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 TWENTY-FIRST 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 Twenty-First 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, 2026, the receivership estate has a balance of $8,233,864.36 in its bank accounts, and the separate Wells Fargo Settlement Fund has a balance of $21,388,507.46. The Receiver has issued over 6,200 initial distribution checks to disburse more than $11.8 million 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], and Order Granting Receiver's Motion for Approval of Updated Rising Tide Distribution Schedule and Supplemental Distributions (the "Supplemental Distribution Order") [DE 317]. The Supplemental Distribution Order approved distributions to 16 investors totaling $29,912.52 that

provides the same recovery rate of 21.397% received by the holders of allowed claims under the Distribution Order.

During the Reporting Period, the Receiver has been focused on: (1) addressing numerous inquiries from investors regarding their initial distribution checks, the status of their claims, future distributions, rejected claims, change of address forms, actions against litigation targets, and other matters relating to MJ Capital and the receivership estate, (2) recovering $68,378.33 in settlement payments from third party litigation targets that the Receiver has settled with, (3) obtaining court approval of one settlement agreement [DE 349], engaging in settlement discussions with several third party litigation targets, and obtaining and reviewing related financial information, and (4) pursuing the Receiver's claims against third parties asserted in *Lee v. Ali, et al*, Case No. 25-60619-AHS and *Lee v. Galvez, et al*, Case No. 25-62324-AHS.

The Court has approved the Receiver serving as the "Settlement Administrator" under the settlement agreement with Wells Fargo. Under the additional Wells Fargo claims process, additional claimants submitted 1,117 claim forms asserting $26.103 million. The Settlement Administrator has issued an estimated 840 rejection notices to disallow these claims, including: (1) claims that are duplicative of allowed claims filed with the Receiver, (2) claims that are duplicative of claims rejected by the Receiver, (3) claims filed by claimants who received payments from the MJ Capital in excess of the amount of their principal investment, and (4) claims that fail to provide a copy of an investor agreement or any bank records in support of their claim, or are otherwise deficient. Through this claims review and reconciliation process, the Settlement Administrator reduced the claims pool by $19,466,155.12 and rejected about 646 claims in their entirety. The allowed claims pool for additional claimants consists of 471 allowed claims totaling $6,636,874.45, which collectively received $2,117,591.10 in payments from the Receivership

Entities prior to the commencement of the Receivership.

On September 15, 2026, the Settlement Administrator and Receiver filed the Motion to Approve Settlement Fund Distribution Schedule and One Receivership Estate Distribution (the "Settlement Fund Distribution Motion") [DE 348] in which the Settlement Administrator proposes to disburse approximately $20.5 million dollars to investors with allowed claims who are participating settlement class members as described in the motion.

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: addressing numerous inquiries from investors regarding their initial distribution checks, the status

of their claims, future distributions, rejected claims, change of address forms, and other matters relating to the claims process and distributions.

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: (1) $161,866,937 in Allowed Claims, which collectively received $38,865,505 in payments from the Receivership Entities prior to the commencement of the Receivership, and (2) $2,724,512 in Disputed Claims that were subject to further determination. The Disputed Claims consisted of 56 claims for which rejection notices issued by the Receiver were pending at the time the Receiver prepared the Plan. On December 4, 2025, the Court entered the Supplemental Distribution Order that approved distributions to six investors whose claims were Disputed Claims then subsequently resolved with allowed amounts, and ten additional claimants with updated or new distribution amounts. These supplemental distributions total $29,912.52. The Receiver has issued the 16 supplemental distribution checks. The Receiver has also 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.

A summary of pending matters relating to claims filed by investors follows:

1. Motion for Reconsideration Under Rule 60(b) filed by Raul Maura on September 4, 2025 [DE 302]. The Receiver filed a response on September 17, 2025 [DE 305]. Raul Maura filed a reply on September 18, 2025 [DE 306].

2. Pro Se Motion to Reinstate Claim filed by Marieli Mojarena Betancourt on September 17, 2025 [DE 304]. The Receiver filed a response on October 1, 2025 [DE 307]. No reply was filed and the deadline to file a reply has passed.

3. Motion for Clarification of Distribution Calculation and Request for Review of Investment Classification filed by Noel Solis on June 10, 2026 [DE 341]. The Receiver filed a response on June 24, 2026 [DE 343]. No reply was filed and the deadline to file a reply has passed.

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.

Under the additional MJ Capital Wells Fargo settlement fund claims process, additional claimants submitted 1,117 claim forms asserting $26.103 million. The Settlement Administrator has issued an estimated 840 rejection notices to disallow these claims, including: (1) claims that are duplicative of allowed claims filed with the Receiver, (2) claims that are duplicative of claims rejected by the Receiver, (3) claims filed by claimants who received payments from the MJ Capital in excess of the amount of their principal investment, and (4) claims that fail to provide a copy of an investor agreement or any bank records in support of their claim, or are otherwise deficient.

Through this claims review and reconciliation process, the Settlement Administrator reduced the claims pool by $19,466,155.12 and rejected about 646 claims in their entirety. The allowed claims pool for additional claimants consists of 471 allowed claims totaling $6,636,874.45, which collectively received $2,117,591.10 in payments from the Receivership Entities prior to the commencement of the Receivership.

On September 15, 2026, the Settlement Administrator and Receiver filed the Settlement Fund Distribution Motion [DE 348] in which the Settlement Administrator proposes a new rising tide recovery level of 39.1017% and to disburse approximately $20.5 million dollars to investors with allowed claims who are participating settlement class members as described in the motion. The proposed distributions total $20,499,969.39 and will result in payments to (1) 75 investors who received no pre-Receivership or Receivership disbursements, and are holders of allowed claims filed with the MJ Capital Wells Fargo settlement fund, to bring those investors to the same level of recovery as those who received 39.1017% of their investments back during the Ponzi scheme, and (2) 8,127 investors who received pre-Receivership disbursements and/or Receivership Distributions checks of between 0.002% and 39.00% of their investments to bring these investors up to the same 39.1017% level of recovery. There are 2,177 investors with allowed claims who received pre-Receivership disbursements of more than 39.1017% of their investments and will not receive a distribution from the MJ Capital Wells Fargo settlement fund.

The fees and expenses incurred by the Settlement Administrator and her professionals are paid from the MJ Capital Wells Fargo settlement fund. The fees and expenses incurred by the Settlement Administrator for the third quarter of 2026 consist of: (1) $109,840.00 for the Settlement Administrator and her counsel, (2) $545.65 for the Settlement Administrator's claims

agent (Verita Global LLC), and (3) $11,831.00 for the Settlement Administrator's accountant (KapilaMukamal, LLP).

V. 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 Settlement Fund Distribution Motion and MJ Capital Wells Fargo settlement fund distributions, and updating the Frequently Asked Questions Section.

VI. 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 $68,378.33 through settlement agreements with litigation targets, and obtained Court approval of one settlement agreement with certain defendants [DE 349].

During the Reporting Period, the Receiver and her professionals have spent a considerable amount of time engaging in settlement negotiations with, and reviewing financial records and information from, various litigation targets who have been named as a defendant in the Receiver's

lawsuits, and pursuing the Receiver's claims against third parties asserted in *Lee v. Ali, et al*, Case No. 25-60619-AHS, and *Lee v. Galvez, et al*, Case No. 25-62324-AHS. The Receiver and her professionals have also spent a significant amount of time: (1) obtaining and reviewing financial information from several defendants, (2) engaging in settlement discussions with several defendants, and (3) attending to several issues in a chapter 13 bankruptcy case filed by one defendant.

VII. 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. [DE 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: (1) permanent injunctive relief and an officer and director bar, and (2) $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 2, 2025, the Court entered Final Judgment against Garcia, imposing the injunctive relief, disgorgement, and interest requested by the SEC. *See* Final Judgment [DE 291].

VIII. 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. Updates are provided below:

1. *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).

2. *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.

3. *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 in pre-judgment interest, and a civil penalty in the amount of $230,464.

4. *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].

5. *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.

6. *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 stayed the case for the duration of the then-pending federal government shutdown. *See* Order Granting Extension of Stay [DE 34]. On January 12, 2026, the SEC filed an Unopposed Motion for Entry of Final Judgment [DE 36]. The Court entered its Consent Final Judgment [DE 37] on

January 21, 2026, ordering permanent injunctive relief, $1,142,249.28 of disgorgement, $310,293.81 in prejudgment interest, and a civil penalty in the amount of $175,000.

7. *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.

8. *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.

9. *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.

10. *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; DE 40] 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.

11. *Securities and Exchange Commission v. Joel Castellanos*, Case No. 26-cv-60495-AHS: On February 23, 2026, the SEC filed a complaint against Joel Castellanos 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. On February 24, 2026, the SEC filed an Unopposed Motion for Entry of Final Judgment [DE 6], which the court granted [DE 7]. On February 25, 2026, the Court entered final judgment [DE 8] ordering permanent injunctive relief, $46,861.94 of disgorgement, $13,084.42 in prejudgment interest, and a civil penalty in the amount of $150,000. The Court ordered that the disgorgement and prejudgment interest shall be deemed satisfied by the amounts collected from Castellanos by the Receiver.

12. *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 Judgement 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]. After receiving an extension of time, the government filed its response brief on October 30, 2025 [DE 33]. Garcia filed her reply brief on December 19, 2025 [DE 39]. On March 17, 2026, the Eleventh Circuit issued its opinion and judgment affirming Garcia's sentence [DE 43-1; DE 44].

13. *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 October 1, 2024, Ruiz filed a Motion to Vacate, Set Aside or Correct Sentence [DE 60], and this motion and 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 August 26, 2026, the Court granted Ruiz's Motion for Leave to Appeal in Forma Pauperis [DE 85]

    In the new civil case, on February 9, 2026, the Court entered an Order Denying Motion to Vacate Sentence [DE 26]. On January 27, 2026, Ruiz filed a Motion for Reduction of Sentence [DE 27], and on March 27, 2026, the Court entered an Order Denying Defendant's Motion for Reduction of Sentence [DE 28]. On April 13, 2026, Ruiz filed a Notice of Appeal of the Order Denying Defendant's Motion for Reduction of Sentence [DE 30]. On May 12, 2026, Ruiz filed a Motion to Proceed on Appeal in Forma Pauperis [DE 35], and on May 11, 2026, the Court Granted the Motion in Part [DE 36]

    On April 14, 2026, Ruiz's habeas appeal was docketed in the Eleventh Circuit, Case No. 26-11230. [DE 1]. The docket reflects the district court's denial of a certificate of appealability. [DE 2].

14. *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. On February 23, 2026, Gonzalez filed a Motion for Permission to Engage in Lawful Self-Employment [DE 98], which the government opposed [DE 101]. This Court denied that Motion [DE 102]. On October 16 2026, Gonzalez filed a Motion for Early Termination of Supervised Release, which remains pending on the Court's docket [DE 107].

IX. 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.

X. 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:

1. A summary of the operations of the Receiver.

   The operations of the Receiver are summarized above.

2. 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, 2026, the receivership estate had cash on hand in the total amount of $8,233,864.36. The amount of unencumbered funds in the receivership estate, as of September 30, 2026, is $8,233,864.36. 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 $21,388,507.46 as of September 30, 2026.

The accrued administrative expenses as of September 30, 2026 consist of Fees and Expenses from the Twenty-First Fee Application for the Period of July 1, 2026 through September 30, 2026, which will be filed with the Court and has not been approved:

a.	Receiver:	Fees:	$35,525.00
		Expenses:	$ 0.00
		Hours:	101.50
b.	Kozyak, Tropin & Throckmorton:	Fees:	$13,025.00
		Expenses:	$ 700.69
		Hours:	70.50

c. Stretto, Inc. (Claims Agent)	Fees:	$1,424.80
	Expenses:	$1,500.00
	Hours:	5.00

In addition, 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: (1) the asserted liability is $100,000 or less without further Court approval, and (2) the asserted liability is greater than $100,000 by holding settlement funds pending Court approval, and filing motions to approve settlement agreements.

While the Receiver's counsel receives a contingency fee based on recoveries, the fees expended for the Additional Third-Party Claims are tracked and reported in the Receiver's fee application. During the Reporting Period, the Receiver paid the Receiver's counsel $28,315 in August 2026 for fees tracked during the second quarter of 2026.

Below is a list of recoveries and related pending contingency fees for the Receiver's counsel that will be paid in future periods:

a. For this Reporting Period, July 1, 2026 through September 30, 2026, the Receiver recovered $68,378.33, and the 27.7%, 30% or 33% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

b. For April 1, 2026 through June 30, 2026, the Receiver recovered $191,336.68, and the 27.7%, 30% or 33% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

c. For January 1, 2026 through March 31, 2026, the Receiver recovered $194,459.96, and the 27.7%, 30% or 33% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

d. For October 1, 2025 through December 31, 2025, the Receiver recovered $191,144.42, and the 27.5% or 30% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

e. For 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;

f. For April 1, 2025 through June 30, 2025, the Receiver recovered $132,412.64, and the 27.5% or 30% contingency fee will be paid to KTT in the following quarters and reported in future fee applications;

g. For January 1, 2025 through March 31, 2025, the Receiver recovered $128,004.39, and the 27.5% contingency fee is $35,201.21, of which $19,509 was paid in the second quarter of 2026 and the remaining amounts will be paid to KTT in the following quarters and reported in future fee applications; and

h. For October 1, 2024 through December 31, 2024, the Receiver recovered $862,589.43, and the Receiver's counsel's related 27.5% contingency fee is $237,212.09, of which $134,400.78 was paid in the first quarter of 2025, $57,304.89 was paid in the first quarter of 2026, $36,700 was paid in the second quarter of 2026, and the remaining $8,806.43 was paid in the second quarter of 2026.

3. 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.

4. 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, 2026, the known Receivership Property consists of: (a) cash on hand of $8,233,864.36, (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, and (c) miscellaneous surrendered personal property.

5. 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.

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

Under on the Plan [DE 279] and Distribution Order [DE 288], the approved initial distributions have resulted in: (a) for 2,405 holders of allowed claims who received no pre-Receivership disbursements, payments that provided a 21.397% recovery of their investment, and (b) for 3,791 holders of allowed claims who received pre-Receivership disbursements of between 0.2% and 21.33% of their investments, payments to bring the 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, who were not entitled to receive a payment under the Plan. Under the Supplemental Plan [DE 317] and Supplemental Distribution Order [DE 320], 16 investors have received payments to bring them to the same 21.397% recovery of their investments.

Under the Settlement Fund Distribution Motion [DE 348], the Settlement Administrator has proposed distributions of $20,499,969.39 and will result in payments to (a) 75 investors who received no pre-Receivership or Receivership disbursements, and are holders of allowed claims filed with the MJ Capital Wells Fargo settlement fund, to bring those investors to the same level of recovery as those who received 39.1017% of their investments back during the Ponzi scheme,

and (b) 8,127 investors who received pre-Receivership disbursements and/or Receivership Distributions checks of between 0.002% and 39.00% of their investments to bring these investors up to the same 39.1017% level of recovery. There are 2,177 investors with allowed claims who received pre-Receivership disbursements of more than 39.1017% of their investments and will not receive a distribution from the MJ Capital Wells Fargo settlement fund.

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

The Receiver has issued all rejection notices for claims filed with the MJ Capital receivership. The Settlement Administrator has issued all rejection notices for additional claims filed for the MJ Capital Wells Fargo settlement fund. The Settlement Administrator filed the Settlement Fund Distribution Motion [DE 348] on September 15, 2026.

8. 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: prosecuting and possibly settling Additional Third-Party Claims, issuing future distributions, and performing the tasks of the Settlement Administrator under the MJ Capital Wells Fargo settlement fund including issuing distributions.

Respectfully submitted,

By: /s/ *Bernice C. Lee*
Bernice C. Lee
Receiver for the Receivership Entities
KOZYAK TROPIN & THROCKMORTON, LLP
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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, 2026: (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

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: 07/01/2026-09/30/2026

FUND ACCOUNTING				
		Detail	**Subtotal**	**Grand Total**
Line 1	**Beginning Balance (as of 07/01/2026)**			$8,138,377.58
	Increases in Fund Balance:			
Line 2	**Business Income**			
Line 3	**Cash and Securities**			
Line 4	**Interest/Dividend Income**	$79,530.06		
Line 5	**Business Asset Liquidation**			
Line 6	**Personal Asset Liquidation**			
Line 7	**Additional Third-Party Claims Recovery**	$68,378.33		
Line 8	**Miscellaneous – Other**	$1.00		
	Total Funds Available (Lines 1-8):			**$8,286,286.97**
	Decreases in Fund Balance:			
Line 9	**Disbursements to Investors**	-$27,496.92		
Line 10	**Disbursements for Receivership Operations**			
Line 10a	*Disbursements to Receiver or Other Professionals (Note 1)*	$79,919.53		
Line 10b	*Business Asset Expenses*			
Line 10c	*Personal Asset Expenses*			
Line 10d (1)	*Investment Expenses*	$0.00		
Line 10d(2)	*Prior Investment Expenses*			
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			**$52,422.61**
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):			**$52,422.61**
Line 13	**Ending Balance (as of 09/30/2026):**			**$8,233,864.36**
Line 14	**Ending Balance of Fund – Net Assets:**			
Line 14a	*Cash & Cash Equivalents*	$8,233,864.36		
	Investments			
Line 14c	*Other Assets or Uncleared Funds*			
	Total Ending Balance of Fund – Net Assets			**$8,233,864.36**
OTHER SUPPLEMENTAL INFORMATION				
		Detail	Subtotal	Grand Total
Line 15-19		N/A		

Note 1: This amount is comprised of funds paid to professionals as approved by the Order Approving Twentieth Interim Application [DE 346], and $28,315 in contingency fees to Kozyak, Tropin & Throckmorton LLP.