

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff,</p> <p>vs.</p> <p>TRAVIS E. CORRELL, individually and doing business as Horizon Establishment; et al.</p> <p>Defendants,</p> <p>and</p> <p>BANNER SHIELD, LLC; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p>Lead Case</p> <p>Case No.: 4:05-CV-472 RAS</p> <p>Consolidated Case</p> <p>Case No.:4:07-cv-346 RAS</p>
<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff,</p> <p>vs.</p> <p>GLOBAL FINANCE & INVESTMENTS, INC.; et al.</p> <p>Defendants,</p> <p>and</p> <p>USASSET & FUNDING CORP.; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p>RECEIVER'S FINAL REPORT, FINAL ACCOUNTING, NOTICE OF COMPLETION OF EFFORTS TO PURSUE RECOVERIES, AND MOTION TO TERMINATE RECEIVERSHIP</p> <p>(IN LEAD CASE CORRELL)</p>

**RECEIVER'S FINAL REPORT, FINAL ACCOUNTING,
NOTICE OF COMPLETION OF EFFORTS TO PURSUE RECOVERIES, AND
MOTION TO TERMINATE RECEIVERSHIP (IN LEAD CASE CORRELL)**

S. Gregory Hays ("Receiver"), the Receiver appointed in the above-styled actions, files this Final Report, Final Accounting, Notice of Completion of Efforts to Pursue Recoveries, and Motion to Terminate Receivership (in Lead Case Correll) (the "Final Report") and shows the Court as follows:

INTRODUCTION

1. The Securities and Exchange Commission ("SEC") filed the above-styled civil enforcement action (the "Enforcement Action") on December 7, 2005, and in an Order dated that date (the "Receivership Order") [ECF No. 7], S. Gregory Hays was appointed as Receiver for Travis E. Correll, individually and d/b/a Horizon Establishment, Gregory W. Thompson, Harry Robinson "Robbie" Gowdey, individually and d/b/a Atlas and Jericho Productions, Dwight J. Johnson, Neulan D. Midkiff, Travis E. Correll & Company, Inc., The Net Worth Group, Inc., TNT Office Supply, Inc., Joshua Tree Group, LLC, and over certain assets of relief Defendants Banner Shield, LLC, Hospitality Management Group, Inc., Creative Wealth Ventures, LLC, and JTA Enterprises (the "Receiver Defendants").

2. After the SEC filed suit against Global Finance & Investments, Inc., et. al. in July 2007, the two cases were consolidated for administrative purposes [Consolidated Case ECF No. 27]; however, the actual receiverships have been administered separately.

3. The receivership in consolidated case Global Finance, Case No.:4:07-cv-346 RAS, was terminated on November 29, 2010 [ECF No. 492].

4. The activities of the Receiver and the professionals who have worked with him (collectively, the “Receiver Team”) have been described in various reports and other filings made during the course of this case including the following:

- The Receiver’s First Interim Report filed on April 12, 2007 [ECF No. 27];
- The Receiver’s Second Interim Report filed on May 30, 2007 [ECF No. 66];
- The Receiver’s Third Interim Report filed on March 14, 2008 [ECF No. 182];
- The Receiver’s Motion to Approve Plan for Claims Administration and Distribution of Proceeds filed on April 30, 2009 [ECF No. 267];
- Numerous Applications for Authority to Pay Professional Fees and Reimburse Costs filed throughout the course of this case [ECF Nos. 68, 93, 113, 129, 143, 144, 145, 158, 163, 194, 203, 211, 229, 249, 258, 265, 295, 300, 302, 309, 315, 317, 330, 342, 365, 367, 369, 371, 374, 377, and 379]; and
- Various motions to approve settlements with third-parties [ECF Nos. 134, 159, 220, and 332].

The majority of those reports and filings have been posted to the Receiver’s website, www.haysconsulting.net, and are incorporated into this Motion. Therefore, a detailed description of the history of this receivership will not be set forth here.

5. On October 2, 2008, the Court approved the Receiver’s Plan for Claims Administration and Distribution of Proceeds [ECF No. 369] (the “Plan”). Section 6.4 of the Plan provides:

As soon as reasonably practical after making the final distribution to Claimants, the Receiver shall file a Final Report providing the following information:

- (a) The activities engaged in or to be undertaken in winding-up of the Receiver Estate;
- (b) A financial statement for the Receiver Estate indicating

RECEIVER’S FINAL REPORT, FINAL ACCOUNTING, NOTICE OF COMPLETION OF EFFORTS TO PURSUE RECOVERIES, AND MOTION TO TERMINATE RECEIVERSHIP (IN LEAD CASE CORRELL)

the receipt and disbursement of money by the Receiver during the course of the receivership; and,

(c) The Receiver's proposal regarding the use of any monies or other assets remaining in the Receiver Estate.

The Receiver shall provide notice to all Investors of the filing of the Final Report.

6. Subsequently, on January 21, 2010, the SEC and the Receiver filed an Interim Joint Status Report (the "Joint Status Report") [ECF No. 467], in which the Receiver reported on various developments in the Receivership since the approval of the Plan.

7. On March 28, 2011, the Court entered an Order Administratively Closing Case [ECF No. 495] (the "Administrative Close Order"), in which it administratively closed this action but granted the Receiver continuing authority to act as receiver. Paragraph 6 of the Administrative Close Order provides:

The Receiver shall file a Notice with this Court upon the Receiver's completion of his efforts to pursue the remaining potential sources of additional recoveries, and the case shall be reopened for the final administration of the Receiver Estate, which shall include, among other things, a final accounting by the Receiver of the Receiver Estate and other related matters.

8. Consistent with the terms of the Plan and the Administrative Close Order, the Receiver has completed his efforts to pursue the remaining sources of additional recoveries and, on April 9 2013, made a final distribution in the amount of \$1.04 million to Claimants, bringing the total amount distributed to Claimants to \$4.41 million. Accordingly, the Receiver now seeks to terminate the Receivership in Lead Case Correll, Case No.: 4:05-CV-472 RAS.

ACTIVITIES ENGAGED IN TO WIND UP THE RECEIVER ESTATE

9. As addressed in Paragraph 4, above, the Receiver has made numerous filings in this case regarding the administration of the Receiver Estate. In the paragraphs below, the

Receiver provides a high level overview of the activities engaged in by the Receiver Team to wind up the Receiver Estate since the filing of the Joint Status Report.

10. The Receiver Team has continued to update and utilize the funds tracing for the investigation and resolution of all remaining issues, including the determination of the final judgments against Defendants Johnson and Thompson and the calculation of the final distribution to investors and other claimants.

11. The Receiver obtained several recoveries, which brought approximately \$1.2 million into the Receiver Estate. The most significant recovery related to a \$1,000,000 investment by Travis Correll in Sentinel Funds, Inc. The Receiver filed a claim related to this investment in the Sentinel Funds bankruptcy proceeding and, ultimately, recovered the full \$1,000,000 plus \$5,728.68 in interest. The Receiver subsequently resolved a claim against the recovery by a third-party investigative firm. The Receiver obtained various other recoveries, including (a) proceeds from the sale of a Cadillac Escalade and golf cart, which were obtained in connection with a settlement with Dwight Johnson; (b) the return via settlement of \$12,500 in contributions to Gregory Thompson's IRA accounts; (c) the continued collection of royalties from the ownership interest of Gregory Thompson in various oil and gas wells, and the ultimate sale of those interests by auction for \$40,000; (d) \$1,508 from the liquidation of treasury bonds in the name of Dwight Johnson; and (e) \$45,996 from the closing of bank accounts in the name of Dwight Johnson and To Your Health.

12. The Receiver Team has addressed all tax matters related to the Receiver Estate, including the payment of all taxes and the filing of all necessary returns.

13. As a result of the efforts of the Receiver and the Receiver Team, the Receiver was able to distribute a total of \$4.41 million to investors and other claimants. The last of these funds were distributed in April 2013.

FINAL ACCOUNTING

14. Attached hereto as Exhibit A is the Receiver's Sources & Uses for Funds Report (the "Final Accounting").

15. The Final Accounting provides information regarding the sources and uses of funds in the Receiver Estate from the date of the Receiver's appointment through February 5, 2014.

PROPOSAL REGARDING USE OF MONIES REMAINING IN THE RECEIVER ESTATE

16. All non-cash assets of the Receiver Estate have been liquidated and, as of the date of this filing, no cash remains in the Receiver Estate.

17. Because there are no assets remaining in the Receiver Estate, this Final Report does not include a proposal for the use of remaining monies.

RECENT ISSUE RELATED TO 2012 SETTLEMENT WITH G2, LLC

18. On January 26 and 27, 2014, as the Receiver was preparing to file this Final Report, he received a demand letter from the bankruptcy estate of Capital Options, LLC ("Capital Options") related to the Receiver's 2012 settlement with G2, LLC, the details of which are set forth Docket Entries 506, 509, 510, & 515. Specifically, Capital Options, which claims to own a 50% membership interest in G2, has demanded that the Receiver pay directly to it \$50,000 of the \$100,000 settlement that the Receiver Estate previously paid to G2. As addressed below,

v j g " T g e g k x g t " d g n k g x g u " v j c v " E c r k v c n " Q r v k q p u ø " e n c k o u " c t g " w p v k o g n { " c p f " k o r t q r g t " c p f " v j c v " v j g { " should not prevent the termination of this receivership.

19. Qp " C w i w u v " 36 . " 4234 . " v j g " T g e g k x g t " h k n g f " v j g " T g e g k x g t ø u " O q v k q p " h q t " C r r t q x c n " q h " Settlement with G2, LLC [ECF No. 506]. The Receiver provided notice of the settlement to the entities which claimed a membership interest in G2. Specifically, the Receiver provided notice v q " e q w p u g n " h q t " E c r k v c n " Q r v k q p u . " E c r k v c n " Q r v k q p u ø " d c p m t w r v e { " v t w u v g g . " c p f " e q u n s e l t o C a p i t a l Options bankruptcy trustees. Capital Options did not object to the settlement and, on September 27, 2012, the Court approved the settlement and authorized the Receiver to pay \$100,000 to G2. [ECF No. 515]. Consistent with the settlement c p f " v j g " E q w t v ø u " q t f g t . " v j g " T g e g k x g t " r c k f " \$100,000 to G2 in October, 2012. Capital Options, having had the opportunity in 2012 to object v q " v j g " T g e g k x g t ø u " u g v v n g o g p v " y k v j " I 4 . " e c p p q v " p q y " u g g m " t g e q x g t { " q h " & 72 . 222 " q h " v j g " u g v v n g o g p v " amount from the Receiver.

20. Moreover, the Receiver Estate ø u " u g v v n g o g p v " y c u " y k v j " I 4 . " p q v " k v u " k p f k x k f w c n " members. To the extent Capital Options has any interest in the proceeds of the Receiver Estate ø u " u g v v n g o g p v " y k v j " I 4 . " v j c v " k p v g t g u v " c t k u g u " h t q o " E c r k v c n " Q r v k q p u ø " r w t r q t v g f " 72 " ' " q y p g t u j i p interest in G2, not from any direct interest in the settlement proceeds. Consequently, any claims by Capital Options related to the settlement proceeds must be asserted against G2, not the Receiver Estate.

21. Finally, as addressed herein, all of the assets of the Receiver Estate have been f k u v t k d w v g f " c p f " c m n " t g e g k x g t u j k r " c e v k x k v k g u " j c x g " d g g p " e q o r n g v g f 0 " " E c r k v c n " Q r v k q p u ø " w p v k o g n { " c p f " improper demand should not prevent the orderly termination of this receivership.

