

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

Case No. 17-cv-774-J-32MCR

Commodity Futures Trading Commission,

Plaintiff,

v.

Jason B. Scharf (d/b/a Citrades.com and  
AutoTradingBinary.com); CIT Investments  
LLC; Brevspand EOOD; CIT Investments  
Ltd; A&J Media Partners, Inc.; Michael  
Shah; and Zilmil, Inc.,

Defendants.

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**RECEIVER'S THIRD STATUS REPORT**

Kenneth Dante Murena, the court-appointed Permanent Receiver (the "Receiver") in the above-captioned enforcement action, submits his third report setting forth his activities and efforts to fulfill his duties under the orders pursuant to which he was appointed for the time period of January 1, 2018 through March 31, 2018 (the "Reporting Period").

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## I. INTRODUCTION

Since filing the Receiver's Second Status Report [ECF No. 82], the Receiver has continued to work diligently with counsel for the Commodity Futures Trading Commission (the "CFTC") and counsel for certain of the Defendants to identify and marshal additional assets and records of the Defendants. Specifically, since the inception of the Receivership, the Receiver has frozen in excess of \$7.9 million and recovered in excess of \$6 million in funds held in accounts at multiple financial institutions and in an attorney's trust account, pursuant to the Statutory Restraining Order and Preliminary Injunctions. During this Reporting Period, the Receiver recovered an additional \$29,551.98, bringing the total amount, including interest earned, in the Receiver's fiduciary accounts for all Defendants to \$6,013,684.42 as of the end of the Reporting Period. The remaining approximately \$1.9 million of the approximately \$7.9 million in funds frozen or recovered remains frozen in accounts at financial institutions pending further investigation of the Receiver and developments in the Enforcement Action.

In addition, the Receiver has continued his review and compilation of a preliminary analysis of most financial institution statements for purposes of determining whether a more extensive forensic analysis is necessary. In this effort, the Receiver and his professionals have reviewed thousands of pages of documentation including various domestic and foreign bank records, transfers, customer lists, documents and communications produced by the internet marketing service providers and the Defendants' email and computer records.

The Receiver also has continued to work to obtain records and information from some affiliate networks and marketing companies through which the Defendants conducted their businesses for purposes of investigating their operations and identifying the customers of the Defendants. Finally, the Receiver and his lead counsel have participated in the Court's Case

Management Conference and, after the Reporting Period, has participated in discovery, including responding to the Zilmil Defendants' discovery requests and appearing for deposition by the Zilmil Defendants' counsel.

## **II. THE APPOINTMENT AND DUTIES OF RECEIVER**

A detailed recitation of the appointment and duties of the Receiver is located in the Receiver's Initial Report. ECF No. 55.<sup>1</sup>

## **III. THE RECEIVER'S ACTIVITIES AND EFFORTS DURING THE REPORTING PERIOD**

### **A. Employment of Professionals**

During the Reporting Period, the Court issued its ruling on the *Receiver's Application to Employ Vendor to Provide Noticing and Claims Administration Services and Vendor to Provide Cash Management and Distribution Services*. ECF No. 65. Indeed, at the March 16, 2018 hearing on this Application and other matters, the Court indicated that the Receiver should take no further action, at this time, searching for, or attempting to communicate with, customers of the Defendants. Specifically, the Court ruled that the Receiver is not authorized at this time (without prejudice) to employ any vendors to provide noticing and claims processing services.

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<sup>1</sup> Consistent with the Initial Report, Defendants, Michael Shah and Zilmil, Inc., collectively, shall be referred to herein as the "Zilmil Defendants." Defendant Jason B. Scharf, who was doing business as [Citrades.com](http://Citrades.com) and [AutoTradingBinary.com](http://AutoTradingBinary.com), and Defendants CIT Investments LLC, Brevspand EOOD, CIT Investments Ltd., A & J Media Partners, Inc., collectively, shall be referred to herein as the "Citrades Defendants." The Zilmil Defendants and the Citrades Defendants, collectively, shall be referred to herein as the "Defendants."

Further, the Court's August 9, 2017 Consent Order for Preliminary Injunction, appointing Mr. Murena as a Permanent Receiver over Jason Scharf, A & J Media Partners, Inc., Michael Shah, and Zilmil, Inc. [ECF No. 32] shall be referred to herein as the "Consent Injunction," and the Court's August 10, 2017 Order for Preliminary Injunction against Defendants CIT Investments LLC, Brevspand EOOD, and CIT Investments Ltd. [ECF No. 35] shall be referred to herein as the "Preliminary Injunction," and, together with the Consent Injunction, as the "Preliminary Injunctions."

The Court, however, granted the Receiver's application to employ BMS to provide depository and cash management (but not distribution) services to the Receiver.

The Receiver's other professionals have continued their work to assist the Receiver with marshalling and securing the various assets of the Defendants, identifying and seeking to recover additional assets for the benefit of the Estate, communicating with financial institutions and counsel for the Defendants to obtain information and records, and coordinating with counsel for the CFTC and counsel for the Defendants on various matters in connection with fulfilling the respective duties of the Receiver and Defendants under the Court's Orders.

**B. Efforts to Obtain Information and Records from Defendants**

In furtherance of fulfilling his obligations under the Court's Orders, the Receiver has continued to seek a detailed accounting of all funds, assets, and documents of the Defendants. *See* Statutory Restraining Order at ¶ 28. In the period covered by this Report, the Defendants have not provided a meaningful amount of additional financial information to the Receiver, and have continued to decline to provide written accountings of their respective assets, as required by the Court's orders. In particular, other than providing limited information regarding the existence or absence of certain categories of assets and producing certain bank statements and login credentials for online access to bank accounts, the Defendants have not submitted financial disclosures or otherwise satisfied the production requirements in the Court's orders, continuing to invoke their Fifth Amendment right against self-incrimination.

In the previous reporting period, the Receiver met with Mr. Shah and his counsel (after Mr. Shah expressly preserved his Fifth Amendment rights); however, the Citrades Defendants still have not agreed to any meetings or interviews with the Receiver and indicated that they

intend to assert their Fifth Amendment privilege in response to virtually any formal or informal questions from the Receiver.

Accordingly, while he has made progress during the Reporting Period, the Receiver has not received some of the information he needs to complete the tasks outlined in the Court's Orders. Nevertheless, the Receiver continues to work with the Defendants' counsel to obtain as much information as the Defendants will offer and is exploring alternative methods of gathering information regarding the Defendants and their assets and business operations from the Defendants and third parties.

During the Reporting Period, the Receiver and his professionals continued their thorough review of the documents and information they have received to date in order to (i) ascertain the extent of the assets of each of the Defendants, (ii) better understand the Defendants' business operations, (ii) identify the customers who transferred funds to and received funds from the Defendants,<sup>2</sup> (iv) identify third parties who received transfers from and/or hold assets of the Defendants, and (v) discover alternative sources of information and records regarding the Defendants and their assets and business operations. Indeed, the Receiver and his professionals continued to review thousands of records (mostly from financial institutions and affiliate networks and marketing companies) and thousands of items contained on the images of the Defendants' computer hard drives and email accounts.

### **C. Marshalling and Securing Assets and Records of Defendants**

During the Reporting Period, the Receiver continued to issue demand letters to certain financial institutions, vendors, and other service providers (including affiliate networks and

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<sup>2</sup> After the March 16, 2018 hearing, the Receiver ceased his efforts to identify the Zilmil Defendants' customers, pursuant to the Court's rulings at that hearing.

marketers), providing them with notice of the Preliminary Injunctions and requesting the turnover and freezing of accounts and production of records.

In many cases, the Receiver received reasonably prompt responses from the recipients of the demand letters and the production of some or all of the requested information and records. Where necessary, the Receiver undertook further efforts, including sending subsequent letters, making telephone calls, and issuing subpoenas to certain of the demand letter recipients in efforts to obtain full responses, documents, data and/or funds.

And, the Receiver continued to work on resolving objections raised by a small number of demand letter recipients. While the Receiver has been successful in resolving these matters to date, if the Receiver is unable to resolve any objections, the Receiver will take further action including issuing subpoenas and/or filing appropriate motions.

**i. Freezing and Recovering Funds in Various Accounts**

**a. Recovery from Zilmil Defendants' Accounts**

During the Reporting Period, the Receiver recovered \$29,551.98 in unused funds prepaid by Zilmil, Inc. to Clickbooth.com (an Affiliate Network) for advertising services.<sup>3</sup> Also, the Receiver continued to seek to recover the \$9,191.60 that Zilmil, Inc. held in an account with Broadspring, a digital content marketing company with which Zilmil, Inc. did business. The Receiver succeeded in having those funds transferred to his fiduciary account, but after the end of the Reporting Period.

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<sup>3</sup> The Receiver and his professionals had previously identified 118 accounts held by the Defendants at various financial institutions.

Further, as detailed in his previous reports, the Receiver learned that Defendant Shah had placed more than \$1,000,000 in CD-like products in three banks located in India. *See* ECF No. 55 at p. 12. During a prior reporting period, the Receiver requested that Defendant Shah assist with having those accounts and CD-like products re-titled in the Receiver's name and that the Receiver be named as their sole owner and signatory. Defendant Shah agreed to do so, and, before and during the Reporting Period, Mr. Shah and the Receiver took further steps to help the Receiver complete this task, including filling out forms required by the banks to effect the transfer of those accounts. To date, however, ownership and/or control of the accounts has not been transferred to the Receiver. Further, Defendant Shah has not yet provided information or documentation confirming the amounts of funds in those accounts, the manner in which those funds are held, or the freezing of those accounts and funds.<sup>4</sup>

Not including the funds in accounts at banks in India, as of the end of this Reporting Period, the Receiver has frozen and/or recovered in excess of \$7.8 million in accounts of the Zilmil Defendants, of which in excess of \$1.9 million remained frozen and not yet transferred to the Receiver's fiduciary accounts. The Receiver is seeking to have some of those frozen funds transferred to the Estate and will allow other funds to remain in the frozen accounts while he continues his investigation of their source or until the circumstances of the case change.

Accordingly, as of the end of the Reporting Period, the total amount, including interest earned, in the Receiver's fiduciary accounts for the Zilmil Defendants was \$6,013,684.42. *See*

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<sup>4</sup> As is detailed in the Receiver's Initial Report, although the Consent Injunction requires the Defendants to repatriate all of their assets located outside of the United States, Defendant Shah's counsel advised the Receiver that there may be significant penalties if the CD-like products are liquidated before their maturity dates. *See* ECF No. 55 at pp. 12-13. Therefore, the Receiver has agreed for now to the transfer of the accounts to the Receiver.

Reconciliation of Receipts and Disbursements of Receivership Accounts, attached hereto as **Exhibit A.**

b. Recovery from Citrades Defendants' Accounts

During the Reporting Period, the Receiver identified funds of Defendant Brevspand EOOD in the amount of \$24,796.31 held by Paysafe Group Limited ("Paysafe") and/or several of its affiliates.<sup>5</sup> And, the Receiver worked with counsel for Paysafe to reach an agreement to have those funds transferred to the Receiver's fiduciary account. The Receiver hopes to complete this task during the next reporting period.

Also, during the Reporting Period, the Receiver's Bulgarian attorney, Angel Ganev, continued his work to assist the Receiver in obtaining records from the four bank accounts held in the name of Defendants CIT Investments, Ltd. or Brevspand EOOD in the Bulgarian bank Investbank. The Receiver's forensic accountants, with the assistance of the Court-approved Bulgarian consultant, continued to review the production from Investbank and continued their forensic analyses of the accounts in order to assist the Receiver to identify the sources of the funds deposited into the accounts, trace the funds transferred from the accounts to third parties, and incorporate the relevant information from the account records into the consolidated reconstruction of the Citrades Defendants' accounts.

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<sup>5</sup> Several Paysafe affiliates reported to the Receiver that they were holding funds on behalf of other entities which may be related to the Citrades Defendants, but which entities were not named in the Preliminary Injunctions. The Receiver will continue to investigate the relationship between these third-parties and the Citrades Defendants.

## c. Total Amounts Frozen and/or Recovered from All Defendants

The following table summarizes the amounts of funds the Receiver has identified, frozen, and/or transferred to his fiduciary accounts since the Court entered the Statutory Restraining Order, and the amounts transferred to the Estate during the Reporting Period:

<b>DEFENDANTS</b>	<b>AMOUNTS IDENTIFIED AND FROZEN AND/OR TRANSFERRED TO ESTATE TO DATE</b>	<b>AMOUNTS TRANSFERRED TO ESTATE DURING REPORTING PERIOD</b>
Michael Shah and Zilmil, Inc.	7,836,760.66 <sup>6</sup>	\$29,551.98
Jason Scharf	\$98,492.98	\$0.00
<b><i>TOTAL</i></b>	<b><i>\$ 7,935,253.64</i></b>	<b><i>\$29,551.98</i></b>

## ii. Investment Accounts

As previously reported, during the course of his investigation, the Receiver identified investment accounts of Mr. Shah at two financial institutions: (i) investments valued at \$166,526.45 at TD Canada Trust; and (ii) investments valued at \$366,198.54 at TD Ameritrade. These investments still have not been transferred to the Receiver's fiduciary account for the Zilmil Defendants and remain at those institutions, pursuant to an agreement with Defendant Shah in the Consent Injunction that the Receiver will not seek to liquidate those investments and

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<sup>6</sup> This amount and the total amount identified and frozen and/or transferred to the Estate to date, reflected in this table, differ from the amounts set forth in the Receiver's Initial and Second Status Reports because the value of the investments of the Defendants that are frozen have changed as a result of market fluctuations.

transfer the proceeds to his fiduciary account for the Zilmil Defendants without first providing counsel for those Defendants thirty (30) days' notice. *See* Consent Injunction, ¶ 29.b. These amounts, however, are included in the total amounts frozen and/or transferred to the Estate set forth in the table above.

During the initial reporting period, the Receiver received confirmation that the funds in the investment accounts at TD Canada Trust were frozen and began working on having control and ownership of the accounts transferred to the Receiver, enlisting the assistance of Defendant Shah as the signatory on those accounts. Subsequently, Defendant Shah's counsel explained that Defendant Shah had encountered difficulty in adding the Receiver's name to those accounts or having ownership or control of accounts to the Receiver. Accordingly, Defendant Shah agreed to transfer the funds to the Receiver's account. This will save the Receiver the time and expense of domesticating or otherwise seeking to enforce the Court's orders in Canada. To date, Defendant Shah has not transferred the funds to one of the Receiver's fiduciary account for the Zilmil Defendants.

*iii. Potentially Exempt Accounts and Funds*

The Receiver is continuing to investigate the source of the funds used to open and maintain three identified accounts that may constitute exempt assets associated with Defendant Shah: (1) a Roth IRA (containing \$11,174.29), (2) a 401k account (containing \$136,259.69), and (3) a life insurance policy (with a cash surrender value of \$17,724.02). The foregoing amounts are included in the total amount frozen in the table above and have not yet been transferred to the Receiver's fiduciary account.

*iv. Search for Additional Bank, Investment and Credit Card Accounts*

Because the Defendants have not provided full financial disclosures, during the Reporting Period, the Receiver and his professionals continued their review and analysis of all account records obtained to date in order to identify additional bank, investment and credit card accounts associated with the Defendants that should be frozen and transferred to the Estate. The Receiver did not identify any new accounts during the Reporting Period.

*v. Personal Property and Other Assets*

During the Reporting Period, the Receiver continued his search for personal or real property owned by or in the name of any Defendant other than the accounts and funds described above. The Receiver did not identify any such assets during the Reporting Period.

*vi. Recovery of Account Records and Preliminary Analysis of Accounts*

*a. Financial Institutions*

During the Reporting Period, the Receiver continued to seek and obtain the production of account records, including without limitation statements, account opening documents, cancelled checks, check registers, deposit slips, ACH and wire transfer confirmation, and written communications between financial institutions and Defendants. The Receiver provided those newly produced account statements and other records from various financial institutions to his forensic accountants for further analysis and worked with the Forensic Accountant to identify the account records that are still needed to complete their analyses and consolidated account reconstructions. The Receiver and his lead counsel continued to follow up with several financial institutions to obtain the missing statements and, in particular, the cancelled checks, check registers, deposit slips, ACH and wire transfer confirmations, and communications that the institutions claim take longer to gather and produce.

Further, the Receiver's forensic accountants continued their work on consolidated reconstructions of all identified accounts of the Zilmil Defendants and the Citrades Defendants and a catalog of the bank and credit card accounts analyzed and the account records still needed from the financial institutions. The forensic accountants made significant progress in preparing the account reconstructions, and, by the end of the Reporting Period, they completed their analysis of all account records obtained to date and incorporation of all relevant information into the reconstructions. There still remains information regarding the identity of certain sources of funds in, and recipients of transfers from, some of the accounts, and the Receiver and his counsel continues their efforts to obtain the account records that would reflect such information. Regardless, the account reconstructions, the reports that can be generated therefrom, and the readily accessible underlying documents provide a cost-effective means by which the Receiver and his professionals can analyze the Defendants accounts at various financial institutions, identify and recover assets of the Defendants, investigate the Defendants' businesses, and otherwise fulfill the Receiver's duties under the Preliminary Injunctions.

The Receiver's preliminary analysis of the Defendants' accounts reveals that there were numerous transfers between and among the Defendants' various bank accounts and frequent transfers between the Defendants' accounts and affiliate networks and marketers through which the Defendants operated their businesses, attracted customers, received and transferred funds. Further, the consolidated account reconstructions reveal multiple transfers of substantial funds to relatives and affiliates of the Defendants.

After the Reporting Period, pursuant to a Subpoena issued by the Zilmil Defendants, the Receiver produced to the Zilmil Defendants the most up-to-date version of the forensic

accountants' consolidated reconstructions of the Zilmil Defendants' bank and credit card accounts, along with summary reports generated from those reconstructions.

***b. Email and Cloud Computing Accounts***

During the Reporting Period, the Receiver and his counsel continued their review of the images of the contents of the email and cloud computing accounts collected by the CFTC, as well as several additional email accounts of the Defendants. Also, the Receiver worked with one cloud computing company (Rackspace) and the CFTC to preserve the information on the servers it maintained for the Zilmil Defendants.

***c. Affiliate Networks and Email and Online Marketing***

During a prior reporting period, the Receiver had identified several online vendors and service providers who provided customer marketing, marketplace, and management services for the Defendants ("Affiliate Networks"). During the Reporting Period, the Receiver continued his review of records obtained from some of these Affiliate Networks, including ClickBank and Clickbooth, and worked to gain access to and control of the Defendants' accounts and records held at other such providers. Those records revealed that the Defendants used the Affiliate Networks in connection with their respective businesses involving binary options trading or marketing for binary options trading and other businesses, products and/or websites. The Receiver also made efforts to obtain additional records from Affiliate Networks.<sup>7</sup>

As was detailed in the Receiver's prior reports, the Receiver believes that the Zilmil Defendants had accounts with ClickSure through which it operated a significant part of its

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<sup>7</sup> Gaining access to these accounts may provide the Receiver with records of financial transactions related to binary options trading and marketing operations. The Defendants, however, have not provided, and explained that they no longer have, login credentials for any of these Affiliate Networks. Further, some of these Affiliate Networks are located outside of the United States, which has made gaining access and control extremely difficult.

business, and documents that the Receiver's professionals located in Defendant Scharf's Dropbox account reveal that the Citrades Defendants also utilized ClickSure in connection with their business. The Receiver, however, has been unable to gain access or detailed information regarding any ClickSure accounts, and has been required to undertake efforts to gain access by other means, which has been frustrated by ClickSure's headquarters being located in Mauritius. The Receiver will continue his efforts to gain access to the ClickSure accounts related to the Defendants.

#### **D. Investigation of Defendants' Business Operations**

During the Reporting Period, the Receiver continued his review of the CFTC's images of the hard drives of the Defendants' computers as part of his investigation of the Defendants' business operations, assets, and business relationship and dealings between the Zilmil Defendants and the Citrades Defendants (and other binary options trading companies), by, among other things, analyzing the amounts and timing of transfers between those Defendants and the accounts in which the transferred funds were held.

Further, the Receiver and his professionals reviewed computer files in search of (i) additional assets of the Defendants that may be recovered for the benefit of the Estate, (ii) additional vendors with and through which the Defendants conducted business (including trading service providers, internet marketing services providers, and email service providers), (iii) advertisement and marketing materials, (iv) products and software facilitating binary options trading, and (v) potential customers of the Defendants (prior to the hearing on March 16, 2018).<sup>8</sup>

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<sup>8</sup> The computer files also included records for Defendants' affiliated entities and family members.

The Receiver and his professionals have learned that a significant portion of the funds that were transferred to the Defendants' business accounts were from third-party affiliate networks and marketing companies at which the Defendants maintained accounts and through which they operated their businesses. As detailed above, however, the Receiver is still working to gain access to the Defendants' accounts at certain of those companies and to obtain additional account records, which the Receiver believes may further reveal the nature and extent of the Defendants' business operations and the existence and location of additional assets.

#### **E. Defendants' Customers**

As detailed in the Receiver's prior reports, the Receiver has begun, but has not completed, an investigation into the amount and identity of the Defendants' customers. During the Reporting Period, the Receiver continued that investigation until the March 16, 2018 hearing, during which the Court indicated that the Receiver should take no further action searching for, or attempting to communicate with or obtain information or records from, the Defendants' customers.

If and when the Receiver is directed by the Court to resume his investigation of the Defendants' customers, the Receiver will complete the investigation and seek to provide each customer with notice of and information regarding the Receivership and the CFTC enforcement action and how they may stay informed of the status of the case, how their rights may be affected, and how they may participate in this Receivership and, to the extent appropriate and subject to Court-approval, submit claims and receive distributions based on any losses they may have sustained as a result of the Defendants' actions.

Also, in that regard, during the Reporting Period, the Receiver continued to update the website ([www.BinaryOptionsReceivership.com](http://www.BinaryOptionsReceivership.com)) created for purposes of keeping all interested

parties, including without limitation the Defendants' customers and creditors, apprised of the status of the Receivership and the CFTC's enforcement action, posting Court filings, notices, orders and important dates and deadlines, and answering frequently asked questions.

Finally, during the Reporting Period, the Receiver was contacted by a few customers of certain of the Defendants. The Receiver informed them of the status of the Receivership and directed them to the above-referenced website for further information.

**F. Ongoing Legal Proceedings Involving the Defendants**

As of the end of the Reporting Period, the Receiver was unaware of any proceedings (other than this action) to which any of the Defendants are a party or by which their rights, interests or assets may be affected. In the event the Receiver learns of any such proceeding, he will discuss it with counsel for the CFTC and counsel for the Defendants and take any and all actions that are appropriate and necessary to preserve the interests of the Receivership Estate.

**G. Potential Claims Against Third Parties**

During the Reporting Period, the Receiver and his professionals worked to identify potential sources from which the Receivership Estate could recover funds or other assets belonging to the Defendants, including affiliates, relatives and third parties who received funds or other assets traceable to the Defendants' businesses or customers. The Receiver identified a number of persons and entities who received sizable transfers from the Defendants and will continue to gather evidence of additional transfers for purposes of developing and bringing claims to recover assets of the Estate and/or prosecute recovery claims. If and when such course of action is appropriate and authorized by the Court, the Receiver will pursue those claims he believes are meritorious and likely to result in a significant recovery for the Estate.

## H. Transfers to Individual Defendants

During the Reporting Period, the refinement of the Receiver's forensic accountant's account reconstructions confirmed that the entity Defendants transferred large sums of money to the individual Defendants. The Receiver and his professionals will further investigate the nature, extent, and source of those transfers and continue to analyze the records of all Defendants, including their bank and credit card account records, and obtain any additional records necessary to complete that investigation.

## I. Insurance Policies Applicable to the Defendants' Conduct

To date, the Receiver has not identified any insurance policies owned by the Defendants or that would cover any of the Defendants' conduct that is the subject of the CFTC enforcement action. The Receiver will continue to search for such policies and, in the event any are discovered, will analyze each policy and assert a claim on behalf of the Receivership Estate.

## IV. CASH ON HAND AND ADMINISTRATIVE EXPENSES

At the conclusion of the Reporting Period, the Receiver held a total of \$6,013,684.42 in cash on hand, in interest-bearing fiduciary accounts at City National Bank of Florida and UnitedBank, segregated based on the owner(s) of the accounts from which the funds were transferred as follows:

<b>DEFENDANTS</b>	<b>AMOUNT IN FIDUCIARY ACCOUNTS</b>
Michael Shah or Zilmil, Inc.	\$5,876,731.81
Jason Scharf	\$98,533.90
<b><i>Total</i></b>	<b>\$6,013,684.42</b>

After the Reporting Period, the Receiver made the Court-approved disbursements from his fiduciary accounts for the Estate's administrative expenses incurred through the end of the second reporting/application period (December 31, 2017), pursuant to the Court's Orders granting the Receiver's Initial and Second Fee Applications.<sup>9</sup> See ECF Nos. 62 (Initial Fee Application), 87 (Second Fee Application), 110 (Order granting Initial Fee Application) and 111 (Order granting Second Fee Application).

## **V. CONCLUSION**

The Receiver and his professionals appreciate the opportunity to assist the Court in this matter. Despite their accomplishments to date, the Receiver and his professionals must continue their efforts, as discussed herein, to fulfill the Receiver's duties under the Court's Orders and will do so in the most cost-effective manner possible.

Respectfully submitted this 16th day of May, 2018.

/s/ Russell Landy  
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*Counsel for Kenneth Dante Murena,  
Court-Appointed Receiver*

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<sup>9</sup> Because those disbursements were made after the Reporting Period, they are not reflected on Exhibit A hereto.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 16<sup>th</sup> day of May, 2018, I electronically filed the foregoing Report with the Court using the CM/ECF system, which provides notice of the filing upon all counsel of record and parties who have appeared in this case and are registered to receive electronic notice of all court filings.

/s/ Russell Landy  
Russell Landy  
*Counsel for Kenneth Dante Murena,  
Court-Appointed Receiver*