

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

Case No. 11-cv-574 (MJD/FLN)

JASON BO-ALAN BECKMAN, et al.,
Defendants,

R.J. ZAYED,

Receiver.

**DECLARATION OF BRIAN HAYES IN SUPPORT OF RECEIVER'S MOTION
FOR SALE OF CERTAIN PERSONAL PROPERTY IN HIS POSSESSION**

I, Brian W. Hayes, hereby declare:

1. I am an attorney with the Court-appointed Receiver R.J. Zayed ("the Receiver") in the law firm of Carlson, Caspers, Vandenburg and Lindquist ("CCVL"). I submit this declaration in support of the Receiver's Motion for Sale of Certain Personal Property in His Possession. This declaration is submitted on my personal knowledge except as otherwise indicated.

2. On November 23, 2009 the Court entered an order appointing R.J. Zayed Receiver in the matter of *SEC v. Cook et al.*, 09-cv-3333, for (1) the estates of Defendants Trevor G. Cook, Patrick J. Kiley; (2) Defendants UBS Diversified Growth LLC, Universal Brokerage FX Management, LLC, Oxford Global Advisors, LLC,

Oxford Global Partners, LLC; (3) Relief Defendants Basel Group, LLC, Crown Forex, LLC, Market Shot, LLC, PFG Coin and Bullion, Oxford Developers, S.A., Oxford FX Growth, L.P., Oxford Global Managed Futures Fund, UBS Diversified FX Advisors, LLC, UBS Diversified FX Growth L.P., and UBS Diversified FX Management LLC; (4) all funds, accounts, and other assets held by or for Relief Defendants Clifford Berg and Ellen Berg, which were received, directly or indirectly, from the Defendants or were acquired with funds or other assets received, directly or indirectly, from the Defendants; and (5) every other corporation, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Cook and Kiley (collectively the “Receiver Estates”). *Order Appointing Receiver*, Doc. 13, at 4 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, Doc. 18, at 4 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, Doc. 68 (Dec. 11, 2009).

3. On November 23, 2009 the Court also entered an order appointing R.J. Zayed Receiver in the matter of *CFTC v. Cook et al.*, 09-cv-3332, for Defendants Trevor Cook d/b/a Crown Forex, LLC, Patrick Kiley d/b/a Crown Forex, LLC, Universal Brokerage FX and Universal Brokerage FX Diversified, Oxford Global Partners, LLC, Oxford Global Advisors, LLC, Universal Brokerage FX Advisors, LLC f/k/a UBS Diversified FX Advisors, LLC, Universal Brokerage FX Growth, L.P. f/k/a UBS Diversified FX Growth, L.P., Universal Brokerage FX Management, LLC, f/k/a UBS Diversified FX Management, LLC, and UBS Diversified Growth, LLC, and their affiliates and subsidiaries, and all funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by the Defendants individually or

collectively, including, but not limited to, investors' funds. *Ex Parte Statutory Restraining Order*, Doc. 21, at 7 (Nov. 23, 2009); *see also Order Continuing Appointment of Temporary Receiver*, Doc. 96 (Dec. 11, 2009).

4. On March 8, 2011 the Court also entered an order appointing R.J. Zayed Receiver in the matter of *SEC v. Beckman, et al.*, 11-cv-574, for (1) the estate of Jason Bo-Alan Beckman; (2) The Oxford Private Client Group, LLC; (3) all funds, accounts, and other assets held by or for the benefit of Relief Defendant Hollie Beckman which were received, directly or indirectly, from the Defendants or were acquired with funds or other assets received, directly or indirectly, from the Defendants; and (4) every other corporation, company, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Defendant Beckman, Defendant Oxford PCG, or Relief Defendant Hollie Beckman (collectively the "Receiver Estates"). *Order Appointing Receiver*, Doc. No. 10, at 1-2 (Mar. 3, 2011).

5. The three receiverships are interrelated as they involve the same Ponzi scheme, the same set of operative facts, a substantial overlap of victims, and the commingling of receivership funds and assets.

6. The motion seeks the Court's approval to sell personal property seized by the Receiver and almost exclusively located within 5140 Terraceview Lane North, Plymouth, Minnesota 55447 (hereafter, the "Plymouth property").

7. The liquidation of these assets will benefit the Receiver Estate by increasing the amount of Receivership assets and, therefore, the amount of funds available for the defrauded investors; and also by providing additional funds with which

to pay the numerous and outstanding bills for the properties previously under the control of Jason Bo-Alan and Hollie Beckman (the “Beckmans”).

8. On Friday, March 25, 2011, the Beckmans vacated the Plymouth property pursuant to a Stipulation with the Receiver and subsequent Order. *Stipulation*, Case 11-cv-574, Doc. 27, ¶ 2 (Mar. 18, 2011); *Order*, Case 11-cv-574, Doc. 37 (Apr. 1, 2011), ¶ 2. The Receiver allowed the Beckmans to take their clothes, toiletries, non-valuable items of emotional import, and their childrens’ personal property as they vacated the house.

9. On May 5, 2011, the Receiver, with the assistance of Luther Auctions & Antiques, inventoried and appraised the Beckmans’ personal assets located within the Plymouth property.

10. Attached hereto as **Exhibit 1** is a true and correct copy of an appraisal table of Luther Auctions & Antiques listing all assets located within the Plymouth property that would be sold at public auction were this Court to grant the Receiver’s Motion.

11. Attached hereto as **Exhibit 2** is a true and correct copy of a proposal of Luther Auctions & Antiques detailing the terms and conditions for collection and auction of the personal assets described in Exhibit 1.

12. Attached hereto as **Exhibit 3** is a document prepared by the Receiver depicting true and correct pictures of some of the major personal assets located within the Plymouth property which the Receiver proposes to sell through Luther Auctions.

13. Based on the appraisal, the Receiver can expect to gain approximately \$15,000 to \$28,000 from the auction of these items for the defrauded investor.

14. Luther Auctions is willing to sell the listed items to the highest bidder by public auction, and has promised to provide substantial public advertising of these items' sale in order to maximize the revenue from the sale.

15. Luther Auctions has proposed to move the smaller items to their gallery and sell them at one or more of their weekly auctions until all items are sold. To avoid excess expenses and fees, Luther Auctions has also proposed to sell the larger items via their online website.

16. Luther Auctions has negotiated a flat 20% commission rate on all sales they make of the items listed in Exhibit 1, with the remaining portion going to the Receiver. This 20% fee covers the cost of staffing for the sale, advertising, website hosting and recycling of non-salable goods.

17. In addition to the personal assets detailed in Exhibit 1, the Receiver negotiated the proposed sale of the hot tub located on the Plymouth property. The Receiver believes the sale of the hot tub would similarly benefit the Receiver Estate as those items referenced above.

18. Attached hereto as **Exhibit 4** is a true and correct copy of an offer from Cal Spas for \$1,800.00 to purchase the hot tub located on the Plymouth property.

19. Attached hereto as **Exhibit 5** is a document prepared by the Receiver depicting a true and correct image of the Beckman hot tub.

20. The Cal Spas purchase offer also covers all removal and transport costs, which the Receiver understands could be several hundred dollars, if not more. The substantial removal costs are a major reason why the Receiver proposes to sell the spa to

Cal Spas rather than independently or through Luther Auctions. The Cal Spas' purchase offer will expire on June 24, 2011 because the company finds it difficult to sell spas during the hot summer months.

21. Separate from the above-described assets, the Receiver also seized numerous jewelry pieces belonging to the Beckmans, including large gold, diamond, and ruby rings; designer watches; and various other coins, gems, rings and necklaces.

22. The Receiver had fair market appraisals completed on the jewelry in order to get an accurate estimate as to their resale value. Included with the appraisals are three (3) purchase offers. The Receiver has submitted the appraisals and offers to the Court for *in camera* review in order to protect the interested parties.

23. Attached hereto as **Exhibit 6** is a document prepared by the Receiver depicting the Beckman diamond and ruby ring set. The other jewelry items are referenced and displayed in the *in camera* documents submitted to the Court.

24. Based on the appraised values and corresponding purchase offers, the Receiver believes that the sale of the two rings displayed in Exhibit 6 should occur through Gloria's Jewelry; given the appraised ring values, this will ensure that the investors are provided the best possible outcome. With the Court's approval, the Receiver will sell all the other jewelry items through Luther Auctions under the terms and conditions outlined in paragraphs 11, 14-16 and Exhibit 2, *supra*.

25. Attached hereto as **Exhibit 7** is a true and correct copy of an Excel Energy disconnection notice for the Plymouth property.

26. The Receiver has a reasonable basis to believe that the assets referenced in this declaration were purchased with investor funds, and therefore should be liquidated so that the funds can be distributed evenly to the defrauded investors.

27. The Receiver has determined that the greatest benefit to the Receivership, and ultimately the hundreds of defrauded investors, is to auction the Beckmans' personal property and other assets through Luther Auctions; sell the rings displayed in Exhibit 6 to Gloria's Jewelry; and, finally, to sell the hot tub to Cal Spas.

28. To assure the arms-length nature of this transaction, and insure against any Receiver person or entity regaining possession of the coins, the Receiver will require that all buyers of the personal property execute a certificate stating they have no affiliation or relation with any persons associated with Cook's scheme.

Dated: June 3, 2011

s/ Brian Hayes
Brian Hayes