

NAFER NEWS



OFFICIAL E-NEWSLETTER OF THE NATIONAL
ASSOCIATION OF FEDERAL EQUITY RECEIVERS

Welcome to the fall edition of NAFER News. We are excited to be moving forward with the 10th Annual Conference in person October 21-23 at the Ritz Carlton Marina del Rey in California. If you have not yet had the opportunity to [register](#), we invite you to do so!

With the annual conference comes the annual transition of the NAFER Board of Directors. This is a great time to volunteer to participate in one of our very active committees. NAFER committees have made great strides over the past year in growing our membership, increasing awareness of NAFER with judges and regulators, planning a fantastic annual conference, publishing the *Receiver* magazine, creating and hosting the *Receivers' Huddle* webinar series, and more. Make the most of your NAFER membership. Click [HERE](#) for a list of committees. Click the **Get Involved** button on that page to complete a volunteer form if you are interested in taking part on one of NAFER's fifteen committees.

In this issue of NAFER News, read about "The Practical Impact of the *Wayfair* Decision..." in the ***Practitioner's Toolbox***, along with two new member profiles.



The Practical Impact of the *Wayfair* Decision on Receivers and Trustees

By **Nate Jones, Moglia Advisors**

If you are controlling the assets of a retailer, and specifically an online retailer, you must be certain that you are complying with all state and local sales tax laws or you, as receiver or trustee, could be held personally liable for any uncollected and/or unremitted sales taxes.

In this article, I will give a brief overview of the U.S. Supreme Court's 2018 decision in *South Dakota v. Wayfair, Inc.*, and its impact on state sales tax laws. I'll explain how our firm, as receiver for a hospitality-oriented printing company, discovered, quantified, and dealt with state sales tax liabilities during our

receivership. I hope to illustrate for you here, the ramifications of the *Wayfair* ruling on trustees and federal receivers of online retailers, including the personal liabilities that could arise if due consideration and care are not given to still-evolving state sales tax laws as a result of the ruling. I will discuss what approaches we took and outcomes we achieved in order to enable you to navigate similar situations you may encounter with a high degree of awareness and competence.

[READ FULL ARTICLE](#)

The Author



Nate Jones

Moglia Advisors | Memphis, TN

Nate Jones is a corporate advisor with [Moglia Advisors](#), corporate financial consultants and managers with specific expertise in advising receivers, trustees, and troubled companies. A member of the NAFER Young Professionals and Publishing Committees, Nate also has ten years of management experience in finance, accounting, operations, and sales across various industries. Nate has advised in the administration of several large bankruptcy estates, the receivership discussed here, an assignment for the benefit of creditors, and other consulting engagements.



MEMBER SPOTLIGHT

Barbara Martinez

Holland & Knight | Miami, FL

Why did you get started in your line of work?

I was a federal prosecutor for more than 20 years before I joined Holland & Knight, LLP. I began my legal career in DOJ's Criminal Fraud Section, based in Washington, D.C., investigating and prosecuting sophisticated economic crime cases throughout the country. Subsequently, I became an Assistant United States Attorney in Miami, where I investigated and prosecuted cases involving a wide range of fraudulent schemes. I was later



promoted to Chief of the Special Prosecutions Section. In that position, I prosecuted complex crimes, including human trafficking and money laundering. I also supervised a team of lawyers and other professionals. My role included coordination of certain interagency and multi-district investigations as well as international enforcement efforts. I have always enjoyed the challenge of tracing monies, unraveling complex schemes, and focusing on restitution for victims. So, after transitioning to private practice, I was honored to be appointed as a receiver by the U.S. District Court in Miami.

How do you believe NAFER will contribute to your professional development?

NAFER memberships provide a wonderful opportunity to network and learn from others who specialize in receiverships. NAFER also provides a great platform to ask questions, find resources, and stay abreast of the latest caselaw and trends. I also look forward to building meaningful relationships and sharing experiences with other members, which I believe is crucial to professional development. Based on my experience with NAFER thus far, I have no doubt that NAFER will help me to be a better receiver and counsel for clients. Finally, I hope that I can give something back to my fellow NAFER members as well.

What's the most interesting project on which you've worked?

I am currently serving as a receiver in a case involving allegations of a Ponzi scheme with \$350 million in estimated losses. The principal individual, president of an aviation company, allegedly invested some of the proceeds of the scheme in Guatemala. Consequently, the receivership now oversees a mine, processing plant and laboratory area that is populated by thirteen indigenous communities and composed of around 2,000 members. The receivership case is incredibly interesting and challenging, especially those aspects involving airplanes and assets in Guatemala.

If you could learn something new by taking a pill (no effort, no side effects), what would it be?

I would learn to play the piano! My grandmother had a piano in her living room when I was a child, and I would try playing music by ear for hours. I later learned to read music and played the violin when I was in school. Still, I have always loved the sound of piano music. Piano lessons are still on my bucket list.

MEMBER SPOTLIGHT

Bradley D. Sharp

Development Specialists, Inc. ("DSI") | Los Angeles, CA

Why did you get started in your line of work?

My initial career began in commercial banking in 1985. As a young workout banker, I had the opportunity to be assigned to a bankruptcy case where Bill Brandt, the founder of DSI, was engaged as financial advisor to the debtor. I was immediately drawn to restructuring as a new career path after seeing the creativity and freedom to maximize the value for all parties. For one of my early case assignments after moving to DSI, Bill was named the federal receiver of a cable system in Kansas. During that case, I began to learn the broad range of options you can use as a receiver to solve financial issues. As a



firm, DSI has a strong history in federal equity receiverships. Until recently, I have primarily served as a Chapter 11 trustee or chief restructuring officer. Over the last few years, I have had increased opportunities to serve as receiver and financial advisor to the receiver and I hope to continue to grow this area of my expertise.

How do you believe NAFER will contribute to your professional development?

I am excited to join NAFER to develop closer relationships with my fellow professionals so we can share experiences and best practices. There are so many new developments that NAFER will be invaluable in keeping all of us informed of trends as they develop.

What's the most interesting project on which you've worked?

Since 2019, I have served as the receiver in the case of the *SEC vs. Direct Lending Investments, et al. (DLI)* in federal district court in Los Angeles. DLI had raised more than \$1.5 billion from investors to provide capital to a wide variety of industries. I have enjoyed the challenge of operating the business in a way to maximize the value for investors. DLI has also required extensive forensic accounting and cash tracing to untangle the web of investments and to understand the business viability of each loan and the best way to collect. In addition, in the exploding world of FinTech, it is a challenge to determine if the failures are simply a poor business model and execution or if there are larger issues of fraud. Oftentimes detecting the differences between these approaches require extensive forensic analysis and consultation with legal counsel.

When you're away from the office, what do you do for fun?

For anyone in the industry who knows me, I'm a family man. I spend all my free time trying to keep up with the 18 people in my immediate family which includes my wife, our children, their spouses and the grandchildren who are spread across the country and around the world. People are often surprised to learn I have 6 grandchildren and my favorite response is there are definitely more on the way! It's a great way to stay grounded with so many people ready to remind me of my roots and what's truly important in life.

This edition
brought to you by
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