

**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.

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**RECEIVER'S FIFTH INTERIM REPORT**

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

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

During July 1, 2022 through September 30, 2022 (the "Reporting Period"), the Receiver and her professionals have achieved the following:

- (a) recovered for the benefit of the receivership estate an additional \$3,036,964.47 from individuals and companies who received significant funds from the Receivership Entities through voluntary surrender, and from MJ Taxes and More Inc.'s Wells Fargo Bank, N.A. ("Wells Fargo") account; in addition, after the Reporting Period in October 2022, obtained \$108,192.15 from the sale of surrendered personal property and two vehicles;

- (b) investigated claims relating to Wells Fargo and related issues, and prepared for and attended mediation with Wells Fargo and interim class counsel for investors, which resulted in a settlement through mediation though there are unresolved terms to be agreed upon;
- (c) received more than 12,000 timely filed proofs of claim and supporting documents by the claims bar date, which the Receiver is currently in the process of reviewing;
- (d) engaged in extensive communications with investors regarding the proof of claim process and the status of the receivership estate by responding to emails and telephone calls;
- (e) conducted meetings and conference calls with individuals and related entities who received considerable funds from the Receivership Entities, and conducted the deposition of one individual involved with the Receivership Entities;
- (f) issued over 25 subpoenas for production to additional board members, managers and account representatives, and their related companies who received considerable funds from the Receivership Entities;
- (g) issued subpoenas for production to financial institutions for records relating to the Receivership Entities, and individuals and entities who received considerable funds from the Receivership Entities; and
- (h) obtained and reviewed thousands of pages of records and files produced by financial institutions, and individuals and entities 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, reviewing timely filed proof of claims and related documents and information, investigating claims against Wells Fargo and preparing for mediation, investigating transactions between the Receivership Entities and related individuals and entities, and obtaining and reviewing records and financial information.

## **II. The Receivership and MJ Capital Ponzi Scheme**

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 Court has the receivership to include Pavel Ruiz MJCF LLC and UDM Remodeling, LLC [DE 79, 129].

Ms. Garcia and over 400 promoters induced thousands of investors to invest \$200 million dollars in the MJ Capital Ponzi scheme through false representations that 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. These funds were primarily used to pay alleged “returns” to investors, pay “commissions” and “referral fees” to promoters, and otherwise personally benefit the Receivership Entities’ insiders and promoters. During the Reporting Period, the Receiver has reviewed additional documents, conducted additional meetings with individuals who held the title of “Manager” or “Account Representative” within MJ Capital’s pyramid-type structure, and conducted the deposition of an “Account Representative”. The information gathered continues to indicate that there was no meaningful business activity of funding and collection of MCAs.

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

During the Reporting Period, the Receiver and her professionals recovered \$3,036,964.47 from individuals and entities who were involved with, and received substantial funds from, the Receivership Entities, and from MJ Taxes and More Inc.’s Wells Fargo account. This amount includes more than \$2.5 million recovered by the Receiver from Ms. Garcia and MJ Enterprise

Inc. upon the Court's entry of the Order granting the Receiver's Motion for Entry of Consent Order for Turnover of Funds against Ms. Garcia and MJ Enterprises Inc. [DE 144]. 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, Second, Third and Fourth Reports.

In addition, in October 2022, the Receiver filed a motion for turnover of \$220,490.42 from MJ Remodeling Services and More, Inc., which the Court granted after the Reporting Period. Accounts relating to Ms. Garcia remain subject to an asset freeze pursuant to the Court's Order entered on August 1, 2022 [DE 146], and September 30, 2022, the SEC filed a Motion for Order Re-Extending Asset Freeze [DE 154] with the consent of Ms. Garcia, which the Court granted after the Reporting Period and extended the asset freeze for an additional 90 days.

Approximately \$3.4 million in the accounts of certain parties involved with the MJ Capital Ponzi scheme have been seized at various banks. As described in the Fourth Report, on June 20, 2022, the Receiver submitted to the Department of Justice ("DOJ") a petition on behalf of the receivership estate and victim investors for remission with respect to approximately \$1,117,000 the United States seized. Also, the DOJ issued a second letter inviting the Receiver to submit a petition for remission with respect to approximately \$160,844.63 in additional funds the United States seized, and the Receiver submitted a petition on August 23, 2022.

On August 1, 2022, the Court entered an Order granting the Receiver's Motion to Expand Employment of Auctioneer and Auction Sale of Vehicles and Surrendered Personal Property [DE 147]. On September 1, 2022, a prior manager with MJ Capital surrendered a vehicle that was free

and clear of any liens, along with open title, to the Receiver's auctioneer. The auctioneer marketed the sale during the Reporting Period, and afterwards, on October 9, 2022, conducted an auction sale of a Mercedes, six Rolex watches, a Gucci watch, a Michele watch, a gold color necklace, a diamond ring, two wedding bands, a pair of diamond earrings, three designer purses, and a designer purse. The sale generated \$96,975.00 for the estate.

On September 7, 2022, Pavel Ruiz surrendered a 2021 Audi RS7 ("Audi") to the Receiver's auctioneer. The Receiver had determined that Pavel Ruiz purchased the Audi using \$100,000 in funds from an account of UDM Remodeling LLC. Before the auctioneer received delivery of the Audi, Mr. Ruiz confirmed that the only damage to the Audi was represented in photographs provided to the Receiver in July 2022, which the Receiver's auctioneer reviewed and determined there was sufficient value to proceed with surrender, sale and loan payoff of approximately \$42,000. Upon delivery of the vehicle, however, the Audi had substantial damage beyond what Mr. Ruiz represented to the Receiver. For example, there are significant electrical and sensor issues, the front carbon fiber grill is completely detached and needs to be replaced, wires and cords are exposed and disconnected and need to be replaced, the air induction shroud is missing on the passenger side, a cable to open the front hood is missing, the front windshield is cracked, the passenger side window is completely shattered and held together only by the tinting, and there are paint marks and scratches all over the roof. The auctioneer obtained a purchase offer of \$57,000, which the Receiver is in the process of facilitating and would net the estate \$11,217.15.

#### **IV. The Receiver's Investigation of Wells Fargo and Related Claims**

The Receiver has spent a substantial amount of time: (a) investigating and reviewing information relating to transactions and relationships between the MJ Defendants, certain

promoters and investors, and Wells Fargo Bank, N.A. (“Wells Fargo”), and (b) reviewing and determining investor loss for potential claims against Wells Fargo. Certain investors brought a class action case against Wells Fargo, and on December 13, 2021, filed an Amended Class Action Complaint. *See* Case No. 21-61749-AHS. The Receiver, interim class counsel for the investors, and Wells Fargo attended a pre-mediation Zoom conference on July 28, 2022, and formal mediation on August 26, 2022.

In the class action case, the investors and Wells Fargo filed a Joint Mediation Report and Request to Extend Stay shortly after mediation [Case No. 21-61749-AHS, DE 59], which states in part that the parties have reached a settlement through mediation though there are unresolved terms to be agreed upon, and requests the Court to stay the matter pending the parties’ negotiations of a full settlement agreement. On September 6, 2022, the Court entered an Order staying the class action case through October 17, 2022, and ordering the parties to either file a status report or motion for preliminary approval of class settlement by such date. The parties’ negotiations continue, and a status report was filed proposing a further extension of the stay to November 7, 2022.

#### **V. Ongoing Investigation of Recoverable Assets and Litigation Targets**

The Receiver has been focused on effectuating the recovery of assets for the benefit of victims on a voluntary basis without the need for litigation and the attendant cost of same. As a result, the Receiver has successfully recovered over \$6.8 million through this voluntary process. The Receiver, however, will be bringing lawsuits against those who have not voluntarily and fully surrender assets before the Court to recover assets and their value.

During the Reporting Period, the Receiver issued over 25 subpoenas for production to additional board members, managers and account representatives and their related companies, and issued additional subpoenas for production to financial institutions for records relating to individuals and entities who received considerable funds from the Receivership Entities. Service has been effectuated on certain individuals who have attempted to evade service. In addition, the Receiver has continued to conduct meetings and conference calls with individuals and related entities involved with the MJ Defendants regarding the MJ Defendants' operations, producing bank records, surrendering assets, and otherwise cooperating with the Receiver's efforts. Also, the Receiver conducted the deposition of an account representative. The Receiver and her professionals are continuing to review thousands of pages of documents and files produced by financial institutions and promoters.

While the Receiver has issued over a hundred subpoenas, only one group of has filed a motion to quash subpoenas the Receiver's subpoenas issued to the movants. On July 8, 2022, Gabriel Galarza and Tanya Galarza, both managers with MJ Capital, and their related company, Blends by Legends, LLC, filed a motion to quash subpoenas [DE 136]. On July 13, 2022, the Receiver filed her response in opposition, and on July 20, 2022, the movants filed their reply [DE 139]. This matter is fully briefed and pending before the Court.

#### **VI. Review of Timely Filed Proofs of Claim and the Claim Process**

The Receiver formulated a claims administration process, which is set forth in the 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 ("Claims Procedures Motion") [DE 113] filed on February 1, 2022. On March 21, 2022, the Court entered

an Order granting the Claims Procedures Motion [DE 125], which set the claims bar date as July 19, 2022, and approved the proof of claim form, notice, and submission and administration procedures.

The Receiver employed Stretto, Inc. (“Stretto”) to provide an electronic platform for investors and other claimants to submit their proofs of claim and supporting documentation. During the Reporting Period, the Receiver worked with Stretto to create the claims submission webpage (<https://case.stretto.com/mjcapital>), create the electronic proof of claim form (the portal for which has since been closed as the claims bar date has passed), establish a prerecorded hotline dedicated to investors and other claimants to address the claims submission process, and provided notice of the proof of claims process and claims bar date to over 11,000 email addresses and 14,000 mailing addresses for potential claimants.

Over 12,000 proofs of claim were submitted by the July 19, 2021 claims bar date. The Receiver is in the process of reviewing these timely filed claims and supporting documentation, and reconciling information against the bank reconstructions and other records of the Receivership Entities and other related parties when possible. No comprehensive investor list or database was located in the books and records of MJ Capital. The Receivership Entities did not use any formal bookkeeping or accounting system. Due to the number of claims submitted, and absence of any organized investment recordkeeping system, the claims review process will take a considerable amount of time. The Receiver has urged the victims to have patience in light of the number of claims that need to be reviewed.



## **VII. 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 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). 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.

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

The SEC's Complaint which commenced this action sought injunctive and other relief against the MJ Defendants and Ms. Garcia arising from the sale of investments in violation of securities laws. 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 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 August 31, 2022, the SEC and Ms. Garcia filed a Joint Notice of Partial Settlement with Defendants Johanna M. Garcia and Joint Request for Stay [DE 151], which seeks in part: (a) the Court's entry of Judgment permanently restraining and enjoining Ms. Garcia from violating certain securities laws, and disgorgement of ill-gotten gains, and (b) a request to stay the SEC's request for monetary relief once criminal sentencing is concluded (in the event Ms. Garcia does not prevail at trial).

The following motions filed by the Receiver were pending before the Court during the Reporting Period, and granted in October 2022:

- (a) the Motion for Order Requiring Delivery of Vehicle Title to the Receiver [DE 153] filed on September 26, 2022; and
- (b) the Third Motion to Continue Deadline for Filing Liquidation Plan [DE 157] filed on October 6, 2022; and

#### **IX. Other Actions**

During the Reporting Period, the SEC and United States of America initiated the following cases against certain individuals involved with MJ Capital:

- (a) United States of America v. Pavel Ramon Ruiz Hernandez, Case No. 22-cr-20400-RS, with the Information filed on August 29, 2022 (criminal proceeding);
- (b) Securities and Exchange Commission v. Pavel Ruiz, Case No. 22-cv-61609, with the Complaint for Injunctive and Other Relief and Demand for Jury Trial filed on August 29, 2022; and

(c) Securities and Exchange Commission v. Christian J. Gonzalez, Case No. 22-cv-61824, with the Complaint for Injunctive and Other Relief and Demand for Jury Trial filed on September 27, 2022.

#### **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. The Receiver has not engaged any additional professionals during the Reporting Period. The Receiver has previously engaged the following professionals: Kozyak Tropin & Throckmorton, LLP (Attorneys), KapilaMukamal, CPA (Forensic Accountants), HD Investigative Group LLC (Investigators), Martin Claire & Co LLC (Auctioneer), and Stretto, Inc. (Claims Agent). 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 September 30, 2022, the receivership estate had cash on hand in the total amount of \$14,851,282.20.<sup>1</sup> The amount of unencumbered funds in the receivership estate, as of September

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<sup>1</sup> 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.

30, 2022, is \$14,851,282.20. 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 September 30, 2022 is \$803,493.90, 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
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
3. 20% holdback for the Third Fee Application for the for the Period of January 1, 2022 through March 31, 2022, approved by the Court [DE 145]
  - a. Receiver: \$ 3,318.00
  - b. Kozyak, Tropin & Throckmorton: \$30,391.00
  - c. KapilaMukamal: \$39,636.20
  - d. HD Investigative Group: \$ 0.00
  - e. Stretto, Inc. (Claims Agent): \$ 5,175.12
4. 20% holdback for the Fourth Fee Application for the for the Period of April 1, 2022 through June 30, 2022, approved by the Court [DE 155]
  - a. Receiver: \$ 3,486.00
  - b. Kozyak, Tropin & Throckmorton: \$26,253.00
  - c. KapilaMukamal: \$24,003.20
  - d. HD Investigative Group: \$ 0.00
  - e. Stretto, Inc. (Claims Agent): \$80,287.68
5. Fees and Expenses from the Fifth Fee Application for the Period of July 1, 2022 through September 30, 2022, which will be filed with the Court and have not been approved:

a. Receiver:	Fees:	\$18,095.00
	Expenses:	\$0.00
	Hours:	51.70
b. Kozyak, Tropin & Throckmorton:	Fees:	\$223,270.00
	Expenses:	\$4,394.25
	Hours:	907.10
c. KapilaMukamal:	Fees:	\$14,179.00
	Expenses:	\$231.97
	Hours:	43.90
d. HD Investigative Group:	Fees:	\$10,462.50
	Expenses:	\$0.00
	Hours:	46.50
e. Stretto, Inc. (Claims Agent)	Fees:	\$139,173.60
	Expenses:	\$53,973.95
	Hours:	600.00

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) with respect to the period for July 1, 2022 through September 30, 2021, have been applied for but 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 September 30, 2022, the known Receivership Property consists of: (a) cash on hand of \$14,851,282.20, (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 claims bar date occurred on July 19, 2022. More than 12,000 proofs of claim were filed by the claims bar date. The Receiver is in the process of reviewing the timely filed proofs of claim and documents to identify valid claims to be administered through this receivership proceeding. Thus, the Receiver is still in the process of reviewing 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 12,000 proofs of claim were filed by the claims bar date, which the receiver is in the process of reviewing. 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 the Order granting the Claims Procedures Motion, setting the claims bar date, and approving the proof of claim form, proposed notice, and proposed submission and administration procedures. The claims bar date occurred on July 19, 2022, and more than 12,000 proofs of claim were filed by the claims bar date. The Receiver is in the process of reviewing the timely filed proofs of claim and supporting documentation to determine which claims are valid and should be administered through the receivership proceeding, and which claims should be objected to and rejected.

- 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 Entities 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 victim investors, recovering funds on behalf of victims, and distributing those recoveries to the investors.

Respectfully submitted,

**KOZYAK TROPIN & THROCKMORTON, LLP**  
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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 26th day of October, 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: 07/01/22-09/30/22**

<b>FUND ACCOUNTING</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<b>Line 1</b>	<b>Beginning Balance (as of 07/01/2022) (Note 1)</b>			\$12,087,723.83
	<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>	\$40,392.71		
<b>Line 5</b>	<b>Business Asset Liquidation (Note 2)</b>	\$57,000.00		
<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>	\$3,036,964.47		
	<b>Total Funds Available (Lines 1-8):</b>			<b>\$15,222,081.01</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>	\$327,920.77		
<i>Line 10b</i>	<i>Business Asset Expenses (Note 4)</i>	\$42,932.85		
<i>Line 10c</i>	<i>Personal Asset Expenses</i>			
<i>Line 10d</i>	<i>Investment Expenses (Note 5)</i>	-\$55.01		
<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>\$370,798.61</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>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>\$370,798.61</b>
<b>Line 13</b>	<b>Ending Balance (as of 09/30/2022):</b>			<b>\$14,851,282.40</b>
<b>Line 14</b>	<b>Ending Balance of Fund – Net Assets:</b>			
<i>Line 14a</i>	<i>Cash &amp; Cash Equivalents</i>	\$14,851,282.40		

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**STANDARDIZED FUND ACCOUNTING REPORT**  
**Reporting Period: 07/01/22-09/30/22**

<b>FUND ACCOUNTING</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
	<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>\$14,851,282.40</u></b>
<b>OTHER SUPPLEMENTAL INFORMATION</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<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 purchaser funds for an Audi surrendered by Pavel Ruiz, of which \$42,932.85 was used to pay off the Wells Fargo Auto loan.

Note 3: "Miscellaneous – Other" consists of cash surrendered by individuals and companies from July 1, 2022 through September 30, 2022, and \$67,460.28 from MJ Taxes and More Inc.'s bank account with Wells Fargo Bank.

Note 4: "Business Asset Expenses" consists of funds from the purchaser of an Audi surrendered by Pavel Ruiz used to pay off the Wells Fargo Auto loan

Note 5: Represents bank fees