Pappas, an SEC employee, as Distribution Agent to perform such functions as are necessary to implement and administer the Plan, including coordinate with the Tax Administrator to ensure compliance with applicable tax laws. As set forth in the Plan, the Distribution Agent, an SEC employee, shall receive no compensation other than her regular salary for her services in administering the Distribution Fund. The appointment of an SEC employee will expedite the distribution process and avoid the costs and expenses that would ordinarily be incurred by the appointment of a third-party administrator, thus maximizing return to Harmed Investors.

IV. CONCLUSION

For the reasons set forth above, the SEC respectfully requests that the Court grant the requested relief.

Respectfully submitted,

/s/ Catherine E. Pappas
Catherine E. Pappas (PA Bar No. 56544)
Attorney for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION
One Penn Center
1617 JFK Blvd., Ste. 520
Philadelphia, Pa. 19103
Tel: 215-597-0657
Fax: 215-597-2740
pappasc@SEC.gov

Dated: May 7, 2018

Exhibits:

- A. Proposed Plan
- B. Investor Notice with Attachments

CERTIFICATE OF SERVICE

I, Catherine E. Pappas, hereby certify that on May 7, 2018, I caused a true copy of this document and accompanying papers to be served upon the defendant by filing the same via the CM/ECF system.

/s/ Catherine E. Pappas
Catherine E. Pappas

EXHIBIT A
(Plan)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MARK A. JONES,

Defendant.

Case No. 1:16-cv-10524-RGS

[Proposed] Distribution Plan

Introduction and Background

1. The Securities and Exchange Commission (the “SEC”) submits this Distribution Plan (the “Plan”) to fairly and reasonably distribute funds collected in the above-referenced action from Defendant Mark Jones to investors harmed by the actions described in the Complaint.

2. The SEC incorporates by reference the background and history of this matter as set forth in the accompanying Memorandum in Support of its Motion to Approve a Distribution Plan and Appoint a Distribution Agent.

The Distribution Agent

3. Catherine E. Pappas, an SEC employee, will serve as Distribution Agent in connection with the Plan.

4. The Distribution Agent:

(a) shall receive no compensation for the services performed in administering the Distribution Fund, other than her regular salary as an employee of the SEC;

(b) shall perform such functions as are necessary to implement and administer the Plan. In performing this function, the Distribution Agent shall be deemed to be acting within the scope of her employment with the SEC. In carrying out her duties, the Distribution Agent may be assisted by other SEC staff acting under her supervision;

(c) shall coordinate with the Tax Administrator to ensure that the Distribution Fund, a Qualified Settlement Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code, and related regulations pertaining to QSFs, 26 C.F.R. §§ 1.468B-1 through 1.468B-5, complies with all related legal and regulatory requirements, including without limitation, satisfying any reporting or withholding requirements imposed on distributions from the Distribution Fund; and

(d) with her designees, agents and assistants, shall not be required to post a bond, and shall not be liable to any person for their actions hereunder, except on a finding of willful disregard of duty.

Definitions

5. The following definitions apply to the terms as used in the Plan:

(a) **Distribution Fund** is comprised of existing and future collections in the captioned matter, plus accrued interest.

(b) **Distribution Payment** is the payment made to an Eligible Harmed Investor in accordance with this Plan. No Distribution Payment shall be made under the Plan for less than \$20.00 (“*De Minimis* Amount”). There may be more than one distribution to Eligible Harmed Investors, if and when additional funds are collected and the Distribution Agent determines subsequent distribution(s) are feasible. The first Distribution is referenced herein as the “Initial Distribution.”

(c) **Eligible Harmed Investor** is any Harmed Investor who is not (i) an Unresponsive Investor, (ii) the Defendant, (iii) an entity controlled by the Defendant, or (iv) an entity in whose Investment the Defendant had or has an interest; whose Distribution Payment equals or exceeds the *De Minimis* Amount, and who is determined eligible for a Distribution Payment under the methodology described in ¶ 7, below. A Harmed Investor who is an Eligible Harmed Investor with respect to one distribution under this Plan may not be an Eligible Harmed Investor with respect to another distribution under this Plan (and *vice versa*).

(d) **Harmed Investor** is an Investor whose Recovery is less than their Investment.

(e) **Investment** refers to the aggregate out-of-pocket investment made by an Investor in The Bridge Fund. It does not include any interest, dividend, or paper profit;

(f) **Investor** refers to persons or entities who/which invested in The Bridge Fund;

(g) **Investor Notice** is the notice that the SEC will send to the last known address of each Investor after filing a motion with the Court to approve this Plan.

(h) **Net Distribution Fund** is the Distribution Fund less costs of administration (“Administrative Costs”), including taxes, tax administration fees and expenses, and investment costs. All Administrative Costs shall be paid out of the Distribution Fund.

(i) **Recovery(ies)** is the aggregate amount of Investment recovered by an Investor, whether through repayment by the Defendant, Distribution Payment, or otherwise.

(j) **Recovery Ratio** is a calculation of each Harmed Investor's Recovery, as a fraction of that Investor's Investment. Interim calculations of the Recovery Ratio will change until the Distribution Agent has identified all Eligible Harmed Investors and their Investments and Recoveries.

(k) **Tentative Distribution** is an interim calculated distribution amount under ¶ 7 of this Plan.

(l) **Unresponsive Harmed Investor** is any Harmed Investor from whom information is sought in the Investor Notice, ¶ 9 below, and/or by the staff of the SEC directly, and who does not timely provide that information; and any Harmed Investor who the SEC cannot locate through reasonable efforts. For purposes of this Plan, locating Harmed Investors through the use of commercial databases regularly available to the Division of Enforcement of the SEC, last known contact information, and the Investor Notice constitutes "reasonable efforts."

**Methodology for Identifying Eligible Harmed Investors
and Determining Distribution Payments.**

6. The objective of the methodology described below is to distribute the Net Distribution Fund so that Recoveries, as a fraction of Investments, is the same for all Eligible Harmed Investors.

7. The Distribution Agent will identify Eligible Harmed Investors, and the amount to be distributed to each Eligible Harmed Investor, in the following manner:

(a) The Distribution Agent will create a list of Harmed Investors who are not (i) Unresponsive Investors, (ii) the Defendant, (iii) an entity controlled by the Defendant; or (iv) an entity in whose Investment the Defendant had or has an interest (the “Preliminary List”);

(b) Using the Preliminary List, the Distribution Agent will calculate the Recovery Ratio;

(c) For each Harmed Investor on the Preliminary List, the Distribution Agent will calculate the Harmed Investor’s Tentative Distribution by multiplying the Recovery Ratio by the Harmed Investor’s Investment, and subtract from that product the Harmed Investor’s Recoveries;

(d) If for any Harmed Investor, the Tentative Distribution is less than the *De Minimis* Amount, the Harmed Investor will be removed from the Preliminary List, and steps (b) through (d) will be repeated until each remaining Harmed Investor’s Tentative Distribution is equal to or greater than the *De Minimis* Amount. Such amount will be the Harmed Investor’s Distribution Payment and each remaining Harmed Investor on the Preliminary List will be deemed an Eligible Harmed Investor.

Administration of the Distribution Fund

8. Prior to distributing any funds to located Harmed Investors, the Distribution Agent will reserve or pay, as appropriate, any unpaid Administrative Costs.

9. Investors who relocate after being contacted by the Distribution Agent must promptly provide to the Distribution Agent new contact information in order to be considered, or remain, eligible for a distribution.

10. The Net Distribution Fund will be distributed to Eligible Harmed Investors pursuant to the methodology described in ¶ 7, above. The Distribution Agent will make a payment to each Eligible Harmed Investor through the United States Department of the Treasury's Bureau of the Fiscal Service ("BFS") by electronically transferring funds through the Automated Clearing House or mailing a check to the payee. The Distribution Agent will compile the information, prepare a payment file, and verify the payment file's completeness and accuracy for submission to SEC staff who, without further Court Order, will make the disbursements through BFS. The payment will be preceded by a communication from the SEC that includes, if and as appropriate: (a) a statement characterizing the distribution; (b) a description of the tax information reporting and other related tax matters; (c) specification of the date on which the checks will be void (non-negotiable) (the "Stale Date"); and (d) the name of a person to contact with questions concerning the distribution. The communication will clearly indicate that the money is being distributed from a Distribution Fund established in the captioned case.

11. Checks that are not negotiated prior to the Stale Date shall be voided, and the distribution amount returned to the Distribution Fund for disposition in accordance with this Plan. Electronic payments will be made only to cash equivalent accounts (e.g., checking or savings accounts).

12. If additional funds are collected or received subsequent to the Initial Distribution, and/or if funds remain in the Net Distribution Fund after the Initial Distribution, the Distribution Agent in her sole discretion, and without further Order of the Court, will make an assessment as to whether it is feasible and justifiable to attempt to distribute the remaining funds ("Additional Distribution"). Any Additional Distribution will be made pursuant to the Plan.

Final Accounting and Termination

13. Upon completion of all distributions under this Plan and the payment of all Administrative Costs, the Distribution Agent will file a final accounting with the Court and seek, as appropriate, an Order terminating the Distribution Fund, directing the SEC to remit any residual funds to the U.S. Treasury, and discharging the Distribution Agent. Any funds, assets, or proceeds that the Court or the SEC may collect thereafter in the captioned action in satisfaction of the Final Judgment shall be remitted to the U.S. Treasury unless the Court directs otherwise.

14. All proceedings with respect to the administration, processing, and determination of claims and the determination of all related controversies, shall be subject to the exclusive jurisdiction of this Court.

15. The Court reserves the right to amend this Distribution Plan from time to time, and retains jurisdiction over this matter for this purpose and for any and all other matters that may arise under or relate to this Distribution Plan.

EXHIBIT B
(Investor Notice with Attachments A and B)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MARK A. JONES,

Defendant.

Case No. 1:16-cv-10524-RGS

INVESTOR NOTICE

TO: «Investor_First_Name» «Investor_Last_Name»
«Address_A»
«Address_B»
«Address_C»
«City_D», «State_E» «Zip_Code_F»

INVESTOR NUMBER: «INVESTOR_NO_»

PLEASE TAKE NOTICE that the Securities and Exchange Commission (“SEC”) filed a Motion to Approve a Distribution Plan and Appoint a Distribution Agent (the “Motion”). A copy of the Motion with accompanying papers is enclosed with this notice; the proposed Distribution Plan (the “Plan”) is attached to the memorandum submitted with the Motion. In order to preserve investor privacy, the SEC has assigned to you an investor number; that number is set forth in the subject line above, is used to identify you in the attachments, and will be used to identify you in any public filings.

Your *preliminarily* determined Investment (the aggregate out-of-pocket investment you made in The Bridge Fund, exclusive of any interest, dividend, or paper profit), Recovery (the aggregate amount of your Investment that you recovered, whether through repayment by Mr. Jones, through distribution, or otherwise), and percent of your Investment that you Recovered (“Percent Recovered”), are set forth on Attachment A. The calculated Investment and Recovery will be the basis for the calculation of your Distribution Payment, if any; and will be a basis for determinations of eligibility and Distribution Payment (if any) in connection with any future distributions. Under the current calculation, which assumes \$300,000 to distribute, those investors whose Percent Recovered is *less than* 21.5% have been *preliminarily* determined eligible to receive a distribution up to that amount under the Plan. The Distribution Payment amount and eligibility may change based on, among other things, additional collections before implementation of an approved plan, recalculation of the total amount available for distribution,

objections submitted pursuant to this Notice, and/or changes in administrative costs.

If you disagree with the SEC staff's preliminary calculation of your Investment or Recovery, or you object to the Plan's methodology for determining eligibility or calculating distribution payments (*see* Plan ¶¶ 6-7), the procedures for objecting are set forth in I., below. In addition, as further described in II., below, all investors whose investor numbers are listed on Attachment B, or who object pursuant to I., below, must return the enclosed Substitute Form W-9, completed and signed, in the enclosed, addressed, prepaid UPS envelope in order to be eligible to receive a distribution now or in the future. **Failure to comply with the directions in I. and II. below, including any deadlines, will result in a waiver of objection(s) and/or ineligibility for a distribution.** If you have any questions, please feel free to contact the undersigned at (215) 597-0657.

I. Procedure for Objection(s)

If you object to the relief sought in the Motion, including the SEC staff's preliminary calculation of your Investment or Recovery, or you object to the Plan's methodology for determining eligibility or calculating distribution payments (Plan ¶¶ 6-7), you must submit that objection in writing to the undersigned at the address set forth below no later than June 8, 2018. You may use the enclosed, self-addressed, prepaid UPS envelope for this purpose. All objections must set forth the case name and number captioned above (*SEC v. Jones*, 1:16-cv-10524-RGS, D. Mass.), clearly state the objection, and include documentation sufficient to support the objection, such as proof of your Investment if you are objecting the Investment calculation. You must include with any objection the enclosed Substitute Form W-9, completed and signed. If you are making any assertions of fact in connection with your objection, you should submit the same with the following (if true) above the signature line:

"I declare under penalty of perjury that the foregoing is true and correct.
Executed on _____, 2018".

Failure to submit an objection in accordance with these directions by June 8, 2018, will result in waiver of any objection.

Objections should be sent to:

Catherine E. Pappas
Senior Adviser
Securities and Exchange Commission
One Penn Center
1617 JFK Blvd., Ste. 520
Philadelphia, Pa. 19103

After June 8, 2018, the SEC will notify the Court of any objections and its response(s) to those objections, with a copy of the filing sent to all persons objecting; and seek entry of the proposed Order accompanying the Motion.

**II. Investors Listed on Attachment B or Objecting Pursuant to Paragraph I. Must
Return a Completed, Signed Substitute Form W-9**

If your investor number is listed on Attachment B or you are objecting pursuant to I., above, you must, **no later than June 8, 2018**, return to the undersigned the completed and signed enclosed **Substitute Form W-9** in order to be considered eligible for a current or future distribution. Please use the addressed, prepaid, UPS envelope enclosed with this notice to return the executed form. **The failure of any investor listed on Attachment B, or any objecting investor, to timely return the requested information will result in that investor being deemed ineligible to receive a current or future distribution under the Plan.**

Dated: May 7, 2018

Catherine E. Pappas
Senior Adviser
Securities and Exchange Commission
One Penn Center
1617 JFK Blvd., Ste. 520
Philadelphia, Pa. 19103

Encls.

Attachment A: All Investor Preliminary Calculation List

Attachment B: Substitute Form W-9 List

Substitute Form W-9

Motion Package

Addressed, Prepaid UPS Envelope

Attachment A
(Investments, Recovery, Percent Recovered)

Investor No.	Investment	Recovery	Percent Recovered
100	\$ 936,588.00	\$ 325,069.53	34.71%
101	\$ 475,000.00	\$563,925.00	118.72%
102	\$ 100,000.00	\$130,301.00	130.30%
103	\$ 100,000.00	\$188,588.00	188.59%
104	\$ 350,000.00	\$398,476.00	113.85%
105	\$ 1,760,000.00	\$ 100,000.00	5.68%
106	\$ 100,000.00	\$116,042.39	116.04%
107	\$ 100,000.00	\$ 45,000.00	45.00%
108	\$ 930,000.00	\$ 762,005.77	81.94%
109	\$ 875,606.00	\$1,390,518.00	158.81%
110	\$ 328,000.00	\$ 168,519.20	51.38%
111	\$ 1,031,745.00	\$1,100,353.80	106.65%
112	\$ 750,000.00	\$750,000.00	100.00%
113	\$ 300,000.00	\$ 93,094.71	31.03%
114	\$ 180,000.00	\$ 143,948.75	79.97%
115	\$ 539,329.00	\$ 200,005.94	37.08%
116	\$ 100,000.00	\$168,931.81	168.93%
117	\$ 1,001,163.00	\$1,023,752.00	102.26%
118	\$ 300,000.00	\$ 292,300.00	97.43%
119	\$ 100,000.00	\$ -	0.00%
120	\$ 550,000.00	\$ 247,347.00	44.97%
121	\$ 100,000.00	\$106,833.33	106.83%
122	\$ 295,081.75	\$ 224,311.11	76.02%
123	\$ 230,000.00	\$412,447.00	179.32%
124	\$ 175,000.00	\$305,029.47	174.30%

Attachment B
Investors Who Should Complete and Return the
Substitute Form W-9

(Objecting Investors Must Also Complete and Return the Substitute Form
W-9)

Investors Who Should Complete and Return the Substitute Form W-9
(Objecting Investors Must Also Complete and Return the Substitute Form W-9)

Investor No.
100
105
107
108
110
113
114
115
118
119
120
122