

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

This 7th day of August 2009.

/s/ Stacey Godfrey Evans
Jennifer D. Odom
Georgia Bar No. 549717
jodom@pogolaw.com

Stacey Godfrey Evans
Georgia Bar No. 298555
sevans@pogolaw.com

BRYAN CAVE POWELL GOLDSTEIN
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

**SIXTH 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 Sixth Report Regarding Receiver's Activities and Status of the Receivership Estate ("Sixth 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.

2. To summarize, the Receivership Companies' liabilities are largely to 300 investors who entrusted approximately \$29 million of their funds to Geoffrey A. Gish and the Receivership Companies. Mr. Gish and the Receivership Companies returned some \$11.6 million to investors, nearly \$2 million of it in profits to 23 investors. Only \$1,039,144.43 of the funds were remaining in the Receivership Companies' bank accounts on May 17, 2006 when the Receiver was appointed. The remaining approximately \$18 million of investor funds were lost

or spent. Mr. Gish and the Receivership Companies transferred nearly \$15 million of those funds to third parties in the course of improvident or illusory investments including over \$10 million to Zahra Ghods and her affiliates, on which the Receivership Companies received negligible returns. Mr. Gish took over \$1 million for himself in cash draws and payments of personal expenses and business ventures. Another \$1.3 million was spent in operating the Receivership Companies and the Ponzi scheme. The Receiver has been seeking to recover the missing funds for the benefit of investors and a small number of other creditors who have filed proofs of claim with the Receiver.

3. As detailed below, the Receiver, his counsel, and the Receivership accountants have largely completed their efforts to trace and determine who received the missing funds and have been focusing on locating and pursuing the persons and entities who received them and seek their return. These include the third parties through whom Mr. Gish was supposedly investing and investors who profited from the Ponzi scheme. The Receiver made demands on these persons and entities who are indebted to the Receivership Estate to return the funds. He has recovered some of the funds through payment of his demands or, where the debtors were unable to pay in full, through settlements. The Receiver has sued 32 third parties and profiting investors in three lawsuits filed in this Court. To date,

he has obtained nearly \$4.7 million in judgments (including interest accrued as of the time of the judgments) against 18 of the defendants either by agreement or by default, he has been filing judgment liens, and is searching for assets and taking other steps to try to collect on these judgments. The litigation continues against the remaining 14 defendants, from whom the Receiver is seeking to recover approximately \$11.1 million. As to several other debtors, the Receiver will shortly file suit against them, as well.

4. As previously reported, based on information known to date, the Receiver does not expect to recover all the lost funds because, among other things, Mr. Gish has filed for personal bankruptcy, some of the funds were transferred to third parties who lack the ability to repay them, and close to half of the missing funds were transferred to foreign banks. While considerable progress has been made in establishing liability and obtaining judgments, collecting these judgments has proven difficult and given the expense involved, the Receiver is still not in a position to predict the extent of recovery likely to be achieved or whether meaningful distributions can be paid.

5. The Receiver's accountants, GlassRatner Advisory and Capital Group LLC ("GlassRatner") are close to completing work on their analysis of investor claims. The Receiver plans to send notices to investors who filed proofs

of claims informing them whether their claims have been allowed or disallowed. This process is necessary in order to prepare and propose a plan of distribution to the Court.

6. As is the case in most Ponzi scheme receiverships, the Weston Rutledge Receivership is taking multiple years to resolve. Given the continuing litigation, the Receiver expects that it will take another year, possibly more, to complete the recovery effort and administration of the Receivership Estate.

7. This Sixth 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 investigation and the litigation with third parties. 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

8. Since the time of the filing of the Fourth Report Regarding Receiver's Activities and Status of the Receivership Estate ("Fourth Report") on September 17, 2008, 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.

9. In order to account for the disposition of investor funds, seek the recovery of the funds from the persons who took them, determine the losses sustained or the profits earned by investors, ascertain the monies spent in operating the Ponzi scheme, prepare a plan of distribution, and ensure a fair administration of investor claims, the Receiver and his team continue to work to confirm the amount of money that came into the Receivership Companies and from whom, and how much went out and to whom.

10. Although their work is largely complete, the Receiver's accountants continue, as needed, to review and analyze the voluminous electronic accounting records from the Receivership Companies and banking records and other documents obtained from financial institutions pursuant to subpoena in order to provide evidence regarding who owes money to the Receivership Companies and how much is owed.

11. GlassRatner has worked to verify and provide supporting evidence of amounts received by profiting investors and other third parties, and the Receiver has filed suit against a number of these individuals and entities. (See discussion below). GlassRatner has provided affidavits confirming amounts received for the

Receiver's use in litigation against third parties. GlassRatner is continuing its work in this area as to individuals and entities whom the Receiver has not, as yet, sued.

12. GlassRatner is close to completion of its review and analysis of investor claims and reconciliation of their claims with the Receivership Companies' records. The bar date for investor claims has passed. Once GlassRatner's report is submitted, the Receiver, with the assistance of counsel, will examine the claims and notify investors if there is a discrepancy between their claim forms and the Receivership Companies' records, or if their claims should otherwise be disallowed.

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

13. 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 ("Champion"); Donovan E. Davidson; Mark D. Goodley; No Guilt Chocolate Company, LLC ("No Guilt Chocolate"); Karl E. Johnson; Majestic Capital Management ("Majestic"); James M. Matthiesson; Seven Star Wines of Moldova, Inc. ("Seven Star"); Eugene L.

McCord; Moldova Georgia USA Business Center LLC (“Moldova”); Stuart Irving Robbins; Waterways Management (“Waterways”); and Derrick Telling.

14. As of the Fifth Receiver’s Report, default judgments or consent judgments had been obtained against all but Eugene L. McCord. On March 30, 2009, the Receiver obtained a consent judgment against Mr. McCord for \$5,000.

15. The Receiver with the help of private investigators has searched for assets against which to collect these judgments. The litigation of Richey v. Arena, et al. itself is complete.

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. The Receiver has effected service of process on all defendants.

18. On May 18, 2009, the Receiver filed motions for entry of default as to Zahra Ghods; Rusa Cap, Inc.; Unisource Cap, LLC; Double Grace Holdings, Ltd.; Estrella de Fuego, S.A.; and Antonio Maria Ruspoli because those defendants failed to respond to the Complaint. The Court entered default against those defendants on May 19, 2009.

19. On July 23, 2009, the Receiver filed motions for entry of default judgments against these defendants collectively seeking over \$12 million, including interest, and is currently awaiting rulings from the Court on these motions.

iv. Geoffrey Gish's Bankruptcy Case.

20. As previously reported, 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.

21. 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.

22. Gish has filed two bankruptcy actions 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 on the SEC's judgment of disgorgement, which, as noted above, is also payable to the Receivership Estate.

23. The Receiver filed a proof of claim and will continue to participate in Gish's bankruptcy case as warranted to ensure that the Receivership Companies' claims are protected and pursued for the benefit of the Receivership Estate and investors.

24. The Bankruptcy Trustee sold Mr. Gish's house on August 29, 2008 for \$224,000, which generated net sale proceeds of \$202,534.86. It is unclear whether, after payment of the Trustee's attorneys' fees and distribution to other creditors, including the Internal Revenue Service, there will be sufficient proceeds to provide any distribution on the SEC's or the Receiver's claims.

25. On November 7, 2008, the Receiver filed a non-dischargeability proceeding against Gish. Mr. Gish filed an untimely answer on March 13, 2009. On May 15, 2009, the Bankruptcy Court made an entry of default against Mr. Gish. The Receiver moved for entry of a default judgment against Mr. Gish for over \$18 million on July 17, 2009 and is currently awaiting a ruling from the Court on the motion.

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

26. The Receiver brought suit against the following 9 profiting investors on November 2, 2007: 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 the amounts they received in excess of their investments and are not entitled to retain. As of the Fifth Receiver’s Report, the Receiver had obtained a settlement payment from Mr. Rice.

27. The Beers, Minkara, and Mitchell. The Receiver filed motions for summary judgment against the Beers, Mr. Minkara, and Mr. Mitchell on September 25, 2008 seeking payments totaling \$306,427.54. The Receiver is currently awaiting a ruling from the Court on these motions.

28. Schultz & Riverfront. The Receiver served discovery requests upon Mr. Schultz and his company, Riverfront, but never received responses. The Receiver moved the Court to compel the responses and is awaiting a ruling on that motion. The Receiver needs the discovery responses in order to file a motion for summary judgment against Mr. Schultz and Riverfront.

29. Kumar & Ramalingam. On February 11, 2009, the Court granted the Receiver's motion for default judgment against the Kumars for \$293,788.27. After registering the judgment in California, as required by law, in June of 2009, the Receiver filed a garnishment action in the United States District Court for the Eastern District of California to garnish certain of the Kumars' bank accounts to collect the judgment against them. Thus far, \$241,047.32 is frozen as a result of the garnishment action and the Receiver expects to receive the funds in the near term.

vi. Other.

30. The Receiver plans to file an additional lawsuit against at least 9 other profiting investors with whom he has been trying to reach settlements, if settlements are not reached in the near term.

31. In addition to the foregoing, the Receiver and his counsel and accountants are engaged in certain other investigation and recovery efforts,

including efforts to trace and locate funds on which it would be premature to report and/or where public disclosure of the efforts would potentially adversely impact the prospects of success.

B. Investor and Creditor Claims and Communications.

32. 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.

33. The Receiver, with the assistance of his counsel and accountants, as stated above, 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 further analysis and, where needed, through discussions with the claimant.

34. Any investors whose claims are denied in whole or in part will be given notice and will have an opportunity to apply to the Court for a ruling on the validity or amount of their claims.

35. 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.

36. The Receiver updates the Receivership website at www.westonrutledge Receiverships.com with court filings, news of developments and, from time to time, other information relevant to the investors.

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

37. The total bills that the Receiver has paid since the Fourth Report is \$575,715.63 This includes \$573,031.04 in previously incurred professional fees and legal expenses approved by the Court in its order of December 2, 2008. Other expenses included \$2,684.62 in costs associated with depositions and service of process.

38. The Receiver is filing his fifth fee petition for professional fees and expenses simultaneously herewith for expenses incurred from October 1, 2008 to March 31, 2009, seeking payment of \$94,164.69 to the Receiver and his attorneys and accountants.

39. The total amount collected by the Receiver in cash since the Fifth Report is \$500.00. In addition, the Receiver expects to receive the \$241,047.32 of

funds frozen as a result of the garnishment of the Kumars' bank accounts in the near term.

40. The current cash on hand for the Receivership Companies is \$250,750.14. The Receiver maintains a portion of these funds in money market accounts, which have earned a total of \$3,167.47 since September 30, 2008.

CONCLUSION

41. 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.

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

Respectfully submitted, this 7th day of August 2009.



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

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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing NOTICE OF FILING AND RECEIVER’S SIXTH 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 7th day of August 2009.

/s/ Stacey Godfrey Evans
Stacey Godfrey Evans