

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CONSUMER FINANCIAL PROTECTION  
BUREAU and STATE OF FLORIDA,  
OFFICE OF THE ATTORNEY GENERAL,  
Department of Legal Affairs,

Plaintiffs,

Case no. 9:14 CV 80931/COHN/SELTZER

vs.

MICHAEL HARPER, et al.,

Defendants.

**RECEIVER'S THIRD INTERIM REPORT,  
CONCERNING THE STATUS OF VARIOUS MATTERS**

Mark J. Bernet, Receiver for The Hoffman Law Group, P.A., f/k/a The Residential Litigation Group, P.A., Nationwide Management Solutions, LLC, Legal Intake Solutions, LLC, File Intake Solutions, LLC, and BM Marketing Group, LLC (the "Receiver"), hereby files his third interim report, relating to the status of various matters.

I. **FRAUDULENT TRANSFERS AND OTHER POTENTIAL LAWSUITS**

The Receiver has secured the electronic data and financial records of the various receivership companies, and has analyzed them to ascertain whether the receivership estates would have causes of action. In mid-November of 2014, the Receiver sent letters to various third parties demanding payment of sums that had been transferred to those third parties, on the basis that the transfers were fraudulent within the meaning of Fla. Stat. §726.01*et seq.* Some of the recipients of those letters refused to respond, or responded that they would not make any payment. Others have responded and expressed a willingness to attempt to reach a resolution with the Receiver to avoid litigation. At this time, the receiver anticipates that he will file one

fraudulent transfer lawsuit against an attorney who provided legal services to The Hoffman Law Group and received payment of \$50,000 from The Hoffman Law Group, for which The Hoffman Law Group did not receive reasonably equivalent value. The lawsuit also will include a claim for professional negligence. The Receiver anticipates filing this lawsuit by May 15, 2015.

Additionally, the Receiver is negotiating a possible settlement of a claim against a law firm and some of its attorneys involving payments totaling over \$500,000. The Receiver reports that progress, while slower than would be ideal, is being made. At this time, settlement seems likely. Any settlement reached would be presented to the Court for final approval. In the event that a settlement cannot be reached, the Receiver anticipates filing a lawsuit, likely by June 1, 2015, to recover not only the sums demanded, but also for professional negligence.

Finally, the Receiver has uncovered some evidence of a potential professional negligence claim against another law firm. At this time the evidence that the Receiver has developed is not sufficient to justify bringing any such lawsuit, although the cooperation of the individual defendants, if given,<sup>1</sup> may result in sufficient information for the Receiver to make a final determination as to whether such a claim will lie. The Receiver expects that such cooperation may be required in the stipulated final judgments between the Plaintiffs and the individual defendants (such stipulated final judgments are being negotiated between the Plaintiffs and at least some of the defendants).

## II. LANDLORD

In December of 2014, the Receiver returned Suites 111 and 209 of the Gentry Offices to the landlord. To accomplish this the Receiver moved the office furniture and computers into Suite 205, where they remain. The Receiver has committed that he will return Suite 205 to the

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<sup>1</sup> Some of the individual defendants have cooperated, while others have been reluctant to do so, citing their privileges against self-incrimination and to afford them leverage with the Plaintiffs in their negotiations relating to the terms of their stipulated final judgments.

Landlord by May 31, 2015. This will require the Receiver to liquidate the office equipment, which could result in a net recovery of, possibly, up to \$5,000. Additionally, based on ongoing discussions between the Plaintiffs and the Defendants, it is likely that some of the individual defendants may choose to surrender possession of jewelry to the Receiver for liquidation. Depending on the timing of any such arrangement, the Receiver likely would conduct an auction sale at which the office furniture and the jewelry would be auctioned for sale.

Additionally, the Receiver will retain possession of the computers taken from the Gentry Offices and store them. Similarly, the Receiver will arrange for storage of paper records located in the Gentry Offices.

### III. CASH ON HAND

Attached as Exhibit "A" is a spreadsheet showing the sums collected by the Receiver. Exhibit "B" are ledgers showing the credits and debits in the receivership estate's checking and money market accounts. The balance of funds available in the receivership estate as of March 30, 2015, is \$805,736.98.

### IV. ESTIMATE OF FUNDS NEEDED TO PURSUE RECOVERIES

As noted above, the receivership estate possesses claims that the Receiver intends to pursue, after due consideration of the amounts involved, the likelihood of success and the ability of the targets to pay any amounts they are directed to pay. Pursuing at least some of these claims will involve litigation. The Receiver estimates that he will need to retain \$150,000 of the funds in the receivership estates to fund these efforts and pay other administrative expenses. The balance of the funds in the estate can and should be paid to the Plaintiffs after they receive judgments, for application to those judgments. Future recoveries by the Receiver would be

distributed as directed by the Court, including for payment of administrative expenses of the receivership estates and to the Plaintiffs for application to their judgments.

The Receiver invites the questions and comments of the Court and the parties.

Dated: Tampa, Florida  
April 29, 2015

/s/ Mark J. Bernet, Receiver  
Mark J. Bernet, Receiver  
401 E. Jackson Street, Suite 1700  
Tampa, Florida 33602  
Telephone: (813) 223-7333  
Facsimile: (813) 218-5495  
Email: [mark.bernet@akerman.com](mailto:mark.bernet@akerman.com)  
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CERTIFICATE OF SERVICE

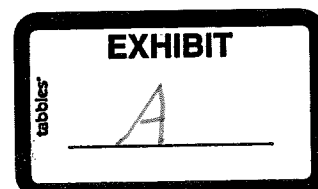
I CERTIFY that a copy of the foregoing was served by CM/ECF to Melissa Guidorizzi, Esquire, 1700 G Street NW, Washington, DC 20552, e-mail [melissa.guidorizzi@cfpb.gov](mailto:melissa.guidorizzi@cfpb.gov); Leanne Hartmann, Esquire, 1700 G Street NW, Washington, DC 20552, e-mail [leanne.hartmann@cfpb.gov](mailto:leanne.hartmann@cfpb.gov); Maureen Elin McOwen, Esquire, 1700 G. Street NW, Washington, DC 20552, e-mail [molly.mcowen@cfpb.gov](mailto:molly.mcowen@cfpb.gov); Amanda Arnold Sansone, 3507 E. Frontage Road, Suite 325, Tampa, Florida 33607, e-mail [amanda.sansone@myfloridalegal.com](mailto:amanda.sansone@myfloridalegal.com); Richard Colin Nathan Schiffer, Esquire, 3507 E. Frontage Road, Suite 325, Tampa, Florida 33607, e-mail [richard.schiffer@myfloridalegal.com](mailto:richard.schiffer@myfloridalegal.com); Hector E. Lora, Esquire, The Lora Law Firm, LLC, 174 N.E. 106<sup>th</sup> Street, Miami Shores, Florida 33138, e-mail [hectorlora@bellsouth.net](mailto:hectorlora@bellsouth.net); John A. Richert, Esquire, Hornstine, Pelloni & Hornstine, LLC, 13575 58<sup>th</sup> Street North, Clearwater, Florida 33760, e-mail [john@hornstine.com](mailto:john@hornstine.com); and Andrew N. Cove, Esquire, Cove & Associates, P.A., 225 S. 21<sup>st</sup> Avenue, Hollywood, Florida 33020, e-mail [anc@covelaw.com](mailto:anc@covelaw.com), [main@covelaw.com](mailto:main@covelaw.com), this 29<sup>th</sup> day of April, 2015.

/s/ Mark J. Bernet, Receiver  
Receiver

**HOFFMAN – FUNDS RECEIVED**

<u>Date</u>	<u>Source</u>	<u>Account No.</u>	<u>Amount</u>
08/19/2014	Florida Community Bank		\$70.00
08/19/2014	Florida Community Bank		70.00
08/22/2014	Regions Bank	XXXXXX5724	530.00
08/22/2014	Regions Bank	XXXXXX5783	530.00
08/22/2014	Regions Bank	92725732	530.00
08/22/2014	Regions Bank	XXXXXX5791	379.86
08/22/2014	Regions Bank	XXXXXX6267 <sup>1</sup>	20.00
08/25/2014	Florida Community Bank		15,434.72
08/25/2014	Florida Community Bank		70.00
09/09/2014	BB&T (Hoffman personal funds, per court order)		73,022.55
09/16/2014	TD Bank (funds held by AMC Investment Group)	XXXXXX8395	1,375.00
09/16/2014	TD Bank (funds held by Benn and Amy Willcox)	XXXXXX5814	1,324.93
09/16/2014	TD Bank (funds held by MCH Titanium Holding)	XXXXXX8402	449,985.00
09/17/2014	Michael Harper (partial turnover of \$225,000 cash)		50,000.00
09/22/2014	Electronic Merchant Services (reserves from credit card merchant account)		28,416.71
09/29/2014	Michael Harper (partial turnover of \$225,000 cash)		169,629.46
10/09/2014	Global Client Solutions	XXXXX2680	111,548.75
10/09/2014	Global Client Solutions	XXXXX2901	6,295.25
10/09/2014	Global Client Solutions	XXXXX2899	3,839.75
10/09/2014	Global Client Solutions	XXXXX2679	3,756.25
10/09/2014	Global Client Solutions	XXXXX2681	1,185.00
10/15/2014	Greenspoon Marder (unused portion of Harper's \$50,000 retainer)		5,370.54
10/23/2014	Sale of Willcox's Jet Skis (gross sale proceeds)		16,770.00
11/20/2014	Global Client Solutions (reserve accounts)	XXXXX2679 XXXXX2681 XXXXX2899 XXXXX2680 XXXXX2901	6,950.25

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<sup>1</sup> IOTA


02/13/2015	Citibank (HLG Accounts)	XXXX9031 XXXX9044 XXXX9057 XXXX0272 XXXX5328	56,599.01
	<b>TOTAL</b>		<b>\$1,003,703.03</b>

## HOFFMAN LAW GROUP

SunTrust Checking Account no. XXXXXXXXXXXX2090

<u>Date</u>	<u>Description</u>	<u>Credit</u>	<u>Debit</u>	<u>Balance</u>
08/25/2014	DEPOSIT	17,634.58		17,634.58
09/03/2014	Check charge (charge for printed checks)		(14.90)	17,619.68
09/19/2014	Check #98 SFPVI, LLC (Landlord)		(7,560.00)	10,059.68
10/06/2014	Check #101 Mark J. Bernet (reimbursement of expenses)		(2,674.17)	7,385.51
10/15/2014	DEPOSIT	5,370.54		12,756.05
10/17/2014	DEPOSIT	7,500.00		20,256.05
10/23/2014	DEPOSIT	16,770.00		37,026.05
10/29/2014	Check #102 SFBV II, LLC (Landlord)		(7,500.00)	29,526.05
10/30/2014	Check #104 Space Coast Credit Union (payoff of jet ski loan)		(4,900.00)	24,626.05
10/31/2015	Check #105 (MB Financial (payoff of other jet ski loan)		(6,875.00)	17,751.05
11/03/2014	Check #107 Deon's Cleaning (cleaning fee for office suites)		(477.00)	17,274.05
11/14/2014	Check #103 RPB Tech Services (website design/management)		(200.00)	17,074.05
11/14/2014	Check #106 SFBV II, LLC (Landlord)		(6,875.00)	10,199.05
11/17/2014	Check #108 Nat'l Data Systems (ESI from Lead Trac)		(3,750.00)	6,449.05
11/19/2014	DEPOSIT	11.94		6,460.99
11/20/2014	DEPOSIT	6,950.25		13,411.24
12/16/2014	Check #110 DCB Moving Services (labor for removal of items from 111)		(200.00)	13,211.24
12/22/2014	Check #109 SFBV II, LLC (Landlord)		(6,875.00)	6,336.24
01/07/2015	Check #111 SFBV II, LLC (Landlord)		(2,500.00)	3,836.24
01/07/2015	Check #112 U & Me (moving charge)		(710.00)	3,126.24
01/28/2015	DEPOSIT	14,000.00		17,126.24
02/03/2015	Check #113 US Treasury (Nationwide 940 taxes)		(656.05)	16,470.19
02/03/2015	Check #114 US Treasury (Nationwide 941 taxes)		(4,830.00)	11,640.19
02/03/2015	Check #116 US Treasury (HLG 940 taxes)		(1,212.87)	10,427.32
02/03/2015	Check #117 US Treasury (HLG 941 taxes)		(3,091.82)	7,335.50
02/04/2015	DEPOSIT	75,000.00		82,335.50
02/09/2015	Check #115 Fla. Dept. of Revenue (Nationwide RT-6)		(13.50)	82,322.00
02/09/2015	Check #118 Fla. Dept. of Revenue (HLG RT-6)		(112.16)	82,209.84
02/10/2015	Check #120 Akerman (fees per court order)		(22,291.30)	59,918.54
02/10/2015	Check #121 Akerman (fees per court order)		(45,694.23)	14,234.31

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EXHIBIT

B

tabbles



02/10/2015	Check #122 Mark J. Bernet (expenses awarded per court order)	(231.67)	14,002.64
02/11/2015	Check #123 Weinstock etc. (accountants/ tax returns)	(2,345.60)	11,657.04
02/24/2015	Check #119 SFBV II, LLC (Landlord)	(2,500.00)	9,157.04
02/25/2015	Check charge (charge for printed checks)	(35.95)	9,121.09
03/03/2015	Check #124 SFBV II, LLC (Landlord)	(2,500.00)	6,621.09

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**HOFFMAN LAW GROUP**

SunTrust Money Market Account no. xxxxxxxxxxxx2124

<u>Date</u>	<u>Description</u>	<u>Credit</u>	<u>Debit</u>	<u>Balance</u>
09/09/2014	DEPOSIT	73,022.55		73,022.55
09/16/2014	DEPOSIT	452,684.93		525,707.48
09/17/2014	DEPOSIT	50,000.00		575,707.48
09/22/2014	DEPOSIT	28,416.71		604,124.19
09/29/2014	DEPOSIT	169,629.46		773,753.65
09/20/2014	DEPOSIT (Interest)	17.87		773,771.52
09/30/2014	Check charge		(27.25)	773,744.27
09/30/2014	Check #98 Akerman (court-awarded fees and costs)		(42,900.00)	730,844.27
10/02/2014	Check #99 Akerman (court-awarded fees and costs)		(18,681.64)	712,162.63
10/09/2014	DEPOSIT	126,625.00		838,787.63
10/17/2014	Debit (transfer to checking)		(7,500.00)	831,287.63
10/31/2014	DEPOSIT (Interest)	54.17		831,341.80
11/28/2014	DEPOSIT (Interest)	54.67		831,396.47
12/31/2014	DEPOSIT (Interest)	56.49		831,452.96
01/28/2015	Check #1001 (transfer to checking)		(14,000.00)	817,452.96
01/20/2015	DEPOSIT (Interest)	56.37		817,509.33
02/04/2015	Check #1002 (transfer to checking)		(75,000.00)	742,509.33
02/13/2015	DEPOSIT	56,559.01		799,068.34
02/27/2015	DEPOSIT (Interest)	47.55		799,115.89