UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

JOHN J. CARNEY, in his capacity as Court-Appointed Receiver for Michael Kenwood Group, LLC, et al., Plaintiff, v. PIERO ENRIQUE MONTELLI TORRES, INVERPLUS SOCIEDAD DE CORRETAJE DE TITULOS VALORES, C.A., IVP OVERSEAS LTD., ROMEO MIKAEL MOUAWAD MOUAWAD, JESPA MAWAD DE MOUAWAD, TANIA MOUAWAD MAWAD, MIGUEL ANTONIO MOUAWAD MAWAD, HORION INVESTMENT LTD., GRIMSEL GROUP LTD., and M. HOLDING S.A., Defendants.	Civil Action No. 3:13-cv-00660 (JCH) **JURY TRIAL DEMANDED** July 3, 2013

FIRST AMENDED COMPLAINT

John J. Carney, Esq. (the "Receiver"),[1] as Receiver for Michael Kenwood Group LLC (the "MK Group") and certain affiliated entities[2] (the "Receivership Entities") in *Securities and*

[1] Unless otherwise explicitly defined herein, the Receiver adopts for purposes of this complaint the defined terms as set forth in the Amended and Restated Receiver Order (the "Receiver Order") dated March 1, 2013 (SEC Action, Dkt. 666).

[2] Under the Receiver Order, the Receivership Entities are Highview Point Partners, LLC; Highview Point Master Fund, Ltd. (the "Master Fund"); Highview Point Offshore, Ltd.; Highview Point LP; MK Master Investments LP; MK Investments, Ltd.; MK Oil Ventures LLC; The Michael Kenwood Group, LLC; Michael Kenwood Capital Management, LLC; Michael Kenwood Asset Management, LLC; MK Energy and Infrastructure, LLC; MKEI Solar, LP; MK Automotive, LLC; MK Technology, LLC; Michael Kenwood Consulting, LLC ("MK Consulting"); MK International Advisory Services, LLC; MKG-Atlantic Investment, LLC; Michael Kenwood Nuclear Energy, LLC; MyTcart, LLC; TUOL, LLC; MKCM Merger Sub, LLC; MK Special Opportunity Fund ("SOF"); MK Venezuela, Ltd. ("MKV"); and Short Term Liquidity Fund I, Ltd.

Exchange Commission v. Illarramendi, *Michael Kenwood Capital Management, LLC et al.*, No. 3:11-cv-00078 (JBA) (the "SEC Action"), by and through his undersigned counsel, alleges the following:

SUMMARY OF CLAIMS

1. This lawsuit is part of the Receiver's continuing efforts to trace, recapture, and return to investors the hundreds of millions of dollars lost or stolen from investment funds managed and operated as a massive Ponzi scheme (the "Fraudulent Scheme") by Francisco Illarramendi ("Illarramendi") and other individuals affiliated with the MK Group and Highview Point Partners, LLC ("HVP Partners").

2. While Illarramendi was the ringleader of the Fraudulent Scheme, and is appropriately incarcerated in federal prison awaiting sentencing, he did not act alone nor did he limit the benefit of the fraud to himself. From the inception of the Fraudulent Scheme, Piero Enrique Montelli Torres ("Montelli"), a childhood friend of Illarramendi, knowingly played a critical role in helping Illarramendi to conceal the Fraudulent Scheme, by creating shell companies to engage in off-the-books transactions, signing and backdating documents, and directing and facilitating numerous impermissible transfers of funds from the Receivership Entities to the Defendants and others. In email exchanges with Illarramendi, Montelli openly questioned the legitimacy of certain transactions between the two and acknowledged that they could be engaged in "money laundering." Brazen in his disregard for the law, Montelli continued to conspire with Illarramendi even *after* the Securities and Exchange Commission ("SEC") had sued Illarramendi and sought to freeze the Receivership Entities' assets, furthering the effect of the fraud by assisting Illarramendi to create false documentation in an attempt to circumvent the SEC's pending asset freeze.

3. In return for his collaboration and assistance throughout the course of the Fraudulent Scheme, Illarramendi provided Montelli and affiliated entities (the "Montelli Defendants") with millions of dollars of investors' money seemingly whenever, wherever and however Montelli requested, without any regard to the purpose of the payments. Montelli's requests included millions in transfers for his personal use deposited into accounts affiliated with his entities and, at other times, he requested millions in transfers for the benefit of Romeo Mikael Mouawad Mouawad ("Mouawad" or "Romeo Mouawad"), his family, and their affiliated entities (the "Mouawad Defendants").

4. Despite the millions of dollars in investor funds being transferred, the Receiver's investigation has not uncovered any reasonably equivalent value to support the significant transfers to the Montelli or Mouawad Defendants. Rather, the trail of misappropriated funds ran through a labyrinth of off-shore "alter-ego" entities and bank accounts designed to conceal the ownership and control of the stolen funds. In sum, between May 2009 and the end of 2010 alone, Montelli directed fraudulent transfers totaling more than $257,000,000 from various Receivership Entities on his and his affiliates' own behalf, and facilitated further fraudulent transfers totaling more than $71,000,000 to or for the benefit of the Mouawad Defendants. (*See* Exhibit A, as set forth therein, the "Transfers"). These Transfers comprise investor proceeds and other monies that must be recovered for distribution to Illarramendi's investors and other victims of his Fraudulent Scheme.

THE DEFENDANTS

THE MONTELLI DEFENDANTS

5. **Piero Enrique Montelli Torres** is a Venezuelan public accountant who actively facilitated Illarramendi's Fraudulent Scheme. At times, such as in correspondence with third party financial institutions, Montelli is described by Illarramendi as "one of Highview Point's

advisors in the Andean Region and Central America" and purportedly assisted the HVP Funds (as defined below) to secure investments. Montelli was also a co-founding partner of JIP Consultores de Venezuela, purportedly a Venezuelan business and financial consulting firm and controlled shell companies such as Naproad Finance, S.A. ("Naproad") and HPA, Inc. ("HPA"). According to Illarramendi, Montelli previously worked "closely" with Illarramendi and Frank Lopez ("Lopez"), a principal of HVP Partners and a defendant in another suit brought by the Receiver, while the three of them were employed by a major international bank.

6. Over the course of the fraud, Montelli regularly emailed and called Illarramendi and other members and employees of HVP Partners and the MK Group in Connecticut in order to negotiate and execute transfers on behalf of himself, the Defendants, and others, and engaged in other business dealings on behalf of himself and his associates. On at least one occasion, Montelli travelled to Stamford, Connecticut to, upon information and belief, conduct business with Illarramendi and his affiliates.

7. Montelli owns property in Florida and has maintained a residence in Florida at all times relevant to this complaint. In addition, Montelli was assigned a United States Social Security number in 2003 to allow him, upon information and belief, to conduct business in the United States.

8. Montelli's additional business connections to the United States include management of an entity called Weston International Bakery LLC ("Weston"), a Florida corporation formed on May 5, 2004. Corporate records list Montelli as a former managing member of Weston from 2005 through 2006. Another managing member was Illarramendi. Thereafter, both Illarramendi and Montelli became and remained principals and business partners of Weston until at least 2009 and 2010, respectively. Upon information and belief, Weston operated a bakery franchise known as "Don Pan" in Florida.

9. **Inverplus Sociedad de Corretaje de Titulos Valores, C.A.** ("Inverplus") was incorporated in Venezuela on May 9, 2008, with a business address in Caracas. It is owned by Eduardo Marquez ("Marquez") and Montelli, who were described to the SEC by an employee of HVP Partners as "friends of Francisco Illarramendi for many years." As late as 2010, Illarramendi had also represented to others that Defendants Horion Investment Ltd. and Grimsel Group Ltd., entities controlled by the Mouawad Defendants and defined below, were also "subsidiaries/affiliates" of Inverplus and "preferred regular" "Venezuelan Broker Dealer Counterparties" of HVP Partners. Upon information and belief, at all times relevant to the complaint, Inverplus has been dominated and controlled by Montelli.

10. Inverplus's operations were suspended by the Venezuelan Comision Nacional de Valores (National Securities Commission) on August 13, 2010. According to information published in the Gaceta Oficial (Official Gazette), Inverplus was suspected of violating Venezuelan securities law, specifically Article 82 of the Ley de Mercado de Capitales (Capital Markets Act). As a result, an auditor was appointed for Inverplus and charged with reporting on the monthly progress of the intervention to the National Securities Commission.

11. **IVP Overseas Ltd.** ("IVP") was incorporated in the British Virgin Islands on September 25, 2008. Upon incorporation, Montelli was appointed as a director of IVP and owns 50% of the company. The other 50% is owned by Marquez, who was a senior director and president of Inverplus. IVP acted as a purported "counterparty" to HVP Partners in "connection with Inverplus transactions" including purchases and sales of bonds in Venezuelan local markets. IVP is a purported affiliate of Inverplus. Upon information and belief, at all times relevant to the complaint IVP has been dominated and controlled by Montelli. Montelli used IVP to actively participate in the Fraudulent Scheme by allowing Illarramendi to pass money through IVP for the

Mouawad Defendants to avoid banking compliance, and Montelli's use of IVP to perpetuate the Fraudulent Scheme deepened the losses to the Receivership Estate.

THE MOUAWAD DEFENDANTS

12. **Romeo Mikael Mouawad Mouawad**, also known in relevant email correspondence as "el Libanés" (the Lebanese), is a Venezuelan citizen and a wealthy financier who operates an international brokerage firm and maintains significant political connections in Venezuela.

13. Romeo Mouawad maintained residences in Miami and Miami Beach, Florida at all times relevant to this complaint, and regularly conducts business in the United States. Upon information and belief, Romeo Mouawad owns, in whole or in part, and controls, the following entities (named entities defined below): Defendant M. Holding, Defendant Horion, Defendant Grimsel, Perafita, and several other corporations based in Panama and the U.K. with other members of the Mouawad Family. Romeo Mouawad has received the benefit of funds transferred from Receivership Entities.

14. **Jespa Mawad De Mouawad** ("Jespa Mouawad") is, upon information and belief, Romeo Mouawad's wife. She maintained residences in Miami and Miami Beach, Florida at all times relevant to this complaint, and regularly conducts business in Florida. Jespa Mouawad, together with the other members of her family, jointly owns and has Power of Attorney to act on behalf of Horion.

15. Jespa Mouawad is also a director of several other corporations with other members of the Mouawad Family, several of which control millions of dollars of real estate assets in Florida. Together with her son, Miguel Mouawad, Jespa Mouawad has actively managed those Florida real estate assets. Jespa Mouawad has received the benefit of funds transferred from Receivership Entities.

16. **Miguel Antonio Mouawad Mawad** ("Miguel Mouawad") is, upon information and belief, Romeo Mouawad's son. He maintained multiple residences in Miami and Miami Beach, Florida at all times relevant to this complaint, and regularly conducts business in the United States. Together with his parents and sister, Miguel Mouawad jointly owns and has Power of Attorney to act on behalf of Horion. Upon information and belief, Miguel Mouawad has participated in business ventures with Romeo Mouawad that were funded by transfers from Receivership Entities and holds himself out to be a business partner with his father in Grimsel and other ventures.

17. Miguel Mouawad has been issued a United States Social Security number, maintains an active Florida motor vehicle registration, and has participated in amateur motorsports racing in the United States. As recently as March 2013, Miguel Mouawad also owned a multi-million dollar condominium in New York City.

18. Miguel Mouawad is also a director of several other corporations with other members of the Mouawad Family, several of which control millions of dollars of real estate assets in Florida. Together with his mother, Jespa Mouawad, Miguel Mouawad has actively managed those Florida real estate assets. Miguel Mouawad has received the benefit of funds transferred from Receivership Entities.

19. **Tania Mouawad Mawad** ("Tania Mouawad") is, upon information and belief, Romeo Mouawad's daughter. She maintained residences in Miami and Miami Beach, Florida at all times relevant to this complaint. Tania Mouawad jointly owns and has Power of Attorney to act on behalf of Horion. Tania Mouawad has received the benefit of funds transferred from Receivership Entities.

20. **Horion Investment Ltd.** ("Horion"), a shell corporation, was formed in the British Virgin Islands on or about April 22, 2009. Horion was formed approximately two weeks

before it received the first transfer from a Receivership Entity. Each of the four members of the Mouawad Family has power of attorney over Horion and owns 25% of its shares. Horion was formed by the Mouawad Family for the sole purpose of engaging in transactions with and receiving transfers from the Receivership Entities (*see* ¶¶ 88-127).

21. **Grimsel Group Ltd.** ("Grimsel") was formed in the British Virgin Islands on or about June 4, 2009. Romeo Mouawad is the sole director of Grimsel and 100% of the shares of equity were issued to Romeo Mouawad. Grimsel was formed by the Mouawad Family for the sole purpose of engaging in transactions with and receiving transfers from the Receivership Entities (*see* ¶¶ 88-127).

22. **M. Holding S.A.** ("M. Holding") was incorporated in Belize on or about May 6, 2009. When incorporated, M. Holding issued 300 shares of the company, of which 150 were issued each to Romeo Mouawad and Miguel Mouawad. Miguel Mouawad is its sole director. M. Holding was formed approximately two weeks before Illarramendi and Montelli first attempted to transfer funds to M. Holding.

23. Horion, M. Holding and Grimsel have been completely dominated and controlled by Romeo Mouawad, Jespa Mouawad, Tania Mouawad, and Miguel Mouawad, and used in furtherance of the Fraudulent Scheme, to such a degree that these entities and the Mouawad Family are effectively alter egos of each other, and therefore the corporate form should be disregarded.

NON-DEFENDANTS BCT BANK INTERNATIONAL AND PERAFITA CORP.

24. **BCT Bank International** ("BCT") is a Central American bank of which Lopez was a director. Lopez was also a director of HVP Partners and the HVP Funds, and was integral in helping Illarramendi to sustain and conceal the fraud. Illarramendi maintained an account at BCT in the name of Highview Point Offshore, Ltd (the "BCT Account"), but the BCT Account

was not recorded in the books or records of the HVP Funds and was instead used by Illarramendi to commingle funds from the HVP Funds and various third party sources in an attempt to conceal and perpetrate the fraud.

25. **Perafita Corp.** ("Perafita") is an entity controlled by Romeo Mouawad and believed to have been incorporated in Panama, which is purportedly involved in the financial services business in Venezuela. Perafita and MK Consulting entered into a cooperation agreement (the "Perafita Agreement") executed by Romeo Mouawad and Illarramendi and purportedly dated June 22, 2009, proposing to cooperate "in the development and execution of financial transactions in Latin America, and elsewhere as and when opportunities arise."

RELEVANT RECEIVERSHIP ENTITIES

26. **Michael Kenwood Venezuela** ("MKV," together with Short Term Liquidity Fund, I, Ltd. and SOF, the "MK Funds") is a fund registered in the Cayman Islands. MKV was formed on August 14, 2008, with the purported purpose of investing in the Bolivarian Republic of Venezuela ("Venezuela") credit spectrum including arbitrage between the Venezuela Bolivar (VEF) and the US dollar (USD), as well as in the high returns currently being offered by Venezuelan USD international bonds. Its office and principal place of business was located in Stamford, Connecticut.

27. **Short Term Liquidity Fund, I, Ltd.** ("STLF") is a fund registered in the Cayman Islands. STLF was formed on June 20, 2008, with the purported purpose of investing in products offered in the global fixed income and derivatives markets to generate gains through short-term (under one year) investments in sovereign securities, particularly those subject to currency arbitrage opportunities in their country of issuance, due to a particular country's exchange rate policy. Its office and principal place of business was located in Stamford, Connecticut.

28. **Special Opportunities Fund** is a fund registered in the Cayman Islands. SOF was formed September 12, 2007, with the purported purpose of operating as a fund-of-funds while "making direct investments on an opportunistic basis."

29. **Highview Point Partners, LLC** is a Delaware limited liability company organized on August 27, 2004. HVP Partners was founded by Illarramendi and two other individuals and managed the **Highview Point Master Fund Ltd.** and two feeder funds, **Highview Point Offshore, Ltd.** ("HVP Offshore") and **Highview Point LP** (collectively, the "HVP Funds"). Its office and principal place of business was located in Stamford, Connecticut.

JURISDICTION AND VENUE

30. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1367 in that this is an action brought by the Receiver appointed by this Court concerning property under this Court's exclusive jurisdiction. *See*, Receiver Order.

31. This Court has personal jurisdiction over Defendants pursuant to 28 U.S.C. §§ 754 and 1692 and under applicable state law.

32. The District of Connecticut is the appropriate venue for any claims brought by the Receiver pursuant to 28 U.S.C. § 754 as the acts and transfers alleged herein occurred in the District.

RECEIVER'S STANDING

33. On January 14, 2011, the SEC commenced a civil enforcement action against Illarramendi, MK Capital, and various relief defendants (the "SEC Defendants"). The SEC's complaint alleges that Illarramendi and others misappropriated investor assets in violation of Section 206(1), (2) and (4) of the Investment Advisers Act of 1940 and Rule 206(4)-(8) thereunder. The SEC also sought equitable relief, including injunctions against future violations of the securities laws, disgorgement, prejudgment interest, and civil monetary penalties.

34. Simultaneously with the filing of its complaint, the SEC sought emergency relief, including a preliminary injunction, in the form of an order freezing the assets of the SEC Defendants. The SEC also sought the appointment of a receiver over those assets.

35. On February 3, 2011, the Court appointed Plaintiff John J. Carney, Esq. as Receiver over all assets "under the direct or indirect control" of Defendant MK Capital and various relief defendants. A motion to expand the scope and duties of the Receivership was filed on March 1, 2011, and an Amended Receiver Order was entered on March 1, 2011, expanding both the duties of the Receiver and the definition of the Receivership Estate to include the MK Funds, namely SOF, MKV and STLF.

36. The most recent Receiver Order, entered on March 1, 2013, further expanded the Receivership to include, *inter alia*, the HVP Funds.

37. Pursuant to the Receiver Order, the Receiver has the duty of identifying and recovering property of the Receivership Entities to ensure the maximum distribution to the Receivership Entities' defrauded creditors and to maximize the pool of assets available for distribution. Pursuant to the Receiver Order, the Receiver must take control of all assets owned by or traceable to the Receivership Estate, including any funds that were stolen, misappropriated, or fraudulently transferred as alleged herein.

38. The Receiver Order grants the Receiver authority to bring claims that the Receivership Entities could have brought on their own behalf. This includes, among other things, the right to "seek . . . avoidance of fraudulent transfers" (Dkt. 666 at ¶ 48) and "bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver" (*id*. at ¶13.I) on behalf of the Receivership Entities and for the ultimate benefit of their creditors.

39. At all relevant times, the Receivership Entities were under Illarramendi's control and dominion as Illarramendi and his accomplices diverted their corporate assets and deepened their insolvency in furtherance of the Fraudulent Scheme.

40. The Fraudulent Scheme and, specifically, Defendants' receipt of the Transfers and other payments originating from the fraud, caused harm to the Receivership Entities' business and property. Pursuant to the Receiver Order, the Receiver has standing to bring the claims alleged herein. Because the Receivership Entities were under Illarramendi's domination and control while Illarramendi diverted their assets, causing them harm, the Receivership Entities are tort creditors of Illarramendi.

41. The Receiver has standing to bring these claims pursuant to, among other things, the Connecticut Uniform Fraudulent Transfer Act ("CUFTA"), CONN. GEN. STAT. § 55-552, and Connecticut common law.

42. As alleged herein, at all relevant times, the Receivership Entities were creditors of Illarramendi because they each had a claim to the funds that Illarramendi diverted and misappropriated in furtherance of the Fraudulent Scheme. Because Illarramendi routinely commingled funds between and among Receivership Entities, each such entity is a creditor of one another. Accordingly, the Receiver has standing to avoid and recover the Transfers.

CRIMINAL PROCEEDING

43. On or about March 7, 2011, the United States Attorney's Office for the District of Connecticut filed a Criminal Information (the "Information") against Illarramendi alleging that Illarramendi, with others, had engaged in a massive Ponzi scheme involving hundreds of millions of dollars of money supplied primarily by foreign institutional and individual investors.

44. According to the Information, Illarramendi engaged in or caused multiple acts in furtherance of the Ponzi scheme, including but not limited to: (1) making false statements to

investors, creditors and employees of the Receivership Entities, the SEC and others to conceal and continue the scheme; (2) creating or causing fraudulent documents to be created; (3) engaging in multiple transactions without documentation in an effort to conceal and continue the scheme; (4) transferring millions of dollars of assets across the Receivership Entities and other entities he controlled to make investments in private equity companies; and (5) commingling assets across the Receivership Entities and other affiliated entities.

45. On March 7, 2011, Illarramendi pleaded guilty to a much larger fraud than was originally alleged in the SEC Action. He pleaded guilty to felony violations of wire fraud (18 U.S.C. § 1343), securities fraud (15 U.S.C. §§ 78j(b) and 78ff), investment adviser fraud (15 U.S.C. §§ 80b-6 and 80b-17) and conspiracy to obstruct justice (18 U.S.C. § 371).

46. As Illarramendi publicly acknowledged during his plea allocution he began engaging in this scheme years earlier to conceal from investors and creditors losses of several hundred million dollars. Illarramendi admitted as part of his plea agreement to operating the hedge funds he managed as a Ponzi scheme in which he used money provided by new investors to payout returns he had previously promised to old investors. *See United States v. Illarramendi*, No. 3:11-cr-00041-SRU (Dkt. 10).

47. Illarramendi is currently incarcerated at the Donald W. Wyatt Detention Facility in Rhode Island pending sentencing, which is scheduled for September 20, 2013.

THE FRAUDULENT SCHEME

ILLARRAMENDI'S NETWORK OF ENTITIES AND FUNDS

48. The Fraudulent Scheme at the center of this action involves the misappropriation and misuse of investor assets by Illarramendi through his domination and control over two Stamford, Connecticut-based investment advisers—namely, HVP Partners and MK Capital.

49. To perpetrate and prolong the Fraudulent Scheme, Illarramendi fabricated entire transactions and manipulated actual transactions in an effort to conceal the Fraudulent Scheme and defraud creditors. To hide the ever-growing shortfall, Illarramendi played a shell game with the remaining investor funds, constantly shuffling funds from one entity or fund to the next, pervasively commingling, misappropriating and looting funds and giving the false appearance of profitability. Illarramendi showed no regard whatsoever for corporate form or formalities while operating the Receivership Entities.

50. Illarramendi was the managing member and one-third owner of HVP Partners, which he co-founded with Christopher Luth and Lopez in 2004. Beginning in or about 2006, Illarramendi was also the majority owner of and control person for a group of affiliated entities, the MK Entities, which would eventually become organized as the MK Group.

51. In blatant disregard for his duties as a fiduciary, both to the funds he managed and to investors, Illarramendi not only used money provided by new investors to pay the returns he promised to earlier investors, but he also: (a) created fraudulent documents to mislead and deceive investors, creditors, and the SEC about the existence and amount of the HVP and MK Funds' assets; (b) made false representations to investors and creditors (and those of the HVP and MK Funds) in an effort to obtain new investments from them and to prevent them from seeking to liquidate their investments; (c) commingled the investments in each individual hedge fund with investments in the other hedge funds and other third parties without regard to their structure, stated purpose, or investment limitations; (d) engaged in transactions that were not in the best interests of the HVP and MK Funds and agreed to pay bribes and kickbacks to certain persons connected with those transactions; and (e) diverted funds for his own personal benefit. As a result of these fraudulent activities, Illarramendi left a gap between the liabilities owed to

the HVP and MK Funds' investors and assets actually possessed by the HVP and MK Funds. In testimony before the Court, Illarramendi estimated that this gap exceeded $300,000,000.

52. Montelli provided Illarramendi with substantial assistance in carrying out the Fraudulent Scheme and aided and abetted Illarramendi's breach of his fiduciary duties to the Receivership Entities by, among other things, helping Illarramendi falsify documentation to cover up the fraud and allowing Illarramendi to use entities controlled by him to avoid compliance issues. As a result and in return for Montelli's assistance, Defendants received hundreds of millions of dollars from these transactions with Illarramendi and the HVP and MK Funds, while failing to provide reasonably equivalent value.

53. From at least 2005 through the fall of 2010, Illarramendi caused HVP Partners, the MK Group, the MK Funds, and the HVP Funds to engage in scores of extraordinarily complex and multi-layered transactions as part of the Fraudulent Scheme to conceal investment losses and misappropriated investor assets. Illarramendi conducted the fraud using the HVP Funds and the MK Funds in tandem, engaging in many related transactions between the two groups, which included purported loans and investments, and extensive, undocumented transfers of cash between them for the purpose of concealing massive losses in order to hinder, delay or defraud the Receivership Entities, their investors and creditors. For example, at the end of 2010, the purported value of one of the MK Funds, STLF, was as high as $540,000,000. However, STLF was insolvent because many of its assets were used during 2010 to improperly pay redemptions to investors in MKV, other MK Funds, and other third parties.

54. Illarramendi utterly disregarded the corporate form and formalities and separate identities of the MK Funds and the HVP Funds in carrying out the fraudulent scheme, and freely and indiscriminately commingled, misappropriated and looted investor proceeds to further the fraud and conceal it from investors and creditors.

THE GENESIS OF THE FRAUD

55. As noted above, in August 2004, Illarramendi and two others formed HVP Partners with each holding a one-third ownership share. According to the Limited Liability Corporation Agreement, the stated purpose of HVP Partners was to act as the investment manager of HVP Offshore, a hedge fund to be nominally based in the Cayman Islands (in fact, the fund was completely dominated and controlled from its inception by Illarramendi through HVP Partners) and to engage in any other lawful act or activity for which a limited liability company may be formed under the Delaware Limited Liability Company Act.

56. In October of 2005, Illarramendi brokered a deal on behalf of HVP Offshore and others to purchase and then immediately sell a Credit Lyonnais bond (the "Calyon Bond"). The Calyon Bond deal went awry from the beginning and generated losses which should have been disclosed to, and recognized by, the investors. Rather than disclose these losses, Illarramendi decided to fraudulently conceal them. Illarramendi caused proceeds received in the transaction to be transferred to each investor, other than to HVP Offshore, in amounts greater than each investor's initial investment. These transfers made it fraudulently appear that those investors had received profits from the transaction rather than sustaining a significant loss. This caused a substantial cash shortfall that was absorbed by HVP Offshore and fraudulently concealed on the fund's books and records along with falsely reported profits to HVP Offshore from the deal. The difference between the actual proceeds distributed to HVP Offshore and what was fraudulently recorded on its books and records was approximately $5,200,000, and was the beginning of the "hole." At the end of October 2005, this $5,200,000 hole constituted roughly ten percent of the $52,000,000 net asset value reported in the falsified books and records of HVP Offshore.

57. In order to fund the Calyon Bond deal, Illarramendi obtained funds from a group of investors, including PAMAC Securities Ltd. ("PAMAC"), a British Virgin Islands entity

owned and controlled by Montelli and his family. Despite the fact that the Calyon Bond deal resulted in a loss, HVP Partners transferred cash to PAMAC and the other investors in amounts greater than each investor's initial investment.

58. To cover up the $5,200,000 shortfall or "hole," Illarramendi instructed GlobeOp, the HVP Funds' administrator, to record entries in the books and records of HVP Offshore falsely reflecting that approximately $5,200,000 in funds had been transferred to, and invested in Ontime Overseas Inc. ("Ontime"), an entity controlled by Illarramendi's brother-in-law, Rufino Gonzalez-Miranda. These falsifications of the books and records of HVP Offshore made it appear that HVP Offshore actually received a profit and caused HVP Offshore's books and records to be fraudulently misstated. In reality, no proceeds of the Calyon Bond transaction were transferred to Ontime.

59. This initial fraudulent concealment of the $5,200,000 hole did not buy Illarramendi enough time to replace the missing funds. In order to ensure that the fraudulent transaction was removed from the books before the year-end audit, on or about December 15, 2005, Illarramendi arranged for Ontime to transfer $7,400,000 to HVP Offshore to make it appear that the phony investment in Ontime was being "redeemed." In fact, no such investment had been made, and Ontime was merely serving as a shell to move funds at Illarramendi's command.

60. To fund the fraudulent transfer from Ontime, which made it falsely appear that a redemption had occurred, Illarramendi, disregarding corporate form and conflicts of interest, transferred $5,500,000 to Ontime from the Wachovia bank account of HVP Partners in several transactions in November and December. Further disregarding corporate form, Illarramendi caused HVP Partners to fund these fraudulent transfers primarily through a loan from BCT to HVP Partners. The use of money provided by others to conceal the hole (for the most part)

enlarged it, as others required compensation for the use of the funds. Thus began a series of convoluted transactions over the next five years designed to hide the "hole."

61. By January 2006, with over $72,000,000 of assets in HVP Offshore under the exclusive control of HVP Partners, the hedge fund's structure was changed to a "master-feeder" structure by creating Highview Point Master Fund, turning HVP Offshore into an offshore feeder fund, HVP Offshore, and creating another entity called Highview Point LP, as a domestic feeder fund. As part of this change in structure, the Master Fund was incorporated in the Cayman Islands in January 2006. Again, absolute investment and contracting powers over the fund were handed to HVP Partners.

62. The Fraudulent Scheme was overarching in nature and involved the massive commingling of funds and the operation and use of the HVP Funds and their bank accounts to facilitate the fraud. Corporate formalities were ignored and the monies invested in the HVP Funds, along with money from others, were used to engage in a huge Ponzi scheme. The Fraudulent Scheme culminated in losses of more than $300,000,000.

63. As losses and costs of concealment at the HVP Funds became unmanageable and more difficult to hide, Illarramendi began, in 2007, to expand his fraudulent scheme by organizing the MK Entities and MK Funds to raise funds that would in large part be fraudulently transferred to, and commingled with, those of the HVP Funds. Using the MK Funds to raise capital to conceal—if not plug—the hole had obvious advantages for Illarramendi, because none of the MK Funds was registered with the SEC. Moreover, none of the MK Funds had internal controls that interfered with Illarramendi's misuse or misappropriation of money or other property to conceal and fill the hole at the HVP Funds. Illarramendi exploited these circumstances to loot and misappropriate investor monies from the MK Funds to conceal and fill the hole at the HVP Funds and thereby extend his fraudulent scheme. As alleged below, the

Montelli Defendants assisted Illarramendi and received excessive and outlandish payments in return.

"OFF THE BOOKS" BANK ACCOUNTS

64. In order to fraudulently conceal the hole, perpetuate the Fraudulent Scheme, and engage in transactions that were not recorded in the books and records of HVP Partners and MK Capital, Illarramendi used various bank accounts, including accounts in the names of Montelli's shell companies, such as Naproad and HPA.

65. At all relevant times, those bank accounts were under the control of Illarramendi and HVP Partners and contained commingled funds from Receivership Entities and other third party entities. Illarramendi used these accounts as an extension of the Fraudulent Scheme that began at HVP Partners.

66. HPA was incorporated in Panama in July 2005 and was dissolved in May 2008. In August 2005, HVP Partners was provided with full Power of Attorney over HPA. In 2007, HPA filed documents to effect a corporate name change from HPA to HIGHVIEWPOINT CST, INC. Bank statements for accounts opened in the name of HPA (the "HPA Account") were addressed to the HVP Partners' office in Stamford, Connecticut. In order to effectuate transactions using the HPA Account, Illarramendi repeatedly sent wire instructions, on HVP Partners letterhead, to HPA's bank. In these wire authorization letters, Illarramendi referred to the HPA Account as "our" (i.e. HVP Partners) bank account. Thus, the HPA Account was, in reality, a HVP Partners bank account opened under a false name.

67. Naproad was also incorporated in Panama in July 2005 and was dissolved in May 2008. In September 2005, HVP Partners was provided with full power of attorney over Naproad. In 2007, Naproad filed documents to effect a corporate name change from Naproad to "HPP INTERNATIONAL S.A." Bank statements for accounts opened in the name of Naproad (the

"Naproad Account") were addressed to the HVP Partners' office in Stamford, Connecticut. In order to effectuate transactions using the Naproad Account, Illarramendi repeatedly sent wire instructions, on HVP Partners letterhead, to Naproad's bank. In these wire authorization letters, Illarramendi referred to the Naproad Account as "our" (i.e. HVP Partners) bank account. Thus, the Naproad Account was, in reality, a HVP Partners bank account opened under a false name.

MONTELLI KNOWINGLY PARTICIPATED IN AND FURTHERED THE FRAUDULENT SCHEME

68. During 2006, Illarramendi continued to cover up the hole and execute the Fraudulent Scheme by falsely creating fictitious investments on the HVP Funds' books and records, and thereafter making false entries reflecting the purported redemption of those fictitious investments. Montelli knew he was receiving money impermissibly from Receivership Entities and that Illarramendi was involved in a fraud, and he used that knowledge to strong-arm Illarramendi into misappropriating investor funds to make illicit payments.

69. For example, in an email to Illarramendi on December 7, 2006, Montelli requested money to repay his father-in-law, but suggested that Illarramendi deem the transaction "profit sharing" or "money laundering or a third-world structured financing." Specifically, Montelli asked:

> [Illarramendi] I need to complete these payments, I know that there are a lot of them, but it is not easy to resend them from my account . . . . Take it from profit sharing of the operation, it doesn't fit exactly but we will level it out soon somehow. Please confirm that you can do that. Here is a payment to my father-in-law for money that he lent me for the apartment, a few reales for Pier so that he can live, reales to IB's [Intercredit Bank NA] account so he can survive.

70. Illarramendi replied to Montelli:

> Buddy, I am making other transfers that need to go out tomorrow. I can do this for you next week, but just so that we're clear, in this

> operation there was no money for "profit sharing." There is not going to be money for profit sharing until the other is recovered.

71. Montelli then responded:

> I know that there is no profit sharing, because otherwise they would have sent you something more interesting. But this is part of a conversation in which you amicably agreed to send a refresher, something for which I feel very thankful taking all of the circumstances into account, which I know in detail. Thank you pp. If the problem is the title, call it money laundering or a third-world financial structure.

72. Finally, Illarramendi replied to Montelli:

> No problem buddy, we are going to try to get more later. I like profit sharing better more than the other suggestions.

73. Illarramendi transferred the requested funds to PAMAC five days later and titled it "year-end bonus."

MONTELLI FALSIFIED RECORDS TO ENABLE THE FRAUDULENT SCHEME

74. Illarramendi also sought Montelli's assistance in falsifying records in order to create the appearance that transactions between Receivership Entities and the Montelli and Mouawad Defendants were legitimate when they were not.

75. Often when Montelli communicated with Illarramendi via email to request transfers, he would send correspondence and instructions to Illarramendi not at HVP Partners or MK Group email addresses but instead to a Yahoo! account under the email handle "Uniqua Backyardigan." The name Uniqua Backyardigan apparently derives from a former Nickelodeon children's television show "The Backyardigans" where one of the main cartoon characters is named "Uniqua."

76. On August 1, 2010, Illarramendi wrote to Montelli from his "Uniqua Backyardigan" account asking Montelli to sign and backdate a document to provide "justification" to a regulator for a 2008 transaction that lacked "the supporting documents."

77. The attachment to the email was a purported financing agreement between PAMAC and HVP Master Fund with a maturity "on or before December 31, 2008."

78. Although the correspondence seeking Montelli's signature was from 2010, the document Illarramendi sent for Montelli's signature was dated November 3, 2008. Fewer than 12 hours later, on August 2, 2010, Montelli signed the backdated financing agreement and returned a copy to Illarramendi at his "Uniqua Backyardigan" account, writing: "let me know if you're okay with this."

79. Thereafter, Montelli sent a copy of the same document to Illarramendi at his Highview Point address. Ultimately, the backdated confirmation, prepared by Illarramendi and signed by Montelli, was sent to a HVP Partners' external auditor as alleged "proof" of a PAMAC investment in 2008.

80. On October 14, 2010, Illarramendi again emailed Montelli using his "Uniqua Backyardigan" account, and told him that they would likely have to change the date and identify "the final beneficiary" on a transaction for compliance reasons.

81. Creation of this false documentation occurred well after the SEC had already begun its investigation of HVP Partners, and was a clear attempt by Illarramendi, in concert with Montelli, to create fictitious documentation and obstruct the investigation.

82. Even after the SEC Action was initiated and on the eve of the entry of an order freezing the assets of Illarramendi and the Receivership Entities, Illarramendi provided Montelli and his partner, Marquez, with a purported loan agreement to support future transfers of funds to Marquez and Montelli in the event the SEC managed to freeze the MK Group's assets. This was nothing more than an attempt to subvert the pending asset freeze and ensure Montelli could continue to reap benefits from Illarramendi's Fraudulent Scheme.

MONTELLI PROFITED FROM THE FRAUDULENT SCHEME

83. Montelli cashed in on his relationship with Illarramendi and profited handsomely but impermissibly from the Fraudulent Scheme. Specifically, in conjunction with Illarramendi, Montelli orchestrated dozens of transactions that resulted in the receipt, by him or entities he controlled, of more than $447,000,000 in largely gratuitous transfers from 2004 through the end of 2010.

84. Between July 2009 and the end of 2010, the Montelli Defendants received over $290,589,674 in payments.[3] *See* Exhibit A.

85. In addition to the funds passed on to the Mouawad Defendants, IVP received the following direct transfers totaling $17,000,000 (*see* Exhibit A):

(a) On July 13, 2009, Illarramendi caused HVP Offshore to transfer $12,000,000 to IVP; and

(b) On October 2, 2009, Illarramendi caused BCT to transfer $5,000,000 to IVP, after which HVP Offshore reimbursed BCT pursuant to a purported promissory note between HVP and BCT with a maturity date of October 11, 2009 and an interest rate of 1.25% which, if annualized, would have been approximately 45%.

86. Inverplus received the following direct transfers from Receivership Entities totaling $240,819,674 (*see* Exhibit A):

(a) On August 11, 2009, Illarramendi caused HVP Partners to transfer $604,003 to Inverplus;

(b) On August 17, 2009, Illarramendi caused MKV to transfer $4,999,715 to Inverplus;

[3] This amount includes $32,770,000 that IVP passed on to the Mouawad Defendants, for which the Montelli Defendants and the Mouawad Defendants are jointly and severally liable.

(c) On August 19, 2009, Illarramendi caused MKV to transfer $1,500,000 to Inverplus;

(d) On December 2, 2009, Illarramendi caused MKV to transfer $10,000,000 to Inverplus;

(e) On December 16, 2009, Illarramendi caused MKV to transfer $8,500,000 to Inverplus;

(f) On December 17, 2009, Illarramendi caused MKV to transfer $5,000,000 and $25,000,000 to Inverplus in two separate transactions;

(g) On December 22, 2009, Illarramendi caused the Master Fund to transfer $28,200,000 to Inverplus;

(h) On December 22, 2009, Illarramendi caused SOF to transfer $23,800,000 to Inverplus;

(i) On December 23, 2009, Illarramendi caused SOF to transfer $37,000,000 and $30,000,000 to Inverplus;

(j) On December 28, 2009, Illarramendi caused SOF to transfer $21,215,957 to Inverplus;

(k) On January 22, 2010, Illarramendi caused the Master Fund to transfer $30,000,000 to Inverplus; and

(l) On March 12, 2010, Illarramendi caused MKV to transfer $15,000,000 to Inverplus.

87. The Receiver has thus identified a total of $257,819,674 transferred for the Montelli Defendants' benefit for which there is no evidence of reasonably equivalent value provided by Montelli or his affiliates.

THE MOUAWAD DEFENDANTS BENEFITED FROM THE FRAUDULENT SCHEME

88. The Mouawad Defendants were the beneficiaries of more than $71 million in transfers originating with the Receivership Entities despite providing no value in return. Montelli often corresponded with Illarramendi to direct transfers for the ultimate benefit of the Mouawad Defendants and, in fact, acted as a bridge between Illarramendi and the Mouawad Defendants. Other than a vaguely worded "Cooperation Agreement" between MK Consulting and Perafita (the Perafita Agreement) and an unsigned loan agreement between MKV and M.

Holding, there is no indication of any direct business relationship between any of the Receivership Entities and the Mouawad Defendants. Accordingly, there is no legitimate basis for these gratuitous transfers.

89. As more fully alleged below, the entities controlled by Montelli and the Mouawad Family were misused in furtherance of the Fraudulent Scheme, and contemporaneous email correspondence and fraudulent documents suggest that Montelli and the Mouawad Family were or should have been aware of the fraudulent nature of the transfers. Moreover, the Mouawad Defendants routinely commingled assets and frequently allowed transfers originally intended for one entity to go to another entity, or via intermediary entities, in order to avoid compliance scrutiny. From May through July 2009, this scrutiny resulted in failed transactions and caused the Defendants to engage in ever more convoluted transactions, leaving no room for argument about the fraudulent nature of their relationship.

THE SWITZERLAND AND ANDORRA TRANSACTIONS

90. In or about May 2009, Illarramendi and Montelli planned to fraudulently transfer millions of dollars directly from the Receivership Entities to M. Holding and Perafita accounts in Andorra and a Horion account in Switzerland. The Andorra transfers failed due to bank compliance and anti-money laundering procedures and, while the Switzerland transfers were ultimately successful, the difficulties encountered with these transfers forced Illarramendi and the Mouawad Defendants to resort to the use of intermediaries who demanded exorbitant rates, (see ¶¶ 109-127, *infra*), to complete additional improper transactions.

1. The Failed Andorra Transfers

91. Montelli wrote to Illarramendi requesting transfers to M. Holding in the amount of $2,499,680 and Perafita in the amount of $30,663,972. In the email to Illarramendi, Montelli

also included wiring instructions for an account at Banca Privada D'Andorra ("BPA") held by Perafita.

92. In another email on the same day, Illarramendi wrote to Montelli:

> I need several things. First, for KK [Kristhian Krstonosic at Inverplus] to send me the complete reconciliation so I can match it with my numbers. Second, we need to wait until the bonus settlements on Friday to send to Perafita and PAMAC, since the funds should be sent first from CRT to the MK Venezuela account in Morgan Stanley and from there, to Andorra and PAMAC. Third, we need detailed documentation from M. Holding SA. Buddy the thing with compliance is very, very screwed and these recurring transactions already are beginning to complicate things and raise red flags all over.

93. Montelli made it clear that M. Holding and Perafita were one and the same and that the funds for those entities should go together interchangeably. The email exchange between them continued. Montelli responded:

> M Holding has its detailed documentation attached to the email, it needs to be in Perfina's [sic] account Friday, or it will be blocked. We have already put those guys off and they are cautious and we need it to keep flowing. You know who it is for PAMAC and if you want, put that for Monday.

94. Illarramendi then responded to Montelli:

> OK, you should understand that Andorra is six hours ahead. It is not guaranteed that they will receive our funds and transfer them immediately. This is the first time I've done this. I am going to ask Jon to speak with Pablo tomorrow to balance it. I only received the instructions from M Holding, not the documentation.

95. The day after this series of emails, Illarramendi initiated a transfer of $33,263,652 from an MKV account at CRT Securities through JP Morgan Chase Bank in New York to another MKV account at BPA. It appears that Illarramendi opened MKV's account at BPA specifically for this transaction, with account opening documents completed less than a week earlier. The transfer was earmarked for the subsequent benefit of M. Holding and Perafita. As with the other completed transfers described herein, there is no documentation to indicate the

purpose of this transfer, and nothing to indicate any value provided to any Receivership Entity by M. Holding or Perafita.

96. Based on email correspondence between Illarramendi and Montelli, it appears that these funds were returned due to compliance issues. On June 2, 2009, BPA informed an employee at MK Group, "I'm sending you the information on JP Morgan as they returned the funds." Illarramendi subsequently forwarded it to Montelli, noting:

> Pal, here is the information on the return of the BPA funds so Romeo can see. Now that they are here, tomorrow I will begin to look into other ways of taking them out. Perhaps I have to buy something and send it or something like that.

97. Montelli responded from an Inverplus email address:

> I pray every day and I believe more than you. Be careful with Romeo, but move it with HSBC.

2. Transfers to Horion in Switzerland

98. On May 8, 2009 and May 14, 2009, Illarramendi caused MKV to transfer $6,957,000 and $5,795,000 from MKV's account with Morgan Stanley Wealth Management to JP Morgan Chase Bank in New York for ultimate credit to Horion's account at Banque Audi (Suisse) ("Bank Audi") in Switzerland.

99. On June 22, 2009 and July 1, 2009, Illarramendi caused MKV to transfer $11,064,825 and $4,688,600 from MKV's account with Deutsche Bank Amsterdam to JP Morgan Chase in New York for ultimate credit to the same Horion bank account at Bank Audi.

100. In connection with the first two transfers to Horion, to respond to bank compliance concerns, on or around May 8, 2009, Illarramendi requested—and each member of the Mouawad Family provided—a copy of his or her passport to Montelli. Montelli represented to Illarramendi: "attached are the owners of Horion" when he forwarded the copies to

Illarramendi. On the same day, all four members of the Mouawad Family were granted Power of Attorney to act on behalf of Horion.

101. Illarramendi apparently ran into more compliance issues with the last two transfers to Horion on June 22, 2009 and July 1, 2009, that were sent from Deutsche Bank. Beginning around June 19, 2009, Illarramendi needed to provide further evidence to Deutsche Bank of the beneficial owners of Horion.

102. Accordingly, Montelli sought documentation from the Mouawad Family that it had, at all times, owned and controlled Horion. On or around June 19, 2009, Miguel Mouawad provided a "Declaration of identity of the beneficial owner" form from Bank Audi that bears the signature of Jespa Mouawad and is dated May 13, 2009. The form, which states, "It is a criminal offence to deliberately provide false information on this form (Art. 251 of the Swiss Penal Code, document forgery; penalty; imprisonment for up to five years or a fine)," listed Jespa, Tania, Miguel, and Romeo Mouawad as the owners of Horion. Ultimately, this form was forwarded by Montelli to Illarramendi with the notation "This is the certification from Bank Audi which says that the beneficial owner is the Mawad [sic] family."

103. The Horion shares were not actually transferred to the Mouawad Family, however, until July 6, 2009. Thus, Horion, Miguel Mouawad, Jespa Mouawad, Montelli and Illarramendi knew that their previous representations, made prior to that date, that the Mouawad Family were the owners of Horion, were false. Upon information and belief, these representations were made to induce Deutsche Bank to complete the June 22, 2009 and July 1, 2009 transfers from MKV to Horion.

104. Montelli and Illarramendi remained concerned about representations made to the banks about Horion's ownership. On or around the date of the first Deutsche Bank transfer, June 22, 2009, Illarramendi wrote to Montelli:

> So, I don't really see the benefit of the risks that we are taking with the bank compliance authorities that are constantly bothering us … the issue of Horion cost me a shitload from the lack of final beneficiary. Sometimes I think that they don't give a crap about these issues.

105. On July 6, 2009, Illarramendi again complained to Montelli about the Horion transfers and expressed concern about Horion's ownership:

> You are going to kill me from a heart attack buddy. Horion also was from that thing in Belize. We will see what Deutsche says. There is no way, now that we are certifying that the issue of securities was done on July 6 (i.e. TODAY), what about when they ask us who the last beneficiary of the company was before today?

106. Upon information and belief, Illarramendi's reference to "certifying that the issue of securities was done . . . TODAY" is a reference to Horion's belated July 6, 2009 transfer of shares to Romeo, Jespa, Miguel and Tania Mouawad, while Illarramendi's concern, "what about when they ask us who the last beneficiary of the company was before today?" is a reference to the fact that Illarramendi had insufficient official documentation to that effect other than the hastily-executed share transfer, and that the previous documentation Illarramendi had provided to Deutsche Bank was false or misleading.

107. Montelli then replied to Illarramendi promising to provide a more authentic certification from the bank:

> I am going to get you the Banque Audi certification, better prepared. Banque Audi sold the company to those men. Don't worry, nothing went to AA from here, because I know the AA distribution with Romeo [Mouawad]. However, even so, I'll send you the Audi Bank certification regarding this matter in a more formal and authentic manner. To eliminate doubts.

108. The Receiver's investigation has not revealed any reasonably equivalent value provided by Horion or any other Mouawad Defendant in return for these improper transfers totaling over $28 million.

THE INDIRECT TRANSFERS TO THE MOUAWAD DEFENDANTS

109. In light of Illarramendi's apparent difficulty transferring money directly from MKV to Horion, his concerns about the costs of doing so, and the return of the Andorra transfers, Illarramendi and Montelli devised new ways, supported by fraudulent documentation, to transfer approximately $42,770,000 to or for the benefit of the Mouawad Defendants.

110. These payments were made, at Montelli's and Illarramendi's direction, in some instances from Receivership Entities through IVP (which Montelli controlled), and other times by third parties that were then reimbursed by Receivership Entities HVP Offshore or STLF.

111. Specifically, Illarramendi executed promissory notes on behalf of HVP Partners with BCT and non-party Alynthor Continental Corp. ("Alynthor"). Instead of receiving funds under the note however, Illarramendi then directed those third parties to pay a portion of those loan proceeds to M. Holding and Grimsel, instead of HVP Partners.

112. In another instance, a third party transferred $10,000,000 through IVP at the behest of Illarramendi pursuant to a "special situation" loan to HVP Partners that went unrecorded in HVP Partners' books.

113. Further, on June 22, 2009, about two weeks after the Andorra transfers were returned, on June 22, 2009, Montelli emailed Illarramendi under the subject "Instructions," asking that Illarramendi make two transfers, totaling $11,721,500.40, to M. Holding and $54,000,000 to Grimsel's HSBC private bank account in Switzerland. Balking at the direction, Illarramendi responded "Kid, you are crazy. You want to transfer 54 million to a paper company [a shell company]." Illarramendi then expressed further concerns about the transfer to M. Holding: "[t]he M Holding issue was sent back to me once because Belize is questioning a lot about drugs."

114. Following the June 22, 2009 email exchange between Montelli and Illarramendi about banking compliance and other issues with transferring funds directly to Horion, Grimsel and M. Holding, Illarramendi put into motion a series of transactions to transfer at least some of the funds requested. First, he executed a promissory note on July 1, 2009 between HVP Partners and BCT promising to repay BCT $11,943,500 within fourteen days, plus fixed interest of 1.25% of the total loan, a rate that, if annualized, would equal almost 35%.

115. When the July 1, 2009 note matured, BCT was repaid by HVP Offshore, although HVP Offshore never received the benefit of $3,770,000 that had been borrowed from BCT. Instead, on July 6, 2009, Illarramendi directed BCT to transfer $3,770,000 of the loan proceeds through Citibank in New York, to International Union Bank ("IUB") for credit to IVP. Upon information and belief, this money was subsequently transferred by Montelli from IVP to M. Holding.

116. The next day, on July 7, 2009, Illarramendi caused MKV to transfer $4,000,000 through Citibank in New York, to IUB for credit to IVP. Upon information and belief, Montelli transferred this money from IVP to M. Holding.

117. One week later, on July 14, 2009, Montelli emailed Illarramendi again, with the simple subject line "Grimsel." Montelli implored Illarramendi:

> I need to give to the Grimsel men a date … they have forgiven me, I have given a lot of excuses, but it's time to make a decision, it is US$24,650,000.00.

Three days later, in the early hours of July 17, 2009, Montelli again urgently wrote to Illarramendi:

> Today, Friday, something has to surface with IVP or Grimsel to calm the *guisadores* [scammers], as I told you 10 million in IVP and 15 through Grimsel will get us 3 weeks.

The same day, Illarramendi replied:

> Kid, I already told you that I do not have approval for Grimsel wires.

118. Illarramendi further explained that an HVP employee was meeting with Deutsche Bank, after which he would be able to send the funds requested by Montelli through IVP or through BCT but also concluded: "It won't happen today. If there are any problems, tell Romeo to call me and I will explain the issue to him personally."

119. On July 24, 2009, Illarramendi was able to satisfy the July 17 request that $15 million be transferred to Grimsel. He executed two promissory notes and again directed that the loan proceeds be transferred to IVP. The first note was between HVP Partners and BCT in which HVP Partners promised to repay BCT, by August 17, 2009, $10,000,000 plus fixed interest of 3% of the total loan (or an annualized rate of over 45%). The other note was between HVP Partners and non-party Alynthor on similar terms, promising to pay Alynthor $5,000,000 plus 3% of the total borrowed. Illarramendi then directed BCT to transfer its loan proceeds of $10,000,000, as well $5,000,000 from Alynthor's account at BCT, through Citibank in New York to IUB for the benefit of IVP. Upon information and belief, these funds were subsequently transferred to Grimsel.

120. On August 19, 2009, in a letter purportedly signed by Illarramendi's partner, Lopez, HVP Offshore authorized BCT to debit $15,540,000 from its account to effect payment of principal and interest on the $15,000,000 paid by BCT and Alynthor to IVP pursuant to their promissory notes. HVP Offshore did not receive any benefit from the July 24 transfers.

121. Then, on July 28, 2009, Illarramendi emailed an individual named "Luis" to confirm that "Luis" could provide Illarramendi with money for "investments in Venezuela." Illarramendi then requested $10,000,000 and provided "Luis" with wiring instructions for the

same IVP account. Upon information and belief, this money was subsequently transferred by Montelli from IVP to Grimsel.

122. STLF then repaid "Luis" the $10,000,000 that had been transferred to IVP. This repayment was made pursuant to a "Highview Special Situation" loan—a transaction with no supporting note or agreement and unrecorded on the books and records of HVP Partners. Neither STLF nor HVP Partners received any benefit from July 28 transfer.

123. On August 26, 2009, Illarramendi executed another promissory note on behalf of HVP Partners, promising to repay BCT $10,000,000 on September 23, 2009 plus fixed interest of 4% of the total loan—an annualized rate of approximately 51%. The next day, on August 27, 2009, Illarramendi directed BCT to transfer $5,000,000 of the loan proceeds to HSBC Bank USA in New York for further credit to Grimsel's account with HSBC Private Bank (Suisse) SA.

124. On September 2, 2009, Illarramendi executed another promissory note between HVP Partners and Alynthor, promising to repay Alynthor $5,000,000 on September 16, 2009 plus fixed interest of 2% of the total loan—an annualized rate of approximately 51%. That same day, Illarramendi directed BCT to transfer $5,000,000 from Alynthor's account at BCT to HSBC Bank USA in New York for further credit to Grimsel's account with HSBC Private Bank (Suisse) SA.

125. HVP Offshore then reimbursed BCT and Alynthor when the notes came due, but did not receive any benefit from the August 27 or September 2 transfers.

126. In total, Grimsel received $35,000,000, and M. Holding received $7,770,000 as a result of the indirect transfers. (*See* Exhibit A). Moreover, by repaying the intermediaries pursuant to these fraudulent notes at excessive rates of interest, Receivership Entities STLF and HVP Offshore incurred further losses and further expanded the hole.

127. The Receiver's investigation has not revealed any reasonably equivalent value provided by Grimsel or M. Holding in return for these transfers nor any other contractual or business relationship between Receivership Entities and any Mouawad Defendant that would support any of these transfers.

THE NATURE OF THE CAUSES OF ACTION AGAINST DEFENDANTS

128. At all times relevant hereto, the Receivership Entities, including all of their affiliated entities and funds, were insolvent in that: (i) their liabilities exceeded the value of their assets by millions of dollars; (ii) they could not meet their obligations as they came due; and/or (iii) at the time of the Transfers to Defendants described herein, the Receivership Entities were left with insufficient capital to pay their investors and/or creditors.

129. This action is being brought to recover misappropriated investor money and property of the Receivership Entities spent on the Transfers, as well as damages for unjust enrichment, so that these funds can be returned and equitably distributed among the investors and creditors of the Receivership Entities.

130. Without regard to the extent to which they knew of Illarramendi's Fraudulent Scheme, the Mouawad Defendants knew or should have known that they were not entitled to the transfers. The Montelli Defendants' actions, in concert with Illarramendi, perpetuated and helped conceal the Fraudulent Scheme and deepened the insolvency of the Receivership Entities.

131. At all relevant times, Illarramendi was involved in the Fraudulent Scheme with the transfers he made designed to hinder, delay or defraud creditors and continue to conceal his fraudulent conduct.

132. To the extent that any of the recovery counts below may be inconsistent with each other, they are to be treated as pleaded in the alternative.

133. All of the Transfers alleged herein are set forth on Exhibit A hereto and the Receiver reserves his right to reasonably amend and revise this schedule.

FIRST CAUSE OF ACTION
CUFTA SECTION 52-552e(a)(1) (ACTUAL FRAUD)

All Defendants

134. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

135. The Transfers were made on or within four years before the date of this action.

136. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities improperly caused by Illarramendi in furtherance of the Fraudulent Scheme, within the meaning of section 52-552(b)(12) of CUFTA.

137. Each of the Transfers occurred during the course of the Fraudulent Scheme, when Illarramendi diverted and misappropriated the Receivership Entities' corporate assets and commingled investor money among the insolvent Receivership Entities. Illarramendi thus directed the Transfers through the Receivership Entities at a time when such entities were insolvent. Accordingly, at all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

138. At all relevant times, the Receivership Entities were "creditors" of Illarramendi and his accomplices within the meaning of section 52-552(b)(4) of CUFTA for the various Transfers alleged herein.

139. Each of the Transfers was made to, or for the benefit of, Defendants.

140. Each of the Transfers was made without the Receivership Entities receiving reasonably equivalent value from Defendants.

141. Each of the Transfers was made by Illarramendi and others through the Receivership Entities to further the Fraudulent Scheme and was made with the actual intent to hinder, delay or defraud the Receivership Entities and some or all of the Receivership Entities' then-existing creditors.

142. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552e(a)(1) of CUFTA and recoverable from Defendants pursuant to section 52-552h of CUFTA.

143. As a result of the foregoing, pursuant to sections 52-552e(a)(1) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers; and (ii) recovering the Transfers, or the value thereof, from Defendants for the benefit of the Receivership Estate.

SECOND CAUSE OF ACTION
CUFTA SECTION 52-522e(a)(2) (CONSTRUCTIVE FRAUD)

All Defendants

144. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

145. The Receiver seeks to avoid those Transfers that were made on or within four years before the date of this action.

146. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities within the meaning of section 52-552b(12) of CUFTA.

147. Each of the Transfers occurred during the course of a Ponzi scheme, when Illarramendi diverted and misappropriated the Receivership Entities' corporate assets and commingled investor money among the insolvent Receivership Entities. Illarramendi thus directed the Transfers through the Receivership Entities at a time when such entities were

insolvent. Accordingly, at all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

148. At all relevant times, the Receivership Entities were "creditors" of Illarramendi and his accomplices within the meaning of section 52-552b(4) of CUFTA for the various Transfers alleged herein.

149. Each of the Transfers was made to, or for the benefit of, Defendants.

150. Each of the Transfers was made without receipt of reasonably equivalent value from Defendants.

151. At the time of each of the Transfers, the Receivership Entities were insolvent, were engaged in a business or transaction, or were about to engage in a business or a transaction, for which any property remaining with the Receivership Entities was an unreasonably small capital.

152. At the time of each of the Transfers, the Receivership Entities intended to incur, or believed that they would incur, debts that would be beyond their ability to pay as such debts matured.

153. The Transfers were not made by the Receivership Entities in the ordinary course of business.

154. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552e(a)(2) of CUFTA and recoverable from Defendants pursuant to section 52-552h of CUFTA.

155. As a result of the foregoing, pursuant to sections 52-552e(a)(2) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on

or within four-years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

THIRD CAUSE OF ACTION
CUFTA SECTION 52-522f(a) (CONSTRUCTIVE FRAUD)

All Defendants

156. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

157. The Receiver seeks to avoid those Transfers that were made on or within four years before the date of this action.

158. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities within the meaning of section 52-552b(12) of CUFTA.

159. Each of the Transfers occurred during the course of a Ponzi scheme, when Illarramendi diverted and misappropriated the Receivership Entities' corporate assets and commingled investor money among the insolvent Receivership Entities. Illarramendi thus directed the Transfers through the Receivership Entities at a time when such entities were insolvent. Accordingly, at all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

160. At all relevant times, the Receivership Entities were "creditors" of Illarramendi and his accomplices within the meaning of section 52-552b(4) of CUFTA for the various Transfers alleged herein.

161. Each of the Transfers was made to, or for the benefit of, Defendants.

162. Each of the Transfers was made without receipt of reasonably equivalent value from Defendants.

163. At the time of each of the Transfers, the Receivership Entities were insolvent, or became insolvent, as a result of the transfer in question.

164. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552f(a) of CUFTA and recoverable from the Defendants pursuant to section 52-552h of CUFTA.

165. As a result of the foregoing, pursuant to sections 52-552f(a) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

FOURTH CAUSE OF ACTION
COMMON LAW FRAUDULENT TRANSFER

All Defendants

166. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

167. The Receiver seeks to recover those Transfers that occurred on or within three years before the date of this action.

168. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities.

169. Each of the Transfers occurred during the course of a Ponzi scheme, when Illarramendi diverted and misappropriated the Receivership Entities' corporate assets and commingled investor money among the insolvent Receivership Entities. Illarramendi thus directed the Transfers through the Receivership Entities at a time when such entities were

insolvent. Accordingly, at all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

170. At all relevant times, the Receivership Entities were "creditors" of Illarramendi and his accomplices for the various Transfers alleged herein.

171. Each of the Transfers was made to, or for the benefit of, Defendants.

172. Each of the Transfers was made without receipt of reasonably equivalent value from Defendants.

173. At the time of each of the Transfers, the Receivership Entities were insolvent, or became insolvent, as a result of the transfer in question.

174. The Transfers constitute fraudulent transfers avoidable by the Receiver and recoverable from the Defendants.

175. As a result of the foregoing, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within three years before the date of this action; and (ii) recovering the Transfers made on or within three years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

FIFTH CAUSE OF ACTION
UNJUST ENRICHMENT

All Defendants

176. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

177. Defendants benefited from the receipt of money provided by Illarramendi through the Receivership Entities in the form of payments and other Transfers alleged herein which were the property of the Receivership Entities and their investors, and for which Defendants did not adequately compensate the Receivership Entities or provide value.

178. Defendants unjustly failed to repay the Receivership Entities for the benefits received from the Transfers.

179. The enrichment was at the expense of the Receivership Entities and, ultimately, at the expense of the Receivership Entities' creditors.

180. Equity and good conscience require full restitution of the monies received by Defendants from the Receivership Entities for distribution to the creditors.

181. Defendants' conscious, intentional, and willful tortious conduct alleged herein entitles the Receiver to recapture monies received by Defendants from Illarramendi through the Receivership Entities.

182. By reason of the above, the Receiver, on behalf of the Receivership Entities and its creditors, is entitled to an award in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
CONVERSION

All Defendants

183. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

184. The Receivership Entities had a possessory right and interest to their assets.

185. Each of the Transfers occurred during the course of a Ponzi scheme, when Illarramendi diverted and misappropriated the Receivership Entities' corporate assets and commingled investor money among the insolvent Receivership Entities. Accordingly, at all relevant times herein, the Transfers were unauthorized.

186. The Defendants converted the assets of Receivership Entities when they received money originating from Receivership Entities. These actions deprived the Receivership Entities and their creditors of the use of this money.

187. As a direct and proximate result of this conduct, the Receivership Entities and their creditors have not had the use of the money converted by the Defendants.

188. By reason of the above, the Receiver, on behalf of the Receivership Entities, is entitled to an award of compensatory damages in an amount to be determined at trial.

189. Defendants' conscious, willful, wanton, and malicious conduct entitles the Receiver, on behalf of the Receivership Entities and their creditors, to an award of punitive damages in an amount to be determined at trial.

SEVENTH CAUSE OF ACTION
PARTICIPATION IN AND AIDING AND
ABETTING BREACH OF FIDUCIARY DUTY

Against Montelli

190. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

191. From the beginning of the Fraudulent Scheme, Montelli substantially and knowingly aided Illarramendi by furnishing the indispensable instrumentalities to support and perpetuate it—Montelli helped Illarramendi paper false transactions, commingle funds and continually loot the MK Funds and HVP Funds.

192. Montelli's extraction of exorbitant and outlandish direct and indirect payments from the MK Funds and HVP Funds, his complete disregard for all corporate formalities and arm's length dealing when transacting business with Illarramendi and the Receivership Entities, and the many other wrongful acts detailed above, demonstrate that Montelli knew of Illarramendi's illegal, faithless, and tortious conduct.

193. At all relevant times, Illarramendi was a dominant and controlling owner of the Receivership Entities, served as their agent, and held managerial and supervisory positions for

HVP Partners and in the MK Entities, and consequently had fiduciary duties to act in the best interests of, and for the benefit of, HVP Partners and the MK Entities.

194. The fiduciary duties owed by Illarramendi included duties of care and loyalty to HVP Partners and the MK Entities and duties to act in good faith. Illarramendi also had the duty not to waste or divert the assets of the Receivership Entities, and the duty not to act in furtherance of his own personal interests at the expense of HVP Partners and the MK Entities.

195. Illarramendi breached the fiduciary duties he owed to the Receivership Entities by, among other things, looting, misappropriating, mismanaging, dissipating and wasting of corporate assets, self-dealing, and engaging in the other wrongful acts and failures to act described above.

196. Illarramendi's breach of his fiduciary duties has been a continual course of conduct and continued until he was removed from his management positions.

197. As a direct and proximate result of Illarramendi's breaches of fiduciary duty, the Receivership Entities were harmed.

198. Montelli knew that Illarramendi was a fiduciary and owed the foregoing fiduciary duties to the Receivership Entities.

199. Montelli knowingly and substantially participated in, and aided and abetted, Illarramendi's breaches of duty.

200. By reason of the above, the Receiver, on behalf of the Receivership Entities is entitled to an award of compensatory and punitive damages in an amount to be determined at trial.

EIGHTH CAUSE OF ACTION
CONSPIRACY TO BREACH FIDUCIARY DUTY

Against Montelli

201. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

202. At all relevant times, Illarramendi was a dominant and controlling owner of the Receivership Entities, served as their agent, and held managerial and supervisory positions for HVP Partners and in the MK Entities, and consequently had fiduciary duties to act in the best interests of, and for the benefit of, the HVP Partners and the MK Entities.

203. The fiduciary duties owed by Illarramendi included duties of care and loyalty to HVP Partners and the MK Entities and duties to act in good faith. Illarramendi also had the duty not to waste or divert the assets of the Receivership Entities, and the duty not to act in furtherance of his own personal interests at the expense of HVP Partners and the MK Entities.

204. Montelli, Illarramendi and other individuals and entities, willfully and knowingly combined, conspired, confederated and agreed to breach one or more fiduciary duties owed by Illarramendi to the Receivership Entities. Montelli and Illarramendi each acted pursuant to a common scheme and in furtherance of their common objective to exploit the Receivership Entities for their own personal benefit and to continue the operations of the Receivership Entities as an ongoing concern despite their deepening insolvency.

205. In furtherance of the conspiracy, Illarramendi breached the fiduciary duties he owed to the Receivership Entities by, among other things, his looting, misappropriating, mismanaging, dissipating and wasting of corporate assets, his self-dealing, and his engaging in the other wrongful acts and failures to act described above.

206. In furtherance of the conspiracy, Montelli falsified documents, failed to engage in arm's length dealing when transacting with Illarramendi and the Receivership Entities, provided Illarramendi with "counterparties" for fictitious investments and redemptions in furtherance of the Fraudulent Scheme, and assisted Illarramendi in circumventing SEC restrictions on the Receivership Entities, among other things.

207. The conspiracy, and Illarramendi's breach of his fiduciary duties in furtherance of the conspiracy, has been a continual course of conduct and continued until Illarramendi was removed from his management positions.

208. As a direct and proximate result of Illarramendi's breaches of fiduciary duty, and Montelli's actions, the Receivership Entities were harmed.

209. By reason of the above, the Receiver, on behalf of the Receivership Entities is entitles to an award of compensatory and punitive damages in an amount to be determined at trial.

NINTH CAUSE OF ACTION
MONEY HAD AND RECEIVED

All Defendants

210. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

211. Defendants received money from the Receivership Entities in the form of the Transfers and other payments, as alleged herein, which were the property of the Receivership Entities and their investors, and for which Defendants did not adequately compensate the Receivership Entities or provide value.

212. Defendants benefited from receipt of this money.

213. The Receivership Entities had no legal or moral obligation to make any such Transfers or other payments.

214. Defendants possess money to which they are not entitled and in good conscience have no right to retain.

215. The receipt and possession of this money by Defendants was at the expense of the Receivership Entities and, ultimately, at the expense of the Receivership Entities' creditors.

216. Equity and good conscience require full restitution of the monies received by Defendants from the Receivership Entities for distribution to the creditors.

217. By reason of the above, the Receiver, on behalf of the Receivership Entities and their creditors, is entitled to an award in an amount to be determined at trial.

TENTH CAUSE OF ACTION
ACCOUNTING

All Defendants

218. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

219. As set forth above, the assets of the Receivership Entities have been wrongfully diverted as a result of the Transfers, breaches of fiduciary duties, conversions, and other wrongdoing of Defendants for their own individual interests and enrichment.

220. The Receiver has no adequate remedy at law.

221. To compensate the Receivership Entities for the amount of monies Defendants diverted from these entities for their own benefit, it is necessary for Defendants to provide an accounting of any transfer of funds, assets, or property received from the Receivership Entities, as well as to any profits in the past and on a going forward basis in connection with the

Receivership Entities. Complete information regarding the amount of such transfers misused by Defendants for their own benefit is within their possession, custody, and control.

WHEREFORE, the Receiver respectfully requests that this Court enter judgment in favor of the Receiver and against Defendants as follows:

i. On the First Cause of Action, pursuant to sections 52-552e(a)(1) and 52-552h of CUFTA: (i) avoiding and preserving the Transfers; and (ii) recovering the Transfers, or the value thereof, from Defendants for the benefit of the Receivership Estate;

ii. On the Second Cause of Action pursuant to sections 52-552e(a)(2) and 52-552h of CUFTA: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from Defendants for the benefit of the Receivership Estate;

iii. On the Third Cause of Action pursuant to sections 52-552f(a) and 52-552h of CUFTA: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from Defendants for the benefit of the Receivership Estate;

iv. On the Fourth Cause of Action pursuant to Connecticut common law: (i) avoiding and preserving the Transfers made on or within three years before the date of this action; and (ii) recovering the Transfers made on or within three years before the date of this action, or the value thereof, from Defendants for the benefit of the Receivership Estate;

v. On the Fifth Cause of Action against Defendants for unjust enrichment and for damages in an amount to be determined at trial;

vi. On the Sixth Cause of Action against Defendants for conversion an award of compensatory damages in an amount to be determined at trial and an award of punitive damages in an amount to be determined at trial;

vii. On the Seventh Cause of Action against Montelli for participation in and aiding and abetting breach of fiduciary duty, for damages in an amount to be determined at trial;

viii. On the Eighth Cause of Action against Montelli for conspiracy to breach fiduciary duty, for damages in an amount to be determined at trial;

ix. On the Ninth Cause of Action against Defendants for money had and received, for damages in an amount to be determined at trial;

x. On the Tenth Cause of Action against Defendants for an accounting of any transfer funds, assets, or property received from the Receivership Entities as well as to any profits in the past and on a going forward basis received by the Defendants in connection with the Receivership Entities; and

xi. On all Causes of Action, awarding the Receiver all applicable pre-judgment and post-judgment interest, costs, and disbursements of this action; imposition of a constructive trust upon any transfer of funds, assets, or property received from the Receivership Entities; and such other, further, and different relief as the Court deems just, proper and equitable.

The Receiver respectfully requests a jury trial for all of the preceding causes of action.

Date: July 3, 2013

BAKER HOSTETLER LLP

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