

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

COMMODITY FUTURES TRADING
COMMISSION

Plaintiff,

v.

ABNER ALEJANDRO TINOCO, and KIKIT &
MESS INVESTMENTS, LLC,

Defendants.

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CASE NO.: EP-21-CV-00237-DCG

FOURTH REPORT OF THE RECEIVER

Kelly M. Crawford, as the court-appointed Receiver (“Receiver”), submits the following fourth report pursuant to this Court’s *Statutory Restraining Order* [Docket No. 13] (the “SRO”).¹ The Receiver filed his Initial Report on December 8, 2021 covering the period from the inception of the receivership on October 13, 2021 through December 7, 2021 [Docket No. 40]. The Receiver’s Second Report covered the period from December 8, 2021 through February 4, 2022. The Receiver’s Third Report covered the period from February 5, 2022 through April 14, 2022. This Fourth Report covers the period from April 15, 2022 through June 14, 2022.

I.

ASSETS RECOVERED TO DATE

The assets recovered to date by the Receiver are as follows:

¹ The *SRO* was continued in force by Consent Orders entered by the Court regarding the Defendant entities and the individual Defendant Abner Alejandro Tinoco [Docket Nos. 28 – 29]. The Receiver requests the Court to take judicial notice of the pleadings on file in this lawsuit.

Wells Fargo Bank:	\$838,752.98 ²
Los Arboles property	Sold – net \$184,501.39 to receivership
Sharondale property	Under contract for sale for \$475,000
Office furnishings ³ :	Sold for \$500
Audi	\$0 (abandoned/lien exceeds estimated FMV)
GMC Truck	\$0 (lien exceeds estimated FMV)
2017 Lexus IS 200t	Selling for \$20,000
2020 Bentley	\$40,000 in equity in lease
Furniture	Not yet determined
Jewelry ⁴	\$16,300 (appraised values)
APAH Stallion Paint Horse	Sold for \$3,500.00
Quarter Horse “The Perfect Pair”	Sold for \$45,000
Return of Charitable Contribution	\$4,583.27
ATV - 2021 Can-am	Sold for \$24,000
O’Gara Coach Company	\$20,000 return of deposit
Return of commissions	\$3,000

The balance in the receivership account as of May 31, 2022 is **\$914,220.18**. The Receiver has leads on other assets that have not yet been turned over to the Receiver.

II.

POTENTIAL SOURCES OF RECOVERY

The Receiver identified the following sources for recovery of investor monies.

² The Receiver opened a receivership bank account in which to deposit monies and assets received.

³ Includes a couch, TV, desks, chairs, office supplies, etc.

⁴ See *infra* part II, E.

A. REAL PROPERTY

During the Receiver's investigation, the Receiver discovered that in June 2021, the Defendants purchased three single family homes described below. The Receiver filed in the real property records of El Paso County, Texas a Notice of Lis Pendens, including a copy of the Court's *SRO*, with respect to each of the three (3) properties.

1. **712 Emerald View Drive, El Paso, Texas 79932 (the "Emerald View Property")**

The Emerald View Property was purchased on June 14, 2021 by Mr. Tinoco and his wife Zoe Rachelle Hackett. The property is subject to a lien in the amount of approximately \$479,000. The Receiver discovered the interior of the house was gutted by the Defendants in anticipation of a complete remodel. The Receiver obtained an appraisal of the fair market value of the house in its current condition. The appraiser determined the fair market value of the property was \$660,488, but the appraiser discounted the appraisal to \$210,000 because of the significant costs to finish out the house. Since the fair market value is substantially below the amount of the lien on the property, the Receiver surrendered his interest in the property.

2. **6082 Via De Los Arboles, El Paso, Texas (the "Los Arboles Property")**

The Los Arboles Property was purchased on June 28, 2021 by Kikit & Mess Investments, LLC. with a payment at closing of \$181,141 and a mortgage lien in the principal amount of \$305,045.

The Receiver retained a broker with Coldwell Banker in El Paso to list the Los Arboles Property for sale, and the Receiver ordered appraisals of the property as required by the Court and pursuant to 28 U.S.C §2001(b). The average of the three appraisals of the property of the

Los Arboles property was \$540,000, and the Receiver entered into a contract to sell the property for \$550,000.

On March 29, 2022, the Court conducted a hearing on the Receiver's motion to sell the property for \$550,000, and without objection, the Court entered an order approving the sale. The Receiver closed on the sale of the property on April 14, 2022, and after payment of the mortgage on the property and broker fees, the net to the receivership is \$184,752.98.

3. 425 Sharondale Drive, El Paso, Texas 79912 (the "Sharondale Property")

The Sharondale Property was purchased for \$418,000 on June 30, 2021 by Kikit & Mess Investments, LLC. The Receiver retained a broker with Coldwell Banker to sell the Sharondale Property. As required by 28 U.S. C. § 2001(b), the Receiver obtained three appraisals of the Sharondale Property. The property has an average appraised value of \$431,000 and is subject to a lien in the amount of approximately \$282,000. The Receiver listed the property for sale for \$429,500 and entered into a contract to sell the property for \$475,000. A hearing to approve the sale of the Sharondale Property is scheduled for 11:00 a.m. on June 30, 2022.

B. VEHICLES AND DIAMONDS

The Receiver identified the following ATV's that were purchased by the Defendants but put in the name of Sarah Nollner:

2020 Yamaha Quad (title was put in the name of Sarah Ann Nollner)

2020 Polaris RZR (title was put in the name of Sarah Ann Nollner)

According to Mr. Tinoco, the ATV's are in storage in Santa Teresa, New Mexico, but to date have not been found by the Receiver. The Defendants also purchased two trailers that have not been turned over to the Receiver.

In addition, the Receiver determined through tracing of monies that shortly before the receivership Defendant Tinoco exercised the purchase option of a leased 2018 Lamborghini and received title to the Lamborghini. The Receiver made demand upon Mr. Tinoco to turn the Lamborghini over to the Receiver. Mr. Tinoco claimed he gave the Lamborghini to Eli Noor in exchange for jewelry/diamonds.

The Receiver contacted Eli Noor and spoke with a representative of Mr. Noor's diamond company. The representative confirmed Mr. Noor's receipt of the Lamborghini and provided the Receiver with documents and details regarding the exchange of jewelry/diamonds for the Lamborghini. In addition, the Receiver traced more than \$100,000 to Mr. Noor's company "Fancy Diamonds". Mr. Noor's representative provided an accounting for the monies received and identified a watch that was dressed with diamonds at the request of Mr. Tinoco and delivered to Mr. Tinoco; and identified numerous diamonds that were being used to cover a Rolls Royce Flying Lady Spirit of Ecstasy hood ornament. In light of this information the Receiver made demand upon Mr. Tinoco to turn over the watch, and the Receiver is continuing to investigate the relationship between Mr. Tinoco and Mr. Noor and the value of the diamonds held by Mr. Noor that were being used to dress the hood ornament.

Also, the Receiver traced more than \$600,000 that was paid by the Defendants to O'Gara Coach Company. O'Gara Coach Company provided the Receiver with information regarding a number of exotic automobiles purchased or leased by the Defendants, and turned over to the Receiver the sum of \$20,000 received by O'Gara Coach Company from the Defendants as a deposit toward the purchase of a new vehicle.

The Receiver learned that Defendant Tinoco leased a 2019 McLaren 600LT Coupe from Redline Acceptance for a 12 month term beginning June 1, 2021. The lease included an option

for Tinoco to purchase the McLaren for \$176,112. Based on the Receiver's investigation, it appears that rather than turn over the McLaren to the Receiver as required by the *SRO*, Defendant Tinoco returned the McLaren to Evan Paul Leasing. The Receiver also discovered that from a sale of the McLaren by Evan Paul Leasing, \$45,887.40 was transferred from Evan Paul Leasing to Roadstarr Motors. That same amount was also transferred to an account in the name of Defendant Tinoco's wife after the receivership. The Receiver is continuing to investigate this transaction.

In addition, Defendant Tinoco turned over to the Receiver a black 2020 Bentley Continental GT. Defendant Tinoco leased the Bentley for a 12 month term beginning in September, 2021. The lease includes an option for Defendant Tinoco to purchase the Bentley for \$186,142. The Receiver had the Bentley transported to Dallas. The investor who financed the lease of the Bentley to Tinoco paid the receivership \$40,000 for the equity in the lease and the Bentley was turned over by the Receiver to the lienholder.

The Receiver took possession of a 2017 Lexus IS 200T from Sarah Nollner that was purchased by the Defendants. The Receiver had title to the vehicle transferred from Sarah Nollner to the Receiver and obtained an offer from Carmax to purchase the Lexus for \$20,000. The Receiver filed with the Court notice of his intent to sell the Lexus for \$20,000 and received no objection.

C. COMMISSIONS AND PAYMENTS TO ASSOCIATES

The law is well established that a Receiver may recover commissions received by third parties for their role in soliciting investor monies for an unlawful scheme. *Warfield v. Byron*, 436 F.3d 551, 560 (5th Cir. 2006). In such instance, third parties are not being paid with profits earned from a legitimate enterprise, but instead are being paid commissions from the principal

amount received from investors in the scheme. Regardless of whether the third parties knew or should have known that Kikit & Mess was being operated illegally, the payments the third parties received are recoverable as fraudulent conveyances. *Id.* As the recipient of a fraudulent transfer, the third parties must be able to show that he or she received the payments in good faith *and* in exchange for reasonably equivalent value. While a third party may be able to claim he or she received the payment in good faith, the third party cannot show he or she provided reasonably equivalent value in exchange for the money received. Facilitating the addition of more investors to a fraudulent scheme does not provide value, but rather only enlarges the number of victims.

To date, the Receiver traced commissions paid to the following third parties:

Heriberto Villa, Jr.	\$17,713.94
Jesus Sosa	\$5,000.00
Manual Maldonado MV Pecans	\$10,000.00
Raul Avila	\$3,700.00
Samuel Tinajero	\$11,000.00
TOTAL:	\$47,413.94

The Receiver made demand upon the recipients of commissions to return the commissions to the receivership. To date, Jesus Sosa entered into a settlement agreement with the Receiver to repay the commissions. The Receiver intends to pursue an ancillary action against the remaining third parties for the return of the commission they received.

In addition, the Receiver has been in discussions with Humberto Estrada, Jr. and his attorney regarding monies invested with Defendants and commissions, monies and other assets received from the Defendants. These transfers include monies paid to Shajea Investments, LLC

owned by Mr. Estrada. The Receiver will continue his discussions with Mr. Estrada, Jr. and his attorney regarding the recovery of any commissions, monies or assets received from the Defendants in excess of monies invested with the Defendants.

D. HORSES

The Receiver discovered that Mr. Tinoco purchased an American Paint Horse named “Velvet Jac” for the sum of \$7,500. The Receiver tracked down the location of the horse, conferred with the person boarding and caring for Velvet Jac, and obtained an offer from such person to purchase Velvet Jac from the Receiver for \$3,500. Based on the Receiver’s investigation into the resale value of Velvet Jac, and considering the condition of Velvet Jac, the Receiver determined it was in the best interest of the Receiver to accept the offer. Consequently, on November 12, 2021 the Receiver filed with the Court a Notice of Intended Disposition of Horse and Office Contents [Docket No. 37]. In the absence of any objections, Velvet Jac was sold for \$3,500.

The Receiver also discovered that on or about September 7, 2021, Mr. Tinoco purchased a quarter horse named “The Perfect Pair” for \$80,000. The Receiver obtained Mr. Tinoco’s signature on the paperwork required to transfer title to the horse to the Receiver. The Receiver worked with the American Quarter Horse Association to have title to The Perfect Pair put in the Receiver’s name. The Receiver engaged the original owner of The Perfect Pair, Kirk Goodfellow of Dreams Come True Ranch in Nacogdoches, Texas to broker the horse for sale. Mr. Goodfellow obtained bids for the purchase of the horse and the horse was sold for \$45,000.

E. JEWELRY

The Receiver took possession of four watches found at the Sharondale Property. The watches had designer names such as Patek Phillipe and Prada. If the watches were real, they

would have had a value of several hundred thousand dollars. The Receiver had the watches professionally examined and appraised and the watches are not originals. Instead, they are knock-offs of the high priced designer watches and therefore have nominal value.

The Receiver also took possession of a gold bracelet at the Sharondale Property. The Receiver had the bracelet appraised and the resale value is approximately \$3,500.

In his investigation, the Receiver discovered a number of payments to Cartier. The Receiver served Cartier with the *SRO* and asked Cartier to produce documents regarding any jewelry purchased by the Defendants. The Receiver received from Cartier documentation identifying specific jewelry purchased by Defendant Tinoco as follows:

1. Yellow gold ring purchased for \$1,853.30 on March 15, 2021
2. Yellow gold ring purchased for \$1,883.40 on April 20, 2021
3. Yellow gold wedding band purchased for \$1,215.46 on April 20, 2021
4. Yellow gold diamond ring purchased for \$4,215.76 on July 5, 2021
5. Yellow gold bracelet purchased for \$12,154.50 on July 5, 2021
6. White gold ring purchased for \$2,823.64 on July 23, 2021
7. Yellow gold wedding band purchased for \$1,181.16 on July 23, 2021
8. Yellow gold bracelet purchased for \$2,723 on July 24, 2021
9. Yellow gold bracelet purchased for \$4,872.75 on July 24, 2021

The foregoing jewelry purchases total \$32,922.97. The Receiver provided this information to Mr. Tinoco's counsel and made demand upon Mr. Tinoco to turn over the jewelry or provide information to the Receiver regarding the disposition of the jewelry.

The Receiver met with Mr. Tinoco and his counsel in El Paso on January 5, 2022 and at such meeting Mr. Tinoco turned over two gold bands, a bracelet, and a chain.

The Receiver engaged an appraiser who appraised 6 pieces of jewelry in the Receiver's possession as having a collective fair market value of \$12,800 as follows:

Men's Cartier gold band	\$1,000
Ladies' Cartier gold band	\$800
14k yellow, rose and yellow gold necklace	\$6,000
14k yellow, rose and white gold bracelet	\$2,000
14k rose gold bracelet	\$1,500
14k rose gold bracelet	\$1,500

Other than the two Cartier gold bands listed above, the remainder of the jewelry purchases from Cartier remain unaccounted for to date. The Receiver discovered that Eli Noor dressed a watch in diamonds for Defendant Tinoco that Mr. Noor values at approximately \$100,000. According to Mr. Noor, the watch was delivered to Defendant Tinoco on October 2, 2021. The Receiver made demand upon Defendant Tinoco to turn over the watch and to date Defendant Tinoco has failed to turn over the watch or identify the person in possession of the watch. Mr. Noor is also in possession of a number of diamonds for a work commissioned by Defendant Tinoco. Mr. Noor claims the diamonds were purchased in exchange for exotic automobiles and cash transferred by Defendants to Mr. Noor. The Receiver is continuing his investigation into the relationship between Defendants and Mr. Noor, and the exchanges that occurred between the parties.

F. MONIES PAID TO THIRD PARTIES

Mr. Tinoco advised the Receiver that shortly before the receivership he transferred more than \$100,000 to the Aidan James Agency for branding work that was never done. The Receiver confirmed the transfer of these monies to the Aidan James Agency and by letter dated January

31, 2022, the Receiver's attorney made demand upon the Aidan James Agency to turn the monies over to the receivership. The Receiver has been in settlement discussions with the attorney for Aidan James, but to date no agreement has been reached. If necessary, the Receiver will request the Court to hold the Aidan James Agency in civil contempt.

G. FALSE PROFITS PAID TO INVESTORS

As part of the claims process, the Receiver identified investors who received a return of their principal investment, plus profits. Because Kikit operated as a Ponzi scheme, there were no legitimate profits to distribute. As a result, the "profits" paid to investors in excess of their principal investment were monies from other investors, and are recoverable as a matter of law by the Receiver as a fraudulent transfer. The Receiver made demand upon those investors listed on Exhibit A to return false profits totaling \$632,847. If an investor refuses to return the false profits, it may be necessary for the Receiver to file an action against the investor.

III.

DISPOSITION OF MONIES BY THE DEFENDANTS

Based upon a preliminary review of the bank records obtained from Bank of America and Wells Fargo regarding the activities of the Defendants, it appears that of the \$10,117,982 deposited into the accounts, the monies were disposed of by the Defendants as follows:

Expense Categories	Bank of America	Wells Fargo	Combined Total
American Express	\$136,644.67	\$28,625.63	\$165,270.30
Abner Tinoco Payments	\$301,246.93	\$163,640.00	\$464,886.93
Accounting Fees:	\$61,103.93	\$11,000.00	\$72,103.93
Audi Loan:	\$34,061.56	\$1,813.00	\$35,874.56
Auto Service/Repair:	\$97,183.67	\$0.00	\$97,183.67
Clothing	\$115,751.00	\$25,810.40	\$141,561.40
Diamonds	\$0.00	\$48,000.00	\$48,000.00
Food/Entertainment/Gas:	\$171,706.01	\$1,991.26	\$173,697.27
GMC Loan Payments	\$14,107.94	\$1,282.54	\$15,390.48

Gustavo Escobar	\$19,790.00	\$0.00	\$19,790.00
Home Improvements	\$269,676.27	\$0.00	\$269,676.27
Horse	\$22,425.00	\$80,000.00	\$102,425.00
Hotels/Luxury Rentals	\$231,241.76	\$72,000.00	\$303,241.76
Humberto Estrada/HE H&E Pecan/Shajaea	\$334,364.43	\$219,711.35	\$445,075.78
Investors	\$2,118,356.02	\$729,938.36	\$2,507,999.55
Jewelry	\$177,582.42	\$25,000.00	\$202,582.42
Legal Fees	\$20,300.00	\$0.00	\$20,300.00
Marketing/Office Expenses	\$48,975.45	\$39,997.65	\$88,973.10
Miscellaneous/Unknown Payments	\$834,183.67	\$150,046.19	\$984,229.86
Motor Sports Equipment	\$240,329.14	\$0.00	\$240,329.14
Payroll/Commissions	\$244,180.69	\$44,479.63	\$288,660.32
Private Jets / Air Fare	\$930,989.27	\$144,658.00	\$1,075,647.27
Tinoco Family Members	\$115,613.80	\$14,012.00	\$129,625.80
Title Companies / Real Property	\$348,745.75	\$11,575.32	\$360,321.07
Transfers Between Companies	\$607,002.43	\$523,500.00	\$1,130,502.43
Vehicle/Exotic Car Leases	\$805,813.00	\$230,151.82	\$1,035,964.82
TOTALS	\$8,301,374.81	\$2,567,233.15	\$10,868,607.96

This is a *preliminary* accounting only and is subject to revision as additional information is obtained by the Receiver

From the foregoing preliminary accounting, the Receiver determined the following expenses were either for entertainment, services rendered or did not result in the acquisition of tangible assets to be recovered and liquidated:

Accounting Fees:	\$61,103.93	\$11,000.00	\$72,103.93
Auto Service/Repair:	\$97,183.67	\$0.00	\$97,183.67
Food/Entertainment/Gas:	\$171,706.01	\$1,991.26	\$173,697.27
Hotels/Luxury Rentals	\$231,241.76	\$72,000.00	\$303,241.76
Legal Fees	\$20,300.00	\$0.00	\$20,300.00
Marketing/Office Expenses	\$48,975.45	\$39,997.65	\$88,973.10

Private Jets / Air Fare	\$930,989.27	\$144,658.00	\$1,075,647.27
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TOTAL: **\$1,831,147**

With total deposits of \$10,868,608 as set forth above, \$1,130,502 are transfers between accounts. Thus, the remaining \$9,738,106 is at issue. From that amount, \$2,508,000 was paid to investors, leaving a balance of \$7,230,106. Of that amount, as set forth above, \$1,831,147 was spent on consumable assets (entertainment and services) that cannot be recovered, leaving a balance of \$5,398,959 to recover. To date, assets worth approximately \$1,288,022 have been recovered.⁵ Accordingly, subtracting the total value of the assets recovered from the \$5,398,959 to recover, the sum of \$4,110,937 remains unrecovered.

Of the \$4,110,937 that remains unrecovered, the Receiver is aware of the following monies paid to third parties that are sources for recovery:

\$47,414 in commissions

\$632,847 in false profits to investors

\$100,000 to Aidan James

\$100,000 to Eli Noor for diamonds on a watch

The most significant sources for recovery of additional monies for the receivership estate is: 1) obtaining repayment of commissions; 2) obtaining repayment of false profits; 3) finding and selling jewelry and diamonds that have not been turned over to the receivership; 4) determining the disposition of the exotic automobiles that were leased; and 5) investigating the relationship between Eli Noor and the Defendants and their exchange of monies and exotic automobiles for diamonds.

⁵ See Assets Recovered in Part I. The total includes estimated equity of \$110,000 from the sale of the Sharondale House, and equity in the Bentley of \$40,000.

IV.

RECEIVERSHIP PROCEEDINGS IN THE LAWSUIT

The Receiver conferred with counsel for the parties to the lawsuit, and with their agreement that they did not oppose the relief sought, requested the Court to enter orders establishing procedures for the receivership and for investor and creditor claims to be handled.

A. PROCEDURES FOR RECEIVERSHIP

On November 2, 2021, the Receiver filed his *Unopposed Motion for Order Governing the Administration of the Receivership, Procedures Governing the Sale of Personal Property* [Docket 32]. By this Motion, the Receiver requested this Court to establish procedures for the Receiver to efficiently administer the receivership estate and sell personal and real property. On November 2, 2021, the Court entered an *Order Granting Receiver's Unopposed Motion for Order Governing the Administration of the Receivership, Procedures Governing the Sale of Personal Property* [Docket 33].

B. CLAIMS PROCESS FOR INVESTORS

Due to the amount of assets recovered to date, there are sufficient assets to justify the Court implementing a claims process for the distribution of assets. On November 11, 2021, the Receiver filed his *Unopposed Motion for Order Establishing Claims Adjudication Process* and on November 12, 2021 the Court entered an *Order Establishing Claim Adjudication Process* [Docket 36]. The Order 1) approves a proof of claim form to be sent by the Receiver to all known investors and creditors; 2) establishes a bar date or deadline by which all proof of claim forms with supporting documentation must be submitted by investors and creditors to the Receiver; 3) establishes a process for the Receiver to inform the Court regarding the claims received, make recommendations regarding the claims, and provide an opportunity for investors

or creditors to object to the Receiver's recommendation regarding claims; and 4) allows for a hearing date, if necessary, for the Court to rule upon the claims submitted by the Receiver and consider any objections to the Receiver's recommendations regarding the claims.

Pursuant to the *Order Establishing Claim Adjudication Process*, the Receiver mailed out a notice of right to file claim and proof of claim (in both English and Spanish) to 351 investors and creditors known to the Receiver. Specifically, when the Receiver seized the office of Defendant Kikit & Mess Investments, LLC, the Receiver took possession of two boxes of files with names and contracts of investors. The Receiver used this information to develop a database of investors to receive proofs of claim. In addition, the Receiver posted notice of the receivership on the door of the former office of Defendant Kikit & Mess and several investors saw the notice and contacted the Receiver. Also, the Receiver posted a copy of the *Order Establishing Claim Adjudication Process*, as well as the Notice of Right to File Claim and Proof of Claim on the receivership website, www.kikit&messreceivership.com.

The Receiver published on the *El Paso Herald* website notice of the right to file a claim in the receivership. The notice was posted on December 14, 2021 and continued on the website until December 23, 2021. In addition, the Receiver placed an advertisement with the *El Paso Times* of the right of investors to file a claim in the receivership.

The bar date for filing claims was February 15, 2022. On March 15, 2022, the Receiver filed the Receiver's Claims Report with the Receiver's recommendation regarding the claims of investors and creditors. The Receiver received claims from 212 investors totaling \$9,782,993.23, but the Receiver's claim recommendations total \$7,048,806.06. The Receiver served the claimants with a copy of the Receiver's Claims Report and informed the claimants that the Court established a deadline of April 15, 2022 for claimants to file with the Receiver any

objections to the Receiver's recommendations.

On May 13, 2022, the Receiver filed with the Court a copy of all objections received and addressed the objections. [Docket No. 82]. The Court may now, if it so chooses, set a hearing for any claimant to appear and make argument to the Court as to why the Court should not follow the recommendation of the Receiver regarding the claimant's claim.

Once the Court enters an Order approving investor and creditor claims, the Receiver will make a proposal to the Court regarding the classification of the claims and the means of distributing assets to approved claimants. Upon entry of an Order from the Court approving the means of distribution of assets to approved claimants, the Receiver can begin distributing monies. The Receiver anticipates the claims process can be completed by the Summer of 2022, and that an initial distribution of assets can be made soon thereafter.

V.

RECOMMENDATIONS FOR THE RECEIVERSHIP

The Receiver makes the following recommendations for the receivership:

A. INSURE DEFENDANTS' COMPLIANCE WITH THE SRO

On December 7, 2021, the Receiver filed *Receiver's Motion for "Show Cause" Hearing to Hold Defendant Abner Alejandro Tinoco in Civil Contempt*. On January 5, 2022, Mr. Tinoco and his attorneys met with the Receiver and Mr. Tinoco answered the Receiver's questions regarding assets through Mr. Tinoco's attorneys. On February 11, 2022, the Receiver withdrew the Contempt Motion without prejudice to refile the same. [Dkt. No. 56]. There are still a number of assets missing, and Mr. Tinoco refuses to testify under oath. Regardless, Mr. Tinoco is expected to comply with the SRO and is subject to being held in civil contempt if he does not comply with the SRO.

B. TIMELINE FOR THE RECEIVERSHIP

The Receiver recommends continuation of the receivership to complete the discovery, seizure, and liquidation of additional assets; pursuit of claims against recipients of fraudulent transfers; completion of the claims process described above; and distribution of the assets recovered to the approved claimants. With the scope of the receivership, number of investor victims, and amount of loss, the Receiver estimates it will be necessary to continue the receivership in place through at least the Fall of 2022.

Respectfully submitted, June 14, 2022.

RECEIVER KELLY M. CRAWFORD

/s/ Kelly M. Crawford

Kelly M. Crawford, Receiver
State Bar No. 05030700
SCHEEF & STONE, L.L.P.
500 North Akard, Suite 2700
Dallas, Texas 75201
Tele: 214/706-4200
Fax: 214/706-4242

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 14, 2022, I electronically filed the foregoing document with the clerk of the U.S. District Court, Western District of Texas, using the electronic case filing system of the court.

/s/ Kelly M. Crawford

KELLY M. CRAWFORD