

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 (the “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 and the Commission staff expects no further significant accretions to the amount available for distribution to investors.¹ By Orders dated January 8, 2015, and January 15, 2015, this Court directed the Commission to submit a final plan for the distribution of one-half of the net Estate, currently approximately \$213,567, to Stinson’s victims.

The Plan

The Plan sets forth the steps to be taken by the Commission staff, the Receiver, and a Court appointed Tax Administrator (Damasco & Associates LLP), to distribute of one-half of the net Estate to Stinson’s victims. In summary, and as more fully set forth in the Plan, if and when the Plan is approved by the Court, the Receiver will transfer the current Estate, less certain sums related to the repayment of the Receiver for held-back expenses, to a non-interest bearing account controlled by the Tax Administrator. At the same time, the Receiver will submit to the Tax Administrator a Final Receiver Accounting. (See ¶¶ 36-37). The Tax Administrator will then perform certain tax and distribution related functions, including: determine and satisfy distribution

¹ The Commission staff anticipates one additional, minor collection around March 15, 2015, arising from the sale of certain figurines not yet liquidated by the Receiver. As indicated in the Plan, ¶ 29, certain additional, anticipated collections will be paid to the Receiver in satisfaction of held back expenses.

reporting obligations, pay outstanding Estate expenses, perform the final calculation of the net Estate, pay one-half of the net Estate to the Receiver and his counsel for services rendered, distribute the remaining one-half of the net Estate to Stinson's victims, file a final tax return, and prepare a Fund Accounting for filing with the Court. (*See* ¶ 44, *et seq.*).

Objections and Resolutions to the Proposed Distribution

On or about January 14, 2015, the Commission sent Stinson's victims a letter accompanied by a distribution schedule setting forth the amount each identified victim lost. The Commission sought objections or corrections to the amounts set forth on the schedule. In response, the Commission received approximately fifteen objections.² Twelve of the objecting victims provided information or documentation that resulted in changes to the distribution schedule. Two other victims inquired about the calculations but did not further object after the Commission staff provided to them additional information. Finally, one investor objected to the minimal amount of the anticipated distribution but did not dispute the calculations in the distribution schedule. Accordingly, the Commission believes that all objections to the distribution have been resolved.

The Final Distribution Schedule

Attached is a current, revised, distribution schedule reflecting changes made following the objection process, as well as updated financial information received from the Receiver on February 26, 2015. In addition, in anticipation of a distribution and based on available information, the Commission has separated out, by investor, retirement and non-retirement accounts. The Commission staff expects that the reflected distributions will continue to change pending the transfer of the Estate to a non-interest bearing account and the satisfaction of the outstanding

² Accounts related to Investor Nos. 2, 20, 60-61, 79, 90, 141, 150, 168, 217, 227-29, 264-65.

expenses discussed in the Plan due to continued interest accretion, the adjustment of accounts after expense payments, and the nominal collection referenced in note 1.

Wherefore, the Commission respectfully requests that the Court enter the proposed Order accompanying this memorandum, approving the Plan and appointing a Tax Administrator.

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Respectfully submitted,

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