

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 21-61644-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MJ CAPITAL FUNDING, LLC,
MJ TAXES AND MORE, INC., and
JOHANNA M. GARCIA,

Defendants.

RECEIVER’S SECOND INTERIM REPORT

Corali Lopez-Castro, as Receiver (“Receiver”) over MJ Capital Funding, LLC (“MJ Capital”) and MJ Taxes and More Inc. (“MJ Taxes,” and collectively with MJ Capital, the “Receivership Defendants”), submits this Second Interim Report (the “Second Report”) in accordance with the Court’s Order [DE 17] appointing her as Receiver.¹

INTRODUCTION

Johanna Garcia and several other individuals solicited investments in MJ Capital and MJ Taxes through false representations that the investors’ money would be used for, and investment returns would be paid from the proceeds of, Merchant Cash Advance (“MCA”) transactions, and the investors would receive returns of 120% to 180% annually. It appears that very little of the investors’ money, if any, was actually used for MCA transactions. Investor funds were used

¹ The receivership has been expanded to include, and the receiver has been appointed over, the Pavel Companies (defined below) pursuant to the Order Granting Receiver’s Motion to Expand Receivership Estate [DE 79], which order is presently subject to a pending motion to vacate [DE 83].

primarily to pay returns to other investors and “referral fees” to promoters, and looted for the personal benefit of the Receivership Defendants’ insiders and promoters. From the Receiver’s and her accountants ongoing investigation, the Receiver estimates that there are at least 5,500 investors who were induced by Johanna Garcia and over 400 promoters to invest as much as \$200,000,000 in this Ponzi scheme. Investors provided funds to the Receivership Defendants and directly to Receivership Defendants’ insiders and promoters. The Receiver and her personnel have spoken to hundreds of these victims, many of whom poured their life savings into this Ponzi scheme.

As described in the Receiver’s First Interim Report (the “First Report”) [ECF 94] filed on October 29, 2021, which covers the period of August 12, 2021 through September 30, 2021, the Receiver has recovered cash, accounts, and other assets of the Receivership Defendants, and money and other assets from individuals involved in promoting these investments. During the period of October 1, 2021 through December 31, 2021 (the “Reporting Period”) covered in this Second Report, the Receiver and her professionals have dedicated a substantial amount of time to investigating, securing and recovering assets for the Receivership Defendants, including from individuals and companies involved with the fraud, in order to provide a source of distribution to the defrauded investors.

GENERAL BACKGROUND

On August 12, 2021, the United States District Court for the Southern District of Florida entered an Order (“Receivership Order”) in an action filed by the Securities and Exchange Commission (“SEC”) appointing Corali Lopez-Castro as the Receiver over MJ Capital and MJ Taxes. The SEC’s Complaint alleges that Johanna M. Garcia used the Receivership Defendants to perpetrate a Ponzi scheme by which investors were tricked into thinking they were funding MCA

loans to small businesses when in reality their “returns” have been funded with money obtained from new investors.

The Receivership Order directs the Receiver to take exclusive jurisdiction and possession of all assets of the Receivership Defendants, exercise all powers of the officers, directors, managers, and general and limited partners of the Receivership Defendants, and marshal and preserve assets of the Receivership Defendants and attributable to funds derived from investors of the Receivership Defendants, among other things. During the Reporting Period, the Receiver has:

- (a) recovered assets for the benefit of the receivership estate,
- (b) maintained communications with investors regarding the administration of the receivership estate,
- (c) reviewed and analyzed the operations and financial affairs of the Receivership Defendants,
- (d) obtained and reviewed documents from individuals, companies and financial institutions relating to the Receivership Defendants,
- (e) determined the initial tranche of targets for subpoenas and scheduling the depositions of over 50 individuals and companies who received considerable funds from the Receivership Defendants, and
- (f) conducted meetings with individuals and companies.

SECURED AND RECOVERED ASSETS

a. Recovered or Frozen Assets

As described in the First Report, the Receiver located and secured \$1,378,724.69 from the Receivership Defendants’ offices in Pompano Beach, and pursuant to the Court’s freeze order, JP

Morgan Chase Bank (“Chase Bank”) reported frozen funds in the amount of \$6,459,913.39 and \$200,000 in its accounts for the Receivership Defendants’ as of August 12, 2021. On November 5, 2021, Chase Bank transferred the \$7,443,236.39 and \$200,000 in frozen funds to the Receiver’s accounts. The Receiver estimates that \$1,056,065 of the foregoing \$7,443,236.39 consists of funds deposited into MJ Capital’s Chase account on and after August 12, 2021, the date the Receivership Order was entered. In response to the Court’s freeze order, Wells Fargo reported that \$10,500 and \$7,618.69 were frozen in the Receivership Defendants’ accounts as of August 12, 2021. In addition, approximately \$3.4 million in accounts of related persons and companies have been seized at various banks. Further, Defendant Johanna Garcia has agreed to continue to abide by the Order of Preliminary Injunction and Other Relief by Consent as to Defendant Johanna M. Garcia [ECF 47], and the freeze of her bank accounts and other assets through March 30, 2022.

b. Assets Surrendered to Receiver

During the Reporting Period, the Receiver and her professionals issued and served subpoenas to testify with requests for production of documents to approximately 50 individuals and companies who were involved with, and received monies from, the Receivership Defendants. As a result of these subpoenas, individuals, companies and/or their attorneys have contacted the Receiver’s professionals, and many have agreed to meet with the Receiver. Numerous individuals and companies have agreed to: (a) surrender funds received from the Receivership Defendants, (b) surrender assets acquired with funds from the Receivership Defendants, such as luxury watches, jewelry and other goods, and (c) liquidate assets, such as cryptocurrency, investments and other assets, purchased with funds from the Receivership Funds and surrender the proceeds to the Receiver. The Receiver’s goal is to effectuate the turnover without the need for litigation and the

attendant cost of same.

As a result of the Receiver's meetings during the Reporting Period, individuals and companies have surrendered cash totaling \$1,117,067.68.² Additional details are set forth in the Receiver's receipt and disbursements report for the Reporting Period attached hereto as **Exhibit A**. This amount is in addition to the \$715,660.67 the Receiver recovered in surrendered cash in August and September of 2021 reported in the First Report. Additional assets have been surrendered to the Receiver which are listed below. *See infra* 13. The work performed by the Receiver's forensic accountants has been extremely helpful in identifying funds transferred by the Receivership Defendants to individuals and companies. The Receiver is continuing her efforts to retrieve assets from individuals and companies, but will pursue other avenues to recover assets from those who do not voluntarily surrender assets, including bringing litigation before the Court.

SUBPOENAS AND INTERVIEWS

a. Subpoenas of Promoters and their Companies

The Receiver and her professionals continue to be engaged in the process of obtaining and reviewing the records of the Receivership Defendants and related parties. Many individuals and companies who received a significant amount of funds from the Receivership Defendants have been served with subpoenas. In response, the Receiver and her professionals have received over a thousand pages of document productions from these individual and companies, which she and her professionals are reviewing, and conducted multiple meetings and deposed one individual.

² This amount includes \$257,500 that was surrendered to the Receiver as proceeds from the sale of an automobile, representing the share of the proceeds attributable to Leonardo Azevedo, a Board Member, and constituting Recoverable Assets. The funds have been received pursuant to an agreement with a third party who had agreed with Mr. Azevedo to purchase and resell the automobile. The Receiver understands the third party to have no relationship to or involvement with the Receivership Defendants.

The Receiver and her professionals are continuing to communicate with numerous individuals and companies, and their attorneys regarding document productions, depositions, interviews and surrendering assets. Further, there are additional targets who are being investigated at this time and will receive subpoenas and other correspondence from the Receiver.

b. Subpoenas of Financial Institutions

During the Reporting Period, the Receiver issued subpoenas to Citibank, N.A, Chase Bank, and Wells Fargo Bank, N.A. to obtain additional bank records for the accounts of the Receivership Defendants, and related individuals and companies. In response, these banks have produced over a thousand pages of production which the Receiver and her professionals are reviewing.

INVESTOR AGREEMENTS

The Receiver and her forensic accountants are continuing their review of 82 bankers boxes of investor agreements, and 9,233 email notifications from DocuSign that include investor agreements. While their review is ongoing, the current number of estimated investors in the MJ Capital Ponzi scheme exceeds 5,500. Identifying the universe of investors, and preparing a comprehensive list of investors, is a central part of the Receiver's and her forensic accountants' initial work. No such comprehensive investor list was located in the books and records of the Receivership Defendants.

STATUS OF CLAIMS SUBMISSION PROCEDURES

The Receiver is in the process of formulating her proposed claims submission procedures, which she will submit to the Court for approval. No formal procedures have been proposed or approved at this time. Investors will receive notice of the claims submission procedures that are approved by the Court, along with the forms and instructions regarding how to submit claims. The

Receiver intends to employ Stretto, Inc. as a consultant and service provider to provide an electronic platform to receive and maintain the proofs of claim and supporting documentation which will be submitted by thousands of investors. The Receiver and Stretto, Inc. are presently finalizing the terms of the proposed engagement, and the Receiver anticipates that she will soon file a motion for authority to employ Stretto, Inc.

INVESTIGATION OF OPERATIONS

As set forth in the First Report, while the Receivership Defendants supposedly were in the business of providing MCAs to businesses and represented to investors that their moneys would be used by MJ Capital to fund MCA transactions in return for monthly payments and an annual return of 120% to 180%, no documents or information obtained by the Receiver reflect any substantial underlying business activity by the Receivership Defendants – that is, any actual funding and collection of MCAs to business customers.

During the Reporting Period, the Receiver and her professionals have reviewed additional documents and conducted interviews with individuals who held the title of “Manager” or “Account Representative” within MJ Capital’s pyramid-type structure, and such review indicates that there was no substantial business activity of funding and collection of MCAs. The Receiver’s investigation in the Reporting Period is consistent with the SEC’s analysis, and does not reflect any meaningful volume of MCA business sufficient to support the funds raised from and returns promised to investors, as well as the referral fees paid to promoters. As noted in the First Report, only a small number of MCA agreements have been located at the Receivership Defendants’ business premises. The Receiver’s ongoing investigation continues to indicate that many of these MCA agreements are forgeries where the supposed customer never signed any document and never

received from or paid to the Receivership Defendants any money.

ORDER GRANTING MOTION TO EXPAND RECEIVERSHIP

On October 14, 2021, the Court entered an Order Granting Receiver's Motion to Expand Receivership Estate [ECF 79] determining that expansion of the receivership to include Pavel Ruiz MJCF LLC and UDM Remodeling, LLC (the "Pavel Companies") is necessary to effectively safeguard assets for the benefit of investors and to guard against potential dissipation. The Pavel Companies filed a Motion to Vacate the Court's Order on October 18, 2021 [ECF 83], the Receiver filed her Response to Pavel Ruiz MJCF LLC and UDM Remodeling, LLC's Motion to Vacate and Reconsider Order Granting Receiver's Motion to Expand Receivership Estate on October 29, 2021 [ECF 95], and the Pavel Companies filed their reply on November 9, 2021 [ECF 98]. The matter is fully briefed and pending before the Court.

ORDER DENYING MOTIONS TO QUASH SUBPOENAS

The Receiver issued a subpoena to Bank of America, N.A. ("Bank of America") to obtain bank records for accounts of the Receivership Defendants, and related individuals and parties, including DaVibezCreations, LLC ("DaVibezCreations"), a company that received more than \$1,400,000 from the Receivership Defendants. On October 7, 2021, DaVibezCreations filed a motion to quash the subpoena [ECF 69] alleging in part that its bank records are confidential and DaVibezCreations is a victim. The Receiver filed her response in opposition to the motion on October 15, 2021 [ECF 81], and on October 18, 2021, the Court entered a paperless Order denying the motion [ECF 84] because DaVibezCreations failed to confer with the Receiver as required under the local rules. DaVibezCreations filed a second motion to quash the same subpoena [ECF 86] on October 20, 2021. The Receiver filed a response the following day advising that the motion

was untimely as the production deadline ran and documents had been produced [ECF 87]. On December 12, 2021, the Court entered a paperless Order denying the motion as untimely and stating that DaVibezCreations has not shown good cause for its delay in seeking relief [ECF 104]. Based on a review of the bank records received by the Receiver for only a fraction of all accounts held by DaVibezCreations, DaVibezCreations received over \$835,800 from the Receivership Defendants which accounts for more than 84% of all funds it received during the review period.

COMMUNICATIONS WITH INVESTORS

The Receiver has continued to provide information and updates to investors through the Receiver's investor website (<https://kttlaw.com/mjcapital/>). On January 18, 2022, the Receiver posted an "Update to Investors" on the website which previews much of the information contained in this Second Report. The Receiver has continued to collect confirmation information for investors through the website's form, which she will use to provide notice of the claims submission procedures once they have been finalized and approved by the Court. The Receiver has also established a dedicated email address for investors (MJCapital@kttlaw.com). The Receiver and her personnel have responded to hundreds of investor inquiries received through the Receiver's this email address and telephone calls. The Receiver appreciates and understands the investor's need for information.

STATUS OF SEC ACTION

The SEC's Complaint which commenced this action seeks injunctive and other relief against MJ Capital, MJ Taxes, and Johanna M. Garcia arising from the sale of investments in violation of securities laws. The SEC's claims against the Receivership Defendants have been resolved through the entry of consent judgments that were agreed to by the Receiver and

permanently enjoin the Receivership Defendants from further violations of Section 10(b) of the Securities Exchange Act of 1934 and Exchange Act Rule 10b-5, Section 17(a) of the Securities Act of 1933, and Section 5 of the Securities Act. [ECF 65, 66].

The SEC's claims against defendant Johanna Garcia have not been resolved and are pending before the Court. The Court's Order Setting Trial and Pre-Trial Schedule, Requiring Mediation, and Referring Certain Matters to Magistrate Judge [ECF 77] requires the parties to take certain steps in advance of trial, including attending mediation. The parties agreed to appear for mediation on February 28, 2022, and the Court entered an Order scheduling mediation for such date.

Ms. Garcia consented to a freeze of bank accounts and other assets through November 8, 2021 as set forth in the Court's Order of Preliminary Injunction and Other Relief by Consent as to Defendant Johanna M. Garcia [ECF 47]. After, Ms. Garcia has agreed to extend the asset freeze through March 30, 2022. The SEC filed a Motion for Order Extending Asset Freeze by Consent as to Defendant Johanna M. Garcia on October 28, 2021 [ECF 93] which remains pending before the Court.

RETENTION OF PROFESSIONALS

The Receivership Order authorizes the Receiver to engage professionals to assist her in the performance of her duties, subject in some circumstances to Court approval. As set forth in the First Report, the Receiver has engaged the following professionals: Kozyak Tropin & Throckmorton, LLP (Attorneys), KapilaMukamal, CPA (Forensic Accountants), HD Investigative Group LLC (Investigators), and Martin Claire & Co LLC (Auctioneer). As discussed above, the Receiver anticipates that she will be filing a motion seeking authority to employ Stretto, Inc. as a

consultant and service provider to assist with the claims process. Compensation of all professionals employed by the Receiver is subject to applications and Court approval.

QUARTERLY STATUS REPORT MATTERS

The Receivership Order directs the Receiver to report on a quarterly basis as to the following matters:

A. A summary of the operations of the Receiver.

The operations of the Receiver are summarized above.

B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate.

As of December 31, 2021, the Receiver had cash on hand in the total amount of \$10,920,102.43. Of this total, the Receiver estimates that \$1,056,065 consists of funds deposited into MJ Capital's Chase account on and after August 12, 2021, the date the Receivership Order was entered. The amount of unencumbered funds in the receivership estate, as of December 31, 2021, is \$10,920,102.43.

The total amount and nature of known accrued administrative expenses as of December 31, 2021 is \$963,406, which consists of professional fees and expenses of the Receiver's professionals, as follows:

1. Receiver, Corali Lopez-Castro:
 - a. For the Period of August 12, 2021 through October 31, 2021 as set forth in the Receiver's First Interim Application:

Fees:	\$65,800
Expenses:	\$0.00
Hours:	188
 - b. For the Period of November 1, 2021 through December 31, 2021:

Fees:	\$13,475.00
Expenses:	\$0.00

Hours: 38.5

2. Kozyak Tropin & Throckmorton, LLP (Counsel):

- a. For the Period of August 12, 2021 through October 31, 2021 as set forth in the Receiver's First Interim Application:

Fees: \$308,530
Expenses: \$16,588.24
Hours: 1,131.70

- b. For the Period of November 1, 2021 through December 31, 2021:

Fees: \$123,670
Expenses: \$1,713.64
Hours: 460.8

3. KapilaMukamal CPA (Forensic Accountants):

- a. For the Period of August 12, 2021 through October 31, 2021 as set forth in the Receiver's First Interim Application:

Fees: \$254,279
Expenses: \$1,104.16
Hours: 1,181.90

- b. For the Period of November 1, 2021 through December 31, 2021:

Fees: \$166,375
Expenses: \$370.61
Hours: 798.20

4. HD Investigative Group (Investigator):

- a. For the Period of August 12, 2021 through October 31, 2021 as set forth in the Receiver's First Interim Application:

Fees: \$2,475
Expenses: \$0.00
Hours: 11

- b. For the Period of November 1, 2021 through December 31, 2021:

Fees: \$9,025 (of which \$2,500 is for flat fee items)
Expenses: \$0.00
Hours: 29

These amounts represent fees and expenses of the Receiver and her professionals which:

(a) have been applied for the period of August 12, 2021 through October 31, 2021, and (b) have been incurred but not yet applied for with respect to the period of November 1, 2021 through December 31, 2021. No fees have been awarded by the Court, or paid to the Receiver, as of the

time of filing this Second Report. The initial months of the Receivership required the most intensive effort by the Receiver and her professionals. The Receiver is proud of the work accomplished thus far on behalf of the victims in this case. All amounts are subject to application and approval by the Court.

C. A schedule of all the Receiver's receipts and disbursements (attached as Exhibit A to the Quarterly Status Report) with one column for the quarterly period covered and a second column for the entire duration of the Receivership.

A report of the Receiver's receipt and disbursements, on a quarterly and cumulative basis, is attached as Exhibit A.

D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended.

The known Receivership Property consists of: (a) cash on hand of \$10,920,102.43 as of the end of the Reporting Period, (b) 14 One Oz. Gold Bars, (c) 3 T-Mobile SIM Cards, (d) 3 Pre-Paid Visa Cards, (e) Hand & Stone Gift Card, (f) \$100 Visa Gift Card and \$50 Starbucks Gift Card, (g) Gold Chain, (h) 3 Rolex Watches, 1 Michelle Watch and 1 Gucci Watch, (i) 1 Gucci Backpack, 1 Louis Vuitton Purse, 1 Louis Vuitton Bag and 1 Christian Dior Purse, (j) 1 rings, and 1 pair of earrings, and (k) security deposits totaling approximately \$27,000 held by the landlord of the Pompano Beach locations which premises have been returned to the landlord.

In addition, the Receiver's investigation to date reflects that several other entities and individuals are in possession of Receivership Assets and/or Recoverable Assets as defined in the Receivership Order, i.e., assets that (a) are attributable to funds derived from investors or clients

of the Defendants, (b) are held in constructive trust for the Defendants, (c) were fraudulently transferred by the Defendants, and/or (d) may otherwise be includable as assets of the estates of the Defendants. The Receiver will continue her efforts to recover such assets. Several investors have provided the Receiver with information that may assist in the recovery of these funds.

E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in (i) reducing the claims to judgment; and (ii) collecting such judgments).

The Receiver is still in the process of investigating the potential liquidated and unliquidated claims held by the Receivership Estate, and is not yet able to provide a valuation of such claims or the anticipated or proposed methods of enforcing such claims.

F. A list of all known creditors with their addresses and the amounts of their claims.

Over 5,500 investors have provided information to the Receiver with their contact information, and the amounts they invested with, and received from, the Receivership Defendants. In the interest of protecting the privacy of those investors and ensuring that the list of fraud victims does not become available to others who may use it for improper purposes, the Receiver does not recommend at this time that a list of the known creditors and their addresses be publicly filed. The total amount of the claims asserted to date through the Receiver's website is estimated to exceed \$150,000,000, though this figure has not yet been reviewed for accuracy, validity, or duplicate entries.

G. The status of Creditor Claims Proceedings, after such proceedings have been commenced.

No Creditor Claims Proceedings have been commenced.

H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

The Receiver recommends the continuation of the receivership. While the operations of the Receivership Defendants have been terminated, there is a substantial amount of work to be done in reconstructing their financial operations, assessing the amounts due to investors, recovering funds on investors' behalf, and distributing those recoveries to the investors.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was filed with the clerk of the Court using CM/ECF, and the foregoing document has been served via CM/ECF upon all counsel of record this 28th day of January, 2022.

By: /s/ Bernice C. Lee
Bernice C. Lee

Exhibit A

Coral Lopez-Castro, as Receiver
SEC v. MJ Capital Funding, LLC, et al.
Case No. 21-61644-CIV-SINGHAL

STANDARDIZED FUND ACCOUNTING REPORT
Reporting Period: 10/01/21 – 12/31/2021

FUND ACCOUNTING				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (as of 10/01/2021)			\$2,077,089.87
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities (Note 1)	\$7,643,236.39		
Line 4	Interest/Dividend Income	\$2,618.89		
Line 5	Business Asset Liquidation (Note 2)	\$338,019.25		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous – Other (Note 3)	\$859,579.08		
	Total Funds Available (Lines 1-8):			\$10,920,543.48
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	N/A		
Line 10	Disbursements for Receivership Operations	N/A		
<i>Line 10a</i>	<i>Disbursements to Receiver or Other Professionals</i>			
<i>Line 10b</i>	<i>Business Asset Expenses (Note 4)</i>	\$376.05		
<i>Line 10c</i>	<i>Personal Asset Expenses</i>	\$0.00		
<i>Line 10d</i>	<i>Investment Expenses (Note 5)</i>	\$65.00		
<i>Line 10e</i>	<i>Third-Party Litigation Expenses</i>			
	1. Attorney Fees			
	2. Litigation Expenses			
	<i>Total Third-Party Litigation Expenses</i>	\$0.00		
<i>Line 10f</i>	<i>Tax Administrator Fees and Bonds</i>	\$0.00		
<i>Line 10g</i>	<i>Federal and State Tax Payments</i>	\$0.00		
	Total Disbursements for Receivership Operations			\$441.05
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
<i>Line 11a</i>	<i>Distribution Plan Development Expenses:</i>	\$0.00		
<i>Line 11b</i>	<i>Distribution Plan Implementation Expenses:</i>	\$0.00		
	Total Disbursements for Distribution Expenses Paid by the Fund:			\$0.00
Line 12	Disbursements to Court/Other:			
<i>Line 12a</i>	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	\$0.00		
<i>Line 12b</i>	<i>Federal Tax Payments</i>	\$0.00		
	Total Disbursements to Court/Other:			\$0.00
	Total Funds Disbursed (Lines 9-11):			\$441.05
Line 13	Ending Balance (as of 12/31/2021):			\$10,920,102.43
Line 14	Ending Balance of Fund – Net Assets:			
<i>Line 14a</i>	<i>Cash & Cash Equivalents</i>	\$0.00		

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**STANDARDIZED FUND ACCOUNTING REPORT
Reporting Period: 10/01/21 – 12/31/2021**

		Detail	Subtotal	Grand Total
<i>Line 14b</i>	<i>Investments</i>	\$0.00		
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>			
	Total Ending Balance of Fund – Net Assets			<u>\$10,920,102.43</u>
OTHER SUPPLEMENTAL INFORMATION				
		Detail	Subtotal	Grand Total
Line 15-19		N/A		

Note 1: “Cash and Securities” consists of funds in Receivership Defendants’ accounts at Chase Bank, which was frozen and ultimately transferred to the Receiver in November 2021. The Receiver estimates that approximately \$1,056,065 consists of funds deposited into MJ Capital’s Chase Bank Account on and after August 12, 2021.

Note 2: "Business Asset Liquidation" consists of auction proceeds, and \$257,500 in proceeds from a sale of an automobile surrendered to the Receiver.

Note 3: “Miscellaneous – Other” consists of cash surrendered by individuals and companies from October 1, 2021 through December 31, 2021, and \$11.40 from a vending machine.

Note 4: Consists of fees paid to Iron Mountain for delivery of boxes.

Note 5: Represents bank fees.