

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 TENTH RECEIVER’S REPORT

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 Tenth Report Regarding Receiver’s Activities and Status of the Receivership Estate.

This 5<sup>th</sup> day of December, 2011.

/s/ Jennifer D. Odom  
Jennifer D. Odom  
Georgia Bar No. 549717  
Jennifer.odom@bryancave.com

Ann W. Ferebee  
Georgia Bar No. 431941  
Ann.Ferebee@bryancave.com

BRYAN CAVE LLP  
One Atlantic Center – Fourteenth Floor  
1201 West Peachtree Street  
Atlanta, Georgia 30309  
(404) 572-6600  
Fax: (404) 572-6999

Attorneys for Thomas S. Richey,  
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

**TENTH 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 Tenth Report Regarding Receiver’s Activities and Status of the Receivership Estate (“Tenth Report”).

**INTRODUCTION**

1. As is the case in most Ponzi scheme receiverships, the Weston Rutledge Receivership has taken multiple years to resolve, largely because the attempted recoveries required litigation, a time-consuming process. However, now that nearly all of the litigation is complete, and due to the limited remaining assets of the Receivership, the Receiver is attempting to resolve the remaining claims rather than expend further Receivership funds pursuing them to judgment and to wind up the affairs of the Receivership.

2. 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 Tenth Receiver’s Reports, we

have detailed activities and events through December 2011 and the Receiver's efforts to recover funds that the Receivership Companies' received from investors and were lost in the Ponzi scheme.

3. 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, for over \$24 million (including interest accrued as of the time of the judgments) against 36 of the defendants, he has filed judgment liens where the judgment debtors reside or may own property, and has searched for assets and taken other steps to collect on these judgments. Litigation continues against 2 Ponzi scheme participants from whom the Receiver is seeking to recover approximately \$6 million. The Receiver voluntarily dismissed one profiting investor who was deceased, reportedly with no assets in his estate, and litigation

against another profiting investor was stayed because of the investor's bankruptcy filing.

4. As previously reported, based on information known to date, the Receiver expects that most of the missing funds will not be recovered because, among other things, some of the funds were spent in operating the the Ponzi scheme and Receivership Companies, 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 from which the Receiver cannot recovery due to extreme privacy laws in those countries, such as Switzerland, and a substantial number of the other judgment debtors appear to lack the assets to pay their judgments. Further, Geoffrey Gish, against whom both the SEC and the Receiver have large judgments, filed for personal bankruptcy with few assets, the Internal Revenue Services filed large priority tax claims in his bankruptcy case, and although he has been denied a discharge, he reportedly does not have steady employment. Since the last report, Mr. Gish has been convicted of federal crimes relating to the Ponzi scheme and was sentenced to 20 years of imprisonment. 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 has pursued claims and collections, the prospects

of recovery on the remaining judgments are uncertain. Given the difficulties encountered in collecting on the judgments, the continued expense of litigation and collection efforts, and the modest amounts collected thus far, it is unfortunately becoming doubtful that any significant distributions will be paid to investors..

5. The Receiver's accountants, GlassRatner Advisory and Capital Group LLC ("GlassRatner") has provided to the Receiver its report on the accounting review of investor claims. The Receiver is in the process of making a determination whether to send notices to investors who filed proofs of claims informing them that there are not sufficient funds to make any meaningful distribution. If there are any funds to distribute, the Receiver will notify claimants regarding the validity of their claims and file a proposed plan of distribution for the assets of the Receivership Estate.

6. This Tenth 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.

### **RECEIVER'S ACTIVITIES**

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

December 20, 2010, 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 continued work 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 at the Department of Justice's request in connection with the criminal trial against Mr. Gish and Myra Ettenborough.

10. GlassRatner completed its final report on the review and analysis of investor claims and reconciliation of their claims with the Receivership Companies' records. The Receiver and his counsel have yet to complete their examination of the claims for legal sufficiency and have suspended that work given questions regarding the likelihood of distributions.

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 return the funds or any earnings on them, did not render any services or show any legitimate use of the funds or provide anything else 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, 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, and the Receiver has been unable to collect anything on these judgment, except for \$19,100.00 from Donovan E. Davidson and his spouse, described below.

14. The Receiver commenced garnishment proceedings in the State Court of Gwinnett and Fulton County, Georgia and in the District of Columbia in

attempt to collect on the judgment against the Defendant Donovan E. Davidson. The Receiver has been able to collect \$100.00 from Mr. Davidson, plus payments totaling \$19,000 from Lisa Davidson for release of a judgment lien on his interest in certain Texas real property. This litigation is considered to be closed because there are no remaining claims, and the Receiver is not currently aware of any other current sources of recovery that can be pursued on a cost-effective basis.

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 alleged that the defendants participated in a conspiracy to defraud investors of the Receivership Companies and sought triple damages from those defendants pursuant to the federal and state Racketeer Influenced and Corrupt Organizations Acts.

17. Default judgments or partial summary judgments have been entered against all defendants, except Mr. Priebe, as set forth below. The Receiver registered the judgments in various jurisdictions in the United States. The RICO

claims against Mr. Priebe, Mr. Ghrabeti and Mr. Gulkanian are still pending, as discussed forth below.

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

19. During the time period for this Report, the Receiver has continued to litigate his remaining claims against Messrs. Priebe, Gulkanian, and Ghrabeti.

20. Mr. Ghrabeti is Zahra Ghods' son. The Receiver contends that Mr. Ghrabeti personally received some of the funds that Ms. Ghods obtained from the Receivership Companies.

21. As to Mr. Gulkanian, 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.

22. As to Mr. Priebe, 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.

23. On June 28, 2010, the Receiver filed motions for summary judgment against Messrs. Priebe, Gulkanian, and Ghrabeti. The Receiver obtained testimony

during the depositions of Messrs. Priebe and Gulkanian that, in his opinion, provided strong support for these motions.

24. Since the Ninth Report, the Court granted Receiver's Partial Summary Judgment as to Messrs. Ghrabeti and Gulkanian.

25. On March 31, 2011, the Court entered a judgment on the motion for partial summary judgment for \$257,120.00 plus interest against Mr. Ghrabeti. The claims against Mr. Ghrabeti for conversion, Georgia RICO, civil conspiracy and punitive damages are still pending.

26. The Receiver registered judgment against Ghrabeti in Georgia and California and filed garnishment proceedings against him. No funds were collected as a result of those efforts. However, based on those collection efforts, searches for assets and financial information received from Mr. Ghrabeti, the Receiver is in the process of finalizing the settlement agreement with Mr. Ghrabeti for \$20,000, and, upon approval by the Court and receipt of the settlement funds, will be dismissing the pending claims and releasing the judgment against him.

27. On March 31, 2011, the Court entered a judgment on the motion for partial summary judgment for \$335,000 against Gulkanian. The claims for RICO, Georgia RICO, civil conspiracy and punitive damages against Gulkanian are still

pending. The Receiver has not been able to collect anything on the judgment already awarded.

28. On March 31, 2011, the Court entered an Order ruling against the Receivers on his claims against Mr. Priebe for partnership and fraudulent transfer liability, but allowing claims for Georgia RICO, civil conspiracy and punitive damages against Mr. Priebe. These claims are still pending and will likely go to trial in the spring of 2012. The Receiver has filed the required pre-trial orders for the pending claims against Messrs. Priebe and Gulkanian. However, the Receiver has learned that Mr. Priebe has an unrelated and unpaid prior judgment against him.

iv. Geoffrey Gish's Bankruptcy Case.

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

(a) 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.

(b) 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.

(c) 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 stayed the Receiver from litigating his claim of collecting the SEC's judgment of disgorgement, which, as noted above, is also payable to the Receivership Estate.

(d) The Receiver filed a proof of claim and 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.

(e) On November 7, 2008, the Receiver filed a non-dischargeability proceeding against Gish in his bankruptcy, seeking to establish Mr. Gish's liability on the Receivership claims and 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.

30. Since the Ninth Report, the Trustee in Gish's bankruptcy filed its Interim Report, its Motion to Sell Property, which was approved by the Court, and its Report of Sale. The receiver does not anticipate receiving anything of substance from the Gish's bankruptcy.

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

31. The Receiver 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. There are no claims pending in this litigation and it has been closed.

32. Art Rice. The Receiver received full payment of the \$20,000 that Mr. Rice owed.

33. 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, but efforts to collect the remaining amounts have not resulted in any additional recoveries

34. Harry “Hap” Schultz and Riverfront Properties. As previously reported, the Receiver 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. To date, the Receiver has been unable to make any recoveries from Mr. Shultz, but is continuing those efforts.

35. Anthony Mitchell. As previously reported, Mr. Mitchell originally paid \$70,000.00 toward the \$114,714.29 principal amount owed to the Receivership Companies and later 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.

36. Ziad Minkara. As previously reported, the Receiver obtained summary judgment against Mr. Minkara for \$35,903.01. The Receiver filed a garnishment action against Mr. Minkara and during this period, collected \$240.00 from his bank account. After obtaining financial information from Mr. Minkara, the Receiver recently settled with Mr. Minkara for \$3,500.00. The Receiver filed its Motion Approve Settlement with Mr. Minkara on October 24, 2011 and the Court approved it on November 21, 2011. The Receiver has received Mr. Minkara's settlement payment.

37. Barry and Rhonda Beers. The Receiver asserted claims against the Beers for \$213,845.55 and a trial was held on these claims. The Court held a damages trial on November 2, 2010 and ruled from the bench that the Beers owe \$213,845.55 to the Receivership Companies. The Receiver submitted proposed findings of facts and conclusions of law, as requested by the Court, and the Court entered its final judgment.

38. The Receiver commenced Garnishment proceedings against Mr. and Mrs. Beers in State Court of Gwinnett County on February 22, 2011. As a result of the garnishment proceeding, the Receiver collected only \$210.47 from Mr. and

Mrs. Beers. The Receiver to date has not located any assets from which he can anticipate any significant recovery from the Beers.

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

39. 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. There are no claims pending in this litigation and it has been closed.

40. Settlements. The Receiver has 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.

41. Consent judgment. The Receiver recovered \$50,000.00 of the \$82,619.96 consent judgment that Mr. Wiebe entered into on November 23, 2009.

42. 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 registered these judgments in jurisdictions where those defendants reside, but has

been unable to locate any assets from which to anticipate any recovery from these defendants.

43. Other. Mr. Patrick Talbot is deceased. After an investigation, the Receiver could not locate any assets, his estate was not 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.

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

45. Therefore, the Receiver does not currently have a basis for projecting any further recoveries from these Defendants.

vii. Criminal Proceedings against Geoffrey Gish and Myra Ettenborough.

46. The Receiver, his counsel and Glass Ratner provided evidence and other information to the SEC, the FBI and the U.S. Attorney in connection with the criminal proceedings against Mr. Gish and Ms. Ettenborough. Both were indicted on August 24, 2010, the criminal trial took place over a two week period from September 6 through 23, 2011, both defendants were convicted, and sentencing

occurred on November 29, 2011. The Receiver was required to provide documents and information to both the prosecution and defense and the Receiver subpoenaed to testify at trial by both sides. The Receiver testified at trial and his counsel attended portions of the trial.

**B. Investor and Creditor Claims and Communications.**

47. As previously reported, the bar date for investor and creditor claims passed on April 27, 2007. The Receiver received 451 claim forms timely filed by approximately 330 investors representing claims for over \$18 million in losses.

48. The Receiver's accountants submitted their final report of their analysis of investor claims. The Receiver and his counsel have examined that report and have reviewed individual claims for legal sufficiency. That process is not complete. However, the Receiver does not anticipate being able to make any meaningful recovery and therefore does anticipate any significant payout to the victims/claimants.

49. The Receiver continued 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.

50. The Receiver maintains his Receivership website at [www.westonrutledgereceiverships.com](http://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 current fee request and cash on hand.**

51. The Receiver is filing his ninth fee petition for professional fees and expenses simultaneously herewith for expenses incurred from December 1, 2010 to November 30, 2011, seeking payment of \$108,997.08 to the Receiver and his attorneys and accountants for the payment of their fees and reimbursement of expenses incurred. The Receiver also owes a balance of \$84,842.34 in fees and expenses from his eighth fee petition, which was approved by the Court in its Order of January 20, 2011.

52. The current cash on hand for the Receivership Companies is \$198,427.65 (as of December 5, 2011). The Receiver maintains a portion of these funds in money market accounts, which have earned a total of \$13,410.66 over the life of the accounts (as of December 5, 2011.)

**G. Receivership Expenses**

24. Contemporaneously with the submission of this report, the Receiver will submit a fee petition to request payment for the services provided by the professionals employed by the Receivership, including the Receiver and


GlassRatner, counsel at Bryan Cave, and other miscellaneous expenses incurred by the Receivership Estate.

**CONCLUSION**

53. 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.

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

Respectfully submitted, this 5<sup>th</sup> day of December, 2011.



---

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

6115135

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.	)	

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing NOTICE OF FILING AND RECEIVER'S TENTH 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 5<sup>th</sup> day of December, 2011.

/s/ Ann W. Ferebee  
Ann W. Ferebee