



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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May 22, 2006

Via Fax (631) 712-5606 and Regular Mail

The Honorable Thomas C. Platt
 United States District Court
 Eastern District of New York
 Long Island Federal Court House
 290 Federal Plaza
 Central Islip, New York 11722

FILED
 IN CLERK'S OFFICE
 U.S. DISTRICT COURT E.D.N.Y.

★ MAY 22 2006 ★

LONG ISLAND OFFICE

Re: *Securities and Exchange Commission v. William H. Goren, et al. Civil
 Action No. 00-0970 (E.D.N.Y.)*

Dear Judge Platt:

I am writing to provide a status report and to request execution of an order (the "Proposed Order," enclosed) to: 1. extend the deadline for holders of allowed claims to cash checks received from John Scura, the claims administrator ("Claims Administrator") relating to their allowed claims; 2. amend the final allowed claims schedule to include two additional holders of allowed claims; and 3. increase the case closing reserve from \$20,000 to \$25,000, in the matter referred to above.

Since the Court's entry of the Order, *inter alia*, (I) Fixing The Total Number And Amount Of All Claims; (II) Authorizing The Claims Administrator To Make A Final Distribution To Holders Of Allowed Claims; And (III) Authorizing The Establishment Of A Case Closing Reserve (the "Distribution Order") on October 27, 2005, the Claims Administrator completed the initial distribution. Approximately 290 checks have been cashed by creditors, and the current balance in the account maintained by the Claims Administrator is approximately \$179,000 (the "Balance").

The Distribution Order stated that all checks must be cashed by March 15, 2006 (§ 9). Since the March 15 deadline, however, a number of holders of allowed claims contacted the staff of the Securities and Exchange Commission ("Commission"), counsel for Richard Stone, the receiver ("Receiver") and/or the Claims Administrator about their

*The Honorable Thomas C. Platt
United States District Court
May 22, 2006
Page Two*

claims. Among other things, these holders of allowed claims provided us with updated addresses (and sufficient proof of such address) and corrected spelling of their names. In addition, two creditors not initially included on the final allowed claims schedule, Russell and Maria Fuller, contacted the Receiver's counsel on or about March 22, 2006 -- after the March 15 deadline -- alleging that they had unreimbursed promissory notes. We ultimately received sufficient proof from the Fullers that in fact they each had an allowed claim. As a matter of expediency and to save on judicial resources, we determined to distribute checks to all of these holders of allowed claims. As a result of the discovery of new information on holders of allowed claims and of two additional holders of allowed claims, the Proposed Order modifies the March 15, 2006 deadline (in §§ 9 and 11 of the Distribution Order) to May 31, 2006 so as to allow these holders of allowed claims sufficient time to negotiate their checks. The Proposed Order also modifies the final allowed claims schedule to include Russell and Maria Fuller as holders of allowed claims.

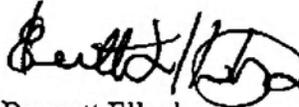
The Distribution Order also authorized the establishment of a case closing reserve of \$20,000 to pay the anticipated case closing expenses, including the fees of the Claims Administrator and Jude Damasco, the tax administrator ("Tax Administrator") (§ 7). The Proposed Order increases the case closing reserve to \$25,000 in order to assure that sufficient fees remain in the account to reimburse the Claims Administrator and Tax Administrator. To date, as a result of his distribution work, as summarized above, the Claims Administrator's fees are approximately \$ 12,260 (including disbursements) and the Tax Administrator's fees are estimated to be \$6,500. In addition, the Claims Administrator intends to make a second distribution to the holders of allowed claims (§ 11 of the Distribution Order authorized the claims administrator to make payment of the remaining Balance to each holder of an allowed claim or to make payment of the Balance to a charitable entity chosen by the Court, without further Court order, dependant upon the costs associated with making a second payment to the holders of allowed claims). The Claims Administrator, under separate cover, intends to file with the Court a Fee Application which will, *inter alia*, provide more details relating to the fees expended and his request for reimbursement.

*The Honorable Thomas C. Platt
United States District Court
May 22, 2006
Page Three*

If you have any further questions, please feel free to contact me at (212) 336-0062.

Thank you very much.

Very truly yours,



Bennett Ellenbogen
Attorney for Plaintiff
Securities and Exchange Commission

Encl.

cc: Jude Damasco (via fax)
Scott Davidson (via fax)
Jeremy H. Temkin (via fax)
John J. Scura, II. (via fax)