

IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PASCO COUNTY, FLORIDA
CIVIL DIVISION

OFFICE OF THE ATTORNEY
GENERAL, DEPARTMENT OF LEGAL
AFFAIRS, STATE OF FLORIDA,

Plaintiff,

CASE NO.: 51-2010-CA-2912-WS/G

v.

BOTFLY L.L.C., DAVID R. LEWALSKI,
JON J. HAMMILL,
and JON HAMMILL, P.A.,

Defendants.

RECEIVER'S FOURTH INTERIM REPORT

Receivership Information and Activity from October 22, 2010 through January 21, 2011

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INTRODUCTION

Michael E. Moecker, the Court-appointed Receiver files this Fourth Interim Report to inform the Court, the investors, and others interested in this Receivership of activities to date as well as the proposed course of action. The Receiver was appointed on April 1, 2010 by the Order of the Honorable Stanley R. Mills (the “**Receivership Order**”), in the case styled *Office of the Attorney General, Department of Legal Affairs, State of Florida v. Botfly L.L.C., David R. Lewalski, and Jon J. Hammill*, in the Circuit Court of the Sixth Judicial Circuit in and for Pasco County, Florida, case no. 51-2010-CA-2912-WS/G (the “**Enforcement Action**”). As of the date of filing this Report, the Court has appointed Michael E. Moecker or his designee employed by Michael Moecker & Associates, Inc. as Receiver over the following:

- a) Defendant Botfly L.L.C. (“**Botfly**”) and all other entities operated, controlled or otherwise associated with Botfly’s activities;
- b) Defendant David R. Lewalski (“**Lewalski**”) and all other entities operated, controlled or otherwise associated with Lewalski’s activities;
- c) Defendant Jon J. Hammill (“**Hammill**”) and all other entities operated, controlled or otherwise associated with Hammill’s activities.¹

This Report is intended to provide a synopsis of the Receiver’s actions from October 22, 2010 through January 21, 2011 (the “**Reporting Period**”) and an overview of the Receiver’s ongoing efforts to discharge his duties to marshal, preserve, protect, maintain, manage, and safeguard the assets of the Receivership Entities. Thus, unless otherwise indicated, the information reported herein reflects the information in the Receiver’s possession as of January 21, 2011.

The Receiver has established an informational website, www.botflyreceivership.com.

¹ The foregoing are collectively referred to as the “**Receivership Entities.**”

The Receiver has updated this website periodically and will continue to update it as the case progresses with court filings in the proceeding and general information regarding any litigation commenced by the Receiver to (1) recover property or other assets of the Receivership Entities; (2) pursue claims or causes of action on behalf of the Receivership Entities or on the behalf of any creditor of the Receivership Entities; (3) avoid any conveyance or transfer void or voidable by applicable law; and (4) to pursue other claims or causes of action as may be authorized or directed by further order of the Court. In addition, the website includes court filings in the federal criminal case styled *United States of America v. David R. Lewalski*, United States District Court, Middle District of Florida, case no. 8:10-CR-501-T-27MAP (the “**Criminal Case**”) and the Receiver will continue to update the website with court filings in that case.² The Receiver will also update the website with information relating to the submission of claims against the Receivership Entities once a procedure to file claims has been established and approved by the Court.

As required by Rule 1.620(b), Fla. R. Civ. P., and the Receivership Order, the Receiver will continue to file quarterly reports to update interested parties on all material developments in the Receivership. This Report, as well as all previous and subsequent reports, will be posted on the Receiver’s website.

BACKGROUND

David R. Lewalski was Botfly’s President and engaged in foreign currency trading for Botfly. On or about April 2, 2010, Lewalski and his fiancé left the United States on a private chartered jet and did not return to the country until October 23, 2010. When Lewalski left, he had prepaid leases for three residences, a townhome in Gainesville, Florida, two condominium

² The Receiver will also include court filings in any future criminal cases related to the

units in New York City and two storage facilities. After his departure, Lewalski gave instructions for the disposal of computer equipment that he had left behind.

On April 1, 2010, the Office of the Attorney General, Department of Legal Affairs, State of Florida (“**OAG**”) commenced the Enforcement Action against Botfly, Lewalski, and Hammill for violations of Florida securities laws and the Florida Deceptive and Unfair Trade Practices Act.³ In the Enforcement Action, the OAG alleged that Lewalski and Hammill used Botfly to perpetrate a Ponzi scheme and that the funds obtained from the persons and entities that invested in Botfly (the “**Investors**”) were diverted for Lewalski and Hammill’s personal benefit and were not invested in the foreign currency exchange market as represented. More than five hundred Investors sent money to Botfly on the false guaranty of a monthly fixed return resulting from the proceeds of forex trading.

On that same day that the OAG brought the Enforcement Action, on the OAG’s motion, the Court entered (i) the Order Appointing Receiver and (ii) a Temporary Injunction. The orders were entered pursuant to the Court’s finding that it was likely that the Defendants had made false statements to the Investors, that the Defendants had misappropriated the Investors’ funds, and that an injunction was necessary to prevent the Defendants from dissipating or transferring the Investors’ funds out of the country. Among other things, these orders froze the personal and business bank accounts of the Defendants and enjoined the Defendants from transferring or disposing of any of their personal property; (ii) receiving money or property, directly or indirectly from investors or lenders; (iii) soliciting loans or investments in Botfly; and (iv)

Enforcement Action’s claims.

³ On July 12, 2010, the OAG filed an Amended Complaint that added Jon J. Hammill, PA as a defendant.

concealing, altering, or disposing of any of the books, records, or computer data of the Defendants.⁴

Also on that same day, the Court appointed Michael E. Moecker to be the Receiver over the Receivership Entities. The Receiver has engaged Moecker & Associates to assist in the performance of his duties and the law firm of Bush Ross, P.A., and its attorneys Jeffrey W. Warren and Karen Cox, to serve as his counsel and provide the legal services necessary to properly perform his duties.⁵

Hammill was represented by counsel for a brief time early in the proceedings. In April, lawyers from Cohen, Foster & Romine, PA, entered an appearance on behalf of Hammill. In June, they moved to withdraw from the case.

In August 2010, lawyers with the law firm Alston & Bird and with the law firm Hill, Ward & Henderson and began representation of Botfly and Lewalski in the Enforcement Action. The first pleading filed by Alston & Bird in the Enforcement Action informed the Court that Lewalski and Botfly would not provide any financial information on the basis of the Fifth Amendment right against self-incrimination. Hammill had previously refused to provide financial information on the same grounds.

Next, counsel for Botfly and Lewalski filed a motion for an emergency hearing on the request that the Court permit one of the Botfly Investors to pay \$50,000 to his lawyers to defend him in the civil action. Skype messages from Lewalski reveal that in direct violation of the

⁴ The Order Appointing Receiver required Botfly, Lewalski, and Hammill to provide the Receiver and the OAG with a full accounting of all funds, documents and assets located outside of the United States and serve the Receiver with a complete and accurate financial statement. In response, Botfly, Lewalski, and Hammill asserted the Fifth Amendment right against self-incrimination and refused to provide any financial information.

⁵ The Court authorized the Receiver's employment of Bush Ross, P.A. to serve as his general counsel in this case.

Injunction, Lewalski solicited the payment for his legal fees with the promise of repayment with interest.⁶

On October 23, 2010, Lewalski and his fiancé left Paris and returned to New York for what was intended to be a three-week stay. Lewalski's plan to return to Europe was disrupted by his November 4, 2010 arrest for criminal fraud charges related to his activities with Botfly. Since his arrest, Lewalski has remained in custody pending trial of criminal conspiracy, mail fraud and wire fraud charges. A United States magistrate judge for the Southern District of New York ordered that Lewalski be detained pending trial of the charges finding that Lewalski posed a serious risk of flight.

One week after Lewalski's arrest, on November 11, 2010, counsel for Lewalski and Botfly moved to withdraw from the Enforcement Action. On November 22, 2010, Judge Mills granted the motion to withdraw and stayed the proceedings in the Enforcement Action until January 14, 2011 to allow Lewalski and Botfly to retain new counsel in the instant case. No counsel has since entered an appearance for either Lewalski or Botfly.

I. The Receiver's Role and Responsibilities

The Receiver functions as an officer of the Court. The United States Supreme Court has explained that:

[a receiver] . . . is an officer of the court; his appointment is provisional. He is appointed on behalf of all parties, and not of the complainant or of the defendant only. He is appointed for the benefit of all parties who may establish rights in the cause. The money in his hand is in custodial egis for whoever can make out a title to it . . . It is the court itself which has the care of the property in dispute. The receiver is but the creature of the court; he has no power except such as are conferred upon him by the order of his appointment and the course and practice of the court.

⁶ See Government's Response in Opposition to Defendant's Motion for Bond, filed in the Criminal Case on December 17, 2010.

Booth v. Clark, 58 U.S. 322, 331 (1854).

The Order Appointing Receiver requires the Receiver to “marshal, preserve, protect, maintain, manage and safeguard the Assets of Defendants in a reasonable, prudent, diligent, and efficient manner.” The Court instructed the Receiver to take possession of assets and granted him the exclusive right to pursue collect and control all monies belonging to or otherwise generated by Botfly, Lewalski or Hammill. The Court empowered the Receiver to file suit against persons or entities to recover property of Botfly, Lewalski or Hammill including fraudulent conveyances and other claims and causes of action of Botfly, Lewalski or Hammill or any of their creditors. The Court further directed the Receiver to establish a claims process for the benefit of the investors who have been defrauded and suffered verifiable losses and other creditors of the Defendants and to examine the validity of claims submitted for payment.

II. Overview of Findings to Date

A. The Ponzi Scheme

Beginning in 2005 and continuing through April 2010, approximately \$30 million was raised from hundreds of investors on behalf of Botfly by Lewalski, Hammill, and other promoters through the offer and sale of securities in the form of promissory notes as part of a single, continuous Ponzi scheme. Lewalski, Hammill and the other promoters grossly overstated the trading results of forex trading conducted by Lewalski on behalf of Botfly. Despite negative yields (i.e., trading losses), Lewalski, Hammill and the other promoters falsely communicated to investors and potential investors through monthly statements, falsified forex statements and other methods that the investments were generating positive returns and consistently yielding monthly returns sufficient to pay a substantial monthly interest payment of as much as 10% of the principal amount invested.

To perpetuate and perpetrate this scheme, Lewalski, Hammill and the other promoters caused Botfly to pay investors interest as reflected on false account statements. The funds used to pay the interest were not generated from forex trading activities. Funds paid to investors were generated from new or existing investors.

B. Fictitious Trading Results

As mentioned, the Ponzi scheme began in 2005 and since that time Investors paid approximately \$30 million to Botfly with the understanding that the funds would be used for forex trading. The Receiver's investigation has revealed that for every dollar paid to Botfly by an investor, less than 5 cents was used for forex trading.

Lewalski opened a forex trading account for Botfly in October 2005 with IFX Markets. By the end of 2006, Botfly had received approximately \$250,000 from Investors. Yet, Lewalski transferred only \$40,000 to the Botfly account at IFX Markets. By the end of 2007, Investors had paid Botfly almost \$500,000. No transfers were made to the IFX Account or any other forex trading account for Botfly during 2007.

During 2008 Lewalski opened three more forex trading accounts for Botfly; an account with Peregrine Financial Group in July, and two accounts with Deutsche Bank AG in August and September. By the end of 2008, Botfly had received approximately \$2.8 million from Investors but at that time Lewalski had transferred a total of \$330,000 of the money paid by the Investors to the Botfly forex accounts. By the end of 2009, Botfly had received more than \$20 million from Investors but Lewalski had transferred only \$700,000 to the Botfly forex trading accounts. When the injunction came into effect, on April 1, 2010, only \$1.4 million of the \$30 million paid by Investors was transferred to a Botfly forex trading account.

The Receiver's investigation has also revealed that the payments made to Botfly investors were not from profits earned from forex trading. Trading losses were sustained in every one of the four forex accounts created for Botfly. The combined loss resulting from the trading conducted in the four accounts was approximately 75% of the amount traded. The returns reported to investors and potential investors were a fairy tale.

Although the representations of trading results and of the use of the money were false, in furtherance of the scheme, Lewalski and Hammill wrongfully caused Botfly to pay Investors interest based upon imaginary trading gains. Similarly, in response to Investors' request for a return of their principal investment, in furtherance of the scheme, Lewalski and Hammill caused Botfly to make distributions from money paid by new and existing Investors. All distributions which Lewalski and Hammill caused Botfly to pay to investors or promoters, either as interest, redemptions of their principal investments, commissions or referral fees were paid from the fruits of the Ponzi scheme.

C. Depletion of Botfly's Assets

The records obtained by the Receiver of Botfly's activities demonstrates that Botfly directly or indirectly paid substantial fees to Jon Hammill, P.A., Treadstone Consulting Group and to certain Investors in the form of management, commission or referral fees. Such payments significantly depleted Botfly's assets.

A significant amount of the money paid to Botfly was wrongfully diverted to Lewalski, his family, and associates. Lewalski used some of the Investor money to establish forex accounts in his own name. Lewalski's trading results in those accounts was consistent with the result he obtained for Botfly – losses, not gains.

Documentation and other information that the Receiver has obtained during his investigation also shows that money derived for the scheme was used by Lewalski to purchase and/or fund other businesses.

III. Actions Taken by the Receiver

Since his appointment, the Receiver has taken a number of steps to fulfill his mandates under the Order Appointing Receiver. The Order Appointing Receiver requires the Receiver to “marshal, preserve, protect, maintain, manage and safeguard the Assets of Defendants in a reasonable, prudent, diligent, and efficient manner.” The Court instructed the Receiver to take possession of assets and granted him the exclusive right to pursue collect and control all monies belonging to or otherwise generated by Botfly, Lewalski or Hammill. The Court empowered the Receiver to file suit against persons or entities to recover property of Botfly, Lewalski or Hammill including fraudulent conveyances and other claims and causes of action of Botfly, Lewalski or Hammill or any of their creditors.

A. Securing the Receivership Entities’ Assets

As stated above, the Court mandated the Receiver to “take possession and control of all of the assets in the possession or under the control of Defendants whether such property is held by Defendants directly, beneficially or otherwise.” (Order Appointing Receiver at 6.) In discharge of this responsibility, the Receiver continued to investigate the activities of the Receivership Entities.

1. Securing Receivership Funds

As of January 21, 2011, approximately **\$3,905,023.09** had been transferred to the Receivership.

There are five foreign accounts that the Court order requires be transferred to the Receivership; four accounts in England at Deutsche Bank AG, and one in Switzerland at Dukascopy. Deutsche Bank has confirmed that the equity balance for the four accounts combined is **\$459,441.46**. The Receiver has obtained Dukascopy records that reflect a balance of **\$719,711.06** in the account as of August 19, 2010.⁷

During the Reporting Period, the Receiver continued in his efforts to have the funds in the foreign accounts transferred to the Receivership. Because the accounts are not domestic accounts, the financial institutions holding the funds are not governed by the mandates of the Order Appointing Receiver and are governed by their country's laws. With cooperation from the Office of the Attorney General of the State of Florida and the United States Department of Justice, the Receiver is evaluating the most expedient and least expensive manner to obtain an enforceable order from the applicable English and Swiss courts that would allow the funds to be transferred to the Receivership.

The Receiver also continued to work to obtain possession of funds held in other accounts of the Receivership Entities and as deposits and prepayments for executory contracts. In January 2010, Hammill funded an IRA variable annuity account at John Hancock Life Insurance Company in January 2010 with **\$49,000.00**. The Receiver has notified John Hancock of the Receivership's claim to the account and that the funds are subject to the injunction entered by the Court in the instant case on April 1, 2010. The account has not been liquidated and transferred to the Receivership to avoid incurring tax penalties. The account will be transferred once a

⁷ The equity balances in the foreign accounts are not reflected in the Account Summaries because although the Receiver has asserted a claim to the funds, the funds have not been transferred to the Receivership.

determination has been made as to the how to minimize any tax liability that would be implicated.

The Receiver has also worked to recover Botfly Investor funds paid by Lewalski as deposits or as prepayments for executory contracts. By the end of the Reporting Period, several third parties who had been notified of the Receivership's claim to such payments had refused to comply with the mandate of the Order Appointing Receiver that the funds be transferred to the Receivership. According the Receiver has determined that it will be necessary to take legal action to compel the recovery of the funds. The estimated value of the funds that are subject to turnover to the Receivership exceeds **\$200,000.00**.

2. Securing Receivership Non-Cash Assets

As of January 21, 2011, the Receivership's non-cash assets includes the items recovered from Hammill's residence, Gainesville storage facilities, Lewalski's Gainesville residence, and Lewalski's residence at the Mandarin Oriental, New York (further discussed in section C. below). The Receivership maintains and insures all of these assets as required by the Order Appointing Receiver. The assets in the Receivership at the end of the Reporting Period, include two Yamaha wave runners, a 2006 26 foot Edgewater power boat with twin Yamaha 250 outboards, a boat trailer, a 2004 Porsche 911 Turbo Cabriolet, a 2006 Lexus GS 300, a 2008 Toyota Tundra, a 2008 Porsche 911 Turbo Cabriolet, a 2010 Corvette ZR1, a 2008 Ferrari F430 F1 Spider, a 2002 Porsche 911 Turbo, a Ducati Corse 848 motorcycle, two 2009 Yamaha YZ 250s, furniture, electronic equipment, bicycles, bicycle supplies and equipment, wine, women and men's clothing and footwear, jewelry, and various other household and personal items.⁸

⁸ Four of the cars were sold at by Mecum Auctions at an auction conducted after the Reporting Period ended.

During the Reporting Period the Receiver continued to search for and recover assets belonging to the Receivership including four cars purchased with investor funds. Lewalski would not provide the Receiver with information regarding the location of those vehicles. Skype instant message records obtained during the federal criminal investigation reveal that Lewalski knew that the Receiver had the right to recover the missing cars, knew that the Receiver was actively seeking the missing cars, engaged another individual to hide two of the cars, and was kept informed regarding the Receiver's efforts to locate the cars.

Despite of Lewalski's efforts to obstruct the Receiver's efforts, the Receiver recovered three of the four cars during the Reporting Period.⁹ On January 12, 2011, the Receiver recovered the 2008 Toyota Tundra, the 2008 Porsche 911 Turbo Cabriolet, and the 2010 Corvette ZR1. The cars were located during the criminal investigation conducted by federal law enforcement and had been entrusted by Lewalski to the custody and care of his brother, Martin Lewalski.

The Receiver had previously secured authority from the Court to sell these cars as well as others already in his possession. The Receiver immediately arranged to have two of the cars, the 2008 Porsche and the 2010 Corvette included in an auction of luxury motor vehicles being conducted by Mecum Auctions during the last week of January. Two cars, the 2002 Porsche recovered from Fairway Golf Carts and the 2008 Ferrari recovered from a Gainesville storage facility rented by Lewalski had already been entered in the auction.¹⁰

Upon Lewalski's arrest on November 4, 2010, the Receiver took possession of the items located in the Mandarin Oriental unit. Items recovered from the unit included a Cartier watch, a

⁹ The fourth car has also been recovered; however, it was recovered after the Reporting Period ended.

¹⁰ The four cars sold for a total sales price of \$393,000.00. Auction entry and commission fees of \$26,080.00 were deducted from the sales price. The funds recovered from the auction are not reflected in this Report because they were not received during the Reporting Period.

Rolex watch, a black pearl necklace and earrings purchased for \$10,600, bicycles, a designer purses, shoes and boots.¹¹ Subsequent to Lewalski's arrest, the Receiver determined that a diamond ring purchased with Botfly Investor funds by Lewalski for \$37,665.63 was in the possession of Lewalski's fiancé and has demanded that the ring be turned over.

During the Reporting Period, the Receiver also obtained records relating to the Botfly website from the company employed to create the website.

B. Receivership Accounting Report

Attached as Exhibit A to this Report is the cash accounting report showing the amount of money on hand at the inception of the Receivership less operating expenses plus revenue through January 21, 2011 and the cash accounting report for the Reporting Period. The cash accounting reports do not reflect non-cash or cash equivalent assets. The value of the property discussed in this and prior reports, therefore, is not included in the cash accounting reports.

During the Reporting Period, the Receiver recovered **\$34,709.70** of additional funds from the recovery of an account at E*TRADE and the security deposit for a unit at the Mandarin Oriental leased by Lewalski. The Receivership funds are held in an interest-bearing money market account at the Bank of America. During the Reporting Period, **\$2,662.17** in interest was credited to the Receivership account.

No payment has been made to the Receiver or Bush Ross, P.A. for the fees incurred since April 30, 2010. The Receiver and Bush Ross have received payment of costs expended from April 1, 2010 to April 30, 2010, and the payment of certain of the fees pursuant to an order of

¹¹ As listed on shoe boxes recovered from Unit 64C, the prices for several of the shoes exceeded \$1,000.

this Court.¹² The payments of these fees and costs are reflected on the cash accounting reports the Reporting Period.

The Receiver has filed a motion for an order awarding fees and the reimbursement of certain costs incurred by Michael Moecker & Associates, Inc. and Bush Ross, P.A. for the period from May 1, 2010 through September 30, 2010 (the “**Second Interim Fee Motion**”). The Court set the matter for a hearing on November 22, 2010. The Court has not yet entered an order on the Second Interim Fee Motion pending the resolution of objections made to certain of the fees and costs. Since September 30, 2010, the Receivership has incurred additional fees and costs that will be the subject of a future motion to be filed with the Court. Fees and costs are not paid until they are awarded by the Court and are not reflected on the cash accounting report Summaries because they have not been paid from the Receivership’s funds.

C. Obtaining Information from Third Parties

The Receiver and his professionals have had discussions with a number of people associated with Lewalski and/or Botfly. The Receiver and his professionals have also reviewed information contained on the Botfly website; documents obtained from other businesses that received Botfly funds; documents obtained from the Internal Revenue Service; documents obtained from financial institutions and other third parties; and information available in the public record. The on-going inquiries are part of the Receiver’s efforts to identify additional assets for the Receivership.

During the Reporting Period, the Receiver obtained account information regarding foreign currency trading accounts at Deutsche Bank AG. The forex trading division of Deutsche

¹² Pursuant to the Order Appointing Receiver, the Receiver is authorized to pay from the Receivership Estate’s funds 80% of Bush Ross Fees and 100% of its costs, with the remaining amount to be held back pending final application to the Court.

Bank is in London, England. Lewalski and Hammill each opened forex trading accounts at Deutsche Bank. Hammill opened an individual account in July 2008. Lewalski opened an individual account in June 2007 and two accounts in the name of Botfly in August and September 2008. After the entry of the injunction, the Office of Serious Frauds in England obtained an order restraining the four accounts.

Deutsche Bank has confirmed that the equity balance for the four accounts combined is \$459,441.46. The Receiver has made Deutsche Bank aware of the Receivership's claim to the equity balances in the four accounts. The Bank has indicated a willingness to cooperate with the transfer of the funds to the Receivership upon the registration of the Order Appointing Receiver with the English High Court. The Receiver is in the process of obtaining counsel in England to take the actions necessary for the transfer of the funds.

The forex trading activity in the Deutsche Bank accounts resulted in significant losses. Overall, Lewalski and Hammill's performance as forex traders was abysmal. While pitching Botfly to investors and extolling Lewalski's expertise as a forex trader, Hammill did not invest funds with Botfly. Instead, Hammill deposited \$283,500 in an account he opened in his own name and traded from July 2008 until July 2010. Hammill lost 90 % of the value of the funds.

Lewalski's results were similar. Lewalski opened two Botfly accounts in August and September 2008 with \$1,100,000 and \$215,000. After approximately a year and a half of forex trading, the value of the accounts declined approximately 62% and 96%, respectively. Lewalski also used investor funds to open a personal account June 2007. Lewalski lost approximately 78% of the value of the \$220,000 deposited.

In August 2009, Lewalski opened a forex trading account at Dukascopy and listed himself as the sole beneficial owner of the account. Lewalski diverted \$1,550,000 of Botfly

Investors' money to this account. Lewalski's subsequent actions with respect to the funds transferred to Dukascopy confirm that he had no intention of trading the funds for the benefit of the Botfly investors. Lewalski made three withdrawals of \$100,000 each from the account. The funds were deposited in Lewalski's personal bank account at Bank of America. No money was returned from the Dukascopy account to any Botfly account. Lewalski's trading results in the Dukascopy account provides further evidence of his ineptness as a forex trader – in less than a year, Lewalski's trading resulted in a 43% decrease in the equity in the account. The Receiver has obtained Dukascopy records that reflect a balance of \$719,711.06 in the account as of August 19, 2010. The Receiver has been informed that the account is restrained and is coordinating his efforts with the Department of Justice to obtain control over the funds.

D. Claims Process

The Receiver filed a motion requesting approval of a procedure to administer claims, to approve a proof of claim form, and to establish a deadline for filing claims. On November 22, 2010, the Court considered the motion but deferred ruling on the motion at the request of counsel for Lewalski and Botfly to allow additional time to object.

THE NEXT QUARTER

The Receiver continues to receive and analyze documents requested from third parties. In order to complete his understanding of the flow of funds through the Receivership Entities, to identify any additional sources of recovery, and to prepare an accounting, it will be necessary for the Receiver to obtain and review all such documents. The Receiver continues to work diligently on this task and will make additional inquiry arising from the information received.

The Receiver will continue to compile and analyze information regarding payments made and received by individual Investors to begin to assess the Investors' claims against the

Receivership Estate. The Receiver will commence the claims process as soon as practical taking into consideration the progress of the litigation of the OAG's claims.

The Receiver will also continue to investigate issues relating to the potential liability of third parties to the Receivership Entities or Investors. In this regard, based on the information obtained during the Reporting Period in furtherance of his on-going investigation of the Receivership Entities business and affairs, the Receiver anticipates that he will bring actions in the future.

CONCLUSION

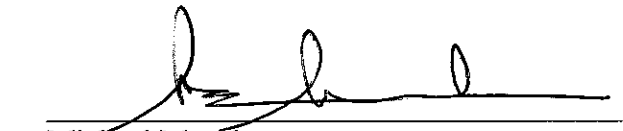
Creditors of and Investors in the Receivership Entities are encouraged to periodically check the informational website (www.botflyreceivership.com) for current information regarding the Receivership. The Receiver encourages individuals or attorneys representing Investors who may have information that may be helpful in securing further assets for the Receivership estate or identifying other potential parties who may have liability to either the Receivership estate or Investors directly to either email kcox@bushross.com or call Karen Cox at (813) 204-6433.

Dated: Tampa, Florida
February 28, 2011

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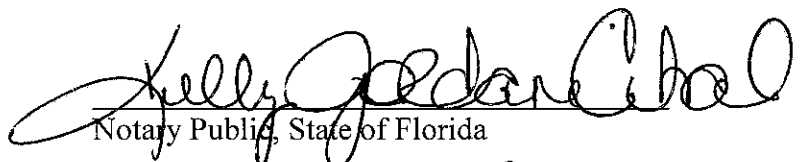
By: Karen Cox
Jeffrey W. Warren
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Karen Cox
Florida Bar No. 456667
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In witness whereof, the undersigned, Michael Moecker, hereby files this Receiver's Fourth Interim Report, Findings and Actions taken from October 22, 2010 to January 21, 2011 with the Honorable Stanley R. Mills, Circuit Court Judge of the Sixth Judicial Circuit in and for Pasco County, Florida, and declare under penalty of perjury and under the laws of the United States that the foregoing statements are true and correct on this _____ day of February, 2011.


Michael Moecker
P.O. Box 1757
Mt. Dora, Florida 32756

Sworn and subscribed before me this 24 day of February, 2011 by Michael Moecker, who is personally known to me or who produced DRIVER LICENSE as identification.




Notary Public, State of Florida
Printed Name: Kelly J Cihal
My Commission Expires: 12-7-2014

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on this 28th day of February, 2011 a true and correct copy of the foregoing has been furnished via email Mail to the following:

R. Scott Palmer, Esq.
Gregory S. Slep, Esq.
Nicholas J. Weilhammer, Esq.
PL-01: The Capitol
Tallahassee, Florida 32399-1050

Inmate David Lewalski
Pinellas County Jail
Cell Location/Status: CEN-6C1-UN01-08-003
14400 49th Street North
Clearwater, FL 33762

Jon J. Hammill
P.O. Box 530181
St. Petersburg, FL 33747

And via electronic transmission to the following:

Gabriel Mazzeo
Gmazzeo11@gmail.com

Karen Cox

Attorney

EXHIBIT A

Account Summary by Category Code - Detail

All Transactions Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063

Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Received From	Item Description	Bank Account	Transaction	Amount
04/30/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	188.37
05/28/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	271.85
06/30/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	272.76
07/30/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	288.41
08/31/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	99.42
08/31/10	FIFTH THIRD BANK	INTEREST REC'D FROM BANK	7432858426	Interest	631.99
09/30/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	9.08
09/30/10	FIFTH THIRD BANK	INTEREST REC'D FROM BANK	7432858426	Interest	861.92
10/29/10	Bank of America	Interest Rate 0.050	4437417013	Interest	8.97
10/29/10	FIFTH THIRD BANK	INTEREST REC'D FROM BANK	7432858426	Interest	890.76
11/30/10	Bank of America	INTEREST REC'D FROM BANK	4437417013	Interest	9.32
11/30/10	FIFTH THIRD BANK	INTEREST REC'D FROM BANK	7432858426	Interest	862.13
12/31/10	FIFTH THIRD BANK	INTEREST REC'D FROM BANK	7432858426	Interest	890.99
		3362 - Interest Income Total:			5,285.97
11/15/10	SECURITY DEPOSIT	SECURITY DEPOSIT	4437417013	Deposit 0	10,000.00
		3513 - Security Deposit Total:			10,000.00
04/09/10	FLORIDA CITIZENS BANK - (4192)	RECOVERY OF BANK A/C-BOTFLY	4437417013	Deposit 1	294,216.67
04/12/10	BOTFLY	BOA - (6691) LEWALSKI	4437417013	Adjust-1n	17,950.81
04/12/10	BOA - (5458) HAMMILL	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	35,740.55
04/12/10	BOA - (7098) BOTFLY	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	85,886.93
04/12/10	BOA - (1660) LEWALSKI	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	128,699.21
04/12/10	BOA - (7434) BOTFLY	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	145,176.10
04/12/10	BOA - (5540) BOTFLY	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	286,973.17
04/12/10	BOA - (5586) BOTFLY	RECOVERY OF BANK ACCOUNT	4437417013	Adjust-1n	2,511,075.83
04/21/10	FIFTH THIRD - (2101)- LEWALSKI	RECOVERY OF BANK A/C	4437417013	Deposit 2	29,922.79

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Account Summary by Category Code - Detail

All Transactions Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063
Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Received From	Item Description	Bank Account	Transaction	Amount
Deposits					
04/29/10	DEPOSIT-LEWALSKI	RECOVERY OF CASH	4437417013	Deposit 3	67.60
05/24/10	WACHOVIA	RECOVERY OF BANK A/C-HAMMILL	4437417013	Deposit 5	167,898.91
07/08/10	PEREGRINE FINANCIAL GROUP	RECOVERY OF BANK A/C	4437417013	Deposit 0	15,145.53
07/16/10	FX SOLUTIONS LLC	RECOVERY OF BANK A/C FX	4437417013	Adjust-In	997.99
08/27/10	FOREX BANK	WIRE	4437417013	Adjust-In	100.01
09/14/10	GROW FINANCIAL	RECOVERY OF BANK A/C	4437417013	Deposit 0	4,985.03
11/12/10	ETRADE	RECOVERY OF ACCOUNT	4437417013	Deposit 0	24,709.70
3525 - Recovery Bank Accounts Total:					3,749,546.83
05/11/10	UNITED STATES TREASURY	REFUND	4437417013	Deposit 4	190.29
3660 - Refunds Total:					190.29
07/15/10	KEITH SHAW/PRINCETON PORCHE N.J.	WIRE-VEHICLE SALE	4437417013	Adjust-In	140,000.00
3775 - Sale of Assets Total:					140,000.00
Deposits Total:					3,905,023.09
Disbursements					
05/24/10	LITIGATION SOLUTIONS LLC	INV # SUR000039762	4437417026	Check 1013	-650.00
07/08/10	LITIGATION SOLUTIONS LLC	INV # SUR000039564	4437417026	Check 1023	-650.00
12/22/10	R. CRAIG STARNS	INV # MOECKER10	4437417026	Check 1055	-400.00
3365 - Professional Fees Total:					-1,700.00
06/28/10	ANDREWS INTERNATIONAL	INV # 4775-001-01	4437417026	Check 1022	-1,561.75
01/10/11	BUY OWNER	REIMBURSEMENT FOR DAN BODENSTEIN	4437417026	Check 1061	-2,500.00
4178 - Computer/Technology Total:					-4,061.75

Account Summary by Category Code - Detail
 All Transactions Thru 01/21/11
 Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: **10-04063**
 Debtor: **BOTFLY L.L.C**

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
04/26/10	TANENBAUM HARBOR OF FLORIDA	2006 EDGEWATER POWERBOAT	4437417026	Check 1005	-2,482.74
4210 - Insurance Total:					-2,482.74
09/02/10	BUSH ROSS, P.A.	LEGAL FEES	4437417026	Check 1032	-35,202.28
4260 - Legal Fees Total:					-35,202.28
05/13/10	VYSTAR CREDIT UNION	INV # 1826	4437417026	Check 1011	-19.75
06/03/10	WELLS FARGO BANK NA	INV # 61701 CASE # 1762221	4437417026	Check 1016	-66.80
06/09/10	LEXISNEXIS RISK SOLUTIONS GA INC.	ACCT # 5212501	4437417026	Check 1017	-268.50
12/06/10	LEXISNEXIS RISK SOLUTIONS GA INC.	ACCT # 5212501	4437417026	Check 1052	-22.50
4265 - Legal Costs Total:					-377.55
08/06/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1029	-509.88
09/30/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80,	4437417026	Check 1040	-1,019.76
11/04/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1044	-509.88
12/01/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1049	-509.88
01/03/11	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1058	-509.88
4295 - Loan Total:					-3,059.28
06/18/10	WINDOWMAN AMOR INC	INV # 0067152	4437417026	Check 1020	-115.00
4320 - Maintenance Total:					-115.00
04/12/10	LOGGERHEAD CLUB & MARINA	MARINA RENTAL HIN#DMA05124L506	4437417026	Check 1000	-864.56
05/26/10	LOGGERHEAD CLUB & MARINA	INV # 809430	4437417026	Check 1015	-432.28
06/25/10	LOGGERHEAD CLUB & MARINA	INV # 809782	4437417026	Check 1021	-432.28
07/27/10	LOGGERHEAD CLUB & MARINA	INV # 810161	4437417026	Check 1026	-432.28
08/26/10	LOGGERHEAD CLUB & MARINA	INV # 810524	4437417026	Check 1031	-432.28

Account Summary by Category Code - Detail
 All Transactions Thru 01/21/11
 Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063

Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
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Disbursements

09/22/10	LOGGERHEAD CLUB & MARINA	INV # 00619 OCTOBER	4437417026	Check 1038	-432.28
11/01/10	LOGGERHEAD CLUB & MARINA	INV # 811243 NOVEMBER 2040	4437417026	Check 1043	-432.28
12/03/10	LOGGERHEAD CLUB & MARINA	INV # 811621 DECEMBER	4437417026	Check 1051	-432.28
01/04/11	LOGGERHEAD CLUB & MARINA	INV # 811975 JAN 2011	4437417026	Check 1059	-432.28
		4340 - Rent Total:			-4,322.80
04/15/10	TONY & SON TOWING & RECOVERY	INV DATED 04/09/10	4437417026	Check 1003	-435.00
04/27/10	A-AARON MOVERS INC	INV # 148	4437417026	Check 1006	-1,920.10
05/07/10	TONY & SON TRUCKING AND TOWING	INV # 1748	4437417026	Check 1009	-660.00
11/10/10	SLEPPERS MOVING & STORAGE INC	INV # 52383	4437417026	Check 1046	-5,433.75
		4350 - Moving Expense Total:			-8,448.85
09/27/10	THE UPS STORE # 2715	STMT DATED 08/31/10	4437417026	Check 1039	-47.55
		4400 - Office Expense Total:			-47.55
09/02/10	M. MOECKER & ASSOCIATES	FEES	4437417026	Check 1033	-91,247.21
		4479 - Receiver Fees Total:			-91,247.21
09/14/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-431.25
10/14/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.00
11/11/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.12
12/13/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.12
01/13/11	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.24
		4553 - Service Fees Total:			-2,111.73
04/14/10	MARSHALL SECURITY SERVICES INC	ORDER # 2302	4437417026	Check 1002	-3,134.56
05/05/10	SIU CENTRAL	INV # 5991	4437417026	Check 1008	-581.50

Account Summary by Category Code - Detail

All Transactions Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: **10-04063**
Debtor: **BOTFLY L.L.C**

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
05/25/10	SECURITAS SECURITY SERVICES USA INC	INV # E1681008 & E1684189	4437417026	Check 1014	-2,841.47
4560 - Security Total:					-6,557.53
04/20/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17	4437417026	Check 1004	-154.79
05/05/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1007	-215.64
05/13/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1010	-215.64
05/18/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1012	-309.58
06/10/10	TONY & SON TRUCKING AND TOWING	INV # 60110-3-1	4437417026	Check 1018	-1,590.00
06/17/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1019	-309.58
07/09/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1024	-215.64
07/22/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1025	-309.58
07/30/10	TONY & SON TRUCKING AND TOWING	INV # DATED 07/14/10	4437417026	Check 1027	-1,290.00
08/05/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1028	-215.64
08/19/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1030	-309.58
09/07/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1034	-215.64
09/14/10	TONY & SON TRUCKING AND TOWING	INV # DATED 08/30/10	4437417026	Check 1035	-1,380.00
09/17/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1036	-309.58
09/17/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1037	-215.64
10/14/10	TONY & SON TRUCKING AND TOWING	INV # DATED 10/13/10	4437417026	Check 1041	-1,350.00
10/21/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1042	-309.58
11/30/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1047	-215.64
12/02/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1050	-309.58
12/10/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1053	-215.64
12/10/10	TONY & SON TRUCKING AND TOWING	INV # DATED 12/06/10	4437417026	Check 1054	-1,620.00
12/28/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1056	-215.64
12/28/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1057	-309.58

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Account Summary by Category Code - Detail

All Transactions Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063

Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
Disbursements					
01/06/11	TONY & SON TOWING & RECOVERY	INV DATED 01/05/11	4437417026	Check 1060	-900.00
01/12/11	1-75 BUSINESS PARK & SELF STORAGE	UNIT # 00005	4437417026	Check 1062	-1,112.50
				4575 - Storage Total:	-13,814.69
04/12/10	INTERNATIONAL SURETIES, LTD.	BOND # 016040909	4437417026	Check 1001	-252.50
				4580 - Surety Bond Total:	-252.50
				Disbursements Total:	-173,801.46
				Net Balance:	3,731,221.63

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Account Summary by Category Code - Detail
Transactions From 10/21/10 Thru 01/21/11
Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063
Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Received From	Item Description	Bank Account	Transaction	Amount
Deposits					
10/29/10	Bank of America	Interest Rate 0.050	4437417013	Interest	8.97
10/29/10	FIFTH THIRD BANK	INTEREST RECD FROM BANK	7432858426	Interest	890.76
11/30/10	Bank of America	INTEREST RECD FROM BANK	4437417013	Interest	9.32
11/30/10	FIFTH THIRD BANK	INTEREST RECD FROM BANK	7432858426	Interest	862.13
12/31/10	FIFTH THIRD BANK	INTEREST RECD FROM BANK	7432858426	Interest	890.99
3362 - Interest Income Total:					2,662.17
11/15/10	SECURITY DEPOSIT	SECURITY DEPOSIT	4437417013	Deposit 0	10,000.00
3513 - Security Deposit Total:					10,000.00
11/12/10	ETRADE	RECOVERY OF ACCOUNT	4437417013	Deposit 0	24,709.70
3525 - Recovery Bank Accounts Total:					24,709.70
Deposits Total:					37,371.87

Disbursements

12/22/10	R. CRAIG STARNS	INV # MOECKER10	4437417026	Check 1055	-400.00
3365 - Professional Fees Total:					-400.00
01/10/11	BUY OWNER	REIMBURSEMENT FOR DAN BODENSTEIN	4437417026	Check 1061	-2,500.00
4178 - Computer/Technology Total:					-2,500.00
12/06/10	LEXISNEXIS RISK SOLUTIONS GA INC.	ACCT # 5212501	4437417026	Check 1052	-22.50
4265 - Legal Costs Total:					-22.50
11/04/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1044	-509.88
12/01/10	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1049	-509.88

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Account Summary by Category Code - Detail

Transactions From 10/21/10 Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063
Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
01/03/11	GROW FINANCIAL FEDERAL CREDIT UNION	ACCT # 0000956788, LOAN # 80	4437417026	Check 1058	-509.88
4295 - Loan Total:					-1,529.64
11/01/10	LOGGERHEAD CLUB & MARINA	INV # 811243 NOVEMBER 2040	4437417026	Check 1043	-432.28
12/03/10	LOGGERHEAD CLUB & MARINA	INV # 811621 DECEMBER	4437417026	Check 1051	-432.28
01/04/11	LOGGERHEAD CLUB & MARINA	INV # 811975 JAN 2011	4437417026	Check 1059	-432.28
4340 - Rent Total:					-1,296.84
11/10/10	SHLEPPERS MOVING & STORAGE INC	INV # 52383	4437417026	Check 1046	-5,433.75
4350 - Moving Expense Total:					-5,433.75
11/11/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.12
12/13/10	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.12
01/13/11	FIFTH THIRD	SERVICE FEE	7432858426	Adjust-Out	-420.24
4553 - Service Fees Total:					-1,260.48
10/21/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1042	-309.58
11/30/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1047	-215.64
12/02/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1050	-309.58
12/10/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1053	-215.64
12/10/10	TONY & SON TRUCKING AND TOWING	INV # DATED 12/06/10	4437417026	Check 1054	-1,620.00
12/28/10	SOUTH WEST SELF STORAGE	UNIT # 0506	4437417026	Check 1056	-215.64
12/28/10	INTERSTATE MINI STORAGE INC	UNIT # 00N17, 00L10	4437417026	Check 1057	-309.58
01/06/11	TONY & SON TOWING & RECOVERY	INV DATED 01/05/11	4437417026	Check 1060	-900.00
01/12/11	1-75 BUSINESS PARK & SELF STORAGE	UNIT # 00005	4437417026	Check 1062	-1,112.50
4575 - Storage Total:					-5,208.16
Disbursements Total:					-17,651.37

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Account Summary by Category Code - Detail

Transactions From 10/21/10 Thru 01/21/11

Trustee: 293400 - Michael Moecker & Associates, Inc.

Case: 10-04063

Debtor: BOTFLY L.L.C

Judge: STA - STANLEY MILLS

Date	Disbursed To	Item Description	Bank Account	Transaction	Amount
Net Balance:					19,720.50