

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Civil No. 08-5348 (ADM/JSM)

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 1. THOMAS JOSEPH PETTERS;)
 PETTERS COMPANY, INC., aka)
 PCI; PETTERS GROUP WORLDWIDE, LLC;)
 2. DEANNA COLEMAN, aka DEANNA MUNSON;)
 3. ROBERT WHITE;)
 4. JAMES WEHMHOFF;)
 5. LARRY REYNOLDS, dba)
 NATIONWIDE INTERNATIONAL RESOURCES)
 aka NIR;)
 6. MICHAEL CATAIN, dba)
 ENCHANTED FAMILY BUYING COMPANY;)
 7. FRANK E. VENNES JR., dba)
 METRO GEM FINANCE,)
 METRO GEM INC.,)
 GRACE OFFERINGS OF FLORIDA LLC,)
 METRO PROPERTY FINANCING, LLC,)
 38 E. ROBINSON, LLC,)
 55 E. PINE, LLC,)
 ORLANDO RENTAL POOL, LLC,)
 100 PINE STREET PROPERTY, LLC,)
 ORANGE STREET TOWNER, LLC,)
 CORNERSTONE RENTAL POOL, LLC,)
 2 SOUTH ORANGE AVENUE, LLC,)
 HOPE COMMONS, LLC,)
 METRO GOLD, INC.;)
 Defendants.)
)
 DOUGLAS A. KELLEY,)
 Receiver,)
)
 GARY HANSEN,)
 Receiver.)

TWENTIETH STATUS REPORT OF RECEIVER DOUGLAS A. KELLEY

Douglas A. Kelley, Receiver for all defendants except Frank E. Vennes, Jr. and his entities, submits this report summarizing major activities undertaken since his last report.

A. INDIVIDUAL DEFENDANTS

1. Tom Petters

a. Receivership Account

Balance on November 28, 2011	\$190,193.85
Deposits during period	20,480.28
Expenses paid during period	<u>(32,180.50)</u>
Balance on January 27, 2012	\$178,493.63

b. Receivership Activity

Receipts during this reporting period included a dividend distribution and recovery of several charitable contributions made by Mr. Petters prior to the receivership.

The Receiver continues to pay asset-preservation and other expenses as authorized by the Court, including child support for two minor children.

The Receiver is working with the Government to determine a plan to market the artwork, sports memorabilia, and other real and personal property remaining in the receivership estate.

2. Deanna Coleman

a. Receivership Account

Balance on November 28, 2011	\$28,306.80
Deposits during period	\$0.00
Expenses paid during period	<u>(2,567.00)</u>
Balance on January 27, 2012	\$25,739.80

b. Receivership Activity

As previously reported, the Coleman individual receivership account was closed after the Government seized all funds on deposit. The account was reopened during the last reporting period to deposit a tax refund in favor of Ms. Coleman. A portion of those funds was used to pay expenses previously approved for payment by the Court.

The Receiver continues to work with the Government to develop a plan to liquidate Ms. Coleman’s remaining personal assets, including stocks and jewelry.

3. Robert White

a. Receivership Account

Balance on November 28, 2011	\$0.00
Deposits during period	\$58,134.85
Expenses paid during period	<u>(19,467.83)</u>
Balance on January 27, 2012	\$38,667.02

b. Receivership Activity

As previously reported, the White individual receivership account was closed after the Government seized all funds on deposit. The account was reopened during this reporting period to deposit funds refunded in favor of Mr. White from a probate estate. A portion of those funds was used to pay expenses previously approved for payment by the Court.

The Receiver continues to work with the Government to develop a plan for liquidating Mr. White’s remaining assets, including stock holdings.

4. James Wehmhoff

a. Receivership Account

Balance on November 28, 2011	\$1,510,587.97
Deposits during period	402.78
Expenses paid during period	<u>(15,566.09)</u>
Balance on January 27, 2012	\$1,495,424.66

b. Receivership Activity

The Receiver's team continues to preserve Mr. Wehmhoff's remaining assets and is working to resolve outstanding claims asserted by state and federal tax authorities against Mr. Wehmhoff.

The Receiver continues to pay asset-preservation and other expenses as authorized by the Court.

5. Michael Catain

a. Receivership Account

Balance on November 28, 2011	\$1,457,205.154
Deposits during period	2,270.54
Expenses paid during period	<u>(14,347.33)</u>
Balance on January 27, 2012	\$1,445,128.36

b. Receivership Activity

The Receiver continues to collect monthly payments under a contract for deed regarding an Arizona home owned by Mr. Catain.

The Receiver continues to pay asset-preservation and other expenses as authorized by the Court.

6. Larry Reynolds

a. Receivership Account

As previously reported, the Reynolds individual receivership account was closed after all funds on deposit were seized by the Government earlier this year.

b. Receivership Activity

The Government has taken possession of all of property remaining in the Reynolds receivership estate through asset forfeiture.

B. ACTIVITIES OF PROFESSIONALS RETAINED BY RECEIVER

1. Lindquist & Vennum

Lindquist & Vennum devoted substantial attention to the following matters on behalf of the Receiver in the past 60 days:

a. Claims against Charitable, Educational and Religious Organizations and Investors. Continued working with the Receiver to negotiate settlements or pursue litigation to recover funds from recipients of the Ponzi funds or other avoidable transfers.

b. Claims against Employees. Worked with the Receiver to evaluate claims, negotiate and document settlements, and commence litigation to recover funds from employee recipients of Ponzi funds or other avoidable transfers.

c. Intellectual Property. Provided continued advice to the Receiver and prepared agreements to sell the Symmorphix patent portfolio and potential sale of other assets related to SpringWorks.

d. General Corporate. Advised the Receiver and worked extensively with legal counsel to Fingerhut Direct Marketing, Inc. (now known as Bluestem Brands, Inc.) in connection with a potential initial public offering of Bluestem stock and the terms and documents related thereto.

e. Tax and Forfeiture Issues. Monitored IRS and Minnesota Department of Revenue (MNDOR) lien notices and availability of funds for forfeiture recovery and receivership expense payment.

2. PricewaterhouseCoopers (PwC)

PwC provided the following services to the Receiver during the period covered by this report:

a. Tracing Sources and Use of Funds. Provided support and gathered appropriate documentation for specific claims being evaluated and/or pursued by the Receiver against recipients of Ponzi funds.

b. Tax Compliance Services. Prepared informational reporting forms respecting payments made by Petters-related entities for filing by January 30, 2012. Continued discussions related to potential liquidation and dissolution of various Petters-related entities.

3. Tonya Rosso

Tonya Rosso provided the following services to the Receiver during this reporting period:

a. Maintenance of books and records. Recorded cash payments and receipts for individual defendants Thomas Petters, Deanna Coleman, James Wehmhoff and Michael Catain.

b. Preparation of records for 2011 tax reporting. Prepared summary documentation and records to assist preparation of 2011 tax returns and filing for the above-named defendants.

Respectfully submitted,

KELLEY, WOLTER & SCOTT, P.A.

Dated: January 27, 2012

s/Steven E. Wolter
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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,)
)
Plaintiff,) Civil No. 08-5348 (ADM/JSM)
)
v.) CERTIFICATE OF SERVICE
)
THOMAS JOSEPH PETTERS, et al.,)
)
Defendants.)

I hereby certify that on January 27, 2012, I caused the following documents:

Twentieth Status Report of Receiver Douglas A. Kelley and Certificate of Service

to be filed electronically with the Clerk of Court through ECF, and that ECF will send an e-notice of the electronic filing to the following:

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I further certify that I caused a copy of the foregoing documents to be mailed by first class mail, postage paid, to the following:

Peter J. Leveton
5653 W. Iliff Drive
Lakewood, CO 80227

Dated: January 27, 2012

s/Tina M. Field
Tina M. Field