

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

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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.

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**DECLARATION OF BRIAN HAYES IN SUPPORT OF RECEIVER'S  
MOTION TO CONFIRM SALE OF PASEO DEL LAGO PROPERTY**

I, Brian Hayes, hereby declare:

1. I am an attorney, along with R.J. Zayed, Receiver, in the firm of Carlson, Caspers, Vandenburg and Lindquist ("CCVL"); I am a designee for the Receiver. I submit this declaration in support of the Receiver's motion to confirm the sale of the Paseo del Lago property.

2. This declaration is submitted on my personal knowledge except as otherwise indicated.

3. On November 23, 2009, the Court entered an order appointing R.J. Zayed as Receiver in this matter 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. *Order Appointing Receiver, SEC v. Cook et al.*, No. 09-cv-3333 (D. Minn. Nov. 23, 2009), Doc. No. 13, at 4 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, SEC Doc. No. 18, at 4 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, SEC Doc. No. 68 (Dec. 11, 2009).

4. R.J. Zayed has also been appointed Receiver in the case of *CFTC v. Cook*, No. 09-cv-3332 (D. Minn. Nov. 23, 2009). *Ex Parte Statutory Restraining Order*, CFTC Doc. No. 21, at 7; *see also Order Continuing Appointment of Temporary Receiver*, CFTC Doc. No. 96 (Dec. 11, 2009).

5. On March 8, 2011, R.J. Zayed was appointed as Receiver in the case of *SEC v. Beckman et al*, No. 11-cv-00574 (March 7, 2011) for Jason Bo-Alan and Hollie Beckman and all entities under their control, including The Oxford Private Client Group LLC. *See Order Appointing Receiver*, 11-cv-00574, Doc. No. 10, at 2 (Mar. 8, 2011).

6. The real estate property of 2400 Paseo del Lago, Mission, Texas 78573, legally described as LOTS 2 & 3 OF EL LAGO ESTATES (hereafter the “Paseo del Lago property”) was included in the Beckman assets frozen and placed into the Receivership. *See Order Imposing Asset Freeze And Other Ancillary Relief And Setting Hearing On Motion For Preliminary Injunction*, Beckman Doc. No. 9, at 6 (Mar. 8, 2011) (“Asset Freeze Order”).

7. The attached motion respectfully requests that the Court authorize the Receiver to confirm the sale of the Paseo del Lago property pursuant to 28 U.S.C. § 2001(b). As argued in the previous motion asking the Court for permission to market the Paseo del Lago property, the Receiver believes that the sale of the Paseo del Lago property would further the objectives of the Receivership. *See Order Appointing Receiver*, Beckman Doc. No. 10, at 3; *Receiver’s Reply Memorandum Regarding Motion to Authorize the Hiring of Real Estate Agents and Publish Notice of Offers for Sale*, Beckman Doc. No. 118, at 4-6.

8. On August 8, 2011, the Receiver reached a settlement agreement with Bank of America (the “Bank”) relating to certain mortgages held by the Bank against properties owned by the Beckmans, including the Paseo del Lago property. The Receiver does not believe there is any additional recovery possible from the Paseo del Lago property beyond the present sale.

9. The Receiver obtained three appraisal reports for the property between May and August of 2011, as required by 28 U.S.C. § 2001(b). Attached hereto as **Exhibit A**

are true and correct copies of the three appraisal reports. The average appraised value for the Paseo del Lago property is \$1,311,666.67.

10. On June 17, 2011, the Receiver, as requested by the Court, also invited three real estate agents to give a presentation to the Court on a) their qualifications, b) why they think they are the best candidate to serve as the real estate agent for the property in question, and c) their price quote. Following that hearing, the Court then appointed Joey Holand of Holand & Associates as realtor to sell the Paseo del Lago property at a six-percent (6%) commission, and the Receiver proceeded with a private sale of the property under 28 U.S.C. § 2001(b). *See Order*, Beckman Doc. No. 125 (Jun. 23, 2011).

11. On August 12, 2011, the Receiver reached an agreement to sell the Paseo del Lago property for \$1,200,000.00. The offer was for at least twenty percent (20%) cash including the earnest money, with the balance of the purchase price from financing secured against the property. The agreement was for closing on or before September 30, 2011. On August 12, 2011, the Receiver and the buyers, Jesus and Alicia Guerrero, entered into a purchase agreement and addendums to the purchase agreement concerning the sale of the property. Attached hereto as **Exhibit B** are true and correct copies of the purchase agreement and addendums.

12. The offer amount of \$1,200,000.00 was higher than two-thirds of the average appraised value of the property (two thirds of \$1,311,666.67 is \$874,444.45, the minimum amount required by 28 U.S.C. § 2001(b)). The offer amount also exceeded the

remaining mortgage balance owed on the property, which was fixed at \$745,123.02 as of March 8, 2011. Attached hereto as **Exhibit C** is a true and correct copy of a table detailing the mortgage payment history for the Paseo del Lago property.

13. The purchase agreement in Exhibit B also included personal property appraised at approximately \$55,765.00. Attached hereto as **Exhibit D** is a true and correct copy of the personal property appraisal completed by John Mace Auctioneers & Appraisers, of McAllen, Texas, on August 9, 2011. Mr. Holand informed me that the Paseo del Lago property likely cannot be sold for more than \$1.1 million without including the personal property in the sale, and I believe that the sale of the personal property in combination with the real property will maximize value to the Receiver.

14. For the purchase agreement attached as Exhibit B, the Receiver complied with 28 U.S.C. § 2001(b) by publishing notice of sale of Paseo del Lago property in the Minneapolis Star Tribune and the (McAllen) Monitor newspapers at least ten days before the hearing date of September 16, 2011. The Monitor and the Minneapolis Star Tribune also published the notice on their respective websites at no additional cost to the Receiver. Attached hereto as **Exhibit E** is a true and correct copy of the proof for said notice.

15. After publishing notice of the sale in the newspapers, the Receiver, via his agent Joey Holand, received a bona fide offer from a new buyer to purchase the Paseo del Lago property for \$1,400,001.00, which is more than ten percent (10%) above the purchase price in Exhibit B as required by 28 U.S.C. § 2001(b).

16. Because he received a bona fide offer that exceeded the purchase price by at least ten percent (10%), and upon information and belief that the purchase could no longer be confirmed by the Court under 28 U.S.C. § 2001(b), the Receiver canceled the purchase agreement in Exhibit B and attempted to return the buyer's earnest money as provided under the terms of the Receiver's addendum.

17. On August 30, 2011, the Receiver reached an agreement to sell the Paseo del Lago property for \$1,400,001.00. The offer is for approximately fifty percent (50%) cash including earnest money of \$100,000.00, with the balance of the purchase price from financing secured against the property. The agreement is for closing on or before October 27, 2011. On August 30, 2011, the Receiver and the buyers, Rene and Marisol Garza, entered into a purchase agreement and addendums to the purchase agreement concerning the sale of the property. Attached hereto as **Exhibit F** are true and correct copies of the purchase agreement and addendums.

18. The purchase agreement in Exhibit F also includes personal property appraised at approximately \$55,765.00.

19. The offer amount of \$1,400,001.00 is higher than two-thirds of the average appraised value of the property (two thirds of \$1,311,666.67 is \$874,444.45, the minimum amount required by 28 U.S.C. § 2001(b)). The offer amount also exceeds the remaining mortgage balance owed on the property, which was fixed at \$745,123.02 as of March 8, 2011. As discussed in Paragraph 16, *supra*, the offer is a bona fide offer that

exceeds the purchase price in Exhibit B by at least ten percent (10%) as required by 28 U.S.C. § 2001(b).

20. The Receiver will comply with 28 U.S.C. § 2001(b) by publishing a second notice of sale of the Paseo del Lago property in the Minneapolis Star Tribune and the (McAllen) Monitor newspapers at least ten days before the hearing date of September 16, 2011. The Monitor and the Minneapolis Star Tribune will also publish the notice on their respective websites at no additional cost to the Receiver. Attached hereto as **Exhibit G** is a true and correct copy of the proof for said notice.

21. At the time of filing, no additional qualifying offer for the Paseo del Lago property has been made. A qualifying offer is defined in 28 U.S.C. § 2001(b) as a bona fide offer of at least ten percent over the purchase price, in this case a bona fide offer for at least \$1,540,001.10. Should this change after filing, the Receiver will alert the Court prior to the hearing.

22. As indicated by the facts in paragraphs 9-21, *supra*, it is my opinion that the proposed sale of the Paseo del Lago property to Rene and Marisol Garza fully complies with the requirements detailed in 28 U.S.C. § 2001(b), which reads as follows:

Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under

conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: September 2, 2011

s/ Brian Hayes

Brian Hayes