

**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 THIRD INTERIM REPORT**

Corali Lopez-Castro, as Receiver (“Receiver”) over MJ Capital Funding, LLC (“MJ Capital”), MJ Taxes and More Inc. (“MJ Taxes”), Pavel Ruiz MJCF LLC, and UDM Remodeling, LLC (each a “Receivership Entity” and collectively, the “Receivership Entities”) submits this Third Interim Report (the “Third Report”) in accordance with the Court’s Order [DE 17] appointing her as Receiver.

**I. Summary of Services Rendered and Results Achieved**

During January 1, 2022 through March 31, 2022 (the “Reporting Period”), the Receiver and her professionals have achieved the following:

- (a) recovered an additional \$1,093,670.22 from related individuals and companies for the benefit of the receivership estate, from individuals and entities who voluntarily surrendered funds received from, and proceeds from the sale of assets acquired with funds from, the MJ Defendants;
- (b) secured Johanna M. Garcia (“Ms. Garcia”) and MJ Enterprises, Inc.’s (“MJ Enterprises”) agreement to turnover \$2,591,200.62 in their bank accounts;

- (c) effectuated the formal proof of claim process for victims and other claimants after obtaining the Court's approval of the proof of claim procedures proposed by the Receiver;
- (d) communicated with investors regarding the receivership estate, the status of the case, and the proof of claim procedures by responding to emails and telephone calls;
- (e) conducted meetings with or taken the depositions of, and obtained documents from, over 15 individuals and entities who received considerable funds from the Receivership Entities;
- (f) continued their review and analysis of the operations and financial affairs of the Receivership Entities to better understand how the Ponzi scheme was conducted;
- (g) issued subpoenas for production to financial institutions for bank records relating to individuals and entities who received considerable funds from the Receivership Entities; and
- (h) issued subpoenas for production to additional board members and promoters, and their related companies who received considerable funds from the Receivership Entities.

In summary, during the Reporting Period, the Receiver and her professionals have devoted a significant amount of time to securing and recovering additional assets, investigating transactions between the Receivership Entities and related individuals and entities, obtaining and reviewing bank records and financial information for related individuals and entities, and formulating and establishing the formal proof of claims process that is currently underway.

## **II. The Receivership Order and Expansion Order**

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 the MJ Defendants. The SEC's Complaint alleges that Ms. Garcia used the MJ Defendants to perpetrate a Ponzi scheme by which investors were tricked into thinking they were funding merchant cash advance ("MCA")

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

Following her appointment, the Receiver and her professionals conducted a detailed review of available records to determine that Pavel Ruiz, a board member of MJ Capital, used at least two companies to receive substantial investor funds for investment with the MJ Capital Ponzi scheme. As a result of the Receiver’s motion and accountants’ analyses included therein, on October 14, 2021, the Court entered the Order Granting Receiver’s Motion to Expand Receivership Estate (the “Expansion Order”) [DE 79] expanding the receivership to include the two companies, Pavel Ruiz MJCF LLC and UDM Remodeling, LLC. On March 21, 2022, the Court entered an Order denying a motion to vacate the Expansion Order [DE 129].

The Receivership Order and Expansion Order direct the Receiver to take exclusive jurisdiction and possession of all assets of the Receivership Entities, exercise all powers of the officers, directors, managers, and general and limited partners of the Receivership Entities, and marshal and preserve assets of the Receivership Entities and attributable to funds derived from investors of the Receivership Entities, among other things.

### **III. The Surrendered, Recovered and Frozen Assets**

During the Reporting Period, the Receiver and her professionals have recovered \$1,093,670.22 from individuals and entities who were involved with, and received substantial funds from, the MJ Defendants. The Receiver has worked with numerous cooperating individuals to facilitate the sale of real estate located in Broward and Palm Beach Counties, and all net sale proceeds have been provided to the Receiver and are accounted for in the foregoing amount. Additional details are set forth in the Receiver’s receipt and disbursements report for the Reporting

Period attached hereto as **Exhibit A**. The funds recovered during the Reporting Period are in addition to the more than \$10 million dollars previously recovered by the Receiver as described in detail in the Receiver's First and Second Reports.

Ms. Garcia and MJ Enterprises have agreed to turnover all funds frozen in their three bank accounts with Chase, which totaled \$2,591,200.62 as of February 23, 2022. On March 8, 2022, the Receiver filed a Motion for Entry of Consent Order for Turnover of Funds against Ms. Garcia and MJ Enterprises Inc. (the "Turnover Motion") [DE 123] seeking the entry of an order providing for the turnover of the funds on an agreed basis. The Turnover Motion is presently pending before the Court. Upon entry of an Order approving the Turnover Motion, the Receiver will ensure the transfer of the funds to the Receiver's account. The forensic accountant's preliminary bank reconstructions for the accounts of Ms. Garcia, which involved a review of transactions with more than 900 unique individuals and entities, and the account of MJ Enterprise, which involved a review of transactions with more than 500 unique individuals and entities, provided vital information with respect to the accounts and their relation to the MJ Capital Ponzi scheme. Additional accounts relating to Ms. Garcia are subject to an asset freeze, and on March 21, 2022, the Court entered an Order extending such asset freeze for an additional 90 days [DE 127]. The Receiver has also requested the turnover of funds relating to MJ Remodeling.

Further, there are the following additional frozen and seized funds: (a) based on Wells Fargo's disclosures, an additional \$10,500 and \$7,618.69 are frozen in the MJ Defendants' Wells Fargo accounts as of August 12, 2021, and (b) approximately \$3.4 million in the accounts of certain related individuals and companies have been seized at various banks.

During the Reporting Period, the Receiver recovered 3 Rolex watches, and an individual

has agreed to surrender a vehicle. In prior periods, the Receiver recovered: (a) 3 Rolex Watches, 1 Michelle Watch and 1 Gucci Watch, (b) 1 Gucci Backpack, 1 Louis Vuitton Purse, 1 Louis Vuitton Bag and 1 Christian Dior Purse, and (c) 3 rings and 1 pair of earrings. In order to administer and monetize these surrendered assets, on March 17, 2022, the Receiver filed a Motion to Expand Employment of Auctioneer and Auction Sale of Vehicles and Surrendered Personal Property [DE 124], which is presently pending before the Court.

#### **IV. What is Next: Ongoing Investigations and Discovery for Recoverable Assets and Litigation Targets**

The Receiver and her professionals are continuing their efforts to locate and obtain the surrender of assets from individuals and companies on a voluntary basis in order to obtain recoveries for the benefit of the receivership estate in an efficient and cost-effective manner. The Receiver's goal has been to effectuate the recovery of assets for the benefit of victims without the need for litigation and the attendant cost of same. For those who do not voluntarily surrender assets, however, the Receiver intends to bring litigation before the Court to recover the assets.

During the Reporting Period, the Receiver and her counsel have conducted meetings with over 15 individuals and entities and their attorneys, many of whom received subpoenas to testify and requests for production in the prior quarter. The Receiver and her counsel have also communicated via email correspondence and telephone calls with attorneys for numerous individuals and entities who have been served with subpoenas regarding producing bank records, surrendering assets, and otherwise cooperating with the Receiver's efforts.

The Receiver and her professionals have continued to review documents produced by financial institutions and promoters, locate additional bank records to be obtained relating to

promoters' involvement with the MJ Capital Ponzi scheme, and determine additional targets for subpoenas and future litigation. The extensive analyses performed by the Receiver's forensic accountants have been extremely helpful in identifying funds transferred by the MJ Companies to individuals and entities, which has assisted the Receiver and her counsel focus their investigation and recover assets.

The Receiver has issued and served additional subpoenas for production on promoters and their companies who received substantial funds from the Receivership Entities and investors. Service has been effectuated on certain individuals who have attempted to evade service. The forensic accountants' review of commissions and other fees received by promoters is ongoing, and the Receiver will be investigating additional targets who will receive subpoenas and other correspondence from the Receiver. The Receiver has also issued and served subpoenas on financial institutions to obtain bank records for individuals and entities who received substantial funds from the Receivership Entities or funds directly from investors. Two banks have already produced thousands of pages of production, which the Receiver and counsel are reviewing. The Receiver anticipates she will receive significant additional production from other financial institutions.

#### **V. The MJ Capital Ponzi Scheme and Ongoing Investigations**

Ms. Garcia and several other individuals solicited investments in the MJ Defendants through false representations that the investors' money would be used for, and investment returns would be paid from the proceeds of, MCA transactions, and the investors would receive returns of 120% to 180% annually. In reality, very little of the investors' money was actually used for MCA transactions, and instead, it was used primarily to pay alleged "returns" to other investors, "commission" and "referral fees" to promoters, and looted for the personal benefit of insiders of

the Receivership Entities and MJ Capital Ponzi scheme promoters.

No documents or information obtained by the Receiver reflect any substantial underlying business activity by the MJ Defendants – that is, any actual funding and collection of MCAs to business customers. The Receiver’s continuing investigation during the reporting period has further confirmed that of the limited number of MCA agreements that have been found, most are forgeries and the purported “Seller” (i.e., the customer) did not enter into any agreement with or receive any funds from the MJ Defendants.

During the Reporting Period, the Receiver has reviewed additional documents and conducted additional meetings with individuals who held the title of “Manager” or “Account Representative” within MJ Capital’s pyramid-type structure. The information gathered from the review and meetings continues to indicate 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.

## **VI. Investor Related Agreements and Investor Funds**

Based on the Receiver’s investigation, which is ongoing, she estimates that Ms. Garcia and over 400 promoters induced thousands of investors to invest an estimated \$200 million dollars in the MJ Capital Ponzi scheme. Investors provided their investment funds to the Receivership Entities, and directly to insiders and promoters and their related companies. The Receiver and her personnel have spoken to hundreds of these victims, many of whom poured their life savings into the MJ Capital Ponzi scheme.

The MJ Capital Ponzi scheme operated through the use of a pyramid-type structure with at least ten “Board Members” who each oversaw a group of one to ten “Managers” and four to ninety “Account Representatives”. A list of “Board Members” is attached as Exhibit A to the First Report. Each pyramid group, and the individuals within each group, solicited investors and many were involved in signing and issuing investor related agreements. The Receiver located over 20,000 investor related agreements from the Pompano Beach premises, which filled 82 bankers boxes, and 9,233 email correspondence from DocuSign to an MJ Capital email address. The Receiver’s accountants are in the process of conducting a multi-step review of these 20,000 investor related agreements to determine the number of unique investors, and differentiate between agreements under which an investor agreed to invest new funds, reinvest the principal from a prior investment, or exited an investment.

Identifying the universe of unique investors, and creating a comprehensive investor list and database of funds received from and paid to investors, is a central part of the Receiver and her forensic accountants’ work. This information and database will be critical to the Receiver’s review of the submitted proofs of claim, discussed in greater detail below. No comprehensive investor list or database was located in the books and records of the MJ Companies.

With respect to the approximately \$200 million dollars invested in the MJ Capital Ponzi scheme, investors provided the funds to the MJ Defendants, Pavel Ruiz MJCF LLC, UDM Remodeling, LLC, MJ Enterprise, Ms. Garcia, Pavel Ruiz, and other related parties. The Receiver’s review of investment funds and related individuals and companies who received funds directly from investors is ongoing. These investor funds were used to primarily pay alleged “returns” to investors, pay “commission” and “referral fees” to promoters, and otherwise



personally benefit the Receivership Entities' insiders and promoters. The Receiver and her professionals' review of the Receivership Entities' transactions, nature of transactions, and related information is ongoing. The Receiver's accountants are continuing their work on the bank reconstruction, which has been a significant undertaking. For example, with respect to MJ Capital and MJ Taxes' four bank accounts with Wells Fargo and Chase, the accountants are reviewing more than 90,000 transactions with an estimated 18,000 unique individuals and entities.

## **VII. Formal Proof of Claim Process**

Before the Receiver is able to prepare a distribution plan, she needs all investors and other claimants to file formal proofs of claim so she may determine the universe of allowed claims. In order to provide an electronic platform for investors and other claimants to submit their proofs of claim and supporting documentation, the Receiver has employed Stretto, Inc. ("Stretto") with the Court's approval. During the Reporting Period, the Receiver finalized the terms of a proposed engagement with Stretto, and on February 1, 2022, filed a motion for authority to employ Stretto, Inc. [DE 110]. On February 23, 2022, the Court entered an Order granting the Receiver's motion and her employment of Stretto, Inc. [DE 117].

During the Reporting Period, the Receiver created the proof of claim form, and formulated proposed submission and administration procedures. On February 21, 2022, the Receiver filed a Motion to (I) Establish Bar Date for Claims; (II) Approve Form and Manner of Notice; (III) Approve Proof of Claim Form; and (IV) Approve Claim Submission and Administration Procedures [DE 113] which included the proof of claim form, proposed notices and procedures, and a proposed order as exhibits. On March 21, 2022, the Court entered an Order granting the motion (the "Claims Procedures Order") [DE 125], setting the claims bar date, and approving the

proof of claim form, proposed notice, and proposed submission and administration procedures.

Following the entry of the foregoing Orders, the Receiver updated the Receiver's investor website (<https://kttlaw.com/mjcapital/>) with information regarding the proof of claim form and submission and administration procedures, and added links to the notice of bar date, proof of claim form, and the Claims Procedures Order. Additionally, the Receiver worked with Stretto to plan and implement the claims submission website, created an electronic proof of claim form, and set up an investor prerecorded hotline for inquiries regarding submission the proof of claim form.

In order to provide notice to all investors and potential claimants, the Receiver compiled over 20,000 potential claimant addresses for Stretto to use when providing notice of the proof of claim form and claims bar date, including, but not limited to, from: (a) the books and records of the MJ Defendants, (b) public records relating to the Receivership Entities, (c) the accountants' investor agreement database that included all investor names and addresses available in the over 20,000 investor related agreements discussed above, and (d) investor names, addresses and email addresses from the Receiver's investor website, which included over 12,000 entries made by individuals and entities.

### **VIII. Communications with Investors**

The Receiver has continued to prioritize responding to inquiries from investors, and providing information and updates through the Receiver's investor website (<https://kttlaw.com/mjcapital/>). The Receiver has updated this website with a proof of claim and submission section, and through her claims agent, provided notice of the proof of claim form and claims bar date to all investors who previously submitted their contact information through the website. Because the formal proof of claim submission process has begun, the Receiver is no

longer collecting investor information through the website. The Receiver and her claims agent have established a prerecorded hotline for investors and other potential claimants to obtain information regarding the claims process: 855-432-7844 (toll free) or 949-236-4769 (international). The Receiver and her office continue to monitor and respond to inquiries made via telephone calls, sent via email to the Receiver and her personnel, and sent to the Receiver's email address established for investors ([MJCapital@kttlaw.com](mailto:MJCapital@kttlaw.com)). The Receiver and her personnel have responded to hundreds of investor inquiries received through email correspondence and telephone calls. The Receiver appreciates and understands the investor's need for information.

#### **IX. Status of SEC Action and Pending Motion to Supplement Turnover Order**

The SEC's Complaint which commenced this action seeks injunctive and other relief against the MJ Defendants and Ms. Garcia arising from the sale of investments in violation of securities laws. The SEC's claims against the MJ Defendants have been resolved through the entry of consent judgments that were agreed to by the Receiver and permanently enjoin the MJ 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]. On March 21, 2022, the SEC filed an Amended Complaint for Injunctive and Other Relief and Demand for Jury Trial [DE 130], and on April 4, 2022, Ms. Garcia filed her Answer to Amended Complaint with Affirmative Defenses/Avoidances and Demand for Jury Trial [DE 131].

The SEC's claims against defendant Ms. 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 SEC, the Receiver and Ms. Garcia attended mediation on February 28, 2022, and on the same day, Howard A. Tescher filed the Mediator's Report [DE 122] stating in part that he continued the mediation with the consent of the parties. The continued mediation date has not been scheduled.

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]. On March 21, 2022, the Court entered an Order extending the asset freeze for 90 days through June 19, 2022. Ms. Garcia and a related company, MJ Enterprise, have agreed to turnover funds in three of their accounts in Chase as discussed above.

While the Receiver previously obtained an Order requiring Wolters Kluwer to turnover access of accounts associated with the MJ Defendants, during the Reporting Period, Wolters Kluwer advised the Receiver that it required an additional order specifying that it needs to turnover accounts associated with a specific client identification number. On February 24, 2022, the Receiver filed a Motion for Supplemental Order for Turnover of Wolters Kluwer and Taxwise Accounts [DE 121], which is currently pending before the Court.

#### **X. 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). During the Reporting Period, as discussed above, the Receiver engaged 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.

### **XI. Additional Quarterly Status Report Matters Pursuant to Receivership Order**

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 March 31, 2022, the receivership estate had cash on hand in the total amount of \$11,223,559.00. Of this amount, 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 March 31, 2022, is \$11,223,559.00. Details are set forth in the Receiver's receipt and disbursements report for the Reporting Period attached hereto as Exhibit A.

The total amount and nature of known accrued administrative expenses as of March 31, 2022 is \$593,279.69, which consists of professional fees and expenses of the Receiver's professionals, as follows:

1. 20% holdback from the First Fee Application for the Period of August 12, 2021 through October 31, 2021, approved by the Court [DE 118]
  - a. Receiver Fees: \$13,160.00
  - b. Kozyak, Tropin & Throckmorton Fees: \$61,706.00
  - c. KapilaMukamal Fees: \$50,855.80
  - d. HD Investigative Group Fees: \$495.00
2. 20% holdback from the Second Fee Application for the Period of November 1, 2021

through December 31, 2021, approved by the Court [DE 126]

- a. Receiver Fees: \$ 2,695.00
- b. Kozyak, Tropin & Throckmorton Fees: \$24,103.00
- c. KapilaMukamal Fees: \$33,243.80
- d. HD Investigative Group Fees: \$1,805.00

3. Fees and Expenses from the Third Fee Application for the Period of January 1, 2022 through March 31, 2022, which will be filed with the Court and have not been approved:

- a. Receiver:
 

Fees:	\$16,695.00
Expenses:	\$0.00
Hours:	48.50
- b. Kozyak, Tropin & Throckmorton:
 

Fees:	\$152,925.00
Expenses:	\$5,878.62
Hours:	604.00
- c. KapilaMukamal:
 

Fees:	\$198,181.00
Expenses:	\$260.87
Hours:	917.90
- d. HD Investigative Group:
 

Fees:	\$5,400.00
Expenses:	\$0.00
Hours:	24.00
- e. Stretto, Inc. (Claims Agent)
 

Fees:	\$25,875.60
Expenses:	\$0.00
Hours:	101.00

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

(a) have been awarded by the Court and held back, and the Receiver may request payment upon final distribution of receivership assets, and (b) will be applied for the period of January 1, 2022 through March 31, 2022, and which have not been approved.

- 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.

As of March 31, 2022, the known Receivership Property consists of: (a) cash on hand of \$11,223,559.00, (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) 6 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) 3 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 opened the formal proof of claim process during the Reporting Period, and the claims bar date has not occurred. Thus, she 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.

The Receiver and claims agent provided notice of the claims bar date and proof of claim form to over 12,000 email addresses and 14,000 physical addresses for potential claimants. Over 12,000 investors submitted their contact information to the Receiver through the investor website. In the interest of protecting the privacy of 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.

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

On March 21, 2022, the Court entered an Order granting the Receiver's Motion to (I) Establish Bar Date for Claims; (II) Approve Form and Manner of Notice; (III) Approve Proof of Claim Form; and (IV) Approve Claim Submission and Administration Procedures (the "Claims Procedures Order") [DE 125], setting the claims bar date, and approving the proof of claim form, proposed notice, and proposed submission and administration procedures. On March 28, 2022, the Receiver added a Proof of Claim Form and Submission Procedures section to the investor webpage, with instructions as to how to submit a proof of claim and links to Stretto's electronic proof of claim submission webpage, the proof of claim form, notice of bar date, Claims Procedures Order and other related documents. The following day, Stretto went live with the proof of claim submission webpage (<https://case.stretto.com/mjcapital>), which provides links to the proof of claim form and related documents. On April 4, 2022, Stretto activated the electronic proof of



claim form and submission process on its webpage, and Stretto provided notice of the proof of claim form, notice of bar date and Claims Procedures Order to over 12,000 potential claimants via email, and to over 14,000 potential claimants via US Mail.

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 MJ Defendants have been terminated, there is a substantial amount of work to be done in reconstructing the Receivership Entities' financial operations, assessing the amounts due to investors, recovering funds on behalf of victims, and distributing those recoveries to the investors.

Respectfully submitted,

**KOZYAK TROPIN & THROCKMORTON, LLP**  
2525 Ponce de Leon Boulevard, 9<sup>th</sup> Floor  
Coral Gables, Florida 33134  
Tel: (305) 372-1800/Fax: (305) 372-3508  
Email: bwidlanski@kttl.com  
Email: blee@kttl.com

By: /s/ Bernice C. Lee  
Benjamin J. Widlanski, Esq.  
Florida Bar No. 1010644  
Bernice C. Lee  
Florida Bar No. 0073535  
*Counsel for Corali Lopez-Castro, Receiver*

**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 22nd day of April, 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: 01/01/22– 03/31/22**

<b>FUND ACCOUNTING</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<b>Line 1</b>	<b>Beginning Balance (as of 12/31/2021) (Note 1)</b>			\$10,920,102.43
	<b><i>Increases in Fund Balance:</i></b>			
<b>Line 2</b>	<b>Business Income</b>			
<b>Line 3</b>	<b>Cash and Securities</b>			
<b>Line 4</b>	<b>Interest/Dividend Income</b>	\$4,003.70		
<b>Line 5</b>	<b>Business Asset Liquidation (Note 2)</b>	\$140.00		
<b>Line 6</b>	<b>Personal Asset Liquidation</b>			
<b>Line 7</b>	<b>Third-Party Litigation Income</b>			
<b>Line 8</b>	<b>Miscellaneous – Other (Note 3)</b>	\$1,093,670.22		
	<b>Total Funds Available (Lines 1-8):</b>			<b>\$12,017,916.35</b>
	<b><i>Decreases in Fund Balance:</i></b>			
<b>Line 9</b>	<b>Disbursements to Investors</b>	N/A		
<b>Line 10</b>	<b>Disbursements for Receivership Operations</b>	N/A		
<i>Line 10a</i>	<i>Disbursements to Receiver or Other Professionals</i>	\$782,031.05		
<i>Line 10b</i>	<i>Business Asset Expenses (Note 4)</i>	\$12,181.30		
<i>Line 10c</i>	<i>Personal Asset Expenses</i>	\$0.00		
<i>Line 10d</i>	<i>Investment Expenses (Note 5)</i>	\$145.00		
<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		
	<b>Total Disbursements for Receivership Operations</b>			<b>\$794,357.35</b>
<b>Line 11</b>	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
<i>Line 11a</i>	<i>Distribution Plan Development Expenses:</i>	\$0.00		
<i>Line 11b</i>	<i>Distribution Plan Implementation Expenses:</i>	\$0.00		
	<b>Total Disbursements for Distribution Expenses Paid by the Fund:</b>			<b>\$0.00</b>
<b>Line 12</b>	<b>Disbursements to Court/Other:</b>			
<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		
	<b>Total Disbursements to Court/Other:</b>			<b>\$0.00</b>
	<b>Total Funds Disbursed (Lines 9-11):</b>			<b>\$794,357.35</b>
<b>Line 13</b>	<b>Ending Balance (as of 12/31/2021):</b>			<b>\$11,223,559.00</b>
<b>Line 14</b>	<b>Ending Balance of Fund – Net Assets:</b>			
<i>Line 14a</i>	<i>Cash &amp; Cash Equivalents</i>	\$0.00		

**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: 01/01/22– 03/31/22**

<b>FUND ACCOUNTING</b>				
		Detail	Subtotal	Grand Total
<i>Line 14b</i>	<i>Investments</i>	\$0.00		
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>			
	<b>Total Ending Balance of Fund – Net Assets</b>			<b><u>\$11,223,559.00</u></b>
<b>OTHER SUPPLEMENTAL INFORMATION</b>				
		Detail	Subtotal	Grand Total
<b>Line 15-19</b>		N/A		

Note 1: The Receiver estimates that the Beginning Balance includes approximately \$1,056,065 of funds deposited into MJ Capital’s Chase Bank Account on and after August 12, 2021.

Note 2: "Business Asset Liquidation" consists of proceeds from the sale of model cars.

Note 3: “Miscellaneous – Other” consists of cash surrendered by individuals and companies from January 1, 2022 through March 31, 2022.

Note 4: "Business Asset Expenses" consists of expenses for a vendor to scan investor related agreements located at Pompano Beach premises.

Note 5: Represents bank fees