

**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 Anthony Rondolino

Defendants.

vs.

TMFL HOLDINGS, LLC

Relief Defendant.

**THE RECEIVER'S VERIFIED SECOND INTERIM REPORT
AND INCORPORATED SECOND REPORT OF INVENTORY¹**

Receivership Information and Activity from March 26, 2014, through July 23, 2014.

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¹ On March 25, 2014, the Receiver filed his First Interim Report and on May 7, 2014, filed a Verified First Report of Inventory, pursuant to Fla. Civ. P. 1620. For ease of review for the Court, investors, and other interested parties, the Receiver has consolidated these two reports into this one report and will continue to do so for future Interim Reports.

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INTRODUCTION

Burton W. Wiand, the Court-appointed Receiver for Tri-Med Corporation (“**Tri-Med**”) and Tri-Med Associates Inc. (“**TMA**”) (collectively the “**Receivership Entities**”), hereby files this Second 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.²

The Receiver was appointed on March 5, 2014. By March 7, 2014, the Receiver established an informational website, www.trimedreceivership.com. The Receiver will update this website periodically 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 Second Interim Report, as well as all previous and subsequent reports, will be posted on the Receiver’s website.

The Receiver has been advised from a number of investors that they have been contacted by Jeremy Anderson and/or other defendants in this case or other people associated with the purported “investment program” underlying this case. Investors are strongly cautioned to exercise significant care and diligence in any dealings with these individuals.

Overview of Significant Activities During this Reporting Period

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

² This Second Interim Report is intended to report on information and activity from March 26, 2014, through July 23, 2014. As directed by the Court, the Receiver will submit his next Interim Report to the Court 120 days from the date of this Report.

- Successfully expanded the Receivership to include TMFL Holdings, LLC (“**TMFL Holdings**”), an entity which was created by a principal of Tri-Med (a Defendant in this case), funded entirely with money from Tri-Med investors, and used to acquire residential real properties;
- Obtained \$10,500.64 of funds held in the name of TMFL Holdings which had been frozen;
- Discovered a secured credit card account for Tri-Med with a balance of \$9,901.82, closed the credit card account, and transferred these funds to the Receiver’s account;
- Resolved eight accounts receivable for 100% of the amount owed in the total amount of \$21,449.00, of which \$11,204.25 has been received and deposited, and received an additional \$124,956.63 in settlement of accounts receivable in connection with an agreement with a medical services provider;
- Filed a motion to intervene in Minnesota state court action initiated by Defendant Anderson in an effort to prevent him from circumventing this Court’s asset freeze order and obtaining approximately \$15,000 of potential Receivership assets;
- Continued to actively pursue the protection and recovery of assets involved in a bankruptcy proceeding initiated by medical service providers which sold medical accounts receivable to Receivership Entities;
- Issued an additional 12 subpoenas for documents on various financial institutions, medical clinics, real estate companies, and sales agents which may have documents relevant to the Receivership for a total of 56 subpoenas issued to date;
- Prepared correspondence to all known investors informing them of this Receivership and mailed this correspondence to more than 300 potentially interested parties on March 26, 2014; 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 Interim Report.

BACKGROUND

I. Procedure and Chronology.

On March 5, 2014, the Florida Office of Financial Regulation (“OFR”) filed a complaint in the Circuit Court for the Sixth Judicial Circuit in Pinellas County against the Receivership Entities and 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 the Receivership Entities and the Defendants 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 alleges 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

³ LOPs are typically provided by motor vehicle accident victims 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, 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.

alleged that the Defendants raised more than \$13 million from these investors and misappropriated at least \$6.2 million of these investor funds.⁴

On March 5, 2014, the Honorable Anthony Rondolino issued an order appointing Burton W. Wiand as Receiver over the Receivership Entities, 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 the Receivership Entities 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, 2014.⁵

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 assets. (Order Appointing Receiver at 9.)

II. Overview of Preliminary Findings.

The Receiver is in the process of reviewing voluminous records recovered by him and is also working on obtaining additional documents from third parties. The Defendants did not keep thorough customary books and records for the Receivership Entities, which has complicated this

⁴ 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 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 includes up until the Court enjoined the Defendants.

⁵ The Receiver has 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 Court-Ordered Accounting. A hearing on this motion has been set for August 26, 2014.

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 some preliminary conclusions based on his review of a portion of the records received and interviews with employees, sales agents, doctors, and others. While these conclusions are not final, and may change as the review becomes more complete, the Receiver believes they should be shared with the Court, the investors, and other potentially interested parties.

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, only approximately \$4.9 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. In many cases, the Defendants 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. A few other examples of material facts that were not disclosed to investors or of material misrepresentations made by the Defendants include:

- 1) Defendants usually took 40% of investor's money for themselves as purported "expenses" and "overhead," and to a far smaller extent, to pay commissions to other sales agents. They also transferred back to investors a small portion of that money as purported "interest," which was not true interest but instead a transfer of a portion of the investors' principal investment. The Defendants themselves have admitted to distributing 27% of funds raised from investors to themselves as purported "management expenses," "office expenses," and "overhead";
- 2) Defendants and their related entities (other than Tri-Med) directly received or benefitted from nearly \$4 million raised from investors;
- 3) Although the Defendants' "investment program" was based on purportedly assigning LOPs to investors, investors were not told that at least some of the LOPs included language that prohibited their assignment;
- 4) The investors were not told that the Defendants used investor money to purchase real property, purchase medical equipment, and, among other things, make loans to various individuals and entities with ties to the Defendants;
- 5) The Defendants informed investors that the investments were registered with the OFR even though this was false;
- 6) In other instances, the Defendants informed investors the investments were exempt from registration, yet that was also false;
- 7) The Defendants falsely told investors the investments were akin to bank Certificates of Deposit (or CDs) and that investors' principal investment was protected and their investments were safe;

- 8) The Defendants falsely told investors their investment money would be held in an attorney trust account during the time it was not used to purchase accounts receivable, while only approximately \$2.8 million of the approximately \$17 million raised from investors actually was deposited in trust with attorney Stephen Marlowe of Marlowe McNabb P.A.;
- 9) Defendants told investors Tri-Med purchased LOPs from hospitals operated by Hospital Corporation of America (“HCA”) although this was not true and HCA lawyers wrote Defendants to demand they cease and desist from falsely informing investors they had a relationship with HCA;
- 10) In at least several instances, misrepresentations were made to investors and investors were shown documents which purported to show those misrepresentations were true; in reality, those documents were forgeries, and they included a forgery of a purported opinion from a major Florida law firm that the securities being sold to investors were exempt from registration; and
- 11) Investors were not told of a large “loan” from Tri-Med to Visum Management, LLC, an entity owned by Drs. Eric Groteke and/or Glen Pettersen, who also owned one of the three main sources of the medical accounts receivable bought with Tri-Med investors’ money.

Indeed, during the scheme Tri-Med’s attorneys provided to the Defendants a comprehensive memorandum that clearly notified the Defendants they were violating state and federal securities laws. The memorandum notified the Defendants they were violating securities laws by, among other things, not providing full and fair disclosure of information to investors; making inaccurate or misleading representations; advertising the Tri-Med “investment program” in newspapers and on Tri-Med’s website; failing to register the securities and certain entities and individuals; and paying unlawful commissions. In fact, this memorandum bluntly notified the Defendants that:

Tri-Med and its principals have potential exposure to liability for claims by purchasers, as well as exposure for sanctions by Federal securities regulators.

It also explained that:

[u]ntil the Investors are repaid in full, the only way to eliminate the potential claims by purchasers would be to conduct a rescission offer to all prior purchasers who purchased [investments from Tri-Med].

The memorandum also warned that, “Florida securities regulators could impose sanctions, require a rescission offer or pursue other civil or criminal liabilities,” and concluded that, “Tri-Med should discontinue all offers and sales of [investments] . . . immediately.” Although the Defendants knew they were violating state and federal securities laws, they continued their investment scheme in violation of those laws. Roughly a year after that memorandum, Defendants were told by the same attorneys:

You still have all of the problems outlined in our memo and our recommendation remains that you shouldn’t sell securities . . . unless you are doing everything else we recommend in our memo to comply with the securities law.

As shown by the above sample of evidence, 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.

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"). The Office was being leased to Tri-

Med and Defendant Anthony Nicholas, III, but was being used primarily by Eric Ager for TMA and by a clerical assistant. The Receiver secured the premises by changing the locks. The Receiver 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. TMA also was being operated out of Teresa Simmons' home and a "virtual office,"⁶ which are both in Lake Mary, Florida. The Receiver seized five boxes of documents and two computers from Ms. Simmons' home on the same day of his appointment. 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.

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

⁶ 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.

data and begun their forensic analysis. All documents have been moved to the Receiver's offices and are being reviewed.

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. Since the Receiver's appointment, he has served 56 subpoenas for documents on various financial institutions, medical clinics, real estate companies, and sales agents 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. 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.⁷ The Receiver opened two accounts for the Receivership at USAmeriBank, a money market account with a .5% interest rate and a non-interest bearing checking account. The Receiver has

⁷ Included in this amount is \$9,901.82 which was the balance of a secured credit card account which the Receiver discovered after the filing of the First Interim Report. The Receiver has closed the credit card account and transferred these funds to a Receivership account.

deposited \$4,849,532.99 of the frozen funds into these accounts and has earned \$7,025.86 in interest on these accounts from the beginning of the Receivership through July 11, 2014.⁸ As of July 22, 2014, the total balance of the Receivership accounts is **\$5,034,463.77**. Attached as **Exhibit A** to this Interim Report is a cash accounting report showing the amount of money on hand from inception of the Receivership less expenses plus revenue through July 22, 2014. 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.

The remaining \$57,138.34 of the funds which have been frozen, but not yet transferred to the Receivership accounts 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.

On or about July 17, 2014, Defendant Anderson on behalf of Tri Med Management, Inc., a Minnesota corporation he controls, retained legal counsel and filed a petition in Minnesota state court to dissolve this Court's asset freeze order over a bank account held with Associated Bank, N.A. in Minnesota. *See Tri-Med Management v. Associated Bank, N.A.*, Case No. 27-cv-14-12364 (Minn. Dist. Ct., 4th Jud. Dist.). Defendant Anderson filed this petition seeking to dissolve this Court's freeze order without any notice to this Court, the Receiver, or the OFR in direct violation of the order. After learning of this petition, the Receiver contacted Anderson's counsel and promptly moved to intervene in the action in an effort to protect the Receivership's

⁸ The following additional funds were received after the filing of the First Interim Report: (1) \$10,500.64 transferred from TMFL Holdings' accounts which previously had been frozen; (2) \$9,901.92 from the balance of a secured credit card account; and (3) \$163.56 from the remaining balance in a HomeBanc account held by TMA.

interests in the assets held in the account and prevent Defendant Anderson from surreptitiously circumventing this Court's asset freeze order. Based on information obtained from Associated Bank, the account has a balance of approximately \$15,000. Both the motion to dissolve the asset freeze order and the motion to intervene are still pending before the Minnesota court and have not been set for hearing yet.

One of the Receiver's highest priorities is to locate and recover any additional funds. The Receiver has retained a forensic accounting firm to assist in tracing funds.

3. Medical Accounts Receivable.

The Receiver is in the process of analyzing and investigating what medical accounts receivable were **actually** purchased by the Receivership Entities and remain outstanding. The Receiver has done a comprehensive review of the accounts receivable and will try to obtain the maximum value possible for outstanding receivables for the benefit of the defrauded investors. However, because of the close relationship between the Defendants and certain medical providers, there is substantial concern as to the validity of a number of receivables purportedly purchased by Tri-Med, and the Receiver's investigation to date indicates that there may be problems with a significant amount of the receivables that were purchased.

The Receiver has discovered that only approximately \$4.9 million was used to purchase medical accounts receivable. The Receivership Entities kept very poor and incomplete records of the accounts receivable. As a result of this, the Receiver's efforts to identify all receivables purchased by the Receivership has been a time-intensive process involving forensic accountants. The Receiver has identified at least 1,000 LOPs which were assigned to the Receivership Entities. It should be noted, however, that some LOPs contain language barring their assignment

Because of the Receivership Entities' poor recordkeeping, the Receiver is still working on determining how many of these LOPs are valid and remain outstanding.

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. It is common practice for the receivables to be paid at significantly less than face value. After the Receiver's appointment, he informed medical service providers that negotiations of these accounts receivable would be handled by a representative of the Receiver in an effort to ensure that they were not resolved for less than their fair value. The Receiver also has prepared a letter to all known attorneys who represent clients who provided a Letter of Protection. This letter informs these attorneys that communications regarding payment or settlement of amounts owed by their clients should be directed to the Receiver's counsel and that funds due under the receivables purchased by the Receivership Entities constitute Receivership Property and must be paid to the Receiver. As of July 22, 2014, the Receiver has resolved eight accounts receivable for \$21,449.00. These receivables were resolved for 100% of the amount owed. The Receiver has received and deposited \$11,204.25 of the \$21,449.00 as of July 22, 2014.

With respect to medical accounts receivable purchased from Florida Surgery Consultants, LLC, Tri-Med entered into an agreement with Florida Surgery Consultants prior to the Receivership regarding the payment of its medical accounts receivable. Pursuant to this agreement, the Tri-Med is to receive either 50% or 55% of the amount of the receivable depending on the type of service provided. Pursuant to this agreement, Florida Surgery Consultants has paid the Receiver \$124,956.63 for accounts receivable from the inception of the Receivership through July 22, 2014.

4. Promissory Note and Loans.

The Receiver has discovered evidence of a \$500,000 loan made by Tri-Med to Spine Pain Management, Inc., in Texas. The loan is secured by a convertible promissory note with a maturity date of March 27, 2014. Spine Pain Management has asserted that the note's maturity was extended to March 27, 2015. The note provides that six quarterly payments of 12% interest should have been paid on this note. Since the inception of the Receivership, two quarterly interest payments in the total amount of \$30,000 have been paid to the Receiver on this note. The Receiver is investigating this transaction and will attempt to recover the amount of the note as well as any interest which has not been paid.

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. Specifically, it was discovered that there is no "Dr. Meckerson" in Minnesota (where the purported promissory note indicates "Dr. Meckerson" resides) and instead the individual likely to have been identified as the borrower on that "note" was a Dr. Bradley Meskimen. Dr. Meskimen, however, swore in an affidavit that he did not borrow any money from Tri-Med or related parties. The Receiver's investigation and review of Tri-Med's bank records are consistent with this affidavit. They reveal that instead of lending any money to Dr. Meskimen, Defendant Anderson withdrew the \$50,000 purportedly loaned to Dr.

Meskimen and diverted the money to a Georgia limited liability company which operates a restaurant and in which Defendant Anderson has a stake. Similarly, the Receiver's investigation to date has revealed that no loans likely were ever made to "Ray's Car Service." The Receiver is continuing to investigate these matters.

5. Expansion of the Receivership.

On April 28, 2014, the Receiver filed a Motion to Expand Scope of the Receivership to Include TMFL Holdings. TMFL Holdings 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 Holdings 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, FL and (2) 9035 St. Regis Lane, Port Richey, FL. 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 Holdings. 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. Following are the addresses and purchase prices of each of the properties:

- 4202 Bay Club Circle, Tampa, Florida, purchased for \$95,000;
- 909 E. Cayuga Street, Tampa, Florida, purchased for \$89,000;
- 15316 Stonecreek Lane, Tampa, Florida, purchased for \$174,500;
- 11029 117th Street, Seminole, Florida, purchased for \$88,500; and
- 9035 St. Regis Lane, Port Richey, Florida, purchased for \$38,000.

There do not appear to be any encumbrances on these properties. The Receiver has secured possession of these properties and taken necessary measures to protect the assets, including changing the locks, obtaining property insurance, and making sure the properties are adequately monitored. Parties interested in marketing or purchasing any of these properties should contact the Receiver directly.

B. Litigation.

Despite the Defendants' representations that medical accounts receivable were being purchased from numerous hospitals and surgery centers, it appears that the vast majority of the receivables that Tri-Med actually purchased were purchased from only three sources. One of these three sources was a medical services provider in Minnesota with which Defendant Jeremy

Anderson is intimately involved, called Interventional Pain Center, PLLC,⁹ and another source was clinics owned by Dr. Groteke and/or Dr. Pettersen.¹⁰

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**”). 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 assets of Visum. The Receiver also learned that Receivership Entities used investor money to purchase medical equipment for Dr. Groteke in the amount of approximately \$79,000. In January of this year, all three of the above entities filed for protection under Chapter 11 of the United States Bankruptcy Code. The Receiver retained bankruptcy counsel to assist with this matter. On April 7, 2014, the Receiver filed three claims in the bankruptcy proceedings: (1) \$3,927,996.36 for ownership of accounts receivable purchased from the debtors; (2) \$513,194.13 for the promissory note and interest due under the note which is secured by Visum’s assets; and (3) \$79,670.80 for a piece of medical equipment, a SIREMOVIL Compact L (1K) YMAT, which the Receivership Entities purchased with investor funds and is in the possession of the debtors. The Receiver is having discussions with the debtors to obtain possession of the equipment. On July 4, 2014, the debtors objected to the Receiver’s claims related to the accounts receivable and the promissory note. On July 7, 2014,

⁹ Defendant Jeremy Anderson, through his counsel, has denied involvement with Interventional Pain Center’s business operations. Despite these denials, evidence recovered by the Receiver shows that Defendant Anderson is intimately involved in this entity’s business operations.

¹⁰ Drs. Groteke and Petterson had a very close relationship with Defendants which included other 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. The other medical service provider that sold accounts receivable to Tri-Med is Florida Surgery Consultants, LLC.

the Court abated the objections for a notice deficiency in the objection. If the debtors pursue the objection, the Receiver will oppose it.

On April 15, 2014, the Receiver filed a motion for relief from the bankruptcy stay with respect to the piece of medical equipment and to allow the Receiver to take possession and control of the equipment for the benefit of investors. A hearing on the motion was held on May 7, 2014. The Court entered an order denying the motion on a preliminary basis and setting the matter for a final evidentiary hearing to be held on June 18, 2014, which later was rescheduled to August 5, 2014. The Receiver and his counsel will continue to work diligently on trying to protect the Receivership Entities' interests and recover as many assets as possible in connection with this bankruptcy.

The Receiver also believes that the assets of the Receivership estate include causes of action the Receiver has against individuals, including professionals, and entities which have liability in connection with Defendants' fraudulent scheme. These potential causes of action are still being investigated and evaluated. If warranted, the Receiver will institute such actions in the future after approval by the Court.

IV. The Next 120 Days.

The Receiver is still receiving documents from subpoenas he has issued to third parties. It will be necessary to obtain and review all such documents in order to have a complete understanding of the flow of funds through the Receivership Entities, to identify any additional sources of recovery, and to prepare an accounting. The Receiver is working diligently on this task, but without knowing the volume of documents he expects to receive, it is difficult to estimate the time needed for completion. Further, as mentioned above, because the Receivership Entities did not maintain thorough customary books and records, this task may take more time.

During this process, the Receiver is also compiling and analyzing individual investor investments. This is a necessary task to assess and administer investor claims. In his March 26, 2014 correspondence, the Receiver requested that investors register their contact information on the Receiver's website. The Receiver believes that through this registration process and his review of the Receivership Entities' records he has compiled a complete list of investors. The Receiver may request that investors send him copies of all documentation related to their investments in Tri-Med. He will review and analyze all documents relating to each investment to determine the amounts owed, if any, to each investor. The Receiver recognizes the importance of the return of funds to investors and had hoped to initiate a claims process within the first ninety days of this Receivership. However, because a permanent injunction has not been entered yet, the Receiver does not believe it would be in the Receivership estate's best interest to initiate a claims process at this time. The Receiver intends to commence a claims process as soon as practicable.

The Receiver will continue his investigation and analysis of the accounts receivable which were purchased and remain outstanding. He will make every effort to maximize the value he receives from these receivables.

The Receiver will continue to pursue the protection and recovery of assets involved in the bankruptcy proceeding initiated by Visum, Spine Injury Physicians, and Wellness Worx.

The Receiver will continue to attempt to locate additional funds and other assets and will likely institute proceedings to recover assets on behalf of the Receivership Entities. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who may have knowledge of the fraudulent scheme.

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 23rd day of July, 2014.

Respectfully submitted,

s/Gianluca Morello

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 23, 2014, 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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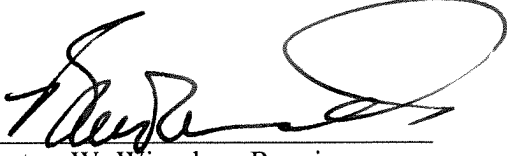
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RECEIVER'S VERIFICATION

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.



Burton W. Wiand, as Receiver

