

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	Civil Action File No.
Plaintiff,	:	1:12-CV-1996-TWT
v.	:	
	:	
BENJAMIN DANIEL DEHAAN AND	:	
LIGHTHOUSE FINANCIAL	:	
PARTNERS, LLC,	:	
	:	
Defendants.	:	

THIRD INTERIM REPORT OF RECEIVER

COMES NOW, S. Gregory Hays, the Receiver (the “Receiver”) for Lighthouse Financial Partners, LLC (“Lighthouse”), Defendant in the above captioned Civil Action, pursuant to an Order of this Court entered on July 2, 2012, appointing the Receiver (Docket No. 11, the “Appointment Order”), by and through counsel, and hereby files this Third Interim Report (the “Third Interim Report”) with regard to the status of the receivership estate (the “Receivership Estate”) created by the Appointment Order (the “Receivership”), showing the Court as follows:

A. INTRODUCTION

1. On August 31, 2012, the Receiver filed a First Interim Report (Docket No. 23, the "First Interim Report") intended to provide preliminary information regarding the Receivership.
2. On March 15, 2013, the Receiver filed a Second Interim Report (Docket No. 48, the "Second Interim Report") intended to provide additional information regarding the status of the Receivership.
3. The Receiver has remained in communication, either directly or through counsel, with investors and advisory clients known to the Receiver and has thus far supplemented the information supplied in the First Interim Report and Second Interim Report by: a) posting documents online at: <http://haysconsulting.net/lighthouse-financial-partners/>; and b) disseminating via electronic correspondence periodic updates regarding the status of the administration of the Receivership Estate (the "Investor Updates"). The First Interim Report, Second Interim Report, and the Investor Updates are incorporated herein by reference.
4. This Third Interim Report is intended to provide: a) a status update regarding certain activities of the Receiver and his professionals (collectively, the "Receivership Professionals") for the benefit of the Receivership Estate; b) information regarding prospective actions to be taken on behalf of the

Receivership Estate; and c) information regarding the ability of the Receivership to fund significant litigation from which a distribution may be produced to pay to creditors of the Receivership Estate.

5. As of the date of this Third Interim Report, the Receivership Estate has available funds in the amount of \$350,984.76.
6. The investigation of the Receiver is not yet complete. Accordingly, this Third Interim Report contains a preliminary assessment and is based upon facts currently known to the Receiver. As additional facts are discovered, the information set forth herein may be determined to be incorrect or, more likely, incomplete and will be corrected and updated in subsequent reports filed or distributed by the Receiver.
7. The Receiver is particularly aware of the mounting administrative expenses and dwindling amount of funds available in the Receivership Estate. In order to retain sufficient funds to maintain the Reserve (as defined herein), after the payment of the Eighth Application (as defined herein), future applications for additional fees and expenses of the Receivership Professionals will only be paid as funds are recovered into the Receivership Estate from litigation and other recoveries.

8. The Receiver will continue to efficiently manage fees and expenses that are necessary and appropriate to administer the Receivership Estate and attempt to develop a sufficient fund to justify a distribution to the creditors.

B. OVERVIEW OF THE ACTIVITIES OF THE RECEIVERSHIP PROFESSIONALS

9. Since the filing of the Second Interim Report, the Receivership Professionals have continued to: a) administer the Receivership Estate; b) investigate the assets, liabilities, and potential recoveries for the benefit of the Receivership Estate; c) liquidate and recover assets for the benefit of the Receivership Estate; d) review, organize, and administer claims against assets of the Receivership Estate; and e) evaluate and pursue claims that may be asserted by the Receivership Estate.
10. The Receiver has contemporaneously with this Third Interim Application filed an Eighth Application (the "Eighth Application") for the payment fees and expenses incurred on behalf of the Receivership Professionals for the period of from September 1, 2013, through October, 31, 2013, in the amount of \$48,421.15.
11. The fees of counsel for the Receiver in the amount of \$14,227.50 incurred on behalf of the Receivership Estate in opposition to the Objection filed by Anatoliy Melamud ("Melamud") to the Sixth Fee Application of the Receiver that has been overruled by the Court are reflected in the Eighth Application,

but such fees are not included in the amount sought in the Eighth Application and are reserved for subsequent application and determination.

C. CLAWBACKS AGAINST NET WINNERS

12. After analyzing transactions to and from Lighthouse, the Receivership Professionals determined that certain investors (hereinafter, the “Net Winners”) obtained a profit from the fraudulent Ponzi scheme perpetuated through Lighthouse by receiving payments in excess of amounts invested.
13. The Receiver issued demand letters to the Net Winners and has attempted to negotiate reasonable settlements that would be cost effective to the Receivership Estate. The Receiver has been unable to resolve the claims of the Receivership Estate against the Net Winners.
14. The Receivership Professionals have prepared Complaints (the “Net Winner Complaints”) against certain Net Winners who have yet to resolve the claims of the Receivership Estate to be filed by the Receiver in this Court as ancillary proceedings.

D. LITIGATION AGAINST THE PAGE PERRY DEFENDANTS

15. After extensive negotiations, the exchange of various documents, an unsuccessful mediation, and an unsuccessful settlement conference, on November 25, 2013, the Receiver filed a complaint (the “Page Perry Complaint”) in this Court as an ancillary proceeding against Page Perry, LLC

(“Page Perry”) and certain Page Perry attorneys (collectively, the “Page Perry Defendants”) sounding in damages for alleged malpractice, breach of contract, and breach of fiduciary duty.

16. The Page Perry Defendants have filed Motions to Dismiss to the Page Perry Complaint and Litigation Counsel for the Receiver engaged on a contingency basis is preparing Responses to the Motions to be filed in March.

E. MELAMUD PARTIES

17. After significant factual and legal analysis, the Receiver has prepared a lengthy demand letter to be sent to counsel for Melamud, Letotech, Inc., and Quantplat, LLC (collectively, the “Melamud Parties”) to address the claims of the Melamud Parties against assets of the Receivership Estate and the claims of the Receivership Estate against the Melamud Parties seeking either: a) avoidance and recovery of payments made by Lighthouse to the Melamud Parties in the amount of \$469,636.96; b) an offset, reduction, or total subordination of the claims of the Melamud Parties from participation in any distribution from the Receivership Estate; and/or c) Court ordered damages resulting from breach of contract, breach of warranty, and negligence with regard to services rendered by the Melamud Parties to Lighthouse.

F. LITIGATION RESERVE

18. The Receiver is well aware of the prospective expenses of the upcoming litigation involving the Page Perry Defendants, the Net Winners, and, potentially, the Melamud Parties, and, therefore, proposes to retain in the Receivership Estate a constant litigation expense reserve of approximately \$200,000 (the "Reserve") against future litigation costs, expenses, expert witness fees and expenses, costs of closing the Receivership Estate, and any potential tax liability until such time as a final distribution is made from the Receivership Estate.
19. Additional administrative expenses may be sought from funds maintained in the Receivership Estate over and above the Reserve as net recoveries are received by the Receivership Estate, but administrative expenses of the Receivership Professionals will not be sought to be paid from the Reserve.

G. PLAN FOR ADMINISTRATION OF CLAIMS AND DISTRIBUTION OF PROCEEDS

20. The Receiver has resolved a substantial portion of potential disputes regarding claims against assets of the Receivership Estate and finalized a Motion (the "Distribution Motion") seeking approval of a plan (the "Plan") for the administration of claims and distribution of proceeds. Since there are insufficient funds in the Receivership Estate to justify an interim distribution to creditors at this time, the Receiver has elected not to file the Distribution

Motion and thereby incur additional administrative expense until additional funds are in hand.

21. At this time, the Receiver anticipates that objections to the Distribution Motion and certain claim objections anticipated to be made by the Receiver may delay the completion of the claims process.
22. After accounting for the Reserve, the Receivership Estate does not currently have sufficient funds to make a substantial, interim distribution.
23. The Plan authorizes the Receiver, at his discretion, to make from future recoveries interim distributions toward the allowed claims of investors and creditors prior to the closing of the Receivership Estate.

H. TAX REFUNDS AND RETURNS

24. The Receiver has been seeking refunds and, more importantly, discharge of certain tax liabilities and will continue to report on progress in that regard.

I. UPDATES

25. The Receiver has also contemporaneously with the filing of this Third Interim Report distributed to investors an update summarizing the present status of the administration of the Receivership Estate and activities of the Receivership Professionals.

Respectfully submitted, this the 10th day of February, 2014.

/s/

S. Gregory Hays, Receiver for Lighthouse
Financial Partners, LLC, Defendant

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CERTIFICATE OF COMPLIANCE

This is to certify that to the best of my knowledge this document has been prepared with one of the font and point selections approved by the Court in LR 5.1B, pursuant to LR 7. Specifically, the above-mentioned document has been prepared using Times New Roman font, 14 point.

This, the 10th day of February, 2014.

Respectfully submitted,

/s/

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This, the 10th day of February, 2014.

Respectfully submitted,

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