

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	CIVIL ACTION FILE
Plaintiff,)	NO. 1:06-CV01171-CC
)	
GEOFFREY A. GISH; WESTON)	
RUTLEDGE FINANCIAL SERVICES,)	
INC.; ZAMINDARI CAPITAL, LLC;)	
LEXINGTON INTERNATIONAL FUND,)	
LLC, a/k/a LEXINGTON)	
INTERNATIONAL FUND, INC.; AND)	
OXFORD ADAMS CAPITAL, LLC,)	
)	
Defendants.)	

NOTICE OF FILING

Counsel for Thomas S. Richey, as Receiver for Weston Rutledge Financial Services, Inc., Zamindari Capital, LLC, Lexington International Fund, LLC, a/k/a Lexington International Fund, Inc., and Oxford Adams Capital, LLC, hereby files the attached Eighth Report Regarding Receiver's Activities and Status of the Receivership Estate.

This 8th day of July 2010.

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a/k/a Lexington International Fund, Inc.,
and Oxford Adams Capital, LLC

**EIGHTH REPORT REGARDING RECEIVER'S ACTIVITIES
AND STATUS OF THE RECEIVERSHIP ESTATE**

Thomas S. Richey, as Receiver for Weston Rutledge Financial Services, Inc. ("Weston Rutledge"), Zamindari Capital, LLC ("Zamindari"), Lexington International Fund, LLC, a/k/a Lexington International Fund, Inc. ("Lexington"), and Oxford Adams Capital, LLC ("Oxford Adams") (the "Receivership Companies") (the "Receiver"), hereby files his Eighth Report Regarding Receiver's Activities and Status of the Receivership Estate ("Eighth Report").

INTRODUCTION

1. In his First Report Regarding Receiver's Activities and Status of the Receivership Estate, filed on August 28, 2006, the Receiver set out the procedural background of this case as well as the initial findings of the financial condition of the Receivership Companies. In the Second through Seventh Receiver's Reports, we have detailed activities and events through November 2009 and the Receiver's efforts to recover funds that the Receivership Companies' received from investors and were lost in the Ponzi scheme.

2. Since submission of the last Receiver's Report, the Receiver has continued his efforts to recover from the third parties through whom Mr. Gish was supposedly investing and from investors who profited from the Ponzi scheme and failed to return their profits in response to the Receiver's demands. The Receiver

has recovered some of the funds through payment of his demands or, where the debtors were demonstrably unable to pay in full, through settlements approved by the Court. The Receiver has sued 41 third party Ponzi scheme participants and profiting investors in five lawsuits. To date, he has obtained judgments, either by agreement or default, awarding over \$18 million (including interest accrued as of the time of the judgments) against 33 of the defendants, he has been filing judgment liens where the judgment debtors reside or may own property, and has been searching for assets and taking other steps to collect on these judgments. The litigation continues against 5 defendants, from whom the Receiver is seeking to recover nearly \$7 million. The Receiver has voluntarily dismissed one profiting investor who is now deceased, apparently with no assets, and litigation against another profiting investor was stayed because of the investor's bankruptcy filing.

3. As previously reported, based on information known to date, the Receiver expects that a significant portion of the lost funds will not be recovered because, among other things, some of the funds were spent in operating the Receivership Companies and the Ponzi scheme, much of the funds were transferred to third parties who lack the ability to repay them or have absconded with them, close to half of the missing funds were transferred to foreign banks, and a substantial number of the other judgment debtors appear to lack the assets to pay

their judgments. Further, Geoffrey Gish, against whom the SEC and the Receiver have large judgments, filed for personal bankruptcy with few assets, the Internal Revenue Services has filed large priority tax claims in his bankruptcy case, and although he has been denied a discharge, he reportedly does not have steady employment. Thus, while considerable progress has been made in establishing liability and obtaining judgments and while the Receiver has succeeded in collecting some of the funds and is pursuing claims and collections where there are sufficient prospects of collection to justify the effort and expense, since there are several large claims still in litigation, given the difficulties encountered in collecting on some of the judgments, and given the continuing expense in the litigation and collection efforts, the Receiver is still not in a position to predict the extent of net recoveries likely to be achieved or whether or not meaningful distributions will be paid.

4. The Receiver's accountants, GlassRatner Advisory and Capital Group LLC ("GlassRatner") will submit its final report on their accounting review of investor claims by August 15, 2010. The Receiver will, thereafter, conduct a legal review of the claims and then send notices to investors who filed proofs of claims informing them whether their claims will be allowed or disallowed. Investors whose claims have been disallowed in whole or in part will have the

opportunity to challenge the disallowance by applying to the Court. Once this process is complete, the Receiver will prepare and file with the Court a proposed plan of distribution for the assets of the Receivership Estate.

5. As is the case in most Ponzi scheme receiverships, the Weston Rutledge Receivership is taking multiple years to resolve, largely because recoveries must be achieved through litigation, a time-consuming process. Given the continuing litigation, the Receiver expects that the Receivership will continue into 2011. The Receiver hopes to complete the recovery effort and administration of the Receivership Estate by mid-2011.

6. This Eighth Report is intended to provide a summary of the activities and findings of the Receiver and his team to date. Some of the information contained in this Report is subject to change as additional information and documents are received during the course of the litigation and collection efforts. The Report covers the following areas:

- A. Efforts to collect the Receivership Companies' assets and funds
- B. Investor and creditor claims and communications
- C. Summary of the Receiver's collections and expenses

RECEIVER'S ACTIVITIES

7. Since the time of the filing of the Seventh Report Regarding Receiver's Activities and Status of the Receivership Estate ("Seventh Report") on

December 7, 2009, the Receiver and his counsel and accountants have engaged in the following activities:

A. Efforts to collect the Receivership Companies' Assets and Funds.

i. Review and Analysis of Accounting Records.

8. Although their work in reconciling the receipt and disposition of funds is largely complete, the Receiver's accountants have worked to research, verify, and provide supporting testimony and documentary evidence of amounts received by third party Ponzi scheme participants and profiting investors. (See discussion below). GlassRatner has provided affidavits for the Receiver's use in obtaining judgments and other efforts to recover the Receivership Companies' funds.

9. GlassRatner also provided extensive assistance to the Receiver's attorneys for the depositions of Simon Gulkanian and Jeffrey James Mayo Priebe and preparation of the motions for summary judgment, described below in the litigation update for the Richey v. Ghods, et al. case.

10. GlassRatner will complete its final report on the review and analysis of investor claims and reconciliation of their claims with the Receivership Companies' records by August 15, 2010. The Receiver, with the assistance of counsel, will examine the claims where there is a discrepancy between the

investors' claim forms and the Receivership Companies' records or other irregularities, and notify investors if their claims will be disallowed.

- ii. Litigation Status: Richey v. Arena, et al. – Suit Against Third Party Participants in the Ponzi Scheme.

11. On October 11, 2007, the Receiver brought suit against the following 14 individuals and entities who participated in the Ponzi scheme or received investor money, but did not provide anything in return: Steven Paul Arena; Champion Partners & Associates; Donovan E. Davidson; Mark D. Goodley; No Guilt Chocolate Company, LLC; Karl E. Johnson; Majestic Capital Management; James M. Matthiesson; Seven Star Wines of Moldova, Inc.; Eugene L. McCord; Moldova Georgia USA Business Center LLC; Stuart Irving Robbins; Waterways Management; and Derrick Telling.

12. Default judgments or consent judgments totaling approximately \$4,397,000 were obtained against the defendants in that case.

13. The Receiver, with the help of private investigators, has searched for assets against which to collect these judgments; to date no significant assets have been located in the United States for these judgment debtors.

14. Since the Seventh Report, the Receiver has filed a garnishment action against Mr. McCord and Moldova. The time period for a response to the garnishment action has not yet passed.

iii. Litigation Status: Richey v. Ghods, et al.

16. On April 8, 2008, the Receiver filed suit in the United States District Court for the Northern District of Georgia against Zahra Ghods, Rusa Cap, Inc., Unisource Cap, LLC, Double Grace Holdings, Ltd., Estrella de Fuego, S.A., Jeffrey James Mayo Priebe, Antonio Maria Ruspoli, Simon Gulkanian, and Purya K. Ghrabeti seeking over \$10 million for fraudulent transfer, conversion, fraud, breach of fiduciary duty, and unjust enrichment. The complaint also alleges that the defendants participated in a conspiracy to defraud investors of the Receivership Companies and seeks triple damages from those defendants pursuant to the federal and state Racketeer Influenced and Corrupt Organizations Acts.

17. Default judgments have been entered against all defendants, except Messrs. Priebe, Gulkanian, and Ghrabeti. The Receiver has registered those default judgments in jurisdictions in the United States.

18. The Receiver, with the help of private investigators, has searched for assets against which to collect these judgments; to date no significant assets have been located in the United States. The Receiver is seeking to enforce those judgments abroad.

19. In the meantime, the Receiver is continuing to litigate his claims against Messrs. Priebe, Gulkanian, and Ghrabeti.

20. Mr. Ghrabeti is Zahra Ghods' son. The Receiver contends that he personally received some of the funds that Ms. Ghods obtained from the Receivership Companies. The Receiver contends that Ms. Ghods paid nearly \$1 million to Mr. Gulkanian or to others on his instructions to obtain a forged \$100 million Canadian Imperial Bank of Commerce certificate of deposit. The Receiver contends that Mr. Priebe with his partner Antonio Ruspoli received \$5,000,000 in funds from the Receivership Companies wired into a San Marino bank account and that Mr. Priebe is jointly liable with his partner for the misappropriation of those funds.

21. Since the Seventh Report, the parties have been conducting discovery in this litigation. The parties have propounded and responded to requests for production of documents and interrogatories. The Receiver took the depositions of Mr. Gulkanian and Mr. Priebe on March 2, 2010 and March 19, 2010, respectively. The Receiver considers these depositions to have been very productive. Mr. Gulkanian and Mr. Priebe deposed the Receiver on March 22, 2010. The discovery period has now expired.

22. On June 28, 2010, the Receiver filed motions for summary judgment against Messrs. Priebe, Gulkanian, and Ghrabeti. The Receiver obtained valuable testimony during the depositions of Messrs. Priebe and Gulkanian that, in his

opinion, provide strong support for these motions. Mr. Priebe also filed a motion for summary judgment and the Receiver will oppose that motion.

23. If the Court does not dispose of the case on summary judgment, the Receiver will request a trial date.

iv. Geoffrey Gish's Bankruptcy Case.

24. There are no significant developments to report regarding Mr. Gish's bankruptcy filing. The following information was previously reported and remains relevant:

- The Receiver filed a cross-claim against Geoffrey A. Gish in this action seeking to recover \$18 million and alleging claims for breach of fiduciary duty; misappropriation, conversion, and fraudulent transfers of assets; gross negligence; negligence; piercing the veils of limited liability; indemnification; punitive damages; and attorneys' fees and expenses. Gish filed an answer on March 19, 2007, denying liability.
- On June 15, 2007, a final consent judgment was entered against Geoffrey A. Gish in favor of the SEC as part of Gish's settlement with the SEC. The judgment enjoins Gish from future violations of the antifraud provisions of the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940, imposes a civil fine on him of \$120,000.00, and orders him to pay

disgorgement to the Receivership Estate of \$1,258,836.92, together with \$41,276.81 in prejudgment interest.

- Gish filed two bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Georgia, the second of which is still pending and stays the Receiver from litigating his cross-claim against Gish, as well as any collection efforts outside of the bankruptcy proceeding on the SEC's judgment of disgorgement, which, as noted above, is also payable to the Receivership Estate.
- The Receiver filed a proof of claim and has participated in Gish's bankruptcy case as warranted. It is unclear whether there will be sufficient assets in the Gish bankruptcy estate to provide any distribution to the Receiver on either the SEC judgment or the Receiver's claims after payment of the Trustee's administrative costs, payments to secured creditors, and any distribution to creditors asserting priority claims, if allowed, in particular the Internal Revenue Service's claims for unpaid income taxes.
- On November 7, 2008, the Receiver filed a non-dischargeability proceeding against Gish, seeking to prevent Mr. Gish from obtaining a discharge of his liabilities to the Receivership estate. That proceeding was successfully resolved when the Bankruptcy Court, on August 7, 2009, granted the

Receiver's motion for a default judgment, struck Mr. Gish's untimely answer, and entered a default judgment against him for over \$18 million.

The SEC judgment is also non-dischargeable. Thus, Mr. Gish remains liable to the Receivership Companies for his conduct.

v. Litigation Status: Richey v. Beers, et al.

25. The Receiver has brought two suits against profiting investors. The first suit was filed on November 2, 2007 against the following nine profiting investors: Barry and Rhonda Beers; Mala Kumar and Kumar Ramalingam; Ziad Minkara; Anthony Mitchell; Arthur Rice; Harry "Hap" Schultz and Riverfront Properties, Inc ("Riverfront"), seeking to recover approximately \$1.28 million, representing profits, i.e., amounts they received in excess of their investments, which they are not entitled to retain.

26. Art Rice. As previously reported, the Receiver received full payment of the \$20,000 that Mr. Rice owed.

27. Mala Kumar and Kumar Ramalingam. As previously reported, the Receiver collected \$241,048.53 from a garnishment against the Kumars. They continue to owe \$52,397.40.

28. Harry "Hap" Schultz and Riverfront Properties. As previously reported, the Receiver has received a consent judgment from Mr. Schultz and

Riverfront in the amount of \$394,096.38. Mr. Schultz and his company were real estate developers. The Receiver is currently exploring collection options.

29. Anthony Mitchell. Mr. Mitchell previously paid \$70,000.00 toward the \$114,714.29 principal amount owed to the Receivership Companies. Since the Seventh Report, he paid the remaining \$44,714.29 of the principal amount owed in full settlement of the Receiver's claims against him. In order to obtain this settlement and payment, the Receiver, with Court approval, waived his claims for interest against Mr. Mitchell.

30. Ziad Minkara. As previously reported, the Receiver obtained summary judgment against Mr. Minkara for \$35,903.01. The Receiver has filed a garnishment action against Mr. Minkara and is currently attempting to collect garnished funds from his bank account. The amount garnished is much less than the total due and the Receiver will continue to pursue other collection efforts as to Mr. Minkara.

31. Barry and Rhonda Beers. The Receiver has asserted claims against the Beers for \$213,845.55. As previously reported, the Court held that the amounts received by the Beers in excess of the amounts they invested were fraudulent transfers and were owed back to the Receivership Companies, but held that the

amount owed by the Beers was in dispute and will hold a trial to determine the amount owed.

32. The Court ordered the Receiver and the Beers to file a pretrial order on December 31, 2010. The Receiver complied with the Court's order and filed its portion of the order on December 31, 2010. The Beers requested additional time and filed some information with the Court on February 26, 2010.

33. On the same day, the Beers also filed a Motion to Set Aside Judgment and a Motion to Reopen Discovery. Rhonda Beers also filed a Motion to Dismiss the Receiver's claims against her. The Receiver filed responses to all three motions on March 18, 2010 and on April 26, 2010, the Court denied all three motions.

34. No trial date has been set in the case against the Beers.

vi. Litigation Status: Richey v. Rajan, et al.

35. The Receiver brought a second suit against the following eight additional profiting investors on August 11, 2009: Sundar Rajan, Jimmy Sweet, Patrick Talbot, Anna Tullos, Cheri Tullos, Henry Wiebe, Thomas Woodcock and JoBeth Zubkoff, seeking to recover a total of nearly \$300,000, representing the amounts they received in excess of their investments and are not entitled to retain.

36. Settlements. The Receiver has now collected a total of \$95,000.00 in settlement payments from Messrs. Sweet and Rajan and from Ms. Zubkoff. All three settlements were approved by the Court.

37. The settlement against Ms. Zubkoff was obtained only after Ms. Zubkoff moved to set aside the default judgment entered against her on February 26, 2010. The Receiver was required to respond to that filing on March 18, 2010, and the Court denied Ms. Zubkoff's motion on April 26, 2010.

38. Consent judgment. Since the Seventh Report, the Receiver has recovered \$50,000.00 of the \$82,619.96 consent judgment that Mr. Wiebe entered into on November 23, 2009.

39. Default judgments. On April 6, 2010, the Court entered a default judgment against Ms. Cheri Tullos for \$45,525.55. On May 18, 2010, the Court entered a default judgment against Mr. Woodcock for \$17,487.86. The Receiver is in the process of registering these judgments in jurisdictions where those defendants reside.

40. Other. Mr. Patrick Talbot is now deceased. After an investigation, the Receiver could not locate any assets, it appears that his estate has not been probated, and any further efforts to recover on his debt to the Receivership Companies, in the judgment of the Receiver and his counsel, would not be cost-

effective. The Receiver voluntarily dismissed the case against Mr. Talbot on April 12, 2010, because the Receiver could not find an executor, administrator, or personal representative to substitute for the decedent.

41. Ms. Anna Tullos has filed for bankruptcy, thus staying the Receiver's lawsuit against her.

B. Investor and Creditor Claims and Communications.

42. As previously reported, the bar date for investor and creditor claims has passed. The Receiver received 451 claim forms timely filed by approximately 330 investors representing claims for over \$18 million in losses.

43. As mentioned above, the Receiver, with the assistance of his counsel and accountants, is examining each of the claims and the supporting documents submitted, to determine whether they are accurate, to reconcile the claim information and compare the amount of the claim with the information contained in the records of the Receivership Companies, and to decide whether the claims should be allowed and, if so, in what amount. Where there are errors, discrepancies, or disagreements on the claims filed, the Receiver will attempt to resolve them through discussions with the claimant prior to making his decision on the allowance or disallowance of claims. As stated above, investors whose claims

are denied will have an opportunity to apply to the Court for a ruling on the validity or amount of their claims.

44. The Receiver continues to receive telephone calls and e-mails from investors, and he and his counsel have personally spoken with or corresponded by e-mail with investors regarding developments.

45. The Receiver maintains his Receivership website at www.westonrutledgereceiverships.com, which is updated with copies of his Receiver's Reports, court filings, news of developments and, from time to time, other information relevant to the investors. The Receiver's law firm hosts this website at no cost to the Receivership estate.

C. Summary of the Receiver's Collections and Expenses.

46. The total amount collected by the Receiver in cash since the Seventh Report is \$174,836.51, which includes funds collected from four profiting investors (Sundar Rajan, Anthony Mitchell, Henry Wiebe, and JoBeth Zubkoff).

47. The total bills that the Receiver has paid since the Seventh Report is \$83,412.74. This includes \$82,327.32 in previously incurred professional fees and legal expenses approved by the Court in its order of December 22, 2009. Other expenses included costs associated with service of process.

48. The Receiver is filing his seventh fee petition for professional fees

and expenses simultaneously herewith for expenses incurred from November 1, 2009 to April 30, 2010, seeking payment of \$205,026.50 to the Receiver and his attorneys and accountants for the payment of their fees and reimbursement of expenses incurred.

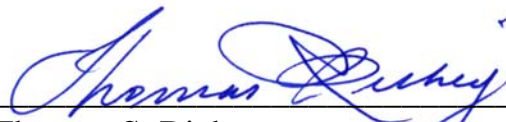
49. The current cash on hand for the Receivership Companies is \$482,842.11. The Receiver maintains a portion of these funds in money market accounts, which have earned a total of \$11,444.52 over the life of the accounts.

CONCLUSION

50. All information stated above is based on the knowledge of the Receiver at this point in time and later developments and discoveries may cause the information reported herein to be outdated or incorrect.

51. The Receiver will continue to provide the Court with updates on developments and findings affecting the Receivership Companies.

Respectfully submitted, this 8th day of July 2010.



Thomas S. Richey,
as Receiver for Weston Rutledge Financial
Services, Inc., Zamindari Capital, LLC,
Lexington International Fund, LLC, a/k/a
Lexington International Fund, Inc., and
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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing NOTICE OF FILING AND RECEIVER’S EIGHTH REPORT REGARDING RECEIVER’S ACTIVITIES AND STATUS OF THE RECEIVERSHIP ESTATE with the Clerk of Court using the CM/ECF system which will automatically send email notification of such filing to the attorneys of record.

This 8th day of July 2010.

/s/ Stacey Godfrey Evans
Stacey Godfrey Evans