

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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SECURITIES AND EXCHANGE COMMISSION,		:
		:
Plaintiff		:
		:
v.		:
		:
ROBERT STINSON, JR., et al.,		:
		:
Defendants		:
and Relief Defendants.		:
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**Civil Action No.
10-CV-03130 (BMS)**

**SUPPLEMENTAL MEMORANDUM IN SUPPORT OF THE
COMMISSION’S RESPONSE AND ALTERNATIVE PROPOSAL
TO THE RECEIVER’S FINAL FEE APPLICATION**

As directed by this Court at the hearing on December 1, 2014, Plaintiff, the Securities and Exchange Commission, respectfully submits this supplemental memorandum in support of Commission’s Response and Alternative Proposal to the Receiver’s Final Fee Application (Docket No. 324, referenced herein as the “Commission’s Response”),¹ attaching (1) a schedule of distribution of half of the net Receivership Estate to defrauded investors (approximately \$211,000), as proposed by the Commission (Exhibit A); and (2) a schedule of distribution of the entirety of the net Receivership Estate to defrauded investors (approximately \$423,000), as requested by many of those investors (Exhibit B).

¹ The Commission’s Response is incorporated herein by reference. The Commission is also submitting a revised proposed Order, consistent with the discussion herein.

Preliminary Statement

From 2006 through June 2010, recidivist con-man Robert Stinson defrauded more than 270 victims out of more than \$16 million. Many of the victim investors were elderly and were fraudulently induced to invest retirement funds. See Docket Nos. 149, 149-1, 196, 284, 284-1, 288, and 324 for additional background on this matter.

On June 28, 2010, the Commission filed suit against Stinson and several co-defendants, charging them with, among other things, securities fraud, and specifically, with violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)]; and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder. [17 C.F.R. § 240.10b5]. Thereafter, the Court, upon the motion of the Commission, appointed a Receiver to “assume control of, marshal, pursue, and preserve” the property of the Estate “with the objective of maximizing the recovery of defrauded investors and, to the extent the assets recovered are sufficient for a distribution but inadequate to make defrauded investors whole, ensuring that the distribution of those assets is as just and equitable as possible.” Docket Nos. 29 and 30 (September 13, 2010).

The Receiver collected just over \$1.6 million dollars.² To date, however, Stinson’s victims have not received any money. The Receiver and his counsel (collectively referred to as the “Receiver”) have been paid over \$742,000 in fees for their efforts on behalf of the Estate. The Estate is now in the process of winding down and currently holds \$674,568.41 in recovered money. No further significant collections are expected.

² Approximately \$1.1 million of this amount was collected through third party litigation, \$267,000 through sales of property, and \$200,000 through cash transfers to the Receivership, interest income, and expense reimbursement. See Exhibit E.

The Receiver has asked the Court to distribute the entirety of the Estate less approximately \$251,000 for the payment of outstanding and anticipated expenses (the “Net Estate”), to the Receiver as payment for fees. The Commission opposes the Receiver’s request and asks the Court to distribute half of the available money, approximately \$211,500, to Stinson’s victims, and half to the Receiver. Alternatively, many of the investors have requested that all of the available money (approximately \$423,000) be returned to them. *See* Exhibits C and D.³

The Distribution Schedules⁴

Under the Commission’s proposal, approximately \$211,000 would be distributed to Stinson’s victims. The Commission has prepared a schedule showing how this money would be distributed to individual investors. *See* Exhibit A. The Commission’s proposed distribution was prepared using a “net investment” methodology as opposed to a “rising tide” methodology in order to get some money back to a greater number of investors. Under the Commission’s proposal, 257 investors would receive a distribution ranging from \$25 to \$7,400, with 145 investors receiving checks over \$500. Sixty-three investors would receive more than \$1,000.

The Commission also has attached a schedule showing how this money would be distributed if, as requested by investors, the entirety is distributed to victims of the fraud. *See* Exhibit B. If the entirety of the net Estate is distributed to defrauded investors, 257 investors would receive a distribution ranging from \$51 to \$14,800, with 145 investors receiving checks over \$1,000. Sixteen investors would receive more than \$5,000.

³ Exhibit C contains copies of the (redacted) investor correspondence provided to the Court on December 1, 2014. Exhibit D contains copies of (redacted) investor correspondence received by the Commission staff since the December 1, 2014 hearing.

⁴ These schedules and the amounts contained within will change prior to the presentation of final schedules to the Court due to, among other things, interest accretions in Estate account(s), and corrections to net investments and expenses resulting from a Plan comment period.

**The Commission's Proposal Would Result in the
Distribution of Significant and Needed Funds to Stinson's Victims**

As shown in Exhibit A, the Commission proposes distributing significant amounts of money to Stinson's victims. Under the investors' proposal reflected in Exhibit B, the individual distributions would be even greater. In general, these victims are not wealthy. Rather, many victims invested retirement savings with Stinson and are now left with nothing.

In preparation for the hearing on December 1, 2014, the Commission notified Stinson's victims about the hearing and planned distribution and asked for comments on the Receiver's requested distribution. Many victims responded and a few attended the hearing and presented their views to the Court in person. The responding investors universally stated that receiving some money back would greatly help them; many asked for the distribution of the entirety of the net Estate. The number and substance of the responses speak to the investors' continued faith in the judicial process and continued hope for relief. For instance:

- **Investors 69 and 70** stated: "For us to gain 1.6% is no restitution at all, but, it would be an act of good faith on the part of the court for our participation in helping to resolve this case with our time and the supply of our documentation that became an integral part of the prosecution of this fraud." Under the Commission's proposal, this couple would receive, in the aggregate, approximately \$2,950. They would approximately \$5,900 as part of the distribution of the entirety of the Estate.
- **Investor 155** lost \$122,000 in retirement money, was laid off, and had significant health problems. Investor 155 writes: "Please extend our desire that ALL of these funds be distributed in a fair manner to all 274 victims. Getting something back is better than nothing at all." Investor 155 would receive approximately \$1,500 under the Commission's proposal, and approximately \$3,000 under the investors' proposal reflected in Exhibit B;
- **Investor 178**, a 63 year old investor, lost a large part of an IRA and is still working today. Investor 178 observes: "Even if each investor got less than \$1,000, that would be less than 2% back. That is better than nothing. ..." Investor 178 would receive approximately \$600 under the Commission's proposal, and approximately \$1,200 if the entire Net Estate is distributed to investors;

- **Investor 196** is 93 years old who suffered a severe, debilitating life-limiting stroke in 2010 and rapidly deteriorated with Parkinson's Dementia, congestive heart failure, irregular heart disorder. His health care costs exhausted monies from sale of his home and auto, forcing him on to Medicaid. The investment was made to cover anticipated future medical care costs. This investor requests fair and equitable compensation. Investor 196 would receive approximately \$400 under the Commission's proposal, and approximately \$800 if the entire Net Estate is distributed to investors;
- **Investor 210** stated that "[a] small refund to the investors would not mean much monetarily, but it would mean a great deal emotionally and help bring closure to such a dreadful ordeal. Please do what you can so that the investors get SOMETHING. Ending up with nothing is the worst feeling of all." Investor 210 would receive approximately \$1,800 under the Commission's proposal, and approximately \$3,600 if the entire Net Estate is distributed to investors;
- **Investor 213**, of retirement age, no longer has a retirement fund and continues to work, awaiting eligibility for Medicare. Investor 213 states: "You ask what to do with the money. Give it to people who were cheated and swindled and now have nothing." Investor 213 would receive approximately \$600 under the Commission's proposal, and approximately \$1,200 if the entire Net Estate is distributed to investors;
- **Investor 233** was an elementary school teacher who saved money for children's college expenses by way of a \$300 paycheck deduction every month for fourteen years. This investor cooperated with the Commission and the Receiver in their efforts to marshal funds and requests that one-third of recoveries be paid to the Receiver, with two thirds distributed to the victims of the crime. Investor 233 would receive approximately \$600 under the Commission's proposal, and approximately \$1,200 if the entire Net Estate is distributed to investors; and
- **Investor 268** lost her husband in late 2012 "with the knowledge still weighing heavily on his heart and mind that he had been defrauded by Mr. Stinson. He had served 25 years in law enforcement and expressed to me many times his embarrassment over the situation." She requests that the greater portion of recovered assets be divided among the victims. Investor 268 would receive approximately \$300 under the Commission's proposal, and approximately \$600 if the entire Net Estate is distributed to investors.

**This Court Should Order
Distribution of Recovered Funds to Defrauded Investors.**

As further discussed in the Commission's Response, the Court should deny the Receiver's Final Fee Application and adopt the Commission's position because (1) without a distribution, this Receivership will have failed to achieve its fundamental purpose -- to recover assets for the benefit of defrauded investors; and (2) the Commission's position equitably balances the interests of the generally unsophisticated investors who were victims of a fraud with those of professionals who have received over \$742,000 in fees thus far, and who entered into this engagement fully aware of the limited assets of the Estate, controlled the duration of the Receivership through quarterly reports, and repeatedly acknowledged the possibility of nonpayment of fees. *See* Commission's Response at pp. 6-7. Although the Commission's proposal will not make these victims or the Receiver whole, it is clearly the most equitable solution under the circumstances.

Conclusion

For all the reasons in the Commission's Response and this supplemental memorandum, the Commission respectfully requests that this Court deny the relief requested in the Receiver's Final Fee Application and order the distribution of at least half of the net Estate to defrauded investors.

Upon such an order, the Commission will submit to the Court a proposed Order to Show Cause with a proposed Plan, thereby beginning the process by which a final Plan can be approved by this Court and funds can be distributed to investors.

Dated: December 12, 2014

Respectfully submitted,

s/ Catherine E. Pappas

Catherine E. Pappas (PA #56544)

David L. Axelrod

Attorneys for Plaintiff:

SECURITIES AND EXCHANGE COMMISSION

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FOR THE EASTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ROBERT STINSON, JR., et al.

Defendants, Relief Defendants.

Civil Action No. 10-cv-3130-BMS
CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The foregoing document(s) has been filed electronically and is available for viewing and downloading from the ECF system. I do hereby certify that on December 12, 2014, I caused a true and correct copy of the foregoing document(s) to be served on the following and in the manner indicated below:

<p>Robert S. Stinson, Jr., Register #02584-015 First Commonwealth Service Company IA Capital Fund, LLC Keystone State Capital, Corporation Life's Good, Inc. Life's Good Capital Growth Fund, LLC Life's Good High Yield Mortgage Fund, LLC Life's Good STABL Mortgage Fund, LLC FCI GILMER FEDERAL CORRECTIONAL INSTITUTION P.O. BOX 6000 GLENVILLE, WV 26351 (via first class mail)</p>	<p>Christine A. Stinson (via electronic mail) Castinson7@gmail.com</p>
<p>Michael G. Stinson (via electronic mail) michaelgstinson@msn.com</p>	<p>Laura Marable 13-3438 Makamae Street Pahoa, HI 96778-8412 (via electronic mail and first class mail) tigerlily_6648@yahoo.com</p>
<p>Felicia Sarnar, Esq. Stuart Patchen, Esq. (via electronic mail) Felicia_Sarnar@fd.org Stuart_Patchen@fd.org Criminal Counsel for Robert S. Stinson, Jr.</p>	<p>Kamian Schwartzman, Receiver (via electronic mail) kamian.schwartzman@lifegoodfundsreceivership.com</p>

<p>Ellen C. Brotman, Esq. Montgomery McCracken 123 South Broad Street Philadelphia, PA 19109 Counsel for Susan L. Stinson <i>(via electronic service)</i></p>	<p>Jeffrey A. Dailey, Esq. Natalie Lesser, Esq. Akin Gump Strauss Hauer & Feld, LLP Two Commerce Square 2001 Market Street, Suite 4100 Philadelphia, PA 19103-7013 Counsel for Morningstar, Inc. <i>(via electronic service)</i></p>
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s/Catherine E. Pappas

EXHIBIT A

Exhibit A
Distribution of One-Half of the Net Estate to Investors
(Subject to Change Prior to Presentation of a Final Distribution Plan)

Investor Number	Net Loss	Net Investment Distribution
0002	\$ 43,182.00	\$ 559.97
0004	\$ 49,364.38	\$ 640.14
0005	\$ 37,500.00	\$ 486.29
0006	\$ 100,000.00	\$ 1,296.77
0007	\$ 222,070.47	\$ 2,879.75
0009	\$ 488,900.00	\$ 6,339.92
0010	\$ 20,637.63	\$ 267.62
0011	\$ 19,556.57	\$ 253.60
0012	\$ 50,000.00	\$ 648.39
0013	\$ 40,100.00	\$ 520.01
0014	\$ 47,450.00	\$ 615.32
0015	\$ 14,904.94	\$ 193.28
0016	\$ 14,913.03	\$ 193.39
0017	\$ 7,113.84	\$ 92.25
0018	\$ 30,000.00	\$ 389.03
0019	\$ 6,400.00	\$ 82.99
0020	\$ 11,055.00	\$ 143.36
0021	\$ 10,700.00	\$ 138.75
0022	\$ 46,394.52	\$ 601.63
0023	\$ 100,000.00	\$ 1,296.77
0024	\$ 62,500.00	\$ 810.48
0025	\$ 59,947.40	\$ 777.38
0026	\$ 86,000.00	\$ 1,115.22
0027	\$ 230,100.71	\$ 2,983.88
0028	\$ 67,867.40	\$ 880.09
0029	\$ 10,000.00	\$ 129.68
0030	\$ 68,000.00	\$ 881.81
0031	\$ 103,000.00	\$ 1,335.68
0032	\$ 6,900.00	\$ 89.48
0033	\$ 8,440.00	\$ 109.45
0034	\$ 24,000.00	\$ 311.23
0035	\$ 37,267.35	\$ 483.27
0036	\$ 99,800.00	\$ 1,294.18
0038	\$ 50,000.00	\$ 648.39
0039	\$ 129,843.90	\$ 1,683.78
0042	\$ 40,000.00	\$ 518.71
0043	\$ 45,000.00	\$ 583.55
0044	\$ 96,075.03	\$ 1,245.87
0045	\$ 75,000.00	\$ 972.58
0046	\$ 83,139.47	\$ 1,078.13
0047	\$ 90,000.00	\$ 1,167.09
0048	\$ 8,932.18	\$ 115.83
0049	\$ 4,500.00	\$ 58.35

Investor Number		Net Loss		Net Investment Distribution
0050	\$	4,500.00	\$	58.35
0052	\$	126,677.04	\$	1,642.71
0053	\$	21,200.00	\$	274.92
0055	\$	109,800.00	\$	1,423.86
0056	\$	50,000.00	\$	648.39
0057	\$	18,494.64	\$	239.83
0058	\$	50,000.00	\$	648.39
0059	\$	10,000.00	\$	129.68
0060	\$	130,000.00	\$	1,685.80
0061	\$	415,171.04	\$	5,383.82
0062	\$	74,800.00	\$	969.99
0063	\$	30,688.57	\$	397.96
0064	\$	50,000.00	\$	648.39
0065	\$	100,000.00	\$	1,296.77
0066	\$	50,000.00	\$	648.39
0067	\$	41,800.00	\$	542.05
0068	\$	34,000.00	\$	440.90
0069	\$	179,400.00	\$	2,326.41
0070	\$	48,900.00	\$	634.12
0071	\$	55,000.00	\$	713.22
0072	\$	35,000.00	\$	453.87
0073	\$	49,800.00	\$	645.79
0074	\$	13,700.00	\$	177.66
0075	\$	4,900.00	\$	63.54
0076	\$	50,000.00	\$	648.39
0077	\$	9,800.00	\$	127.08
0078	\$	50,000.00	\$	648.39
0079	\$	87,500.00	\$	1,134.68
0080	\$	13,606.25	\$	176.44
0081	\$	5,437.13	\$	70.51
0082	\$	16,140.53	\$	209.31
0083	\$	58,000.00	\$	752.13
0084	\$	39,800.00	\$	516.12
0085	\$	59,860.04	\$	776.25
0086	\$	155,513.05	\$	2,016.65
0088	\$	5,000.00	\$	64.84
0089	\$	5,000.00	\$	64.84
0090	\$	54,134.79	\$	702.00
0091	\$	40,000.00	\$	518.71
0092	\$	5,000.00	\$	64.84
0093	\$	51,877.30	\$	672.73
0094	\$	20,946.39	\$	271.63
0094	\$	194,637.00	\$	2,524.00

Investor Number		Net Loss	Net Investment	Distribution
0095	\$	34,971.30	\$	453.50
0096	\$	63,047.90	\$	817.59
0098	\$	40,000.00	\$	518.71
0099	\$	11,934.84	\$	154.77
0100	\$	88,000.00	\$	1,141.16
0101	\$	62,300.00	\$	807.89
0102	\$	60,000.00	\$	778.06
0103	\$	13,000.00	\$	168.58
0104	\$	96,230.14	\$	1,247.89
0105	\$	12,390.00	\$	160.67
0105	\$	14,652.94	\$	190.02
0106	\$	65,000.00	\$	842.90
0107	\$	16,800.00	\$	217.86
0109	\$	25,000.00	\$	324.19
0110	\$	200,000.00	\$	2,593.54
0111	\$	6,700.00	\$	86.88
0112	\$	2,000.00	\$	25.94
0113	\$	17,900.00	\$	232.12
0114	\$	16,800.00	\$	217.86
0115	\$	20,000.00	\$	259.35
0117	\$	54,037.05	\$	700.74
0118	\$	7,000.00	\$	90.77
0119	\$	26,000.00	\$	337.16
0119	\$	58,149.52	\$	754.07
0120	\$	50,000.00	\$	648.39
0121	\$	26,000.00	\$	337.16
0122	\$	16,200.00	\$	210.08
0123	\$	4,800.00	\$	62.25
0124	\$	5,600.00	\$	72.62
0125	\$	90,000.00	\$	1,167.09
0125	\$	385,664.00	\$	5,001.18
0126	\$	38,400.00	\$	497.96
0127	\$	2,500.00	\$	32.42
0128	\$	574,227.87	\$	7,446.43
0129	\$	23,000.00	\$	298.26
0130	\$	10,000.00	\$	129.68
0131	\$	80,000.00	\$	1,037.42
0132	\$	50,000.00	\$	648.39
0133	\$	40,200.00	\$	521.30
0134	\$	200,000.00	\$	2,593.54
0135	\$	12,000.00	\$	155.61
0136	\$	55,000.00	\$	713.22
0137	\$	150,000.00	\$	1,945.16

Investor Number		Net Loss	Net Investment	Distribution
0139	\$	110,870.00	\$	1,437.73
0140	\$	46,570.00	\$	603.91
0141	\$	169,912.10	\$	2,203.37
0142	\$	159,500.00	\$	2,068.35
0143	\$	9,200.00	\$	119.30
0144	\$	50,000.00	\$	648.39
0145	\$	59,266.60	\$	768.55
0147	\$	3,500.00	\$	45.39
0148	\$	25,000.00	\$	324.19
0151	\$	24,800.00	\$	321.60
0152	\$	61,136.54	\$	792.80
0153	\$	18,600.00	\$	241.20
0154	\$	53,198.62	\$	689.86
0155	\$	122,000.00	\$	1,582.06
0156	\$	121,283.52	\$	1,572.77
0157	\$	78,600.00	\$	1,019.26
0158	\$	9,000.00	\$	116.71
0159	\$	7,000.00	\$	90.77
0161	\$	78,000.00	\$	1,011.48
0162	\$	115,000.00	\$	1,491.29
0163	\$	89,090.01	\$	1,155.29
0164	\$	20,000.00	\$	259.35
0165	\$	149,880.41	\$	1,943.61
0166	\$	4,800.00	\$	62.25
0167	\$	25,000.00	\$	324.19
0168	\$	2,000.00	\$	25.94
0169	\$	27,000.00	\$	350.13
0170	\$	37,957.03	\$	492.22
0171	\$	53,443.40	\$	693.04
0172	\$	47,500.00	\$	615.97
0173	\$	200,000.00	\$	2,593.54
0174	\$	55,000.00	\$	713.22
0175	\$	37,126.59	\$	481.45
0176	\$	122,470.71	\$	1,588.17
0177	\$	75,212.11	\$	975.33
0178	\$	50,000.00	\$	648.39
0179	\$	32,000.00	\$	414.97
0180	\$	50,000.00	\$	648.39
0181	\$	22,400.00	\$	290.48
0182	\$	5,500.00	\$	71.32
0183	\$	8,500.00	\$	110.23
0184	\$	60,000.00	\$	778.06
0185	\$	75,000.00	\$	972.58

Investor Number	Net Investment	
	Net Loss	Distribution
0186	\$ 37,004.00	\$ 479.86
0187	\$ 18,736.08	\$ 242.96
0188	\$ 35,000.00	\$ 453.87
0189	\$ 65,000.00	\$ 842.90
0190	\$ 25,000.00	\$ 324.19
0191	\$ 144,000.00	\$ 1,867.35
0193	\$ 51,132.09	\$ 663.07
0194	\$ 6,500.00	\$ 84.29
0195	\$ 62,005.00	\$ 804.06
0196	\$ 31,719.47	\$ 411.33
0197	\$ 93,512.33	\$ 1,212.64
0198	\$ 50,000.00	\$ 648.39
0199	\$ 50,000.00	\$ 648.39
0200	\$ 14,800.00	\$ 191.92
0201	\$ 4,750.00	\$ 61.60
0202	\$ 28,450.09	\$ 368.93
0203	\$ 68,144.41	\$ 883.68
0204	\$ 25,000.00	\$ 324.19
0205	\$ 30,000.00	\$ 389.03
0206	\$ 220,075.31	\$ 2,853.88
0207	\$ 49,800.00	\$ 645.79
0208	\$ 25,000.00	\$ 324.19
0209	\$ 40,000.00	\$ 518.71
0210	\$ 143,200.00	\$ 1,856.98
0211	\$ 67,300.00	\$ 872.73
0213	\$ 50,000.00	\$ 648.39
0215	\$ 100,000.00	\$ 1,296.77
0216	\$ 47,076.46	\$ 610.47
0218	\$ 8,166.25	\$ 105.90
0219	\$ 271,373.66	\$ 3,519.10
0220	\$ 10,000.00	\$ 129.68
0221	\$ 64,000.00	\$ 829.93
0223	\$ 53,861.05	\$ 698.46
0224	\$ 13,000.00	\$ 168.58
0225	\$ 20,000.00	\$ 259.35
0226	\$ 12,856.00	\$ 166.71
0227	\$ 114,064.99	\$ 1,479.16
0228	\$ 4,114.02	\$ 53.35
0228	\$ 100,000.00	\$ 1,296.77
0229	\$ 200,000.00	\$ 2,593.54
0229	\$ 421,286.46	\$ 5,463.13
0230	\$ 5,500.00	\$ 71.32
0231	\$ 4,800.00	\$ 62.25

Investor Number		Net Loss		Net Investment Distribution
0232	\$	45,000.00	\$	583.55
0233	\$	50,000.00	\$	648.39
0234	\$	51,001.12	\$	661.37
0235	\$	42,698.42	\$	553.70
0236	\$	10,500.00	\$	136.16
0237	\$	206,000.00	\$	2,671.35
0238	\$	21,000.00	\$	272.32
0239	\$	24,791.78	\$	321.49
0241	\$	200,000.00	\$	2,593.54
0243	\$	81,391.71	\$	1,055.46
0244	\$	35,000.00	\$	453.87
0245	\$	15,000.00	\$	194.52
0246	\$	50,000.00	\$	648.39
0247	\$	24,000.00	\$	311.23
0248	\$	50,000.00	\$	648.39
0249	\$	8,800.00	\$	114.12
0250	\$	40,000.00	\$	518.71
0251	\$	100,000.00	\$	1,296.77
0252	\$	45,000.00	\$	583.55
0253	\$	19,498.17	\$	252.85
0253	\$	25,000.00	\$	324.19
0255	\$	192,052.56	\$	2,490.48
0256	\$	12,000.00	\$	155.61
0257	\$	75,000.00	\$	972.58
0258	\$	31,909.40	\$	413.79
0259	\$	100,000.00	\$	1,296.77
0260	\$	62,409.12	\$	809.30
0261	\$	118,200.00	\$	1,532.78
0262	\$	3,000.00	\$	38.90
0263	\$	2,000.00	\$	25.94
0264	\$	151,038.75	\$	1,958.63
0265	\$	56,161.66	\$	728.29
0266	\$	73,493.96	\$	953.05
0267	\$	49,700.00	\$	644.50
0268	\$	25,000.00	\$	324.19
0269	\$	60,100.00	\$	779.36
0270	\$	125,000.00	\$	1,620.97
0271	\$	85,932.34	\$	1,114.35
0996	\$	11,000.00	\$	142.64
0997	\$	150,000.00	\$	1,945.16
0998	\$	4,000.00	\$	51.87
0999	\$	25,000.00	\$	324.19

EXHIBIT B

Exhibit B
Distribution of the Net Estate to Investors
 (Subject to Change Prior to Presentation of a Final Distribution Plan)

Investor Number	Net Loss	Net Investment Distribution
0002	\$ 43,182.00	\$ 1,119.94
0004	\$ 49,364.38	\$ 1,280.29
0005	\$ 37,500.00	\$ 972.58
0006	\$ 100,000.00	\$ 2,593.54
0007	\$ 222,070.47	\$ 5,759.50
0009	\$ 488,900.00	\$ 12,679.84
0010	\$ 20,637.63	\$ 535.25
0011	\$ 19,556.57	\$ 507.21
0012	\$ 50,000.00	\$ 1,296.77
0013	\$ 40,100.00	\$ 1,040.01
0014	\$ 47,450.00	\$ 1,230.64
0015	\$ 14,904.94	\$ 386.57
0016	\$ 14,913.03	\$ 386.78
0017	\$ 7,113.84	\$ 184.50
0018	\$ 30,000.00	\$ 778.06
0019	\$ 6,400.00	\$ 165.99
0020	\$ 11,055.00	\$ 286.72
0021	\$ 10,700.00	\$ 277.51
0022	\$ 46,394.52	\$ 1,203.26
0023	\$ 100,000.00	\$ 2,593.54
0024	\$ 62,500.00	\$ 1,620.97
0025	\$ 59,947.40	\$ 1,554.76
0026	\$ 86,000.00	\$ 2,230.45
0027	\$ 230,100.71	\$ 5,967.76
0028	\$ 67,867.40	\$ 1,760.17
0029	\$ 10,000.00	\$ 259.35
0030	\$ 68,000.00	\$ 1,763.61
0031	\$ 103,000.00	\$ 2,671.35
0032	\$ 6,900.00	\$ 178.95
0033	\$ 8,440.00	\$ 218.90
0034	\$ 24,000.00	\$ 622.45
0035	\$ 37,267.35	\$ 966.55
0036	\$ 99,800.00	\$ 2,588.36
0038	\$ 50,000.00	\$ 1,296.77
0039	\$ 129,843.90	\$ 3,367.56
0042	\$ 40,000.00	\$ 1,037.42
0043	\$ 45,000.00	\$ 1,167.09
0044	\$ 96,075.03	\$ 2,491.75
0045	\$ 75,000.00	\$ 1,945.16
0046	\$ 83,139.47	\$ 2,156.26
0047	\$ 90,000.00	\$ 2,334.19
0048	\$ 8,932.18	\$ 231.66
0049	\$ 4,500.00	\$ 116.71

Investor Number	Net Loss	Net Investment Distribution
0050	\$ 4,500.00	\$ 116.71
0052	\$ 126,677.04	\$ 3,285.42
0053	\$ 21,200.00	\$ 549.83
0055	\$ 109,800.00	\$ 2,847.71
0056	\$ 50,000.00	\$ 1,296.77
0057	\$ 18,494.64	\$ 479.67
0058	\$ 50,000.00	\$ 1,296.77
0059	\$ 10,000.00	\$ 259.35
0060	\$ 130,000.00	\$ 3,371.61
0061	\$ 415,171.04	\$ 10,767.64
0062	\$ 74,800.00	\$ 1,939.97
0063	\$ 30,688.57	\$ 795.92
0064	\$ 50,000.00	\$ 1,296.77
0065	\$ 100,000.00	\$ 2,593.54
0066	\$ 50,000.00	\$ 1,296.77
0067	\$ 41,800.00	\$ 1,084.10
0068	\$ 34,000.00	\$ 881.81
0069	\$ 179,400.00	\$ 4,652.82
0070	\$ 48,900.00	\$ 1,268.24
0071	\$ 55,000.00	\$ 1,426.45
0072	\$ 35,000.00	\$ 907.74
0073	\$ 49,800.00	\$ 1,291.58
0074	\$ 13,700.00	\$ 355.32
0075	\$ 4,900.00	\$ 127.08
0076	\$ 50,000.00	\$ 1,296.77
0077	\$ 9,800.00	\$ 254.17
0078	\$ 50,000.00	\$ 1,296.77
0079	\$ 87,500.00	\$ 2,269.35
0080	\$ 13,606.25	\$ 352.88
0081	\$ 5,437.13	\$ 141.01
0082	\$ 16,140.53	\$ 418.61
0083	\$ 58,000.00	\$ 1,504.26
0084	\$ 39,800.00	\$ 1,032.23
0085	\$ 59,860.04	\$ 1,552.50
0086	\$ 155,513.05	\$ 4,033.30
0088	\$ 5,000.00	\$ 129.68
0089	\$ 5,000.00	\$ 129.68
0090	\$ 54,134.79	\$ 1,404.01
0091	\$ 40,000.00	\$ 1,037.42
0092	\$ 5,000.00	\$ 129.68
0093	\$ 51,877.30	\$ 1,345.46
0094	\$ 20,946.39	\$ 543.25
0094	\$ 194,637.00	\$ 5,048.00

Investor Number	Net Loss	Net Investment Distribution
0095	\$ 34,971.30	\$ 907.00
0096	\$ 63,047.90	\$ 1,635.18
0098	\$ 40,000.00	\$ 1,037.42
0099	\$ 11,934.84	\$ 309.54
0100	\$ 88,000.00	\$ 2,282.32
0101	\$ 62,300.00	\$ 1,615.78
0102	\$ 60,000.00	\$ 1,556.13
0103	\$ 13,000.00	\$ 337.16
0104	\$ 96,230.14	\$ 2,495.77
0105	\$ 12,390.00	\$ 321.34
0105	\$ 14,652.94	\$ 380.03
0106	\$ 65,000.00	\$ 1,685.80
0107	\$ 16,800.00	\$ 435.72
0109	\$ 25,000.00	\$ 648.39
0110	\$ 200,000.00	\$ 5,187.09
0111	\$ 6,700.00	\$ 173.77
0112	\$ 2,000.00	\$ 51.87
0113	\$ 17,900.00	\$ 464.24
0114	\$ 16,800.00	\$ 435.72
0115	\$ 20,000.00	\$ 518.71
0117	\$ 54,037.05	\$ 1,401.47
0118	\$ 7,000.00	\$ 181.55
0119	\$ 26,000.00	\$ 674.32
0119	\$ 58,149.52	\$ 1,508.13
0120	\$ 50,000.00	\$ 1,296.77
0121	\$ 26,000.00	\$ 674.32
0122	\$ 16,200.00	\$ 420.15
0123	\$ 4,800.00	\$ 124.49
0124	\$ 5,600.00	\$ 145.24
0125	\$ 90,000.00	\$ 2,334.19
0125	\$ 385,664.00	\$ 10,002.37
0126	\$ 38,400.00	\$ 995.92
0127	\$ 2,500.00	\$ 64.84
0128	\$ 574,227.87	\$ 14,892.85
0129	\$ 23,000.00	\$ 596.52
0130	\$ 10,000.00	\$ 259.35
0131	\$ 80,000.00	\$ 2,074.84
0132	\$ 50,000.00	\$ 1,296.77
0133	\$ 40,200.00	\$ 1,042.60
0134	\$ 200,000.00	\$ 5,187.09
0135	\$ 12,000.00	\$ 311.23
0136	\$ 55,000.00	\$ 1,426.45
0137	\$ 150,000.00	\$ 3,890.32

Investor Number	Net Loss	Net Investment Distribution
0139	\$ 110,870.00	\$ 2,875.46
0140	\$ 46,570.00	\$ 1,207.81
0141	\$ 169,912.10	\$ 4,406.75
0142	\$ 159,500.00	\$ 4,136.70
0143	\$ 9,200.00	\$ 238.61
0144	\$ 50,000.00	\$ 1,296.77
0145	\$ 59,266.60	\$ 1,537.11
0147	\$ 3,500.00	\$ 90.77
0148	\$ 25,000.00	\$ 648.39
0151	\$ 24,800.00	\$ 643.20
0152	\$ 61,136.54	\$ 1,585.60
0153	\$ 18,600.00	\$ 482.40
0154	\$ 53,198.62	\$ 1,379.73
0155	\$ 122,000.00	\$ 3,164.12
0156	\$ 121,283.52	\$ 3,145.54
0157	\$ 78,600.00	\$ 2,038.53
0158	\$ 9,000.00	\$ 233.42
0159	\$ 7,000.00	\$ 181.55
0161	\$ 78,000.00	\$ 2,022.96
0162	\$ 115,000.00	\$ 2,982.58
0163	\$ 89,090.01	\$ 2,310.59
0164	\$ 20,000.00	\$ 518.71
0165	\$ 149,880.41	\$ 3,887.21
0166	\$ 4,800.00	\$ 124.49
0167	\$ 25,000.00	\$ 648.39
0168	\$ 2,000.00	\$ 51.87
0169	\$ 27,000.00	\$ 700.26
0170	\$ 37,957.03	\$ 984.43
0171	\$ 53,443.40	\$ 1,386.08
0172	\$ 47,500.00	\$ 1,231.93
0173	\$ 200,000.00	\$ 5,187.09
0174	\$ 55,000.00	\$ 1,426.45
0175	\$ 37,126.59	\$ 962.89
0176	\$ 122,470.71	\$ 3,176.33
0177	\$ 75,212.11	\$ 1,950.66
0178	\$ 50,000.00	\$ 1,296.77
0179	\$ 32,000.00	\$ 829.93
0180	\$ 50,000.00	\$ 1,296.77
0181	\$ 22,400.00	\$ 580.95
0182	\$ 5,500.00	\$ 142.64
0183	\$ 8,500.00	\$ 220.45
0184	\$ 60,000.00	\$ 1,556.13
0185	\$ 75,000.00	\$ 1,945.16

Investor Number	Net Loss	Net Investment	
			Distribution
0186	\$ 37,004.00	\$	959.72
0187	\$ 18,736.08	\$	485.93
0188	\$ 35,000.00	\$	907.74
0189	\$ 65,000.00	\$	1,685.80
0190	\$ 25,000.00	\$	648.39
0191	\$ 144,000.00	\$	3,734.70
0193	\$ 51,132.09	\$	1,326.13
0194	\$ 6,500.00	\$	168.58
0195	\$ 62,005.00	\$	1,608.13
0196	\$ 31,719.47	\$	822.66
0197	\$ 93,512.33	\$	2,425.28
0198	\$ 50,000.00	\$	1,296.77
0199	\$ 50,000.00	\$	1,296.77
0200	\$ 14,800.00	\$	383.84
0201	\$ 4,750.00	\$	123.19
0202	\$ 28,450.09	\$	737.87
0203	\$ 68,144.41	\$	1,767.36
0204	\$ 25,000.00	\$	648.39
0205	\$ 30,000.00	\$	778.06
0206	\$ 220,075.31	\$	5,707.75
0207	\$ 49,800.00	\$	1,291.58
0208	\$ 25,000.00	\$	648.39
0209	\$ 40,000.00	\$	1,037.42
0210	\$ 143,200.00	\$	3,713.96
0211	\$ 67,300.00	\$	1,745.46
0213	\$ 50,000.00	\$	1,296.77
0215	\$ 100,000.00	\$	2,593.54
0216	\$ 47,076.46	\$	1,220.95
0218	\$ 8,166.25	\$	211.80
0219	\$ 271,373.66	\$	7,038.20
0220	\$ 10,000.00	\$	259.35
0221	\$ 64,000.00	\$	1,659.87
0223	\$ 53,861.05	\$	1,396.91
0224	\$ 13,000.00	\$	337.16
0225	\$ 20,000.00	\$	518.71
0226	\$ 12,856.00	\$	333.43
0227	\$ 114,064.99	\$	2,958.33
0228	\$ 4,114.02	\$	106.70
0228	\$ 100,000.00	\$	2,593.54
0229	\$ 200,000.00	\$	5,187.09
0229	\$ 421,286.46	\$	10,926.25
0230	\$ 5,500.00	\$	142.64
0231	\$ 4,800.00	\$	124.49

Investor Number	Net Loss	Net Investment Distribution
0232	\$ 45,000.00	\$ 1,167.09
0233	\$ 50,000.00	\$ 1,296.77
0234	\$ 51,001.12	\$ 1,322.74
0235	\$ 42,698.42	\$ 1,107.40
0236	\$ 10,500.00	\$ 272.32
0237	\$ 206,000.00	\$ 5,342.70
0238	\$ 21,000.00	\$ 544.64
0239	\$ 24,791.78	\$ 642.99
0241	\$ 200,000.00	\$ 5,187.09
0243	\$ 81,391.71	\$ 2,110.93
0244	\$ 35,000.00	\$ 907.74
0245	\$ 15,000.00	\$ 389.03
0246	\$ 50,000.00	\$ 1,296.77
0247	\$ 24,000.00	\$ 622.45
0248	\$ 50,000.00	\$ 1,296.77
0249	\$ 8,800.00	\$ 228.23
0250	\$ 40,000.00	\$ 1,037.42
0251	\$ 100,000.00	\$ 2,593.54
0252	\$ 45,000.00	\$ 1,167.09
0253	\$ 19,498.17	\$ 505.69
0253	\$ 25,000.00	\$ 648.39
0255	\$ 192,052.56	\$ 4,980.97
0256	\$ 12,000.00	\$ 311.23
0257	\$ 75,000.00	\$ 1,945.16
0258	\$ 31,909.40	\$ 827.58
0259	\$ 100,000.00	\$ 2,593.54
0260	\$ 62,409.12	\$ 1,618.61
0261	\$ 118,200.00	\$ 3,065.57
0262	\$ 3,000.00	\$ 77.81
0263	\$ 2,000.00	\$ 51.87
0264	\$ 151,038.75	\$ 3,917.26
0265	\$ 56,161.66	\$ 1,456.58
0266	\$ 73,493.96	\$ 1,906.10
0267	\$ 49,700.00	\$ 1,288.99
0268	\$ 25,000.00	\$ 648.39
0269	\$ 60,100.00	\$ 1,558.72
0270	\$ 125,000.00	\$ 3,241.93
0271	\$ 85,932.34	\$ 2,228.69
0996	\$ 11,000.00	\$ 285.29
0997	\$ 150,000.00	\$ 3,890.32
0998	\$ 4,000.00	\$ 103.74
0999	\$ 25,000.00	\$ 648.39

EXHIBIT C

(part 1)

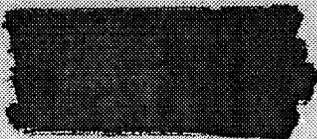


UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA REGIONAL OFFICE
1617 JFK BOULEVARD, SUITE 520
PHILADELPHIA, PENNSYLVANIA 19103

CATHERINE E. PAPPAS
SENIOR TRIAL COUNSEL
(215) 597-0657
pappasc@sec.gov

November 21, 2014

Via U.S. First Class Mail



Re: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

Dear [REDACTED]

This letter is to inform you that there is a hearing scheduled for Monday, December 1, 2014 regarding the disposition of approximately \$420,000 recovered in this case. The Receiver, appointed by the Court to recover assets for distribution to investors in the entity defendants (Life's Good, Inc., Life's Good STABL Mortgage Fund, LLC, Life's Good High Yield Mortgage Fund, LLC, Life's Good Capital Growth Fund, LLC, IA Capital Fund, LLC, and Keystone State Capital Corporation), has requested that all of the recovered funds be paid to the Receiver and his counsel for their work. The Securities and Exchange Commission opposes the Receiver's request and has asked the Court to permit the distribution of at least half of the recovered funds to some or all of 274 defrauded investors. Relevant documents (filed October 31, 2014 through November 17, 2014) are available at:

<http://lifegoodfundsreceivership.com/receivershipcourtdocuments.html>

Our records indicate that you may have invested with one or more of these entities and may be eligible for a distribution. Accordingly, the SEC is seeking your opinion regarding the distribution of recovered funds.

The hearing is scheduled for 9:00 a.m. on December 1, 2014, in Courtroom 13B, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia PA 19106. If you are interested in attending the hearing please let me know by email (pappasc@sec.gov) or telephone (215-597-0657) by November 28, 2014. If you would prefer to send me your opinion, please email it to me no later than 5:00 p.m. on November 28, 2014. Please note that anything sent to me may become part of the public record in this case.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Pappas".

Catherine E. Pappas

November 26, 2014

Ms. Catherine E. Lappan,

This is my response to your letter of November 21, 2014 regarding Robert Stinson Jr.

My husband passed away ^{September} ~~December~~ 28, 2012 with the knowledge still weighing heavily on his heart and mind that he had been defrauded by Mr. Stinson. He had served 25 years in law enforcement and expressed to me many times his embarrassment over the situation.

The only answer that I can give you in good conscience, is that NO I do not believe the Receiver should keep all of the recovered assets. The greater portion should be divided among the victims.

May you receive many blessings for your good work!



Pappas, Catherine E.

From: [REDACTED]
Sent: Thursday, November 27, 2014 11:50 AM
To: Pappas, Catherine E.
Subject: victim - SEC v. Robert Stinson ...

#210

Ms. Pappas,

I was a victim of Robert Stinson and his cohorts. I find it utterly appalling that they took so much money and that none of the recovered funds be returned to those taken advantage of. I lie in [REDACTED] and thus cannot attend the hearing, but would like to voice my opinion on this matter.

While I know that recovering monies took time and work. It feels unfair that the receiver managed to amass over \$1.6M - which represents a mere 12% of what was originally stolen. Now their plan is to expense all of it?

It seems to me that a good portion of the monies could have been recovered with very little effort and cost, but that is another matter all together. Certainly the decision in favor of Morningstar was a very discouraging defeat as their endorsement played a big factor in my (and likely many other investors') decision to invest. Still most lawyers charge a percentage of what they can recover more in the line of 30%,- not 100%.

A small refund to the investors would not mean much monetarily, but it would mean a great deal emotionally and help bring closure to such a dreadful ordeal.

Please do what you can so that the investors get SOMETHING. Ending up with nothing is the worst feeling of all.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Thursday, November 27, 2014 9:58 AM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson disposition opinion

69,70

Catherine –

This is in response to your 11/21/14 letter regarding disposition of remaining funds in the SEC v Robert Stinson case.

Our initial response would be why would we share ANY of the remaining \$420,000 (est.) balance with the receiver? From review of the court documents since the initial appointment of the receiver in Sept 2010, it appears that he has already been paid a sum of \$899,738 + expenses.

There is no doubt that there has been a lot of activity on his part in the last 4 years to resolve this estate and we do not take issue with him being paid fairly for these efforts. However, the disbursements over time resemble a runaway freight train. There has been no point at which it was decided, between the courts and the receiver, that enough was enough. As long as there was money in the till, it appears that the goal was to spend it.

As to the goal of having a receiver engaged in this case – wasn't the purpose to "gather and preserve assets with an eye to distribution to defrauded investors"? As provided in your motion, if this application is granted (remaining assets paid to receiver), then no benefit will have been provided to the investors. If this application is granted as proposed, then the goal or purpose has not been fulfilled – the fiduciary duty to the investors has been ignored to the sole benefit of the receiver.

If we are to receive anything from this court action it will be somewhere in the neighborhood of 1.6% - that indicates a loss of 98.4% that this fraud represents to us alone. For us to gain 1.6%, is no restitution at all, but, it would be an act of good faith on the part of the courts for our participation in helping to resolve this case with our time and the supply of our documentation that became an integral part of the prosecution of this fraud.

So, in the interest of an act of good faith, and with the understanding that we owe (and have paid with our losses) the courts and receiver our gratitude that Mr. Stinson has been permanently removed from the investment market, we would be happy to accept our 1.6% of the total remaining balance, tax free.

We live in [REDACTED] but if we were closer to Philadelphia, we would be in attendance at this hearing. Please accept this as our opinion of this case.

Thank you,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 1:09 PM
To: Pappas, Catherine E.
Subject: SEC v Robert Stinson Jr., et al distribution of recovered funds

#233

Dear Ms. Pappas,

Thank you for your letter informing me of the hearing scheduled for December 1, 2014 regarding the disposition of funds that were recovered in the case, SEC v Robert Stinson Jr., et al. I live in [REDACTED] and it is impossible for me, particularly with such little notice, to be able to attend the hearing, so this email will serve as my communication of my opinion. I am very much opposed to the proposal made by the Receiver, that all of the recovered funds be paid to the Receiver and his counsel for their work. I think for them to take ALL of the money is extremely excessive and it is an act of complete disregard for the people like me, who were the victims.



I lost \$50,000. This might not seem like a lot of money to some people, but it was to me. I worked very long and hard to earn this money. As an elementary school teacher, every month for fourteen years, I had \$300 taken out of my paycheck. I knew, before I was even married, exactly how I would use this money should I be so lucky to have children: it was a college fund. The money ended up in the hands of fraudulent untrustworthy people. Within two months of signing paperwork, my hard earned money was gone. I have been financially injured. I lost a good portion of my savings, as did many other trusting and defrauded investors.

I have fully cooperated with the SEC. I have taken lots of time to provide them with email communications and other documents to help them build their case. I drove downtown and gave a deposition for them, as they sought to gather more information. I did my part to help. I appreciate that the Receiver and the counsel team worked hard. Thank you. I think they should receive something for their time and efforts. In my view, an award of one third to the Receiver and his counsel, with two thirds distributed to the victims of the crime, seems fair.

I hope you will take my concerns and those of the other victims into strong consideration.

Respectfully,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED] # 180
Sent: Tuesday, November 25, 2014 11:26 AM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

Ms. Pappas,

Thank you for your recent letter regarding the subject. While I can appreciate the time and effort needed to compile the various assets, the 270 plus investors are the one's that have lost the most and have lost the opportunity to regain their investments. Accordingly, I believe that the remaining assets should be used to make them a whole as possible. Please continue your efforts in this direction.

Again, thank you for your time and effort in this matter.

[REDACTED]

Pappas, Catherine E.

From:

[REDACTED]

#103

Sent:

Saturday, November 29, 2014 9:52 AM

To:

Pappas, Catherine E.

Subject:

SEC vs. Robert Stinson, Jr., et al., -CV-03130 (BMS) (E.D. Pa)

[REDACTED]

[REDACTED]

Dear Ms. Pappas,

It sounds like after being swindled by Stinson we are being ripped-off by the receiver. I'm a small investor and the \$10,000 plus I lost to Stinsons criminal actions is very painful to me. The receivers efforts should be on behalf of the claimants with reasonable compensation. I would think 70% to the claimants and 30% to the receiver would be more appropriate. I would expect the Receiver is on contingency and if it was under my control I would not have agreed to 50% for the receiver.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED] # 128
Sent: Friday, November 28, 2014 11:39 PM
To: Pappas, Catherine E.
Subject: opinion regarding the distribution of recovered funds re: SEC v. Robert Stinson, Jr., et al.

Ms Pappas,

I received your letter dated Nov 21, 2014 advising of the hearing scheduled for Dec 1 in Philadelphia and seeking my opinion regarding the distribution of recovered funds.

I will not be able to attend the hearing, but would like to express my opinion.

I absolutely agree with the SEC's proposal in your "PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S RESPONSE AND ALTERNATIVE PROPOSAL TO THE RECEIVER'S FINAL FEE APPLICATION" filing (Case 2:10-cv-03130-BMS Document 324 Filed 11/07/14). I sincerely hope the court will find in favor of the SEC to enable some recovery distribution benefit to the defrauded investors which, after all, is the purpose of this Receivership Estate.

Thank you,
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 10:56 PM
To: Pappas, Catherine E.
Subject: Life's Good Funds

226

Ms. Catherine E. Pappas:

We did not get you letter until the afternoon of the 28th of November which explains why we have not responded until after 5:00 this afternoon.

While we should expect to pay for services rendered in a court case such as the one in question, the lawyers ought not be the only ones compensated. The case hinges on the losses incurred by the investors. Our losses should be compensated as far as circumstances allow.

Please register our position, i.e., that at least half of the recovered assets should be distributed to those who placed their trust in a bad situation, on the advice of "trained professionals".



All the best,

[REDACTED]
Master Credit-Management and Debt-Elimination Coach

Please visit my website:
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 10:07 PM
To: Pappas, Catherine E.
Subject: SEC v Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E. D. Pa)

#31

To: Catherine E. Pappas

From: [REDACTED]

Date: November 28, 2014

I received your letter today dated November 21, 2014, regarding SEC v Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E. D. Pa). I am unable to attend the hearing which is scheduled for December 1, 2014, in Philadelphia as I live in [REDACTED] you will not receive this email by the stated deadline due to the Thanksgiving Holiday. I just picked up my mail today and was not at home at the time that it was due.

I want to express my very strong opinion that the \$420,000 in recovered assets in this case be distributed to the investors. The money that I my husband and I invested (over \$100,000) was our life savings as I am sure it was for many of the investors. Although I appreciate the work done by the Receiver and his counsel, it seems unconscionable to me that the defrauded investors receive nothing. I hope that the Securities and Exchange Commission and you in particular can plead our case at this hearing. Thank you very much for your efforts on our behalf.

[REDACTED]

Sent from my iPad

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]
Friday, November 28, 2014 5:29 PM
Pappas, Catherine E.
[REDACTED]
CV-03130 (BMS) (E.D. Pa)

195,196

Defrauded investors SEC v. Robert Stinson, Jr. 10-

Dear Chief Trial Counselor Pappas:

Hope this message finds you well and out of the food coma that typically follows festive holiday's, such as Thanksgiving.

I am writing in response to your request letter, dated Nov 21, 2014 informing us of the receivers' recovery efforts & request for ALL of the recovered assets, the SEC's opposition, and the seeking of our opinion in support of the SEC and our severely defrauded interests.

We share, vehemently, SEC's opposition to receiver's insensitive greedy request for ALL recovered funds!!!

This notice was VERY disturbing, in view of the fact that we were monitoring the more than 650K in earnings Kamian Schwartzman's staff of receivership counselors were paid for efforts to this juncture, which would net that group of SEC-appointed attorney's to over a million dollars in receivables, leaving the other 272 defrauded investors and my father and wife with 0 out of \$94,903.11 invested :(...that actually sounds criminal in its intent.

Please find attached 25pp PDF containing your letter along with supportive original **Victim Impact Statements & Exhibit A's** of documented facts on behalf of my wife,

[REDACTED] and severely disabled father, [REDACTED]
[REDACTED]

- **Update on defrauded investor [REDACTED] (age 93):** suffered severely debilitating life-limiting Stroke (June 1, 2010); 1 month later, we relocated him safely to Assisted Living care close to our residence in [REDACTED]. Unfortunately, he rapidly deteriorated with Parkinson's Dementia, Congestive Heart Failure, Irregular Heart Disorder; this care exhausted monies from sale of his Nevada home and auto, forcing him on to Medicaid (Medi-Cal) which shares cost of Board and Care Residential Care Facility for the Elderly (RCFE) 5 miles from our home. **The \$32,503.11 investment was made to grow my fathers anticipated future medical care costs.....which will be astronomical.**
- **Update on defrauded investor [REDACTED] (age 53):** The \$62,400.00 investment was made to grow my wife's self directed IRA monies for **her retirement....**which will now be significantly underfunded and may lead to retirement hardship.

Whatever the outcome, we sincerely hope that we, along with the other 272 defrauded investors, are fairly and equitably compensated, and a law can be enacted to prevent receiver's reimbursement from defrauded investors recovered assets, in the best interest of the victims of mail and wire fraud and ponzy schemes such as this, that devastate and ruin peoples' lives.

May God Richly Bless You and Your Family always,

[REDACTED]

on behalf of ourselves and my father [REDACTED]



[REDACTED] opinion SEC v Stinson for Hearing 12_1_14 20141128.pdf

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 4:51 PM
To: Pappas, Catherine E.
Subject: Hearing

110

Catherine:

I was hoping to talk to you today but guess you are out for the holiday. Hope you had a happy Thanksgiving. With regard to your letter, dated November 21, 2014, I will not be able to attend the hearing because of the great distance. I am, also, wondering if the \$420,000 referenced in your letter is all that is left. It appeared there is more in the final report court document of October 31, 2014. It seems to me there isn't much difference between Stinson and the Receiver since it appears to be the goal to get all the funds collected for his/their efforts instead of the victims. It does not appear much if anything will be left for distribution. If I read correctly, the receiver was appointed to recover funds for distribution to investors, not suck it all up for himself. Therefore, it seems to me since this action was instituted by a government agency and the receiver was appointed by the court, and the receiver could be removed by the court, then his compensation should be from those entities, not the victims who have already lost so much.

Also, I have attempted to contact Schwartzman several times. He will not respond to my requests for him to return my calls. I have sent him a letter with copies of other correspondences, one of which was an e-mail sent to him regarding this issue last year, and a form from the custodian of my Life's Good account (Fair Market Valuation Form), Equity Institutional. Again, he has not responded nor returned the form in the s.a.s.e. included. The reason for these copious attempts to contact him is to reduce or eliminate the fees charged by the custodian for a stagnant or valueless account. It seems account custodians and/or administrators would have been notified and instructed to cease charging for accounts that have no real known value.

I have been wanting to avoid acquiring an attorney but it appears I may be forced into it.

[REDACTED]

November, 28, 2014

[REDACTED]
[REDACTED]
[REDACTED]

United States Securities and Exchange Commission
Philadelphia Regional Office
1617 JFK Boulevard, Suite 520
Philadelphia, Pennsylvania 19103

167

Catherine E. Pappas
Senior Trial Counsel

Re: SEC v. Robert Stinson Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

Dear Catherine E. Pappas:

Thank you for your letter updating the progress of the fraudulent case against Robert Stinson.

You are asking for my opinion regarding the distribution of the recovered funds. I agree with the Securities and Exchange Commission that the court permit the distribution of at least half of the recovered funds to the defrauded investors. I also agree with the Commission's opposition to the Receiver's request of the court to pay the total of the recovered funds to the Receiver. Such a request by the Receiver is appalling and a crime against the investors. The other investors and I have already lost a great deal of money in this investment and for some of us, this money was a means for our survival. As for myself, the loss of invested monies has created a great hardship.

I shall be out of the country from December 10, 2014 through January 15, 2015. I would appreciate being informed of the court's decision and may be contacted by email through my daughter at [REDACTED] necessary.

Sincerely,

[REDACTED]

Investor

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]
Friday, November 28, 2014 2:27 PM
Pappas, Catherine E.
sec vs robert stinson

67, 68

Ms Pappas
My husband [REDACTED] and myself were investors in Lifes Good fund and lost close to \$80,000. We live in [REDACTED]
[REDACTED] and cannot attend the trial. We do want to send our opinion on the case...which is we are totally against the
receiver taking all of the recovered funds or even half of the funds! That is crazy! This is our life time savings we lost!
thank you
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 1:24 PM
To: Pappas, Catherine E.
Subject: Re: distribution of recovered amount in Robert Stinson, Jr., et al

244

Dear Catherine E. Pappas,

We find it absolutely absurd that attorneys who received an award of \$420,000, for losses suffered by 274 defrauded investors should ask for all of the money with none available to those who sustained the loss. It would seem to me that 1/3 for attorney's fees would be more than reasonable. Without our loss, the attorneys would have received nothing.

Sincerely,

[REDACTED]

Sent from Windows Mail

Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 10:03 PM
To: Pappas, Catherine E.
Subject: SEC v Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E. D. Pa)

30, 3)

To: Catherine E. Pappas

From: [REDACTED]

Date: November 28, 2014

I received your letter today dated November 21, 2014, regarding SEC v Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E. D. Pa). I am unable to attend the hearing which is scheduled for December 1, 2014, in Philadelphia as I live in [REDACTED] You will not receive this email by the stated deadline due to the Thanksgiving Holiday. I just picked up my mail today and was not at home at the time that it was due.

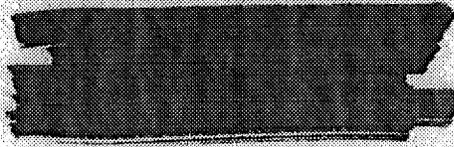
I want to express my very strong opinion that the \$420,000 in recovered assets in this case be distributed to the investors. The money that I invested was my life savings as I am sure it was for many of the investors. This includes my wife who also was an investor. Although I appreciate the work done by the Receiver and his counsel, it seems unconscionable to me that the defrauded investors receive nothing. I hope that the Securities and Exchange Commission and you in particular can plead our case at this hearing.

[REDACTED]

Sent from my iPad

EXHIBIT C

(part 2)



A 246

November 27, 2014

Catherine E. Pappas
Senior Trial Counsel
United States SEC
Philadelphia Regional Office
1617 JFK Boulevard, Suite 520
Philadelphia, PA 19103

215-597-0657
pappasc@sec.gov

Dear Catherine:

Thank you for your letter of November 21, 2014 regarding the SEC vs. Robert Stinson, Jr. Case (10-CV-03130 (BMS) (E.D. Pa).

I am pleased to learn at long last a hearing (final?) has been scheduled for Monday, December 1, 2014 regarding the disposition of approximately \$420,000 as-yet-to-be-distributed funds remaining in the Estate. From the information I obtained from the November 7, 2014 "SEC's Response and Alternative Proposal to the Receiver's Final Fee Application", the \$420,000 apparently is all that will remain to be distributed from more than \$1,600,000 in assets the Receiver has so far marshaled for the Estate, after payment of \$250,000 in expenses for an expert witness.

First, I regret I will be unable to travel to Philadelphia to attend the upcoming hearing in person. But I would like to contribute input on the subject. Comments follow below.

If I understand the current situation correctly, the Receiver, (Kamian Schwartzman?) has requested that all remaining recovered assets associated with his and his Counsel's asset recovery efforts be awarded to them. This is in addition to \$538,892 already awarded to the Counsel and \$152,703 already awarded to the Receiver.

Yes. His request certainly is of concern to me and I must go on record that I do not approve of their request. Apparently the SEC also opposes the Receiver's request. Thank you for your advocacy on our behalf.

I have kept somewhat abreast of ongoing events in this case by following the various filings posted on the website, www.LifesGoodFundsReceivership.com. This website

was specifically established so that those of us who were harmed by the actions of Mr. Stinson Jr. could keep abreast of official activity as this case moved forward. I am of course grateful that the Courts did pass judgment on Mr. Stinson Jr. and awarded him a very, very long sentence. Though unkind of me, I admit I can only hope that early release and probation are not ever considered and that Mr. Stinson Jr. gets to enjoy reminiscing about the "good old days" for as close to forever as is possible.

Having a substantial amount of principal capital and an additional 60% in interest earnings (according to the "official", but now obviously fraudulent, quarterly statements I regularly received for several years) stolen from my retirement IRA account was a very expensive education. Yes, it has caused some hardship. I have now entered my retirement years, and am still trying to recover necessary cash flow. To do so I am having to continue working part time as well as continue actively investing and working on growing other real estate investments.

According to the report of November 7, 2014 filed by yourself and G. Jeffrey Boujoukos, you state (with which I concur) that, "... the fundamental purpose of this effort was to assist the Court in gathering and preserving assets with an eye to distribution to defrauded investors. Indeed, if the Receiver's Application is granted, the Receiver will have provided no benefit to the Estate; only the Estate professionals would receive the benefit of his activities. This result would be unfair, especially where a distribution to investors is feasible and defrauded investors would tangibly benefit as a result. The investors in this matter invested their funds with no knowledge of the fraud or a shortage of assets from which to be paid. By contrast, the Receiver and his Counsel entered into this engagement fully aware of the limited assets in the Estate, repeatedly acknowledged the possibility of not getting paid, and recommended quarterly that the Receivership continue its efforts, notwithstanding the limited recoveries and their fee shortfall." **Catherine, thank you for that support.**

I also agree with your recommendation of some type of equitable distribution of the funds. But "equitable" distribution is the real definitional question.

Some Thoughts Regarding What Constitutes "Appropriate Distribution":

At the outset, let me state I am neither an Attorney nor a layman legal scholar. I spent my career in the corporate business world with Fortune 500 level corporations. My independent investing experience is primarily in real estate, such as in rental properties, wholesaling residences, flipping rehabs, and creating, buying, and selling notes. So I speak and reason from these perspectives and knowledge-base. (Mr. Stinson Jr.'s endeavor was the only "pool" type of real estate investing I have ever invested in. This was a B-I-G mistake, obviously!!!)

As to the Receiver's and his Counsel's claims to ALL the recovered funds, this is just plain wrong. Yes, it has required his (their) efforts, time, and they have absorbed some associated expenses. True enough. In business we call that taking a calculated business risk. There is never any guarantee that revenue, or at least enough revenue, will be the outcome. (We investors found this out ourselves with our investing in Mr. Stinson Jr.'s scheme with the "guarantee" of a fixed return of 16%). The expected revenue is at best THE PLAN, not a guarantee. In the corporate world sometimes the research, the production costs, the marketing and selling costs and efforts DO NOT translate into a sale or a return of the expected revenue to the company.

Yet, isn't that exactly what the Receiver and Counsel are claiming is their right? That they should be guaranteed that all their costs (and "planned profits") are their due just because they are the ones who have made the efforts and have the expenses? Their thinking seems to be, "I have spent this time and money, therefore I am owed whatever money I can recover." Well, I spent years earning the capital I invested with Mr. Stinson Jr., too, as I'm sure my fellow defrauded investors did as well. Don't we also have as much right to a portion of whatever is recovered as the Receiver or Counsel do? In fact, they have already been awarded \$538,892 and \$152,703, and have laid further claim to another \$250,000 in expenses they apparently still owe an expert witness. Neither myself nor my fellow victims have received a dime ... and collectively we certainly invested far more than they have.

I do have some understanding of the 3rd Party Asset Recovery Services business. I first learned about the Asset Recovery business as a beneficiary in recovering some funds (around \$7,500 ... my 75% share as the Claimant of a 25/75 split) owed to me. I had no idea these funds even existed, modest though the amount may be. The funds were discovered then recovered for me by a 3rd Party Asset Recovery Service. Intrigued, I went about learning more about the 3rd Party Asset Recovery Service business with the idea I might pursue doing this business myself as a part time business.

In the Robert Stinson Jr. case it clearly appears that the 3rd Party Asset Recovery Service is very similar to, if not exactly the same as the Receiver's business.

The typical Asset Recovery Service person usually contracts with a Claimant to recover funds the Claimant is owed, often by a court ordered judgment. In return for locating assets and recovering the funds the Asset Recovery Service pre-contracts for a percentage of the total amount of funds they actually recover ... IF ANY. The "commission" the 3rd Party Asset Recovery Service receives is negotiable, but is typically between 25% and 40% of the value of the assets or funds recovered. This split sometimes goes as high as 50% of the value of any assets recovered.

There is no guarantee there will be any assets or funds recovered. The Asset Recovery Servicer only receives compensation if something is recovered, regardless of his time, effort, or expenses involved. It is a purely contingency business. Furthermore, any expenses incurred by the Asset Recovery Service are all paid for out of their contracted percentage of the assets recovered, or out of pocket if no assets are recovered.

The actual distribution of assets or funds are per the contracted split percentages, not NET of the Asset Recovery Servicer's expenses after first being deducted as reimbursement to the Asset Recovery Service.

Applying this same model to the Receiver appointed by the Court in the Robert Stinson Jr. case (and it really does appear to me to be the same model), and by applying what is typically the maximum percentage split for an Asset Recovery Service of 50%, half of the recovered assets would go to the defrauded victims (the Claimants) and half would be awarded the Receiver (the 3rd Party Asset Recovery Service). Thus the Receiver (and his Counsel) would receive up to 50% of whatever funds are recovered ... regardless of time and cost they have expended locating and recovering them. If they recover \$5,000,000 or even \$10,000,000, well, 50% would be their reward. If they recover only \$1,000,000, than \$500,000 would be their reward, period. It's a business.

Inserting the actual Robert Stinson Jr. case's numbers into this model, the approximate \$1,600,000-plus assets so far recovered, assuming a 50/50 split, should result in \$800,000 being awarded the Receiver (including his Counsel), and \$800,000 should be awarded to the Claimant(s), the defrauded victims, proportionately divided according to the percentage of their individual investments into the original total of all invested funds before the fraud was discovered and the operations shut down. Admittedly this is businessman minded simplicity. But there it is.

Applying updated computations per the November 7th briefing referred to above, of the approximately \$800,000 (50% portion) of the \$1,600,000 recovered (so far), \$152,703 and \$538,892 have already been distributed to the Receiver and his Counsel, respectively, so they have together already received \$691,595. That should logically leave only about \$108,405 still to be distributed to them. Whatever they still owe, including the \$250,000 due to an expert witness, should come from that and funds already distributed to them.

OK. OK. So if the court determines that the \$250,000 should be first applied to the expert witness expense, so be it. So, in reality, only \$1,600,000 minus \$250,000 (\$1,350,000) is available to the Receiver and his Council and the Claimants (the victims). That would amount to a 50/50 division of \$675,000 awarded to each half of the split. With \$691,595 already awarded the Receiver and Council, I argue why can they lay claim to even another dollar, let alone the apparently only \$420,000 that remains in the Estate yet undistributed. (Which begs the question, why only

\$420,000 remains? Shouldn't that be \$1,600,000 - \$691,595 - \$250,000 = \$658,405?)

The bottom line is, if the "pot" still to be divided is apparently only \$420,000, I believe this should be ENTIRELY distributed to the Claimants only, not just 50% of \$420,000 (which I believe the SEC is arguing for on behalf of the defrauded victims of this crime).

With another \$210,000 being awarded to the Receiver/Counsel, that will mean the Counsel/Receiver's total share of all the recovered assets will be 71% of the \$1,600,000 value of the assets marshaled, leaving the Claimants (the defrauded) at best only 13% of the recovered assets to be distributed among themselves. The remaining 16%, \$250,000 apparently goes toward paying an expert witness. With 71% going to the Receiver and his Council and only 13% of the recovered assets to be distributed among all the Claimants, well, **this is just plain wrong.**

A Recent Anecdote (Final Comment):

The timing of the receipt of your letter on November 24, 2014 is strangely coincidental to a very relevant speech I attended just last Thursday evening, November 20, 2014. I am an active member of a Kansas non-profit real-estate-focused investor group, Kansas City Investment Group (KCIG). At our monthly meeting last week our guest speaker was Mr. Robert K. Herden, Supervisor of the FBI's White Collar Crime Squad in the Kansas City Region. His discussion outlined white collar crimes that we need to be watchful for, as well as be careful that we don't unwittingly commit ourselves. This includes crimes in Corporate Fraud, Securities Fraud, Health Care Fraud, Bank Fraud, and Intellectual Property Rights Fraud.

I surely wish I had heard this talk before 2007!

At the conclusion of his presentation Mr. Herden made himself available for a few minutes for audience participants to meet and greet him. When I got a moment to shake his hand and thank him for the enlightening discussion, I shared with him my own experience as a victim of fraud in the Robert Stinson Jr. case.

Near the end of our brief moment together Mr. Herden asked me whether I had ever received any of my lost money back. I told him that all I could tell from the court filings so far was that it appears that whatever is being recovered is all being awarded to the Receiver and his Counsel. **I told him in all honesty, it feels like in reality there are two thefts taking place: One was clearly illegal, the other is being Court enabled.** Whether by "design" or not who can say?

Summary Bottom Line:

1). I disagree with the Receiver's and Counsel's request for being awarded the full amount of all funds so far recovered, their billed hours and other out of pocket expenses not withstanding.

2). I do suggest a specific, set distribution-split concept be considered as the model for distributing all located and recovered funds. This concept is based on real world practices of the Asset Recovery Service business. I believe it would be a proper and fair model for any distribution. Furthermore, a maximally generous split for the Receiver and Counsel (while minimally generous portion left for the victims) would be in the 50%/50% range, not the 71%/13% (and 16% for the expert witness) that appears to be suggested. As I pointed out, given my admittedly limited exposure to the business, 50% of recovered funds for an Asset Recovery Service is at the high end for the industry. Then again, I offer my comments with a handicap. I speak from the experiences and perspectives of a corporate career and independent small businessman, not from the legal world of attorneys and Courts:

3). I further argue that the 50/50 split should be based on the fully marshaled asset pool of \$1,600,000, with \$800,000 being awarded and distributed to the Claimants (defrauded victims) and \$800,000 going to the Receiver/Counsel, from which all their expenses should be paid. Should the Receiver and Counsel later find another \$2,000,000, or \$5,00,000, or more, with the 50/50 split model, they would no doubt make even a much greater profit than just billable hours, which seems to be the model from which they are making their claims.

Catherine, for whatever these are worth, these are my comments. Yes, I do understand that this letter is subject to becoming part of the public record.

Thank you again on behalf of myself, and on behalf of my fellow victims in this fraud, for your office's advocacy in arguing for a distribution of funds to us, the actual victims. I certainly do concur. Good luck in your efforts.

Sincerely,



Pappas, Catherine E.

From: [REDACTED]
Sent: Friday, November 28, 2014 7:10 AM # 121
To: Pappas, Catherine E.
Cc: [REDACTED]
Subject: SEC v. Robert Stinson, Jr., et al. 106CV003130 (BMS) (E.D. Pa)

Good Morning,

Regarding your letter dated 21 November 2014, I am a U.S. citizen working in Germany on a Department of Defense contract and just received this notice.

I would like my funds returned and oppose all funds being turned over to the Receiver and his council. The funds Mr. Stinson stole from me were from an IRA account. I am approaching retirement in two years and will suffer due to the lose of these funds. Why would a court appointed lawyer deserve those funds over me? A publicly funded defender should have been sufficient. As I understand it Mr. Stinson was guilty of this sort of fraud before, a fact I sadly found out after he had stolen my money. The funds recovered were the property of people like myself who had them stolen from them. Now we are being told that we need to pay for the work of someone that recovered them. All of his assets, property and funds in his accounts, including what might have been transfered to other members of his family, should have been seized and returned to those who he stole from.

Regards,

[REDACTED]

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]
Thursday, November 27, 2014 4:17 PM
Pappas, Catherine E.
Robert Stinson hearing

~~83~~ 83

Ms. Pappas,

I just received your correspondence regarding the Robert Stinson, Life's Good Ponzi Scheme!!
I am outraged that those attorneys are demanding all of the recovered funds!!
I am a 78 year old widow whose financial adviser honored the Morningstar Report of "5star rating" for this fund and put my retirement money into the Life's Good Fund! I am living on my Social Security check with no outside income since my husband passed away, and all of the fraud and deceit in the investment world is coming down on me like a ton of bricks!!

Those attorneys cannot and should not be so self centered, greedy and selfish that they don't realize WE the people lost all of our retirement from schemes like this.... it's bad enough they take half!!!!

If it is my opinion you are looking for, I hope I have made myself humbly clear! I will also try to contact you early tomorrow morning!

Thank you for hearing my opinion.

Sincerely,

[REDACTED]
[REDACTED]

Pappas, Catherine E.

From: nadofamily5@aol.com
Sent: Friday, November 28, 2014 10:39 AM
To: Pappas, Catherine E.
Subject: Receivership hearing

42

Ms. Pappas,

How can a system allow for a receivership to expect 100% return on any assets recovered? We have been robbed \$40,000 by Robert Stinson. He's gone to jail. Our broker [REDACTED] who did business with Mr. Stinson has been fined \$1,500,000 by the SEC & banned for life. Guess who pays his legal fees & the SEC is not finished. Now a receivership wants 100% of proceeds of its job to recovery assets from "Good Life". You are our only representative in this matter. I do not know what a reasonable recovery fee would be. I'm sure the receivership has already recovered \$ for its services during auction. Please do what you can. We have no other options.

Sincerely,

[REDACTED]
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Thursday, November 27, 2014 12:11 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

165

Dear Catherine E. Pappas,

Unfortunately, I will not be able to attend the hearing since I will be working. As I have indicated previously this has been a great financial hardship on my family (including a son with Autism) but I am thankful that I am still able to work.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Thursday, November 27, 2014 11:25 AM
To: Pappas, Catherine E.
Subject: hearing

219

To Catherine Pappas,

To start off with I would like to thank you for taking the side of the investors by opposing the Receiver's request to keep all the money in the funds. Throughout this ordeal I always had the impression that he and possibly the lawyers were looking out for their own interest and not ours.

My counter proposal is that he and the lawyers get nothing further from the fund as they have already drawn a significant amount. The following is my reasoning for this.

Looking at his quarterly reports you can see that the amount in the fund peaked in the report of 11/6/2012 with the amount of \$954,045.09. At that point \$155,000 was drawn out for "expenses". More "expenses" were drawn out in the amount of \$224,000 in the report of 5/4/2014. If I read the reports correctly the Receiver has taken out his fees nine times along the way. I feel that at the point of the 11/6/2012 report the Receiver should have had a good idea that any further proceedings would not have been in the best interest of the investors as there was no net gain in the fund since. Then, without consulting the investors, he decided to initiate the lawsuit against Morningstar. I feel this was done to prolong this matter. Again, in his best interest and not ours. At best this suit should have been taken on a contingency basis since we had no say in it and used so he could continue to take out fees.

It was bad enough that we were the victims of the Ponzi scheme and I feel were again taken for suckers by the Receiver and the lawyers.

As to the distribution to the investors, I think that a fair way would be to give to only those who responded to the SEC and the amount given be in proportion to their losses.

Thank you very much for allowing me to express my feelings and I eagerly await the results of the hearing. I hope that somehow you could let us know the results as soon as possible.

Wishing you and your family all the best for this holiday season and again THANK YOU!!!

Feel free to contact me at any time if needed.

[REDACTED]

Ron

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 9:34 PM
To: Pappas, Catherine E.
Subject: Hearing: December 1, 2014 Courthouse Philadelphia Pa

202

[REDACTED]

November 26, 2014

Catherine E Pappas
Senior Trial Counsel

Re: Sec v. Robert Stinson, jr. et al., 10-CV-03130 (BMS)(E.D.Pa)

Dear Ms Pappas:

Received your letter on the afternoon of November 24, 2014

I am not able to attend the scheduled meeting on December 1, 2014 in Philadelphia Pa. regarding the disposition of some of the recovered moneys. I will let you know, that I agree with the Securities and Exchange Commission to refund the moneys to the defrauded investors.

Might even help us and pay some of our medical bills.

Sincerely

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Thursday, November 27, 2014 10:27 AM
To: Pappas, Catherine E.
Subject: Life's Good

66

This letter is in response to the disposition of funds recovered from Life's Good. We lost \$50,000.00 on this investment. We went into it mainly because of Morningstar's 5 star rating. We would appreciate any funds available to us that are recovered from Life's Good. Thank you.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED] #205
Sent: Wednesday, November 26, 2014 7:05 PM
To: Pappas, Catherine E.
Subject: Re: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

Catherine E. Pappas,

Thank for your letter of Nov. 21, 2014 regarding the distribution of the recovered funds in the case stated in the subject matter of this email. I strongly desire that at least half of the recovered funds be distributed to the defrauded investors. It defies all logic that the Receiver would obtain all the recovered funds. Please use this email as you desire for the recovered funds.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 6:16 PM
To: Pappas, Catherine E
Cc: [REDACTED]
Subject: Ref: Sec v. Robert Stinson, Jr et al [10-CV-03130]

86

To
Catherine E. Pappas
Senior Trial Counsel
US SEC
Philadelphia, PA 19103

Ref: Sec v. Robert Stinson, Jr et al [10-CV-03130]

Dear Ms. Pappas,

Thank you for your letter dated Nov 21st regarding SEC v. Robert Stinson Jr., et al.

While I am disheartened that only \$420K out of the \$14M+ was recovered I am grateful for all the work the SEC did in identifying the ponzi scheme and your efforts in seeking justice for the victims.

My investment in the entities was funded entirely from my retirement-401K life savings. Compounding the misfortune, since the source of investment was funded from a retirement plan (pre-tax) I cannot claim any Capital Gains Loss due to a Ponzi Scheme from an IRS perspective. In short - my nest egg vanished completely. With that in mind I would be grateful to receive any distribution from the receivership.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 9:05 PM
To: Pappas, Catherine E.
Subject: Sec v. Robert Stinson

79,264,265

Catherine Pappas

My name is [REDACTED] one of the unfortunate investors in the life's good mess
Even after 3 months of investigation to include research through Morningstar I invested things went well enough that I
got IRA accounts for my mother [REDACTED] and my aunt [REDACTED] involved then my own IRA then suddenly
things went very wrong I think any money that is available now should definitely go back to investors and some how age
should matter from what I understand there is a lot of older investors as is my mother at 83 and my aunt at 81 and I
think they the older investors should get as much as possible they don't have a chance to recover as much as younger
investors That all being said here is my main question how are IRA accounts going to be handled as far as their value and
devaluation I have been investigating this since the beginning and have yet to get answers from anyone that makes
sense I have talked my IRA custodian I have talked to the IRS no one seems to know The question simple is if I have
\$10,000.00 in my IRA that is now worthless how do I make that IRA through my custodian and the IRS \$0 without
penalty I hope the question is clear enough if not please contact me at [REDACTED] for clarification

Thanks in advance [REDACTED]
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 5:41 PM
To: Pappas, Catherine E.
Subject: SEC vs Robert Stinson

34

Catherine, I received your letter and I am one of the investors that lost over \$25000 in this scheme. I would sooner the money went to charity as compared to the receiver or worse yet the attorneys. They will have a lifetime to earn another great fee or cases, whereas there is virtually no chance of any recovery for my "investment". I hope you can prevail to get at least half, and even so that will be a fraction of the investment, but at this point any settlement much appreciated. My full name is [REDACTED] and several years ago I did forward my extensive records regarding my account and this case. I am approaching retirement in the next few years and eve penny will be needed just to maintain an average existence. As far as I know the brokers that pushed this investment in Greenwood Village CO are going about business as usual. My address on file is correct but I have two new email addresses: [REDACTED] and [REDACTED] I hope the SEC can prevail in this case. I can also be reached on my cell at [REDACTED] I wish I could be present for the hearing but am unable to do so. Best of luck [REDACTED]

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]

Tuesday, November 25, 2014 4:45 PM.
Pappas, Catherine E.
SECv.Robert Stinson, Jr.

45

Dear Catherine Pappas:

I would agree with the Securities and Exchange Commission in opposing the Receiver's request. The investors (I lost \$75,000 in the first week of my investment in Life's Good STABL) should receive some return on their investment from whatever is recovered. Otherwise, what is the use of going thru the whole process? It cannot be just to reward the lawyers, can it?

Sincerely,

[REDACTED]

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]
Tuesday, November 25, 2014 3:50 PM
Pappas, Catherine E.
SEC decision

235

Katherine, as per our conversation this morning, I am in favor of the SEC's decision. Thank you.

Pappas, Catherine E.

From: [REDACTED]
Sent: Tuesday, November 25, 2014 9:36 PM
To: Pappas, Catherine E.
Subject: Robert Stinson Jr case

55

November 25, 2014

Catherine:

Once again, thank you for all your office has done in this matter.

We received the letter dated 11-21-2-14 regarding the disposition of the remaining \$420,000 recovered funds. Of course we are aware, and thankful of the efforts of the many attorneys, and others who make up the receivers staff, but we sure hope that the courts choose to disperse a substantial portion to us defrauded investors.

We lost \$110,000 to R. Stinson Jr in the Life's Good STABL Mortgage Fund, the Capital Growth Fund, and Pensco, the custodian.

We can't make the court date, but as per the request for our opinion, once again, we would like as much of the remaining funds as the court deems acceptable, to be distributed to defrauded investors.

Thank you again for all your work, you can reach us at [REDACTED]

[REDACTED]

EXHIBIT C
(part 3)

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 2:35 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr, et al

#58

Hello Ms. Pappas,

I'm responding to your letter dated November 21, 2014 regarding the disposition of the recovered cash. First, I find it odd that there is a question about how these funds should be handled. Isn't there an agreement in place with the Receiver dictating how recovered funds are disbursed? Sloppy work if not. Further, any law firm that is collecting delinquent/missing funds is typically on a contingency fee basis of 30-40%. Either way, 100% (or 50% as proposed by the SEC) is egregious and causes me to question the entire process - who are the injured parties here and who is looking out for them/me??? And the fact that taxpayer funds will be spent to have yet another hearing over this is a ridiculous waste of time and money. Very disappointed.

Kind regards,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 9:16 AM
To: Pappas, Catherine E.
Subject: Life's Good Receivership

#156

Dear Ms Pappad

I'm very saddened by the letter I received from you dated 11/21/2014. Firstly I feel there wasn't sufficient notice given to attend this hearing as I reside on the west coast.

I was once again am being victimized by a system that is suppose to protect and serve the interests of its citizens. I'm 100 percent opposed to the (Receiver's) request to absorb all monies recovered ! I personally have lost over 300 thousand dollars and would like to recover some of my stolen money. The receivership should receive nothing until the victims receive distributions.

I lost money to two different entities of this scam, (STABL) and (High Yield). At the very most the receivership should get 20 percent of the collected monies. Thank you for making me aware of these latest unsettling events.

Cordially,

[REDACTED]

Sent from my iPhone

Pappas, Catherine E.

From: [REDACTED] #157
Sent: Wednesday, November 26, 2014 9:52 AM
To: Pappas, Catherine E.
Subject: Receiverships Request to make off with monies i was defrauded of

Madam Pappas;

I am deeply grieved b your letter dataed 11/21/2014, stating that the very individuals hired by the court or whomever, to track down my absconded monies now would like to victimize me a second time, by taking/absconding off with what they were able to collect or they working for the victimsor their greedy selves. Unbelievable! I beg you to make the judge aware of my avid protest of this travesty. Also I have monies invested with Keystone State Capital Corp. and STABL Mortgage Fund. My entire 401k. Thank you, Madam Pappas for your tireless efforts in this regard.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From:

Sent:

To:

Subject:

[REDACTED]
Tuesday, November 25, 2014 10:16 PM

Pappas, Catherine E.

Hearing December 1, 2014 - SEC v. Robert Stinson, Jr.

14

Dear Ms. Pappas,

In response to your letter dated November 21, regarding the distribution of funds. My opinion is that at least half, if not all of the recovered funds should be distributed to the affected investors.

I would like you to call me at your earliest convenience sometime next week or after the hearing because I have a couple of questions you may be able to answer.

Sincerely

Pappas, Catherine E.

From:
Sent:
To:
Subject:

[REDACTED]

Tuesday, November 25, 2014 9:44 PM
Pappas, Catherine E.
Opinion on \$\$ re SEC v Stinson

271

Good Evening,

I guess the most upsetting item other than having money stolen by someone living a lavish lifestyle is that only 420,000\$ was recovered. Selfishly, I want any money I can possibly get. I was obviously ill advised by our financial advisor and our children's money for college is gone. I would like everyone who lost money to get all they possibly can. I do appreciate the efforts to recover the funds.

Sincerely,

[REDACTED]

247

November 25, 2014

Ms. Catherine E. Pappas
Senior Trial Counsel
U.S. Securities and Exchange Commission
1617 JFK Boulevard, Suite 520
Philadelphia, Pennsylvania 19103

Sent by email: pappase@sec.gov

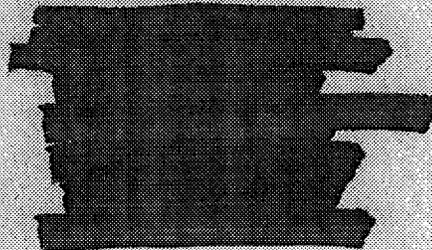
Re: SEC v. Robert Stinson, Jr. et al., 10-CV-03130 (BMS)(E.D. Pa.)-Investor 0247

Dear Ms. Pappas:

I write to oppose the Receiver's request that all recovered funds be paid to the Receiver and his counsel and support the Securities and Exchange Commission's position to permit the distribution of at least half of the recovered funds to some or all of the 274 defrauded investors.

I and my wife have been forced to postpone our retirement because of the loss of our investment in Mr. Stinson's scams. We have been forced to continue employment for at least 5 years beyond our expected retirement age. We have lost our entire investment of over \$30,000 in this fraudulent scheme. We wrote the Receiver in January 2012 to determine if there will be a partial recovery and got no useful response. To permit the Receiver and its counsel to receive everything serves none of the investors. In the interest of justice, we request that there be a ruling in favor of the investors. We would appear at the hearing but for the fact that the travel expense increases our loss.

Yours,

A large, solid black rectangular redaction covers the signature and name of the sender.

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 7:51 AM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr.

16, 17

Catherine,

My wife [REDACTED] and myself, [REDACTED] agree with the SEC that at least half if not the majority of recovered funds should go back to all the investors.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Tuesday, November 25, 2014 10:38 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson

78

I think we should get as much as we can of the funds.

[REDACTED]

Pappas, Catherine E.

From:
Sent:
To:
Subject:


Wednesday, November 26, 2014 12:02 AM
Pappas, Catherine E.
Stinson/SEC

#134

Here is my opinion:

I believe the whole amount should go to the investors! It's our money, not the Receiver's. From what I've seen he's been paid over the course of this investigation (or whatever you want to call it), and shouldn't be making money on our misfortune!

Thank you,



Pappas, Catherine E.

From: [REDACTED] # 23
Sent: Wednesday, November 26, 2014 9:32 AM
To: Pappas, Catherine E.
Subject: SEC vs Robert Stinson, Jr., et al ... distribution of recovered proceeds

Re: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) E.D. Pa)

Dear Ms. Pappas,

Received your letter regarding the distribution of "recovered funds" and the *preposterous* request by "the receiver and his counsel" that ALL of said funds be used as for payment of their fees. I was robbed by Robert Stinson et al ... THIS request just adds insult to that injury!

In short, I CONCURE with you and your request that AT LEAST HALF of the recovered funds be returned to those from whom they were stolen!

THANKS for the opportunity to reply. Respectfully,

[REDACTED]
victim
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 3:43 PM
To: Pappas, Catherine E.
Subject: SEC vs Robert Stinson submission
Attachments: Lifes-Good-Stabl [REDACTED] investment.pdf

#158,159

Hello Ms. Pappas,

In response to your letter dated 11/21/14, I am strongly in support of the SEC's position of distributing the greater percentage of recovered assets (\$420,000) to the defrauded investors.

The funds invested by my wife and I were retirement funds, crucial for supporting us in our retirement years. The SEC should be applauded for moving to protect all of the investors.

Attached is evidence of our investments:

[REDACTED]

I request that this communication and the attached investment evidence be added to the public record in this case.

Yours Truly,

[REDACTED]
Trustee, [REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 1:07 PM
To: Pappas, Catherine E.
Subject: SEC V. Robert Stinson, Jr. Etc.

201,200

26 November 2014

Catherine E. Pappas
Senior Trial Counsel
Securities and Exchange Commission
1617 JFK Boulevard, Suite 520
Philadelphia PA 19103

Subject: SEC V. Robert Stinson, Jr. Etc.

Dear Ms. Pappas

Thank you for taking the side of the investors in this case. The Receiver was appointed by the Court to recover assets for distribution to the investors. If they do not distribute at least 2/3rds of the recovered money to the investors they have failed in their assigned duty and should not be paid anything. If they get paid everything they recovered why did you and the court get involved- Just to make a lot of money for the Receiver and his counsel? I agree they should get paid something but it was the investor's money they were to recover not just to make money for themselves. If they get paid all recovered monies then your work and the work of the court system was in vain. Thank you for you assistance in this matter.

Sincerely

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 5:34 PM
To: Pappas, Catherine E.
Subject: 10-CV-(BMS) E.D.pa SEC v Robert Stinson

#004

I got your letter regarding distribution. I think the receiver should not be getting all the funds. maybe it can be devided propotionately.

[REDACTED]

Pappas, Catherine E.

007

From: [Redacted]
Sent: Tuesday, November 25, 2014 1:37 PM
To: Pappas, Catherine E.
Cc: [Redacted]
Subject: SECvRobert Stinson, Jr.,et al., 10-CV-03130 (BMS) E.D.Pa)

Dear Ms. Pappas:

In reference to your letter dated November 21, 2014, if I understand the concept of receivership, it is to relieve the obligation of the offending entities (Life's Good, Inc., Life's Good STABL Mortgage Fund, LLC, Life's Good High Yield Mortgage Fund, LLC, Life's Good Capital Growth Fund, LLC, Life's Good Capital Fund, LLC, IA Capital Fund, LLC, and Keystone State Capital Corporation) from their responsibilities to their investors. It is also my understanding that these entities were either established by, run by, or employed the convicted felon, Robert Stinson, who was the mastermind behind this whole hoax.

My question is, "Why should the victims of this hoax, pay for the mitigation of their crime?"

Not only did the victims of this hoax lose all our savings to crooks, we are now able to pay for their defense. Wow! Ain't America grand? (Sarcasm)

I am in agreement with the SEC and oppose the Receiver's request. I feel that all of the funds recovered should be distributed to the victims. The distribution can be done equally or on a percentage of investment basis. Of course, the amount will not be able to replace all of the funds lost, and will not be able to erase the hardships that have been suffered by the acts of the defendants, the fact that the defendants will not be able to benefit from their heinous acts, is comforting. What's right is right.

Mr. Stinson, did this before, and the government, by neglect, allowed him to do it again. Yes, he is in prison, but at least his everyday needs are taken care of, housing, food, etc., which, for some of us, this is not. Please, do not let this miscarriage of justice happen again.

Of course, due to being a very senior citizen and my financial situation, I will not be able to attend the hearing in Philadelphia. Please relate my opinions and wishes to the court.

Sincerely,

[Redacted Signature]

Pappas, Catherine E.

From: [REDACTED] # 220
Sent: Tuesday, November 25, 2014 3:16 PM
To: Pappas, Catherine E.
Subject: Re Your Letter, SEC v Robert Stinson, Jr, et all, 10-CV-03130, Nov 21, 2014

I am [REDACTED], a former investor in 5 shares of Life's Good STABL Mortgage Fund, purchased Jul 1, 2009 for approximately \$10,000 and held in a Roth IRA account at [REDACTED]. This is in response to your letter as regards my opinion about the distribution of recovered funds.

In my opinion, I believe the SEC is in a much better position than I am to make a reasonable, fair decision regarding disposition of the funds, and I will support the SEC's position in this matter. There are just too many documents that would need to be reviewed to have even a minimally sufficient understanding of what all the receiver has done to try to recover the funds, but it seems to me that the receiver and his counsel should have been sufficiently experienced in handling matters of this nature to have been able to judge whether their efforts and billed costs would exceed what would likely be recovered. The purpose of the receivership was ostensibly to recover some funds for the defrauded investors, not to provide billable hours and income for the receiver and his counsel. Accordingly, I believe the receivership has essentially been a failure if all of the funds are used to pay the receiver.

[REDACTED]

Pappas, Catherine E.

From:

[REDACTED]

#260

Sent:

Tuesday, November 25, 2014 12:07 PM

To:

Pappas, Catherine E.

I need whatever money we can recover to pay tuition for my two sons in college. I believe the receiver has already gotten the lion's share of money recovered. Is there any way I can write off my loss since the money lost came from an IRA type annuity. Thank you. [REDACTED]

Pappas, Catherine E.

From: rvmartinezlawofc@aol.com
Sent: Tuesday, November 25, 2014 11:21 AM
To: Pappas, Catherine E.
Cc: [REDACTED]
Subject: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D.Pa)

Dear Ms. Pappas:

Please accept this written reply on behalf of my client, [REDACTED] #216, with regard to your letter dated November 21, 2014, advising him of the hearing scheduled for 9:00 a.m. on December 1, 2014, in Courtroom 13B, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia PA 19106.

As a former investor in the entity defendants named in the above cause [REDACTED], were he able to attend the hearing, would express his opinion that the assets recovered by the Court appointed receiver should be distributed in part (at least half of the assets recovered) to all of the 274 defrauded investors. Please advise the court of my client's position with regard to the recovered assets at the hearing.

Sincerely

/s/ Vince Martinez
Attorney at Law

Pappas, Catherine E.

From: Pappas, Catherine E.
Sent: Tuesday, November 25, 2014 11:08 AM
To: Pappas, Catherine E.
Subject: FW: Lifes Good fund. [REDACTED]

From: [REDACTED] #204
Sent: Tuesday, November 25, 2014 11:06 AM
To: Pappas, Catherine E.
Subject: Lifes Good fund. [REDACTED]

Hi Cathi, we received your notice about the hearing on Dec 1st. Certainly I am bias towards the investors on this. We were the ones that trusted this SEC registered security and were cheated out of money. So I would be for a distribution that allowed the greatest percentage to the defrauded investors. Happy to discuss more. Thanks!

[REDACTED]

EXHIBIT C

(part 4)

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 4:35 PM
To: Pappas, Catherine E.
Cc: [REDACTED]
Subject: FW: SEC vs. Robert Stinson
Attachments: SEC ltr 11-21-14.pdf

#61,60

Resend of message below to corrected address.

[REDACTED]

Sent: Wednesday, November 26, 2014 3:25 PM
To: 'ppasc@sec.gov'

[REDACTED]

Subject: SEC vs. Robert Stinson

Ms. Pappas,

Regarding your letter dated 11/21/2014 (attached) received today announcing the meeting scheduled for December 1 on the distribution of funds, My wife [REDACTED] and me [REDACTED] agree with the SEC that at least half of the remaining funds should be distributed among those who have incurred the most damage. My understanding is that the Reciever and counsel have been paid routinely on the work as it was done. We have no problem with their efforts, but splitting up the take seems a bit simplistic for such a tragic ending to most.

My wife and I invested over \$580,000 into the Stinson programs, all of which we have substantiated to the your office and the court. We both readily volunteered for depositions to assist the court, and to show the seriousness of our claims we have contracted with the Pepper Hamilton firm to protect our interest since the first announcement of the Stinson filings. Our investment was made late in the scheme and no funds of any kind were ever received from the Life's Good programs or from any other Stinson related entity.

Both my wife and I strongly suggest that the distribution be shared with the victims that received no funds periodically during the duration of the schemes and invested the most heavy. We fully support the demands of the SEC as a minimum.

Since we just received the letter today we will not be attending the December 1 meeting, but will attempt to have representation from Pepper Hamilton although it may be hard for them to schedule for the same reason. Please don't take our not being there as a message of limited concern.

Thank you for your handling of this whole process with diligence and transparence. We are available at any time to discuss the case. Cell numbers are listed below. Also, if there is a teleconference of the meeting please forward the number and we will call in.

Sincerely,

[REDACTED]

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 1:34 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson

135

Dear Catherine Pappas,

I am shocked and appalled that Kamian Schwartzman, the receiver for this case, wants all the money for himself and his law firm. Splitting the \$420,000 in half between him and the investors is a better solution, although it will result in very little money for any investor. I invested \$12,000 in what I thought was going to help rebuild inner city Philadelphia through giving loans to small construction companies. What a nightmare this has been!

For more than 4 years, Kamian Schwartzman has been filing lawsuits that have resulted in nothing for investors and a steady income stream for himself. It just seems like he has been lining his pockets without really helping any of the people who have been defrauded. And now he is asking for all the money recovered? That is unconscionable! Without a doubt, he is completely unethical and the worst kind of lawyer.

DO NOT let him have more than half the money. I would argue for less than that since he has been earning money for four years on this lawsuit and all the related ones he has filed. Who was holding him accountable all the way along? It seems like Hon. Berle M. Schiller wasn't really paying attention to what was happening and just continued to grant him the right to continue as receiver for years and years with little result. If you read the reports Schwartzman submitted on line, they kept saying the same thing for years. He probably just did a quick cut and past to update the reports because so many of the pages were identical from one report to the next. And all the reports kept saying we are still trying to recover money and we don't know yet if any investor will every get any. I guess he could say that since he planned to keep for himself whatever was left after he got off the gravy train of this case.

I am so angry with him and wonder whether any attempts have yet been made to get him disbarred.

Please make sure this letter is included in the public record in this case. Also please keep me informed of any future developments.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, November 26, 2014 4:05 PM
To: Pappas, Catherine E.
Subject: SEC vs Stinson, Jr. et al 12/1/14

229, 1, 228

Dear Ms. Pappas: If the Receiver's request is granted, then what was the purpose of appointing him? He was supposed to recover as much of the stolen funds as he could in order to make some restitution to investors. By reading the quarterly reports and associated postings, it became apparent that after an initial balance was accumulated, most recoveries were offset by withdrawals for fees and expenses. A balance of \$853,326.53 in the 7/29/11 filing is now approximately \$420,000. As the recovered funds came from many different sources rather than a few large accounts, shouldn't an experienced Receiver have contacted the investors to provide an opportunity to determine whether to continue or divide the balance already collected? The Morningstar litigation was pursued because it was anticipated that the recovery would be so small. Investors have received nothing and were kept in the dark as to the direction of the receivership. Since we are now consulted by you, I recommend in my name; for [REDACTED] and for [REDACTED] (I am the representative for both) that all the remaining funds be shared by the defrauded investors. I respect your sense of fair play in offering a compromise split, but again state that investors were not consulted about managing the goals of the receivership, and investors' assets have decreased over time.

There is ample precedent for disbursing any remaining funds to defrauded investors whether it be from hedge funds, mutual funds, stocks or other investments. Monies go to those who returned forms, and in proportion to the number of shares held. Reference to our percentages was made in quarterly reports, but they have not been revealed.

Despite the efforts of many people over the last 4.5 years, the position of the defrauded investors has not improved much. I would like to express my thanks to you for your performance of your duties from the beginning in July, 2010 to the present, and wish you well in the future.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED] # 186
Sent: Monday, November 24, 2014 11:38 PM
To: Pappas, Catherine E.
Subject: Life's Good inc.

Ms. Pappas,

I am writing to express my opinion on the matter concerning the receiver for this case wanting to keep the money for themselves. I think there has been a tremendous injustice done to the defrauded investors like myself and now this news adds even more insult to injury. It is my opinion that all of the money should be distributed to the investors not to the receiver. My entire college fund for my oldest child was lost in this scam \$32000 now what little we may have had a chance at recovering is being stolen again by the receiver. The little guy always loses.

V/R
[REDACTED]

Sent from my iPhone

Pappas, Catherine E.

From:  #155,
Sent: Monday, November 24, 2014 10:07 PM
To: Pappas, Catherine E.
Subject: SEC vs Robert Stinson

Hello Ms. Pappas,

We received your letter in the mail today and we are not able to attend the hearing but would greatly like to relay our feelings on this case. As you may know, we lost 122,000 of our retirement money and have been very distraught about this situation. Since the loss of these funds, I got laid off, had a heart attack and needed open heart surgery, got laid off again after returning to work from medical leave. I have since found work but I do not get paid at all what I had been getting prior to the lay offs. It has been a very trying few years and this would give us something positive to see happen. We had been working with a lawyer in Philadelphia on attempting to recover some of these funds but that did not go in our favor and the case was closed. We would, obviously, love to get any portion of these stolen funds back. It is unbelievable that the Receiver feels justified in keeping all of those funds. I am sure there was work involved but we, along with all 274 investors I'm sure, feel we are owed some, if not all, of our money back that was so clearly stolen from us. It feels as if the Receiver is just another person ready and willing to steal from us. That money never belonged to the Receiver in the first place and yet he feels justified in keeping it all with no restitution to us, the real victims? That must be the only reason the Receiver went after it in the first place, to re-steal stolen money. We would have gladly made an appearance in court on this, if we had been given more time to get the day off from work. We greatly appreciate your letter and efforts to recover some of these funds for us and please extend our desire that ALL of these funds be distributed in a fair manner to all 274 victims. Getting something back is better than nothing at all. Thank you very much.

Sincerely,

Pappas, Catherine E.

From: [REDACTED] # 009
Sent: Monday, November 24, 2014 11:27 PM
To: Pappas, Catherine E.
Subject: Hearing on December 1st for SEC vs Stinson et All - 10-CV-03130 (BMS) (E.D.Pa)
Importance: High

Catherine -- I understand there's a hearing at 9 am on December 1 that has to do with funds that were recovered. I have not received any information and I invested in Life's Good Inc, STABL Mortgage fund. I would think if there are funds recovered I should be on the list. I invested almost \$500K.

Thanks,
[REDACTED]

Pappas, Catherine E.

From:  #132
Sent: Monday, November 24, 2014 10:52 PM
To: Pappas, Catherine E.
Subject: Dec 1 Hearing, disposition of funds ico Robert Stinson, et al, Life's Good STABL Funds

Catherine E. Pappas
Senior Trial Counsel
SEC, Philadelphia Regional Office
1617 JFK Blvd. Suite 520
Philadelphia, PA 19103

Re: SEC vs Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

Ms. Pappas,

This letter is in response to your notice of a scheduled hearing on December 1, 2014 in courtroom 13B regarding the disposition of approximately \$420,000 recovered on behalf of investors in Life's Good STABL Mortgage Fund and others.

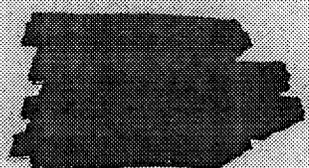
For the court appointed receiver and attorneys to request all recovered funds be awarded to them is ludicrous. The duped investors in these funds have been seriously harmed. For me in particular, the loss of my investment in this fund has caused financial hardship and serious emotional damage.

Early in 2010, \$50,000 was invested on my behalf, but against my will. It was purchased inside another fund named "Altus Capital Opportunity Fund" by a company then called "Total Wealth Management" operated by a Jacob Cooper. The SEC has since forced Mr. Cooper to cease operations and Total Wealth Management is in the process of folding into "Elevage", a subsidiary of Auriga.

It would seem that the Mandatory Restitution Act of 1996 would give investors their fair share of any recovery. When the receiver and attorneys agreed to attempt recovery of funds, they had to know that they would be asked to share a portion of the recovered money. The receiver's position in this matter places them in the same category as Mr. Robert Stinson!

Please ask the court to be fair and return at least half of the recovered funds to the defrauded investors.

Thank you for your representation,



Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, November 24, 2014 5:57 PM
To: Pappas, Catherine E.
Subject: SEC v. Stinson

#102

Dear Ms Pappas,

Thank you for your letter regarding the distribution of the approximately \$420,000 in the SEC v. Stinson case. For the record, I am absolutely opposed to all the funds going to the receiver. I would hope the Receiver had a better knowledge of what he was getting into than we investors did. Therefore, I think at least half should be dispersed to the investors. Yes, I am one who invested in good faith in Stinson's scheme.

Thank You for your efforts in representing the investors here to fore and at the hearing.

Sincerely,

[REDACTED]

Pappas, Catherine E.

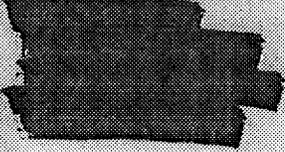
From:  # 182
Sent: Monday, November 24, 2014 5:50 PM
To: Pappas, Catherine E.
Subject: SEC vs Robert Stinson Jr., Request for distribution of funds.

Ms. Pappas,

I received your letter today and would like to reply and voice my opinion on the distribution of funds recovered in this case.

I fully believe the Receiver needs to be compensated for the work they have done but I don't feel they are entitled to all of the monies recovered. I invested in this company in good faith. I rolled my entire 401k into this unaware that it was a scam. I have lost my money and any money an honest investment would have earned over the last few years. This money was to be a portion of my retirement and it is now lost due to the dishonesty of the many people involved in this company. I feel myself and any other person/s who fell prey to this should get our money back in full. Our money was stolen and we deserve to get it back. I believe that myself and the other investors in this case are the victims in this fraud and are relying on the courts to be fair and just in the decision of distribution of the recovered funds.

Thank you,



Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, November 24, 2014 5:06 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr

41

Dear Ms. Pappas,

I am one of the defrauded investors in this case, and I support your position that the recovered funds should be distributed to us asap.

Thank you for your attention in this matter.

[REDACTED]

Pappas, Catherine E.

From:

[REDACTED]

187

Sent:

Wednesday, November 26, 2014 11:32 AM

To:

Pappas, Catherine E.; kamian.schwartzman@lifegoodfundsreceivership.com;
david.axelrod@usdoj.gov; thetweet@msn.com; rmsell53@aol.com

Hello- My name is [REDACTED] I am a victim in the Robert Stinson Ponzi case. I learned that we will not be getting any money back because the lawyer, Kamian Schwartzman, has decided to take any thing that was to be returned to us for himself. This lawyer is doing to us, the same thing that Stinson did- but legally. Why won't the SEC investigate him!! It has been 5 years and he could not bring this to a successful conclusion. I have called him month after month and year after year with no results. The final insult came when I found out that he was taking over \$200,000 per qrt. to "represent" me. Why don't you go after him like you did Stinson? I want any money that is due me to come to me NOW!

Thank you

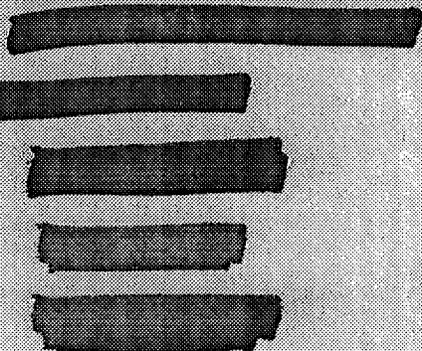
[REDACTED]

#90

Dear Ms. Pappas,

We received your letter dated November 21, 2014, regarding the SEC v. Robert Stinson, Jr. My wife and I were victims of this fraud and appreciate your assistance with this matter. We do not agree with the Receiver's request to receive all of the funds that were recovered. The true victims of this scam are the ones that should be entitled to the funds. We understand that work has been done by the Receiver to obtain the funds; however, we feel that the victims should receive the majority of the money and not the Receiver. It is our opinion that the victims should receive more than the half that the SEC has asked for, but we would much prefer half instead of none. Also, it seems to us that the terms of the Receiver's contract regarding pay would have already been addressed prior to beginning the work. Please take into consideration our opinion on this matter and feel free to contact us if needed.

Sincerely,

A series of five horizontal black bars redacting the signature and address of the sender.

Pappas, Catherine E.

From: 
Sent: Wednesday, November 26, 2014 10:51 AM
To: Pappas, Catherine E.
Subject: Robert Stinson Case

#109

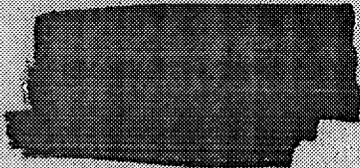
Catherine Passas,

Thank you sincerely for all your efforts to help us thru all these years.

Since 2010, we have never received any distribution to date after investing \$25,000 dollars.

The recovered funds should be shared with the defrauded investors and any cash settlement would be greatly appreciated, especially at this time of year.

Thank You.



Pappas, Catherine E.

From:

[REDACTED]

211

Sent:

Monday, November 24, 2014 4:00 PM

To:

Pappas, Catherine E.

Subject:

SEC v. Robert Stinson, Jr., et al., !)-CV-03130 (BMS) (E.D. Pa)

Catherine E. Pappas

Regarding the distribution of recovered funds: I believe all the recovered funds should be paid to the investors in the entity defendants.....all 274 defrauded investors.

[REDACTED]

Pappas, Catherine E.

From:

[REDACTED]

227

Sent:

Monday, November 24, 2014 2:39 PM

To:

Pappas, Catherine E.

Subject:

:Subject: Robert Stinson

Ms. Pappas,

In response to your letter of November 21, 2014, I go on record as stating that I am against all the recovered funds, approximately \$420,000, being paid to the receiver and his counsel.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Saturday, November 29, 2014 12:02 PM
To: Pappas, Catherine E.
Subject: SEC VS ROBERT STINSON JR.

#183

THANK YOU CATHERINE E. PAPPAS FOR INFORMING ME ABOUT THE SETTLEMENT REGARDING ROBERT STINSON JR.

I DID NOT RECEIVE YOUR NOTICE UNTIL AFTER 5:00 P.M. LAST NIGHT OR ON NOVEMBER THE 28TH,

I JUST OPENED MY MAIL THIS MORNING AND AFTER READING YOUR LETTER TO FIND OUT THE TIMING OF IT

MR. STINSON JR AND HIS COMPANY LIFE'S GOOD COMPANY WAS NOTHING MORE THEN A FRAUD . .

THE ATTORNEY'S REPRESENTING HIM HAD TIME TO EVALUATE HIM AND THEIR POTENTIAL CASE TO REPRESENT HIM .
THEY HAD THE TIME TO ESTIMATE THE VALUE OF THE CASE BEFORE THEY ACCEPTED IT.

THEREFORE THEY SHOULD UNDERSTAND THAT THEY WOULD NOT BE ENTITLED TO ALL OF THE REMAINING ASSETS.
MR. STINSON SHOULD HAVE HAD AN ATTORNEY APPOINTED BY THE COURT TO REPRESENT HIS CRIMINAL CASE

A RECEIVER SHOULD BE ENTITLED TO SOME ATTORNEY'S FEES , KEEPING IN MIND THAT THE INVESTORS WHO OWN THE
ASSETS NEED TO BE COMPENSATED .

THANK YOU

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Saturday, November 29, 2014 4:14 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

#250

Dear Ms. Pappas,

I apologize for not replying sooner. I was out of town when your letter arrived. I oppose the receiver's request and think the recovered funds should be distributed to the investors as proposed by the SEC.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From:

[REDACTED]

Sent:

Sunday, November 30, 2014 6:10 PM

To:

Pappas, Catherine E.

5

Cc:

[REDACTED]

Subject:

Hello Ms. Pappas,

Unfortunately my husband [REDACTED] unable to attend the hearing tomorrow, Dec. 1, 2014 for his flight from Philippines got delayed and expect to arrive on Tuesday Dec. 2 instead of Sunday Nov. 30, 2014. I may not be able to attend as well because of work and not confident driving around downtown.

We would be very much interested the outcome of this hearing and hoping the resolution of this case be in our favor. Thank you very much.

Sincerely,

[REDACTED]

EXHIBIT D

Pappas, Catherine E.

From: [REDACTED]
Sent: Tuesday, December 09, 2014 12:38 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr., et al.

221, 222

Ms. Pappas,

Thank you for your letter of 21 November 2014 advising of a December 1st hearing on the Stinson case. Unfortunately I did not receive the notice until today (9 DEC). This is due to a relocation and new mailing address. If any funds are recovered and distributed to investors, I would certainly like to be included as a substantial portion of my daughter's college fund was lost there.

If you would also be kind enough to update my mailing address in your records, I would be most appreciative. My former address was [REDACTED] New address is [REDACTED] Future correspondence will reach me there. Thank you in advance for your attention to this matter.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Sunday, December 07, 2014 9:16 PM
To: Pappas, Catherine E.
Subject: Fw: Defrauded Investor

263

On Sunday, December 7, 2014 8:25 PM, [REDACTED] wrote:

I was one of the defrauded investors that invested two thousand dollars. I was under the presumption that I was receiving 16% interest on the monies that was supposed to have been a hedge fund account. I know the lawyers did their work to receive some type of payment, but they should have some sympathy for the defrauded investors that they should receive a partial payment of some type, I know it won't be much out of what was recovered from Robert Stinson's assets , but I think it beats a total loss.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Wednesday, December 03, 2014 6:02 PM
To: Pappas, Catherine E.
Subject: Robert Stinson Jr. et al Fraud Case

75

Dear Ms. Pappas,

I am writing this note since I was an investor, who was harmed in the Robert Stinson fraud case. I invested \$5,000 for my retirement and wish to be made whole as fair as possible. I understand that \$420,000 was recovered and the receiver wants all of these funds as his payment. I think this idea is grossly unfair and adds insult to injury. Listed below are my reasons why the recovered funds should be shared, first among the defrauded investors then, to the receiver.

First, as a School District of [REDACTED] teacher, this investment group came to my school and made their excellent presentation. With my retirement less than eight years away and our son's college tuition becoming due, this idea seemed appropriate and timely. Also, I thought this organization was vetted by the School District before being allowed into our school during a professional development day.

Secondly, I am now a retired teacher. Healthcare expenses are \$1140/month and an additional \$630/quarter for prescriptions.

Thirdly, I was always under the impression that the usual attorney fee was one-third, not 100%.

It is my hope the court will consider the above statements as valid arguments for an equitable distribution of the defrauded investors's funds. I wish to thank you for this opportunity allowing me to share my thoughts and opinions and taking the time to read this email.

Best regards,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Tuesday, December 02, 2014 4:46 PM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson

6

Thank you for notifying me of the case..the distance was too cost prohibitive. I would be interested in any information regarding this case...I filed with the SEC several years ago after losing 100K. I did sue my financial consultant for his poor investigative technique on this fund.I believe that he received quite a bit of kick back from Mr Stinson. I am sure this is old news though..Thank you in advance...

--

[REDACTED]

Pappas, Catherine E.

From: [REDACTED] <camilaborrerodds@yahoo.com>
Sent: Tuesday, December 02, 2014 3:26 PM
To: Pappas, Catherine E.
Subject: Robert Stinson

15

Dear Ms. Catherine:

Hello! My name is [REDACTED]
I was one of the clients that lost some money to Robert Stinson.
I was out of the country and my ex-husband sent me a letter you had sent to my old address regarding a hearing that happened yesterday.
I totally thought that money was a loss. Not sure what the outcome was with yesterday's hearing but let me know if you need any information on my behalf. Getting anything back would be a gift at this point.

I appreciate your information.

My new address is

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Thanks you again,

[REDACTED]

Sent from my iPhone

Pappas, Catherine E.

From: [REDACTED]
Sent: Tuesday, December 02, 2014 8:16 AM
To: Pappas, Catherine E.
Subject: SEC v. Robert Stinson, Jr., et al., 10--CV03130 (BMS) (E.D.Pa)

207

Attn: Catherine E. Pappas

I received your letter to late to respond by the 28th but I still wanted to make my feelings known. I was disappointed to note that you did not send a letter to my husband who lost around \$300,000 in investments but sent one to me. The amount found is nothing compared to the devastation caused. I do not have a retirement now. I will have to continue to work even though I should be able to retire. My husband also will have to continue to work. We have no insurance and are just waiting for Medicare to kick in on April 1st for me. You ask what to do with the money. Give it to the people who were cheated and swindled and now have nothing.

--
[REDACTED]
Nora
Principal Broker
New York
40
VA 22180
95
6092

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 10:00 PM
To: Pappas, Catherine E.
Subject: Re: Life's Good Funds Receivership

267

Dear Ms. Pappas,

This is a just a brief email with reference to the phone conversation we had earlier today with regards to "SEC v Robert Stinson Jr et al,10-CV-03130 (BMS) (E.D. Pa)" in which I'm one of the investor that lost \$55,000.00 along with other investors that end up losing our investment with the likes of Life's is Good,Inc. Keystone State Capital Corer p., Mortgage Fund, LLC and the other crooked corporations.

With the recovery of approximately \$420,000.00 relating to the case of Robert Stinson and his crooked corporation, I do not understand why the Reciever had requested that all of the recovered funds should be paid to the Receiver and his counsel for their work, this amount to greed on their part, don't they realize that the funds which was recovered is part of the funds that the defrauded investors invested with Life's Good and Keystone State Capital in good faith and should get back their investment funds, and what ever amount remains goes to the Receiver and his counsel for the energy they put into recovering assets from the plaintiff Robert Stinson Jr and company.

Sincerely,

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 9:57 PM
To: Pappas, Catherine E.
Subject: Standard Followup

241

Ms. Pappas,

First I wanted to apologize for speaking too fast on the voice mail, the first time I tried to leave a message I was timed out before I was able to finish the message. I was attempting to get in as much information as possible before I was timed out again.

Thus, I wanted to follow-up on our conversation to ensure that you had all of the appropriate information concerning my status. My current address is: [REDACTED] 0132. Phone Number [REDACTED] Email: [REDACTED].com The amount I had invested in Life's Good was \$200,000.

Concerning the disposition of recovered funds, of course I would be interested in recovering as much of the funds that I had invested as possible. I am not certain whether this communication is sufficient to your purposes. If it is not please feel free to contact me by whatever means you deem appropriate.

Thank you for looking out for the investors, it is the first time that I have felt that someone was doing so.

[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 9:27 PM
To: Pappas, Catherine E.
Subject: Stinson case

#65

I feel that the RECEIVER deserves reimbursement but on a % of 33% which is the usual contingency recovery fee. They should also receive 33% of monies recovered in their attempt to sue Morning Star magazine.

[REDACTED]
Anthony Farrow

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 2:56 PM
To: Pappas, Catherine E.
Subject: Re: SEC v. Robert Stinson Jr., et al., 10-CV-03130 (BMS) (E.D. Pa)

118

Dear Ms. Pappas,

Thank you for you letter regarding the hearing opposing the Receiver in Sec v. Robert Stinson, Jr., et al., 10-CV-03130 (BMS) (E.D. Pa).

As I will be unable to attend the hearing, I would like to voice my opinion. Any money retrieved should be returned to us, the investors from whom it was stolen. The money should, in no way be given to the

Receiver.

[REDACTED]
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 11:09 AM
To: Pappas, Catherine E.
Subject: Life's Good, Inc. Asset disposition

111

Hi, Catherine - I was disappointed to get the letter stating that the Receiver was requesting all of the funds recovered. Unfortunately we recently moved and so I didn't get your letter until this morning.

In the unlikely event that there are any funds available to us, could we have you update our address of record to:

Marcus Hoover
[REDACTED]
[REDACTED]

Thanks for your work on this case - I feel like a bit of a financial idiot having lost money in this scam and will definitely do more due diligence than relying on a fund rating and company-sent information in the future.

It's a shame more couldn't be recovered - I guess the defendants lived pretty well while the scheme lasted!

Regards,

Marc Hoover
[REDACTED]

Pappas, Catherine E.

From: [REDACTED] # 213
Sent: Monday, December 01, 2014 2:52 AM
To: Pappas, Catherine E.
Subject: SEC v Robert Stinson, jr., et al . Response to letter dated Nov. 21, 2014

Dear Ms. Pappas,

I apologize for sending this letter beyond the stated deadline of November 28, 2014. We were away for the holidays, and just received your letter today.

I was surprised to see that there is only \$ 420,000 at this point. The Receiver must have paid themselves hundreds of thousands of dollars up to this point. I believe everyone deserves to be paid for services rendered, but requesting the entire amount remaining is insulting. It feels like the same money has been taken twice. I never expected to receive anything close to the initial loss, but when I started to see the receiver was recovering money, sometimes large amounts, I started to believe a token amount would be distributed. I have contacted the receiver numerous times since they were appointed by the court. In the past year or so, the response regarding a possible distribution is that much of the decision will be made after the " Morningstar " case is decided. Obviously, I believe the remaining monies should be distributed to the investors.

In closing, I want to thank you, Ms. Pappas, for looking out for the investors / victims.

Sincerely,
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Monday, December 01, 2014 1:50 AM
To: Pappas, Catherine E.
Subject: SECv. Robertg Stinson Jr. et al., 10-CV-031130 (BMS) (ED PA)

#178

I was away for the Thanksgiving Holiday and just got back into town. Your letter was in my mail. Your letter was dated November 21, and it came in my mail over Thanksgiving holidays.

Yes, I invested \$50,000 into this ponzi scheme!!! It was a big part of my IRA. I am 63 and don't have the time to build this back up. I am still working today because of the loss of this capital. I was a non-accredited investor. \$420,000 divided by 2 is \$210,000. So 274 investors.hum. . . even if each investor got less than \$1,000., that would be less than 2% back. That is better than nothing. I thank you for fighting for us. This sucks!! I am glad that you guys went after this guy. I am glad that he is in prison. How can someone take advantage of other people like that. I don't understand.

Pappas, Catherine E.

From: [REDACTED] <cb@baueritd.com>
Sent: Sunday, November 30, 2014 11:38 PM
To: Pappas, Catherine E.
Cc: [REDACTED]
Subject: SEC v. Robert Stinson, Jr., et al

12

Dear Catherine,

Per your letter dated November 21st, we support any resolution that sees the maximum recovery that could be sent to those who were injured by the fraud perpetrated by Robert Stinson, et al, in the shortest time possible.

Sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Pappas, Catherine E.

From: [REDACTED]
Sent: Sunday, November 30, 2014 8:40 PM
To: Pappas, Catherine E.
Subject: SEC vs. Robert Stinson Jr et al [REDACTED]

#174

Hi Catherine –

Sorry this email is a little late.

YES, my opinion is that I should get my share of the \$420,000 that I was defrauded out of. Please do not just pay it out to the receiver and his lawyers. I feel that is not fair.

Thank you –

[REDACTED]

EXHIBIT E

Life's Good Funds Receivership
Cash Basis Fund Accounting Report
Civil Action No. 10-CV-03130
Reporting Period - 10/31/14 to 12/2/14

FUND ACCOUNTING		
	<u>Reporting Period</u>	<u>Since Inception</u>
Beginning Balance (As of 09/13/2010)		\$0.00
Beginning Balance (As of 10/31/14)	\$673,938.94	
Increases in Fund Balance:		
<u>Cash Transfers to Receivership</u>		
Total Transfers to Receivership	-	191,245.88
<u>Interest Income</u>		
PNC Money Market Account Interest	212.81	6,605.55
Interest on Preliminary Injunction Bond		37.04
<u>Expense Reimbursement</u>		
ADT Money Market Services Account Reimbursement	-	109.04
Federal Tax Refund		279.00
Unused CC Reserve		1,000.00
<u>Third-Party Asset Recovery</u>		
Matthew Razzano - Settlement	-	367,500.00
Matthew Razzano - Payments on Account	-	18,788.70
Joy Kreutzer - Settlement	-	17,500.00
D. Henderson - Settlement	-	15,000.00
2133 Arch Street Associates - Settlement	-	15,750.00
NG Productions - Settlement	-	105,144.87
Cunningham Piano - Settlement	-	21,000.00
EWB - Settlement	-	8,800.00
RH - Settlement	-	20,000.00
VIP - Settlement	-	82,000.00
Ganong - Settlement	-	85,000.00
Turcotte - Settlement	-	10,000.00
S. Stinson Retirement Account	-	10,063.13
NC Farm - Rental Payment	-	1,464.59
YSF - Settlement	-	47,901.71
Velle - Partial Settlement	-	1,500.00
AM - Settlement	-	125,000.00
Chesterbrook Property - Settlement	-	5,000.00
Jacksonville Property - Settlement	-	21,624.37
Aztec - Settlement	-	30,000.00
Cooper - Settlement	-	24,999.97
Staiano - Settlement	-	75,000.00
Talking Water Property - Settlement	-	30,000.00
Michael Paul Robertson Settlement		4,654.49
Best Sports - Partial Settlement	416.66	5,834.26
		1,149,526.09
<u>Sale of Receivership Property</u>		
Barry S. Slosberg, Inc.	-	232,601.60
Sale of Reading Property	-	34,829.54
		267,431.14

Life's Good Funds Receivership
Cash Basis Fund Accounting Report
Civil Action No. 10-CV-03130
Reporting Period - 10/31/14 to 12/2/14

Total Funds Available	<u>\$674,568.41</u>	<u>1,616,233.74</u>
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Decreases in Fund Balance:

<u>Disbursements to Receiver or Other Professionals</u>		
Receiver or Other Professionals		\$939,534.38
<u>Court Ordered Payments</u>		
Preliminary Injunction Bond (11-cv-03934)		
<u>Administrative Expenses</u>		
Receivership Taxes		1,983.95
Bank Fees		147.00
Total Funds Disbursed	<u>\$0.00</u>	<u>\$941,665.33</u>
Ending Balance (As of 10/30/2014)	<u>\$674,568.41</u>	<u>\$674,568.41</u>

Net Assets

<u>Cash & Cash Equivalents</u>		
PNC - Money Market Account	\$672,838.29	
PNC - Business Checking Account	<u>1,730.12</u>	
Total Cash & Cash Equivalents		\$674,568.41
 Total Ending Balance of Fund - Net Assets (As of 12/2/2014)		 <u><u>\$674,568.41</u></u>