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IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PINELLAS COUNTY, FLORIDA
CIVIL DIVISION

STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

vs.

Case No.: 14-001695-CI

TRI-MED CORPORATION, TRI-MED ASSOCIATES INC., JEREMY ANDERSON, ANTHONY N. NICHOLAS, III, ERIC AGER, IRWIN AGER, TERESA SIMMONS BORDINAT a/k/a TERESA SIMMONS, and ANTHONY N. NICHOLAS, JR.,

Judge Cynthia J. Newton

Defendants.

vs.

TMFL HOLDINGS, LLC

Relief Defendant.
_______________________________/

THE RECEIVER'S VERIFIED FIFTEENTH INTERIM REPORT
AND INCORPORATED FIFTEENTH REPORT OF INVENTORY

Receivership Information and Activity from July 18, 2018, through November 14, 2018.

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TABLE OF CONTENTS

INTRODUCTION 3

BACKGROUND 4

I. Procedure and Chronology 4

II. Overview of Preliminary Findings..........6

III. Actions Taken By The Receiver And Inventory of Property 7

A. Taking Possession of Receivership Property..........7

1. Physical Premises and Receivership Books and Records..........7
2. Securing Receivership Funds..........8
3. Medical Accounts Receivable..........9
4. Expansion of the Receivership..........10
   a. TMFL Holdings 10
   b. IPC 11
   c. REJUVA 12
   d. Tri-Med Management, Inc. n/k/a JA Management, LLC and JRAM, LLC..........13
5. Real Properties..........14

B. Litigation...........14

1. Litigation Against "Sales Agents" 15
2. Litigation Against Holly Kwon 16
3. Litigation Against Stoel Rives and Charles Corces..........17
4. Litigation Against Tim Patrick and Tim Patrick Enterprises..........17
5. Bankruptcy Proceeding Involving Clinics Owned by Dr. Groeteke and/or Dr. Pettersen..........19

C. Claims Process..........21

D. Investors Committee 23

IV. The Next 120 Days. 24

CONCLUSION..........25

INTRODUCTION

Burton W. Wiand, the Court-appointed Receiver for Tri-Med Corporation (“**Tri-Med**”), Tri-Med Associates Inc. (“**TMA**”), TMFL Holdings, LLC (“**TMFL**”), Interventional Pain Center, PLLC (“**IPC**”), Rejuva Medical and Wellness Center, L.L.C., and Rejuva Medical Center, L.L.C. (the two Rejuva entities are collectively referred to as “**Rejuva**”), Tri-Med Management, Inc. (“**TMM**”) n/k/a JA Management LLC (“**JA Management**”), and JRAM, LLC (“**JRAM**”) (Tri-Med, TMA, TMFL, IPC, Rejuva, TMM, JA Management, and JRAM are collectively referred to as “**Receivership Entities**”), hereby files this Verified Fifteenth Interim Report and Incorporated Fifteenth Report of Inventory (“**Fifteenth Interim Report**”) to inform the Court, the investors, and others interested in the Receivership Entities of activities to date, as well as the proposed course of action.[1]

The Receiver was appointed on March 5, 2014. By March 7, 2014, the Receiver established an informational website, www.trimedreceivership.com. The Receiver has updated this website periodically and continues to update it with the Receiver’s most significant actions to date, important court filings in this proceeding, and other news that might be of interest to the public. This Fifteenth Interim Report, as well as all previous and subsequent reports, will be posted on the Receiver’s website.

Overview of Significant Activities During this Reporting Period

During the time covered by this Fifteenth Interim Report, the Receiver and professionals he has retained have engaged in the following significant activities:

[1] This Fifteenth Interim Report is intended to report on information and activity from July 18, 2018, through November 14, 2018. As directed by the Court, the Receiver will submit his next Interim Report to the Court 120 days from the date of this Report.

- Continued to pursue litigation against Charles Corces, P.A. and Charles Corces;

- Engaged in collection efforts on judgments obtained against Holly Kwon and A.J. Brent;

- Continued to pursue litigation against Tim Patrick and Tim Patrick Enterprises to recover fraudulent transfers made to them in the amount of at least $228,980, which came from Tri-Med and its investors, and to recover damages;

- Recovered the total amount of approximately **$1,708,902.15** in payment of accounts receivable since the appointment of the Receiver through November 14, 2018;

- Prevailed on the Receiver's motion to overrule outstanding objections to the Receiver's claim determinations in the total amount of approximately $42,307.57 and collected $7,346.57 from an objecting claimant; and

- Maintained an informational website for investors and other interested parties and continued to field numerous calls and correspondence from investors seeking information regarding the Receivership and claims process.

The above activities are discussed in more detail in the pertinent sections of this Fifteenth Interim Report.

BACKGROUND

I. Procedure and Chronology.

On March 4, 2014, the OFR filed a complaint in the Circuit Court for the Sixth Judicial Circuit in Pinellas County against Tri-Med, TMA, Jeremy Anderson, Anthony N. Nicholas, III, Eric Ager, Irwin Ager, and Teresa Simmons Bordinat, a/k/a Teresa Simmons (the individuals listed here and Anthony N. Nicholas, Jr. are collectively referred to as "**Defendants**") charging them with violations of the Florida securities laws and seeking to enjoin their violations of these laws in connection with a fraudulent scheme to offer and sell unregistered securities.[2] The OFR

[2] On October 22, 2014, the OFR and Defendants Eric Ager, Irwin Ager, and Teresa Simmons Bordinat announced to the Court that the OFR's claims against these individuals have been resolved in principal. As part of that settlement, these defendants consented to (i) a permanent (footnote cont'd)

subsequently amended the complaint to include Anthony N. Nicholas, Jr. as a defendant and TMFL as a relief defendant. The OFR alleged that the Defendants used the Receivership Entities to defraud approximately 232 investors from at least October 2011 forward by using false claims and purported above market rates of return to lure investors into purportedly investing in medical-practice-related accounts receivable subject to Letters of Protection ("**LOPs**").[3] The OFR also alleged that the Defendants raised more than $13 million from these investors and misappropriated at least $6.2 million of these investor funds. On June 29, 2015, Defendants Jeremy Anderson, Anthony N. Nicholas III, and Anthony Nicholas Jr. filed a motion to dismiss or, in the alternative, for summary judgment. No hearing has ever been set on this motion.

On March 5, 2014, the Honorable Anthony Rondolino issued an order appointing Burton W. Wiand as Receiver over Tri-Med and TMA, noting the imminent danger of the loss of investor funds (the "**Order Appointing Receiver**"). The Order also imposed a temporary injunction and granted other relief as to all Defendants. Among other things, this Order enjoined Tri-Med, TMA, and other Defendants from further violations of the Florida securities laws, froze their assets, and required an accounting of all investor funds and other assets. Pursuant to the Order Appointing Receiver, the Receiver has the duty and authority to, among other things, take immediate possession of all assets and properties of the Receivership Entities and hold and manage them until further order of the Court; and marshal and safeguard all such properties and

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injunction against them and (ii) the Receiver's appointment and agreed to make restitution to the Receivership in an amount to be determined by the Court at a later date.

[3] LOPs are typically provided by motor vehicle accident victims, and their attorneys, who are seeking damages from another party's insurance company to medical clinics that agree to see them. These treating medical clinics agree to provide treatment in exchange for a LOP from the patient and the attorney, and not from any insurance company. The LOP is essentially a promise to pay a reasonable fee for necessary medical services from any settlement or judgment obtained by the patient in connection with the accident.

assets. (Order Appointing Receiver at 9.) After his appointment, the Receiver sought and successfully obtained the expansion of the Receivership to include: TMFL, IPC, Rejuva, TMM, JA Management, and JRAM. The expansion of the Receivership to include these additional entities is discussed in more detail in Section III.A.4 below.

In September 2016, Defendants Irwin Ager and Eric Ager entered into separate plea agreements with the U.S. Attorney's Office for the Middle District of Florida wherein they both pleaded guilty to conspiracy to commit mail fraud and wire fraud for their participation in this scheme. (*See generally United States v. Eric L. Ager*, Case No. 6:16-cr-178-ORL-37TBS, and *United States v. Irwin C. Ager,* Case No. 6:16-176-ORL-18DAB). In pleading guilty, the Agers admitted that they and co-conspirators perpetrated the fraudulent investment scheme alleged in this case. In April 2017, the Agers each were sentenced to two years in prison and two years of supervised release after their incarceration. They also were ordered to joint and severally pay restitution of $11,296,714.57.

II. <u>Overview of Findings.</u>

The Receiver has reviewed voluminous records recovered by him. The Defendants did not keep thorough customary books and records for the Receivership Entities, which complicated this review process. The Receiver has formed conclusions based on his review of the records received and interviews with employees, sales agents, doctors, and others.

As the Court observed at a hearing on October 22, 2014, "the evidence is clear and convincing and reaches a very high level that this was a fraudulent scheme to steal people's money." The Defendants raised money mainly from elderly Florida investors through the promise of high interest rates from the purported purchase of medical accounts receivable purportedly subject to LOPs which they represented were secured, guaranteed, and/or backed by major insurance companies. The Defendants fraudulently likened their "investment program" to bank CDs. While Defendants raised approximately $17 million from investors, significantly less was used to purchase medical accounts receivable. The Receiver's investigation has revealed that from 2011 until this case was filed, at most only approximately $4 million of these investor funds were used to buy LOPs, although that figure overstates the true amount of money used to buy LOPs because it includes forged LOPs, other forged transactions, and money used to purportedly buy LOPs from an entity controlled by Defendant Jeremy Anderson that were never delivered.

As shown in the Receiver's prior Interim Reports, and also by the evidence presented by the OFR during the October 22nd hearing, the Receiver has discovered significant evidence that investor funds were regularly used for purposes that are very different from the representations made to investors, that the Defendants made numerous material misrepresentations and omissions to investors, and that the Defendants knew full-well that they were violating federal and state securities laws. Indeed, as noted above, two Defendants have pled guilty to federal criminal charges to date and have been sentenced to time in prison. For a more detailed overview of the Receiver's findings, please refer to prior Interim Reports.

III. Actions Taken By The Receiver And Inventory Of Property.

Since his appointment on March 5, 2014, the Receiver has taken a number of steps to fulfill his mandates under the Order Appointing Receiver. For more information regarding actions taken by the Receiver, please refer to prior Interim Reports.

A. Taking Possession of Receivership Property.

1. Physical Premises and Receivership Books and Records.

The Receiver secured an office which was used by Tri-Med and removed physical property that was at the premises. Through these and other efforts, the Receiver obtained books and records, office furniture, and computers and computer equipment. The Receiver retained experienced forensic information technology experts with the firm of E-Hounds, Inc., to assist in securing and analyzing the electronic data on the computers. All of the computers seized have been delivered to E-Hounds and its personnel have secured the data and essentially completed their forensic analysis. All documents have been moved to the Receiver's offices. The Receiver has sold most of the Receivership Entities' valuable assets and is now left with personal property and other items of minimal or no value.

Since obtaining control of the Receivership Entities, the Receiver and his professionals have had discussions with a number of people associated with the Receivership Entities, including employees, sales agents, investors, medical providers, legal counsel, and real estate property managers. The Receiver's attorneys have participated in the depositions of 19 individuals, including all six Defendants. All of the Defendants invoked the Fifth Amendment privilege against self-incrimination and refused to answer any substantive questions. Since the Receiver's appointment, he has served approximately 80 subpoenas for documents on various financial institutions, medical clinics, real estate companies, sales agents, and other entities which may have documents relevant to the Receivership.

2. Securing Receivership Funds.

The Receiver coordinated with the OFR to move swiftly to freeze all funds of which they were aware. As a result of these efforts, the Receiver successfully froze $4,907,005.15 at various financial institutions. The Receiver opened two accounts for the Receivership at Valley National Bank (formerly known as USAmeriBank), a money market account with a 0.60% interest rate and a non-interest bearing checking account. The Receiver also maintains a checking account at Valley National Bank for the collection of funds for LOPs related to Preferred Physicians Funding. See Section III.B.5 below for a discussion of these LOPs. The Receiver deposited $4,884,998.67 of frozen funds into these accounts and has earned $1,534.11 in interest on these accounts during the time covered by this Report.[4] As of November 14, 2018, the total balance of the Receivership accounts is $642,161.76**.** Attached as **Exhibit A** to this Interim Report is a cash accounting report showing the amount of money on hand from July 18, 2018 less expenses plus revenues through November 14, 2018. A cash accounting report showing the amount of money on hand less expenses plus revenues from the inception of the Receivership through November 14, 2018 is attached as **Exhibit B**. These cash accounting reports do not reflect non-cash or cash-equivalent assets. Thus, the value of all property, including medical accounts receivable, discussed below is not included in the accounting reports.

Approximately $28,998.85 in funds remain frozen and have not been transferred to the Receivership accounts yet. These funds are currently being held in various accounts in the names of individual Defendants and related entities. The Receiver will attempt to obtain as much of these funds as possible. One of the Receiver's highest priorities is to locate and recover any additional funds.

3. Medical Accounts Receivable.

While Defendants operated a fraudulent investment scheme, records indicate that they used no more than approximately $4 million of the approximately $17 million raised from investors to actually buy medical accounts receivable, although that figure overstates the true amount of money used to buy receivables because it includes forged receivables, other forged transactions, and money purportedly used to buy receivables from an entity controlled by Defendant Jeremy Anderson that were never delivered. The Receivership Entities kept very poor and incomplete records of the accounts receivables. As a result of this, the Receiver's efforts to

[4] This amount includes funds which were frozen and subsequently recovered in connection with the expansion entities discussed in Section III.A.4 below.

identify all receivables actually purchased by the Receivership has been a time-intensive process involving forensic accountants and extensive communications with medical providers and attorneys for patients.

The Receiver has identified more than 3,500 accounts receivable which appear to have been purchased by Tri-Med since its inception, although that figure includes forged transactions and receivables from an entity that Defendant Jeremy Anderson controlled and the proceeds of which have never been turned over to the Receiver. Because of the close relationship between Defendants and certain medical providers, there is substantial concern as to the legitimacy of a number of receivables purportedly purchased by Tri-Med. The Receiver's investigation indicates that there are problems with a number of the receivables that were actually or purportedly purchased, and that a significant amount of those receivables may not exist or be collectible.

The Receiver's experience with collection efforts to date has been disappointing. Unless the Receiver is able to obtain significant third party recoveries, there is little likelihood that investor Claimants will recover the full allowed amount of their claims. Since the appointment of the Receiver through November 14, 2018, the Receiver has recovered the total amount of approximately $1,708,902.15 in payment of accounts receivable. Because of a number of variables, including the underlying validity of purported receivables, the Receiver cannot predict the amount of eventual recoveries. For more information regarding the medical accounts receivable, please refer to the Receiver's Fourteenth Interim Report and earlier reports.

4. Expansion of the Receivership.

a. TMFL Holdings

On May 14, 2014, the Court granted the Receiver's motion to expand the scope of the Receivership to include TMFL. TMFL was created on September 13, 2013 by Anthony

Nicholas, III, a principal of Tri-Med and a defendant in this case, and was used to acquire real estate. TMFL was funded entirely with money from Tri-Med investors and held title to two residential properties that were purchased and renovated with that money. The Receiver also discovered that TMFL had two bank accounts at Wells Fargo Bank with a cumulative balance of $10,500.64. The Receiver obtained the balance of the Wells Fargo accounts mentioned above and sold the two residential properties. For more information regarding the properties, please refer to prior Interim Reports.

b. IPC

On August 6, 2015, the Receiver filed a motion to expand the scope of the Receivership to include IPC, which the Court granted on September 30, 2015. IPC was formed on July 10, 2013, as a medical services provider in Minnesota. It was funded through the receipt of nearly $1 million in money taken from Tri-Med investors. IPC was in the business of providing medical services, and a significant portion, if not all, of its business consisted of providing medical services to accident victims in exchange for LOPs or similar contractual commitments to pay for services. Most, if not all, of these accounts receivable were assigned to Tri-Med to try to justify part of the large amount of investors' money transferred from Tri-Med to IPC.

Immediately after his appointment as Receiver of IPC, the Receiver provided the order appointing him as Receiver and freezing the assets of IPC to financial institutions where he believed IPC maintained accounts. The Receiver discovered that IPC maintained two accounts at Wings Financial with a total balance of $327.26. This balance was transferred to the Receivership accounts and the Wings Financial accounts were closed. On October 16, 2015, the Receiver mailed 59 letters to Minnesota attorneys who represent clients who received services rendered by IPC. This letter informed these attorneys that communications regarding payment or settlement of amounts owed by their clients should be directed to the Receiver's collection agent and that any and all funds due constitute Receivership property and must be paid to the Receiver.[5]

c. Rejuva

The same day the Court granted the Receiver's motion to expand the Receivership to include IPC, nearly all of the money in IPC's bank account was diverted to Rejuva to keep it out of the Receiver's reach. On December 10, 2015, the Receiver filed an emergency *ex parte* motion to expand the scope of the Receivership to include Rejuva Medical and Wellness L.L.C. and Rejuva Medical Center L.L.C. (as mentioned above, the two Rejuva entities are collectively referred to as "**Rejuva**"). The Court granted this motion on December 11, 2015.

Immediately after his appointment as Receiver of Rejuva, the Receiver provided the order appointing him as Receiver and freezing the assets of Rejuva to financial institutions where he believed Rejuva maintained accounts. The Receiver discovered that Rejuva maintained an account at U.S. Bank with a balance of $3,495.38. This balance was transferred to the Receivership accounts and the U.S. Bank account was closed.

On December 13, 2015, the Receiver took possession of an office in Minnetonka, Minnesota (the "**IPC/Rejuva Office**"), which was being used by Rejuva. The Receiver secured the premises and inventoried the physical property that was at the premises. The office contained limited records, office furniture, medical equipment, and computer equipment. The Receiver's forensic information technology experts secured and analyzed the electronic data on the computers. The Receiver obtained the Court's approval to sell various assets, including a

[5] Prior to the Receiver's appointment, IPC intervened in a number of workers' compensation cases pending in Minnesota. After the Receivership was expanded to include IPC, the Receiver's counsel appeared in these matters as needed to assist with the collection of outstanding accounts.

2012 Universal CMP DR Chiropractor X-Ray Suite for the combined amount of $25,000. The Receiver completed this sale, turned the IPC/Rejuva Office back over to the landlord, and released a storage unit in Minnesota which had been used to store the assets.

Since obtaining control of IPC and Rejuva, the Receiver and his professionals have participated in the depositions of five individuals associated with IPC and Rejuva and have had discussions with numerous others. The Receiver is also working with his forensics professionals to identify outstanding medical accounts receivable owned by IPC and Rejuva.

d. Tri-Med Management, Inc. n/k/a JA Management, LLC and JRAM, LLC

On March 24, 2017, the Court granted the Receiver's motion to expand the scope of the Receivership to include two additional Minnesota entities funded with stolen Tri-Med investor funds and controlled by Defendant Jeremy Anderson: (1) Tri-Med Management, Inc. n/k/a JA Management, LLC ("**TMM**"); and (2) JRAM, LLC ("**JRAM**"). TMM is a Minnesota corporation formed on December 11, 2012. It was created and controlled by Defendant Jeremy Anderson and it received over $600,000 of Tri-Med's defrauded investors' funds. Defendant Anderson used TMM for a variety of unauthorized purposes, including as his personal bank account until its accounts were frozen in March 2014. Through TMM, Anderson misappropriated and stole Tri-Med's and its investors' funds by selling to Tri-Med non-existent accounts receivable purportedly generated from TMM. The Receiver discovered that TMM had a checking account at Associated Bank in Minnesota with a balance of $25,009.97. The Receiver received a wire for the balance of this account on August 25, 2017. JA Management, LLC ("**JA Management**") was created on July 17, 2013 and was controlled by Defendant Anderson for the purpose of serving as the successor-in-interest to TMM. The transition was never completed because of this Receivership. JA Management was administratively dissolved on June 10, 2015, for failure to file an annual report.

JRAM is a Minnesota limited liability company that was formed on May 30, 2013 and also was created and controlled by Defendant Anderson. JRAM was ostensibly created by Anderson to develop software to manage purchased LOPs, in reality the software was never developed. Instead, JRAM was used to defraud Tri-Med and its investors through the fraudulent sale of medical accounts receivable and theft of investor funds.

5. Real Properties.

As previously mentioned, the Receiver's investigation revealed that investor funds were misappropriated for unauthorized uses, including the purchase of real estate and the transfer of funds to TMFL. Specifically, Defendants used investor funds to purchase five parcels of residential real estate. With the Court's approval, the Receiver sold all of these properties and received the combined net amount of $768,448.60 from these sales. Please refer to prior Interim Reports for more information regarding these properties.

B. Litigation.

During the time covered by this Interim Report, the Receiver has (1) continued post-judgment discovery and collection efforts on a judgment against purported sales agent A.J. Brent; (2) engaged in collection efforts on a consent judgment against Holly Kwon; (3) continued to pursue litigation against Charles Corces, P.A., and Charles Corces seeking damages based on their participation in the scheme orchestrated by Defendant Jeremy Anderson and others; (4) continued litigation against Tim Patrick and Tim Patrick Enterprises; and (5) continued to evaluate claims he may have against other individuals and entities which may have liability in connection with the Defendants' fraudulent scheme.[6] The Receiver previously resolved litigation relating to a bankruptcy proceeding initiated by medical services providers which sold medical accounts receivable to Receivership Entities. The Receiver will institute additional litigation if he deems it appropriate and in the best interests of the Receivership.[7]

1. Litigation Against "Sales Agents."

On February 17, 2015, the Receiver initiated actions against "sales agents" seeking to recover commissions and/or other payments which were fraudulently transferred to them.[8] The Receiver has resolved all litigation against the purported sales agents with the exception of collection efforts on a judgment against A.J. Brent.

On March 6, 2017, the Receiver filed a motion for summary judgment in the action against A.J. Brent. On May 15, 2017, after a hearing, the Court granted the Receiver's motion

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[6] The Receiver has resolved claims he intended to assert against Stephen Marlowe and his law firm, Marlowe McNabb Machnik, P.A. (f/k/a Marlowe McNabb, P.A.), and Brian Stayton and his law firm, The Stayton Law Group, P.A., for their roles in the scheme underlying this case. The Receiver resolved these claims for the payment of $600,000 pursuant to the settlements. For more information regarding these settlements, please refer to the Receiver's Ninth Interim Report.

[7] The Receiver also resolved litigation against Richard Paul Williams, Kristine Williams, and APEX Chiropractic of Champlin PLLC (the "**Williams Defendants**") for payment of $140,400 to the Receiver according to a set payment schedule. The agreement further provided for entry of a consent final judgment in the amount of $280,000 that the Receiver agreed to forebear on collecting if the Williams Defendants remained compliant with the agreed payment schedule. The court declined to enter the consent final judgment. The Receiver and the Defendants have agreed to an addendum of the settlement agreement to include confessions of judgment by the Williams Defendants which will operate in the same manner as the consent judgment. The Receiver has received the signed confessions of judgment and is working on a joint stipulation for dismissal of the action. The Williams Defendants are making their scheduled settlement payments.

[8] On April 5, 2017, the OFR filed Administrative Complaints against various sales agents, including A.J. Brent, Eliot Simon, John Parker, John Burns, and William Gross for violations of the Florida securities laws.

for summary judgment and entered an order and final judgment in favor of the Receiver for $139,599.98 with interest accruing from the date of the judgment at the applicable statutory rate. The Receiver is engaging in post-judgment discovery and collection efforts.

For information regarding the resolution of litigation against other sales agents, please refer to prior Interim Reports.

2. Litigation Against Holly Kwon.

On June 23, 2016, the Receiver instituted litigation against Hyon Chu Kwon a/k/a Holly Kwon ("**Kwon**") to recover fraudulent transfers to her in the amount of $224,550. These funds originated from Tri-Med and its investors and were wrongfully transferred to her. Kwon is/was Defendant Anderson's longtime girlfriend and resided with him for years. Although Kwon received hundreds of thousands of dollars from the Receivership Entities, she was not an investor and did not provide any services to the Receivership Entities. On March 2, 2018, the Court approved a settlement between the Receiver and Kwon. In pertinent part, the settlement agreement provided that Kwon would pay the Receiver $160,000 on or before March 22, 2018. If Kwon failed to pay the settlement amount by this deadline, she consented to the entry of a $224,500 judgment against her for the amount of monies she received from Tri-Med and its investors.

Kwon failed to pay the settlement amount by the deadline. Accordingly, on March 27, 2018, the Receiver filed a motion for entry of consent final judgment against Kwon. On April 12, 2018, after a hearing on the matter, the Court entered an order and consent final judgment in the amount of $224,500, which will bear interest at the applicable Florida statutory rate until it is fully satisfied. The Receiver recorded the judgment in Florida and Minnesota and is engaging in post-judgment discovery and collection efforts.

3. Litigation Against Stoel Rives and Charles Corces.

On April 7, 2016, the Receiver, along with several named defrauded investors on behalf of a putative class (the "**Named Investors**"), instituted litigation in this Court against Stoel Rives, LLP, Jodi Johnson, Esq., Charles Corces, P.A., and Charles Corces seeking to recover damages in excess of $10 million for Tri-Med and its investors based on their participation in the fraudulent scheme orchestrated by, among others, Defendants Jeremy Anderson, Anthony Nicholas, Jr. and Anthony Nicholas III. The Receiver and the Named Investors resolved the claims against Stoel Rives and Jodi Johnson for payment of $3,700,000 pursuant to a settlement agreement.

The Receiver and Charles Corces, P.A. and Charles Corces (the "**Corces Defendants**") have had preliminary discussions regarding settlement but have not come to an agreement. On January 10, 2018, per the request of the Receiver and over the objection of the Cocres Defendants, the Court entered an order remanding the remaining claims against the Corces Defendants to state court. On September 17, 2018, the Receiver filed a motion for leave to file an amended complaint against Corces to streamline the Receiver's claims by removing presently irrelevant allegations involving Stoel Rives and focusing on the Corces Defendants' role in the scheme.

4. Litigation Against Timothy Patrick and Tim Patrick Enterprises.

On February 9, 2017, the Receiver instituted litigation against attorney Timothy Patrick ("**Patrick**") and Tim Patrick Enterprises, Inc. ("**TPE**") to recover fraudulent transfers to them in the amount of at least $228,980 and to recover damages. Patrick was employed by Tri-Med as a "Risk Management Officer," which required him to, among other things, purportedly evaluate and negotiate the proposed LOPs to be purchased by Tri-Med. He played an integral role in the scheme to defraud investors by approving and executing bogus "Assignment[s] of Interest" certificates that were sent to Tri-Med investors falsely indicating that LOPs had been assigned to them. Patrick also received loans from Tri-Med totaling at least $55,000 which he used to fund the payment of attorney fees to his counsel in connection with his proceedings to be reinstated to the Florida Bar and pay other creditors. These funds originated from Tri-Med and its investors and were wrongfully loaned to him.[9] TPE is an entity owned and controlled solely by Patrick and acted as Patrick's alter ego. At Patrick's direction, TPE improperly received Tri-Med investors' money for Patrick or his benefit.

The defendants have engaged in repeated dilatory tactics in this matter as documented in prior Interim Reports. More recently, on March 23, 2018, shortly before they were scheduled to be deposed, the defendants served a request for the production of documents on the Receiver. The Receiver served objections and responses to the requests and requested a standard confidentiality agreement to protect victim investors' sensitive information. The defendants refused to agree to a confidentiality agreement and on May 9, 2018, filed a motion to compel and/or for protective order requesting that the Receiver be required to produce all documents without such an agreement and over the objections of the Receiver. Patrick failed to appear at his deposition scheduled for May 11, 2018. On August 28, 2018, the Receiver filed an

[9] The OFR attempted to take Patrick's deposition. Patrick is acting as local counsel for Minnesota attorney Douglas E. Nepp ("**Nepp**") who is representing the Defendants in this proceeding. After serving a subpoena on Patrick, Defendants filed a motion for protective order to quash the subpoena to protect Patrick from "annoyance and embarrassment" and also because they contended that the subject matter of the deposition may be subject to attorney-client privilege. The parties reached a resolution that the deposition would occur beginning on February 10, 2016. Before the scheduled date, both Patrick and Nepp moved to withdraw as counsel for the Defendants and, Patrick, on behalf of Defendants, filed a motion for protective order to allow Defendants' time to find new counsel and further to limit the timing of the deposition. No rulings have been issued on the motions to withdraw or the February 8, 2016 motion for protective order.

opposition to the defendants' motion to compel and moved to compel the defendants' deposition appearance and for sanctions for his failure to appeal. The Court held a hearing on these motions on August 30, 2018.

After this hearing, the Court entered an order containing a series of deadlines to allow the exchange of discovery and ultimately for defendants' deposition. The schedule included a deadline for the parties to enter into a confidentiality agreement to allow the Receiver to make a document production. The defendants made no effort to comply with the order despite numerous attempts by Receiver's counsel to obtain their compliance. Due to the defendants' failure to comply with the order, on October 8, 2018, the Receiver filed a motion for order to show cause and for sanctions. The same day this motion was filed, the defendants' counsel sent the Receiver a signed confidentiality agreement. The Receiver, in turn, produced documents and, with defendants' counsel's agreement, has scheduled the defendants' deposition for December 14, 2018.

5. Bankruptcy Proceeding Involving Clinics Owned by Dr. Groteke and/or Dr. Pettersen.

One of the primary sources for the accounts receivable purchased by Tri-Med was clinics owned by Dr. Groteke and/or Dr. Pettersen. Dr. Groteke offered medical services through three different entities: Visum Management, LLC ("**Visum**"), Spine Injury Physicians, LLC ("**SIP**"), and Wellness Worx Center, PLLC ("**Wellness Worx**") (Visum, SIP, and Wellness Worx are collectively referred to as the "**Debtors**"). In January 2015, all three of these entities filed for protection under Chapter 11 of the United States Bankruptcy Code. The Receiver retained bankruptcy counsel to assist with this matter and filed claims in the bankruptcy proceedings to protect the Receivership's interests. The Receiver discovered that the Receivership Entities provided start-up capital of $450,000 for Visum. In exchange for this loan, the Receivership Entities received a note secured by the Debtors' assets.

The Receivership Entities purchased accounts receivable from the Debtors in the approximate face value amount of $4 million (see prior Interim Reports for a discussion of why these receivables will generate significantly less money for the Receivership estate). The Debtors also sold accounts receivable to other companies, including Preferred Physicians Funding ("**PPF**"). PPF purchased approximately $2.3 million in receivables from the Debtors. A portion of these receivables may have been double sold to both Tri-Med and PPF. The receivables PPF purchased are subject to the Receivership Entities' security interest on their loan to the debtors (in the amount of $513,194.13).

On January 20, 2015, the Court approved a settlement agreement between the Debtors, the Receiver, and PPF. Pursuant to the settlement agreement, the Receiver and PPF will cross-reference their records to determine any double sold receivables and create a master list of receivables. It was agreed that 100% of the amount collected on receivables Tri-Med owns will be paid to the Receiver or an account controlled by the Receiver. The Receiver and PPF also have agreed that 50% of the amount collected on receivables held by PPF will be paid to the Receiver until the Receiver has received a total amount of $513,000. Once the Receiver has collected the $513,000, PPF will be entitled to retain 100% of its remaining receivables. Upon payment of the $513,000, the Receiver will withdraw his claims in the bankruptcy proceeding. With respect to any double sold receivables, the Receiver and PPF have agreed to evenly split any collections. Also pursuant to the settlement agreement all documentation relating to approximately $4.7 million in face value of receivables that are believed to be owned by the

Receivership Entities but were being administered by the Debtors will be delivered to the Receiver and will be subject to the Receiver's ongoing collection efforts.

On October 7, 2016, the Receiver filed an agreed motion to enforce his settlement agreement with the Debtors and PPF to allow him to take over collections of the receivables and require PPF to provide an accounting of funds collected. The Court entered an order granting the relief requested by the Receiver on January 10, 2017. Pursuant to this order, the Receiver's professionals have taken over the collections of these receivables.[10] However, PPF did not provide an accounting of funds collected as required by the order. Thus, on March 7, 2017, the Receiver filed a motion for an order to show cause as to why this accounting had not been produced. After the motion was filed, PPF provided an accounting; however, the accounting did not provide sufficient detail. After a hearing on July 20, 2017, the Court granted the motion for order to show cause, with assistance from the U.S. Marshal if necessary, and ordered PPF to provide a more detailed accounting, specifically including detail on the disposition of proceeds.

C. Claims Process

On September 9, 2015, the Receiver filed a Motion to (1) Approve Determinations And Priority of Claims, (2) Pool Receivership Assets and Liabilities, (3) Approve Plan of Distribution and a First Interim Distribution and (4) Establish Objection Procedure. ("**Claims Determination Motion**"). In the Claims Determination Motion, the Receiver set forth his recommended determination and priority of each claim. The Receiver attached detailed exhibits to the Claims Determination Motion addressing each claim. The Receiver proposed a procedure for a

[10] In connection with these collection efforts, on June 15, 2017, the Receiver filed a statement of claim against the Estate of Todd Perkins for the recovery of some medical accounts receivable related to patients who were represented by the Todd R. Perkins' law practice before his death. The statement of claim includes accounts receivable for 18 patients in the amount of $112,901.66.

Claimant to object to the Receiver's determination of his or her pertinent claim or the Receiver's plan of distribution. The Receiver also requested the Court's approval to make a first interim distribution of 26% of the Allowed Amounts of Claimants with Class 1 claims on a *pro rata* basis, resulting in a total distribution to defrauded investors of nearly $4 million.[11] The Receiver requested leave to make the first interim distribution as soon as practicable after the period for objections expired and he had reviewed any objections.

On December 17, 2015, the Court entered an order granting the Claims Determination Motion ("**December 17 Order**"). The objection procedure proposed by the Receiver in the Claims Determination Motion and adopted by the Court allowed each Claimant 20 days from receipt of notice of the December 17 Order to serve the Receiver with a written objection to the determination of the Claimant's claim and/or claim priority and to object to the plan of distribution. The Receiver received objections relating to 10 claims. Five of these objections were made by sales agents and the spouse of a sales agent. In connection with the settlement of litigation, four objections made by sales agents and a sales agent's spouse were waived. On June 14, 2018, the Receiver filed a motion to overrule the outstanding objections. A hearing on this motion was held on October 4, 2018. On October 9, 2018, the Court entered an order overruling all objections in the total amount of approximately $42,307.57. The Receiver received a check in the amount of $7,346.57 from one of the objecting claimants for the remaining retainer held by the claimant.

[11] The Receiver proposed that the first interim distribution (and any subsequent distributions) be made on a *pro rata* basis subject to applicable exceptions, priorities, and other parameters discussed in the Claims Determination Motion. The amount each Class 1 claim was to receive as part of a first interim distribution is specified in **Exhibits B** and **C** to the Claims Determination Motion.

On January 22, 2016, the Receiver mailed 281 checks totaling $3,914,193.38 to Claimants holding claims which were entitled to receive a first interim distribution. The first interim distribution provided a recovery of 26% of the allowed amounts of Class 1 claims which received a first interim distribution. All first interim distribution checks have negotiated.

On December 1, 2017, the Receiver filed a Motion to Approve (1) Second Interim Distribution; (2) Determination of Late-Filed Claim; and (3) Disbursal of Funds. The motion sought the approval of a second interim distribution of approximately $3,693,634.00 on a *pro rata* basis, representing an additional recovery of approximately 24% of allowed amounts of claims receiving a distribution at that time, bringing the total recovery for these Claimants to approximately 50% of their losses. The motion also sought the approval of the Receiver's determination of a late-filed claim by the Internal Revenue Service in the amount of $4,140.00. A hearing on this motion was held on December 15, 2017, and the Court granted the motion in its entirety. On December 22, 2017, the Receiver mailed the second interim distribution checks to Claimants holding claims that were determined to be entitled to participate in the second interim distribution. As of November 14, 2018, five checks in the total amount of $102,099.05 remain outstanding. For more information regarding the claims process, please refer to prior Interim Reports.

D. Investors Committee

The Receiver established an Investors Committee, which consists of nine defrauded investors. Collectively, these investors invested approximately $2.7 million in this fraudulent investment scheme.[12] The purpose of the Investors Committee is to provide the Receiver the

[12] These amounts include investments made by the investors individually, jointly with a spouse, on behalf of an entity, and as a trustee of a trust.

ability to confer in an efficient manner with interested investors who can provide views with respect to the actions of the Receivership and provide information to other defrauded investors. The Receiver also has communicated with highly experienced securities attorney Robert Pearce who represents the interests of the Investors Committee. Mr. Pearce has over 30 years of experience in representing investor victims and previously worked for the United States Securities and Exchange Commission. Mr. Pearce represented the investor plaintiffs in the action brought against Stoel Rives, Jodi Johnson, Charles Corces, P.A. and Charles Corces discussed in Section III.B.3 above. He is available to provide counsel to all victims and can be reached at (561) 338-0037. Investors also can view his website at www.secatty.com. Information about the Investors Committee can be obtained from Mr. Pearce or the Receiver.

IV. The Next 120 Days.

The Receiver will proceed with the pending cases and continue to thoroughly consider and review any settlement offers and engage in settlement negotiations. The Receiver will make every effort to reach compromises that are in the best interests of the Receivership Entities and the investors.

The Receiver will continue to use his best business judgment and make every reasonable effort to maximize the value he receives from the accounts receivable that were purchased and remain outstanding.

The Receiver will continue to attempt to locate additional funds and other assets and may institute additional proceedings to recover assets on behalf of the Receivership Entities.

The Receiver will continue to review information to determine if any other third parties have liability either to the Receivership estate or investors. The Receiver may institute additional litigation against individuals, including professionals and entities that may have liability in connection with the Defendants' fraudulent scheme.

CONCLUSION

As discussed in Section III.C. above, the Receiver has conducted two interim distributions which have provided Claimants entitled to participate in these distributions a total recovery of approximately 50% of their losses. With the second interim distribution the Receiver believes that the majority of the funds he will be able to recover in this Receivership has been distributed. The Receiver will continue to try to collect and maximize the amount he can recover from the accounts receivable. The Receiver also will continue to pursue ongoing litigation, which he is hopeful will bring in additional funds; however, he anticipates that any future distribution will be modest.

Creditors and investors in the Receivership Entities are encouraged to periodically check the informational website, www.trimedreceivership.com, for information concerning this Receivership. To minimize expenses, creditors and investors are encouraged to consult the Receiver's website before contacting the Receiver or his counsel. However, the Receiver encourages individuals or attorneys representing investors who may have information that may be helpful in securing further assets for the Receivership estate or identifying other potential parties who may have liability to either the Receivership estate or investors to either email jrizzo@wiandlaw.com, or call Jeffrey Rizzo at (813) 347-5100.

Dated this 14th day of November, 2018.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 14, 2018, I electronically filed a true and correct copy of the foregoing with the Clerk of the Court by using the Florida Courts E-Filing Portal, which served the following parties:

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s/Jared J. Perez
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RECEIVER'S VERIFICATION

I declare and affirm under the penalties of perjury that the foregoing facts are true and correct to the best of my knowledge and belief.

s/Burton W. Wiand
Burton W. Wiand, as Receiver

EXHIBIT A

RECEIVERSHIP CASH ACCOUNTING REPORT
From July 18 to Nov 14, 2018

Beginning Balance on July 18, 2018		**$ 584,564.42**
Increases In Fund Balance		
Interest Income	1,534.11	
LOP Settlements	31,961.46	
Litigation Settlements	18,333.33	
Other Income	7,348.62	
Total Increase in Fund Balance	59,177.52	
Decreases In Fund Balance		
Bank Charges	0.00	
Professional fees	605.21	
Storage	974.97	
Total Decrease In Fund Balance	1,580.18	
Net Fund Increase from July 18, 2018 through November 14, 2018	**$57,597.34**	
Claimant Distributions	**0.00**	
Total Cash on Hand as of November 14, 2018		**$ 642,161.76**

EXHIBIT B

RECEIVERSHIP CASH ACCOUNTING REPORT
From Inception to November 14, 2018

Beginning Balance		**$ 4,828,966.97**
Increases In Fund Balance		
Interest Income	68,330.32	
Promissory note interest	68,600.00	
Promissory note principal payments	500,000.00	
LOP Settlements	1,708,902.15	
Litigation Settlements	4,536,454.84	
Funds Received from US Bank and Wings Financial for IPC and Rejuva accounts	46,353.69	
Other Income	1,053,323.88	
Total Increase In Fund Balance	7,981,964.88	
Decreases In Fund Balance		
Bank Charges	30.00	
HOA dues	252.97	
Professional fees	66,217.84	
Professional fees - court ordered	4,429,176.33	
Insurance	5,556.44	
Licenses	339.00	
Storage	18,132.39	
Settlement Payout	5,896.65	
Repairs & Main.	6,632.60	
Taxes	17,006.99	
Utilities	5,075.09	
Office Expense	3,667.82	
Total Decrease In Fund Balance	4,557,984.12	
Net Increase From Inception to July 17, 2018	**$3,423,980.76**	
Total Claimant Distributions	**7,610,785.97**	
Total Cash on Hand as of November 14, 2018		**$ 642,161.76**