

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE §
COMMISSION, §
§
PLAINTIFF, §
§
vs. §
§
BRIAN A. BJORK, THE ESTATE OF JOEL §
DAVID SALINAS, J. DAVID GROUP OF §
COMPANIES, INC., J. DAVID FINANCIAL §
GROUP LP, SELECT ASSET §
MANAGEMENT LLC, SELECT ASSET §
CAPITAL MANAGEMENT LLC, SELECT §
ASSET FUND I, LLC, AND SELECT ASSET §
PRIME INDEX FUND, LLC. §
§
DEFENDANTS. §

CIVIL ACTION NO. 4:11 CV - 02830

RECEIVER’S ELEVENTH INTERIM REPORT

TO THE HONORABLE KEITH P. ELLISON, UNITED STATES DISTRICT COURT:

Steven A. Harr (“**Receiver**”), the Receiver appointed by the Court in these proceedings, files this, his Eleventh Interim Report (the “**Report**”) respectfully providing the following:

I.
INTRODUCTION

1. The Receiver filed his initial Preliminary Report with this Court on September 27, 2011. [Dkt. No. 25]. Since then, the Receiver has filed a total of nine (9) additional interim reports providing the Court with an update outlining his efforts and the status of distributions. See [Dkt. Nos. 35, 47, 72, 99, 111, 135, 155, 185, and 203.]. This Report is likely the final report to be filed by the Receiver in advance of his request to ultimately close the receivership estate. The purpose of this Report is to provide the Court with an update as to all outstanding matters.

II.

PROGRESS SINCE THE RECEIVER'S TENTH INTERIM REPORT

2. The Receiver filed his Tenth Interim Report on February 3, 2015 (“**Tenth Report**”). [Dkt. No. 203]. In the Tenth Report, the Receiver explained that there was still one piece of real estate being marketed, tax returns being prepared, net winner litigation pending, and various miscellaneous items still outstanding. [Dkt. No. 203]. All of these issues have since been resolved:

3. **Real Estate**: After several months of marketing the unimproved New Ulm lot, the property was sold in or around March 31, 2015. [Dkt. No. 76]. As of the date of this Report, there is no additional real estate owned or being held by the receivership estate.

4. **Net Winner Claims**: All net winner claims have been settled. Each of these settlements were presented to and approved by the Court. *See* [Dkt. Nos. 202, 213, & 221]. The Receiver’s efforts in pursuing net winners resulted in an additional \$225,000 in cash being contributed to the estate. All settlement proceeds have been fully collected.

5. **Tax Returns**: The Receiver indicated in the Tenth Report that he would file all outstanding tax returns by the end of February 2015. All such returns were filed as anticipated.

6. **Miscellaneous Items**: The Receiver continues to field questions on his website and by email. In addition, the Receiver last renewed the Certificate of Deposits holding the larger sum of the receivership corpus on March 15, 2016. These Certificate of Deposits are up for renewal again on June 16, 2016. The Receiver plans to continue to renew the Certificates of Deposit for three month periods of time as he is at the mercy of the Internal Revenue Service to complete their process of review and approval of the Receiver’s objection to penalties imposed on four remaining tax returns as detailed below.

III.
FINAL OUTSTANDING ITEMS

7. In February 2015, the Receiver filed approximately eighteen (18) tax returns on behalf of the receivership estate and Defendants. Most of the filings were accepted without issue but, for others, the Internal Revenue Service (“IRS”) imposed penalties, some significant. Initially, the IRS assessed penalties totaling \$580,320 against the receivership entities. The Receiver and his team of accountants have been successful in abating \$383,760 of penalties thus far. The Receiver has four (4) appeals currently pending with respect to the remaining \$196,560. Based on his prior success, the Receiver believes he has a good chance of prevailing on the remaining appeals.

8. The Receiver believes that it is in the best interest of the receivership estate to see the pending appeals through final determination. However, the receivership estate cannot be closed until these appeals are resolved. While the Receiver hopes to close the estate in short order, he is currently at the mercy of the IRS.

III.
GENERAL SUMMARY OF THE RECEIVERSHIP ESTATE’S
ASSETS AND LIABILITIES

9. The receivership estate is currently comprised of approximately \$2,285,242 in liquid cash. The receivership estate has no other assets. As of the date of this Report, all outstanding loans, credits, and settlements have been fully funded and no additional monies are due or expected to be paid to the receivership estate. The only question now remains is whether the estate will be responsible for the aforementioned IRS penalties.

IV.
FINAL DISTRIBUTION

10. After the referenced IRS appeals are resolved, the Receiver intends to make a final distribution. The final distribution will be made in accordance with the distribution plan

previously approved by the Court. Before any final distribution is made, the Receiver will update the Court with respect to the outstanding IRS penalties and request permission for the final distribution.

V.
ACCESS TO INFORMATION

11. The most recent quarterly Standard Funds Accounting Report prepared by the Receiver's accounts is attached as Exhibit "A" reflecting the estates assets and expenses to date.

12. The Receiver has established a website at www.selectassetreceiver.com and encourages investors to comment on this Report by responding by e-mail at the address posted therein. The Receiver has reviewed and considered correspondence forwarded through this means, and will continue to do so unless constrained by the expense.

DATED: June 8, 2016

Respectfully submitted,

By: /s/ Steven A. Harr

Steven A. Harr

Texas Bar No. 09035600

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was filed electronically with the Clerk via the CM/ECF system. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system.

Houston, Texas, this the 8th day of June, 2016.

/s/ Steven S. Karim _____

Sameer S. Karim

STANDARDIZED FUND ACCOUNTING REPORT for J. David Financial, et. al. - Cash Basis
 Receivership; Civil Court Docket No. 4.11 CV - 02830
 Reporting Period 2/01/2016 to 4/30/2016

FUND ACCOUNTING (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 2/01/2016):		\$ 2,298,761	
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	\$ -		
Line 3	Cash and Securities	-		
Line 4	Interest/Dividend Income	1,146		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	-		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 – 8):		1,146	\$ 2,299,907
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	-	-	
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	(14,665)		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	-		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses	-		
Line 10f	Tax Administrator Fees and Bonds	-		
Line 10g	Federal and State Tax Payments	-		
	Total Disbursements for Receivership Operations		(14,665)	
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....			
	Independent Distribution Consultant (IDC).....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....			
	Claimant Identification.....			
	Claims Processing.....			
	Web Site Maintenance/Call Center.....			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 – 11):			(14,665)
Line 13	Ending Balance (As of 4/30/2016):			\$ 2,285,242



STANDARDIZED FUND ACCOUNTING REPORT for J. David Financial, et. al. - Cash Basis

Receivership; Civil Court Docket No. 4.11 CV - 02830

Reporting Period 2/01/2016 to 4/30/2016

Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 582,867
Line 14b	Investments			1,702,375
Line 14c	Other Assets or Uncleared Funds			-
	Total Ending Balance of Fund – Net Assets			\$ 2,285,242
OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
	Report of Items NOT To Be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund:			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund			
Line 15b	Plan Implementation Expenses Not Paid by the Fund:			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....			
	Claimant Identification.....			
	Claims Processing.....			
	Web Site Maintenance/Call Center.....			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. FAIR Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund			
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund:			
Line 17	DC & State Tax Payments			
Line 18	No. of Claims:			
Line 18a	# of Claims Received This Reporting Period.....			-
Line 18b	# of Claims Received Since Inception of Fund.....			297
Line 19	No. of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period.....			-
Line 19b	# of Claimants/Investors Paid Since Inception of Fund.....			271

Note: Asset values are estimated based on books and records of estate. These amounts may change upon further analysis during the course of the receivership.

Receiver:
 By: _____ Date: _____
 (signature)

 (printed name)

 (title)

STANDARDIZED FUND ACCOUNTING REPORT for J. David Financial, et. al. - Cash Basis

Receivership; Civil Court Docket No. 4:11 CV - 02830

Reporting Period 2/01/2016 to 04/30/2016

Line 1: Beginning Balance (As of 2/01/2016):	
Balance as of last report period ended 1/31/2016	\$ 2,248,761
Adjustment of asset values unknown at beginning of receivership:	
Dispute - settlement proceeds	<u>50,000</u>
Adjusted balance as of 1/31/2016	<u>\$ 2,298,761</u>