

**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 SEVENTEENTH INTERIM REPORT

Bernice Lee, 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 Seventeenth Interim Report in accordance with the Court's Orders [DE 17, 203] appointing her as Receiver.

I. Summary of Services Rendered and Results Achieved

As of September 30, 2025, the receivership estate has a balance of \$8,758,693.22 in its bank accounts, and the separate Wells Fargo Settlement Fund has a balance of \$21,175,771.27. During July 1, 2025 through September 30, 2025 (the "Reporting Period"), the Receiver issued checks totaling \$11,840,886.16 in initial distribution payments to investors holding allowed claims in accordance with the Court's Order Granting Receiver's Motion for Approval of Distribution Plan and Initial Distributions (the "Distribution Order") [DE 288].

During the Reporting Period, the Receiver has been focused on: (a) recovering over \$1.3 million in funds from third party targets who received fraudulent transfers and assets seized by the

FBI; (b) issuing thousands of checks totaling over \$11.84 million in initial distribution payments to investors holding allowed claims in accordance with the Distribution Order; (c) addressing hundreds of inquiries from investors regarding the status of their claims, initial distribution payments, rejected claims, the Wells Fargo settlement fund, actions against litigation targets, and other matters relating to MJ Capital and the receivership estate; (d) drafting responses to motions filed by claimants seeking relief with respect to claims the Receiver has rejected; (e) negotiating settlements and obtaining financial information from various third party litigation targets; and (f) filing a complaint against an individual and related companies involved in high-level planning for the MJ Capital scheme, and prosecuting the Receiver's complaint against over 125 defendants who were "Account Representatives," "Managers," "Team Leads" and promoters.

II. The Receivership and MJ Capital Ponzi Scheme

On August 12, 2021, the Court entered the Order appointing the Receiver over the MJ Defendants (the "Receivership Order") [DE 17], and on October 14, 2021, the Court expanded the receivership to include Pavel Ruiz MJCF LLC and UDM Remodeling, LLC [DE 79, 129]. On May 22, 2023, the Court entered an Order appointing Bernice C. Lee as the successor receiver over the Receivership Entities [DE 203].

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 indicate that

there was no meaningful business activity of funding and collection of MCAs.

III. MJ Capital Receivership - Claims Administration and Initial Distributions

During the Reporting Period, the Receiver and her professionals have been focused on: (a) issuing thousands of checks totaling over \$11.84 million in initial distribution payments to investors holding allowed claims in accordance with the Distribution Order, (b) addressing hundreds of inquiries from investors regarding the status of their claims, initial distribution payments, rejected claims, the Wells Fargo settlement fund, actions against litigation targets, and other matters relating to MJ Capital and the receivership estate, and (c) drafting responses to motions filed by claimants seeking relief with respect to claims the Receiver has rejected.

As set forth in the Plan, claimants filed a total of 13,058 claims with the Receiver asserting a total of \$238,678,831. Of this amount, the Receiver rejected, and reduced the claims pool, by \$74,087,382 in asserted claims. The Receiver also accounted for \$12,420,473 in payments received by claimants that had not been disclosed in the proofs of claim. The total claims pool addressed in the Plan consists of: (a) \$161,866,937 in Allowed Claims, which had collectively received and \$38,865,505 in payments received from the Receivership Entities prior to the commencement of the Receivership; and (b) \$2,724,512 in Disputed Claims that are subject to further determination (discussed below).

The Distribution Order provides in part that distributions shall be made to holders of allowed claims at the addresses set forth in the proof of claim submitted by such holders, as may be amended by a properly completed change of address form submitted to the Receiver, and states that the Receiver is under no affirmative obligation to attempt to locate any holder of an allowed claim. Given that years had elapsed, and because many investors are not sophisticated and have needed assistance throughout the claims process, on June 27, 2025, the Receiver sent an email

notification to all investors who will receive an initial distribution under the Plan (and had not already submitted a change of address form to the Receiver) that provided: their claim number, the mailing address they used in their proof of claim form where the Receiver will mail the initial distribution check, and a change of address form with instructions on how to properly complete the form and a deadline of July 7, 2025 to submit such form. In response, investors submitted over 750 change of address forms. During the Reporting Period, the Receiver and her professionals continued to review change of address forms, communicate with investors who submitted deficient forms, and address requests to reissue checks for a variety of issues, including from investors who have informed the Receiver that they moved and submitted a late change of address form, misplaced the check, or did not receive the check due to unknown reasons.

There are 56 claims for which the Receiver has issued rejection notices and categorized as “Disputed Claims” under the Plan. The Receiver and her accountants required a final set of claims with corresponding amounts to prepare the analyses for the initial distributions, and the Disputed Claims were not resolved at the time the Receiver and her accountants began performing the analyses. The Receiver has been preparing a separate motion for approval of the distributions for the Disputed Claims and any other claims that need to be addressed.

Additionally, the Receiver and her counsel have spent a meaningful amount of time drafting responses to motions filed by Raul Maura [DE 302, 305, 306] and Marieli Mojarena Betancourt [DE 304, 307] seeking relief with respect to claims the Receiver has rejected.

IV. MJ Capital Wells Fargo Settlement Fund – Additional Claims and Administration

In the Wells Fargo class action, in March 2023, the Court approved an additional claims bar date of June 9, 2023, for investors to file claims to seek a recovery from the MJ Capital Wells Fargo settlement fund [Case No. 21-61749-AHS, DE 69]. In the receivership case, the Court had

previously approved the MJ Capital receivership's claims submission and review process in March 2022 [DE 113, 125], and set the claims bar date for July 19, 2022 [DE 125]. Thus, investors who did not file a claim with the Receiver by the July 19, 2022 claims bar date were permitted to submit a claim to the Settlement Administrator by June 9, 2023 to request to participate in the MJ Capital Wells Fargo settlement. Investors who previously submitted a claim to the Receiver by the July 19, 2022 deadline did not need to submit an additional claim to request to participate in the Wells Fargo settlement.

The Court has approved the Receiver serving as the "Settlement Administrator," who is tasked with providing notice of the Wells Fargo settlement and additional claims process, reviewing claims, issuing rejection notices, and disbursing the settlement funds. The fees and expenses incurred by the Settlement Administrator and her professionals are paid from the MJ Capital Wells Fargo settlement fund. During the Reporting Period, the Settlement Administrator has spent a considerable amount of time reviewing the additional claims, determining rejection categories for several claims, and addressing investors' inquiries regarding the claims submitted to the Settlement Administrator, the settlement fund, and related issues.

Approximately 1,120 timely additional claims were submitted to the Settlement Administrator by the June 9, 2023 additional claims bar date, which assert an estimated \$25.5 million invested and disclose approximately \$8 million in payments received. The Settlement Administrator also received nine late additional claim forms submitted after June 9, 2023. In October 2025, the Settlement Administrator will begin issuing rejection notices for many of these additional claims, including: (a) claims that are duplicative of allowed claims filed with the Receiver; (b) claims that are duplicative of claims rejected by the Receiver; (c) claims filed by claimants who received payments from the MJ Defendants in excess of the amount of their

principal investment; and (d) claims that fail to provide a copy of an investor agreement or any bank records in support of their claim.

V. Asset Analysis and Recovery and Seized Assets

On August 28, 2025, the Receiver recovered \$1,278,570.77 from funds seized by the FBI from the accounts of third parties who received funds from the MJ Capital scheme, which were subject to an administrative forfeiture process. The Receiver previously received a decision letter from the United States Department of Justice, Money Laundering and Asset Recovery Section granting the Receiver's request for remission of forfeiture for funds, and after, coordinated with the U.S. Marshals Service to obtain payment of such funds for the receivership estate.

VI. Communications with Investors

During the Reporting Period, the Receiver and her professionals continue to monitor and respond to inquiries made to their personal emails, the Receiver's email addresses established for investors, and via telephone calls. The Receiver appreciates and understands the investors' need for information. The Receiver has continued to provide updates to the Receiver's investor website (<https://kttlaw.com/mjcapital/>), including with respect to the Plan and initial distributions, and updating the Frequently Asked Questions Section.

VII. Additional Third-Party Litigation and Recoveries

The Receiver is authorized and empowered to prosecute and compromise actions or proceedings under the Receivership Order, including against third parties who received funds from the Receivership Entities that may be recoverable as fraudulent transfers, or based on other claims and remedies, such as unjust enrichment and/or constructive trust (the "Additional Third-Party Claims"). The Receiver continues to pursue fraudulent transfer and unjust enrichment claims against promoters who received commission and other payments from the MJ Defendants. During

the Reporting Period, the Receiver recovered \$50,966.85 through settlement agreements with litigation targets, and obtained Court approval of a settlement agreement with three defendants [DE 303, 308]. The Receiver and her professionals continue to engage in settlement negotiations with various litigation targets who received demand letters and/or have been named as a defendant in the Receiver's lawsuits.

With respect to the Receiver's lawsuit against "Board Members" who received more than \$7,936,000 as fraudulent transfers and charged over \$975,000 in personal expenses on MJ Capital's corporate credit card [Case No. 23-62362-AHS], the Receiver has obtained favorable rulings or settlement against all defendants. She obtained final default judgments against: (a) Jose Cristobal Mendez and his four related companies; (b) Carlos Rivillas and his related companies; (c) Christian Cuesta and his related company; (d) Mario Morales and his related company; (e) Marco Rosas and his related entities; and (f) Joel Castellanos. The Receiver has also obtained a consent judgment against Bryant Guayara and his related company, and a settlement with Leonardo Azevedo and his two related companies which the Court approved [DE 254].

The Receiver filed a complaint against over 125 "Account Representatives," "Managers," "Team Leads" and promoters who received fraudulent transfers on March 31, 2025 [Case No.: 25-60619-AHS, DE 1]. During the Reporting Period, the Receiver and her professionals have spent a considerable amount of time working with process servers and a private investigator to effectuate service on the defendants, including several defendants who are evading service, and engaging in discussions and settlement negotiations with certain defendants who have contacted the Receiver's counsel or appeared in the case.

On August 8, 2025, the Receiver filed a complaint against an individual and five related companies involved in high-level planning for the MJ Capital scheme [Case No.: 25-61605-AHS,

DE 1]. The Receiver and her counsel have been engaged in discussions with counsel for the defendants regarding financial information and records and the possibility of settlement.

VIII. Status of the SEC Action

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 Garcia [DE 169] permanently enjoining her 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 Garcia's criminal sentencing has been completed (in the event she does not prevail at trial). On March 31, 2025, the SEC filed its Motion for Final Judgment [DE 284] against Garcia seeking: (a) permanent injunctive relief and an officer and director bar, and (b) \$3,286,798.50 as disgorgement and \$840,309.15 in pre-judgment interest, both of which sums are deemed satisfied by the \$186,312,000 forfeiture order entered in Garcia's criminal case. *See id.* at 1, 9–12. Garcia did not file a response to the SEC's Motion for Final

Judgment. *See* generally Docket. On May 1, 2025, the Court entered Final Judgment against Garcia, imposing the injunctive relief, disgorgement, and interest requested by the SEC. *See* Final Judgment [DE 291].

IX. Related SEC and United States of America Actions

The SEC and United States of America previously filed the following cases against certain individuals involved with MJ Capital, and updates are provided below:

- (a) *Securities and Exchange Commission v. Pavel Ruiz*, Case No. 22-cv-61609-WPD: On April 27, 2023, U.S. District Court Judge William P. Dimitrouleas entered a Judgment as to Defendant Pavel Ruiz, which granted the SEC permanent injunctive relief, and ordered disgorgement and a civil penalty in an amount to be determined by the court upon motion of the SEC. On November 19, 2024, the court entered a Final Judgment as to Defendant Pavel Ruiz [DE 28] granting the SEC permanent injunctive relief, and disgorgement of \$2,640,188.46 that is deemed satisfied by the money forfeiture order entered in the criminal case (discussed below).
- (b) *Securities and Exchange Commission v. Christian Jose Gonzalez*, Case No. 22-cv-61824-WPD: On February 5, 2024, U.S. District Court Judge William P. Dimitrouleas entered a Final Judgment as to Defendant Christian J. Gonzalez [DE 20] providing for permanent injunctive relief and a \$200,000 disgorgement judgment against Gonzalez, which is offset by the \$159,936 criminal forfeiture order and requires \$59,131.39 to be paid to the SEC.
- (c) *Securities and Exchange Commission v. Nathalia I. Burgos*, Case No. 23-cv-61818-WPD: On September 22, 2023, the SEC filed a complaint against Nathalia Burgos alleging violations of Sections 5(a) and (c), 17(a)(1), (a)(2) and (a)(3) of the Securities Act, and Sections 10(b) and Rule 10b-5(a) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge William P. Dimitrouleas. On November 14, 2024, the parties filed a joint request to stay and status report advising that Burgos provided the SEC an executed consent to final judgment, and the SEC is seeking internal authority approve the settlement [DE 44]. On November 15, 2024, the court entered an Order staying the matter for 90 days. On January 31, 2025, and on the SEC's Unopposed Motion for Entry of Final Judgment [DE 46], the court entered a Final Judgment against Burgos [DE 47], ordering permanent injunctive relief, an officer and director bar, \$115,176.06 of disgorgement, \$25,393.08 as pre-judgment interest, and a civil penalty in the amount of \$230,464.
- (d) *Securities and Exchange Commission v. Christian Cuesta*, Case No. 23-cv-61817-AHS: On September 22, 2023, the SEC filed a complaint against Christian Cuesta

alleging violations of Sections 5(a) and (c) of the Securities Act, and Section 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge Raag Singhal. On December 11, 2024, the court entered the Judgment as to Defendant Christian A. Cuesta granting the SEC permanent injunctive relief, and ordering disgorgement and civil penalties in an amount to be determined by the Court. On March 31, 2025, the SEC filed its Motion for Final Judgment [DE 45]. Cuesta did not file a response. On July 31, 2025, this Court entered Final Judgment against Cuesta, ordering permanent injunctive relief, disgorgement of \$1,964,715.85, prejudgment interest of \$464,349.13, and a civil penalty of \$200,000. *See* Final Judgment [DE 46].

- (e) *Securities and Exchange Commission v. Steven A. Fernandez and Monica O'Mealia*, Case No. 23-cv-61816-WPD: On September 22, 2023, the SEC filed a complaint against Steven Fernandez and Monica O'Mealia alleging violations of Sections 5(a) and (c) of the Securities Act, and Section 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. On September 22, 2023, U.S. District Court Judge William P. Dimitrouleas entered agreed final judgments against the defendants.
- (f) *Securities and Exchange Commission v. Erick M. Ruiz*, Case No. 24-cv-61768-BB: On September 24, 2024, the SEC filed a complaint against Erick M. Ruiz alleging violations of Sections 5(a) and (c) of the Securities Act, and 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge Beth Bloom. On June 18, 2025, the SEC filed its motion for summary judgment. On July 1, 2025, the parties filed a Joint Motion to Stay [DE 28] in which they informed the Court that they reached a tentative settlement and requested a 90-day stay for the SEC to secure authorization to enter the settlement. The Court granted that motion; stayed the case until September 29, 2025; and ordered the parties to file a joint status report by October 6, 2025. *See* Order Granting Stay and Administrative Closure [DE 29]. On September 30, 2025, and October 28, 2025, the SEC filed motions for extension of time to file the status report. *See* Motions for Extension of Time [DE 30, 32]. The court granted those motions, and the case is currently stayed until the federal government shutdown ends, with a joint status report due 60 days after the expiration of the stay. *See* Order Granting Extension of Stay [DE 34].
- (g) *Securities and Exchange Commission v. Marco A. Rosas*, Case No. 24-cv-61769-DPG: On September 24, 2024, the SEC filed a complaint against Marco A. Rosas alleging violations of Sections 5(a) and (c) of the Securities Act, and 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge Darrin P. Gayles. On October 31, 2024, the Clerk of Court entered a Clerk's Entry of Default [DE 7]. The SEC filed its Motion for Entry of Final Default Judgment [DE 14] on March 31, 2025. On May 8, 2025, the Court entered Default Final Judgment [DE 15]

against Rosas, providing for permanent injunctive relief; \$1,720,346.66 in disgorgement; \$417,244.01 in prejudgment interest; and a \$200,000 civil penalty.

- (h) *Securities and Exchange Commission v. Bryant Guayara*, Case No. 24-cv-61770-AHS: On September 24, 2024, the SEC filed a complaint against Bryant Guayara alleging violations of Sections 5(a) and (c) of the Securities Act, and 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge Raag Singhal. On December 4, 2024, the Clerk of Court entered a Clerk's Entry of Default [DE 9]. On January 7, 2025, the SEC filed a motion for default judgment [DE 11]. The SEC then requested a 90-day stay so that it could prepare an appropriate motion for monetary relief, *see* Motion to Stay [DE 12], followed by a Motion for Entry of Final Default Judgment [DE 13] on March 31, 2025. On June 30, 2025, the Court granted the Motion for Final Default Judgment and entered Default Final Judgment [DE 15] against Guayara, providing for permanent injunctive relief, disgorgement of \$1,773,865.53, prejudgment interest of \$430,224.19, and a civil penalty of \$200,000.
- (i) *Securities and Exchange Commission v. Karina N. Fernandez*, Case No. 24-cv-61774-DSL: On September 24, 2024, the SEC filed a complaint against Karina N. Fernandez alleging violations of Sections 5(a) and (c), and 17(a)(2) and (3) of the Securities Act, and 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court David S. Leibowitz. On October 23, 2024, the court entered the Judgment as to Defendant Karina N. Fernandez [DE 8] granting the SEC permanent injunctive relief, and ordering disgorgement and civil penalties in an amount to be determined by the Court. On March 28, 2025, the SEC filed its Motion for Final Judgment [DE 14], seeking disgorgement of \$176,191.23, prejudgment interest of \$42,732.52, and a civil penalty of \$176,191.23. On April 15, 2025, the court entered a Final Judgment [DE 15] ordering that relief.
- (j) *Securities and Exchange Commission v. Leonela M. Duarte*, Case No. 24-cv-61772-WPD: On September 24, 2024, the SEC filed a complaint against Leonela M. Duarte alleging violations of Sections 5(a) and (c) of the Securities Act, and 15(a)(1) of the Exchange Act, and seeking permanent injunctive relief, disgorgement and civil penalties. The case is pending before U.S. District Court Judge William P. Dimitrouleas. On December 3, 2024, Duarte filed her amended answer and affirmative defenses [DE 10], and on January 7, 2025, the SEC filed a motion to strike same [DE 20]. The Court granted in part the Motion to Strike. [DE 24]. On July 2, 2025, the parties filed a Joint Notice of Partial Settlement [DE 33] and the SEC filed an Unopposed Motion for Entry of Judgment [DE 34]. The Court then entered a Consent Judgment [DE 35] against Duarte, providing for permanent injunctive relief, disgorgement, prejudgment interest, and a civil penalty. The amounts of the disgorgement, interest, and civil penalty remain to be determined upon the SEC's forthcoming motion. On August 11, 2025, the court granted defense

counsel's Motion to Withdraw [DE 37] and Duarte is currently *pro se*. The case is administratively closed and the court retained jurisdiction to enforce the Final Judgment. *See* Order Administratively Closing [DE 36]. As of this filing, the SEC has not yet filed a motion to determine the amounts of disgorgement and civil penalties.

- (k) *USA v. Johanna Michely Garcia*, Case No. 23-cr-20350-JEM (criminal proceeding): In December 2024, U.S. District Court Judge Jose E. Martinez entered a Judgment sentencing Garcia to 240 months' imprisonment and three years' supervised release and restitution to be determined at a hearing scheduled for March 3, 2025 [DE 72, 75]. Garcia had pled guilty to Count 1 of the Indictment. On March 5, 2025, the government filed a Restitution Stipulation [DE 91] in which the parties agreed that Garcia should be held liable for \$65,802,500.

On December 17, 2024, Garcia filed a Notice of Appeal of the Judgment, which initiated *USA v. Johanna Garcia*, Case No.: 24-14110-H pending before the Eleventh Circuit Court of Appeals. Garcia filed her initial brief on September 8, 2025. [DE 26]. The government requested, and the clerk granted, an extension of time through November 7, 2025, to file the response brief. [DE 30].

- (l) *USA v. Pavel Ramon Ruiz Hernandez*, Case No. 22-cr-20400-RS (criminal proceeding): On September 19, 2023, U.S. District Court Judge Rodney Smith sentenced Pavel Ruiz to imprisonment for 110 months, and 3 years' supervised release. Ruiz had pled guilty to Count I of the Information for Conspiracy to Commit Wire Fraud. On May 7, 2024, the court entered an order denying Ruiz's Motion for Appointment of Counsel [DE 54] to assist him with a motion of collateral attack for ineffective assistance of counsel. On October 2, 2024, Ruiz filed a Motion to Vacate, Set Aside or Correct Sentence [DE 60], and this motion and all further docketing relating to such motion have been filed in *Ruiz Hernandez v. United States of America*, Case No. 24-cv-23797 (civil case, discussed below). On July 1, 2025, Ruiz filed a Motion for Return of Property [DE 62] seeking a "seizure list" identifying the property seized from his office. The government's response attached a "seizure list" as an exhibit and stated that the government opposes the return of any seized property because those items "were turned over to the Court-appointed Receiver . . . the Receiver is the correct person to which the Defendant should lodge the request." Response [DE 64]. The court granted in part, to the extent Ruiz sought the seizure list, and denied any other relief. [DE 65].

On December 16, 2024, the USA filed its Answer [DE 8] on the civil docket. On March 25, 2025, Ruiz filed a document titled Motion to Amend Reply to the Government's Answer in Opposition to the Movant's Motion to Vacate, Set Aside or Correct Sentence Under 28 USC 2255 [DE 19], in which he asserts prosecutorial misconduct, newly discovered evidence, and ineffective assistance of counsel. That Motion remains pending as of this filing. On August 5, 2025, Ruiz filed a document styled as a Memorandum of Clarification [DE 20] in which he seeks to "expand

and clarify” one of the grounds of his § 2255 Motion.

- (m) *USA v. Christian Jose Gonzalez*, Case No. 22-cr-20563-AHS (criminal proceeding): On August 31, 2023, U.S. District Court Senior Judge Patricia A. Seitz sentenced Christian Jose Gonzalez to 28 months’ imprisonment followed by 3 years’ supervised release following a verdict of guilty on two counts of money laundering for a transaction of proceeds of unlawful activity of a withdrawal of \$159,936 and deposit of \$155,000. The court also entered a forfeiture money judgment in the amount of \$159,936. The case has since been reassigned to this 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. 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, 2025, the receivership estate had cash on hand in the total amount of \$8,758,693.22. The amount of unencumbered funds in the receivership estate, as of September 30, 2025, is \$8,758,693.22. Details are set forth in the Receiver’s receipt and disbursements report for

the Reporting Period attached hereto as Exhibit A. In addition, the separate MJ Capital Wells Fargo Settlement Fund has a balance of \$21,175,771.27 as of September 30, 2025.

The total amount and nature of known accrued administrative expenses as of September 30, 2025, is \$999,926.68, which consists of professional fees and expenses of the Receiver's professionals, as follows:

1. 20% holdback from the prior fee applications:

- a. First Fee Application for August 12, 2021 through October 31, 2021 [DE 107]
 - i. Receiver Fees: \$13,160.00
 - ii. Kozyak, Tropin & Throckmorton Fees: \$61,706.00
 - iii. KapilaMukamal Fees: \$50,855.80
- b. Second Fee Application for November 1, 2021 through December 31, 2021 [DE 114]
 - i. Receiver Fees: \$ 2,695.00
 - ii. Kozyak, Tropin & Throckmorton Fees: \$24,103.00
 - iii. KapilaMukamal Fees: \$33,243.80
- c. Third Fee Application for January 1, 2022 through March 31, 2022 [DE 133]
 - i. Receiver: \$ 3,318.00
 - ii. Kozyak, Tropin & Throckmorton: \$30,391.00
 - iii. KapilaMukamal: \$39,636.20
 - iv. Stretto, Inc. (Claims Agent): \$ 5,175.12
- d. Fourth Fee Application for April 1, 2022 through June 30, 2022 [DE 149]
 - i. Receiver: \$ 3,486.00
 - ii. Kozyak, Tropin & Throckmorton: \$26,253.00
 - iii. KapilaMukamal: \$24,003.20
 - iv. Stretto, Inc. (Claims Agent): \$80,287.68
- e. Fifth Fee Application for July 1, 2022 through September 30, 2022 [DE 167]:
 - i. Receiver: \$ 3,619.00
 - ii. Kozyak, Tropin & Throckmorton: \$44,654.00
 - iii. KapilaMukamal: \$ 2,835.80
 - iv. Stretto, Inc. (Claims Agent): \$27,834.72
- f. Sixth Fee Application for October 1, 2022 through December 31, 2022 [DE 177]:
 - i. Receiver: \$ 873.00
 - ii. Kozyak, Tropin & Throckmorton: \$55,978.00
 - iii. KapilaMukamal: \$ 4,520.00

- iv. Stretto, Inc. (Claims Agent): \$ 426.00
- g. Seventh Fee Application for January 1, 2023 through March 31, 2023 [DE 202]:
 - i. Receiver: \$ 868.00
 - ii. Kozyak, Tropin & Throckmorton: \$43,733.00
 - iii. KapilaMukamal: \$ 904.60
 - iv. Stretto, Inc. (Claims Agent): \$ 1,804.80
- h. Eighth Fee Application for April 1, 2023 through June 30, 2023 [DE 211]:
 - i. Receiver: \$ 9,681.00
 - ii. Kozyak, Tropin & Throckmorton: \$15,132.00
 - iii. KapilaMukamal: \$ 556.40
 - iv. Stretto, Inc. (Claims Agent): \$ 476.80
- i. Ninth Fee Application for July 1, 2023 through September 30, 2023 [DE 221]:
 - i. Receiver: \$15,190.00
 - ii. Kozyak, Tropin & Throckmorton: \$ 4,220.00
 - iii. KapilaMukamal: \$ 880.40
 - iv. Stretto, Inc. (Claims Agent) \$ 86.24
- j. Tenth Fee Application for October 1, 2023 through December 31, 2023 [DE 227]:
 - i. Receiver: \$17,549.00
 - ii. Kozyak, Tropin & Throckmorton: \$ 7,425.00
 - iii. KapilaMukamal: \$ 5,730.60
 - iv. Stretto, Inc. (Claims Agent) \$ 463.44
- k. Eleventh Fee Application for January 1, 2024 through March 31, 2024 [DE 234]:
 - i. Receiver: \$11,025.00
 - ii. Kozyak, Tropin & Throckmorton: \$ 5,481.00
 - iii. KapilaMukamal: \$ 3,319.00
 - iv. Stretto, Inc. (Claims Agent) \$ 490.88
- l. Twelfth Fee Application for April 1, 2024 through June 30, 2024 [DE 245]:
 - i. Receiver: \$10,836.00
 - ii. Kozyak, Tropin & Throckmorton: \$ 5,719.00
 - iii. KapilaMukamal: \$ 577.20
 - iv. Stretto, Inc. (Claims Agent) \$ 684.48
- m. Thirteenth Fee Application for July 1, 2024 through September 30, 2024 [DE 271]:
 - i. Receiver: \$12,803.00
 - ii. Kozyak, Tropin & Throckmorton: \$ 6,200.00
 - iii. KapilaMukamal: \$ 245.60
 - iv. Stretto, Inc. (Claims Agent) \$ 299.60
- n. Fourteenth Fee Application for the Period of October 1, 2024 through December

31, 2024 [DE 280]:

i. Receiver:	\$12,201.00
ii. Kozyak, Tropin & Throckmorton:	\$11,326.00
iii. KapilaMukamal:	\$ 4,014.20
iv. Stretto, Inc. (Claims Agent)	\$ 165.76

o. Fifteenth Fee Application for the Period of January 1, 2025 through March 31, 2025 [DE 292]:

i. Receiver:	\$18,641.00
ii. Kozyak, Tropin & Throckmorton:	\$15,977.00
iii. KapilaMukamal:	\$ 1,802.80
iv. Stretto, Inc. (Claims Agent)	\$ 458.80

p. Sixteenth Fee Application for the Period of April 1, 2025 through June 30, 2025 [DE 300]:

i. Receiver:	\$ 0.00
ii. Kozyak, Tropin & Throckmorton:	\$ 0.00
iii. KapilaMukamal:	\$ 0.00
iv. Stretto, Inc. (Claims Agent)	\$ 0.00

2. Fees and Expenses from the Seventeenth Fee Application for the Period of July 1, 2025 through September 30, 2025, which will be filed with the Court and have not been approved:

a. Receiver:	Fees:	\$111,755.00
	Expenses:	\$0.00
	Hours:	319.30
b. Kozyak, Tropin & Throckmorton:	Fees:	\$82,130.00
	Expenses:	\$12,887.24
	Hours:	394.90
c. KapilaMukamal:	Fees:	\$4,813.00
	Expenses:	\$ 24.12
	Hours:	15.70
d. Stretto, Inc. (Claims Agent)	Fees:	\$ 794.40
	Expenses:	\$1,500.00
	Hours:	3.00
e. HD Investigative Group, LLC	Fees:	\$8,550.00
	Expenses:	\$ 0.00
	Hours:	38.00

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 of July 1, 2025 through September 30, 2025, will be filed with the Court and have not yet been approved.

The Court has approved litigation procedures and a contingency fee arrangement proposed by the Receiver to prosecute, and potentially settle, the Additional Third-Party Claims in an efficient and cost effective manner, and minimize administrative expense and risk to the receivership estate [DE 179, 193]. The litigation procedures provide that the Receiver is authorized to settle any Additional Third-Party Claims for which: (a) the asserted liability is \$100,000 or less without further Court approval, and (b) the asserted liability is greater than \$100,000 by holding settlement funds pending Court approval, and filing motions to approve settlement agreements. During the Reporting Period, the Receiver paid \$46,237.10 for contingency fees to the Receiver's counsel for prior recoveries discussed below.

Below is a list of recoveries and related pending contingency fees for the Receiver's counsel, which fees were approved by the Court Order granting the Receiver's Motion to Approve Third-Party Litigation Procedures and Contingency Fee Arrangement [DE 179, 193]:

- a. For this Reporting Period, July 1, 2025 through September 30, 2025, the Receiver recovered \$48,434.85 (which excludes the \$2,532 overpayment by a settling party), and the 27.5% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;
- b. For April 1, 2025 through June 30, 2025, the Receiver recovered \$132,412.64, and the 27.5% or 30% contingency fee (DE 290 approved 30% for a group that settled after the Receiver filed a lawsuit) will be paid to KTT in the following quarters and reported in future fee applications;
- c. For January 1, 2025 through March 31, 2025, the Receiver recovered \$128,004.39, and the 27.5% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

d. For October 1, 2024 through December 31, 2024, the Receiver recovered \$862,589.43, and paid a total of \$134,400.78 to her counsel in the first quarter of 2025 consisting of the 27.5% contingency fee for \$488,730.10 of the \$862,589.43, and the 27.5% contingency fee for the remaining \$373,859.33 in recoveries obtained during the fourth quarter of 2024 will be paid to KTT in future quarters and reported in future fee applications; and

e. On May 27, 2025, the Court entered an Order [DE 295] granting the Receiver's Motion to Approve Contingency Fee Request [DE 294] which authorized the Receiver to pay a contingency fee of \$72,472.21, which is 30% of the \$241,574.04 surrendered by Joel Castellanos to the Receiver in April 2024. During the Reporting Period, the Receiver paid \$46,237.10 of the \$72,472.21 to her counsel, and the remaining \$26,235.11 will be paid to KTT in future quarters and reported in future fee applications.

- 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, 2025, the known Receivership Property consists of: (a) cash on hand of \$8,758,693.22, (b) luxury items consisting of a Louis Vuitton backpack, a pair of Saint Laurent women's shoes, a Dior bag, a pair of Louis Vuitton men's shoes, a Louis Vuitton handbag and a pair of Christian Dior hoop earrings, (c) miscellaneous surrendered personal property, and (d) security deposits totaling approximately \$27,000 held by the landlord of the Pompano Beach locations which premises have been returned to the landlord.

- 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).

As described above, the Receiver has filed multiple lawsuits against certain “Board Members,” “Account Representatives,” “Managers” and “Team Leads” and their related companies. The defendants and their related companies received commissions, fees, or other payments for referring investors to the MJ Defendants.

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

Based on the Plan [DE 279] and Distribution Order [DE 288], the approved initial distributions will result in payments to: (a) 2,405 holders of allowed claims who received no pre- Receivership disbursements to bring those claimants to the same level of recovery as those who received 21.397% of their investments back during the Ponzi Scheme, and (b) 3,791 holders of allowed claims who received pre-Receivership disbursements of between 0.2% and 21.33% of their investments to bring these claimants up to the same 21.397% level of recovery. There are 3,683 holders of allowed claims who received pre-Receivership disbursements of 21.397% or more of their investments, and will not receive a payment under the Plan. The Receiver anticipates that many of the allowed claims, including the claimants who received 21.397% or more of their investments, will receive a distribution from the separate Wells Fargo Settlement Fund.

During the Reporting Period, the Receiver issued checks totaling \$11,840,886.16 in initial distribution payments to investors holding allowed claims in accordance with the Distribution Order.

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

The Receiver has issued all rejection notices for claims filed with the Receiver. There were 56 disputed claims for which the Receiver has issued rejection notices that were disputed and subject to resolution by the Receiver or determination by the Court at the time the Receiver and

her accountants began to prepare the initial distribution schedule. The Receiver and her accountants required a final set of claims with corresponding amounts to prepare the Rising Tide analysis for the Plan. The disputed claims were not resolved by the time the Receiver and her accountants began performing the Rising Tide analysis. The Receiver has been preparing a separate motion for approval of the distributions for the Disputed Claims and any other claims that need to be addressed.

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 remains work to be done with respect to: preparing the motion of approval of distributions for the disputed claims and any other claims that need to be addressed, addressing additional distributions, prosecuting and possibly settling Additional Third-Party Claims and issuing future distributions, and performing the tasks of the Settlement Administrator under the Wells Fargo settlement including issuing rejection notices to address additional claims filed with the Settlement Administrator that are duplicative, improper, unsupported, or otherwise subject to disallowance or reduction.

Respectfully submitted,

By: /s/ Bernice C. Lee
Bernice C. Lee
Receiver for the Receivership Entities
KOZYAK TROPIN & THROCKMORTON, LLP
2525 Ponce de Leon Boulevard, 9th Floor
Coral Gables, Florida 33134
Tel: (305) 372-1800 / Fax: (305) 372-3508
Email: blee@kttlaw.com
Florida Bar No. 0073535

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 30th day of October, 2025: (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

Bernice C. Lee, as Receiver
SEC v. MJ Capital Funding, LLC, et al.
Case No. 21-61644-CIV-SINGHAL

STANDARDIZED FUND ACCOUNTING REPORT
Reporting Period: 07/01/2025-09/30/2025

FUND ACCOUNTING				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (as of 07/01/2025)			\$19,343,335.64
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities			
Line 4	Interest/Dividend Income	\$139,120.40		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Additional Third-Party Claims Recovery (Note 1)	\$50,966.85		
Line 8	Miscellaneous – Other (Note 2)	\$1,278,570.77		
	Total Funds Available (Lines 1-8):			\$20,811,993.66
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors (Note 3)	\$11,840,886.16		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals (Note 4)	\$212,077.27		
Line 10b	Business Asset Expenses			
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses (Note 5)	\$337.01		
Line 10e	Additional Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Additional Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations			\$12,053,300.44
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
Line 11b	Distribution Plan Implementation Expenses:			
	Total Disbursements for Distribution Expenses Paid by the Fund:			\$0.00
	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			\$0.00
	Total Funds Disbursed (Lines 9-11):			\$12,053,300.44
Line 13	Ending Balance (as of 09/30/2025):			\$8,758,693.22
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents	\$8,758,693.22		
	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$8,758,693.22
OTHER SUPPLEMENTAL INFORMATION				
		Detail	Subtotal	Grand Total
Line 15-19		N/A		

- Note 1: This amount includes an overpayment of \$2,532 by a settling party. The overpayment was refunded in the following quarter.
- Note 2: This amount consist of funds seized by the FBI from accounts of third parties that were subject to an administrative forfeiture process.
- Note 3: These funds were disbursed pursuant to the Court's Order Granting Receiver's Motion for Approval of Distribution Plan and Initial Distributions [DE 288, 279].
- Note 4: Consists of funds paid to professionals per the Order Approving Sixteenth Interim Application [DE 301], and \$46,237.10 in contingency fees paid to Kozyak, Tropin & Throckmorton LLP
- Note 5: Bank fees