

**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 FIFTH INTERIM REPORT
AND INCORPORATED FIFTH REPORT OF INVENTORY**

Receivership Information and Activity from March 21, 2015, through July 20, 2015.

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TABLE OF CONTENTS

INTRODUCTION 1

BACKGROUND 4

 I. Procedure and Chronology. 4

 II. Overview of Preliminary Findings..... 7

 III. Actions Taken By The Receiver And Inventory Of Property..... 8

 A. Taking Possession of Receivership Property..... 9

 1. Physical Premises and Receivership Books and Records..... 9

 2. Securing Receivership Funds.....11

 3. Medical Accounts Receivable.....13

 4. Promissory Note and Funds Diverted Through Purported Loans..17

 5. Expansion of the Receivership.....18

 6. Real Properties..... 18

 B. Litigation..... 20

 1. Litigation Against "Sales Agents"21

 2. Defendants' and Former "Sales Agents" Fraudulent Efforts To
 Convince Investors to Place Tri-Med Into Involuntary Bankruptcy
 And The Involuntary Bankruptcy Petition Filed On July 1,
 2015.....22

 3. Bankruptcy Proceeding Involving Clinics Owned by
 Dr. Groeteke and/or Dr. Pettersen.....27

 4. Potential Future Litigation.....28

 C. Claims Process..... 29

 D. Investors Committee 31

 IV. The Next 120 Days. 32

CONCLUSION.....32

INTRODUCTION

Burton W. Wiand, the Court-appointed Receiver for Tri-Med Corporation (“**Tri-Med**”), Tri-Med Associates Inc. (“**TMA**”), and TMFL Holdings, LLC (“**TMFL**”) (collectively the “**Receivership Entities**”), hereby files this Verified Fifth Interim Report and Incorporated Fifth Report of Inventory (“**Fifth 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 Fifth Interim Report, as well as all previous and subsequent reports, will be posted on the Receiver’s website.

THE RECEIVER AND THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION (“OFR”) HAVE UNCOVERED EVIDENCE THAT DEFENDANTS JEREMY ANDERSON AND IRWIN AGER AND “SALES AGENTS” A.J. BRENT AND JOHN PARKER AND OTHERS HAVE BEEN CONTACTING INVESTORS AND LYING TO THEM ABOUT THE BENEFITS OF A BANKRUPTCY FILING, THE ASSETS HELD BY THE RECEIVERSHIP, AND OTHER MATTERS. INVESTORS ARE STRONGLY CAUTIONED TO EXERCISE SIGNIFICANT CARE AND DILIGENCE IN ANY DEALINGS WITH THESE INDIVIDUALS AND SHOULD

¹ This Fifth Interim Report is intended to report on information and activity from March 21, 2015, through July 20, 2015. As directed by the Court, the Receiver will submit his next Interim Report to the Court 120 days from the date of this Report.

CONTACT THE OFR OR THE RECEIVER TO VERIFY ANY INFORMATION OR REPRESENTATIONS BEING MADE BY THESE INDIVIDUALS. THIS ACTIVITY BY THESE INDIVIDUALS, IF SUCCESSFUL, WILL DELAY THE DISTRIBUTION OF FUNDS TO INVESTORS AND IS SUBSTANTIALLY INCREASING THE COST OF THE RECEIVER AND HIS LAWYERS' EFFORTS ON BEHALF OF INVESTOR VICTIMS IN THIS FRAUDULENT SCHEME.

Overview of Significant Activities During this Reporting Period

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

- Opposed efforts to place Tri-Med into involuntary bankruptcy and an involuntary bankruptcy petition filed on July 1, 2015, which are simply efforts by Jeremy Anderson and other Defendants and sales agents like Brent to once again defraud, mislead, and deceive investors to try to exert influence and/or control over Tri-Med and its assets and to thwart the Receiver's and the State of Florida's efforts to hold Defendants and others such as Brent accountable for their unlawful activities – these efforts will raise costs for the Receivership and delay distribution of money to investors;
- Continued to pursue litigation against “sales agents” for the recovery of commissions and/or other payments these agents received for selling purported “investments” in Tri-Med in Florida;
- Reached settlement agreements to resolve litigation against eight “sales agents” for 100% of the commissions these agents received for the combined amount of approximately **\$35,095.00** and filed motions to approve these settlements;
- Recovered the total amount of approximately **\$879,735.09** in payment of accounts receivable since the appointment of the Receiver through July 20, 2015;
- Sold two real properties in the possession of the Receivership for the combined amount of **\$298,000.00** which resulted in net proceeds of approximately **\$278,498.23** to the Receivership after payment of commissions and other costs associated with the sales;
- Obtained Court approval of agreements to sell two other real properties in the Receiver's possession for the combined amount of **\$301,000** which should result in net proceeds of approximately **\$281,000** to the Receivership;

- Filed a motion to approve an agreement for the sale of an additional real property located in Seminole, Florida for **\$225,000**, which should result in net proceeds of approximately **\$210,000** after payment of commissions and other costs associated with the sale;
- Recovered **\$308,600** in principal and interest on a promissory note from Spine Pain Management, Inc.;
- Obtained Court approval of a cost-effective mechanism by which to negotiate and collect on the remaining outstanding accounts receivable on favorable terms to the Receivership estate through the retention of Thomas Carey, an individual experienced in purchasing and negotiating medical accounts receivable;
- Obtained Court approval of the Receiver's Motion to Approve (1) a Proof of Claim Form and procedure to administer claims; (2) a deadline for filing Proofs of Claim; and (3) notice by mail and publication, which instituted the claims process;
- Published notice of the claims process by (1) direct mail of approximately 377 packages to known investors and their attorneys, if any, and other known potential creditors of the Receivership estate; (2) publication on one day in the The Tampa Bay Times, The Tampa Tribune, The Miami Herald, The Sun Sentinel, The Orlando Sentinel, The Ocala Star Banner, The Florida Times Union, and The Daytona Beach News-Journal in April, 2015; and (3) web access to all pertinent claims process documents on the Receiver's website, www.trimedreceivership.com;
- Reviewed and analyzed more than 300 Proof of Claim Forms; responded to numerous inquiries from investors and others regarding the claims process; identified deficiencies in Proof of Claim Forms and communicated with investor claimants to correct those deficiencies; and made determinations with respect to all those claims; 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.

The above activities are discussed in more detail in the pertinent sections of this Fifth 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. On March 26, 2014, the OFR amended the complaint to include Anthony N. Nicholas, Jr. as a defendant and on May 12, 2014, the OFR filed a second amended complaint to include 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**”).² 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.³ On October 22, 2014, the OFR

² 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. Often due to cash flow constraints, these medical clinics sell these accounts receivable at a discount to other businesses. While there may be legitimate businesses engaged in purchasing such accounts receivable, as discussed in the Overview of Preliminary Findings below, the evidence shows that Tri-Med engaged in widespread fraud.

³ The Receiver has discovered that Defendants actually raised more than initially alleged by the OFR. Records reviewed by the Receiver indicate that more than \$17 million was raised from
(footnote cont’d)

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 have consented to (i) a permanent 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. On May 2, 2014, Defendants Jeremy Anderson, Anthony N. Nicholas III, and Anthony Nicholas Jr. filed a motion for a more definite statement of the OFR's complaint. The Court entered an order denying this motion on February 19, 2015. On June 29, 2015, these same Defendants filed a motion to dismiss or, in the alternative, for summary judgment. No hearing has 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 by March 10, 2014.⁴ Pursuant to the Order Appointing Receiver, the Receiver has the duty and authority to,

investors. This difference is attributable mainly to the fact that the OFR's analysis stopped at a point in time which allowed them to prepare and file their initial complaint while the Receiver's analysis runs up until the Court enjoined the Defendants.

⁴ The Receiver timely received a response to the Court's order requiring an accounting from all Defendants with the exception of Anthony N. Nicholas, Jr. On June 27, 2014, the Receiver filed a motion to compel (1) production of documents from Defendants Jeremy Anderson, Anthony N. Nicholas III, and Anthony N. Nicholas, Jr. and (2) Anthony N. Nicholas Jr.'s compliance with the Court-ordered accounting. A hearing on this motion was held on August 26, 2014. On October 8, 2014, the Court entered an order granting the Receiver's motion. The pertinent Defendants did not produced documents as ordered by the Court on October 8, 2014. As such, on January 7, 2015, the Receiver filed a second motion to compel production of documents from these Defendants and a motion for a finding of contempt for failing to comply with the Court's
(footnote cont'd)

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 assets. (Order Appointing Receiver at 9.)

Since the appointment of the Receiver, the Defendants have filed numerous motions in an effort to derail and impede the efforts of the Receiver and the Receivership. For instance, Defendants Jeremy Anderson, Anthony Nicholas, III, and Anthony Nicholas, Jr. have filed the following motions, among others: (1) motion for replacement or removal of the Receiver; (2) motion to allow Receiver and State exposure to liability; and (3) emergency motion to vacate and dissolve the Receivership and temporary injunction. These motions were noticed for a hearing before the Court on October 22, 2014. On October 22, 2014, the Court heard evidence for most of the day. At the conclusion of the hearing, the Court found “the evidence is clear and convincing and reaches a very high level that this was a fraudulent scheme to steal people’s money.” The Court added, “[t]he whole series of introduction of evidence and testimony in this case is highly suggestive of numerous criminal offenses that . . . [the Defendants] might be fearful of from tax evasion to securities violations to fraud and theft, et cetera et cetera.” As a result, on October 24, 2014, the Court entered an order denying the Defendants’ emergency motion to vacate and dissolve the Receivership and temporary injunction. The Court tabled the other motions mentioned above for a later date.

order. A hearing on this motion was held on January 20, 2015. On January 27, 2015, the Court entered an order granting the Receiver’s motions and requiring the Defendants to produce responsive documents within five business days. The Defendants have produced some documents.

II. Overview of Preliminary Findings.

The Receiver has reviewed voluminous records recovered by him and is also continuing to work on obtaining additional documents from third parties. The Defendants did not keep thorough customary books and records for the Receivership Entities, which complicated this review process. As a result of the Defendants' poor recordkeeping, the Receiver has had to retain the services of forensic accountants to review, reconstruct, and analyze the movement of investors' money, which was a significant expense for the Receivership. 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 also observed at the October 22nd hearing, there is abundant evidence that the Defendants, through the Receivership Entities, were operating a fraudulent investment scheme. 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. The Defendants guaranteed annual rates of return ranging from approximately 5% to 8% with purported interest payments paid monthly for a term of up to two years. They purportedly assigned different accounts receivable to different investors and guaranteed that if the receivable was not paid by the end of the two-year term, Tri-Med would still pay back to the investor the full principal amount or the investor could roll the investment

amount over and continue receiving “interest payments” for another term.⁵ The Defendants routinely represented that the LOPs were fully backed or paid by a major insurance company. In reality, the LOPs were not backed or paid by any insurance companies as there was no established right to collect from an insurance company; rather, the LOPs merely gave medical providers some right to collect for all or part of their services from any settlement money the patients might receive.

The above representations were false and are part of the many acts of securities fraud perpetrated by the Defendants that the Receiver has already uncovered and many of which were presented to the Court during the October 22nd hearing. For more examples of material facts that were not disclosed to investors or of material misrepresentations made by the Defendants, please refer to the Second Interim Report.

As shown by the above and 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.

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.

⁵ While there are some informal records indicating an allocation of portions of receivables to investors, there were no actual assignments and no security interests were recorded on behalf of any investor and many investors were not allocated receivables even informally.

A. Taking Possession of Receivership Property.

1. Physical Premises and Receivership Books and Records.

On the day of his appointment, the Receiver took possession of an office at 34931 U.S. Hwy 19, Suite 104, Palm Harbor, Florida (the "**Office**"), which was leased to Tri-Med, but primarily used by Eric Ager for TMA. The Receiver secured the premises and inventoried and removed physical property that was at the premises. The office contained books and records of the Receivership Entities, office furniture, and computer equipment. On the same day of his appointment, the Receiver also seized five boxes of documents and two computers from the home of Teresa Simmons' home in Lake Mary, Florida which was being used for TMA.⁶ The Receiver also searched two office suites in Clearwater, Florida, which were leased to Tri-Med. These office suites were empty except for a desk and chair which had been provided by the landlord.

On March 7, 2014, the Receiver was notified that a principal of Tri-Med had delivered Tri-Med documents and computers to a former employee to try to evade the Receiver's efforts to recover them. An agent of the Receiver immediately went to the former employee's home and seized the documents and computers. The Receiver also learned of two storage units in a public storage facility on Gunn Highway in Tampa, Florida. One unit was being leased by Tri-Med and the other by Defendant Jeremy Anderson. The Receiver seized and secured the units and inventoried the contents, which consisted of exercise equipment, office furniture, and household items. None of the items in the storage units appear to have any significant value.

⁶ TMA also was being operated out of a "virtual office," which was also in Lake Mary, Florida. The virtual office was leased from a Regus facility which provides a business address, call and mail handling, and very limited use of a private office. No documents or computers were kept at this virtual office.

The Receiver has 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 their forensic analysis is underway. All documents have been moved to the Receiver's offices.

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 13 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 66 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. On March 29, 2014, the Receiver served a subpoena on non-party Interventional Pain Center, PLLC ("**IPC**"), a medical services provider in Minnesota. Defendant Anderson created IPC and is intimately involved in IPC's operations.⁷ From the Receiver's review of documents in this case, IPC received nearly \$1 million from defrauded investors. IPC refused to comply with the subpoena. Accordingly, on November 12, 2014, the Receiver filed a motion to compel IPC's compliance with the subpoena in Minnesota state court. *See OFR v. Tri-Med Corp, et al*, Case No. 27-cv-14-3953 (Minn. Dist. Ct., 4th Jud. Dist.). On January 27, 2015, the Court granted the Receiver's motion to compel and

⁷ Defendant Anderson, through his counsel, has denied involvement with IPC's business operations. Despite these denials, evidence recovered by the Receiver shows that Defendant Anderson is intimately involved in this entity's business operations.

ordered the production of documents as specified in the order by February 17, 2015 or show cause as to why the documents cannot be produced by that time. IPC failed to meet this deadline and other deadlines specified in the order. On March 6, 2015, the Receiver filed a motion for order to show cause seeking to hold IPC and several individuals associated with it, including Jeremy Anderson and Tony In, in contempt of court. IPC subsequently produced additional documents and represented that it had produced all documents responsive to the Receiver's subpoena.

2. Securing Receivership Funds.

The Receiver coordinated with the OFR to move swiftly to freeze all funds of which they were aware. The Receiver and his attorneys engaged in a preliminary review of documents and other information for the purpose of identifying institutions that potentially held relevant financial accounts or lines of credit. The Receiver immediately provided copies of the asset freeze order to the pertinent institutions. Since the appointment of the Receiver, he has served the Order appointing the Receiver and freezing the assets of the Receivership Entities on 89 individuals and entities who possibly could have assets and/or records belonging to Receivership Entities.

As a result of these efforts, the Receiver successfully froze \$4,906,671.33 at various financial institutions, including Wells Fargo Bank, N.A., Regions Bank, and Bank of America. The Receiver opened two accounts for the Receivership at USAmeriBank, a money market account with a 0.5% interest rate and a non-interest bearing checking account. The Receiver has deposited \$4,861,368.79 of the frozen funds into these accounts and has earned \$8,386.14 in interest on these accounts during the time covered by this Report. As of July 16, 2015, the total balance of the Receivership accounts is **\$6,213,853.46**. Attached as **Exhibit A** to this Interim Report is a cash accounting report showing the amount of money on hand from March 21, 2015

less expenses plus revenues through July 20, 2015. This cash accounting report does not reflect non-cash or cash-equivalent assets. Thus, the value of all property, including real property and medical accounts receivable, discussed below is not included in the accounting report.

Approximately \$44,627.18 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.⁸

One of the Receiver's highest priorities is to locate and recover any additional funds. On March 25, 2014, the Receiver retained the experienced forensic accounting firm, Yip & Associates, Inc. to assist in tracing funds. This task has been extremely difficult because the Defendants failed to maintain adequate books and records or a customary accounting system. As a result, Yip & Associates has had to reconstruct the entire flow of funds through the Receivership Entities. The work of Yip & Associates is essentially complete. Maria Yip has reached the conclusion that the fraudulent scheme at issue was a Ponzi scheme and she gave testimony at the October 22, 2014 hearing regarding this conclusion. The work of Yip & Associates is a significant expense to the Receivership, but is necessary to (1) identify the Receivership's assets and liabilities, (2) identify individuals and entities who received diverted investor funds so that the Receiver may seek to recover those funds, and (3) ascertain the

⁸ The Receiver thwarted an attempt by Defendant Jeremy Anderson to circumvent this Court's asset freeze order on approximately \$15,000 of potential Receivership assets through a petition for a writ of mandamus he surreptitiously filed in a Minnesota state court action. The Receiver successfully opposed these efforts and secured an order from the Minnesota state court on September 18, 2014 which allowed these assets to remain frozen under the protection of the Court's asset freeze order.

amounts owed, if any, to each investor so that the Receiver can administer the claims process and distribute funds to investors.

3. Medical Accounts Receivable.

While Defendants operated a fraudulent investment scheme, records indicate that they used no more than approximately \$4.3 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 that Defendant Jeremy Anderson controls. The Receivership Entities kept very poor and incomplete records of the accounts receivables. As a result of this, the Receiver's efforts to 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. Because no accurate and comprehensive records of purchased accounts receivables were maintained by the Defendants, this process has entailed gathering and reviewing documentation of every pertinent account receivable.

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 that Defendant Jeremy Anderson controls and the proceeds of which have never been turned over to the Receiver. Despite the Defendants' representations that medical accounts receivable were being purchased from numerous hospitals and surgery centers, the vast majority of the receivables were purchased primarily from the following sources: (1) clinics owned by Dr.

Groteke and/or Dr. Petterson;⁹ (2) Interventional Pain Center, which Defendant Jeremy Anderson controls; and (3) Florida Surgery Consultants, LLC (“FSC”). Because of the close relationship between Defendants and certain medical providers, there is substantial concern as to (1) the legitimacy of a number of receivables purportedly purchased by Tri-Med and (2) Defendant Jeremy Anderson’s control over a significant amount of receivables, and the Receiver’s investigation to date indicates that there may be problems with a significant amount of the receivables that were purchased. For example, some of the LOPs are bogus and simply were fabricated to attempt to hide the diversion of investor funds; others were double sold by the medical provider so that both Tri-Med and other parties claim competing ownership of those receivables; others contain language barring their assignment; and others are under Defendant Jeremy Anderson’s control and he has failed to provide financial information relating to these receivables.

Since the Receiver’s appointment, his team has been handling the negotiation and collection of LOPs while also thoroughly investigating the amount of the Receivership Entities’ LOPs. The Receiver has recovered the total amount of \$879,735.09 in payment of accounts receivable since his appointment through July 20, 2015.

On February 11, 2015, the Receiver filed a motion to approve an agreement with Thomas Carey, J.D., LL.M., P.A. (“**Mr. Carey**”) for the collection of medical accounts receivable,¹⁰

⁹ Drs. Groteke and Petterson had a very close relationship with Defendants which included other purported business ventures and they and/or their entities received Tri-Med investors’ money for unauthorized purposes which were unrelated to the purchase of medical accounts receivable.

¹⁰ Before this Receivership, Tri-Med spent approximately \$2.37 million of the approximately \$4 million used to buy LOPs to buy LOPs from FSC and its related entities. The arrangement with FSC provides a guaranteed payout to Tri-Med of either 50% or 55% of an LOP’s face value, depending on the medical procedure. The FSC LOPs are excluded from the Receiver’s arrangement with Mr. Carey because there is no need to negotiate these LOPs.

which the Court granted on March 27, 2015. Mr. Carey is an attorney who is highly qualified and experienced in handling the negotiation of LOPs. The Receiver believes that this arrangement with Mr. Carey is in the best interest of the Receivership because it places negotiation and collection of the LOPs in the hands of a highly experienced and successful person at a favorable rate to the Receivership and is structured in such a way as to encourage the highest possible recovery on the LOPs. For more information regarding the pertinent terms of the agreement, please refer to the Receiver's Fourth Interim Report.

From the Receiver's investigation to this point, it appears that the Receivership Entities paid no more than approximately \$4.3 million for accounts receivable, although as previously noted 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 that Defendant Anderson controls and proceeds of which have never been turned over to the Receiver. The approximately \$4.3 million was purportedly used to buy accounts receivable with a total face value of amount of approximately \$14.8 million.¹¹ **Importantly, however, the \$14.8 million face value does not represent the actual amount of money those receivables will generate for the following reasons:**

- 1. Some receivables were forged by Defendants and thus they do not actually exist.**
- 2. A significant amount of receivables were purchased from clinics owned by Drs. Groteke and/or Pettersen which are now in bankruptcy and consequently those receivables are at risk.**

¹¹ These numbers may be modified as the Receiver continues his review and analysis of the accounts receivable and there is a strong likelihood that the numbers will decrease because, for example, this number likely includes receivables which were double sold by medical providers and ones which otherwise may not be valid.

3. **Another significant amount of receivables were purportedly purchased from IPC, and Defendant Anderson controls both IPC and those receivables, and he has never turned over to the Receiver any proceeds from those purported receivables or any information relating to those proceeds.**
4. **Another significant amount of receivables were purchased from Florida Surgery Consultants, and Tri-Med entered into an agreement with Florida Surgery Consultants prior to the Receivership regarding payment of those accounts receivable. Pursuant to this agreement, Tri-Med is to receive only either 50% or 55% of the face value of the receivable depending on the type of service provided.**
5. **As noted above, the accounts receivable are based on a promise to pay a reasonable fee for medical services from any settlement or judgment obtained by a patient in connection with an accident. Once the dispute relating to the accident is resolved, the attorney representing the patient generally tries to negotiate the amount owed, and it is common practice for the receivables to be paid at significantly less than face value, if indeed they are ever paid, for a number of reasons. Those reasons include that the amount billed for the procedures conducted by the medical providers is excessive; that some of the procedures conducted were unnecessary; or that the patient did not recover sufficient (if any) money to pay the receivable owed.**
6. **Some of the receivables were double sold by the medical provider so that both Tri-Med and other parties claim competing ownership interests of those receivables.**
7. **Some of the receivables are subject to LOPs that contain language barring the medical provider from assigning the LOP to anyone else, such as to Tri-Med.**
8. **Some of the receivables were paid before this Receivership was instituted, and thus this Receivership will not receive any more money from those receivables. For example, before the appointment of the Receiver, evidence reviewed to date indicates that the Receivership Entities received \$451,381.71 in payment of accounts receivable purchased from medical providers other than Florida Surgery Consultants and they received \$744,472.56 from Florida Surgery Consultants for total payments of \$1,195,854.27. Those amounts are not subtracted from the figures set forth above.**

Since the appointment of the Receiver through July 20, 2015, the Receiver has recovered the total amount of approximately **\$879,735.09** 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, but that amount will be substantially less than the face value amount as explained above.

4. Promissory Note and Funds Diverted Through Purported Loans.

The Receiver discovered evidence of a \$500,000 loan made by Tri-Med to Spine Pain Management, Inc., in Texas. The loan was secured by a convertible promissory note with a maturity date of March 27, 2014. Spine Pain Management asserted that the note's maturity was extended to March 27, 2015, and produced documentation of that extension. On January 23, 2015, the Receiver received \$200,000 in payment of principal on this note. The note also provided that six quarterly payments of 12% interest should have been paid on this note. Since the inception of the Receivership, four quarterly interest payments in the total amount of \$60,000 have been paid to the Receiver on this note. On March 26, 2015, the Receiver received payment of \$308,600 which was the remaining balance due on this note and \$8,600 in interest.

Defrauded investors' money also appears to have been used to make loans or other payments to various entities and individuals, including relatives or close acquaintances of Defendants. An "accounting" submitted by Defendant Anderson to the Court on March 14, 2014 purports to show that investor funds were used to make six outstanding loans: (1) \$10,000 to Jim Nicholas; (2) \$1,000 to Nick Nicholas; (3) \$36,000 to Ray's Car Service; (4) \$20,000 to Ray's Car Service; (5) \$20,000 to Dikson Rodriguez; and (6) \$50,000 to Dr. Meckerson. The Receiver's investigation of these loans has revealed that the purported loans to Dr. Meckerson and Ray's Car Service appear to be a sham. As discussed in the Second Interim Report, the Receiver's investigation and review reveal that instead of lending any money to a Dr. Meckerson, Defendant Anderson withdrew the \$50,000 purportedly loaned to this doctor and

diverted the money to a Georgia limited liability company which operates a restaurant and in which Defendant Anderson has a stake and also to himself. Similarly, the Receiver's investigation to date has revealed that no loans likely were ever made to "Ray's Car Service." The Receiver's investigation also indicates that Tri-Med made an additional \$35,000 in loans to Tim Patrick. The Receiver is continuing to investigate these matters.

5. Expansion of the Receivership.

On April 28, 2014, the Receiver filed a 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 holds title to two residential properties that were purchased and renovated with that money. These residential properties are the following: (1) 11029 117th Street, Seminole, Florida and (2) 9035 St. Regis Lane, Port Richey, Florida. The Receiver also discovered that TMFL had two bank accounts at Wells Fargo Bank with a cumulative balance of \$10,500.64. The Receiver sought to expand the Receivership to include TMFL Holdings so that these assets bought with Tri-Med investors' money could be brought under the Receiver's control and protection. On May 14, 2014, the Court granted the Receiver's motion and expanded the Receivership to include TMFL Holdings. The Receiver obtained the balance of the Wells Fargo accounts mentioned above on May 22, 2014.

6. Real Properties.

As previously mentioned, the Receiver's investigation has revealed that investor funds were misappropriated for unauthorized uses, including the purchase of real estate and the transfer of funds to TMFL. Specifically, evidence shows that Defendants used investor funds to purchase five parcels of residential real estate. Two of these properties were purchased in the name of

TMFL and one property was purchased through a straw buyer who has executed a quitclaim deed to Tri-Med. Below are the addresses and purchase prices of each of the properties:

Address	Purchase Price
4202 Bay Club Circle, Tampa, Florida (“ Bay Club Property ”)	\$95,000
909 E. Cayuga Street, Tampa, Florida (“ Cayuga Property ”)	\$89,000
15316 Stonecreek Lane, Tampa, Florida (“ Stonecreek Property ”)	\$174,500
11029 117th Street, Seminole, Florida (“ Seminole Property ”)	\$88,500
9035 St. Regis Lane, Port Richey, Florida (“ St. Regis Property ”)	\$38,000

There do not appear to be any encumbrances on these properties. The Receiver secured possession of these properties and took necessary measures to protect the assets, including changing the locks, obtaining property insurance, and making sure the properties are adequately monitored.

The Receiver has sold two of these properties: the Cayuga Property and the St. Regis Property. On April 16, 2015, the Receiver filed a motion to approve the sale of the Cayuga Property for \$215,000. The Court granted this motion on May 11, 2015. The property has been sold and the Receiver received the net amount of \$201,291.68 from this sale after payment of commissions and other costs associated with the sale. Also on April 16, 2015, the Receiver filed a motion to approve the sale of the St. Regis Property for \$83,000, which the Court granted on May 11, 2015. The St. Regis Property has been sold and the Receiver received the net amount of \$77,206.55 from this sale after payment of commissions and other costs associated with the sale.

The Receiver has entered into agreements to sell the remaining three properties. On June 16, 2015, the Receiver filed motions to approve the sales of the Bay Club and Stonecreek

Properties for \$126,000 and \$175,000, respectively. The Court granted these motions on July 2, 2015. The closings of these properties have not occurred yet, but the Receiver anticipates that he will receive the combined net amount of approximately \$281,000 from these sales after payment of commissions and other associated costs. On July 10, 2015, the Receiver filed a motion to approve the sale of the Seminole Property for \$225,000. The hearing on this motion is scheduled for July 24, 2015. The Receiver anticipates he will receive the net amount of approximately \$210,000 from this sale. Although the Receiver believes that the purchase prices for these properties fairly represent their current market values and these sales are in the best interests of the Receivership, they may be jeopardized by the involuntary bankruptcy petition discussed in Section III.B.2 below.

B. Litigation.

During the time covered by this Interim Report, the Receiver has (1) initiated litigation against “sales agents,” and (2) opposed efforts by Defendants and certain former “sales agents” to place Tri-Med into involuntary bankruptcy to try to exert influence or control over Tri-Med and its assets and to try to thwart the Receiver’s and OFR’s efforts, which resulted in an involuntary bankruptcy petition being filed on July 1, 2015, which the Receiver is vigorously contesting. The Receiver also has resolved litigation relating to a bankruptcy proceeding initiated by medical services providers which sold medical accounts receivable to Receivership Entities. The Receiver is continuing to evaluate claims he may have against other individuals and entities which may have liability in connection with the Defendants’ fraudulent scheme and will institute additional litigation if he deems it appropriate and in the best interests of the Receivership.

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. These actions have been brought against the following: (1) Jodie and Jeffrey Miller, seeking recovery of approximately \$134,589.00; (2) William Gross, seeking recovery of approximately \$142,200.02; (3) John Parker, seeking recovery of approximately \$56,452.70; (4) Elliot Simon, seeking recovery of approximately \$24,630.00; (5) A.J. Brent, seeking recovery of approximately \$114,642.40; (6) George Roe, seeking recovery of approximately \$6,350.00; (7) John Burns, seeking recovery of approximately \$1,850.00; (8) Barbara Ager, seeking recovery of approximately \$13,345.00; and (9) Total Retirement Security Planning and Mentoring Group, LLC, Lauren Lindsay, Donald Brothers, Scott S. Schultz, Lisa Schager-Smith, Edward Wendol, James Britain, Thomas Tyrkala, John Persico, Rosanna Okenquist, David Okenquist, and Joe Manassa, seeking recovery of approximately \$190,097.35. Service has been effectuated or waived for all defendants. All defendants have responded to the complaints and the parties are engaging in discovery.

The Receiver has reached settlement agreements, subject to Court approval, with the following eight sales agents for the recovery of 100% of the commissions received by these agents for the combined amount of approximately \$35,095: (1) John Burns, for \$1,850; (2) Joe Manassa, for \$1,200; (3) George Roe, for \$6,350 plus interest; (4) Lisa Schager-Smith, for \$9,000; (5) Donald Brothers, for \$6,975; (6) Rosanna Okenquist, for \$600; (7) James Britain, for \$3,795 plus interest; and (8) Scott Schultz, for \$5,325 plus interest. The Receiver filed motions to approve these settlement agreements and has received Court approval of all but one – Scott Schultz – which is set for hearing on July 24, 2015. That settlement, however, is being jeopardized by the involuntary bankruptcy petition discussed in Section III.B.2 below. The

Receiver will continue to consider other settlement offers and will make every effort to reach compromises that are in the best interests of the Receivership Entities and the investors.

2. Defendants' And Former "Sales Agents" Fraudulent Efforts To Convince Investors To Place Tri-Med Into Involuntary Bankruptcy And The Involuntary Bankruptcy Petition Filed On July 1, 2015.

On July 1, 2015, three out of over 230 investors in Tri-Med filed an involuntary bankruptcy petition on behalf of Tri-Med in the United States Bankruptcy Court for the Middle District of Florida. *See In re Tri-Med Corporation*, Case No. 8:15-bk-06906-CPM. The Receiver was never served with a copy of that petition and did not learn about it until July 15, 2015. As detailed below, Defendants and "sales agents" such as A.J. Brent and John Parker are behind these efforts, which are designed to interfere with OFR and the Receiver for those Defendants' and sales agents' own personal benefit. Bankruptcy will significantly increase the costs of this Receivership and it will delay the distribution of money to investors by the Receiver. The Receiver has completed his claim determinations, and was preparing a motion for filing with the Court within the next two weeks to seek approval of those determinations. After that motion was heard by the Court, and assuming the Court granted it, then the Receiver could have begun to distribute money to investors in a very short time. The involuntary bankruptcy petition may jeopardize that and other efforts and responsibilities of the Receiver to the detriment of the Receivership estate and defrauded investors. To protect the Receivership and defrauded investors, the Receiver intends to vigorously contest the bankruptcy petition. To that end, on July 17, 2015, the Receiver filed the following motions in bankruptcy court: (1) Motion to Dismiss Involuntary Chapter 7 Bankruptcy Case or Alternatively Abstain; (2) Emergency Motion to Maintain Status Quo; and (3) Motion to Retain Possession of Assets or Alternatively Excuse Turnover Under Section 543(d) and (B) to Determine that Wiand Is Not a Custodian and

Otherwise Clarify the Obligations of Wiand. Those motions are scheduled for hearing on July 20, 2015.

Prior to the involuntary bankruptcy petition, the Receiver opposed two motions brought by several scheme victims seeking relief from the injunctive provisions of the Order Appointing Receiver to file a voluntary and/or involuntary bankruptcy petition on behalf of Tri-Med. **The Receiver learned that these efforts were orchestrated by Defendant Anderson, former “sales agents” A.J. Brent and John Parker, and others, and were funded with money from IPC that instead should be turned over to the Receiver for distribution to defrauded investors. Indeed, Defendant Anderson, with help from at least John Parker, again deceived investors by misrepresenting the facts to them and lying about his identity. For example, in an email to investors which misrepresented facts about bankruptcy and assets recovered by the Receiver, Defendant Anderson misidentified himself as “Scott”.** In carrying out this conspiracy, Defendants have caused numerous misrepresentations and omissions to be made to scheme victims, including that investors will receive all of their money back plus all interest payments if Tri-Med is placed into bankruptcy. Defendants, Brent, Parker, and others continue to defraud, deceive, and mislead – and re-victimize – investors. Through these efforts, Defendants tried not only to wrest control of the Receivership Entities away from the Receivership, but also to thwart aggressive investigative efforts that have exposed the criminality of the scheme and of the Defendants’ and former “sales agents.”

On September 19, 2014, non-party Robert McClellan (“**R. McClellan**”) filed a Motion for Relief from Injunction (the “**First Bankruptcy Motion**”) seeking relief from the Order Appointing Receiver in order to file a bankruptcy petition on behalf of Receivership Entities. After the filing of the motion, correspondence purportedly authored by R. McClellan (the

“**Letter**”) was sent to scheme victims enclosing the First Bankruptcy Motion and making multiple false and misleading representations in requesting that each investor sign and return a statement attesting to their support of the Motion. **R. McClellan did not author the letter and did not even know about it until after it had been sent to investors.** For example, the Letter stated, in relevant part:

“The granting of an involuntary bankruptcy petition will remove the Receiver, lift the injunction, and allow the matter to be transferred to Federal Bankruptcy Court. Pending approval by and under the auspice of the Bankruptcy Court, TriMed will reorganize under the new management of William Parkhurst (see enclosed bio). This will allow the company to operate in such a manner as to maximize the return to the Investors; contrary to the current actions of the Receiver.

...

As the TriMed Interest Account is fully funded, this will enable TriMed to immediately bring all interest payments current.

The Receiver noticed Mr. McClellan for deposition to learn the motivations behind the filing of the First Bankruptcy Motion, but Mr. McClellan failed to appear for his deposition. The Court addressed Mr. McClellan’s motion at a hearing on October 23, 2014, and the motion was ultimately denied.

On November 26, 2014, non-party investors in the investment scheme underlying this case, Marvin Hunt, Joseph Wappman, Susan Wood, Doris Hernandez, William Hamilton, and Nancy Isaac (the “**6 Investors**”), filed a Motion of Unaffiliated Creditors for Partial Relief From Injunction Orders (the “**Second Bankruptcy Motion**”), again seeking authority to file voluntary and/or involuntary bankruptcy petitions on behalf of the Receivership Entities. Through the deposition of former Tri-Med sales agent A.J. Brent (“**Brent**”) and other evidence, the Receiver learned that (1) Brent is in close and frequent contact with Defendant Jeremy Anderson and is the intermediary between the lawyers who filed a motion for relief from this Court’s injunction to file an involuntary bankruptcy petition for Tri-Med and the six investors behind that motion;

(2) Anderson is paying the attorneys' fees to mount these efforts with money that rightfully belongs to Tri-Med; and (3) investors were lied to about why they should file involuntary bankruptcy petition, including being lied to that in bankruptcy they would receive all of their money back plus all interest payments.¹² Counsel for the 6 Investors also instructed Brent not to respond to questions seeking the extent of his communications with the 6 Investors. In short, it is clear that Defendant Anderson, former "sales agents" Brent and John Parker, and others are behind efforts to convince investors to involuntarily place Tri-Med into bankruptcy.

As demonstrated in the Letter purportedly authored by R. McClellan to scheme victims and other evidence, certain Defendants are attempting to convince investors to support the bankruptcy efforts through the dissemination of misrepresentations and/or omissions of material facts about the benefits of bankruptcy forum – including the false representation that somehow bankruptcy will rehabilitate a company that committed numerous violations of securities laws and that investors will be paid both their outstanding principal and interest despite clear evidence that Defendants misappropriated millions of dollars of investors' funds.

The Receiver also believes that Defendants have been pushing efforts to place Tri-Med into bankruptcy due to the aggressive investigations being conducted by the Receiver and OFR that are demonstrating the breadth of the fraud committed by Defendants. Indeed, each of the Defendants has been notified by the Department of Justice that they are the subject of an ongoing criminal investigation with respect to their conduct as officers of Receivership Entities. Defendant Anderson is surely particularly sensitive to this criminal investigation as he is a fugitive because he has an active warrant for his arrest for charges against him of grand theft in

¹² Mr. Brent tried to avoid and/or limit his deposition by filing an emergency motion for protective order, which the Receiver promptly opposed. The Court denied the motion for protective order and the deposition proceeded as scheduled on February 5, 2015.

December of 2010. The Receiver has also been forced to defend efforts by Defendant Anderson to un-freeze bank accounts in Minnesota containing investor funds. In short, without a doubt the aggressive investigative efforts by the Receiver and OFR into Defendants' conduct is playing a major factor in Defendants' motivations to switch forums to bankruptcy.

On March 6, 2015, the OFR filed a supplemental opposition to the Second Bankruptcy Motion and request for order to show cause. In this filing, the OFR details the efforts by Defendants Jeremy Anderson and Irwin Ager and sale agents Brent and John Parker to interfere with the Receivership and to again mislead investors and the Court, including by: (1) misrepresenting to investors the benefits and outcome of a bankruptcy filing; (2) forging investors' signatures on documents filed with the Court; (3) using proceeds of their fraudulent scheme to pay for attorney's fees, including for sales agent Brent; and (4) by hiding Defendant Anderson's identity in communications to investors. Further, the OFR requests that the Court issue an Order to Show Cause as to why Defendants Anderson and Irwin Ager and sales agents Brent and John Parker, should not be held in contempt for their actions, which violate the Court's injunctions. **The Receiver encourages every investor to read this motion which is available on the Receiver's website, www.nadelreceivership.com, and again urges all investors dealing with these individuals to exercise extreme caution and to contact Greg Melchior at the OFR or the Receiver's office if contacted by any of these individuals.** On April 1, 2015, the Court entered an order denying the Second Bankruptcy Motion because it found that the actual unaffiliated creditors do not appear to fall within the proscriptions of the order. No hearing has been set on the OFR's request for order to show cause yet.

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

As mentioned above, 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 of this year, 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 Receiver also learned that Receivership Entities used investor money to purchase medical equipment, a Siemens Compact L C-Arm, for Dr. Groteke in the amount of approximately \$79,000.¹³

As noted above, the Receivership Entities purchased accounts receivable from the Debtors in the approximate face value amount of \$4 million (see Section III.A.3 above 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. Based upon the incomplete records maintained by the Debtors, the Receiver and PPF do not know the extent of the double sales at this time, but it is believed to be a small amount. The

¹³ The Receiver sold the C-Arm for \$24,000 on March 6, 2015. The Receiver has received full payment of this amount and has transferred the C-Arm to the buyer.

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 October 29, 2014, the Debtors, the Receiver, PPF, and another creditor participated in a mediation in an attempt to resolve any bankruptcy issues and reached an agreement to resolve this matter. On January 13, 2015, the Receiver filed a motion to approve this settlement agreement, which the Court granted on January 20, 2015. 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. With respect to any double sold receivables, the Receiver and PPF have agreed to evenly split any collections. Also pursuant to the mediation 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.

4. Potential Future Litigation

Through the Receiver's investigation to date, he believes that the Receivership estate has causes of action against individuals, including professionals, and entities which may have liability in connection with the Defendants' fraudulent scheme. These individuals and entities are vendors and service providers who by their conduct facilitated the fraudulent scheme. As set forth above, the Receiver has initiated actions against "sales agents" and is continuing to

evaluate potential claims against other individuals and entities. Potential actions the Receiver is considering may include, but are not limited to the following: (1) Timothy Allen Patrick, an attorney; (2) Stoel Rives LLP, attorneys; (3) Stephen D. Marlowe, an attorney with Marlowe McNabb, PA; (4) Charles Corces, PA, an accountant; (5) Stayton Law Group, P.A.; (6) Kingery & Crouse, P.A., accountants; (7) Dr. Groteke; (8) Spine Pain Management; (9) Dr. Chad Hill;¹⁴ and (10) Interventional Pain Center. The Receiver will also evaluate and bring claims against the Defendants/perpetrators of this scheme when he deems appropriate.

C. Claims Process

The claims process is the procedure through which defrauded investors and other creditors may submit claims and receive money from the Receivership estate if they qualify. On February 9, 2015, the Receiver filed a motion to initiate the claims process. The motion sought the Court's approval of (1) a Proof of Claim Form and procedure to administer claims, (2) a deadline for the filing of proofs of claim, and (3) notice by mail and publication ("**Claims Motion**"). On March 27, 2015, the Court granted the Receiver's Claims Motion in its entirety. The Court established a Claim Bar Date of the later of either 90 days from the entry of the Order requested herein or 90 days from the mailing of the Proof of Claim Form to known potential Claimants (as the term Claim Bar Date is defined in the Receiver's motion). Pursuant to the Court's Order, any person or entity who failed to submit a proof of claim to the Receiver so that it is received by the Receiver on or before the Claim Bar Date is barred and precluded from asserting any claim against the Receivership or any Receivership Entity.

¹⁴ Dr. Hill, a current owner of Interventional Pain Center, filed bankruptcy in December 2014 in Minnesota. Upon learning of this bankruptcy, the Receiver secured local counsel and appeared in the bankruptcy proceeding. The Receiver is taking steps to protect any potential claims against Dr. Hill. To that end, the Receiver's counsel deposed Dr. Hill on June 2, 2015.

The Court's Order further provided that sufficient and reasonable notice was given by the Receiver if made (1) by mail to the last known addresses of all known potential claimants, (2) by publication on one day in The Tampa Bay Times, The Tampa Tribune, The Miami Herald, The Sun Sentinel, The Orlando Sentinel, The Ocala Star Banner, The Florida Times Union, and The Daytona Beach News-Journal, and (3) on the Receiver's website (www.trimedreceivership.com).

In compliance with the Court's Order, on April 1, 2015, the Receiver mailed 377 packages to known investors and their attorneys, if any, and any other known potential creditors of the Receivership Estate thereby establishing **June 30, 2015 as the Claim Bar Date**. Each package included a cover letter, the Claims Process Instructions, and a Proof of Claim Form. The Receiver also published notice of the claims process in the form approved by the Court in each of the eight newspapers on the following days: The Tampa Bay Times, April 15, 2015; The Tampa Tribune, April 16, 2015; The Miami Herald, April 13, 2015; The Sun Sentinel, April 15, 2015; The Orlando Sentinel, April 13, 2015; The Ocala Star Banner, April 14, 2015; The Florida Times Union, April 16, 2015; and The Daytona Beach News-Journal, April 14, 2015; and provided all pertinent documents for the claims process on his website.

As of July 20, 2015, the Receiver has received 289 Proof of Claim Forms from investors and 11 Proof of Claim Forms from other possible creditors, for a total of 300 submitted claims.¹⁵

¹⁵ Six claims were submitted by Defendants in this matter and a daughter of one of the named Defendants. On June 30, 2015, the Claim Bar Date, counsel for the Defendants filed an Emergency Notice of Non-Receipt of Claim Form alleging that Defendants Jeremy Anderson, Anthony N. Nicholas, III and Anthony N. Nicholas, Jr. did not receive a claim form. The Receiver submitted a response to the Court the same day explaining to the Court that the Defendants had ample notice of the Claim Bar Date and access to the Proof of Claim Form through the Receiver's website and also by the Receiver providing Proof of Claim Forms to co-counsel for the Defendants. Nonetheless, in light of the assertion that the Defendants claim not to have received Proof of Claim Forms, the Receiver provided that he would not reject claims as untimely if he received them by close of business Monday July 6, 2015. The Receiver clearly
(footnote cont'd)

The Receiver has received claims from investors in the amount of approximately \$15,560,784.29 and claims from other creditors in the amount of approximately \$650,828.06, for a total claim amount of approximately \$16,211,612.35.¹⁶ The Receiver has reviewed all submitted claims and finalized his determinations regarding these claims. The Receiver identified deficiencies in certain Proof of Claim Forms and communicated with investor claimants to resolve the majority of those deficiencies. There are approximately 30 claims with issues which the Receiver is continuing to address and hopes to have resolved in the near future. The Receiver has been preparing a motion to (1) approve determinations and priority of claims, (2) approve plan of distribution and a first interim distribution with reserves, and (3) establish an objection procedure, which, among other things, would seek approval to make an initial distribution to defrauded investors. That process, however, is in jeopardy because of the involuntary bankruptcy petition discussed in Section II.B.2 above.

D. Investors Committee

The Receiver has established an Investors Committee which consists of nine defrauded investors. Collectively, these investors invested approximately \$2.7 million in this fraudulent investment scheme.¹⁷ The purpose of the Investors Committee is to provide the Receiver the ability to confer in an efficient manner with interested investors who can provide views with

stated, however, that this is not an indication that he will not reject the claims on other grounds. The six claims were received on July 6, 2015.

¹⁶ The amount set forth above does not include unspecified claims for interest, fees, or penalties which may be sought by some claimants. Further, these numbers reflect the amount to which the claimants are claiming they are entitled, and not how much the Receiver has determined is the value of proper and allowable claims.

¹⁷ 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.

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 will represent 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 currently represents an individual who invested in the fraudulent scheme and is pursuing litigation on behalf of that investor against a Tri-Med sales agent. He may represent other individuals and is available to provide counsel to all victims. He can be reached at (561) 338-0037 and investors 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.

In the next 120 days, the Receiver will continue to vigorously oppose the involuntary bankruptcy petition or otherwise protect the Receivership estate's and defrauded investors' interests as they relate to that matter. Any other activities and efforts that the Receiver will undertake will depend on the outcome of that petition.

CONCLUSION

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 20th day of July, 2015.

Respectfully submitted,

s/Gianluca Morello

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 20, 2015, 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 and non-parties:

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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 March 21, 2015 to July 20, 2015

Beginning Balance on March 21, 2015		5,534,057.02
Income		
Interest Income	8,386.14	
Promissory Note Interest	8,600.00	
Promissory Note Principal Payment	300,000.00	
LOP Settlements	71,399.85	
Sale of St. Regis Lane	83,000.00	
Sale of 909 East Cayuga Street	215,000.00	
Other Income	20,952.70	
Total Income	<u>707,338.69</u>	
Expense		
Professional Fees	17,880.00	
Repairs & Maint.	1,407.00	
Storage	684.63	
Bank Charges	15.00	
Insurance	5,311.90	
Taxes	1,105.14	
Utilities	1,138.58	
Total Expense	<u>27,542.25</u>	
Net Income from March 21, 2015 through July 20, 2015	<u>679,796.44</u>	
Ending Fund Balance as of July 20, 2015		6,213,853.46