

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

| | | |
|-------------------------------------|---|--------------------------|
| SECURITIES AND EXCHANGE COMMISSION, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | Case No. 07-cv-10712-RGS |
| |) | |
| LYDIA CAPITAL, LLC; |) | |
| GLENN MANTERFIELD; and |) | |
| EVAN ANDERSEN, |) | |
| |) | |
| Defendants. |) | |

**RECEIVER’S TENTH REPORT TO THE COURT
FOR THE PERIOD MAY 1, 2009 – JULY 31, 2009¹**

Pursuant to the Court’s June 1, 2007, Order for Appointment of Receiver (“Order for Appointment”) [Doc. No. 28], H. Thomas Moran, II, Court-Appointed Receiver for Defendant Lydia Capital, LLC (“Lydia”), submits his Tenth Report to the Court “summarizing his activities, providing an accounting of the funds, assets and property in his possession, and reporting on the status of any legal claims” for the period May 1, 2009 to July 31, 2009. [Doc. No. 28, p. 8, ¶ XIII.] As further ordered, this Report also contains “an application to the Court for an order approving the payment of all reasonable fees and expenses” for both the Receiver and the Receiver’s legal counsel. [Id.]

I. BACKGROUND.

On April 12, 2007, the United States Securities and Exchange Commission (“S.E.C.”) filed this action against Defendants Lydia, Evan Andersen (“Andersen”) and Glenn Manterfield (“Manterfield”). [Doc. No. 1.] On the same date, the S.E.C. sought and, on April 13, 2007, secured a temporary restraining order freezing certain of the Defendants’ assets. [Electronic

¹ This Tenth Report includes the Receiver's activities for the months of May, June and July of 2009, as well as financial information for the second quarter (April, May and June) of 2009.

Order, dated April 13, 2007.] The temporary restraining order was modified on April 17, 2007. [Electronic Order, dated April 17, 2007.] On May 3, 2007, the Court entered two unopposed preliminary injunction orders freezing certain assets of Defendants Lydia, Manterfield and Andersen. [Doc. Nos. 20, 21 and 22.]

On May 23, 2007, the S.E.C. filed a motion seeking the appointment of a receiver for Lydia as well as a brief in support of the motion. [Doc. Nos. 25 and 26.] The Defendants did not oppose the S.E.C.'s motion. [Doc. No. 25, p. 2.] On June 1, 2007, the Court granted the S.E.C.'s request and appointed Mr. Moran as Receiver for Lydia.² [Doc. No. 28.] In the June 1, 2007, Order for Appointment of Receiver ("Order"), the Court directed the Receiver to:

- A. take and retain immediate possession, custody and control of the funds, assets, monies, securities, contracts, notes, bank accounts, safe deposit boxes, negotiable and non-negotiable instruments or documents of title, choses in action and properties, real, if any, and personal, tangible and intangible, of whatever kind and description, wherever situated, of Lydia, and of all other entities which Lydia either owned, controlled or benefited from (including, but not limited to, Lydia Capital Alternative Investment Fund LP) including without limitation, the accounts established by Lydia on behalf its investors (the "Lydia Client Accounts"), as well as all property of whatsoever nature, whether real or personal, tangible or intangible, which has been acquired with or through funds or proceeds of Lydia (hereinafter "Receivership Assets");
- B. take all steps the Receiver deems necessary to conduct an inventory of the assets and liabilities of Lydia and Lydia Capital Alternative Investment Fund LP;
- C. take all steps the Receiver deems necessary to reconstruct the histories of the Lydia Client Accounts to determine whether and how client funds have been dissipated;
- D. take all steps the Receiver deems necessary to secure and protect the Receivership Assets, including all assets and property of Lydia and Lydia Capital Alternative Investment Fund LP;

² An Electronic Order was entered on May 23, 2007, granting the S.E.C.'s motion to appoint a receiver. [Electronic Order dated May 23, 2007.] However, it was an additional ten days (June 1, 2007) before an order was docketed which set forth the name of the Receiver and delineated the scope of the Receiver's duties. [Doc. No. 28.]

E. promptly provide written notice of this Order to all current and former clients of Lydia (“Lydia Clients”). Service of a copy of this Order shall be deemed sufficient notice;

F. have access to and take control of all books, records, papers and other documents of Lydia and Lydia Capital Alternative Investment Fund LP, including all computers, computer files, on-site and off-site backup files, backup disks, other electronic storage material and websites;

G. have control of, and be added as an authorized signatory for, all accounts of Lydia and Lydia Capital Alternative Investment Fund LP at any bank, brokerage firm, insurance company or financial institution having possession, custody or control of any assets, accounts or funds of Lydia and Lydia Capital Alternative Investment Fund LP, wherever situated;

* * * *

J. receive and collect any and all sums of money due and/or owing to Lydia or Lydia Capital Alternative Investment Fund LP and make or authorize such payments and disbursements from the funds and assets taken into control or thereafter received by the Receiver, engage in or authorize such transactions, incur or authorize the incurrence of such expenses, and make or authorize the making of such agreements, as the Receiver deems necessary and appropriate to carry out the Receiver’s mandate pursuant to this Order;

K. In connection with the exercise of these powers, liquidation of any, or all, of the assets of Lydia or the Lydia Capital Investment Fund LP shall be undertaken, if at all, with due regard for the best long-term interests of investors in the Fund;

L. engage and employ persons in his discretion and in consultation with the Boston Regional Office of the Commission to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, attorneys, accountants and appraisers;

M. have access to, including rights to receive, open and review all mail of Lydia and Lydia Capital Alternative Investment Fund LP; and

N. file on a timely basis all relevant federal, state, and local tax returns and take any and all other steps required by such taxing authorities.

[Doc. No. 28, pp. 1-4, ¶¶ II.A-G and II.J-N.]

II. SUMMARY OF THE RECEIVER'S ACTIVITIES.³

A. General Background

The Receiver was notified of his appointment on Friday, June 1, 2007. Since that date and the date of the Receiver's last report to the Court, the Receiver and his staff have continued to work diligently toward preserving the assets of the receivership estate, including the life settlement policies comprising the bulk of the estate. There are currently thirteen lawsuits that have been filed, which seek to void or rescind certain of the policies in the estate. Eight of those lawsuits are subject to settlement agreements currently before the Court for its approval. [Doc No. 239.]

During this reporting period, the Receiver and his counsel have devoted significant time and attention to defending the lawsuits pending against the Receiver which are not currently the subject of settlement agreements; prosecuting Third-Party Complaints filed by the Receiver against various third-parties who may have liability related to the claims asserted by the insurance carriers in the lawsuits; and engaging in extensive discussions and negotiations to finalize settlement agreements with Lincoln Life Insurance and Annuity Company ("Lincoln"), AXA Equitable Life Insurance Company ("AXA"), and various life insurance agents, brokers, insureds, beneficiaries and trustees to resolve all pending claims and causes of action on all policies issued by AXA and on the Black policy issued by Lincoln. *See* Discussion of Settlements with AXA and Lincoln, *infra*.

³ The activities of the Receiver, his staff, accountants and attorneys are briefly summarized herein. For a more complete statement of the activities of the Receiver, his staff and attorneys, please refer to the itemized statements attached to the motions seeking Court approval for payment of fees and expenses of the Receiver and his counsel.

B. Investor Communications

Receiver and his counsel are scheduled to participate in a teleconference with the Lydia investors on July 30, 2009. Prior to the teleconference, the Receiver has corresponded with all of the Lydia investors and posted a notice on the Lydia receivership website to communicate the date and time of the conference as well as to provide the necessary information for their participation. Additionally, the Receiver sought input from investors regarding issues for the Receiver to discuss during the conference call in an effort to address any questions or concerns the investors may have. During the teleconference, the Receiver and his counsel will update the investors and answer investors' questions regarding: (1) the state of the assets including the status of the thirteen pending lawsuits; (2) the continuing settlement discussions and negotiations with various parties relating to the pending litigation and policies not currently in litigation; (3) the financial condition of the receivership estate; (4) the motion currently before the Court regarding the proposed settlement with AXA and Lincoln; (5) short and long-term options for the preservation and sale of the portfolio; and (6) plans for a future teleconference or meeting.

With respect to the short and long-term options for the portfolio, the Receiver and his Counsel will discuss attempting to again initiate settlement discussions on policies in litigation that are not the subject of a current settlement agreement; the progress that has been made by the Receiver in contacting third-parties in the life settlement industry to sell those policies not in litigation; completing an analysis and evaluation of potential claims against third-parties who may have contributed to the losses sustained by Lydia, the Lydia Capital Alternative Investment

Fund LP (the "Fund"), and the investors; and a general winding down of the Receivership within the next 12 months.⁴

Additionally, based upon discussions with some investors, the Receiver will travel to Taipei on September 24, 2009, where most of the Lydia investors are located, to meet with them to more fully discuss the status of the receivership, how to maximize the recovery to investors, and the options that are currently available in this regard. The Receiver has agreed to only charge the receivership estate for his travel expenses and the actual time he spends in meeting with the investors.

C. Pending Litigation

During this period, the Receiver continued to defend thirteen lawsuits filed by Lincoln, AXA, Sun Life Assurance Company of Canada and Hartford Life and Annuity Insurance Company seeking to void or rescind certain policies owned by Lydia (eight of these lawsuits involve policies that are the subject of the settlement agreements submitted to the Court for its approval). [Doc No. 239.] In addition to the thirteen lawsuits filed in various federal jurisdictions throughout the country, the Court has also granted another insurance company leave to file an additional declaratory judgment lawsuit, which would seek to void or rescind an additional Lydia policy.

The Receiver has been, and continues to be, very actively engaged in conducting discovery in the pending lawsuits that are not currently involved in settlement discussions. The Receiver continued to devote time during this reporting period to researching the applicable laws of the jurisdictions where these lawsuits have been, or may be, filed. Further, the Receiver has

⁴ The Receiver wishes to advise the Court that he is always available to the Court should the Court determine that it would be advisable to schedule a status conference to more fully discuss any of these matters.

filed Third-Party Complaints in several of the pending lawsuits against various individuals involved in the sale and purchase of the subject life insurance policies, including agents, brokers, insureds, beneficiaries and trustees.

A summary of each lawsuit follows:

| | DATE FILED | PLAINTIFF/INSURED | STATUS | COURT/ CASE NO. |
|---|-------------------|---|---|--------------------------------------|
| 1 | 12/21/2007 | The Lincoln National Life Ins. Company/ Vandembush | Scheduling Order in place. Written discovery has been issued and answered by both parties. Subpoenas duces tecum have been issued to third parties, who have responded with document production. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver has filed a Third-Party Complaint against individuals involved in the sale and purchase of the subject insurance policy. The Third-Party Defendants have answered the Receiver's Third-Party Complaint, and the parties are proceeding with discovery. The parties have filed a request with the Court to set the case for judicial mediation. | E.D. Wis. 07-C-1140 |
| 2 | 12/26/2007 | The Lincoln Life & Annuity Company of New York/ Gisonni | Scheduling Order in place. Plaintiff filed a Second Amended Complaint and Receiver's Answer has been filed. Written discovery has been issued and answered by both parties. Subpoenas duces tecum have been issued to third parties, who have responded and/or produced the requested documents. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Depositions of the insured and beneficiary have been taken. Receiver has filed a Third-Party Complaint against individuals involved in the sale and purchase of the subject insurance policy. All of the Third-Party Defendants have answered the Receiver's Third-Party Complaint, and the parties are proceeding with discovery. | E.D.N.Y CV-08-699 |
| 3 | 01/09/2008 | The Lincoln National Life Ins. Company/ Black | Scheduling Order in place. Written discovery has been issued and answered by both parties. Subpoenas duces tecum have been issued to third parties; most have responded and/or produced the requested documents. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver has requested, and has been granted, leave to file a Third-Party Complaint against the individuals involved in the sale and purchase of the insurance policy. Receiver, Lincoln and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. The Court, upon the motion of the parties, has stayed this matter to allow time to finalize the terms of a settlement agreement, and obtain approval from the Court for its execution. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | S. D. Cal. 08-CV-0023- IEG-NLS |

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| 4 | 03/17/2008 | AXA Equitable Life Ins. Company/ Lancet | Case has not yet matured to the point of discovery under Federal Rules. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . The Court has extended the deadline for Defendant to answer the Complaint until July 27, 2009. | S. D. Cal. 08-CV-497-H-JMA |
| 5 | 03/17/2008 | AXA Equitable Life Ins. Company/ Williamson | Receiver has filed his Answer. Receiver has also filed his Cross Claim and Third-Party Complaint against individuals involved in the sale and purchase of the insurance policy. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | S. D. Cal. 08-CV-498-H-LSP |
| 6 | 03/17/2008 | AXA Equitable Life Ins. Company/ Williamson | Receiver has filed his Answer. Receiver has also filed his Cross Claim and Third-Party Complaint against individuals involved in the sale and purchase of the insurance policy. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | D. Utah 08-CV-00206 |
| 7 | 03/26/2008 | AXA Equitable Life Ins. Company/ Fischbach | Case has not yet matured to the point of discovery under Federal Rules. Receiver has made written demand on parties involved in the sale of the policy to indemnify and otherwise compensate the receivership for its losses and damages. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . The Court, upon the motion of the parties, has stayed this matter to allow time to finalize the terms of a settlement agreement, and obtain approval from the Court for its execution. | S. D. Cal. 08-CV-0569-BTN-BLM |
| 8 | 04/02/2008 | Sun Life Assurance Company of Canada/ Hoover | Scheduling Order has been entered. Rule 26 disclosures have been made. Receiver has filed a Third-Party Complaint against individuals involved in the sale and purchase of the insurance policy. All Third-Party Defendants have answered or otherwise pled. Written discovery has been issued and answered by the Plaintiff and Defendants. The Court, upon the motion of the parties, consolidated this matter with the Bawden matter. | D. Ariz. 2:08-CV-00632-SRB |

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| 9 | 04/02/2008 | Sun Life Assurance Company of Canada/ Bawden | Scheduling Order has been entered. Rule 26 disclosures have been made. Receiver has filed a Third-Party Complaint against individuals involved in the sale and purchase of the insurance policy. All Third-Party Defendants have answered. Written discovery has been issued and answered by the Plaintiff and Defendant. The Court, upon the motion of the parties, consolidated this matter with the Hoover matter. | D. Ariz. 2:08-CV- 00629-MHB |
| 10 | 01/02/2009 | AXA Equitable Life Ins. Company/ Richman | Suit filed January, 2009, and Defendants have been served. Receiver has been granted an extension of time to answer Plaintiff's Complaint. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | C.D. Cal. CV09-00006 AHM Plax |
| 11 | 1/23/2009 | AXA Equitable Life Ins. Company/ Menconi | Suit filed in January, 2009, and Receiver granted an extension of time to answer. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | N.D. Ill. 1:09-CV- 004545 |
| 12 | 1/16/2009 | Hartford Life & Annuity Ins. Company/ Williamson | Suit filed in January 2009 and Receiver has filed its Answer. A scheduling Order has been entered and Rule 26 disclosures have been made. The parties are proceeding with discovery. | C.D. Cal. 2:09-CV- 00391-CAS- SS |
| 13 | 2/27/09 | AXA Equitable Life Ins. Company/ Herzog | Suit filed in February, 2009. Receiver has not yet been served. Receiver, AXA and certain parties involved in the sale of the subject policy have reached a settlement agreement and have submitted the terms of said settlement agreement for the Court's consideration and approval. <i>See</i> Discussion of Settlements with AXA and Lincoln, <i>infra</i> . | C.D. Cal. 2:09-CV- 01429-AHM- PLA |

D. Settlements with AXA and Lincoln

During the prior reporting period, the Receiver advised the Court of its extensive discussions with AXA and Lincoln regarding the settlement of seven of the litigation cases involving all of the policies issued by AXA (the "AXA Policies") and litigation involving one policy issued by Lincoln (the "Black Policy"). These discussions also involved the producer who sold two of the AXA Policies and the Black Policy to the original owners of those policies (the "Settling Producer"). The Receiver and his counsel also began discussions with Lincoln during this period of time regarding settlement of the litigation on the Black Policy.

During the prior reporting period, the Receiver, AXA, Lincoln, the Settling Producer and related parties reached settlement agreements regarding all of the AXA Policies and the Black Policy. The finalization of the settlement agreements was initially complicated by the requirement that the various individuals and entities involved in the procurement and subsequent sale of the AXA Policies (*i.e.*, the insureds, beneficiaries, trustees, *etc.*) execute separate agreements and releases. This required that the third-party agreements be attached as schedules to the master settlement agreement between AXA and the Receiver. As a result, the master settlement agreement could not be submitted to the Court for approval until each third-party agreement was finalized and signed by the parties.

All of the settlement agreements, including the master settlement agreement, have now been agreed to by each of the parties to those agreements, and they have been signed by each of the parties. On June 17, 2009, the Receiver submitted a Motion and Brief in Support for an Order (A) Authorizing the Receiver to Settle Claims Pertaining to Certain Life Insurance Policies, (B) Approving Settlement Agreements, (C) Authorizing the Receiver to Take the Necessary Actions to Effect the Proposed Settlements and (D) Granting Related Relief. [Doc No. 239.] The Court set the deadline to make written objections to the proposed settlement for July 29, 2009. [Doc No. 243.] Should the Court approve the settlement agreements, they will result in the payment of \$3,205,200.00 to the Receivership. Further, these settlement agreements will resolve all claims and causes of action relating to the seven AXA Policies and the Lincoln Black Policy.

III. INVESTOR RELATED MATTERS.

As previously reported, based on the records received from Dundee Leeds and others, the total amount invested in the Fund, including \$8,807,686.22 from certain April 2007 Investors

(the "April Investors"), was \$42,734,226.12. However, \$4,553,858.11 was returned to these April Investors pursuant to a Settlement Agreement discussed in the Receiver's Fourth Report. [Doc. No. 127, p. 4]. Therefore, as previously reported, the total amount invested stands at \$38,180,368.01.

The Receiver has previously requested revised Proof of Claim forms from certain April 2007 Investors reflecting the payment of funds received by them from the Settlement Agreement. The Receiver has received seven revised Proof of Claim forms; three revised Proof of Claim forms remain outstanding. In addition, the Receiver has requested an initial Proof of Claim form from one investor. The Receiver has repeatedly sent correspondence to the remaining three investors from whom revised Proof of Claims are still required, as well as the remaining investor from whom an initial Proof of Claim form is required. The Receiver has yet not received these Proof of Claim forms; however, he will continue to use his best efforts to secure them, and will attempt to address this issue when he meets with the investors in Taipei on September 24, 2009.

IV. THE INSURANCE POLICIES.

In the Receiver's Sixth Report to the Court, the Receiver reported that based upon the Receiver's analysis of the data and documents received from the S.E.C. and others, the portfolio consisted of thirty-seven policies ranging in face value from \$1,000,000.00 to \$10,000,000.00 on the lives of 28 individuals. Subsequently, the Court approved the sale of five of the thirty-seven policies. As a result of this sale, the portfolio now consists of 32 policies ranging in face value from \$1,000,000.00 to \$10,000,000.00.

A. Premiums

The Receiver made \$860,435.00 in premium payments on the policies between April 1, 2009 and June 30, 2009. The Receiver estimates the total amount of policy premiums for July 2009 to September 2009 to be \$851,725.00.

B. Transfer of Title

As previously reported, the Receiver was working with the successor trustees of the various life insurance trusts and the applicable insurance companies to facilitate the transfer of ownership and the designated beneficiaries of the various policies into the name of the Fund. Of the 32 remaining policies, transfers have been requested for 29 of the policies, and all have been completed.

C. Updated Medical Information on Insureds

The Receiver continues to work toward obtaining updated medical information on many of the insureds. The Receiver's attempts to use the HIPAA release forms collected by Lydia along with the Order of Appointment failed in many cases, as medical providers would not accept HIPAA release forms that were more than one year old. Current medical information on each insured is necessary for the Receiver to determine the current value of each of the policies within the portfolio and to market and sell those policies. As such, the Receiver mailed requests for updated HIPAA release forms to the insureds on several occasions. However, certain insureds failed to return updated HIPAA release forms to the Receiver. As a result, the Receiver sent additional notices to those outstanding insureds who did not comply with the Receiver's requests, which resulted in additional release forms being returned. Further, the Receiver directed his Counsel to communicate directly with each of the non-complying insureds to advise each of their contractual obligations to execute updated release forms. In Counsel's

communications with the insureds, Counsel for the Receiver advised each insured that should he/she continue to refuse to comply with the contractual obligations agreed upon by the insured, the Receiver would be forced to submit this matter to the Court.

There remain outstanding HIPPA release forms which have not been returned to the Receiver by certain insureds. In those instances where the Receiver has not received updated release forms, the Receiver is relying upon the latest medical records in its possession in order to value the policies. In order to mitigate costs and attorney fees, the Receiver is proceeding with the medical records in his possession rather than seeking the release forms through Motions to Compel. However, should it become necessary the Receiver will submit this matter to the Court to obtain the needed HIPAA release forms.

D. Financing of Portfolio

The Receiver is continuing to explore potential financing sources should the need arise to pay premiums and expenses.

E. Sale of the Portfolio

The Receiver has and continues to diligently explore a sale of the policies in the estate in order to maximize the recovery to investors. During this reporting period, the Receiver has actively marketed the Portfolio to potential buyers. In addition to posting notice of the sale in industry publications, the Receiver has sent information concerning those policies not currently in litigation to over 100 potential contacts, including insurance brokers and providers. Further, the Receiver is providing all interested parties with detailed information regarding the value of the policies that are part of the Receivership Estate in an effort to solicit bids on the Portfolio. It is the Receiver's opinion, that such a sale would significantly reduce the costs of the Receivership (premium expenses, etc.) and would be in the best interests of the investors.

V. RECEIVERSHIP ACCOUNTING MATTERS.

On June 1, 2007, the Receiver was given authority over all of Lydia's accounts pursuant to the Order for Appointment. The amount of funds deposited in those accounts totaled \$11,932,721.16⁵ on the day of the Receiver's appointment. The principal balance in the Receiver's accounts as of June 30, 2009 was \$1,236,295.23. A General Ledger summarizing the activity in those accounts is set forth in Exhibit A.

VI. MOTIONS FOR PAYMENT OF FEES AND EXPENSES.

Contemporaneously with the filing of this Report, the Receiver and his counsel have submitted motions seeking the approval of their fees and expenses for the months of April, May and June 2009. [Doc. Nos. 248 and 249.]⁶ As set forth therein, the Receiver and his counsel believe that the fees and expenses itemized in the applications are reasonable. Accordingly, for the reasons set forth in the motions, the Receiver respectfully requests the Court enter an Order approving the payment of those fees and expenses.

Respectfully submitted,

/s/ Melvin R. McVay, Jr.

Melvin R. McVay, Jr. (admitted *pro hac vice*)

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Attorneys for H. Thomas Moran, II, Court-Appointed Receiver for Lydia Capital, LLC

Dated: July 29, 2009

⁵ As discussed in the Receiver's Fourth Report, \$4,553,858.11 was returned to the April Investors in January 2008, pursuant to a settlement agreement with the April Investors.

⁶ A copy of each of the motions is attached hereto. (Exhibits B and C)

CERTIFICATE OF SERVICE

I hereby certify that on the 29th day of July, 2009, I electronically transmitted the attached document to the Clerk of Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the following ECF registrants:

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