
UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

U.S. COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff(s)

Case No: 09-cv-3332 MJD/JJK

v.

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, UNIVERAL
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,

Defendant(s)

R.J. ZAYED,

Receiver.

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Case No: 09-cv-3333 MJD/JJK

Plaintiff(s)

v.

TREVOR G. COOK,
PATRICK J. KILEY,
UBS DIVERSIFIED GROWTH, LLC,
UNIVERSAL BROKERAGE FX
MANAGEMENT, LLC,
OXFORD GLOBAL ADVISORS, LLC,
and OXFORD GLOBAL PARTNERS, LLC,

Defendants

and

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, L.P., UBS DIVERSIFIED
FX ADVISORS, LLC, UBS DIVERSIFIED
FX GROWTH, L.P., UBS DIVERSIFIED
FX MANAGEMENT, LLC, CLIFFORD
BERG, and ELLEN BERG,

Relief Defendants.

R.J. ZAYED,

Receiver.

**SIXTH STATUS REPORT OF RECEIVER R.J. ZAYED IN
CFTC v. COOK, et. al. (09-cv-3332) AND
SEC v. COOK, et. al. (09-cv-3333)**

R. J. Zayed, the Receiver for Defendants and Relief Defendants in these cases, submits this Sixth Report summarizing the major activities that he has undertaken since the filing of the Fifth Status Report on September 13, 2010. This Sixth Report covers the period from September 14, 2010 through November 15, 2010.

A. U.S. Properties

1. 12644 Tiffany Court, Burnsville, MN 55437 (“Tiffany Court”)

The property was sold for \$398,000.00. The Receiver expects to close on the property within the next 30 days. This will yield approximately \$23,000.00 in net proceeds to the Receivership. The Receiver is currently litigating a claim against the mortgage company to retrieve the Receivership funds that Cook used to pay for the property. This lawsuit is in its preliminary stages. The details of this lawsuit are set forth in the “Receiver Filings” and “News & Updates” sections of the Receiver’s website.

2. 12744 Dover Drive, Apple Valley, MN 55437 (“Apple Valley”)

As with Tiffany Court, the Receiver is currently litigating a claim against the mortgage company to retrieve the Receivership funds that Cook used to pay for the property. The details of this lawsuit are set forth in the “Receiver Filings” and “News & Updates” sections on the Receiver’s website. The Receiver has negotiated a \$119,257 settlement with Gina Cook as to this property and the money she received from the fraud. The details of that settlement are set forth in the “Receiver Filings” and “News &

Updates” sections of the Receiver’s website. As part of the settlement, the Receiver agreed to allow Gina Cook to place the residence on the market. The balance of the Court’s April 28, 2010 Order with regard to Ms. Cook remains in full force and effect.

B. Canadian Property

The Receiver has received Court approval to complete the sale of the Rainy Lake, Ontario property for \$375,000.00 Canadian. The offer is in cash. The buyer is James Busch. Further details concerning the sale are set forth in the “Receiver Filings” and “News & Updates” sections of the Receiver’s website.

C. Panamanian Property

The Receiver has presented the Court, the SEC, the CFTC and the United States Attorney’s office with a detailed memorandum concerning the Receivership assets in Panama and the various options available to the Receiver. The Receiver is reviewing the input from the agencies and the Court concerning the best and most cost-effective strategy for the securing, liquidating and repatriating the assets to the United States.

In the meantime, the Receiver has completed the evidence submission phase of the litigation in Panama. This phase included designating evidence by identifying non-expert witnesses, counter-designating evidence in response to the designation of evidence by the opposing side, and objecting to the evidence designated by the opposing side. It also included identifying the areas that necessitate expert opinions and testimony. The Panamanian judge will now consider the evidence designated by the parties, the counter-designations, the objections to the evidence and the areas of expert testimony. The Panamanian judge will decide what evidence will be admissible in the case at a later date.

After ruling on the evidence, the Panamanian judge will then schedule hearing dates to hear factual witnesses and receive the opinions and testimonies of the expert witnesses. Given the caseload in Panama, the Receiver does not expect a scheduling order from the Panamanian judge until late next year (approximately November 2011).

D. Cash in Receivership Accounts

As of the date of this report and after (1) the payment of all expenses and fees through September 30, 2010, (2) the interim distribution of \$2.25 million as restitution in the SEC and CFTC civil cases, (3) the release of \$362,700 for use as restitution in the criminal case against Trevor Cook, the Receiver has a cash balance of \$1,679,007 in the Receiver's bank account. The Receiver also has \$300,000 in an NFA account, \$200,000 posted as bond in Panama, and approximately \$1,000,000 frozen in a Swiss bank account.

Through September 30, 2010, the Receiver has paid \$2,665,778 in expenses and fees in locating, marshalling, and preserving the assets of the Receivership, settling claims with trade creditors, identifying victims, marshalling claim information, preparing for an interim distribution, and in fulfilling his duties and obligations under the law and the Court's Orders. The expenses and fees include \$190,497.87 that the Court ordered the Receiver to pay to Messerli & Kramer, Kelley & Berens and Greene Espel pursuant to their petitions to the Court for the payment of their fees.

In sum, the Receiver has collected, liquidated and frozen approximately \$8,457,711 in cash, spent \$2,665,778 in fees and expenses and released \$2,612,700 for distribution to the victims of Cook's fraud in the civil and criminal cases.

E. Other Assets

The Receiver is still investigating the disposition of other receivership assets including those that were given to, among others, James Pieron, JDFX, JP Fund Services, Capricorn, Crown Forex, Shadi Swais, Ibrahim Hasanein, Gary Saunders, Holger Bauchinger, Jason “Bo” Beckman, Chris Pettengill, Gerald Durand, and Pat Kiley.

The Receiver is in advanced settlement discussions with Ed Baker concerning the Receiver’s claims pending against Ed Baker and Mesa Holdings and other related entities in the Hennepin County District Court, the United States District of Minnesota Bankruptcy Court, and this Court. The Receiver anticipates a settlement in the near future and details will be posted on the Receiver’s website and filed with the Court at the appropriate time.

The Receiver has recently recovered receivership assets from Darren Jorgenson (\$3,000) and Kevin Clark (\$1,349). The Receiver also has entered into loan repayment agreements with Grant Grzybowski (\$297,500), Darren Jorgensen (\$3,000), Jared Jenkins (\$4,000) and Gerald Durand (\$9,000 with respect to a vehicle that he received from the Bergs). The last payment on any of these loans is due no later than November 1, 2011.

The Receiver has reached a tentative settlement agreement with Core Alternative Investments, LLC, Robert Brooke, Steven Schwab, Paul Deming and Tom Newberry concerning the \$300,000 in an NFA account and the Receiver’s claims against Core. Initially, Core was making a claim for half of the amount in the NFA account. Since then Core has agreed to drop its claim to any of the money in the NFA account as part of the settlement with the Receiver. In addition, Brooke, Schwab, Deming and Newberry have

agreed to pay the Receiver \$100,000 in 11 installments with the final payment of \$72,000 due on October 4, 2011. The details will be set forth on the Receiver's website and in a future court filing.

F. Other Legal Proceedings

To date, the Receiver has instituted claw-back procedures against Wells Fargo Home Mortgage, New York Community Bank, William Harris, David Buysse, Steven and Pamela Cheney, Walter Defiel, Terry Frahm, Steven and Jenene Fredell, Michael and Jennifer Heise, Michael and Cynthia Hillesheim, Larry Hopfenspirger, Steven Kautzman, James McIntosh, George and Karen Morrisset, Reynold Sundstrom and Dot Anderson. The details of these proceedings are set forth in "Receiver Filings" and "News & Updates" sections of the Receiver's website. Most of the investor respondents have filed motions to dismiss the Receiver's claims. Those motions will be heard on December 17, 2010 at 2:30 p.m. before Magistrate Judge Noel.

The Receiver anticipates bringing more clawback actions in the future against other investors who either received more money than they put in or, received preferential treatment, or had inside information in withdrawing their money.

G. 1-800 Number

The Receiver continues to operate local (612-436-9664) and toll-free (877-316-6129) numbers for investor inquiries. The Receiver is still handling daily investor calls and email inquiries.

H. Receiver Website

The Receiver also continues to operate a website for investors and other members of the public at www.cookkileyreceiver.com. As a means to address commonly asked questions and to improve communications with investors, the Receiver has agreed to post on a periodic basis responses to investor questions. To date the Receiver has posted fifty seven responses on the website.

The Court has also posted a web page for this case, which can be found at www.mnd.uscourts.gov.

I. Taxes

The Receiver is continuing discussions through Ernst & Young with the Internal Revenue Service and Minnesota Department of Revenue in an effort to minimize any filing and tax obligations that might be applicable to the Receivership Entities.

J. Cook's Motion to Purge Contempt

On September 10, 2010, Cook filed a motion to purge his contempt. The Receiver, the SEC, and the CFTC opposed Cook's motion. The details of Cook's motion and the Receiver's and SEC's opposition are set forth in the "Receiver Filings" and "News & Updates" sections of the Receiver's website. In an effort to purge his contempt, Cook met with the Receiver and the SEC on October 5, 6, 27, and 28, 2010. On November 1, 2010, Cook again attempted to have the contempt purged and again was opposed by the Receiver, the SEC, and the CFTC. The details of Cook's latest efforts and the Receiver's and SEC's opposition are set forth in the "Receiver Filings" and "News & Updates" sections of the Receiver's website. More meetings were held with

Cook on November 8, 9, and 10, 2010 and more are currently being scheduled. The meetings were helpful but no new assets were identified. The Court has continued Cook's motion to December 6, 2010 and scheduled a status conference for 9:00 a.m. that morning.

K. Interim Civil Distribution

On November 1, 2010, the Court approved the Receiver's interim distribution plan and claim finalization process. The details of plan and claim finalization process are set forth in the "Receiver Filings" and "News & Updates" sections of the Receiver's website. On November 12, 2010, the Clerk of Court mailed the interim distribution checks to 668 victims. Enclosed with each check was a letter from the Receiver identifying the recognized claim amount and the pro rata amount of the enclosed check. Pursuant to the Court's November 1, 2010 order, each victim receiving an interim distribution check has until Monday, December 13, 2010 to challenge the recognized claim amount specified in the letter.

CONCLUSION

The Receiver will submit a report approximately every 60 days to summarize his ongoing activities since the last report.

Dated: November 15, 2010

Respectfully submitted,

s/ R.J. Zayed

R.J. Zayed, Receiver

R.J. Zayed (MN Bar No. 309,849)

Tara Norgard (MN Bar No. 307,603)

Carlson, Caspers, Vandenburg & Lindquist

225 S. 6th Street, Suite 3200

Minneapolis, MN 55402

Telephone: (612) 436-9600

Facsimile: (612) 436-9605

Email: rzayed@ccvl.com; tnorgard@ccvl.com