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11 *Attorneys for Court-Appointed Monitor*

12 UNITED STATES DISTRICT COURT
13 DISTRICT OF NEVADA

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 v.

17 AMG SERVICES, INC., et al.,

18 Defendants, and

19 PARK 269 LLC, et al.,

Relief Defendants.

Case No. 2:12-cv-00536-GMN-VCF

**MONITOR'S SIXTH INTERIM REPORT
AND ACCOUNT**

JUDGE: Hon. Gloria M. Navarro

1 Capital Corporation. As of March 31, 2018, the amount due is \$2,913,392.33. After months of
2 promises and assurances from WhamTech's CEO, which never came to pass, the Monitor was
3 forced to bring suit against WhamTech. *See McNamara v. WhamTech, Inc.*, Case No. 2:18-cv-
4 01336-JCM-CWH, ECF No. 1 (D. Nev. July 20, 2018). The complaint and summons were
5 recently served on WhamTech.

6 **d. Kendallwood and Milan Loans**

7 In December 2015, United Resource Holding, LLC ("United Resource") and
8 Kendallwood Senior Properties, LLC ("Kendallwood") executed a promissory note in the
9 amount of \$976,000 payable to Westfund, LLC ("Westfund"). John Julian, Linda Julian, and
10 Paul Thoma each executed a personal guaranty. The note matured and United Resource and
11 Kendallwood defaulted and failed to pay the amounts due and owing. As of June 1, 2018, the
12 amounts owed are \$976,000 in principal, \$479,614.53 in accrued interest, and \$23,980.73 in late
13 fees.

14 In August 2007, Milan Development Group, LLC ("Milan"), United Resource, Paul
15 Thoma, and John Julian executed an earlier promissory note in the amount of \$1,420,750
16 payable to Westfund. Milan, United Resource, Paul Thoma and John Julian are in default and
17 failed to pay the amounts due and owing. As of June 1, 2018, the borrowers owe \$520,750 in
18 principal and \$252,997.75 in accrued interest.

19 Despite negotiations with borrowers and guarantors, the parties were unable to reach a
20 resolution. This Court granted the Monitor leave to retain Geiger Prell, LLC as counsel to
21 pursue these promissory notes, which are partially secured by real property in Missouri and
22 Illinois. The complaint has been filed and served upon defendants. *See McNamara v. United*
23 *Resource Holdings, LLC, et al.*, Case No. 18CV03375 (Johnson County, KS).

24 **e. Clawback Targets**

25 Our investigation into other potential clawback targets is ongoing. We are also
26 continuing our efforts to locate additional assets and identify potential claims against third
27 parties.

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1 **2. Fraudulent Transfer Complaints**

2 As previously reported, the Monitor filed four fraudulent transfer actions. In all four
3 cases, Defendants filed motions to dismiss. Briefing on the motions to dismiss have been
4 completed. The motions to dismiss remain pending before Judges Dawson, Dorsey, and Mahan.

5 Charles M. Hallinan and Hallinan Capital Corp. filed a motion to stay discovery pending
6 the outcome of their motion to dismiss. Magistrate Judge Koppe denied their motion to stay
7 discovery. *See McNamara v. Hallinan*, Case No. 2:17-cv-02966-KJD-NJK, ECF No. 31 (D.
8 Nev. Apr. 30, 2018). The parties have exchanged initial disclosures. The Monitor propounded
9 written discovery requests, to which defendants have responded. The parties are currently in the
10 meet and confer process to determine whether defendants' discovery responses are adequate and
11 whether a motion to compel is necessary. Additionally, the Monitor scheduled the deposition for
12 the Rule 30(b)(6) representative of Hallinan Capital Corp.

13 In the second fraudulent transfer action against Linda Hallinan and Carolyn Hallinan, the
14 parties have exchanged initial disclosures. The Monitor also propounded written discovery
15 requests, to which defendants have responded. The parties are also in the meet and confer
16 process to determine whether defendants' discovery responses are adequate, whether defendants
17 will supplement their response or a motion to compel will be required.

18 In the third action, Gary Patten and Pano Advisors, Inc. filed a motion to stay discovery
19 pending the outcome of their motion to dismiss, which was later withdrawn. *See McNamara v.*
20 *Patten*, Case No. 2:17-cv-02968-JCM-NJK, ECF No. 39 (D. Nev. May 14, 2018). The parties
21 exchanged initial disclosures. The Monitor propounded written discovery requests, to which
22 Defendants responded. The parties are currently in the meet and confer process to address
23 Defendants' discovery responses.

24 In the fraudulent transfer action filed against Selling Source, LLC, PartnerWeekly L.L.C.,
25 DataX, Ltd., MoneyMutual, LLC, and Derek LaFavor, the defendants filed a motion to stay
26 discovery pending the outcome of their motions to dismiss. *See McNamara v. Selling Source,*
27 *LLC*, Case No. 2:17-cv-02969-JAD-CWH, ECF No. 62 (D. Nev. July 3, 2018). Briefing on the
28 motion to stay discovery has been completed and remains pending before the court.

Attached as Exhibit A is a Receipts and Disbursements Summary for the monitorship for the period April 28, 2018 through July 30, 2018. During this time period, receipts were \$29,583.32 (\$10,000 Feingold settlement funds; \$10,797 checks from various third parties; and \$8,786.32 money market account interest). Disbursements were \$8,629.71 (\$7,255.71 for Relativity hosting fees; \$720 IT forensic services; and \$654 for records storage). In aggregate, the monitorship bank accounts have a current balance of \$9,689,105.54.

By: /s/ Thomas W. McNamara
Thomas W. McNamara, Monitor

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of July, 2018, pursuant to Fed. R. Civ. P. 5(b), I served via CM/ECF or delivered by email and mailing in the U.S. Mail a true and correct copy of the foregoing **MONITOR'S SIXTH INTERIM REPORT AND ACCOUNT**, postage prepaid and addressed to the following:

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