

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

Case No. 09-cv-3333 (MJD/FLN)

v.

TREVOR G. COOK, et al.,

Defendants,

R.J. ZAYAD,

Receiver.

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

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

v.

JASON BO-ALAN BECKMAN, et al.,

Defendants,

R.J. ZAYAD,

Receiver.

**RESPONSE OF SECURITIES AND
EXCHANGE COMMISSION TO RECEIVER'S MOTION
FOR AN ORDER AUTHORIZING THE RECEIVER TO SELL
THE RECEIVERSHIP ESTATES' CLAIM IN THE
PEREGRINE FINANCIAL GROUP, INC. BANKRUPTCY CASE**

Plaintiff Securities and Exchange Commission hereby responds to the Receiver's Motion for an Order Authorizing the Receiver to Sell the Receivership Estates' Claim in the Peregrine Financial Group, Inc. Bankruptcy Case. (Docs. # 1137 & 464) The SEC supports the Receiver's Motion.

The Receiver has considered whether it would be better for the Receivership to monetize the claim now or to hold the claim. (Docs. # 1139 & 466, Memorandums in Support, at 6) The Receiver has weighed the costs and benefits of the two options. (*Id.*) After considering all the available information, the needs of the victims, and his responsibilities, the Receiver has concluded that it would be in the best interest of the Receivership to monetize the claim now. (*Id.*)

The SEC supports the Receiver's motion for several reasons. The proposal to sell the claim is well within the powers given to the Receiver under the Court's orders appointing him. (*See* Doc # 18) The decision to sell the claim—and thereby to avoid the uncertainty inherent in holding the claim—is reasonable. The auction procedure proposed by the Receiver is fair, transparent, and designed to maximize the amount realized from selling the claim. The minimum amount guaranteed to be obtained under the procedure proposed by the Receiver is substantial. The decision whether to hold the claim or to monetize it is inherently an exercise of judgment; the Receiver has done a commendable job of performing his responsibilities in this case, and the SEC sees no good reason to second guess his judgmental decision regarding this particular question.

Based on the foregoing factors, the SEC believes that the proposed sale is in the best interests of the Receivership. Accordingly, the SEC respectfully requests that the

Court grant the Receiver's motion and issue an Order authorizing the Receiver to sell the Receivership Estates' claim in the Peregrine Financial Group, Inc. bankruptcy case.

Respectfully submitted,

Dated: August 6, 2014

s/ John E. Birkenheier
John E. Birkenheier
Steven L. Klawans
Steven C. Seeger
Justin M. Delfino
Attorneys for Plaintiff
U.S. Securities and Exchange
Commission
Chicago Regional Office
175 West Jackson Blvd.
Suite 900
Chicago, Illinois 60604
T. 312-353-7390
F. 312-353-7398
birkenheierj@sec.gov
klawanss@sec.gov
seegers@sec.gov
delfinoj@sec.gov

James Alexander
Assistant United States Attorney
District of Minnesota
600 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN
T. 612-664-5600
F. 612-664-5788
Local Counsel