

**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 SIXTH INTERIM REPORT

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

I. Summary of Services Rendered and Results Achieved

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

- (a) Finalized a settlement (the “Wells Fargo Settlement”) under which Wells Fargo Bank, N.A. will fund \$26.625 million (the “Wells Fargo Fund”). The Wells Fargo Settlement is subject to Court approval in this case and the class action case against Wells Fargo initiating Case No. 21-61749-AHS (the “Investor Action”), and certain conditions to effectiveness must occur. If the Wells Fargo Settlement is approved by the Court in both actions on a final basis and becomes effective, the Receiver estimates the fund will provide over \$19.5 million in distributions to victim investors.
- (b) Recovered an additional \$551,624.11 from individuals and companies who were

involved with the Receivership Entities, and the sale proceeds from a vehicle and other surrendered personal property.

- (c) Conducted a review and reconciliation of thousands of timely filed proofs of claim, which will safeguard victim investors against duplicative and improper claims, and prevent those who profited from the MJ Capital scheme from recovering from the receivership estate and Wells Fargo Fund. There were 12,957 proofs of claim filed by the July 19, 2022 claims bar date. The claims review and reconciliation process is complicated as no comprehensive investor list or database was located in the books and records of the Receivership Entities, and the Receivership Entities did not use any formal bookkeeping or accounting system. The Receiver is conducting her review and reconciliation in a two-step process. First, the Receiver is reviewing whether the claimant appears in the bank reconstructions for the Receivership Entities, whether an investment agreement has been provided by the claimant or can be located in the Receiver's investor agreement database, and certain terms of such investor agreements. The Receiver has completed this first step for approximately 11,000 claims. Second, the Receiver is reconciling the investment and payment amounts asserted in the proofs of claim against the bank reconstructions, and reviewing other information and documents provided by the claimants to determine whether the amounts asserted should be rejected. The Receiver has completed this second step for approximately 2,000 claims.
- (d) Engaged in extensive communications with investors regarding the claims review process, and the status of the receivership estate via emails and telephone calls.

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 the MJ Defendants. The Court expanded 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 an estimated \$200 million 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. The documents and information collected and reviewed by the Receiver indicates that there was no meaningful business activity of funding and collection of MCAs.

III. The Wells Fargo Settlement

The Receiver and her professionals conducted an extensive review of documents and information in connection with claims against Wells Fargo. The Receiver investigated and reviewed (a) over \$155 million in transactions occurring within the MJ Defendants’ Wells Fargo accounts, (b) the relationships between the MJ Defendants, certain promoters and investors, and Wells Fargo, (c) Garcia and other promoters’ use of accounts with Wells Fargo and certain banking activity, and (d) the investor loss with respect to claims against Wells Fargo.

In May 2022, the Class Representatives and Wells Fargo participated in mediation with mediator Hunter R. Hughes III. During this initial process, the Receiver worked with the Class Representatives to provide information and records to support their claims. Soon after, the Receiver joined the Parties’ settlement discussions, and on August 26, 2022, the Receiver, Class Representatives and Wells Fargo attended a mediation with the mediator which led to a global settlement.

During the Reporting Period, the Receiver (a) negotiated settlement terms with Wells Fargo and the class representatives, (b) drafted and reviewed the Settlement Agreement and related documents, such as the notice form for class members, claim form for additional claimants, proposed motion and order for preliminary approval, and proposed order for final approval, (c)

considered and prepared the proposed notice requirements for the settlement, and (d) formulated the claims review process and distribution procedures for the Wells Fargo Fund.

Under the Settlement Agreement, Wells Fargo will pay \$26.625 million to resolve the Receiver's claims that relate to the MJ Capital scheme (defined as the "Receiver's Released Claims" in the settlement agreement) against Wells Fargo and various related parties (defined as the "Released Parties" in the settlement agreement), and the claims of the Settlement Class Members who do not timely opt out and related parties that relate to the MJ Capital scheme against the Released Parties. *See* Settl. Agrmt. §§ 4.1 and 10. The Receiver will serve as the "Settlement Administrator" and provide notice, review claims and disburse funds under the settlement agreement.

If the Settlement Agreement is approved by the Court on a final basis and becomes effective, the Receiver estimates that more than \$19.5 million will be disbursed to victim investors who have allowed claims as described in greater detail below. Other amounts to be paid from the \$26.625 million include: Notice and Administration Expenses and Taxes (as defined in the settlement agreement), attorneys' fees and reimbursement of costs for the attorneys representing the class representatives in the Investor Action, for which the Class Representatives will seek court approval in the Investor Action and which the attorneys have agreed will not exceed 24.88% (\$6,625,000), service awards in the amount of \$3,000 each for the individual Class Representatives, if approved by the Court in the Investor Action, and other costs, fees or expenses approved by the Court. *See* Settl. Agrmt. § 1.18.

The Settlement Agreement takes into account that the Receiver has already implemented a claims process as approved by the Court in this case which set the Receiver's bar date as July 19,

2022 (the “Receiver’s Bar Date”). *See* Settl. Agrmt. § 7.4. Investors who previously returned a proof of claim form to the Receiver by the Receiver’s Bar Date will not be required to submit any additional form in order to seek distribution from the Wells Fargo Fund, and will be advised of their right to opt out of the settlement or object. Investors who chose not to, or otherwise failed to, timely return a proof of claim form to the Receiver by the Receiver’s Bar Date, may submit a claim form to the Settlement Administrator within 60 days after the Settlement Administrator sends the Notice, to indicate their intention to participate in the Wells Fargo Fund and seek to establish their eligibility. *See id.*

The Receiver prepared the Receiver’s Motion to Approval Settlement Agreement with Investor Class Representatives and Wells Fargo Bank, N.A. and for Related Relief [DE 172], and filed it with the court on December 30, 2022. This motion is presently pending before this Court, and the motion for preliminary approval is pending before this Court in the Investor Action. This settlement was reached without the Receiver having to initiate a lawsuit against Wells Fargo and incurring the attendant expense.

IV. Additional Investigations and Litigation

The Receiver has continued to investigate and conduct research regarding various claims, damages, remedies and other issues relating to litigation against certain promoters and investors who received funds exceeding the amount of their investments, and has begun drafting a complaint against certain promoters. The Receiver has issued over a hundred subpoenas, and continued to review documents produced by financial institutions and promoters, and communicate with various financial institutions, and related individuals and companies regarding production, surrender of assets, and related issues. 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.

V. The Surrendered and Frozen Assets

During the Reporting Period, the Receiver and her professionals recovered \$551,624.11 (the “Recovered Funds”) from individuals and companies who were involved with the Receivership Entities, and proceeds from the sale of a vehicle and other surrendered personal property. The Recovered Funds include \$220,490.42 in MJ Remodeling Services and More, Inc.’s bank account, an entity related to Johanna Garcia, which the bank turned over to the Receiver shortly after the Court granted the Receiver’s motion for turnover on October 24, 2022. The Recovered Funds also include \$94,125 received from the sale of a vehicle and other surrendered personal property. Additional details are set forth in the Receiver’s receipt and disbursements report for the Reporting Period attached hereto as **Exhibit A**.

Accounts relating to Ms. Garcia remain subject to an asset freeze pursuant to the Court’s Order entered on October 24, 2022 [DE 160], and on January 6, 2023, the SEC filed a Motion for Order Re-Extending Asset Freeze [DE 174], with the consent of Ms. Garcia, seeking to extend 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 Fifth Report, the Receiver has submitted to the Department of Justice (“DOJ”) two petitions on behalf of the receivership estate and victim investors for remission of approximately \$1,117,000 and \$160,844.63 seized by

the United States from accounts of individuals and companies involved with the MJ Capital scheme. The Receiver continues to monitor the status of the petitions and seized funds.

VI. Claims Administration and Objections

The Receiver and her professionals have reviewed and reconciled thousands of timely filed proofs of claim and supporting documents. Investors and other claimants filed 12,957 timely proofs of claim by the July 19, 2022 bar date. The Receiver and her professionals have spent a considerable amount of time during the Application Period reviewing the timely filed proofs of claim and supporting documents, and reconciling information against the bank reconstructions and other records of the Receivership Entities and other related parties when possible. The claims review and reconciliation process is complicated, and will take a substantial amount of time. There is no comprehensive investor list or database located in the books and records of the Receivership Entities. The Receivership Entities did not use any formal bookkeeping or accounting system.

The Receiver is conducting her review and reconciliation in a two-step process. First, the Receiver is reviewing whether the claimant appears in the bank reconstructions for the Receivership Entities, whether an investment agreement has been provided by the claimant or can be located in the Receiver's investor agreement database, and certain terms of such investor agreements. The Receiver has completed this first step for approximately 11,000 claims. Second, the Receiver is reconciling the investment and payment amounts asserted in the proofs of claim against the bank reconstructions, and reviewing other information and documents provided by the claimants to determine whether the amounts asserted should be rejected. The Receiver has completed this second step for approximately 2,000 claims.

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 Motions

The SEC's Amended Complaint which commenced this action sought injunctive and other relief against the MJ Defendants and 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 November 15, 2022, the Court entered a Judgment as to Defendant Johanna M. Garcia [DE 169] permanently enjoining Garcia from 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, and ordering Garcia to pay disgorgement of ill-gotten gains, prejudgment interest and a civil penalty in an amount to be determined by the Court upon the

SEC's motion. On the same day, the Court entered an Order Granting Joint Request to Stay [DE 168] that, *inter alia*, stayed the case with respect to the SEC's request for monetary relief, allowed the SEC to bring a disgorgement and civil penalty motion once her criminal sentencing has been completed (in the event she does not prevail at trial).

The Receiver filed the following motions during the Application Period that are currently pending before the Court: (a) the Receiver's Fifth Interim Application to Authorize Payment of Fees and Expenses of Receiver and her Professionals [DE 167] filed on November 14, 2022, and (b) the Motion to Approve Settlement Agreement with Investor Class Representatives and Wells Fargo Bank, N.A. and for Related Relief [DE 172] filed on December 30, 2022.

IX. Other Related Actions

The SEC and United States of America have filed the following cases against certain individuals involved with MJ Capital:

- (a) *USA v. Pavel Ramon Ruiz Hernandez*, Case No. 22-cr-20400-RS (criminal proceeding): The United States of America filed an Information against Pavel Ruiz on August 29, 2022. On October 21, 2022, Pavel Ruiz filed a motion seeking to continue trial for a period of 90 days to properly review the government's discovery responses. On October 25, 2022, the Court continued the jury trial to January 30, 2023, and set the calendar call for January 24, 2023.
- (b) *Securities and Exchange Commission v. Pavel Ruiz*, Case No. 22-cv-61609: The SEC filed its Complaint for Injunctive and Other Relief and Demand for Jury Trial on August 29, 2022, and on November 18, 2022, the SEC filed a waiver of service of summons signed by counsel for Pavel Ruiz that states in part that an answer or motion must be filed within 60 days from November 15, 2022.
- (c) *USA v. Christian Jose Gonzalez*, Case No. 22-cr-20563-SEITZ/Reid (criminal proceeding): The United States of America filed an Indictment against Christian Jose Gonzalez ("Gonzalez") on November 18, 2022 for money laundering and seeking forfeiture. On January 3, 2023, Gonzalez filed a motion to continue trial, and on January 3, 2023, and Court entered an order setting a status conference for January 18,

2023 for all counsel to be present and for defense counsel to discuss the reasons for the length of the continuance he seeks.

- (d) *Securities and Exchange Commission v. Christian J. Gonzalez*, Case No. 22-cv-61824: The SEC filed its Complaint for Injunctive and Other Relief and Demand for Jury Trial on September 27, 2022, Gonzalez filed his Answer and Affirmative Defenses with Jury Trial on November 30, 2022, and the Court entered an Order Granting Unopposed Motion to Stay on December 1, 2022 staying the matter until the above referenced criminal proceedings have been resolved against Gonzalez.

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 December 31, 2022, the receivership estate had cash on hand in the total amount of

\$14,799,932.60.¹ The amount of unencumbered funds in the receivership estate, as of September 30, 2022, is \$14,799,932.60. 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 December 31, 2022 is \$1,189,903.40, 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. 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. Stretto, Inc. (Claims Agent): \$80,287.68

¹ 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.

5. Fees and Expenses from the Fifth Fee Application for the Period of July 1, 2022 through September 30, 2022, which has been filed with the Court but has 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

6. Fees and Expenses from the Sixth Fee Application for the Period of October 1, 2022 through December 31, 2022, which will be filed with the Court and has not been approved:

a. Receiver:	Fees:	\$6,165.00
	Expenses:	\$0.00
	Hours:	18.90
b. Kozyak, Tropin & Throckmorton:	Fees:	\$279,890.00
	Expenses:	\$1,843.13
	Hours:	1,430.70
c. KapilaMukamal:	Fees:	\$22,600.00
	Expenses:	\$181.20
	Hours:	83.60
d. Stretto, Inc. (Claims Agent)	Fees:	\$2,130.00
	Expenses:	\$15,000.00
	Hours:	8.70

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, (b) with respect to the period of July 1, 2022 through September 30, 2022, have been filed with the Court but not approved, and (c) with respect to the period for October 1, 2022 through December 31, 2022, have not been applied for and have not been approved, but will be applied for.

- 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 \$14,799,932.60, (b) 14 One Oz. Gold Bars, (c) 3 T-Mobile SIM Cards, 3 Pre-Paid Visa Cards, Hand & Stone Gift Card, and \$100 Visa Gift Card and \$50 Starbucks Gift Card (d) miscellaneous personal property surrendered during the Reporting Period, and (e) 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.

- 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).

By the July 19, 2022 claims bar date, 12,957 timely proofs of claim were filed. Claimants submitted thousands of documents along with their proofs of claim. The Receiver is in the process of reviewing and reconciling 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.

As described above, the Receiver is in the process of reviewing timely filed proofs of claim. 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.

The claims bar date occurred on July 19, 2022, and 12,957 proofs of claim were filed by the claims bar date. The Receiver is in the process of reviewing and reconciling 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 reviewing and reconciling proofs of claim and supporting documents, seeking approval of and administering the Wells Fargo settlement agreement, pursuing claims of the receivership estate, recovering funds on behalf of victims, and determining and issuing distributions to claimants with allowed claims.

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 this 26th day of January, 2023: (i) via CM/ECF upon all counsel of record; (ii) via electronic mail on Johanna M. Garcia (johannaredondo@yahoo.com); and (iii) via first class U.S. mail on Johanna M. Garcia, 7814 S.W. 8 Court, North Lauderdale, Florida 33068.

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

EXHIBIT A

SEC'S STANDARDIZED FUND ACCOUNTING REPORT

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: 10/01/2022-12/31/2022

FUND ACCOUNTING				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (as of 10/01/2022) (Note 1)			\$14,851,282.40
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities			
Line 4	Interest/Dividend Income	\$76,830.95		
Line 5	Business Asset Liquidation (Note 2)	\$94,125.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous – Other (Note 3)	\$457,499.40		
	Total Funds Available (Lines 1-8):			\$15,479,737.75
	<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>	\$679,600.15		
<i>Line 10b</i>	<i>Business Asset Expenses</i>	\$0.00		
<i>Line 10c</i>	<i>Personal Asset Expenses</i>			
<i>Line 10d</i>	<i>Investment Expenses (Note 4)</i>	\$205.00		
<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			\$679,805.15
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
	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):			\$679,805.15
Line 13	Ending Balance (as of 12/31/2022):			\$14,799,932.60
Line 14	Ending Balance of Fund – Net Assets:			
<i>Line 14a</i>	<i>Cash & Cash Equivalents</i>	\$14,799,932.60		

**Coral Lopez-Castro, as Receiver
SEC v. MJ Capital Funding, LLC, et al.
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**STANDARDIZED FUND ACCOUNTING REPORT
Reporting Period: 10/01/2022-12/31/2022**

FUND ACCOUNTING				
		Detail	Subtotal	Grand Total
	<i>Investments</i>	\$0.00		
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>			
	Total Ending Balance of Fund – Net Assets			<u>\$14,799,932.60</u>
OTHER SUPPLEMENTAL INFORMATION				
		Detail	Subtotal	Grand Total
Line 15-19		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 a surrendered 2018 Mercedes and other personal property.

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

Note 4: Represents bank fees