

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

JENNIFER ECKLUND, RECEIVER,

Plaintiff,

v.

ROBERT AND SANDRA BAILEY, et al.,

Defendants.

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Ancillary Civil Action No. 4:18-cv-359

**RECEIVER’S MOTION FOR SUMMARY JUDGMENT  
AGAINST CERTAIN WINNING INVESTORS**

Plaintiff Jennifer Ecklund, in her capacity as the Court-appointed Receiver (the “**Receiver**”) for Defendants Thurman P. Bryant, III (“**Bryant**”) and Bryant United Capital Funding, Inc. (“**BUCF**”) (Bryant and BUCF, collectively, the “**Bryant Defendants**”) and Defendant Arthur F. Wammel (“**Wammel**”), Defendant Wammel Group, LLC (the “**Wammel Group**”), and Wammel Group Holdings Partnership (“**WGHP**”) (together Wammel, Wammel Group, and WGHP, the “**Wammel Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”), by and through undersigned counsel, hereby files this Motion for Summary Judgment Against Certain Winning Investors (the “**Motion**”) and respectfully shows the following:

## TABLE OF CONTENTS

I.	SUMMARY OF THE ARGUMENT .....	1
II.	STATEMENT OF THE ISSUES TO BE DECIDED BY THE COURT.....	4
III.	SUMMARY JUDGMENT EVIDENCE .....	5
IV.	STATEMENT OF UNDISPUTED MATERIAL FACTS .....	6
V.	SUMMARY JUDGMENT STANDARD .....	7
VI.	ARGUMENT AND AUTHORITIES.....	8
A.	The Bryant Defendants and Wammel Defendants’ Transfers to the Certain Winning Investors constitute Actual Fraudulent Transfers under TEX. BUS. & COM. CODE § 24.005(a)(1) and the Transfers should be returned to the Receivership Estate. ....	8
1.	The Transfers by the Bryant Defendants and Wammel Defendants to the Certain Winning Investors were in furtherance of the Ponzi scheme.....	9
2.	The Certain Winning Investors collectively received over \$1.3 million in fraudulent Transfers from the Bryant Defendants and Wammel Defendants.....	13
a.	Evidence of the Transfers to Robert and Sandra Bailey.....	13
b.	Evidence of the Transfers to Roland and Holly Maldonado. ....	14
c.	Evidence of Transfers to Hossein Seddighi.....	14
d.	Evidence of Transfers to Kenneth and Chelsea Hughes.....	15
e.	Evidence of Transfers to Teresa Ezell. ....	16
f.	Evidence of Transfers to Blair Knapp. ....	16
g.	Evidence of Transfers to Stephen Garrett.....	17
3.	The Certain Winning Investors provided no reasonably equivalent value for the Transfers. ....	18
a.	The Certain Winning Investors provided no reasonably equivalent value. ....	18
B.	The Bryant Defendants and Wammel Defendants’ Transfers to the Certain Winning Investors constitute Constructive Fraudulent Transfers under TEX. BUS. & COMM. CODE § 24.005(a)(2) because there was no reasonably equivalent value exchanged and BUCF and the Wammel Group were insolvent from their inception.....	19

C.	The Certain Winning Investors have been unjustly enriched by receiving the Transfers at the expense of other, innocent investors. ....	20
D.	The Receiver is entitled to a constructive trust against the Certain Winning Investors. ....	22
E.	The Receiver brought her claim against the Certain Winning Investors within the limitations period. ....	23
VII.	CONCLUSION.....	25

## TABLE OF AUTHORITIES

	<u>Page</u>
<b>Cases</b>	
<i>Anderson v. Liberty Lobby, Inc.</i> , 477 U.S. 242 (1986).....	7
<i>Buckhart Grob Luft and Raumfahrt GmbH &amp; Co. v. E-Systems, Inc.</i> , 257 F.3d 461 (5th Cir. 2001) .....	22
<i>Cadle Co. v. Wilson</i> , 136 S.W.3d 345 (Tex. App.—Austin 2004, no pet.) .....	24
<i>Celotex Corp. v. Catrett</i> , 477 U.S. 317 (1986).....	7
<i>Crook v. Johnston</i> , 93 S.W.3d 263 (Tex. App.—Houston [14th Dist.] 2002, pet. denied .....	24
<i>Eason v. Thaler</i> , 73 F.3d 1322 (5th Cir. 1996) .....	8
<i>Gremillion v. Gulf Coast Catering Co.</i> , 904 F.2d 290 (5th Cir. 1990) .....	8
<i>Haber Oil Co. v. Swinehart (In re Haber Oil Co.)</i> , 12 F.3d 426 (5th Cir. 1994) .....	22
<i>In re Christou</i> , No. 08-6405, 2009 WL 6498175 (Bankr. N.D. Ga. Sept. 29, 2009) .....	passim
<i>In re International Management Associates, LLC</i> , No. 09-MP-601, 2009 WL 6506657 (Bankr. N.D. Ga. Dec. 1, 2009).....	9
<i>Janvey v. Bogar</i> , No. 3:10-CV-2583-N-BG, 2014 WL 4907074 (N.D. Tex. Sept. 25, 2014) .....	23
<i>Janvey v. Democratic Senatorial Campaign Comm., Inc.</i> , 712 F.3d 185 (5th Cir. 2013) .....	23
<i>Janvey v. Democratic Senatorial Campaign Comm., Inc.</i> , 793 F. Supp. 2d 825 (N.D. Tex. June 22, 2011) .....	24, 25
<i>Little v. Liquid Air Corp.</i> , 37 F.3d 1069 (5th Cir. 1994) .....	7, 8



<i>Matsushita Elec. Indus. Co. v. Zenith Radio</i> , 475 U.S. 574 (1986).....	8
<i>Meadowbriar Home for Children, Inc. v. Gunn</i> , 81 F.3d 521 (5th Cir. 1996) .....	8
<i>Perkins v. Haines</i> , 661 F.3d 623 (11th Cir. 2011) .....	19
<i>Randy v. Edison Worldwide Capital (In re Randy)</i> , 189 B.R. 425 (Bankr. N.D. Ill. 1995) .....	18
<i>Richter v. Merchants Fast Motor Lines, Inc.</i> , 83 F.3d 96 (5th Cir. 1996) .....	8
<i>S.E.C. v. Res. Dev. Int’l, LLC</i> , 487 F.3d 295 (5th Cir. 2007) .....	passim
<i>Scott v. Harris</i> , 550 U.S. 372 (2007).....	8
<i>United States v. Lawrence</i> , 276 F.3d 193 (5th Cir. 2001) .....	8
<i>Warfield v. Byron</i> , 436 F.3d 551 (5th Cir. 2006) .....	passim
<b>Statutes</b>	
TEX. BUS. & COM. CODE § 24.005(a)(1).....	passim
TEX. BUS. & COMM. CODE § 24.005(a)(2) .....	4, 19, 20
TEX. BUS. & COMM. CODE § 24.010(a)(1)-(2) .....	23
<b>Rules</b>	
FED. R. CIV. P. 56.....	7

## I. SUMMARY OF THE ARGUMENT

The Receiver moves for summary judgment to claw back over \$1.3 million—of defrauded investors’ money—that Robert and Sandra Bailey, Roland and Holly Maldonado, Hossein Seddighi, Kenneth and Chelsea Hughes, Teresa Ezell, Blair Knapp, and Stephen Garrett (collectively, the “**Certain Winning Investors**”) received from the Bryant Defendants and Wammel Defendants in furtherance of the Ponzi scheme operated through BUCF and the Wammel Group and at a time when BUCF and the Wammel Group were insolvent.<sup>1</sup>

The Bryant Defendants and the Wammel Defendants created a web of interlocking entities that they utilized in connection with the Ponzi scheme out of which this case arises. The Bryant Defendants engaged in a Ponzi scheme that raised millions of dollars from unwitting investors through the sale of “limited partnership interests” in BUCF (the “**Ponzi scheme**”). The Bryant Defendants promised investors a no-risk investment in the mortgage industry in which their principal would be protected against loss in secured escrow accounts. As part of the Bryant Defendants’ Ponzi scheme and directly violative of promises to BUCF investors, BUCF transferred its investors’ funds to the Wammel Group—a limited liability company wholly owned and operated by Wammel—which in turn invested BUCF investor funds in high-risk options trading. The Wammel Defendants, by and through Wammel, also raised funds independent of BUCF funds, which Wammel used in the same way. The Certain Winning Investors collectively received more than \$1.3 million (the “**Transfers**”) from the Bryant Defendants and Wammel Defendants, which expressly violated Bryant’s and Wammel’s promises to investors about how their money would be invested.<sup>2</sup> A more detailed and complete recitation of the facts supporting

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<sup>1</sup> See Complaint, Dkt. No. 1 at ¶¶ 44 – 66.

<sup>2</sup> See **Exhibit C** at 6-8 (“Defendants promised investors guaranteed high returns of 30% annually on their investments. . . . Wammel Group trading receipts from 2011 through 2017 show returns of only \$5.9 million—well short of the sum required to pay Bryant Capital investors the 30% returns they were promised.”).

the underlying Ponzi scheme is set forth in the Court's Memorandum Opinion and Order (*SEC v. Thurman P. Bryant, III, et al.*, No. 04:17-CV-00336-ALM, Dkt. 89) and incorporated herein by reference. See Exhibit C.

Set forth below is a summary of the funds at issue for the Certain Winning Investors:

Robert and Sandra Bailey invested \$200,000 with the Wammel Group and received \$377,315 from the Wammel Group. Robert and Sandra Bailey therefore received \$177,315 as "interest" payments and/or earnings over and above the amounts they initially invested in the Wammel Group. The profit received by Robert and Sandra Bailey was fictitious, as their money never earned any real interest. Robert and Sandra Bailey also provided no reasonably equivalent value and have no legitimate claim to the monies, which were misappropriated from unwitting investors.

Roland and Holly Maldonado invested \$259,000 with BUCF and received \$994,900 from BUCF. Roland and Holly Maldonado therefore received \$735,900 as "interest" payments and/or earnings over and above the amounts they initially invested in BUCF. The profit received by Roland and Holly Maldonado was fictitious, as their money was never invested as promised and never earned any real interest. Roland and Holly Maldonado also provided no reasonably equivalent value and have no legitimate claim to the monies, which were misappropriated from unwitting investors.

Hossein Seddighi invested \$70,000 with BUCF and received \$179,900 from BUCF. Hossein Seddighi therefore received \$109,900 as "interest" payments and/or earnings over and above the amounts he initially invested in BUCF. The profit received by Hossein Seddighi was fictitious, as his money was never invested as promised and never earned any real interest. Hossein

Seddighi also provided no reasonably equivalent value and has no legitimate claim to the monies, which were misappropriated from unwitting investors.

Kenneth and Chelsea Hughes invested \$750,000 with BUCF and received \$837,268 from BUCF. Kenneth and Chelsea Hughes therefore received \$87,268 as “interest” payments and/or earnings over and above the amounts they initially invested in BUCF. The profit received by Kenneth and Chelsea Hughes was fictitious, as their money was never invested as promised and never earned any real interest. Kenneth and Chelsea Hughes also provided no reasonably equivalent value and have no legitimate claim to the monies, which were misappropriated from unwitting investors.

Teresa Ezell invested \$100,000 with BUCF and received \$130,000 from BUCF. Teresa Ezell therefore received \$30,000 as “interest” payments and/or earnings over and above the amounts she initially invested in BUCF. The profit received by Teresa Ezell was fictitious, as her money was never invested as promised and never earned any real interest. Teresa Ezell also provided no reasonably equivalent value and has no legitimate claim to the monies, which were misappropriated from unwitting investors.

Blair Knapp invested \$40,000 with BUCF and received \$60,750 from BUCF. Blair Knapp therefore received \$20,750 as “interest” payments and/or earnings over and above the amounts she initially invested in BUCF. The profit received by Blair Knapp was fictitious, as her money was never invested as promised and never earned any real interest. Blair Knapp also provided no reasonably equivalent value and has no legitimate claim to the monies, which were misappropriated from unwitting investors.

Stephen Garrett invested \$646,000 with the Wammel Group and received \$808,766 from the Wammel Group. Stephen Garrett therefore received \$162,766 as “interest” payments and/or

earnings over and above the amounts he initially invested in the Wammel Group. Stephen Garrett also provided no reasonably equivalent value and has no legitimate claim to the monies, which were misappropriated from unwitting investors.

Because these Transfers are presumptively fraudulent and were not for a reasonably equivalent exchange in value and because it would be fundamentally unfair to allow the Certain Winning Investors to retain funds truly belonging to the defrauded investors, the Receiver is entitled to summary judgment under the theories of Actual Fraudulent Transfer, Constructive Fraudulent Transfer, Unjust Enrichment, and Constructive Trust.

## **II. STATEMENT OF THE ISSUES TO BE DECIDED BY THE COURT**

The Receiver moves for summary judgment against the Certain Winning Investors on the following grounds:

- a. Whether the Receiver can avoid the Transfers under TEX. BUS. & COMM. CODE § 24.005(a)(1) as a matter of law when the Bryant Defendants and the Wammel Defendants operated a series of interlocking Ponzi schemes, the Transfers to the Certain Winning Investors were in furtherance of the Ponzi scheme, BUCF and the Wammel Group, as a part of the Ponzi scheme, were insolvent from their inception, and the Certain Winning Investors provided no reasonably equivalent value in exchange for the Transfers.
- b. Whether the Receiver can avoid the Transfers under TEX. BUS. & COMM. CODE § 24.005(a)(2) as a matter of law when the Bryant Defendants and the Wammel Defendants operated a series of interlocking Ponzi schemes, the Transfers to the Certain Winning Investors were in furtherance of the Ponzi scheme, BUCF and the Wammel Group, as a part of the Ponzi scheme, were insolvent from their inception, and the Certain Winning Investors provided no reasonably equivalent value in exchange for the Transfers.
- c. Whether the Certain Winning Investors were unjustly enriched at the expense of the BUCF and Wammel Group investors.
- d. Whether a constructive trust should be imposed as a matter of law on any property, real or personal, purchased by the Certain Winning Investors with the Transfers from the Bryant Defendants and Wammel Defendants.

### III. SUMMARY JUDGMENT EVIDENCE

This Motion relies on all pleadings on file with the Court as well as the following summary judgment exhibits included in the Appendix filed, incorporated herein by reference, and attached hereto:

<b>Ex. A</b>	Declaration of Jennifer Ecklund in Support of the Motion for Summary Judgment Against Certain Winning Investors
<b>Ex. A-1</b>	Transfers Between Robert and Sandra Bailey and Wammel Group
<b>Ex. A-2</b>	Transfers Between Roland and Holly Maldonado and BUCF
<b>Ex. A-3</b>	Transfers Between Hossein Seddighi and BUCF
<b>Ex. A-4</b>	Transfers Between Kenneth and Chelsea Hughes and BUCF
<b>Ex. A-5</b>	Transfers Between Teresa Ezell and BUCF
<b>Ex. A-6</b>	Transfers Between Blair Knapp and BUCF
<b>Ex. A-7</b>	Transfers Between Stephen Garrett <sup>3</sup> and Wammel Group
<b>Ex. B</b>	Declaration of Brandi Kleinman in Support of the Motion for Summary Judgment Against the Certain Winning Investors <sup>4</sup>
<b>Ex. B-1</b>	Summary of Transfers Between Wammel Defendants and Robert and Sandra Bailey
<b>Ex. B-2</b>	Summary of Transfers Between Bryant Defendants and Roland and Holly Maldonado
<b>Ex. B-3</b>	Summary of Transfers Between Bryant Defendants and Hossein Seddighi
<b>Ex. B-4</b>	Summary of Transfers Between Bryant Defendants and Kenneth and Chelsea Hughes
<b>Ex. B-5</b>	Summary of Transfers Between Bryant Defendants and Teresa Ezell
<b>Ex. B-6</b>	Summary of Transfers Between Bryant Defendants and Blair Knapp
<b>Ex. B-7</b>	Summary of Transfers Between Wammel Defendants and Stephen Garrett
<b>Ex. C</b>	August 15, 2017 Memorandum Opinion and Order, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 89 (E.D. Tex., Mazzant, J.)
<b>Ex. D</b>	Receiver's <i>Ex Parte</i> Emergency Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 44 (E.D. Tex., Mazzant, J.)
<b>Ex. E</b>	Response to Relief Defendants Arthur F. Wammel's and Wammel Group, LLC's Emergency Motion and Brief for Reconsideration and Reply in Support of <i>Ex Parte</i> TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 73 (E.D. Tex., Mazzant, J.)
<b>Ex. F</b>	Receiver's Initial Status Report for Receivership Estates of Thurman P. Bryant, III and BUCF, Inc., <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 32 (E.D. Tex., Mazzant, J.)

<sup>3</sup> Stephen Garrett also made transfers through Coastal Bay Construction, LLC. At all times relevant to the Ponzi scheme, Stephen Garrett controlled and operated Coastal Bay Construction, LLC.

<sup>4</sup> The Receiver's retained forensic accountant professional reviewed a compilation of bank statements from the Bryant Defendants and Wammel Defendants and produced Exhibits B-1 through B-7 as a summary of the data in the bank statements.

#### IV. STATEMENT OF UNDISPUTED MATERIAL FACTS

1. Robert and Sandra Bailey transferred \$200,000 to the Wammel Group on or about January 11, 2012.<sup>5</sup>
2. The Wammel Group transferred \$377,315 to Robert and Sandra Bailey during the period of February 2012 to March 2017.<sup>6</sup>
3. Roland and Holly Maldonado transferred \$259,000 to BUCF during the period of July 2011 to June 2016.<sup>7</sup>
4. BUCF transferred \$994,900 to Roland and Holly Maldonado during the period of July 2011 to April 2017.<sup>8</sup>
5. Hossein Seddighi transferred \$70,000 to BUCF on or about July 29, 2011.<sup>9</sup>
6. BUCF transferred \$179,900 to Hossein Seddighi during the period of September 2011 to March 2017.<sup>10</sup>
7. Kenneth and Chelsea Hughes transferred \$750,000 to BUCF during the period of April 2011 to November 2016.<sup>11</sup>
8. BUCF transferred \$837,268 to Kenneth and Chelsea Hughes during the period of August 2011 to March 2017.<sup>12</sup>
9. Teresa Ezell transferred \$100,000<sup>13</sup> to BUCF on or about February 6, 2015.<sup>14</sup>
10. BUCF transferred \$130,000<sup>15</sup> to Teresa Ezell during the period of April 2015 to April 2016.<sup>16</sup>
11. Blair Knapp transferred \$40,000 to BUCF during the period of January 2014 to

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<sup>5</sup> See Exhibit A; Exhibit A-1; Exhibit B; Exhibit B-1.

<sup>6</sup> See Exhibit A; Exhibit A-1; Exhibit B; Exhibit B-1.

<sup>7</sup> See Exhibit A; Exhibit A-2; Exhibit B; Exhibit B-2.

<sup>8</sup> See Exhibit A; Exhibit A-2; Exhibit B; Exhibit B-2.

<sup>9</sup> See Exhibit A; Exhibit A-3; Exhibit B; Exhibit B-3.

<sup>10</sup> See Exhibit A; Exhibit A-3; Exhibit B; Exhibit B-3.

<sup>11</sup> See Exhibit A; Exhibit A-4; Exhibit B; Exhibit B-4.

<sup>12</sup> See Exhibit A; Exhibit A-4; Exhibit B; Exhibit B-4.

<sup>13</sup> On February 4, 2015, John Ezell, at the direction of Teresa Ezell, wrote a check to BUCF in the amount of \$100,000 as Teresa Ezell's investment with the Bryant Defendants.

<sup>14</sup> See Exhibit A; Exhibit A-5; Exhibit B; Exhibit B-5.

<sup>15</sup> On April 1, 2016, BUCF issued check no. 12777 in the amount of \$150,000 to Jack Ezell. On information and belief, \$100,000 was transferred to Teresa Ezell as a repayment of her \$100,000 investment.

<sup>16</sup> See Exhibit A; Exhibit A-5; Exhibit B; Exhibit B-5.

November 2016.<sup>17</sup>

12. BUCF transferred \$60,750 to Blair Knapp during the period of March 2014 to April 2017.<sup>18</sup>
13. Stephen Garrett transferred \$646,000<sup>19</sup> to Wammel Group during the period of May 2013 to September 2014.<sup>20</sup>
14. The Wammel Group transferred \$808,766 to Stephen Garret during the period of June 2013 to December 2016.<sup>21</sup>
15. The over \$1.3 million in net transfers from the Bryant Defendants and Wammel Defendants to the Certain Winning Investors were comprised of investor funds.<sup>22</sup>
16. The Bryant Defendants and Wammel Defendants operated a series of interlocking Ponzi schemes.<sup>23</sup>

## V. SUMMARY JUDGMENT STANDARD

Under Rule 56, “[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” FED. R. CIV. P. 56. “[T]he substantive law will identify which facts are material.” *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). Only disputes about material facts will preclude the granting of summary judgment. *See Little v. Liquid Air Corp.*, 37 F.3d 1069, 1075 (5th Cir. 1994). The burden is on the summary judgment movant to prove that no genuine dispute of material fact exists, but once the movant makes this showing, the burden shifts to the nonmovant to show that summary judgment is not appropriate. *See id.* (citing *Celotex Corp. v. Catrett*, 477

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<sup>17</sup> See Exhibit A; Exhibit A-6; Exhibit B; Exhibit B-6.

<sup>18</sup> See Exhibit A; Exhibit A-6; Exhibit B; Exhibit B-6.

<sup>19</sup> On May 2, 2013, Stephen Garrett made a wire transfer for \$617,000 to Wammel. At the direction of Stephen Garrett, \$391,000 was applied toward his investment with the Wammel Defendants.

<sup>20</sup> See Exhibit A; Exhibit A-7; Exhibit B; Exhibit B-7.

<sup>21</sup> See Exhibit A; Exhibit A-7; Exhibit B; Exhibit B-7.

<sup>22</sup> See Exhibit B.

<sup>23</sup> See Exhibit C at 6-8 (“The Court finds that this is sufficient evidence to establish a Ponzi scheme.”); Exhibit D; Exhibit E.



U.S. 317, 325 (1986)). A genuine dispute exists only when a reasonable jury could resolve the disputed fact in favor of, or in the manner described by, the nonmovant. *See Meadowbriar Home for Children, Inc. v. Gunn*, 81 F.3d 521, 533 (5th Cir. 1996). In determining whether a genuine dispute for trial exists, the Court must view all of the evidence in the light most favorable to the nonmovant. *See Richter v. Merchants Fast Motor Lines, Inc.*, 83 F.3d 96, 98 (5th Cir. 1996) (per curiam); *Gremillion v. Gulf Coast Catering Co.*, 904 F.2d 290, 292 (5th Cir. 1990).

Once the movant produces sufficient evidence demonstrating that there is “no genuine dispute as to any material fact,” the burden shifts to the nonmovant “to ‘set forth specific facts showing that there is a genuine issue for trial,’ not just to ‘rest upon the mere allegations or denials of the adverse party’s pleadings.’” *See United States v. Lawrence*, 276 F.3d 193, 197 (5th Cir. 2001). The nonmovant must establish a material fact issue through competent summary judgment evidence. *See Matsushita Elec. Indus. Co. v. Zenith Radio*, 475 U.S. 574, 586 (1986). “Mere conclusory allegations are not competent summary judgment evidence, and such allegations are insufficient, therefore, to defeat a motion for summary judgment.” *See Eason v. Thaler*, 73 F.3d 1322, 1325 (5th Cir. 1996). Likewise, “[t]his burden is not satisfied with some metaphysical doubt as to the material facts, by conclusory allegations, by unsubstantiated assertions, or by only a scintilla of evidence.” *See Little*, 37 F.3d at 1075. Where there are two opposing versions of the facts, if one is blatantly contradicted by the record, the court cannot adopt that version for summary judgment purposes. *See Scott v. Harris*, 550 U.S. 372, 380 (2007).

## VI. ARGUMENT AND AUTHORITIES

### A. **The Bryant Defendants and Wammel Defendants’ Transfers to the Certain Winning Investors constitute Actual Fraudulent Transfers under TEX. BUS. & COM. CODE § 24.005(a)(1) and the Transfers should be returned to the Receivership Estate.**

Under TEX. BUS. & COM. CODE § 24.005(a)(1), a “transfer made . . . by a debtor is fraudulent as to a creditor, whether the creditor’s claim arose before or within a reasonable time

after the transfer was made . . . , if the debtor made the transfer . . . with actual intent to hinder, delay, or defraud any creditor of the debtor.” TEX. BUS. & COM. CODE § 24.005(a)(1).

Here, the Receiver is entitled to summary judgment because she can prove each element of her cause of action for Actual Fraudulent Transfer under TEX. BUS. & COM. CODE § 24.005(a)(1). The Receiver’s summary judgment evidence establishes that (1) the Bryant Defendants and the Wammel Defendants operated a series of interlocking Ponzi schemes and the Transfers to the Certain Winning Investors were in furtherance of the Ponzi scheme; (2) the Certain Winning Investors collectively received a net sum of over \$1.3 million in transfers from the Bryant Defendants and Wammel Defendants; and (3) the Certain Winning Investors provided no reasonably equivalent value in exchange for the Transfers.

*1. The Transfers by the Bryant Defendants and Wammel Defendants to the Certain Winning Investors were in furtherance of the Ponzi scheme.*

A Ponzi scheme is, by its nature, a fraudulent enterprise. *See generally Warfield v. Byron*, 436 F.3d 551, 560 (5th Cir. 2006); *In re International Management Associates, LLC*, No. 09-MP-601, 2009 WL 6506657 (Bankr. N.D. Ga. Dec. 1, 2009). Transfers made in furtherance of such an enterprise are presumptively fraudulent. *See S.E.C. v. Res. Dev. Int’l, LLC*, 487 F.3d 295, 301 (5th Cir. 2007); *In re Christou*, No. 08-6405, 2009 WL 6498175, \*1 (Bankr. N.D. Ga. Sept. 29, 2009).

Here, the Bryant Defendants and Wammel Defendants operated a series of interlocking Ponzi schemes. *See **Exhibit C*** at 6-8 (“The Court finds that this is sufficient evidence to establish a Ponzi scheme.”); **Exhibit D**; **Exhibit E**. Although Bryant pitched the investors representing, among other things, that investor funds would be protected in segregated, secure escrow accounts, no secure escrow accounts existed and Bryant commingled investor funds from a single BUCF deposit account controlled by Bryant. *See **Exhibit A**; **Exhibit B***. Similarly, Wammel pitched to investors representing, among other things, that investor funds would be invested in options trading

with promised annual returns of 30%; promised returns were not met and Wammel commingled investor funds from deposit accounts controlled by Wammel. See Exhibit C. Thus, the money used to make the Transfers came directly from commingled funds of other BUCF or Wammel Group investor monies.

Robert and Sandra Bailey received \$177,315 of investor funds transferred by the Wammel Defendants over and above the amounts they initially invested in the Wammel Group. Robert and Sandra Bailey received \$177,315 as “interest” payments from their investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for their assistance in inducing investors into the Ponzi scheme. See Exhibit A; Exhibit A-1; Exhibit B; Exhibit B-1. The profit received by Robert and Sandra Bailey was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Wammel Defendants to Robert and Sandra Bailey were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. See *Res. Dev. Int’l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

Roland and Holly Maldonado received \$735,900 of investor funds transferred by the Bryant Defendants over and above the amounts they initially invested in BUCF. Roland and Holly Maldonado received \$735,900 as “interest” payments from their investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for their assistance in inducing investors into the Ponzi scheme. See Exhibit A; Exhibit A-2; Exhibit B; Exhibit B-2. The profit received by Roland and Holly Maldonado was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Bryant Defendants to Roland and Holly Maldonado were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and

should be returned to the Receivership Estate. *See Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

Hossein Seddighi received \$109,900 of investor funds transferred by the Bryant Defendants over and above the amounts he initially invested in BUCF. Hossein Seddighi received \$109,900 as “interest” payments from his investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for his assistance in inducing investors into the Ponzi scheme. *See Exhibit A; Exhibit A-3; Exhibit B; Exhibit B-3*. The profit received by Hossein Seddighi was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Bryant Defendants to Hossein Seddighi were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. *See Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

Kenneth and Chelsea Hughes received \$87,268 of investor funds transferred by the Bryant Defendants over and above the amounts they initially invested in BUCF. Kenneth and Chelsea Hughes received \$87,268 as “interest” payments from their investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for their assistance in inducing investors into the Ponzi scheme. *See Exhibit A; Exhibit A-4; Exhibit B; Exhibit B-4*. The profit received by Kenneth and Chelsea Hughes was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Bryant Defendants to Kenneth and Chelsea Hughes were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. *See Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

Teresa Ezell received \$30,000 of investor funds transferred by the Bryant Defendants over and above the amounts she initially invested in BUCF. Teresa Ezell received \$30,000 as “interest”

payments from her investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for her assistance in inducing investors into the Ponzi scheme. See Exhibit A; Exhibit A-5; Exhibit B; Exhibit B-5. The profit received by Teresa Ezell was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Bryant Defendants to Teresa Ezell were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. See *Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1

Blair Knapp received \$20,750 of investor funds transferred by the Bryant Defendants over and above the amounts she initially invested in BUCF. Blair Knapp received \$20,750 as “interest” payments from her investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for her assistance in inducing investors into the Ponzi scheme. See Exhibit A; Exhibit A-6; Exhibit B; Exhibit B-6. The profit received by Blair Knapp was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Bryant Defendants to Blair Knapp were in furtherance of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. See *Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

Stephen Garrett received \$162,766 of investor funds transferred by the Wammel Defendants over and above the amounts he initially invested in the Wammel Group. Stephen Garrett received \$162,766 as “interest” payments from his investment or as earnings over and above the amounts initially invested or as referral fees and/or commissions for his assistance in inducing investors into the Ponzi scheme. See Exhibit A; Exhibit A-7; Exhibit B; Exhibit B-7. The profit received by Stephen Garrett was fictitious, as the money never earned any real interest. Consequently, the Transfers from the Wammel Defendants to Stephen Garrett were in furtherance

of this Ponzi scheme; thus, they are presumptively fraudulent and should be returned to the Receivership Estate. *See Res. Dev. Int'l, LLC*, 487 F.3d at 301; *In re Christou*, 2009 WL 6498175 at \*1.

2. *The Certain Winning Investors collectively received over \$1.3 million in fraudulent Transfers from the Bryant Defendants and Wammel Defendants.*

There is no genuine issue of material fact that the Certain Winning Investors received Transfers from the Bryant Defendants and/or the Wammel Defendants.

- a. Evidence of the Transfers to Robert and Sandra Bailey.

Financial records indicate that Robert and Sandra Bailey received \$177,315 from the Wammel Defendants between February 2012 and March 2017 for earnings over and above the amounts they initially invested in the Wammel Group:

ROBERT AND SANDRA BAILEY'S TOTAL TRANSFERS RECEIVED FROM WAMMEL GROUP	
Principal Amount Invested	(\$200,000.00)
Payout from the Wammel Group Received	\$377,315.00
<b>TOTAL WAMMEL GROUP TRANSFERS TO ROBERT AND SANDRA BAILEY (ABOVE PRINCIPAL INVESTED)</b>	<b>\$177,315.00</b>

See **Exhibit B**; **Exhibit B-1** (Summary of Transfers Between the Wammel Group and Robert and Sandra Bailey); **Exhibit A-1** (January 11, 2012 wire transfer from Robert and Sandra Bailey to Wammel Group for \$200,000) (Wire Transfers from February 2012 to March 2017 from the Wammel Group to Robert and Sandra Bailey in various amounts). As discussed above, the Transfers to Robert and Sandra Bailey were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Robert and Sandra Bailey received \$177,315 in transfers from the Wammel Defendants over and beyond their investment.

b. Evidence of the Transfers to Roland and Holly Maldonado.

Financial records indicate that Roland and Holly Maldonado received \$735,900 from the Bryant Defendants between July 2011 and April 2017 for earnings over and above the amounts they initially invested in BUCF:

ROLAND AND HOLLY MALDONADO'S TOTAL TRANSFERS RECEIVED FROM BUCF	
Principal Amount Invested	<b>(\$259,000.00)</b>
Payout from BUCF Received	<b>\$994,900.00</b>
<b>TOTAL BUCF TRANSFERS TO ROLAND AND HOLLY MALDONADO (ABOVE PRINCIPAL INVESTED)</b>	<b>\$735,900.00</b>

See Exhibit B; Exhibit B-2 (Summary of Transfers Between BUCF and Roland and Holly Maldonado); Exhibit A-2 (Wire transfers from July 2011 to June 2016 from Roland and Holly Maldonado to BUCF for \$259,000) (Wire Transfers from July 2011 to April 2017 from the BUCF to Roland and Holly Maldonado in various amounts). As discussed above, the Transfers to Roland and Holly Maldonado were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Roland and Holly Maldonado received \$735,900 in transfers from the Bryant Defendants over and beyond their investment.

c. Evidence of Transfers to Hossein Seddighi.

Financial records indicate that Hossein Seddighi received \$109,900 from the Bryant Defendants between September 2011 and March 2017 for earnings over and above the amounts he initially invested in BUCF:

HOSSEIN SEDDIGHI'S TOTAL TRANSFERS RECEIVED FROM BUCF	
Principal Amount Invested	<b>(\$70,000.00)</b>
Payout from BUCF Received	<b>\$179,900.00</b>
<b>TOTAL BUCF TRANSFERS TO HOSSEIN SEDDIGHI (ABOVE PRINCIPAL INVESTED)</b>	<b>\$109,900.00</b>

See **Exhibit B**; **Exhibit B-3** (Summary of Transfers Between the Wammel Group and Hossein Seddighi); **Exhibit A-3** (July 29, 2011 Wire Transfer from Hossein Seddighi to BUCF for \$70,000) (Wire Transfers and checks from September 2011 to March 2017 from BUCF to Hossein Seddighi in various amounts). As discussed above, the Transfers to Hossein Seddighi were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Hossein Seddighi received \$109,900 in transfers from the Bryant Defendants over and beyond his investment.

d. Evidence of Transfers to Kenneth and Chelsea Hughes.

Financial records indicate that Kenneth and Chelsea Hughes received \$87,268 from the Bryant Defendants between August 2011 and March 2017 for earnings over and above the amounts they initially invested in BUCF:

KENNETH AND CHELSEA HUGHES TOTAL TRANSFERS RECEIVED FROM BUCF	
Principal Amount Invested	<b>(\$750,000.00)</b>
Payout from BUCF Received	<b><u>\$837,268.00</u></b>
<b>TOTAL BUCF TRANSFERS TO KENNETH AND CHELSEA HUGHES (ABOVE PRINCIPAL INVESTED)</b>	<b>\$87,268.00</b>

See **Exhibit B**; **Exhibit B-4** (Summary of Transfers Between BUCF and Kenneth and Chelsea Hughes); **Exhibit A-4** (Checks and withdrawal slips from August 2011 to November 2016 from Kenneth and Chelsea Hughes to BUCF totaling \$750,000) (Wire Transfers and checks from August 2011 to March 2017 from BUCF to Kenneth and Chelsea Hughes in various amounts). As discussed above, the Transfers to Kenneth and Chelsea Hughes were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Kenneth and Chelsea Hughes received \$87,268 in transfers from the Bryant Defendants over and beyond their investment.



e. Evidence of Transfers to Teresa Ezell.

Financial records indicate that Teresa Ezell received \$30,000 from the Bryant Defendants between April 2015 and April 2016 for earnings over and above the amounts she initially invested in BUCF:

TERESA EZELL'S TOTAL TRANSFERS RECEIVED FROM BUCF	
Principal Amount Invested	(\$100,000.00) <sup>24</sup>
Payout from BUCF Received	<u>\$130,000.00</u> <sup>25</sup>
<b>TOTAL BUCF TRANSFERS TO TERESA EZELL (ABOVE PRINCIPAL INVESTED)</b>	<b>\$30,000.00</b>

See **Exhibit B; Exhibit B-5** (Summary of Transfers Between BUCF and Teresa Ezell); **Exhibit A-5** (February 2, 2015 check from Teresa Ezell, through John Ezell, to BUCF for \$100,000) (Wire Transfers and a check from April 2015 to April 2016 from BUCF to Teresa Ezell in various amounts). As discussed above, the Transfers to Teresa Ezell were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Teresa Ezell received \$30,000 in transfers from the Bryant Defendants over and beyond her investment.

f. Evidence of Transfers to Blair Knapp.

Financial records indicate that Blair Knapp received \$20,750 from the Bryant Defendants between March 2014 and April 2017 for earnings over and above the amounts she initially invested in BUCF:

BLAIR KNAPP'S TOTAL TRANSFERS RECEIVED FROM BUCF	
Principal Amount Invested	(\$40,000.00)
Payout from BUCF Received	<u>\$60,750.00</u>
<b>TOTAL BUCF TRANSFERS TO BLAIR KNAPP (ABOVE PRINCIPAL INVESTED)</b>	<b>\$20,750.00</b>

<sup>24</sup> On February 4, 2015, John Ezell, at the direction of Teresa Ezell, wrote a check to BUCF in the amount of \$100,000 as Teresa Ezell's investment with the Bryant Defendants.

<sup>25</sup> On April 1, 2016, BUCF issued check no. 12777 in the amount of \$150,000 to Jack Ezell. On information and belief, \$100,000 was transferred to Teresa Ezell as a repayment of her \$100,000 investment. See **Exhibit B; Exhibit B-5**.

See **Exhibit B; Exhibit B-6** (Summary of Transfers Between BUCF and Blair Knapp); **Exhibit A-6** (Wire Transfers, checks, and deposit slips from Blair Knapp to BUCF for \$40,000 between January 2014 and November 2016) (Wire Transfers from March 2014 to April 2017 from BUCF to Blair Knapp in various amounts). As discussed above, the Transfers to Blair Knapp were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material fact that Blair Knapp received \$20,750 in transfers from the Bryant Defendants over and beyond her investment.

g. Evidence of Transfers to Stephen Garrett.

Financial records indicate that Stephen Garrett received \$162,766 from the Wammel Defendants between June 2013 and December 2016 for earnings over and above the amounts he initially invested in BUCF:

STEPHEN GARRETT'S TOTAL TRANSFERS RECEIVED FROM WAMMEL GROUP	
Principal Amount Invested	(\$646,000.00) <sup>26</sup>
Payout from the Wammel Group Received	<b>\$808,766.00</b>
<b>TOTAL WAMMEL GROUP TRANSFERS TO STEPHEN GARRETT (ABOVE PRINCIPAL INVESTED)</b>	<b>\$162,766.00</b>

See **Exhibit B; Exhibit B-7** (Summary of Transfers Between the Wammel Group and Stephen Garrett); **Exhibit A-7** (Wire Transfers, checks, and deposit slips from Stephen Garrett to the Wammel Group for \$646,000 between May 2013 and September 2014) (Wire Transfers from June 2013 to December 2016 from the Wammel Group to Stephen Garrett in various amounts). As discussed above, the Transfers to Stephen Garrett were not true commissions and/or interest; instead, they were merely stolen funds from other investors. There is no genuine issue of material

<sup>26</sup> On May 2, 2013, Stephen Garrett made a wire transfer for \$617,000 to Wammel. At the direction of Stephen Garrett, \$391,000 was applied toward his investment with the Wammel Defendants. Stephen Garrett also made transfers through Coastal Bay Construction, LLC. At all times relevant to the Ponzi scheme, Stephen Garrett controlled and operated Coastal Bay Construction, LLC and all transaction were for the benefit of Stephen Garrett.

fact that Stephen Garrett received \$162,766 in transfers from the Wammel Defendants over and beyond his investment.

3. *The Certain Winning Investors provided no reasonably equivalent value for the Transfers.*

The Certain Winning Investors provided no reasonably equivalent value in exchange for the over \$1.3 million in transfers. *Warfield v. Byron*, 436 F.3d 551, 560 (5th Cir. 2006); *see also Randy v. Edison Worldwide Capital (In re Randy)*, 189 B.R. 425, 438–39 (Bankr. N.D. Ill. 1995) (as illegal services premised on illegal contracts, broker services provided in furtherance of a Ponzi scheme do not provide reasonably equivalent value). As discussed, the Transfers to the Certain Winning Investors were not true interest payments or referral fees; instead, they were merely stolen funds from investors. Therefore, the Transfers should be voided.

a. The Certain Winning Investors provided no reasonably equivalent value.

The Certain Winning Investors’ purported “interest” on their initial investments do not constitute reasonably equivalent value for the monies they received from the Bryant Defendants and the Wammel Defendants because the “interest” payments served only to extend the fraud and did not increase the net worth of BUCF or the Wammel Group. *Warfield v. Byron*, 436 F.3d 551, 560 (5th Cir. 2006); *see also Randy v. Edison Worldwide Capital (In re Randy)*, 189 B.R. 425, 438–39 (Bankr. N.D. Ill. 1995) (as illegal services premised on illegal contracts, broker services provided in furtherance of a Ponzi scheme do not provide reasonably equivalent value).

The Certain Winning Investors collectively received earnings and fees of over \$1.3 million over and above the amount they initially invested in the Bryant Defendants or the Wammel Defendants. Any attempt to argue that BUCF or the Wammel Group owed any of the Certain Winning Investors an “antecedent debt” for purposes of establishing “reasonably equivalent value” fails as a matter of law. Courts routinely hold “that a defrauded investor gives ‘value’ to the Debtor

in exchange for a return of the principal amount of the investment, but *not as to any payments in excess of principal.*” See *Perkins v. Haines*, 661 F.3d 623, 627 (11th Cir. 2011) (citing cases) (emphasis added).

The funds used for the Transfers were those of other innocent, unwitting, defrauded investors in the Ponzi scheme. The Certain Winning Investors provided no reasonably equivalent value in exchange for the Transfers. Because the Receiver’s summary judgment evidence conclusively proves that the Certain Winning Investors collectively received over \$1.3 million in Transfers from the Bryant Defendants and the Wammel Defendants, and the Transfers were made in furtherance of the Ponzi scheme, and there was no reasonably equivalent value exchanged, the Receiver is entitled to summary judgment against the Certain Winning Investors for actual fraudulent transfer.

**B. The Bryant Defendants and Wammel Defendants’ Transfers to the Certain Winning Investors constitute Constructive Fraudulent Transfers under TEX. BUS. & COMM. CODE § 24.005(a)(2) because there was no reasonably equivalent value exchanged and BUCF and the Wammel Group were insolvent from their inception.**

Under TEX. BUS. & COM. CODE § 24.005(a)(2), the Receiver is entitled to avoid the over \$1.3 million in transfers to the Certain Winning Investors because there was no “reasonably equivalent value in exchange for the transfer[s]” and BUCF and Wammel Group, as a part of the Ponzi scheme, were insolvent from their inception.<sup>27</sup> See TEX. BUS. & COM. CODE § 24.005(a)(2).

A Ponzi scheme is “insolvent from its inception.” See *Warfield*, 436 F.3d at 558. Accordingly, BUCF and the Wammel Group were insolvent from their inception. The claims of the Bryant Defendants and Wammel Defendants’ creditors, including the defrauded investors in the Ponzi scheme, arose before or within a reasonable time after the Transfers. The funds used to make the Transfers were those of innocent, unwitting investors in the fraudulent Ponzi scheme.

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<sup>27</sup> See **Exhibit C** at 6-8 (“The Court finds that this is sufficient evidence to establish a Ponzi scheme.”).

**Exhibit B.** Because the Bryant Defendants and Wammel Defendants simply made the Transfers with the investors' money and spent the rest, the Bryant Defendants and Wammel Defendants knew or should have known at the time the Transfers were made that they would be unable to fully reimburse the defrauded investors who had invested in the Ponzi scheme. Therefore, when the Transfers were made to the Certain Winning Investors, the assets of BUCF and the Wammel Group were insufficient to fully reimburse all of their defrauded investors for the money each invested in the Ponzi scheme. *See* **Exhibit A**; **Exhibit B**.

As previously discussed in greater detail in Section VI(A)(2) and (3), the Receiver's summary judgment evidence establishes the following: the Certain Winning Investors collectively received over \$1.3 million in transfers from the Bryant Defendants and/or Wammel Defendants above and beyond their initial investments;<sup>28</sup> the Certain Winning Transferees provided no reasonably equivalent value in exchange for the over \$1.3 million in transfers;<sup>29</sup> and the Bryant Defendants and the Wammel Defendants operated a series of interlocking Ponzi schemes and thus BUCF and Wammel Group were insolvent from their inception.<sup>30</sup>

Because the Receiver's summary judgment evidence proves each element of her cause of action for Constructive Fraudulent Transfer under TEX. BUS. & COM. CODE § 24.005(a)(2), summary judgment is proper against the Certain Winning Investors.

**C. The Certain Winning Investors have been unjustly enriched by receiving the Transfers at the expense of other, innocent investors.**

Based on principles of justice, equity, and good conscience, the Certain Winning Investors were unjustly enriched by the over \$1.3 million—of defrauded investors' money—that they

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<sup>28</sup> *See supra* at Section VI(a)(1) – (2).

<sup>29</sup> *See* **Exhibit A**; **Exhibit B**; and *see supra* at Section VI(a)(2) – (3).

<sup>30</sup> *See* **Exhibit C** at 6-8 (“The Court finds that this is sufficient evidence to establish a Ponzi scheme.”); **Exhibit D**; **Exhibit E**; *see also* *Warfield*, 436 F.3d at 558 (A Ponzi scheme is “insolvent from its inception.”).

received from the Bryant Defendants and the Wammel Defendants. The Transfers caused the Certain Winning Investors to receive money that belonged to investors, or other investors' principal, for no reasonably equivalent exchange in value. As explained more fully in Section VI(A), the Receiver's summary judgment evidence shows the following: the Certain Winning Investors collectively received over \$1.3 million in transfers from the Bryant Defendants and/or Wammel Defendants above and beyond their initial investment;<sup>31</sup> the Certain Winning Transferees provided no reasonably equivalent value in exchange for the over \$1.3 million in transfers;<sup>32</sup> the Bryant Defendants and the Wammel Defendants operated a series of interlocking Ponzi schemes and thus BUCF and Wammel Group were insolvent from their inception;<sup>33</sup> and the over \$1.3 million in Transfers were investor funds.<sup>34</sup>

Because of the nature of the Ponzi scheme and the fact that the Bryant Defendants and Wammel Defendants' assets are insufficient to fully repay all of the creditors, investors who had not yet received their principal back from the Bryant Defendants and the Wammel Defendants will only receive back a fraction of the amount of their investments. It would be fundamentally unfair to allow the Certain Winning Investors to receive Transfers while the investors stand to recover little to none of their original investments. *Warfield*, 436 F.3d at 560 ("It takes cheek to contend that in exchange for the payments he received, the [] Ponzi scheme benefited from his efforts to extend the fraud by securing new investments.").

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<sup>31</sup> See *supra* at Section VI(a)(1) – (2).

<sup>32</sup> See Exhibit B; and see *supra* at Section VI(a)(2) – (3).

<sup>33</sup> See Exhibit C at 6-8 ("The Court finds that this is sufficient evidence to establish a Ponzi scheme."); Exhibit D; Exhibit E; see also *Warfield*, 436 F.3d at 558 (A Ponzi scheme is "insolvent from its inception.").

<sup>34</sup> See Exhibit C at 8 (finding that Bryant Defendants and Wammel Defendants commingled investor funds to make more money available to pay investors their promised returns).

Moreover, since the Ponzi scheme involved actual fraud, the Certain Winning Investors, as third party beneficiaries who obtained the Transfers through such fraud were unjustly enriched and are not entitled to retain the profits. The funds used for the Transfers are directly traceable to funds of the other investors in the Ponzi scheme. *See* Exhibit B; Exhibit B-1; Exhibit B-2; Exhibit B-3; Exhibit B-4; Exhibit B-5; Exhibit B-6; Exhibit B-7. As such, the Transfers constitute Receivership assets and should be disgorged and paid to the Receiver for ultimate distribution equitably among all defrauded investors.

**D. The Receiver is entitled to a constructive trust against the Certain Winning Investors.**

Pursuant to the principles of equity, the Receiver seeks the imposition of a constructive trust on the Transfers received by the Certain Winning Investors as described herein, and the immediate turnover of such funds to the Receiver. The required elements for imposition of a constructive trust under Texas law are: (1) actual or constructive fraud, (2) unjust enrichment of the wrongdoer, and (3) tracing of the property over which the trust is placed to some identifiable res in which the plaintiff has an interest. *Haber Oil Co. v. Swinehart (In re Haber Oil Co.)*, 12 F.3d 426, 437 (5th Cir. 1994); *Buckhart Grob Luft and Raumfahrt GmbH & Co. v. E-Systems, Inc.*, 257 F.3d 461, 469 (5th Cir. 2001).

First, the Transfers made to the Certain Winning Investors constitute fraudulent transfers under Texas law. *Warfield*, 436 F.3d at 560; *see* Section VI(A) and (B). Second, the Certain Winning Investors have been unjustly enriched by the Transfers. *See* Section VI(C). Thus, the Receiver has a superior equitable interest to recover the investor funds used to pay the Transfers.

Specifically, the Receiver seeks the imposition of a constructive trust on any property, real or personal, purchased by the Certain Winning Investors with the Transfers from the Bryant Defendants and Wammel Defendants.

It would be fundamentally unfair to allow the Certain Winning Investors to retain over \$1.3 million in funds that truly belong to the defrauded investors while the defrauded investors stand to recover little to none of their original investments. Rather, these Transfers (and any assets purchased with such Transfers), which constitute Receivership Assets, should be impressed with a constructive trust and disgorged and paid to the Receiver for ultimate distribution equitably among all defrauded investors. To the extent that the Certain Winning Investors are unable to return the funds received, the Receiver seeks a money judgment against the Certain Winning Investors in an amount equal to the Transfers received from the Bryant Defendants and the Wammel Defendants.

**E. The Receiver brought her claim against the Certain Winning Investors within the limitations period.**

Claims for actual and constructive fraudulent transfer are typically subject to a four-year limitations period. TEX. BUS. & COMM. CODE § 24.010(a)(1)-(2). The discovery rule and fraudulent concealment apply to the actual fraudulent transfer claim and therefore the limitations period does not begin to run until the Receiver “discover[ed] or reasonably could have discovered the fraudulent nature of the conveyance” and the actual transfer itself. *Janvey v. Democratic Senatorial Campaign Comm., Inc.*, 712 F.3d 185, 195 (5th Cir. 2013); *Janvey v. Bogar*, No. 3:10-CV-2583-N-BG, 2014 WL 4907074, at \*3 (N.D. Tex. Sept. 25, 2014) (allowing receiver to assert TUFTA claims for transfers that occurred more than four years prior to the filing of the lawsuit because the receiver adequately alleged the discovery rule). The *Janvey* Court then permitted the receiver to bring fraudulent transfer claims under Section 24.005(a)(1) relating to transfers as far back as 11 years earlier. *Janvey v. Democratic Senatorial Campaign Comm., Inc.*, 712 F.3d at 194-99.



Whether the Receiver reasonably could have discovered claims is a question of whether the Receiver exercised reasonable diligence. *See, e.g., Cadle Co. v. Wilson*, 136 S.W.3d 345, 351 (Tex. App.—Austin 2004, no pet.) (internal citation omitted); *Crook v. Johnston*, 93 S.W.3d 263, 271 (Tex. App.—Houston [14th Dist.] 2002, pet. denied) (stating that the question is whether there is an “issue of material fact about when Receiver discovered, or in the exercise of reasonable diligence should have discovered, the allegedly fraudulent transfer”); *Janvey v. Democratic Senatorial Campaign Comm., Inc.*, 793 F. Supp. 2d 825, 832 (N.D. Tex. June 22, 2011) (noting that the issue focuses on whether the receiver exercised reasonable diligence). There is no genuine dispute of material fact in this case that the Receiver exercised reasonable diligence to identify the fraudulent transfers or that she brought her suit against the Certain Winning Investors within the limitations period.

In particular, the Receiver was appointed on May 15, 2017, and immediately began the complex and intricate task of determining the structure of the Bryant Defendants and the Wammel Defendants, the manner in which the fraud on the investors occurred, identifying and liquidating all assets, piecing together bank records to determine credits and debits made to investors and insiders, and performing other tasks designed to maximize recovery for the investors.<sup>35</sup> Moreover, the Receiver worked closely with her forensic accountants to determine the net winners and net losers in the Ponzi scheme.<sup>36</sup> The Receiver filed this suit within a year of her appointment, on May 15, 2018.<sup>37</sup>

Given the complexity of the Bryant Defendants and Wammel Defendants’ “business” and the fact that they kept little to no records, there is no genuine dispute of material fact that the

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<sup>35</sup> Exhibit A; Exhibit D; Exhibit E; Exhibit F.

<sup>36</sup> Exhibit A; Exhibit B.

<sup>37</sup> *See* Dkt. No. 1.

Receiver exercised reasonable diligence in attempting to identify fraudulent transfers. *See Janvey*, 793 F. Supp. 2d at 837 (noting that it would have been “unreasonable to expect the Receiver to have discovered the \$1.6 million in contributions—out of a complex, long-lasting, intentionally-concealed, international scheme involving billions of dollars and myriad transactions—in less than four days” after the receiver had been appointed; further noting that it would not have been unreasonable for the Receiver to have taken a longer period of time). The Receiver conducted a complex investigation and was able to identify information regarding the Certain Winning Investors. Within a year of obtaining this information, she filed this lawsuit. Accordingly, the Receiver brought this suit within the limitations period and is entitled to summary judgment as specified below.

## VII. CONCLUSION

For these reasons, the Receiver respectfully requests that the Court grant the Motion for Summary Judgment Against the Certain Winning Investors, and enter judgment against (1) Robert and Sandra Bailey for the \$177,315 transferred from the Wammel Defendants, (2) Roland and Holly Maldonado for the \$735,900 transferred from the Bryant Defendants, (3) Hossein Seddighi for the \$109,900 transferred from the Bryant Defendants, (4) Kenneth and Chelsea Hughes for the \$87,268 transferred from the Bryant Defendants, (5) Teresa Ezell for the \$30,000 transferred from the Bryant Defendants, (6) Blair Knapp for the \$20,750 transferred from the Bryant Defendants, and (7) Stephen Garrett for the \$162,766 transferred from the Wammel Defendants. The Receiver also respectfully requests that a constructive trust be imposed on the profits received (and any assets purchased with such profits) by the Certain Winning Investors as described herein and in the *Complaint*, and the immediate turnover of such profits to the Receiver. The Receiver further respectfully requests such other and further relief, at law or in equity, to which she may be justly entitled.

DATED: February 12, 2019.

Respectfully submitted,

By: /s/ Timothy E. Hudson

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**COUNSEL TO RECEIVER**

**CERTIFICATE OF SERVICE**

On February 12, 2019, I electronically submitted the foregoing document to the Clerk of the Court for the United States District Court for the Eastern District of Texas using the electronic case filing system of the Court.

/s/ Timothy E. Hudson  
Timothy E. Hudson

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

JENNIFER ECKLUND, RECEIVER,

Plaintiff,

v.

ROBERT AND SANDRA BAILEY, et al.,

Defendants.

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Ancillary Civil Action No. 4:18-cv-359

**APPENDIX TO RECEIVER'S MOTION FOR SUMMARY JUDGMENT  
AGAINST CERTAIN WINNING INVESTORS**

<b>Exhibit</b>	<b>Description</b>	<b>Citation</b>
<b>A</b>	Declaration of Jennifer Ecklund in Support of the Motion for Summary Judgment Against Certain Winning Investors	<b>App. 1-5</b>
<b>A-1</b>	Transfers Between Robert and Sandra Bailey and Wammel Group	<b>App. 6-8</b>
<b>A-2</b>	Transfers Between Roland and Holly Maldonado and BUCF	<b>App. 9-20</b>
<b>A-3</b>	Transfers Between Hossein Seddighi and BUCF	<b>App. 21-28</b>
<b>A-4</b>	Transfers Between Kenneth and Chelsea Hughes and BUCF	<b>App. 29-107</b>
<b>A-5</b>	Transfers Between Teresa Ezell and BUCF	<b>App. 108-111</b>
<b>A-6</b>	Transfers Between Blair Knapp and BUCF	<b>App. 112-119</b>
<b>A-7</b>	Transfers Between Stephen Garrett and Wammel Group	<b>App. 120-156</b>
<b>B</b>	Declaration of Brandi Kleinman in Support of the Motion for Summary Judgment Against the Certain Winning Investors	<b>App. 157-161</b>
<b>B-1</b>	Summary of Transfers Between Wammel Defendants and Robert and Sandra Bailey	<b>App. 162-164</b>
<b>B-2</b>	Summary of Transfers Between Bryant Defendants and Roland and Holly Maldonado	<b>App. 165-167</b>
<b>B-3</b>	Summary of Transfers Between Bryant Defendants and Hossein Seddighi	<b>App. 168-170</b>
<b>B-4</b>	Summary of Transfers Between Bryant Defendants and Kenneth and Chelsea Hughes	<b>App. 171-173</b>

<b>B-5</b>	Summary of Transfers Between Bryant Defendants and Teresa Ezell	<b>App. 174-175</b>
<b>B-6</b>	Summary of Transfers Between Bryant Defendants and Blair Knapp	<b>App. 176-177</b>
<b>B-7</b>	Summary of Transfers Between Wammel Defendants and Stephen Garrett	<b>App. 178-180</b>
<b>C</b>	August 15, 2017 Memorandum Opinion and Order, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 89 (E.D. Tex., Mazzant, J.)	<b>App. 181-201</b>
<b>D</b>	Receiver's <i>Ex Parte</i> Emergency Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 44 (E.D. Tex., Mazzant, J.)	<b>App. 202-269</b>
<b>E</b>	Response to Relief Defendants Arthur F. Wammel's and Wammel Group, LLC's Emergency Motion and Brief for Reconsideration and Reply in Support of <i>Ex Parte</i> TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders, <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 73 (E.D. Tex., Mazzant, J.)	<b>App. 270-297</b>
<b>F</b>	Receiver's Initial Status Report for Receivership Estates of Thurman P. Bryant, III and BUCF, Inc., <i>SEC v. Thurman P. Bryant, III, et al.</i> , No. 04:17-CV-00336-ALM, Dkt. No. 32 (E.D. Tex., Mazzant, J.)	<b>App. 298-311</b>

# EXHIBIT A

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

JENNIFER ECKLUND, RECEIVER,

Plaintiff,

v.

ROBERT AND SANDRA BAILEY, et al.,

Defendants.

§  
§  
§  
§  
§  
§  
§  
§

Ancillary Civil Action No. 4:18-cv-359

DECLARATION OF JENNIFER ECKLUND IN SUPPORT OF  
THE RECEIVER'S MOTION FOR SUMMARY JUDGMENT AGAINST  
CERTAIN WINNING INVESTORS

I, Jennifer Ecklund, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am a partner with the law firm of Thompson & Knight LLP ("T&K") in Dallas, Texas. I am a member in good standing of the bar of the State of Texas, and am admitted to practice in the United States District Courts for all Districts of Texas. There are no disciplinary proceedings pending against me.

2. I am the Court-appointed Receiver (the "**Receiver**") for Defendants Thurman P. Bryant, III ("**Bryant**") and Bryant United Capital Funding, Inc. ("**BUCF**") (Bryant and BUCF, collectively, the "**Bryant Defendants**") and Defendant Arthur F. Wammel ("**Wammel**"), Defendant Wammel Group, LLC (the "**Wammel Group**"), and Wammel Group Holdings Partnership ("**WGHP**") (together Wammel, Wammel Group, and WGHP, the "**Wammel Defendants**") receivership estates (together, the "**Receivership Estate**" or the "**Receivership**") in this case.

3. I submit this Declaration in support of the *Receiver's Motion for Summary Judgment against Certain Winning Investors*.

4. Since my appointment, my team and I have worked diligently to investigate the Defendants' business model, and to begin the process of collecting, marshaling, and taking control over the Receivership Property pursuant to this Court's directives.

5. Immediately after I was appointed as Receiver, my counsel, agents, and representatives began the complex and lengthy process of (1) determining the structure and relationship of the various Bryant and Wammel entities; (2) determining the manner in which the fraud on the investors occurred; (3) identifying and liquidating all assets; (4) identifying investors and the amounts of their investments; (5) piecing together bank records, where available, to determine credits and debits made to investors and insiders; (6) performing necessary tasks to maximize the size of the Receivership Estate and recovery for investors; and (7) working with forensic accountants to determine the nature and amounts of transactions made by the Bryant Defendants and Wammel Defendants.

6. The determination of which investors related to the Bryant Defendants and Wammel Defendants were Net Winners and who received transfers from the Defendants was performed by my counsel, agents, or representatives based on their review of records and databases recovered from the offices of the Bryant Defendants and Wammel Defendants in seizures performed by my counsel, agents, representatives, and interviews with investors, and others involved with the Defendants. Given that the Bryant Defendants and Wammel Defendants conducted no real business operations and kept virtually no records, this was a time-consuming and detailed process.

7. Furthermore, evidence uncovered by the Receiver to date supports the SEC's allegations that Bryant misrepresented to BUCF Investors that their funds would be safely preserved in secure escrow accounts, that they would be used for the purpose of serving as proof



of funds to enable BUCF to secure a line of credit with which to pursue a mortgage-related investment program, and that they program would result in 30% returns.

8. Although Bryant pitched the investors representing, among other things, that investor funds would be protected in segregated, secure escrow accounts, no secure escrow accounts existed and Bryant commingled investors funds from a single BUCF deposit account controlled by Bryant.

9. Monies received by the Bryant Defendants and Wammel Defendants from Investors in BUCF and the Wammel Group were ultimately commingled together and either lost or re-distributed to Bryant and Wammel, or other Investors.

10. Robert and Sandra Bailey, investors in the Wammel Group, received earnings over and above the amounts they initially invested in the Wammel Group.

11. Roland and Holly Maldonado, investors in BUCF, received earnings over and above the amounts they initially invested in BUCF.

12. Hossein Seddighi, an investor in BUCF, received earnings over and above the amount he initially invested in BUCF.

13. Kenneth and Chelsea Hughes, investors in BUCF, received earnings over and above the amount they initially invested in BUCF.

14. Teresa Ezell, an investor in BUCF, received earnings over and above the amount she initially invested in BUCF.

15. Blair Knapp, an investor in BUCF, received earnings over and above the amount she initially invested in BUCF.

16. Stephen Garrett, an investor in the Wammel Group, received earnings over and above the amount he initially invested in the Wammel Group.

17. The funds used for the transfers to the Certain Winning Investors (the “**Transfers**”) were those of other innocent, unwitting defrauded investors in the BUCF and Wammel Group scheme.

18. Because the Bryant Defendants and Wammel Defendants simply made the Transfers with the investors’ money and spent the rest, the Bryant Defendants and Wammel Defendants knew or should have known at the time the Transfers were made that they would be unable to fully reimburse the defrauded investors who had invested in the Ponzi scheme.

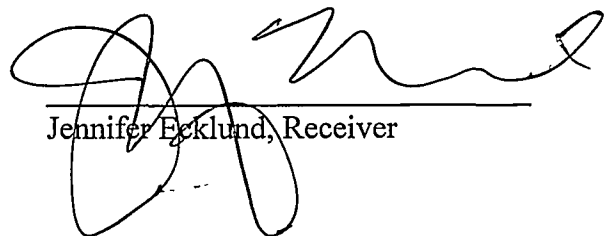
19. Attached in support of these statements as Exhibits A-1 through A-7 are true and correct copies of the following records, which have informed my opinions herein:

1. Transfers Between Robert and Sandra Bailey and Wammel Group
2. Transfers Between Roland and Holly Maldonado and BUCF
3. Transfers Between Hossein Seddighi and BUCF
4. Transfers Between Kenneth and Chelsea Hughes and BUCF
5. Transfers Between Teresa Ezell and BUCF
6. Transfers Between Blair Knapp and BUCF
7. Transfers Between Stephen Garrett and Wammel Group

20. Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge and my involvement as Receiver in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 12, 2019 at Dallas, Texas.



Jennifer Ecklund, Receiver

# **EXHIBIT A-1**

Account number: [REDACTED] 9950 ■ January 1, 2012 - January 31, 2012 ■ Page 2 of 5

**WELLS  
FARGO****Transaction history**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
1/3		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
1/11		WT Fed#02605 Shell Fcu /Org=Sandra J. Bailey Srf# Trm#120111104458 Rfb#	200,000.00		
1/11		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]		
[REDACTED]		[REDACTED]		[REDACTED]	

					377,315.00
DATE	PAYEE NAME	PAYEE ACCT #	PAYEE RTN	BANK NAME	AMT
02/24/12	Bailey~Robert~H	3652		SHELL FCU	6,500.00
03/23/12	Bailey~Robert~H	3652		SHELL FCU	6,350.00
04/27/12	Bailey~Robert~H	3652		SHELL FCU	6,275.00
05/25/12	Bailey~Robert~H	3652		SHELL FCU	6,560.00
06/22/12	Bailey~Robert~H	3652		SHELL FCU	6,250.00
07/27/12	Bailey~Robert~H	3652		SHELL FCU	6,300.00
08/24/12	Bailey~Robert~H	3652		SHELL FCU	6,325.00
09/28/12	Bailey~Robert~H	3652		SHELL FCU	6,250.00
10/26/12	Bailey~Robert~H	3652		SHELL FCU	6,250.00
11/26/12	Bailey~Robert~H	3652		SHELL FCU	6,250.00
12/31/12	Bailey~Robert~H	3652		SHELL FCU	6,000.00
01/28/13	Bailey~Robert~H	3652		SHELL FCU	6,000.00
02/26/13	Bailey~Robert~H	3652		SHELL FCU	6,000.00
03/25/13	Bailey~Robert~H	3652		SHELL FCU	6,050.00
04/26/13	Bailey~Robert~H	3652		SHELL FCU	6,500.00
05/24/13	Bailey~Robert~H	3652		SHELL FCU	6,150.00
06/28/13	Bailey~Robert~H	3652		SHELL FCU	6,250.00
07/26/13	Bailey~Robert~H	3652		SHELL FCU	6,250.00
08/23/13	Bailey~Robert~H	3652		SHELL FCU	6,200.00
09/27/13	Bailey~Robert~H	3652		SHELL FCU	6,250.00
10/25/13	Bailey~Robert~H	3652		SHELL FCU	6,250.00
11/22/13	Bailey~Robert~H	3652		SHELL FCU	6,200.00
12/31/13	Bailey~Robert~H	3652		SHELL FCU	6,250.00
01/24/14	Bailey~Robert~H	3652		SHELL FCU	6,250.00
02/28/14	Bailey~Robert~H	3652		SHELL FCU	6,100.00
03/28/14	Bailey~Robert~H	3652		SHELL FCU	6,150.00
04/25/14	Bailey~Robert~H	3652		SHELL FCU	6,000.00
05/23/14	Bailey~Robert~H	3652		SHELL FCU	6,250.00
06/27/14	Bailey~Robert~H	3652		SHELL FCU	6,150.00
07/25/14	Bailey~Robert~H	3652		SHELL FCU	6,050.00
08/22/14	Bailey~Robert~H	3652		SHELL FCU	6,150.00
09/26/14	Bailey~Robert~H	3652		SHELL FCU	6,150.00
10/24/14	Bailey~Robert~H	3652		SHELL FCU	6,150.00
10/28/14	Bailey~Robert~H	3652		SHELL FCU	450.00
12/01/14	Bailey~Robert~H	3652		SHELL FCU	6,550.00
12/29/14	Bailey~Robert~H	3652		SHELL FCU	6,600.00
01/23/15	Bailey~Robert~H	3652		SHELL FCU	6,550.00
02/27/15	Bailey~Robert~H	3652		SHELL FCU	6,555.00
03/27/15	Bailey~Robert~H	3652		SHELL FCU	6,525.00
04/24/15	Bailey~Robert~H	3652		SHELL FCU	6,520.00
05/22/15	Bailey~Robert~H	3652		SHELL FCU	6,250.00
06/26/15	Bailey~Robert~H	3652		SHELL FCU	6,505.00
07/24/15	Bailey~Robert~H	3652		SHELL FCU	6,550.00
08/28/15	Bailey~Robert~H	3652		SHELL FCU	6,000.00
09/25/15	Bailey~Robert~H	3652		SHELL FCU	6,500.00
10/23/15	Bailey~Robert~H	3652		SHELL FCU	6,400.00
12/01/15	Bailey~Robert~H	3652		SHELL FCU	6,350.00
12/29/15	Bailey~Robert~H	3652		SHELL FCU	6,250.00
01/22/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
02/26/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
03/28/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
04/22/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
05/27/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
06/24/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
07/22/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
08/26/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
09/23/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
10/28/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
11/28/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
12/23/16	Bailey~Robert~H	3652		SHELL FCU	6,350.00
03/24/17	Bailey~Robert~H			SHELL FCU	5,500.00

# **EXHIBIT A-2**

04-May-17

04May17-952

THIS ITEM IS PART OF A LEGAL STATEMENT RECONSTRUCTION  
 GROUP ID G04May17-952  
 Sequence number Posting date Amount



JPMorgan Chase Bank, N.A.  
 P O Box 659754  
 San Antonio, TX 78265-9754

July 01, 2011 through July 29, 2011

Account Number: [REDACTED] 7324

**CUSTOMER SERVICE INFORMATION**

Web site: Chase.com  
 Service Center: 1-800-242-7338  
 Hearing Impaired: 1-800-242-7383  
 Para Espanol: 1-888-622-4273  
 International Calls: 1-713-262-1679

00049196 DRE 201 219 21111 - NNNNNNNNNN 1 000000000 64 0000  
 BRYANT UNITED HOLDINGS INC  
 DBA BRYANT UNITED REALTORS  
 [REDACTED]

**CHECKING SUMMARY**

Chase BusinessSelect Checking

	INSTANCES	AMOUNT
Beginning Balance		[REDACTED]
Deposits and Additions	3	
Checks Paid	6	
ATM & Debit Card Withdrawals	112	
Electronic Withdrawals	5	
Fees and Other Withdrawals	6	
Ending Balance	132	

Your monthly service fee was waived because you maintained an average checking balance of [REDACTED] or a minimum checking balance of [REDACTED] or more during the statement period.

**DEPOSITS AND ADDITIONS**

DATE	DESCRIPTION	AMOUNT
07/01	[REDACTED]	
07/05	[REDACTED]	
07/11	Book Transfer Credit B/C: National Financial Services LI Boston MA Org: [REDACTED] Fbo Roland J Maldonado Ogb: National Financial Services LI82 Devonshire St Zm2 Trm: [REDACTED]	213,985.00

Total Deposits and Additions [REDACTED]

Account number: [REDACTED] 9692 ■ August 1, 2011 - August 31, 2011 ■ Page 6 of 10

**Transaction history (continued)**[illegible]



**Transaction history (continued)**[illegible]

**Withdrawal**

2061

(Check One) ☐ Checking ☐ Savings ☐ Money Market Access ☐ Command

[Redacted] 2032

\* [Redacted] y.f.

Date 06 03 2016

Please print: Name

Roland Maldonado

Please print: Street Address, City, State, Zip Code

I authorize this withdrawal from the account listed above.  
Please sign in teller's presence. Two forms of ID may be required.

X

[Signature]

Twenty thousand — 09/100 Dollars \$ 20,000.00

Bank Use Only (When SVT Is Not Available)

TLR6596 (04/15) WF0118 50265065

Customer Id:	Exp. date:	Token Verified (✓) <input type="checkbox"/>	Approval:
--------------	------------	---	-----------

[Redacted]

[Redacted] 71140

Wells Fargo Internal Use When Blank  
Wells Fargo Confidential When Completed

REQUEST 00006732533000000 20000.00  
 ROLL ECIA 20160603 000001442757142+  
 JOB ECIA E ACCT 8081010232262032  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

**Transaction history (continued)**[illegible]

*The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.*



Account number: [REDACTED] 9692 ■ September 1, 2011 - September 30, 2011 ■ Page 7 of 10

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

[illegible]





[illegible]

# EXHIBIT A-3

Account number: ██████████9692 ■ July 12, 2011 - July 31, 2011 ■ Page 3 of 5

**Transaction history (continued)**[illegible]

*The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.*

Account number: [REDACTED] 9692 ■ September 1, 2011 - September 30, 2011 ■ Page 8 of 10

**WELLS  
FARGO****Transaction history (continued)**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
9/30		[REDACTED]		[REDACTED]	
		[REDACTED]			
		[REDACTED]		[REDACTED]	
9/30		WF Direct Pay Payment Monthly Disbursement/Seddighi Tran D Dp [REDACTED]		2 450 00	
9/30		[REDACTED]		[REDACTED]	
		[REDACTED]		[REDACTED]	
		[REDACTED]		[REDACTED]	
		[REDACTED]		[REDACTED]	
		[REDACTED]		[REDACTED]	
		[REDACTED]		[REDACTED]	
<b>Ending balance on 9/30</b>					
<b>Totals</b>					

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

**Summary of checks written** (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

\* Gap in check sequence

**Account transaction fees summary**

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Paid and Deposited items	37	150	0	0.50	0.00
<b>Total service charges</b>					<b>\$0.00</b>

With Wells Fargo Business Online, you can get free\* timely account alerts to notify you when important transactions occur. Choose to be notified when a deposit or withdrawal posts, when balances fall below a certain level, and more. You can also customize how you'd like to be notified: by email, text message, or both. It's an easy way to stay on top of critical business information.

Setting up alerts is easy. Simply sign on to Wells Fargo Business Online at [wellsfargo.com/biz](http://wellsfargo.com/biz). Select the "Messages & Alerts" tab, then select "Set Up/Modify Alerts."

\*For alerts sent to your wireless device, service provider and applicable account activity fees may apply.

**IMPORTANT ACCOUNT INFORMATION**



### Transaction history

[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2011 - December 31, 2011 ■ Page 2 of 12



### Transaction history

[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2011 - December 31, 2011 ■ Page 10 of 12

**Transaction history (continued)**[illegible]

*The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.*

**Summary of checks written** *(checks listed are also displayed in the preceding Transaction history)*

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
████	██	██████	████	██	████	████	██	████
████	██	██████	████	██	████0			

\* *Gap in check sequence*

[illegible]



11/03/16	Seddighi~M~H	██████ 1495	██████	CHK	BK OF AMER NA	\$2,750.00
12/05/16	Seddighi~M~H	██████ 1495	██████	CHK	BK OF AMER NA	\$2,750.00
01/04/17	Seddighi~M~H	██████ 1495	██████	CHK	BK OF AMER NA	\$2,750.00
03/03/17	Seddighi~M~H		██████	CHK	BK OF AMER NA	\$2,750.00

# **EXHIBIT A-4**

Case 4:18-cv-00359-ALM Document 55-2 Filed 02/13/19 Page 39 of 156 PageID #: 700

(Check One/ Marque Uno) ☒ Checking/Cuenta de Cheques ☐ Savings/Ahorros ☐ Money Market Access

Checking, Savings, Money Market Access account number/  
Número de cuenta de Cheques, Ahorros, MMA

\* [REDACTED] 1551

Date/Fecha 2/9/12



Please print Name / Letra de molde: Nombre

Chelsea R Hughes

Please print: Street Address, City, State, Zip Code / Letra de molde: Domicilio, Ciudad, Estado, Código Postal

1527 Mammoth Springs, Richmond VA

Thirty five thousand

1109

I authorize this withdrawal and I acknowledge receipt of the amount indicated below.  
Yo autorizo este retiro y debo reconocer haber recibido la cantidad indicada abajo.  
Please sign in teller's presence / Favor de firmar en la presencia del cajero  
Two forms of ID may be required. / Se podrían requerir dos tipos de identificación.

x Chelsea R Hughes

\$ 35000.00

Dollars

Bank Use Only (When SVT is Not Available)

TLF9230 (4/07) Web 16 00436312

Customer Id: Exp. date: Token Verified (✓) ☐ Approval:



Wells Fargo Internal Use When Blank  
Wells Fargo Confidential When Completed

REQUEST 00006732533000000 35000.00  
ROLL ECIA 20120209 000007065024871+  
JOB ECIA E ACCT 8080000745501551  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

## CASHIER'S CHECK

Office AU #

Operator I.D. v109399

reno1288

May 07, 2014

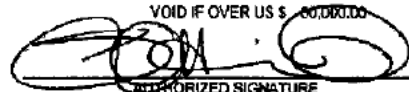
PAY TO THE ORDER OF \*\*\*TREY BRYANT, III\*\*\*

\*\*\*Fifty thousand dollars and no cents\*\*\*

\*\*\$50,000.00\*\*

WELLS FARGO BANK, N.A.  
1700 E CHARLESTON BLVD  
LAS VEGAS, NV 89104  
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 50,000.00



AUTHORIZED SIGNATURE

Details on Back. Security Features Included.

CREDITED TO THE ACCOUNT OF  
WITHIN NAMED PAYEE  
LACK OF ENDORSEMENT GUARANTEED  
WELLS FARGO BANK, N.A.

REQUEST 00006732533000000 50000.00  
ROLL ECIA 20140508 000001184764178+  
JOB ECIA E ACCT 1820004861511988  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

**Bryant United Capital Funding, Inc.** 05/09  
 24044 Cinco Village Center Blvd., Ste 100  
 Katy, Texas 77494  
 (866)580-3525

WELLS FARGO BANK TEXAS, NA

12670

09/04/2015

PAY TO THE  
 ORDER OF **Kenneth Hughes**

\$ \*\*48,000.00

Forty-eight thousand and 00/100\*\*\*\*\* DOLLARS

PROTECTED AGAINST FRAUD

Kenneth Hughes

President/Chairman

MEMO

Capital Account Withdrawal/Member ID 12-104

REQUEST 00006732534000000 48000.00  
 ROLL BCIA 20150904 000001348684464  
 JOB BCIA E ACCT 8080001916549692  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514879

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

(Check One) ☐ Checking ☒ Savings ☐ Money Market Access ☐ Command

Account Number

\* [REDACTED] 5726

Date

9/17/15

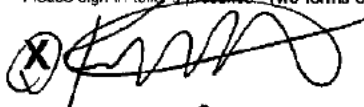
Please print: Name

Kenneth Hughes

I authorize this withdrawal from the account listed above.  
Please sign in teller's presence. Two forms of ID may be required.

Please print: Street Address, City, State, Zip Code

Richmond, TX 77469



X Two hundred forty-eight thousand dollars \$ 248,000.—

Bank Use Only (When SVT is Not Available)

LR8596 (04/15) w00115 50164730

Customer Id:	Exp. date:	Token Verified (✓) <input type="checkbox"/>	Approval:
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||

[REDACTED]

[REDACTED]

REQUEST 00006732533000000 248000.00  
ROLL ECIA 20150909 000001246129971+  
JOB ECIA E ACCT 8080001562675726  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

## CASHIER'S CHECK

Office AU #

Remitter: KENNETH HUGHES  
Operator I.D.:

September 18, 2015

PAY TO THE ORDER OF \*\*\*TREY BRYANT\*\*\*

\*\*\*One hundred thousand dollars and no cents\*\*\*

\*\*\$100,000.00\*\*

Payee Address:  
Memo:WELLS FARGO BANK, N.A.  
17044 LEXINGTON BLVD  
SUGAR LAND, TX 77479  
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 100,000.00

AUTHORIZED SIGNATURE

Security Features Included

CREDITED TO THE ACCOUNT OF  
WITHIN NAMED PAYEE  
LACK OF ENDORSEMENT GUARANTEED  
WELLS FARGO BANK, N.A.REQUEST 00006732533000000 100000.00  
ROLL BCIA 20150918 000001340238659+  
JOB BCIA E ACCT 1820004861512861  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038





## CASHIER'S CHECK

0891

Office AU #

Remitter: KENNETH HUGHES  
Operator I.D.:

September 23, 2015

PAY TO THE ORDER OF \*\*\*BRYANT UNITED CAPITAL FUNDING\*\*\*

\*\*\*One hundred thousand dollars and no cents\*\*\*

\*\*\$100,000.00\*\*

Payee Address:  
Memo:WELLS FARGO BANK, N.A.  
5960 FAIRMONT PKWY  
PASADENA, TX 77505  
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 100,000.00

AUTHORIZED SIGNATURE

Details on Back.  
Security Features Included.CREDITED TO THE ACCOUNT OF  
WITHIN NAMED PAYEE  
LACK OF ENDORSEMENT GUARANTEED  
WELLS FARGO BANK, N.A.REQUEST 00006732533000000 100000.00  
ROLL BCIA 20150923 000001243255549+  
JOB BCIA E ACCT 1820004861512861  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

**Withdrawal**

(Check One)



Checking



Savings



Money Market Access



Command

Account Number

\* [REDACTED] 0896

Date 10-6-15

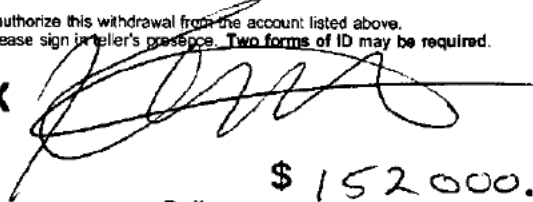
Please print: Name

Kenneth Hughes

Please print: Street Address, City, State, Zip Code

I authorize this withdrawal from the account listed above.  
Please sign in teller's presence. Two forms of ID may be required.

X



Dollars

\$ 152,000.00

Wells Fargo Internal Use When Blank  
Wells Fargo Confidential When Completed

Bank Use Only (When SVT Is Not Available)

TLR5588 (04/15) wF0115 50164736

Customer ID:	Exp. date:	Token Verified (✓) <input type="checkbox"/>	Approval:
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[REDACTED]

[REDACTED]

REQUEST 00006732533000000 152000.00  
 ROLL ECIA 20151006 000001343627018+  
 JOB ECIA E ACCT 8080008558060896  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

Office AU # [REDACTED]

Remitter: **KENNETH HUGHES**

Operator I.D.: [REDACTED]

**CASHIER'S CHECK** [REDACTED] 2067

February 10, 2016

PAY TO THE ORDER OF \*\*\*BRYANT UNITED CAPITAL FUNDING\*\*\*  
 \*\*\*ABA 121000248\*\*\*

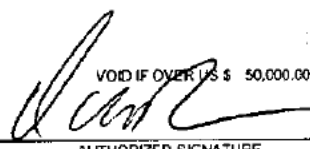
\*\*\*Fifty thousand dollars and no cents\*\*\*

Payee Address:  
 Memo:

**WELLS FARGO BANK, N.A.**  
 17044 LEXINGTON BLVD  
 SUGAR LAND, TX 77479  
 FOR INQUIRIES CALL (480) 394-3122

**\*\*\$50,000.00\*\***

VOID IF OVER US \$ 50,000.00

  
 AUTHORIZED SIGNATURE

Security Features Included. Details on Back.

[REDACTED]

CREDITED TO THE ACCOUNT OF  
 WITHIN NAMED PAYEE  
 LACK OF ENDORSEMENT GUARANTEED  
 WELLS FARGO BANK, N.A.

REQUEST 00006732533000000 50000.00  
 ROLL ECIA 20160210 000001343628583+  
 JOB ECIA E ACCT 1820004861512861  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

## CASHIER'S CHECK

2210

Office AU #

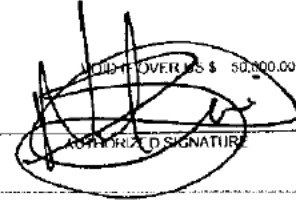
Remitter: KENNETH HUGHES  
Operator I.D.:

May 11, 2016

PAY TO THE ORDER OF \*\*\*BRYANT UNITED CAPITAL FUNDING, INC.\*\*\*

\*\*\*Fifty thousand dollars and no cents\*\*\*

\*\*\$50,000.00\*\*

Payee Address:  
Memo:WELLS FARGO BANK, N.A.  
17044 LEXINGTON BLVD  
SUGAR LAND, TX 77479  
FOR INQUIRIES CALL (480) 394-3122


VOID OVER \$ 50,000.00  
AUTHORIZED SIGNATURE

Details on Back.  
Security Features Included.

CREDITED TO THE ACCOUNT OF  
WITHIN NAMED PAYEE  
LACK OF ENDORSEMENT GUARANTEED  
WELLS FARGO BANK, N.A.

REQUEST 00006732533000000 50000.00  
ROLL BCIA 20160511 000001341233108+  
JOB BCIA E ACCT 1820004861512861  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

**Withdrawal**

Case 4:18-cv-00359-ALM Document 55-2 Filed 02/13/19 Page 40 of 156

# 710

3088



(Check One)



Checking



Savings



Money Market Access



Command

Account Number

\* [REDACTED] 0896

Date 11/9/16

Please print Name

Kenneth Hughes

Please print Street Address, City, State, Zip Code

I authorize this withdrawal from the account listed above.  
Please sign in this presence. Two forms may be required.

Fifty thousand 00/00

Dollars

\$ 50,000.00

Bank Use Only (When SVT is Not Available)

TLR8566 (04/15) WFO115 50184730

Customer ID:

Exp. date:

Token Verified (✓) ☐

Approval:

||

I:

REQUEST 00006732533000000 50000.00  
 ROLL ECIA 20161109 000001246124147+  
 JOB ECIA E ACCT 8080008558060896  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

12018

**BRYANT UNITED CAPITAL FUNDING, INC.**

24044 CINCO VILLAGE CENTER BLVD.

KATY, TX 77494

Date 8-1-11Pay to the  
order ofKenneth Hughes\$ 650.00Six hundred and fifty dollars no/100

Dollars

WELLS FARGO BANK, N.A.

PRESIDENT

TEXAS

WELLSFARGO.COM

For

Randi Cabell / Research

[REDACTED]

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

[Signature]

\$650.00

08/11/11 01:59PM

REQUEST 00006799394000000 650.00  
 ROLL ECIA 20110811 000007062420096  
 JOB ECIA E ACCT 8080001916549692  
 REQUESTOR A099334  
 17780320 04/14/2017 Research 17827177

Summons and Subpoenas Department  
 S4001-01F  
 Phoenix AZ 85038

12026

**BRYANT UNITED CAPITAL FUNDING, INC.**24044 CINCO VILLAGE CENTER BLVD.  
KATY, TX 77494Date 8-26-11Pay to the  
order ofKenneth Hughes\$ 662.41Six hundred and Sixty Two Dollars 41/100 Dollars

WELLS FARGO BANK, N.A.

TEXAS

WELLSFARGO.COM

PRESIDENT

For

Loan Payment

[Redacted Signature]

TYPED ORDER 1-800-867-2430 • www.CheckedInk.com

ENCLOSURE

ENCLOSURE

REQUEST 00006799394000000 662.41  
 ROLL ECIA 20110826 000007264048195  
 JOB ECIA E ACCT 8080001916549692  
 REQUESTOR A099334  
 17780320 04/14/2017 Research 17827177

Summons and Subpoenas Department  
 S4001-01F  
 Phoenix AZ 85038

12027

**BRYANT UNITED CAPITAL FUNDING, INC.**

24044 CINCO VILLAGE CENTER BLVD.

KATY, TX 77494

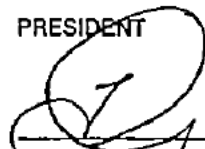
Date 8-26-11Pay to the  
order ofKenneth Hughes\$ 743.69Seven hundred and Forty Three and 69/100 Dollars

WELLS FARGO BANK, N.A.

TEXAS

WELLSFARGO.COM

PRESIDENT

For Loan Payment

AUG 26 11

REGIONS BANK  
E3918 SS 0142

REQUEST 00006799394000000 743.69  
 ROLL BCIA 20110829 000008389757806  
 JOB BCIA E ACCT 8080001916549692  
 REQUESTOR A099334  
 17780320 04/14/2017 Research 17827177

Summons and Subpoenas Department  
 S4001-01F  
 Phoenix AZ 85038



Account number: XXXXXXXXXX 9692 ■ October 1, 2011 - October 31, 2011 ■ Page 2 of 10

### Transaction history

[illegible]



## Transaction history

[illegible]

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2011 - December 31, 2011 ■ Page 2 of 12



### Transaction history

[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2011 - December 31, 2011 ■ Page 3 of 12

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2011 - December 31, 2011 ■ Page 10 of 12

**Transaction history (continued)**[illegible]

*The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.*

**Summary of checks written** *(checks listed are also displayed in the preceding Transaction history)*

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
████	██	██████	████	██	██	████	██	████
████	██	██████	████	██	██████			

\* Gap in check sequence

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]



Account number: XXXXXXXXXX 9692 ■ March 1, 2012 - March 31, 2012 ■ Page 3 of 12**Transaction history (continued)**[illegible]



Account number: [REDACTED] 9692 ■ May 1, 2012 - May 31, 2012 ■ Page 4 of 13

**Transaction history (continued)**[illegible]

Account number: ■■■■■9692 ■ June 1, 2012 - June 30, 2012 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ July 1, 2012 - July 31, 2012 ■ Page 4 of 12

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ September 1, 2012 - September 30, 2012 ■ Page 3 of 10

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]



**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2012 - December 31, 2012 ■ Page 2 of 10



### Transaction history

[illegible]

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]



Account number: [REDACTED] 9692 ■ July 1, 2013 - July 31, 2013 ■ Page 5 of 11

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ August 1, 2013 - August 31, 2013 ■ Page 4 of 12

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ September 1, 2013 - September 30, 2013 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ November 1, 2013 - November 30, 2013 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2013 - December 31, 2013 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ January 1, 2014 - January 31, 2014 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

[illegible]



**Transaction history (continued)**

Account number: [REDACTED] 9692 ■ April 1, 2014 - April 30, 2014 ■ Page 3 of 11

**Transaction history (continued)**

Account number: [REDACTED] 9692 ■ May 1, 2014 - May 31, 2014 ■ Page 3 of 11

**Transaction history (continued)**

**Transaction history (continued)**

**Transaction history (continued)**

**Transaction history (continued)**



Account number: [REDACTED] 9692 ■ October 1, 2014 - October 31, 2014 ■ Page 3 of 11

**Transaction history (continued)**



**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ December 1, 2014 - December 31, 2014 ■ Page 4 of 13

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ January 1, 2015 - January 31, 2015 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ February 1, 2015 - February 28, 2015 ■ Page 4 of 12

**Transaction history (continued)**[illegible]

Account number: 9692 ■ March 1, 2015 - March 31, 2015 ■ Page 3 of 11

**Transaction history (continued)**

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]

Account number: ■■■■■9692 ■ June 1, 2015 - June 30, 2015 ■ Page 4 of 12

**Transaction history (continued)**[illegible]



Account number: [REDACTED] 9692 ■ July 1, 2015 - July 31, 2015 ■ Page 4 of 13

**Transaction history (continued)**

**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ September 1, 2015 - September 30, 2015 ■ Page 3 of 10

**Transaction history (continued)**[illegible]

[illegible]

Account number: [REDACTED] 9692 ■ November 1, 2015 - November 30, 2015 ■ Page 4 of 11

**Transaction history (continued)**[illegible]



## Transaction history (continued)

[illegible]

Account number: [REDACTED] 9692 ■ January 1, 2016 - January 31, 2016 ■ Page 3 of 11

**Transaction history (continued)**[illegible]

**Transaction history (continued)**[illegible]



**Transaction history (continued)**[illegible]

Account number: [REDACTED] 9692 ■ April 1, 2016 - April 30, 2016 ■ Page 4 of 14

**Transaction history (continued)**

Account number: [REDACTED] 9692 ■ May 1, 2016 - May 31, 2016 ■ Page 4 of 14

**Transaction history (continued)**

[illegible]

[illegible]

Account number: [REDACTED] 9692 ■ August 1, 2016 - August 31, 2016 ■ Page 4 of 14

**Transaction history (continued)**[illegible]

						\$ 751,401.25
DATE	PAYEE NAME	PAYEE_ACCT_NUM	PAYEE RTN	EE_ACCT_T	PAYEE_BANK_NAME	AMT
02/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$2,412.31
03/02/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$2,912.31
04/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
05/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
06/01/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
07/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
08/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
08/31/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
10/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
11/02/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
12/03/12	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
01/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
02/01/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
03/01/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
04/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
05/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
06/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$4,336.21
07/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
07/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$1,000.00
08/02/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$1,000.00
08/02/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
09/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
09/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$1,000.00
10/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
11/01/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
12/03/13	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
01/06/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
02/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
03/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
04/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
05/02/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.21
06/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.71
07/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$5,836.71
08/01/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$7,586.71
09/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
10/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
11/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
12/03/14	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
01/05/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
02/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
03/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$8,592.71
04/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$10,092.71
05/04/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
06/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
07/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
08/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
09/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
10/02/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$11,092.71
11/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$21,662.71
12/03/15	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,412.71
01/05/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,412.71
02/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,412.71
03/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,412.71
04/04/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,162.71
05/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,162.71
06/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$27,662.71
07/05/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$29,412.71
08/04/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$29,662.71

09/02/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$30,400.00
10/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$30,400.00
11/03/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$30,400.00
12/05/16	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$30,400.00
01/05/17	Hughes~Kenneth~	0896		CHK	WELLS FARGO BK NA	\$32,150.00
03/03/17	Hughes~Kenneth~			CHK	WELLS FARGO BK NA	\$31,650.00



# **EXHIBIT A-5**

**PAY TO THE ORDER OF  
WELLS FARGO BANK TEXAS, NA  
FOR DEPOSIT ONLY  
BRYANT UNITED CAPITAL FUNDING, INC.**

REQUEST 00006732533000000 100000.00  
ROLL ECIA 20150206 000001347919440+  
JOB ECIA E ACCT 1120009072412084  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

						\$ 30,000.00
DATE	PAYEE_NAME	PAYEE_ACCT_NUM	PAYEE_RTN	EE_ACCT_T	PAYEE_BANK_NAME	AMT
04/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
05/04/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
06/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
07/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
08/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
09/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
10/02/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
11/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
12/03/15	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
01/05/16	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
02/03/16	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00
03/03/16	Ezell~Teresa~	0101		CHK	C-E FCU	\$2,500.00

**Bryant United Capital Funding, Inc.** 05/09  
 24044 Cinco Village Center Blvd., Ste 100  
 Katy, Texas 77494  
 (866)580-3525

WELLS FARGO BANK TEXAS, NA

12777

04/01/2016

PAY TO THE ORDER OF **Jack William Ezell**

\$ \*\*150,000.00

One hundred fifty thousand and 00/100\*\*\*\*\*

DOLLARS

A PROTECTED AGAINST FRAUD

**Jack William Ezell**  
 6830 Alpine  
 Houston, TX 77061

President/Chairman

MEMO

Capital Account Withdrawal

REQUEST 00006732534000000 150000.00  
 ROLL ECIA 20160401 000001348826621  
 JOB ECIA E ACCT 8080001916549692  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514879

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

# **EXHIBIT A-6**

(Check One / Marque Uno) ☒ Checking / Cuenta de Cheques ☐ Savings / Ahorros ☐ Money Market Access ☐ Command

WELLS  
FARGOAccount Number /  
Número de Cuenta

\* [REDACTED] 9692

Date / Fecha

1/3/14

Cash /  
Efectivo

88000.00

Total Checks  
(include total from other side)  
Total de cheques  
de otro lado

Subtotal

Minus cash received /  
Menos efectivo recibido

Total \$

88000.00

Wells Fargo Confidential When Completed

Please print Name - / Letra de molde Nombre

Bryant United Capital Group

Please print Street Address, City, State, Zip Code / Letra del molde Domicilio, Ciudad, Estado, Código Postal

Deposits may not be available  
for immediate withdrawal  
See Delayed posting  
information  
on reverse.Es posible que su  
depósito no esté disponible  
para ser retirado inmediatamente  
ver el reverso información  
de transferencias adelantadasPlease sign in teller's presence for cash received / Favor de firmar en presencia del cajero por el  
efectivo recibido Two forms of ID may be required for cash back transactions. / Se requieren  
dos tipos de identificación para las transacciones en las que se devuelve efectivo

X

Bank Use Only (When SVT is Not Available)

TLR5075 (06/11) wfo116 13852407

Customer ID	Exp date	Token Verified (✓) <input type="checkbox"/>	Approval
-------------	----------	---	----------

ID [REDACTED]

TOTAL \$

X 1

X 2

X 5

X 10

X 20

X 50

X 100

CASH COUNT FOR BANK USE

ENTER THIS TOTAL ON FRONT

TOTAL CHECKS/

3

4

2

7

3

4

3

2

1

CHECKS/  
1. Amount in dollars  
2. Amount in cents  
3. Amount in dollars  
4. Amount in cents

AMOUNT/

If you're not sure if this form could result in a delay of crediting your  
deposit or clearing your deposit to the wrong account Please ask  
a teller for help in completing the form if you have questions

REQUEST 00006732533000000 88000.00  
 ROLL BCIA 20140103 000003543806223+  
 JOB BCIA E ACCT 8080001916549692  
 REQUESTOR A099337  
 17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

**JSC**  
Federal Credit Union  
PO BOX 58346  
HOUSTON, TEXAS 77258

**CASHIER'S CHECK**

03 JAN 14

**PAY TO THE ORDER OF BRYANT UNITED CAPITAL FUNDING INC**

**\$20,000.00****PAY TWENTY THOUSAND DOLLARS ONLY \*\*\***

**AMBER B KNAPP**  
723 RED OAK LANE  
FRIENDSWOOD TX 77546

Pin ID	Open
Type	AD
Issue/Exp	
Tkn_Dept	
Host	Sig
	HPF
	Memo

THIS CHECK VOID AFTER 90 DAYS

*Miss B*  
AUTHORIZED SIGNATURE

11 [REDACTED]

WELLS FARGO BANK NA NEW  
[REDACTED]

Pay to the Order of  
Wells Fargo Bank NA  
For Deposit Only  
Bryant United Capital Trust  
[REDACTED]

REQUEST 00006732533000000 20000.00  
ROLL ECIA 20140109 000002420387090+  
JOB ECIA E ACCT 00000000000077313  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

Account number: [REDACTED] 9692 ■ July 1, 2014 - July 31, 2014 ■ Page 2 of 11



### Transaction history

[illegible]



[illegible]

**Bryant United Capital Funding, Inc.** 05/09  
24044 Cinco Village Center Blvd., Ste 100  
Katy, Texas 77494  
(866)580-3525

**WELLS FARGO BANK TEXAS, NA**

12778

04/01/2016

PAY TO THE ORDER OF Blair Knapp

**\$ \*\*90,000.00**

Ninety thousand and 00/100<sup>th</sup>

DOLLARS

**PROTECTED AGAINST FRAUD**

Blair Knapp  
723 Red Oak Lane  
Friendswood, TX 77546

President/Chairman

MEMO

### Capital Account Withdrawal

REQUEST 00006732534000000 90000.00  
ROLL ECIA 20160401 000001348826619  
JOB ECIA E ACCT 8080001916549692  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514879

Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

0063622

Office AU #

**CASHIER'S CHECK**Remitter: **BLAIR A KNAPP**  
Operator I.D.: [REDACTED]

November 21, 2016

PAY TO THE ORDER OF \*\*\*BRYANT UNITED CAPITAL FUNDING, INC.\*\*\*

\*\*\*Twenty thousand dollars and no cents\*\*\*

\*\*\$20,000.00\*\*

Payee Address:  
Memo:WELLS FARGO BANK, N.A.  
1507A W BAY AREA BLVD  
WEBSTER, TX 77568  
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US\$ 20,000.00

AUTHORIZED SIGNATURE

Details on Back. Security Features Included.

CREDITED TO THE ACCOUNT OF  
WITHIN NAMED PAYEE  
LACK OF ENDORSEMENT GUARANTEED  
WELLS FARGO BANK, N.A.  
AU 63622REQUEST 00006732533000000 20000.00  
ROLL ECIA 20161121 000001342164491+  
JOB ECIA E ACCT 1820004861512861  
REQUESTOR A099337  
17511839 02/06/2017 Research 17514878Summons and Subpoenas Department  
S3928-020  
Phoenix AZ 85038

						\$ 59,750.00
DATE	PAYEE NAME	PAYEE ACCT NUM	PAYEE RTN	EE ACCT T	PAYEE BANK NAME	AMT
03/03/14	Knapp~Blair~	██████████6411	██████████	CHK	WELLS FARGO BK NA	\$1,000.00
04/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$1,000.00
05/02/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$1,000.00
06/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$1,000.00
07/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$1,000.00
08/01/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$1,000.00
09/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
10/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
11/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
12/03/14	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
01/05/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
02/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
03/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
04/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
05/04/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
06/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
07/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,250.00
08/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
09/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
10/02/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
11/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
12/03/15	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
01/05/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
02/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
03/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$2,750.00
04/04/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
05/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
06/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
07/05/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
08/04/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
09/02/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
10/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
11/03/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
12/05/16	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
01/04/17	Knapp~Blair~	██████████6411		CHK	WELLS FARGO BK NA	\$500.00
03/03/17	Knapp~Blair~			CHK	WELLS FARGO BK NA	\$1,000.00
04/03/17	Knapp~Blair~			CHK	WELLS FARGO BK NA	\$1,000.00

# **EXHIBIT A-7**



### Transaction history

[illegible]



## Overdraft Protection

Your account is linked to the following for Overdraft Protection:

- Savings - 0 [REDACTED]
- Credit Card - XXXX-XXXX-XXXX-4390

## Transaction history

[illegible]

**STEPHEN M GARRETT**  
 8101 S HUMBLE CAMP RD  
 DICKINSON, TX 77639

1252

12/15/18

DATE

PAY TO THE  
 ORDER OF

ART WAMMER

\$ 10,000

DOLLARS



Photo  
 Safe  
 Deposit  
 Details on back

**AMOCO**  
 FEDERAL CREDIT UNION  
A Member of the Amoco Corporation

P.O. Box 888  
 Texas City, TX  
 77582-0888

FOR

Harland Clarke

☐ CHECK HERE IF MOBILE DEPOSIT  
 DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
 \* IF YOU HAVE A SIGNATURE CARD ON FILE \*

ENDORSE HERE

REQUEST 00006814922000000 10000.00  
 ROLL ECIA 20161215 000001249587448+  
 JOB ECIA E ACCT 0000000139151020  
 REQUESTOR A099161  
 17880030 04/28/2017 Research 17904914

Summons and Subpoenas Department  
 S4001-01F  
 Phoenix AZ 85038



**SOUTHERN GRANT RANCH**  
**STEPHEN GARRETT, SR.**  
 3000 FM 846 EAST  
 DICKINSON, TX 77539

1169

1/12/17 Date

Pay to the  
Order of

A/C Warrant / Warrick / Grupp

\$ 10,000

Ten thousand

Dollars

Photo  
Safe  
Deposit  
Details on back

★ **NEWFIRST** | National  
 Bank

El Campo / Edna / Needville  
 Rosenberg / Sugar Land / Victoria / Wharton  
[www.NewFirst.com](http://www.NewFirst.com)

For



Holland Clear

REDA

REQUEST 00006760686000000 10000.00  
 ROLL BCIA 20170127 000001245480054+  
 JOB BCIA E ACCT 0000000000716897  
 REQUESTOR A099337  
 17617141 02/27/2017 Research 17638506

Summons and Subpoenas Department  
 S3928-020  
 Phoenix AZ 85038

**COASTAL BAY CONSTRUCTION, LLC.**

PO BOX 1267  
DICKINSON, TX 77539  
PH (281)808-8802

1268

DATE

2/23/17

CHECK NUMBER

PAY  
TO THE  
ORDER OF

Wanda Gray

\$ 10,000

DOLLARS

★ NEWFIRST

National  
Bank

El Campo / Edna / Needville  
Rosenberg / Sugar Land / Victoria / Wharton  
www.NewFirst.com

FOR

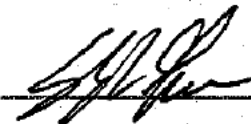


Photo  
Safe  
Deposit  
Details on back

ENDORSE HERE

Wanda Gray

☐ CHECK HERE IF MOBILE DEPOSIT

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR NATIONAL INSTITUTION USE

117104795

001100

737377

COASTAL BAY CONSTRUCTION

## Security Features exceed industry standards and include:

- ImageMark™ (Microprint) and check number
- Check Number (117104795)
- Check Number (737377) Mobile deposit check mark to indicate check has been deposited via mobile device
- The Security Guard™ pattern on back designed to deter fraud
- Microprint of PINs printed on front and back
- The words "DEPOSIT ONLY" printed on back
- Photo Safe Deposit icon visible on front and back

## Do not cash if:

- Any of the features listed above are missing or appear altered
- The words "DEPOSIT ONLY" are missing or appear altered
- The words "DEPOSIT ONLY" are missing or appear altered
- The words "DEPOSIT ONLY" are missing or appear altered

REQUEST 00006782368000000 10000.00  
ROLL BCIA 20170227 000001340829160+  
JOB BCIA E ACCT 0000000000737377  
REQUESTOR A099337  
17699653 03/16/2017 Research 17744884

Summons and Subpoenas Department  
S4001-01F  
Phoenix AZ 85038

**SOUTHERN GRANT RANCH**  
**STEPHEN GARRETT, SR.**  
 3000 FM 848 EAST  
 DICKINSON, TX 77539

1196

3/18/17

Date

Pay to the

Order of

Wanna Group

\$ 10,000

Ten Thousand

Dollars


 Photo  
 Safe  
 Deposit  
 Details on back

★ **NEWFIRST** National Bank  
 El Campo / Edna / Needville  
 Rosenberg / Sugar Land / Victoria / Wharton  
 www.NewFirst.com

For



Hazard Check

REDA 6

REQUEST 00006812098000000 10000.00  
 ROLL ECIA 20170323 000001245347192+  
 JOB ECIA E ACCT 00000000000716897  
 REQUESTOR A099334  
 17859795 04/17/2017 Research 17888874

Summons and Subpoenas Department  
 S4001-01F  
 Phoenix AZ 85038

**COASTAL BAY CONSTRUCTION, LLC.**

PO BOX 1267  
DICKINSON, TX 77539  
PH (281)808-8802

1391

DATE

4/15/2017

CHECK AMOUNT

PAY  
TO THE  
ORDER OF

Wammar Group

\$19000

Ten thousand

DOLLARS

Photo  
Safe  
Deposit  
Crate or Box

★ NEWFIRST National Bank

El Campo / Edna / Needville  
Rosenberg / Sugar Land / Victoria / Wharton  
www.NewFirst.com

FOR

☐ CHECK HERE IF MOBILE DEPOSIT  
DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
\* PREPARED FOR FINANCIAL INSTITUTION USE \*

ENDORSE HERE

X Wammar Group LLC

Security Features: all new currency standards and features  
including: 1. Security features on front and back of bill  
2. Security features on front and back of bill  
3. Security features on front and back of bill  
4. Security features on front and back of bill  
5. Security features on front and back of bill  
6. Security features on front and back of bill  
7. Security features on front and back of bill  
8. Security features on front and back of bill  
9. Security features on front and back of bill  
10. Security features on front and back of bill

Do not cash if:  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered  
• Any of the features listed above are missing, damaged or altered

REQUEST 00006835579000000 10000.00  
ROLL BCIA 20170425 000001249581407+  
JOB BCIA E ACCT 00000000000737377  
REQUESTOR U254559  
18009240 05/09/2017 Research 18009527

Summons and Subpoenas Department  
D1111-016  
Charlotte NC 28201

<b>COASTAL BAY CONSTRUCTION, LLC.</b> PO BOX 1267 DICKINSON, TX 77539 PH (281)808-8802		1432
DATE <u>5/15/17</u>		BACK
PAY TO THE ORDER OF <u>Wound Group</u>	\$ <u>10,000</u>	
<u>Ten Hara</u>	DOLLARS	
<b>★ NEWFIRST</b> National Bank El Campo / Edna / Needville Rosenberg / Sugar Land / Victoria / Wharton www.NewFirst.com		
FOR	<u>[Signature]</u>	
[Redacted]		

DDA Debits - 5/17/2017

[Redacted]		for deposit only 9950
[Redacted]		

DDA Debits - 5/17/2017

[illegible]

App. 129







WF DIRECT PAY FOR ACCOUNT NUMBER 9950:

[illegible]

[illegible]





[illegible]

DP044689404	DP044757616	7	\$19,451.00	2/28/2014	Garrett~Stephen~	1010	AMOCO FCU	\$6,034.00
DP045714312	DP045775416	8	\$60,579.00	3/28/2014	Garrett~Stephen~	1010	AMOCO FCU	\$5,876.00

DP046769838	DP046821334	8	\$58,446.00	4/25/2014	Garrett~Stephen~	1010	AMOCO FCU	\$5,900.00
DP04705757	DP04778109	14	\$33,008.00	12/23/2016	Garrett~Stephen~	1010	AMOCO FCU	\$4,240.00
DP047409108	DP047425800	1	\$50,000.00	5/12/2014	Garrett~Stephen~	1010	AMOCO FCU	\$50,000.00
DP047443996	DP047453184	1	\$25,000.00	5/13/2014	Garrett~Stephen~	1010	AMOCO FCU	\$25,000.00
DP047530980	DP047575582	1	\$50,000.00	5/15/2014	Garrett~Stephen~	1010	AMOCO FCU	\$50,000.00





[illegible]

[illegible]

[illegible]

[illegible]



[illegible]

[illegible]

[illegible]



DP067281938	DP067349228	12	\$24,826.00	8/28/2015	Garrett~Stephen~	1010		AMOCO FCU	\$2,486.00
DP068586156	DP068631160	12	\$36,366.00	9/25/2015	Garrett~Stephen~	1010		AMOCO FCU	\$5,000.00

[illegible]





[illegible]

DP079335260	DP079409332	11	\$24,655.00	4/22/2016	Garrett~Stephen~	1010	AMOCO FCU	\$5,505.00
DP081063150	DP081096772	12	\$36,400.00	5/27/2016	Garrett~Stephen~	1010	AMOCO FCU	\$5,480.00



[REDACTED]		12	\$34,628.00	7/22/2016	Garrett~Stephen~	1010	AMOCO FCU	\$5,480.00
DP083985076 DP084047028								
[REDACTED]		12	\$29,485.00	8/26/2016	Garrett~Stephen~	1010	AMOCO FCU	\$4,040.00
DP085736260 DP085782092								



[illegible]

# EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

JENNIFER ECKLUND, RECEIVER,

Plaintiff,

v.

ROBERT AND SANDRA BAILEY, et al.,

Defendants.

§  
§  
§  
§  
§  
§  
§  
§

Ancillary Civil Action No. 4:18-cv-359

**DECLARATION OF BRANDI KLEINMAN IN SUPPORT OF  
THE RECEIVER’S MOTION FOR SUMMARY JUDGMENT AGAINST  
CERTAIN WINNING INVESTORS**

I, Brandi Kleinman, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am a Vice President with Veritas Advisory Group, Inc. (“**Veritas**”) in Dallas, Texas. I am a Certified Public Accountant and certified in Financial Forensics, and a member of the American Institute of Certified Public Accountants. I am a member in good standing of the Texas State Board of Public Accountancy. There are no disciplinary proceedings pending against me.

2. I am an accountant hired to assist Jennifer Ecklund, in her capacity as the Court-appointed Receiver (the “**Receiver**”) for Defendants Thurman P. Bryant, III (“**Bryant**”) and Bryant United Capital Funding, Inc. (“**BUCF**”) (Bryant and BUCF, collectively, the “**Bryant Defendants**”) and Defendant Arthur F. Wammel (“**Wammel**”), Defendant Wammel Group, LLC (the “**Wammel Group**”), and Wammel Group Holdings Partnership (“**WGHP**”) (together Wammel, Wammel Group, and WGHP, the “**Wammel Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”) in this case.

3. I submit this Declaration in support of the *Receiver’s Motion for Summary*

*Judgment against Certain Winning Investors.*

**DECLARATION OF BRANDI KLEINMAN IN SUPPORT OF  
THE RECEIVER’S MOTION FOR SUMMARY JUDGMENT AGAINST  
CERTAIN WINNING INVESTORS**

4. As part of my work, my team and I have found that investor funds were, in most instances, deposited into the account of BUCF or Wammel Group and then disbursed as directed by Bryant or Wammel.

5. Over the days subsequent to my engagement, I obtained from the Receiver documents, financials, and bank records of the Defendants and other documents relating to the Defendants' business operations.

6. Financial records indicate that Robert and Sandra Bailey received \$177,315 from the Wammel Defendants between, on or about, February 2012 and March 2017 for referral fees, commissions for assistance, and/or earnings over and above the amounts they initially invested in the Wammel Group.

7. Financial records indicate that Roland and Holly Maldonado received \$735,900 from the Bryant Defendants between, on or about, July 2011 and April 2017 for referral fees, commissions for assistance, and/or earnings over and above the amounts they initially invested in BUCF.

8. Financial records indicate that Hossein Seddighi received \$109,900 from the Bryant Defendants between, on or about, September 2011 and March 2017 for referral fees, commissions for assistance, and/or earnings over and above the amounts he initially invested in BUCF.

9. Financial records indicate that Kenneth and Chelsea Hughes received \$87,268 from the Bryant Defendants between, on or about, August 2011 and March 2017 for referral fees, commissions for assistance, and/or earnings over and above the amounts he initially invested in BUCF.

10. Financial records indicate that Teresa Ezell received \$30,000 from the Bryant

Defendants between, on or about, April 2015 and April 2016 for referral fees, commissions for assistance, and/or earnings over and above the amounts she initially invested in BUCF.

11. Financial records indicate that Blair Knapp received \$20,750 from the Bryant Defendants between, on or about, March 2014 and April 2017 for referral fees, commissions for assistance, and/or earnings over and above the amounts she initially invested in BUCF.

12. Financial records indicate that Stephen Garrett received \$162,766 from the Wammel Defendants between, on or about, June 2013 and December 2016 for referral fees, commissions for assistance, and/or earnings over and above the amounts he initially invested in the Wammel Group.

13. The funds used to make the transfers were those of other investors in the fraudulent Ponzi scheme.

14. Attached in support of these statements as Exhibits B-1 through B-7 are true and correct copies of the following summaries, which have informed my opinions herein:

1. Summary of Transfers Between Wammel Defendants and Robert and Sandra Bailey
2. Summary of Transfers Between Bryant Defendants and Roland and Holly Maldonado
3. Summary of Transfers Between Bryant Defendants and Hossein Seddighi
4. Summary of Transfers Between Bryant Defendants and Kenneth and Chelsea Hughes
5. Summary of Transfers Between Bryant Defendants and Teresa Ezell
6. Summary of Transfers Between Bryant Defendants and Blair Knapp
7. Summary of Transfers Between Wammel Defendants and Stephen Garrett

15. Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge and my involvement as a Retained Professional in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 11<sup>th</sup>, 2019 at Dallas, Texas. Brandi Kleinman  
Brandi Kleinman

# **EXHIBIT B-1**

**SEC vs. Thurman Bryant III and BUCF**  
**Summary of Transfers Between Wammel Defendants and Robert and Sandra Bailey**

Net Winner	Date of Transfer	Net Principal Amounts Invested in Wammel Group	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Robert and Sandra Bailey	1/11/2012	(\$200,000)		Principal Investment	Wells Fargo	9950
Robert and Sandra Bailey	2/24/2012		\$6,500	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/23/2012		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	4/27/2012		6,275	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	5/25/2012		6,560	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	6/22/2012		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	7/27/2012		6,300	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	8/24/2012		6,325	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	9/28/2012		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/26/2012		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	11/26/2012		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/31/2012		6,000	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	1/28/2013		6,000	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	2/26/2013		6,000	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/25/2013		6,050	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	4/26/2013		6,500	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	5/24/2013		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	6/28/2013		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	7/26/2013		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	8/23/2013		6,200	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	9/27/2013		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/25/2013		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	11/22/2013		6,200	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/31/2013		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	1/24/2014		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	2/28/2014		6,100	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/28/2014		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	4/25/2014		6,000	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	5/23/2014		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	6/27/2014		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	7/25/2014		6,050	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	8/22/2014		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	9/26/2014		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/24/2014		6,150	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/28/2014		450	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/1/2014		6,550	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/29/2014		6,600	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	1/23/2015		6,550	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	2/27/2015		6,555	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/27/2015		6,525	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	4/24/2015		6,520	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	5/22/2015		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	6/26/2015		6,505	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	7/24/2015		6,550	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	8/28/2015		6,000	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	9/25/2015		6,500	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/23/2015		6,400	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/1/2015		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/29/2015		6,250	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	1/22/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	2/26/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/28/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	4/22/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	5/27/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	6/24/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	7/22/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	8/26/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	9/23/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	10/28/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	11/28/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	12/23/2016		6,350	Monthly Distribution	Shell FCU	3652
Robert and Sandra Bailey	3/24/2017		5,500	Monthly Distribution	Shell FCU	3652
<b>Total</b>		<b>(\$200,000)</b>	<b>\$377,315</b>			



**SEC vs. Thurman Bryant III and BUCF**  
*Summary of Transfers Between Wammel Defendants and Robert and Sandra Bailey*

Net Winner	Date of Transfer	Net Principal Amounts Invested in Wammel Group	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
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**Sources:**

- [a] Wammel Group, LLC Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 9950 from January 1, 2010 to August 31, 2017
- [b] Wammel Group, LLC Wells Fargo Bank Direct Pay Statements for account [REDACTED] 9950 from January 1, 2012 to April 5, 2017
- [c] Arthur Wammel Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 7284 from April 15, 2010 to September 15, 2017

# **EXHIBIT B-2**

## SEC vs. Thurman Bryant III and BUCF

[illegible]

**SEC vs. Thurman Bryant III and BUCF**  
***Summary of Transfers Between Bryant Defendants and Roland and Holly Maldonado***

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Roland and Holly Maldonado	10/3/2016		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	11/3/2016		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	12/3/2016		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	1/3/2017		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	2/3/2017		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	3/3/2017		18,600	Monthly Payout	Wells Fargo	██████████ 2032
Roland and Holly Maldonado	3/31/2017		6,000	Monthly Payout	Wells Fargo	██████████ 2032
<b>Total</b>		<b>(\$259,000)</b>	<b>\$994,900</b>			

**Sources:**

- [a] Bryant United Capital Funding, Inc. Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████████ 9692 from July 1, 2011 to October 31, 2017
- [b] Bryant United Capital Funding, Inc. Wells Fargo Bank Direct Pay Statements for account ██████████ 9692 from January 1, 2012 to April 5, 2017
- [c] Bryant United Holdings Inc. JPMorgan Chase Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████████ 7324 from January 1, 2010 to October 4, 2011

**Note:**

- [1] February monthly return payouts are included in the calculation for amounts received by Net Winners. These February payouts do not appear on the BUCF Wells Fargo Direct Pay statement for each investor, but the combined withdrawal transaction is shown on BUCF's Wells Fargo February monthly bank statement. Veritas determined the February monthly payout remitted to each investor by assuming it was the same as their March 2017 payout.

# **EXHIBIT B-3**

**SEC vs. Thurman Bryant III and BUCF**  
**Summary of Transfers Between Bryant Defendants and Hossein Seddighi**

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Hossein Seddighi	7/29/2011	(\$70,000)		Principal Investment	Wells Fargo	9692
Hossein Seddighi	10/3/2011		\$2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/3/2011		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2011		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/3/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/2/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/30/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	5/3/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	6/1/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	7/3/2012		2,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/3/2012		3,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/31/2012		3,450	Monthly Payout	Bank of America	1495
Hossein Seddighi	10/3/2012		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/2/2012		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2012		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/1/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/1/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	4/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	5/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	6/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	7/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/2/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	9/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	10/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/1/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2013		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	4/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	5/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	6/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	7/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	9/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	10/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2014		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	4/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	5/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	6/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	7/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	9/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	10/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2015		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	4/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	5/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	6/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	7/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	8/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	9/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	10/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	11/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	12/3/2016		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	1/3/2017		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	2/3/2017		2,750	Monthly Payout	Bank of America	1495
Hossein Seddighi	3/3/2017		2,750	Monthly Payout	Bank of America	1495
<b>Total</b>		<b>(\$70,000)</b>	<b>\$179,900</b>			

**SEC vs. Thurman Bryant III and BUCF**  
***Summary of Transfers Between Bryant Defendants and Hossein Seddighi***

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
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**Sources:**

- [a] Bryant United Capital Funding, Inc. Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 9692 from July 1, 2011 to October 31, 2017
- [b] Bryant United Capital Funding, Inc. Wells Fargo Bank Direct Pay Statements for account [REDACTED] 9692 from January 1, 2012 to April 5, 2017
- [c] Bryant United Holdings Inc. JPMorgan Chase Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 7324 from January 1, 2010 to October 4, 2011

**Note:**

- [1] February monthly return payouts are included in the calculation for amounts received by Net Winners. These February payouts do not appear on the BUCF Wells Fargo Direct Pay statement for each investor, but the combined withdrawal transaction is shown on BUCF's Wells Fargo February monthly bank statement. Veritas determined the February monthly payout remitted to each investor by assuming it was the same as their March 2017 payout.

# **EXHIBIT B-4**



### *Summary of Transfers Between Bryant Defendants and Kenneth and Chelsea Hughes*

[illegible]

**SEC vs. Thurman Bryant III and BUCF**  
***Summary of Transfers Between Bryant Defendants and Kenneth and Chelsea Hughes***

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Kenneth and Chelsea Hughes	5/11/2016	(50,000)		Principal Investment	Wells Fargo	██████ 9692
Kenneth and Chelsea Hughes	6/3/2016		28,406	Monthly Payout	Wells Fargo/Regions Bank	██████ 0896/Loan
Kenneth and Chelsea Hughes	7/3/2016		30,156	Monthly Payout	Wells Fargo/Regions Bank	██████ 0896/Loan
Kenneth and Chelsea Hughes	8/3/2016		30,540	Monthly Payout	Wells Fargo/Regions Bank	██████ 0896/Loan
Kenneth and Chelsea Hughes	9/3/2016		30,400	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	10/3/2016		30,400	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	11/3/2016		30,400	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	11/9/2016	(50,000)		Principal Investment	Wells Fargo	██████ 9692
Kenneth and Chelsea Hughes	12/3/2016		30,400	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	1/3/2017		32,150	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	2/3/2017		31,650	Monthly Payout	Wells Fargo	██████ 0896
Kenneth and Chelsea Hughes	3/3/2017		31,650	Monthly Payout	Wells Fargo	██████ 0896
<b>Total</b>		<b>(\$750,000)</b>	<b>\$837,268</b>			

**Sources:**

- [a] Bryant United Capital Funding, Inc. Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 9692 from July 1, 2011 to October 31, 2017
- [b] Bryant United Capital Funding, Inc. Wells Fargo Bank Direct Pay Statements for account ██████ 9692 from January 1, 2012 to April 5, 2017
- [c] Bryant United Holdings Inc. JPMorgan Chase Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 7324 from January 1, 2010 to October 4, 2011

**Notes:**

- [1] February monthly return payouts are included in the calculation for amounts received by Net Winners. These February payouts do not appear on the BUCF Wells Fargo Direct Pay statement for each investor, but the combined withdrawal transaction is shown on BUCF's Wells Fargo February monthly bank statement. Veritas determined the February monthly payout remitted to each investor by assuming it was the same as their March 2017 payout.
- [2] Bryant remitted the Hughes monthly payouts in two forms: cash sent to the Hughes Wells Fargo account and through the \$743.69 monthly repayment of a Regions Bank loan from September 2011 to August 2016. The combination of these payments are shown in Exhibit A.1.

# **EXHIBIT B-5**

**SEC vs. Thurman Bryant III and BUCF**  
**Summary of Transfers Between Bryant Defendants and Teresa Ezell**

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Teresa Ezell	2/6/2015	(\$100,000)		Principal Investment	Wells Fargo	██████ 9692
Teresa Ezell	4/2/2015		\$2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	5/1/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	6/2/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	7/2/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	7/31/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	9/2/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	10/1/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	11/2/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	12/2/2015		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	1/4/2016		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	2/2/2016		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	3/2/2016		2,500	Monthly Payout	C-E FCU	██████ 0101
Teresa Ezell	4/1/2016	100,000		Principal Withdrawal	C-E FCU	██████ 0101
<b>Total</b>		<b>\$0</b>	<b>\$30,000</b>			

**Sources:**

- [a] Bryant United Capital Funding, Inc. Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 9692 from July 1, 2011 to October 31, 2017
- [b] Bryant United Capital Funding, Inc. Wells Fargo Bank Direct Pay Statements for account ██████ 9692 from January 1, 2012 to April 5, 2017
- [c] Bryant United Holdings Inc. JPMorgan Chase Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 7324 from January 1, 2010 to October 4, 2011

**Notes:**

- [1] February monthly return payouts are included in the calculation for amounts received by Net Winners. These February payouts do not appear on the BUCF Wells Fargo Direct Pay statement for each investor, but the combined withdrawal transaction is shown on BUCF's Wells Fargo February monthly bank statement. Veritas determined the February monthly payout remitted to each investor by assuming it was the same as their March 2017 payout.
- [2] Tereza Ezell made an initial principal investment on February 6, 2015 for \$100,000. She later withdrew her entire principal investment on April 1, 2016. As a result, her net investment is zero.

# **EXHIBIT B-6**

**SEC vs. Thurman Bryant III and BUCF**  
**Summary of Transfers Between Bryant Defendants and Blair Knapp**

Net Winner	Date of Transfer	Net Principal Amounts Invested in BUCF	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Blair Knapp	1/3/2014	(\$20,000)		Principal Investment	Wells Fargo	██████ 9692
Blair Knapp	1/9/2014	(20,000)		Principal Investment	Wells Fargo	██████ 9692
Blair Knapp	3/3/2014		\$1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	4/3/2014		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	5/3/2014		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	6/3/2014		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	7/3/2014	(50,000)		Principal Investment	Wells Fargo	██████ 9692
Blair Knapp	7/3/2014		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	8/3/2014		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	9/3/2014		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	10/3/2014		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	11/3/2014		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	12/3/2014		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	1/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	2/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	3/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	4/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	5/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	5/22/2015	(20,000)		Principal Investment	Wells Fargo	██████ 9692
Blair Knapp	6/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	7/3/2015		2,250	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	8/3/2015		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	9/3/2015		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	10/3/2015		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	11/3/2015		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	12/3/2015		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	1/3/2016		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	2/3/2016		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	3/3/2016		2,750	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	4/1/2016	90,000		Principal Withdrawal	Wells Fargo	██████ 6411
Blair Knapp	4/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	5/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	6/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	7/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	8/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	9/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	10/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	11/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	11/21/2016	(20,000)		Principal Investment	Wells Fargo	██████ 9692
Blair Knapp	12/3/2016		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	1/3/2017		500	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	2/3/2017		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	3/3/2017		1,000	Monthly Payout	Wells Fargo	██████ 6411
Blair Knapp	3/31/2017		1,000	Monthly Payout	Wells Fargo	██████ 6411
<b>Total</b>		<b>(\$40,000)</b>	<b>\$60,750</b>			

**Sources:**

- [a] Bryant United Capital Funding, Inc. Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 9692 from July 1, 2011 to October 31, 2017
- [b] Bryant United Capital Funding, Inc. Wells Fargo Bank Direct Pay Statements for account ██████ 9692 from January 1, 2012 to April 5, 2017
- [c] Bryant United Holdings Inc. JPMorgan Chase Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account ██████ 7324 from January 1, 2010 to October 4, 2011

**Note:**

- [1] February monthly return payouts are included in the calculation for amounts received by Net Winners. These February payouts do not appear on the BUCF Wells Fargo Direct Pay statement for each investor, but the combined withdrawal transaction is shown on BUCF's Wells Fargo February monthly bank statement. Veritas determined the February monthly payout remitted to each investor by assuming it was the same as their March 2017 payout.

# **EXHIBIT B-7**

**SEC vs. Thurman Bryant III and BUCF**  
**Summary of Transfers Between Wammel Defendants and Stephen Garrett**

Net Winner	Date of Transfer	Net Principal Amounts Invested in Wammel Group	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
Stephen Garrett [1]	5/2/2013	(\$391,000)		Principal Investment	Wells Fargo	9950
Stephen Garrett	6/4/2013		\$3,390	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	6/13/2013		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	6/28/2013		6,760	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	7/26/2013		6,860	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	8/23/2013		6,734	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	9/27/2013		6,328	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	10/18/2013		15,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	10/25/2013		6,360	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	11/22/2013		6,230	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	12/31/2013		6,080	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	1/24/2014		6,105	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	2/28/2014		6,034	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	3/28/2014		5,876	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	4/25/2014		5,900	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	5/12/2014		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett [2]	5/13/2014		25,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett [2]	5/15/2014		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	5/23/2014		6,160	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	6/27/2014		6,535	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	7/22/2014		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	7/25/2014	(175,000)	6,230	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	8/22/2014		6,305	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	9/17/2014			Principal Investment	Wells Fargo	9950
Stephen Garrett	9/26/2014		6,200	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	11/18/2014		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	2/27/2015		5,615	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	3/27/2015		5,710	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	4/24/2015		5,652	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	5/22/2015		4,720	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	6/26/2015		5,195	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	7/15/2015		50,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	7/24/2015		5,205	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	8/28/2015		2,486	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	9/25/2015		5,000	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	10/23/2015		5,125	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	12/1/2015		5,005	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	12/29/2015		5,525	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	1/22/2016		5,505	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	2/26/2016		5,525	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	3/28/2016		5,625	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	4/22/2016		5,505	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	5/27/2016		5,480	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	6/24/2016		5,450	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	7/22/2016		5,480	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	8/26/2016		4,040	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	9/23/2016		4,210	Monthly Distribution	Amoco FCU	1010
Stephen Garrett	10/28/2016		4,240	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [2]	11/14/2016		250,000	Bridge Loan	Amoco FCU	1010
Stephen Garrett	11/28/2016		4,141	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [3]	12/15/2016	(10,000)		Prepayment Penalty	Arthur Wammel	7284
Stephen Garrett	12/23/2016	(10,000)	4,240	Monthly Distribution	Amoco FCU	1010
Stephen Garrett [3]	1/27/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	2/27/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	3/23/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	4/25/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	5/17/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	6/19/2017			Prepayment Penalty	Wells Fargo	9950
Stephen Garrett [3]	7/19/2017			Prepayment Penalty	Wells Fargo	9950
<b>Total</b>		<b>(\$646,000)</b>	<b>\$808,766</b>			



**SEC vs. Thurman Bryant III and BUCF**  
***Summary of Transfers Between Wammel Defendants and Stephen Garrett***

Net Winner	Date of Transfer	Net Principal Amounts Invested in Wammel Group	Payout Amounts Transferred to Net Winner	Transfer Type	Bank Account Transferred To	Account Number
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**Sources:**

- [a] Wammel Group, LLC Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 9950 from January 1, 2010 to August 31, 2017
- [b] Wammel Group, LLC Wells Fargo Bank Direct Pay Statements for account [REDACTED] 9950 from January 1, 2012 to April 5, 2017
- [c] Arthur Wammel Wells Fargo Bank statements and corresponding checks, deposits, withdrawals, and wire transfers for account [REDACTED] 7284 from April 15, 2010 to September 15, 2017
- [d] Checks from Stephen Garret paid to Wammel Group from October 5, 2015 to July 19, 2017
- [e] Interview of Stephen Garret on October 5, 2017 Notes

**Notes:**

- [1] Garrett transferred \$617,000 to Wammel Group on May 2, 2013. Per Garrett interview notes, \$391,000 was for an investment in Wammel Group and \$226,000 was related to a home mortgage transaction.
- [2] Garrett took out several Bridge Loans from his investment in Wammel Group. Per Garrett interview notes, these Bridge Loans were loans for paying back investments.
- [3] Per Garrett interview notes, he would pay \$10,000 monthly penalty payments to Wammel Group in order for him to make large lump sum withdrawals. These lump sum withdrawals would take a loss when withdrawn. The monthly penalty fees were to cover the loss taken.

# EXHIBIT C



part of the investment scheme, Bryant Capital partnered with Wammel Group, LLC (“Wammel Group”), which in turn invested Bryant Capital funds in a number of investments. Wammel Group is wholly owned and operated by Arthur F. Wammel (“Wammel”) (collectively, “Wammel Parties”). Each month, Wammel Group would distribute funds back to Bryant Capital as returns.<sup>1</sup> Bryant and Wammel agreed that they would share equally in any returns greater than the 30% annual rate. Bryant expected Wammel to return greater than 30% on a regular basis, otherwise Bryant would not make a profit.

From June 2011 through April 2017, Bryant Capital received approximately \$22.7 million from approximately 100 investors. Of that money, Bryant Capital transferred more than \$16.2 million to Wammel Group as principal for investments. At the hearing, Bryant testified that he did not know how Wammel was investing the funds, but he did understand that the funds would be in a “hedge” for the benefit of the group. Wammel Group held a Wells Fargo account in which it commingled funds obtained from Bryant Capital investors with funds obtained from Wammel Group investors. Wammel Group then placed these funds into at least two investment accounts: OptionsXpress and TD Ameritrade. Each month, Wammel Group withdrew funds from the investment accounts, placed them in the Wells Fargo account, and then transferred them to Bryant Capital.

Investments made by Wammel Group struggled to earn the required 2.5% monthly returns. Based on the agreement with Bryant Capital, Wammel Group should have earned \$11.8 million in returns for Bryant Capital from 2011 to 2017. Wammel Group distributed to

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<sup>1</sup> Numerous transfers between Defendants and Wammel Group actually appear as Bryant United Holdings, Inc. (“Bryant United”). After reviewing the numerous account and activity statements for Bryant United, Bryant Capital, and Wammel Group, the Receiver’s retained forensic accountant, Brandi Kleinman, determined that Bryant United and Bryant Capital were essentially the same entity. Without deciding whether these entities are alter egos of each other, it is sufficient for the Court to look past any distinction. The current proceeding is not against Defendants or Bryant United and the Wammel Parties have not disputed any difference. Further, any distinction does not affect the Receivership Estate.

Bryant Capital \$15.9 million purportedly as returns. Even if Wammel Group made the minimum return over that period, it should still hold \$12.2 million in principal for Bryant Capital. However, on April 30, 2017, Wammel Group had total account values across all of its accounts of approximately \$1 million. Since then, Wammel Group OptionsXpress account lost approximately \$200,000 and was closed by OptionsXpress.

Despite clear deficiencies in returns, Wammel Group distributed approximately 3% monthly returns and significant profits for Wammel and Bryant. To do this, Wammel Group used funds from other sources. While Wammel Group did produce account statements with divisions of assets held in the account, the Receiver's forensic accountant, Brandi Kleinman, testified that Bryant Capital funds were in fact commingled with funds from Wammel Group investors.

Because Wammel Group was not earning enough to make its payouts, Wammel falsified documents that he sent to Bryant Capital (SEC Exhibit 3)<sup>2</sup> and to investors to appear as if Wammel Group's investments were successful. Wammel represented to one investor that Wammel Group accounts had \$41 million more in assets than it did (*Compare* SEC Exhibits 10–13).

Despite operating at a loss, Wammel Group distributed large incomes to Wammel and to Bryant, individually. Combined, Wammel and Bryant profited by approximately \$10 million. Wammel personally withdrew \$5.5 million to fund personal expenses, including a house for \$339,957.94 (R. Exhibits 21 & 22).

On May 15, 2017, the Securities and Exchange Commission ("SEC") filed a complaint against Bryant and Bryant Capital alleging securities fraud in connection with a series of interrelated Ponzi schemes operated by Bryant and the Wammel Parties (Dkt. #1). On May 15, 2017, the Court entered an order appointing a receiver over Bryant and Bryant Capital

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<sup>2</sup> At the August 2, 2017 hearing, the Court admitted several exhibits into evidence for the purpose of this hearing.

(“Receivership Order”). The Receivership Order gave the Receiver exclusive jurisdiction to marshal, conserve, hold, and operate all of Defendants’ assets. The Receivership Order requires:

All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody, or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, an[y] of the Receivership Defendants that receive actual notice of this Order . . . shall:

- A. Not liquidate, transfer, sell, convey, or otherwise transfer any assets securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants except upon instructions from the Receiver.

(Dkt. #17 at ¶ 16). From December 2016 to June 2017, Wammel Group’s OptionsXpress account declined in value by more than \$7 million.

On July 19, 2017, the Receiver filed its Ex Parte Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction (Dkt. #44; Dkt. #45). On the same day, the Court granted Receiver’s motion and entered an Amended Order Appointing Receiver, which added Wammel, Wammel Group, and Wammel Group Holdings Partnership<sup>3</sup> as Receivership Defendants (Dkt. #48). Also on July 19, 2017, the Court entered an emergency temporary restraining order restraining the Wammel Parties from interfering with the Receivership Order, and setting a hearing for the matter on August 2, 2017 (Dkt. #49) (the “TRO”).

On July 25, 2017, the Wammel Parties filed an Emergency Motion and Brief for Reconsideration of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders (Dkt. #56). On August 1, 2017, the Receiver filed a response to the Wammel Parties’

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<sup>3</sup> Wammel Parties point out in their response that Wammel Group Holdings Partnership (“Wammel Partnership”) may not exist, and even if it does exist, it has not been sued or appeared in any pleading in this case. At the hearing, the Wammel Parties demonstrated that the partnership agreement was never signed. However, Bryant testified in terms of the Wammel Partnership as the agreement between Bryant Capital and Wammel Group, and Wammel asserted his Fifth Amendment right to whether he was a partner in the Wammel Partnership. The Court finds sufficient evidence to support the orders against Wammel Partnership.

motion (Dkt. #73). On August 1, 2017, the SEC filed a response to the Wammel Parties' motion (Dkt. #74).

On August 2, 2017, the Court held a hearing on the TRO and Wammel Parties' motion for reconsideration. Wammel was called to testify at the hearing, but exercised his Fifth Amendment rights to every substantive question that was asked.<sup>4</sup> After the hearing, the Court found good cause to extend the TRO an additional 14 days, so that the Court could write an opinion regarding the preliminary injunction (Dkt. #75). This memorandum opinion and order addresses the preliminary injunction and Wammel Parties' motion for reconsideration.

### LEGAL STANDARD

A party seeking a preliminary injunction must establish the following elements: (1) a substantial likelihood of success on the merits; (2) a substantial threat plaintiffs will suffer irreparable harm if the injunction is not granted; (3) that the threatened injury outweighs any damage the injunction might cause the defendant; and (4) that the injunction will not disserve the public interest. *Nichols v. Alcatel USA, Inc.*, 532 F.3d 364, 372 (5th Cir. 2008). "A preliminary injunction is an extraordinary remedy and should only be granted if the plaintiff[] [has] clearly carried the burden of persuasion on all four requirements." *Id.* Nevertheless, a movant "is not required to prove its case in full at a preliminary injunction hearing." *Fed. Sav. & Loan Ins. Corp. v. Dixon*, 835 F.2d 554, 558 (5th Cir. 1985) (quoting *Univ. of Tex. v. Comenisch*, 451 U.S. 390, 395 (1981)). The decision whether to grant a preliminary injunction lies within the sound discretion of the district court. *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982).

### ANALYSIS

A district court has broad authority to enforce its orders and to protect assets in a receivership. *SEC v. Stanford Int'l Bank Ltd.*, 424 F. App'x 338, 340 (5th Cir. 2011) (citing

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<sup>4</sup> Bryant was also called to testify. However, he asserted his Fifth Amendment rights to only a few questions.

*Schauss v. Metals Depository Corp.*, 757 F.2d 649, 654 (5th Cir. 1985)). “Such orders can serve as an important tool permitting a district court to prevent dissipation of property or assets . . . .” *Schauss*, 757 F.2d at 654 (citing *W. Gulf Mar. Assoc. v. ILA Deep Sea Local 24*, 751 F.2d 721, 729 (5th Cir. 1985)). Finally, these orders may be effective against non-parties or parties joined only as relief defendants. *Janvey v. Adams*, 588 F.3d 831, 834 (5th Cir. 2009); *Schauss*, 757 F.2d at 654.<sup>5</sup>

### **I. Likelihood of Success on the Merits**

To prevail on its motion for preliminary injunction, the Receiver must demonstrate a substantial likelihood of success on the merits. This requires the Receiver to present a prima facie case. *Daniels Health Scis., LLC v. Vascular Health Scis.*, 710 F.3d 579, 582 (5th Cir. 2013) (citing *Janvey*, 647 F.3d at 595–96). A prima facie case does not mean the Receiver must prove it is entitled to summary judgment. *Byrum v. Landreth*, 566 F.3d 442, 446 (5th Cir. 2009). The Receiver has demonstrated a substantial likelihood of success on all of its claims.

The Receiver seeks a preliminary injunction against the Wammel Parties, preventing the Wammel Parties from further violating the Receivership Order. The Receiver bases its motion on fraudulent transfer, conversion, conspiracy, and breach of fiduciary duty causes of action. To prevail on its application for preliminary injunction, the Receiver need only prevail on one of its theories. *Ferguson v. Ashcroft*, 248 F. Supp. 2d 547, 556 (M.D. La. 2003); *Oxford House, Inc. v. Township of Cherry Hill*, 799 F. Supp. 450, 463 (D.N.J. 1992).

First, the Receiver asserts fraudulent transfer as a basis for an injunction. The Receiver argues that the Wammel Parties are in receipt of funds that were given by Defendants with actual

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<sup>5</sup> The Wammel Parties do not dispute that they are properly before the Court as relief defendants. Therefore, the Court need not analyze their proper joinder. Nevertheless, the Court finds that the Wammel Parties are proper relief defendants, which the Court can grant relief. *Adams*, 588 F.3d at 834 (holding that a party is properly joined as a relief defendant when the party is in receipt of ill-gotten gains for which it does not have a legitimate claim).



intent to hinder, delay, or defraud Defendants' investors, or that were given without the Wammel Parties providing reasonably equivalent value. The Wammel Parties do not respond to this argument. The Court finds that the Receiver has stated a sufficient likelihood of success to warrant an injunction.

The Court must first determine the Receiver's standing to assert a fraudulent transfer claim. The Receiver has standing to bring any claims of the receivership entities—Bryant and Bryant Capital—against third-party recipients of the entities' assets that have been fraudulently transferred by the principal of the Ponzi scheme. *Janvey v. Democratic Senatorial Campaign Comm., Inc.*, 712 F.3d 185, 191 (5th Cir. 2013). Here, the Receiver seeks to void transfers that the Wammel Parties received from Bryant Capital that have diminished the value of the Receivership estate. The Receiver has standing to bring such a claim.

The Texas Uniform Fraudulent Transfer Act ("TUFTA") provides the substantive law relevant here. *Janvey*, 647 F.3d at 596. Under TUFTA, the Receiver is entitled to recover funds from the Wammel Parties if it shows that Defendants transferred funds to the Wammel Parties (a) with actual intent to hinder, delay, or defraud Defendants' investors, or (b) without receiving a reasonably equivalent value in exchange for the transfer or obligation. Tex. Bus. & Comm. Code Ann. § 24.005(a). The Receiver has proved a likelihood of success under either theory. The Court will address each in turn.

The Receiver has proved actual intent to defraud. "In this circuit, proving that [a transferor] operated as a Ponzi scheme establishes the fraudulent intent behind the transfers it made." *Janvey*, 647 F.3d at 598 (citing *SEC v. Res. Dev. Int'l LLC*, 487 F.3d 295, 301 (5th Cir. 2007)). A Ponzi scheme is "a fraudulent investment scheme in which money contributed by later investors generates artificially high dividends or returns for the original investors, whose

example attracts even larger investments.” *Ponzi Scheme*, Black’s Law Dictionary (10th ed. 2014); *Alguire*, 647 F.3d at 597. The Receiver alleges that Defendants and the Wammel Parties operated a series of interlocking Ponzi schemes, using the investors in one Ponzi scheme to pay off other Ponzi scheme investors. Defendants promised investors guaranteed high returns of 30% annually on their investments. To follow through on these promises, Defendants transferred funds to the Wammel Parties, who then commingled Defendants’ funds with Wammel Group investors’ funds and invested in high-risk options trading. Wammel Group trading receipts from 2011 through 2017 show returns of only \$5.9 million—well short of the sum required to pay Bryant Capital investors the 30% returns that they were promised. Nevertheless, Wammel Group paid \$15.8 million to Bryant Capital between 2011 and 2017 as purported returns on investments. The funds returned to Bryant Capital were comprised of (1) the \$5.9 million in receipts from Wammel Group’s options trading; (2) funds from Bryant Capital’s investors; and (3) funds from Wammel Group’s investors.

Wammel also failed to maintain proper accounting. Wammel commingled funds to make more money available to pay investors their promised returns. Further, Wammel produced fraudulent documents to conceal the fact that Wammel Group and Bryant Capital were losing money. The Court finds this is sufficient evidence to establish a Ponzi scheme. Thus, the Receiver has proved a prima facie case of intent to defraud under TUFTA. The Wammel Parties do not assert that they qualify for TUFTA’s affirmative defense. Therefore, the Receiver has sufficiently proved a likelihood of success on the merits of its fraudulent transfer claim.

Under the reasonably equivalent value theory, the Receiver must show that Defendants (a) were engaged in a business or transaction for which the Defendants’ remaining assets were unreasonably small in relation to the business or transaction, or (b) intended to incur, or

reasonably should have believed that Defendants would incur, debts beyond their ability to pay as they became due. Tex. Bus. & Comm. Code § 24.005(a). The Receiver has proved that the Wammel Parties received Defendants' funds with the knowledge that Defendants would incur debts beyond their ability to pay investors as the payments became due. As the evidence above shows, the Wammel Parties had no reason to believe that Defendants could produce 30% annual returns on investments. Therefore, the Wammel Parties obscured accounting records, commingled funds, and falsified documents to conceal Defendants' shortcomings. Therefore, the Receiver has shown a likelihood of success of prevailing on this theory as well.

The Receiver also asserts conversion, conspiracy, and breach of fiduciary duty as grounds for an injunction. For the same reasons as stated above, the Court finds that the Receiver has established a likelihood of success on these claims.

Conversion under Texas law is "[t]he unauthorized and wrongful assumption and exercise of dominion and control over the personal property of another, to the exclusion of or inconsistent with the owner's rights." *Arthur W. Tifford, PA v. Tandem Energy Corp.*, 562 F.3d 699, 705 (5th Cir. 2009) (quoting *Waisath v. Lack's Stores, Inc.*, 474 F.2d 444, 447 (Tex. 1971)). Wammel converted funds when he took \$5.5 million as profits, despite failing to earn the minimum returns. Wammel had a right to half of the returns that were greater than 30% annually. He did not obtain returns greater than 30%. Therefore, he had no right to the profits that he took.

To prove a cause of action for civil conspiracy under Texas law, a plaintiff must establish the following elements: "(1) two or more persons; (2) an object to be accomplished; (3) a meeting of minds on the object or course of action; (4) one or more unlawful, overt acts; and (5) damages as the proximate result." *Apani Sw., Inc. v. Coca-Cola Enters., Inc.*, 300 F.3d 620, 635 (5th Cir. 2002) (quoting *Massey v. Armco Steel Co.*, 652 S.W.2d 932, 934 (Tex. 1983)). The

Wammel Parties conspired to siphon assets from Bryant Capital contributions. The Wammel Parties were not permitted to take any profits from the Bryant Capital funds unless the returns were greater than 30% annually. As the evidence shows, the Wammel Parties were not successful in earning more than 30% annual returns. Therefore, they did not have the right to take any profits from Bryant Capital funds. Nevertheless, Wammel withdrew \$5.5 million for personal expenses. Because of commingling and because Wammel asserted his Fifth Amendment rights to every question asked of him, the Court cannot determine how much of Wammel's profits were properly taken. The Court finds sufficient evidence to support a likelihood of success that Wammel conspired to convert funds attributable to Bryant Capital.

Finally, to establish a claim for breach of fiduciary duty, the Receiver must show: (1) a fiduciary relationship between Defendants and the Wammel Parties; (2) the Wammel Parties breached their fiduciary duties to Defendants; and (3) the Wammel Parties' breach caused injury to Defendants. *Navigant Consulting, Inc. v. Wilkinson*, 508 F.3d 277, 283 (5th Cir. 2007) (quoting *Jones v. Blume*, 196 S.W.3d 440, 447 (Tex. App.—Dallas 2006, pet. denied)). A fiduciary relationship “exists where a special confidence is reposed in another who in equity and good conscience is bound to act in good faith and with due regard to the interests of the one reposing confidence.” *Tex. Bank & Trust Co. v. Moore*, 595 S.W.2d 502, 507 (Tex. 1980). The Wammel Parties owed a fiduciary duty to Bryant Capital to invest funds in a reasonable manner and to distribute returns according to the investors' rights. The Wammel Parties breached this duty by retaining funds as profits despite not earning the agreed-to amount. As a result, Bryant Capital has lost millions of dollars. The Court finds a likelihood of success on this claim as well.

## II. Likelihood of Irreparable Harm

The Receiver must demonstrate it is “likely to suffer irreparable harm in the absence of preliminary relief.” *Winter v. Nat. Res. Def. Council*, 555 U.S. 7, 20 (2008). “[H]arm is irreparable where there is no adequate remedy at law, such as monetary damages.” *Janvey*, 647 F.3d at 600. A district court may issue a preliminary injunction to protect a remedy, including a damages remedy, when the freezing of assets is limited to the property in dispute or its direct, traceable proceeds. *Id.* (citing *Productos Carnic, S.A. v. Cent. Am. Beer & Seafood Trading Co.*, 621 F.2d 683, 686–87 (5th Cir. 1980)). An injunction is appropriate only if the anticipated injury is imminent and not speculative. *Winter*, 555 U.S. at 22.

The Court finds that a preliminary injunction is necessary to prevent further irreparable injury to Defendants. The Receiver successfully showed that the threatened harm—dissipation of assets—would impair the Court’s ability to grant an effective remedy. The Receiver ultimately seeks to protect the Receivership Estate. If the Wammel Parties dissipate or transfer assets out of the jurisdiction, the district court would not be able to grant an effective remedy. The Receiver has shown that the Wammel Parties have dissipated significant assets and have the opportunity to continue to do so.

Further, the Receiver has produced sufficient evidence to prove commingling of assets such that segregation between assets used in the Defendants’ scheme and those of Wammel Parties’ investors cannot be done. Therefore, a preliminary injunction over all of Wammel Parties’ acts is appropriate to protect against dissipation of Defendants’ assets.

### III. Balance of Hardships

When deciding whether to grant an injunction, courts “must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief.” *Winter*, 555 U.S. at 24 (citation omitted).

The hardships tip in favor of an injunction. On one side, the Defendants’ investors are innocent parties who will likely get very little return. If an injunction does not issue, the Wammel Parties may further dissipate the Receivership assets, rendering essentially useless any judgment on the merits. On the other hand, the Wammel Parties have profited greatly by deceiving investors. Balancing the hardships favors an injunction.

### IV. The Public Interest

“In exercising their sound discretion, courts of equity should pay particular regard for the public consequences in employing the extraordinary remedy of injunction.” *Winter*, 555 U.S. at 24 (quoting *Weinberger*, 465 U.S. at 312). This factor overlaps substantially with the balance-of-hardships requirement. *Id.*

The public interest favors the ability of people to invest without fear of being defrauded. The Court has entered a Receivership Order to protect the investors who were likely defrauded. The Wammel Parties have violated the Receivership Order by dissipating assets. The public interest also favors enforcing judicial orders. Therefore, an injunction preventing the Wammel Parties from further violating the Receivership Order is in the public interest.

### V. The Wammel Parties’ Motion to Reconsider

The Wammel Parties argue that the TRO should be set aside because it violated the Wammel Parties’ due process rights; because the Receiver misled the Court in its motion; and

because the U.S. Marshals and Receiver executed an unconstitutional search and seizure. The Wammel Parties' objections are without merit.

First, the Wammel Parties argue the TRO violated their due process rights because they had no notice or opportunity to be heard before the Receiver took their property. Further, the Wammel Parties argue that they did not have notice because they have not been named as defendants in any action by the SEC and thus do not know what they did wrong. The Receiver argues that the appointment of a receiver and concomitant taking of property do not violate the Fourth Amendment. The Court agrees with the Receiver.

The Wammel Parties' first argument is unfounded. The complaint filed by the SEC stated substantially similar material facts to this motion (*See* Dkt. #1). The Wammel Parties have been involved in the investigation since December 2016 and answered this suit as relief defendants on June 8, 2017 (Dkt. #29). Although the SEC did not name the Wammel Parties as regular defendants, the SEC did allege facts showing a relationship between Defendants and the Wammel Parties. The Wammel Parties cannot now claim, after answering this suit as relief defendants and being served with a summons and many orders, that they do not have notice of potential wrongdoing, especially when their acts indicate otherwise.

Further, the cases cited by the Wammel Parties are distinguishable. In *United States v. James Daniel Good Real Property*, the immovability of real property destroyed the alleged exigent circumstances that permitted a governmental taking before a hearing could take place. 510 U.S. 43, 62 (1993). In *James Daniel Good Real Property*, the government forfeited James Good's house and the four-acre parcel on which it was situated because it was involved in his drug crime. *Id.* at 47. In an ex parte proceeding, a magistrate judge found that the Government established probable cause to believe that Good's property was subject to forfeiture. *Id.* The

Government then seized the property without notice or a hearing. *Id.* In analyzing the *Mathews* factors, the Supreme Court held that the seizure of real property is not one of the extraordinary circumstances that justifies ex parte forfeiture because real property is not moveable and thus at minimal risk for destruction or dissipation. *Id.* at 62. The Supreme Court went on to state that “[t]o establish exigent circumstances, the Government must show that less restrictive measures—*i.e.*, . . . restraining order . . .—would not suffice to protect the Government’s interest in preventing the sale, destruction, or continued unlawful use of the real property.” *Id.*

Second, *United States v. \$8,850 in U.S. Currency* dealt with a post-seizure delay. 461 U.S. 555, 562–63 (1983). The aggrieved party conceded that the Government could seize her property without a prior hearing. *Id.* at 562.

Finally, in *Fuentes v. Shevin*, the issue was the constitutionality of a seizure upon bare assertions that were not reviewed by a neutral decision-maker. 407 U.S. 67, 93 (1972). None of these cases bears on the seizure here.

Due Process requires “such procedural protections as the particular situation demands.” *Morrissey v. Brewer*, 408 U.S. 471, 481 (1972). The Supreme Court in *Mathews v. Eldridge* enunciated several factors to consider before depriving a person of property without a hearing: (1) the private interest that will be affected by the official action; (2) the risk of an erroneous deprivation of such interest through the procedures used, and probable value, if any, of additional procedural safeguards; and (3) the Government’s interest, including the fiscal and administrative burdens that the additional or substitute procedures would entail. *Mathews v. Eldridge*, 424 U.S. 319, 340–48. Additionally, when the Government claims exigent circumstances necessitate immediate seizure, “the Government must show that less restrictive measures—*i.e.*, . . . restraining order . . .—would not suffice to protect the Government’s interest in preventing the



sale, destruction, or continued unlawful use of the real property.” *James Daniel Good Real Property*, 510 U.S. at 62.

Here, the private interest that will be affected—the Wammel Parties’ business—was greatly outweighed by other factors. Thus, the TRO was appropriate. The risk of an erroneous deprivation was small because the TRO would last fourteen days at a maximum before a hearing. Further, the immediate seizure of the Wammel Parties’ assets was essential to secure an important governmental interest, that of the Receiver. The Receiver articulated detailed reasons to believe that prompt action was necessary because the Wammel Parties were closely related to Defendants and the assets at issue were extremely moveable. To prove the liquidity and danger of dissipation, the Receiver provided evidence that several million dollars had disappeared in a short period of time leading up to the ex parte motion. The Receiver provided sufficient evidence that the Wammel Parties dissipated funds despite the Receivership Order. Thus, a less restrictive measure would not sufficiently protect the Government’s interest. *James Daniel Good Real Property*, 510 U.S. at 62. Finally, the government exercised this power through its agent, the duly appointed Receiver, and after review by a neutral judge. None of the parties involved in obtaining the ex parte TRO were interested. *Cf. Fuentes*, 407 U.S. at 93. Finally, the Wammel Parties are already parties to this proceeding, even if only as relief defendants, and thus have had a full opportunity to litigate their rights. *SEC v. Cavanagh*, 155 F.3d 129, 136–37 (2d Cir. 1998). Thus, the need for immediate seizure outweighed the general desire for pre-deprivation hearing. *Calero-Toledo v. Pearson Yacht Leasing Co.*, 416 U.S. 663, 679 (1974) (holding ex parte seizure was appropriate where pre-deprivation notice and hearing could lead to the removal, destruction, or concealment of the subject property); *see also Mathews*, 424 U.S. at 340–48.

Further, the Wammel Parties' arguments that the Receiver misled the Court are not persuasive.

First, the Wammel Parties argue that the alleged dissipation occurred before the Receivership Order was entered and that assets disappeared because of bad luck in the investment market, not dissipation. Neither argument is persuasive. The purpose of a receivership is to marshal and protect assets so that they are available to pay disgorgement orders and civil penalties. *SEC v. Brooks*, No. Civ.A.3:99-CV-1326-D, 1999 WL 493052, at \*2 (N.D. Tex. July 12, 1999). Therefore, all that matters is that the Wammel Parties possessed Receivership assets and put them at risk of loss. *See Dissipation*, Black's Law Dictionary (10th ed. 2014) ("The use of an asset for an illegal or inequitable purpose . . ."). The Wammel Parties had significant access to Receivership assets and invested those assets in risky investment schemes, resulting in substantial losses. The Wammel Parties have not offered any evidence that their access has been restrained. Therefore, the Wammel Parties had significant, continued access to Receivership assets, and the Wammel Parties have dissipated those assets.

Next, the Wammel Parties argue that the present application was not an emergency because the SEC knew about the dissipation of assets beginning in December 2016, but has not added the Wammel Parties as defendants. This is unavailing. The SEC and Receiver are independent parties with different roles and procedures. *In re Sherman*, 491 F.3d 948, 963 (9th Cir. 2007). The Receiver provided substantial evidence of commingling of funds and significant withdrawals by Wammel and Bryant, despite not earning enough income to support such distributions. The Court finds this to be sufficient to warrant emergency relief to protect the Receivership Estate.

Next, the Wammel Parties contest the Receiver's characterization of the disappearance of Wammel's computer. The Court did not rely on this fact in coming to the foregoing conclusions. Therefore, this argument is moot.

Next, the Wammel Parties contest the Receiver's characterization that Wammel "refused" to comply with court orders. The Wammel Parties argue that they were not subject to the original TRO entered in May. They argue that the Receiver, despite serving them with the TRO and Receivership Order, did not notify the Wammel Parties that they were subject to either order. The Wammel Parties further argue that the Receiver made no effort to obtain voluntary compliance before filing this motion. This argument is not convincing.

It is undisputed that the Receiver gave actual notice of the TRO and Receivership Order to the Wammel Parties. The Wammel Parties answered the complaint as relief defendants. The Receiver was under no obligation to interpret the order and act as counsel for the Wammel Parties. The order speaks for itself, the Wammel Parties know their own actions, and a team of competent attorneys represents the Wammel Parties. After reviewing all of the evidence, the Wammel Parties had no legitimate reason to believe that the order did not apply to them. Nor did the Wammel Parties seek clarification on their hyper-technical reading. The Receiver has no obligation to seek voluntary compliance before filing a motion with the Court. The fact that the Receiver sought ex parte relief explains why the Receiver did not seek voluntary compliance. The Court independently reviewed the Receiver's reasons for emergency ex parte relief and found them sufficient. Thus, the Receiver's characterization of the Wammel Parties' "refusal" was not misleading, and in any event, harmless.

Finally, the Wammel Parties' invocation of the ethical rules is baseless. The Wammel Parties argue that the Receiver did not make full disclosures to the Court when it failed to inform

the Court of prior settlement discussions between the SEC and the Wammel Parties. The Wammel Parties further argue that the Receiver was not in full candor when it did not tell the Court that it never sought voluntary compliance and did not interpret the law for the Wammel Parties.

As the Court has previously discussed, these arguments are all meritless on their face. The SEC and Receiver are separate entities with different roles in the proceedings. The Wammel Parties' counsel even recognized and tried to use the difference between the SEC and Receiver as a sword during the hearing.<sup>6</sup> The fact that the Wammel Parties agreed with the SEC that there would be no asset freeze does not prevent the Receiver from seeking the same as it relates to protection of the Receivership Estate.

Further, the Receiver was not required to disclose the facts that the Wammel Parties now assert. The disciplinary rule requires the lawyer for the represented party "to make disclosures of unprivileged material facts known to the lawyer if the lawyer reasonably believes the tribunal will not reach a just decision unless informed of these facts." Tex. Disciplinary Rules Prof'l Conduct R. 3.03, *reprinted in* Tex. Gov't Code Ann., tit. 2, subtit. G, app. A (West 2005). The facts asserted by the Wammel Parties are not material because they do not affect the outcome. For similar reasons, the Receiver had no reason to believe that omission of those facts would lead to an unjust result. Therefore, the Wammel Parties' argument is unavailing.

The Court does not take lightly a party's invocation of the rules of disciplinary conduct. The Court understands the need for counsel to zealously advocate for his or her client. However,

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<sup>6</sup> The Wammel Parties' counsel objected to the authenticity of a document containing a Wammel "Bates label" by (1) relying on Wammel's personal assertion of the Fifth Amendment; and (2) arguing that the document was not produced in discovery for this proceeding because there has been no discovery in a proceeding between the Receiver and Wammel Parties. It was only after pointed questions by the Court that the Wammel Parties conceded that they did produce the document during the SEC's investigation beginning in December 2016.

this must be done with full introspection. The Texas Rules of Professional Conduct state: “A lawyer should use the law's procedures only for legitimate purposes and not to harass or intimidate others. A lawyer should demonstrate respect for the legal system and for those who serve it, including judges, other lawyers and public officials.” Tex. Disciplinary Rules of Prof'l Conduct preamble ¶ 4. This should be contemplated before claiming ethical violations.

Finally, the Wammel Parties argue that the U.S. Marshals and Receiver conducted an invalid search and seizure because the TRO was obtained under knowingly or recklessly false statements. The Court disagrees. The Court has already explained that it finds no statement made by the Receiver to be false. The competent and credible evidence produced by the Receiver at the hearing nearly mirrored what was in the Receiver's brief. While this does not cure any taint of the TRO, it is evidence that the arguments and evidence in the briefing were valid. Thus, the Receiver did not make, and the Court did not rely upon, false statements. *United States v. Leon*, 468 U.S. 897, 922 (1984). Further, to the extent that the Receiver withheld information or gave misleading characterizations about the disappearance of Wammel's computer, material or otherwise, the Court did not rely on those allegedly misleading statements. Finally, the Wammel Parties do not identify any alleged fruits of the poisonous tree. The Receiver's evidence presented in the hearing was nearly identical to that presented in its brief. None of the documents or testimony necessarily came from the search and seizure of the Wammel Parties' property because the Receiver knew of the facts before any search or seizure of the Wammel Parties' property. Therefore, even if the TRO were tainted, it does not affect this order.

### CONCLUSION

It is therefore **ORDERED** that the Receiver's Motion for Preliminary Injunction (Dkt. #44) is hereby **GRANTED**.

It is further **ORDERED** that Arthur F. Wammel and Wammel Group, LLC's Motion for Reconsideration (Dkt. #56) is hereby **DENIED**.

It is further **ORDERED** that Arthur F. Wammel; Wammel Group, LLC; and Wammel Group Holding Partnership, their officers, agents, representatives, employees and successors, and all other persons in active concert and participation with them, are hereby enjoined from further violating the Receivership Order (Dkt. #17), and Amended Order Appointing Receiver (Dkt. #48), and any order pursuant thereto.

It is further **ORDERED** that unless terminated earlier, this preliminary injunction shall expire upon the issuance of a final decision by the Court in this case.

No bond shall be required.

# EXHIBIT D





## I. INTRODUCTION

Finding that there was good cause to believe that they had committed securities fraud, this Court imposed a receivership over Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (“**BUCF**”) (collectively, Bryant and BUCF, the “**Receivership Defendants**”). The Receivership Defendants, however, used and worked in concert with a number of other entities and parties to effectuate the fraud. The Receivership Defendants and the Wammel Defendants (defined below) created interlocking Ponzi schemes that were symbiotic in nature—using the investors from one Ponzi scheme to pay off the other Ponzi scheme investors. Although BUCF and the Wammel Group have different investors, due to the interdependent nature of the Ponzi schemes created by the Receivership Defendants and the Wammel Defendants, the Receiver cannot unwind one without also unwinding the other. The level of interaction between the Receivership Defendants and the Wammel Defendants requires that the Wammel Defendants now be included.

The Receiver moves the Court to expand the Receivership so that the following are placed in receivership and made subject to the asset freeze:

- Relief Defendant Arthur F. Wammel (“**Wammel**”);
- Wammel Group Holdings Partnership (“**WGHP**”); and
- Wammel Group, LLC (the “**Wammel Group**,” together with Wammel and WGHP, the “**Wammel Defendants**”).

As more fully set forth in this Motion, the Receiver’s *Ex Parte* Emergency Motion should be granted because (1) the Wammel Defendants participated in the fraud with the Receivership

Defendants, and (2) the Wammel Defendants are affiliated with the Receivership Defendants.

Supporting evidence includes the following:

- **The Receivership Defendants and the Wammel Defendants were intertwined.** The Receivership Defendants and the Wammel Defendants created a virtual spider's web of interlocking entities that they utilized in connection with the investment scheme out of which this case arises.
- **The Wammel Defendants received significant transfers from the Receivership Defendants.** The Wammel Defendants received over \$16.2 million from BUCF from 2011 to date.
- **The Wammel Defendants commingled BUCF investors funds with Wammel Group investor funds.** The Wammel Defendants used the majority of the \$16.2 million of BUCF investor capital received, commingled with \$28.6 million in funds raised from the Wammel Defendants' own investors, to fund speculative options and securities trading.
- **The Wammel Defendants dissipated assets.** The Wammel Defendants have dissipated over \$7 million in investor monies since December 2016.
- **Like Bryant, Wammel personally benefitted.** Wammel benefitted personally by transferring or withdrawing over \$5 million in investors funds received by the Wammel Group.
- **Wammel held various positions at BUCF and was aware of representations made to BUCF investors.** Wammel knew that Bryant communicated to BUCF investors that such monies would be used in the mortgage industry. Bryant communicated to Wammel the investment options he offered to BUCF investors. He further communicated to Wammel that BUCF investors were promised returns of 30%.
- **Wammel and Bryant falsified documents.** Wammel and Bryant coordinated the falsification of multiple documents. For example, acting as an employee of the Bryant entities, Wammel falsified documents for Bryant's personal benefit to purchase assets. Bryant also falsified documents for Wammel to solicit investor.
- **The Wammel Defendants violated the Receivership Order and TRO.** By dissipating BUCF assets, the Wammel Defendants violated (1) Judge Mazzant's *Order Appointing Receiver* ("**Receivership Order**") [Dkt. No. 17 at ¶ 16], and (2) Judge Mazzant's *Ex Parte Order Granting Motion for Temporary Restraining Order Preliminary Injunction, Asset Freeze, Appointment of Receiver, Document Preservation Order, Order to Make Accounting and Other Emergency Relief, and Setting Hearing Date on Plaintiff's Preliminary-Injunction Motion* (the "**TRO**") [Dkt.

No. 16 at ¶ 15]. The Receivership Order and TRO required an accounting and forbade the dissipation or removal of any BUCF assets.

- **Wammel pled the Fifth Amendment and has failed to preserve evidence.** In response to the SEC's discovery, Wammel pled the Fifth Amendment. Additionally, the Receiver was only recently made aware that the computer used by the Wammel Defendants to transact business is no longer available.

This requested relief is necessary to preserve, locate, and marshal the BUCF records and assets. Without it, the Receivership will be irreparably harmed by the continuing evaporation of assets. The requested relief furthers the public interest in that it will improve the percentage of recovery to investors and creditors of BUCF and in that it will bring to light the actions of the Wammel Defendants in their violations of the Receivership Order and TRO. The requested relief by the Receiver preserves the status quo and outweighs any harm accruing to the Wammel Defendants, which harm, if any, was occasioned by their own actions in participation in the scheme and disregarding the Receivership Order and TRO. Finally, the Receiver is likely to succeed on the merits of her causes of action for fraudulent transfer, conversion, civil conspiracy, and breach of fiduciary duty.

The Receiver's ultimate goal is to gather all of the available assets and to distribute those assets equitably among all of the investors and creditors. It simply makes sense to have all of the assets, including cash, property, and all of the claims related to the underlying fraud, in the same place. By formally including the Wammel Defendants in the receivership and asset freeze, the Court can ensure that it has the authority and the assets to make an equitable distribution.

## II. BACKGROUND

### A. Course of Judicial Proceedings

1. On May 15, 2017, Plaintiff, the Securities and Exchange Commission (“SEC”), filed its application for the appointment of a receiver for Defendants, Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (the “SEC Application”).

2. Specifically, Bryant and BUCF promised investors their funds would be safely preserved in secure escrow accounts and used for the sole purpose of serving as proof of funds to enable BUCF to secure a line of credit with which to pursue a mortgage-related investment program resulting in 30% returns. As Bryant, BUCF, and Wammel knew, these promises were false. No secure escrow accounts existed, and there was no mortgage-related investment program. Complaint, Dkt. No. 1 (the “Complaint”), at ¶ 3. In reality, and directly contrary to representations they made, the Receivership Defendants commingled investor funds in a single deposit account controlled by Bryant, from which he, among other things, (a) funneled approximately \$16.2 million to the Wammel Defendants; (b) misappropriated \$4.8 million to fund his personal living expenses; (c) transferred \$1.37 million to Relief Defendant Goodspeed; and (d) paid out at least \$140,000 to Relief Defendant Bryant, Jr., all without investors’ consent or knowledge. *Id.*

3. On May 15, 2017, after the Court’s review of the SEC Application and upon the Court’s conclusion that the Court has subject matter jurisdiction over this case and personal jurisdiction over the Defendants, the Court determined that entry of an order appointing a receiver over the Defendants was both necessary and appropriate to marshal, conserve, hold and operate all of the Defendants’ assets pending further order of the Court. Accordingly, the Court entered the Receivership Order on May 15, 2017, naming Jennifer Ecklund as the Receiver over the Receivership Estates. The same day, the Court entered the TRO.

4. The Receivership Order provided the following in paragraph 16:

All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, an[y] of the Receivership Defendants that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall: (A) Not liquidate, transfer, sell, convey, or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants except upon instructions from the Receiver; (B) Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without permission of this Court; (C) Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the SEC a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and, (D) Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

5. Understanding that funds rightfully belonging to BUCF may surreptitiously be in the possession of third parties, the TRO provided the following in paragraph 15:

Defendants and their officers, agents, servants, employees, attorneys, *and all persons* in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds, incurring any additional liability (including, specifically, by advance on any line of credit and any charges on any credit card), or effecting any sale, gift, hypothecation or other disposition of any asset, pending provision of sufficient proof to the Court of sufficient funds or assets to satisfy all claims alleged in the SEC's Complaint . . . . (emphasis added)

6. The SEC negotiated and the Court entered on [June 2, 2017] the *Agreed Order Granting Preliminary Injunction and Other Relief* [Dkt No. 27] (the “**Agreed Preliminary Injunction**”) among Defendant Bryant, the Receiver, and the SEC.

7. On June 8, 2017, the Wammel Relief Defendants filed an Answer to the Complaint [Dkt. No. 29].

8. On June 9, 2017, Relief Defendant Thurman P. Bryant, Jr. filed an Answer to the Complaint [Dkt. No. 30].

9. On July 10, 2017, Bryant filed an Answer to the Complaint [Dkt. No. 40]. Pursuant to the Receivership Order, the Receiver is charged with marshaling and preserving all the assets of the Defendants.

10. After the TRO was granted, the SEC provided notice of the Receivership Order and TRO to the Wammel Defendants.

11. On June 2, 2017, the Receiver provided notice of the Preliminary Injunction to the Wammel Defendants. *See* June 16, 2017 E-mail from Receiver's Counsel K. Clark to the Wammel Defendants' Counsel T. Galloway (attaching Preliminary Injunction, attached hereto as **Exhibit A-30**).

12. Since her appointment, the Receiver has conducted an initial review of the Receivership Defendants' and Wammel Defendants' businesses and has started her investigation into their business model. *See* Declaration of J. Ecklund at ¶ 4, attached hereto as **Exhibit A**.

13. Likewise, the Receiver has taken steps to collect, marshal, and take control over the Receivership assets pursuant to this Court's directives. *Id.* The Receiver incorporates, as if fully set forth herein, her Initial Status Report, filed June 14, 2017 [Dkt. No. 32], which details the work the Receiver performed in accordance with the Receivership Order in the first thirty days following her appointment.

**B. The Wammel Defendants Participated in the Fraud with the Receivership Defendants**

14. Bryant and Wammel have a long history of working together dating back to 2007—first through Bryant's mortgage company, then creating separate investment schemes that

depended on and related to one another. Exhibit A, Declaration of J. Ecklund (“**Ecklund Declaration**”) at ¶ 7.

15. Since at least March 2011, BUCF and Bryant, BUCF’s CEO and President, have raised approximately \$22.7 million from approximately 100 investors in Texas and other states, through materially false and misleading statements and omissions. Complaint at ¶ 2.

16. Since at least 2011, Wammel Group and Wammel, Wammel Group’s owner, have raised approximately \$28.6 million from approximately 16 investors. Complaint at ¶ 48. In addition, Bryant invested over \$16.2 million in BUCF investor funds in Wammel Group. Exhibit A, Ecklund Declaration at ¶ 9.

**i. The Receivership Defendants and the Wammel Defendants were intertwined.**

17. The Receivership Defendants and the Wammel Defendants created a web of interlocking entities that they utilized in connection with the investment scheme out of which this case arises. Exhibit A, Ecklund Declaration at ¶ 5.

18. One entity—BUCF—offered and sold securities to investors. Complaint at ¶ 2. Other entities—Bryant United Holdings, Inc. dba Bryant United, dba Bryant Financial, dba Bryant United Realtors (“**BUH**”),<sup>1</sup> WGHP, and the Wammel Group—acted as conduits through which investor money flowed. Each of these entities was owned or controlled by Bryant and/or Wammel who worked in concert to defraud investors. Exhibit A, Ecklund Declaration at ¶ 6. Each should formally be part of the receivership.

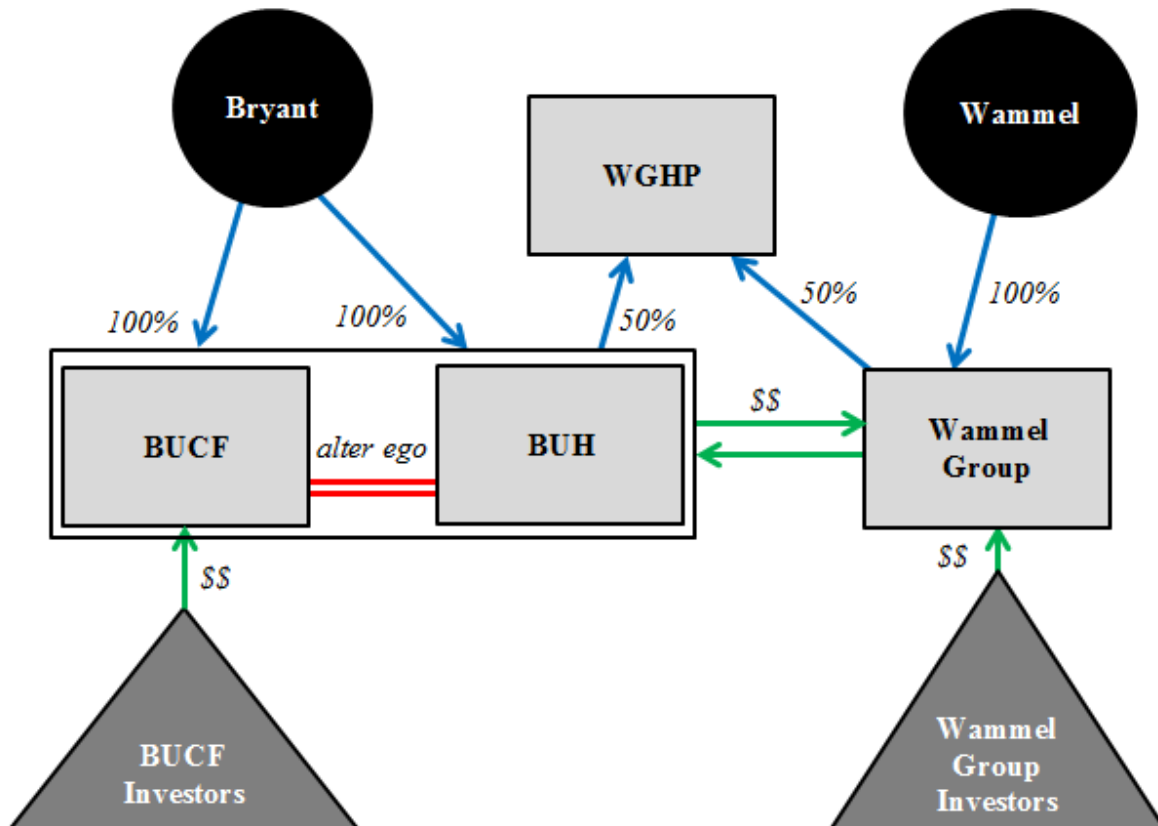
19. As reflected in the documents and bank records obtained and reviewed by the Receiver, her counsel, and her forensic accountants, (1) investors would transfer money to

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<sup>1</sup> See BUH National Mortgage Licensing System Details (listing Bryant Financial and BUCF as “Other Trade Names” for BUH), attached hereto as **Exhibit A-28**; see also Bryant Financial Financial Statements dated March 31, 2012 (“Bryant United Holdings, Inc./dba Bryant Financial”), attached hereto as **Exhibit A-41**.

BUCF, (2) BUCF would transfer money to the Wammel Group, (3) the Wammel Group would commingle such monies with the Wammel Group investor funds, and (4) the Wammel Group would eventually transfer funds back to BUCF. Exhibit A, Ecklund Declaration at ¶ 8; Exhibit B, Declaration of B. Kleinman (“**Kleinman Declaration**”) at ¶ 6.

20. The chart below is a simplified graphic of the entities involved in the scheme and how funds from investors flowed through the Receivership Defendants and Wammel Defendants:



21. In transferring monies between the entities, the Wammel Group and BUCF would “counterbalance,” which is necessary to understand in order to obtain an accurate picture of the full amount of transfers between BUCF and the Wammel Group.



22. For example, in December 2016 the Wammel Group reported that it was transferring \$697,405.00 back to BUCF in purported returns. *See* December 1, 2016 E-mail from A. Wammel to T. Bryant, attached hereto as **Exhibit A-22**. In the same communication, the Wammel Group reported the receipt from BUCF of an additional \$50,000.00 in BUCF initial investments. *See id.*

23. Thus, the Wammel Group counterbalanced and then only reported a deposit of the difference between the \$697,405.00 and \$50,000.00, \$647,405.00, from the Wammel Group to the BUCF account. *See id.* Failure to account for such counterbalancing could result in an understatement in the funds transferred from BUCF to the Wammel Group. Such counterbalancing further evidences the failure of the entities to accurately account for transfers between the entities.

24. According to records seized by the Receiver, Bryant and Wammel created a separate entity in furtherance of the fraud (linking Wammel to the Bryant and BUCF fraud). This entity—WGHP—was owned as follows:

Name	Capital Contribution and % Ownership Interest
Bryant United Holdings, Inc.	\$200,000.00 at 50%
Wammel Group, LLC	\$0.00 at 50%

*See* General Partnership Agreement of Wammel Group Holdings Partnership, attached hereto as **Exhibit A-11**,<sup>2</sup> *see also* Activity Statements related to the partnership created by the Receivership Defendants and Wammel Defendants from June 2010 through March 2014 corresponding with the above ownership interests and confirming the above venture (the

<sup>2</sup> Although no executed version of the WGHP agreement has been produced to-date, Wammel sent the WGHP to Bryant for his signature in 2010. *See* August 18, 2010 E-mail from A. Wammel to T. Bryant attaching WGHP Partnership Agreement, attached hereto as **Exhibit A-29** (BUCFN00514304).

“**Activity Statements**”), attached hereto as **Exhibit A-12**. The General Partnership Agreement reflects that the “Business of the Partnership” as:

The purpose and character of the business of the Partnership shall be to invest in stocks, options, and various [derivative] contracts and to engage in any and all activities related or incidental to carrying out the foregoing, and to conduct and engage in any and all activities permitted by law in furtherance of the business of the Partnership.

*See id.*

25. As reflected in the Activity Statements, titled “Activity Statement of Bryant United Holdings, Inc.” (which actually detail and confirm the partnership between the Receivership Defendants and the Wammel Defendants), the following terms are used to show transfers purportedly between BUH and the Wammel Group (which are actually between BUCF and the Wammel Group):

- “Initial Investment[s],”
- “Gross Monthly Income,”
- “Withdrawals,”
- “Ownership,” and
- “Account Activity.”

*See* Activity Statements, attached hereto as **Exhibit A-12**. Such Activity Statements were sent by Wammel to Bryant on a monthly basis. *See* March 31, 2014 E-mail from A. Wammel to T. Bryant, attaching March 2014 Activity Statement, attached hereto as **Exhibit A-13**.

26. Furthermore, monthly balances of the “Initial Investment[s]” and “Account Activity” from such Activity Statements tie to BUCF’s bank records, further linking the Wammel Defendants to the underlying fraud and proving that BUH was, in fact, the alter ego of BUCF. *See id*; *see* Veritas Comparison of Bryant United Holding, Inc. Activity Statements and

Transfers Between BUCF and the Wammel Group, attached hereto as **Exhibit B-1**; *see also* Exhibit B, Kleinman Declaration at ¶ 5.

27. Although the Activity Statements are titled for BUH, they actually reflect the activities of WGHP and represent monies flowing from BUCF to the Wammel Group. These Activity Statements and the Receiver's Forensic Accountants' analyses of the same support that BUH and WGHP were knowingly used by Bryant and Wammel as a conduit for BUCF investor funds to further the investment scheme.

28. When Bryant began operating through BUCF, he notified Wammel. *See* July 25, 2011 E-mail from T. Bryant to A. Wammel providing him with the new BUCF entity and bank information, attached hereto as **Exhibit A-18** (BUCFN00185156).

29. Wammel used Bryant's investor agreement template to create his own agreement for Wammel Group investors. *See* August 23, 2013 E-mail from T. Bryant to A. Wammel (sending Wammel the BUCF investor contract), attached hereto as **Exhibit A-35** (BUCFN00334975).

30. Bryant and Wammel worked closely together, using all of their entities interchangeably, and frequently failed to differentiate in or distinguish between who worked for what entity. *See* Exhibit A, Ecklund Declaration at ¶ 7. For example, Bryant created statements for Wammel Group and Wammel created documents and statements for BUH and BUCF. *See* August 15, 2013 E-mail from T. Bryant to A. Wammel creating Wammel Group monthly statements, attached hereto as **Exhibit A-19** (BUCFN00815160-83); *see* February 14, 2013 E-mail from A. Wammel to T. Bryant (discussing creating pay stub), attached hereto as **Exhibit A-20** (BUCFN00294331); *see also*, February 14, 2013 E-mail from A. Wammel as CFO to Keller Williams Realty regarding T. Bryant, attached hereto as **Exhibit A-21** (BUCFN00294396).

31. The nature of the structure and operations between the Receivership Defendants and the Wammel Defendants reflects that they were interdependent.

**ii. The Wammel Defendants received significant transfers from the Receivership Defendants.**

32. From July 2011 through April 2017, BUCF transferred \$16,229,944 from BUCF to the Wammel Group.<sup>3</sup> *See* Veritas Summary of Investor Funds and Returns Transferred Between BUCF and the Wammel Group, attached hereto as **Exhibit B-2**; *see also* Exhibit B, Kleinman Declaration at ¶ 10. The returns or earnings expected to be transferred back to BUCF from the Wammel Group for the benefit of investors based upon documentation and representations provided to BUCF investors would be an additional \$11,825,997 (*i.e.* 30% return on investment). When combined with the initial investment of \$16.2 million the total amount of funds that should have been returned equals \$28 million. *See* Veritas Summary of Investor Funds and Returns Transferred Between BUCF and the Wammel Group, attached hereto as **Exhibit B-2**; *see also* Exhibit B, Kleinman Declaration at ¶ 10. However, the Wammel Group transferred only \$15,887,588 back to BUCF (of the \$28 million expected) through April 2017, accounting for some purported earnings and principal but not fully accounting for the amount of principal transferred to the Wammel Group. *See* Veritas Summary of Investor Funds and Returns Transferred Between BUCF and the Wammel Group, attached hereto as **Exhibit B-2**; *see also* Exhibit B, Kleinman Declaration at ¶ 10. **Thus, the Wammel Group should hold \$12,168,353 in principal from BUCF investor funds.** *See* Veritas Summary of Investor Funds and Returns Transferred Between BUCF and the Wammel Group, attached hereto as **Exhibit B-2**; *see also* Exhibit B, Kleinman Declaration at ¶ 10.

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<sup>3</sup> This accounts for over 70% of the total funds obtained from BUCF investors.

iii. **The Wammel Defendants commingled BUCF investor funds with Wammel Group investor funds.**

33. Wammel commingled Wammel Group investors' funds with BUCF investors' funds. The Wammel Defendants used the majority of the \$16.2 million of BUCF investor capital received, commingled with \$28.6 million in funds raised from the Wammel Defendants' own investors, to fund speculative options and securities trading. Complaint at ¶ 48; *see* Exhibit A, Ecklund Declaration at ¶ 9. The Wammel Defendants received BUCF investor funds and commingled them with money raised from the Wammel Group's non-BUCF investors in order to facilitate the interrelated Ponzi schemes to: (a) make distributions to BUCF; (b) make distributions to the Wammel Group's investors; and (c) fund high-risk investment schemes, including speculative options trading by Wammel, since at least 2011. Complaint at ¶ 5; Exhibit B, Kleinman Declaration at ¶ 8. The Wammel Group does not have, and never has had, any legitimate claim to the funds it received from BUCF. *Id.*

iv. **The Wammel Defendants dissipated assets.**

34. According to records of the Wammel Group's investment accounts held at OptionsXpress, the Wammel Group had an ending cash balance of \$9 million and account value of \$7.1 million in December 31, 2016. *See* OptionsXpress Account Statement for the Wammel Group dated December 31, 2016, attached hereto as **Exhibit A-24**; *see also* Veritas Summary of Wammel OptionsXpress Account 0502-2959, attached hereto as **Exhibit B-3**.

35. In January, February, and March 2017, the account value dropped to \$4.7 million, \$2.3 million, and \$1.6 million respectively. *See* OptionsXpress Account Statement for the Wammel Group dated January 31, 2017, attached hereto as **Exhibit A-36**; *see* OptionsXpress Account Statement for the Wammel Group dated February 28, 2017, attached hereto as **Exhibit**

**A-37**; *see* OptionsXPress Account Statement for the Wammel Group dated March 31, 2017, attached hereto as **Exhibit A-38**.

36. As of the end of April 2017, the Wammel Group investment account at OptionsXPress had been dissipated to \$454,270 in total account value. *See* OptionsXPress Account Statement for the Wammel Group dated April 30, 2017, attached hereto as **Exhibit A-25**; *see also* Veritas Summary of Wammel OptionsXpress Account 0502-2959, attached hereto as **Exhibit B-3**.

37. As of the end of May 2017, the Wammel Group investment account at OptionsXPress had been dissipated to \$200,546.85 in total account value. *See* OptionsXPress Account Statement for the Wammel Group dated May 31, 2017, attached hereto as **Exhibit A-26**; *see also* Veritas Summary of Wammel OptionsXpress Account 0502-2959, attached hereto as **Exhibit B-3**.

38. As of the end of June 2017, the account balance of the Wammel Group investment account at OptionsXPress had \$213,570.89 in value. *See* OptionsXPress Account Statement for the Wammel Group dated June 30, 2017, attached hereto as **Exhibit A-27**; *see also* Veritas Summary of Wammel OptionsXpress Account 0502-2959, attached hereto as **Exhibit B-3**.

39. Thus, the Wammel Group has dissipated assets from December 2016 to June 2017 of over \$7 million. *See* Exhibit B, Kleinman Declaration at ¶ 11. Due to such rapid dissipation of assets, the Receiver must take immediate action.

**v. Wammel and Bryant Personally Benefitted**

40. Bryant misappropriated \$4.8 million of BUCF investor funds to fund his personal living expenses. Complaint at ¶ 3.

41. Wammel withdrew or transferred to himself over \$5.5 million of commingled BUCF investor funds and Wammel Group investor funds from 2011 to 2017. *See* Veritas Summary of Withdrawals from Wammel Group, LLC, attached hereto as **Exhibit B-4**; *see also* Exhibit B, Kleinman Declaration at ¶ 12.

42. Although Wammel more adequately adhered to the entity structure of the Wammel Group than Bryant with BUCF, he used it as a flow through to pay for his personal expenses. In one instance, Wammel purchased an asset (his wife's home at 4607 Hispania View Drive, League City, Texas 77673 (the "**Wammel Home**")), using Wammel Group account funds (with commingled BUCF investor funds and Wammel Group investor funds) but vesting title to himself, individually. *See* Property Detail Report for the Wammel Home, attached hereto as **Exhibit A-39**; *see also* Wells Fargo August 31, 2016 Bank Statement of Wammel Group (reflecting purchase of home for \$339,357.94), attached hereto as **Exhibit A-40**. In addition, Wammel used his personal address as his business address. *See* August 15, 2013 E-mail from T. Bryant to A. Wammel creating Wammel Group monthly statements, attached hereto as **Exhibit A-19** (BUCFN00815160-83). Together, these facts show that Wammel failed to maintain his business separate from his personal assets.

43. Like Bryant, Wammel's personal gain from the receipt of proceeds from the BUCF investor scheme shows his participation in the fraud and reflects the necessity of his inclusion in the Receivership Estate.

**C. Further Evidence Demonstrates the Improprieties Involved and the Needs to Expand the Receivership**

**i. Wammel worked for Bryant.**

44. In addition, Wammel worked for and with Bryant. Wammel held varying positions at Bryant Financial. Wammel was the Chief Operating Officer of Bryant Financial or BUH as early as February 2008. *See* February 20, 2008 E-mail from A. Wammel to T. Bryant clarifying position as COO of Bryant Financial and attaching business card, attached hereto as **Exhibit A-1** (BUCFN00033629-30, BUCFN00033839); *see* February 21, 2008 E-mail from T. Bryant to A. Wammel confirming position as COO, attached hereto as **Exhibit A-2** (BUCFN00033639). Wammel was the Chief Investment Officer of Bryant Financial or BUH in 2011. *See* November 10, 2011 E-mail from A. Wammel with signature block of Chief Investment Officer, attached hereto as **Exhibit A-3** (BUCFN002058659). Wammel also held himself out as the Chief Financial Officer of BUH and BUCF. *See* Employment Verification to North Star Property Management confirming T. Bryant's salary with A. Wammel's signature as CFO of BUH and BUCF, attached hereto as **Exhibit A-4** (BUCFN00294256).<sup>4</sup>

**ii. Wammel had knowledge of Bryant's representations to BUCF investors.**

45. Among other things, BUCF and Bryant promised investors guaranteed minimum annual returns of 30% on risk-free investments Bryant represented he would make in the mortgage industry. Complaint at ¶ 2. Wammel knew that Bryant communicated that such investments would be in the mortgage industry. *See, e.g.*, July 15, 2011 E-mail from T. Bryant to investor copying A. Wammel discussing mortgage investment, attached hereto as **Exhibit A-5**

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<sup>4</sup> Wammel also e-mailed property companies as CFO on Bryant's, BUH's, and BUCF's behalf in 2013 sending paystubs and asset statements that Bryant asked Wammel to "make it look legit." *See* February 14, 2013 E-mail from A. Wammel to T. Bryant (discussing creating pay stub), attached hereto as **Exhibit A-20** (BUCFN00294331); *see also*, February 14, 2013 E-mail from A. Wammel as CFO to Keller Williams Realty regarding T. Bryant, attached hereto as **Exhibit A-21** (BUCFN00294396).



(BUCFN00182720); *see also*, October 26, 2011 E-mail from T. Bryant to A. Wammel (“Please let me know if anyone in cabo if they might be interest in our mortgage wholesale escrow account...The CEO of Bryant united capital funding will be more than happy to talk with them.....) I will cater a program that fits their needs.....”), attached hereto as **Exhibit A-3** (BUCFN00200859).

46. Bryant communicated the investment options he offered to investors to Wammel. He further communicated that investors were promised returns of 30%. *See* September 7, 2010 E-mail from T. Bryant to A. Wammel re investment options to pose to investors, attached hereto as **Exhibit A-7** (BUCFN00114917).

47. Wammel provided input as to how to structure investments and payouts to investors. *See* February 15, 2011 E-mail from A. Wammel to T. Bryant regarding the structure and payouts of investments, attached hereto as **Exhibit A-31** (BUCFN00156644).

48. Bryant knew that Wammel was not actually investing BUCF monies in the mortgage industry (as promised to investors) but was instead using the funds for option trading. *See* February 1, 2011 E-mail from A. Wammel to T. Bryant (attaching account statement of OptionsXpress account reflecting Bryant’s knowledge of Wammel’s involvement in options trading), attached hereto as **Exhibit A-8** (BUCFN00154196-99).

49. Although Bryant was at the forefront of communications with BUCF investors, Bryant communicated account statements, investment contracts, and detailed information regarding investors to Wammel, further reflecting Wammel’s knowledge in the underlying representations made to investors. *See, e.g.* February 1, 2011 E-mail from T. Bryant to A. Wammel regarding specific investors, attached hereto as **Exhibit A-9** (BUCFN00154168); *see*

*also*, June 24, 2011 E-mail from T. Bryant to A. Wammel regarding investment contract terms for his review, attached hereto as **Exhibit A-10** (BUCFN00178464).

**iii. Wammel falsified documents.**

50. In further support of the impropriety that existed between Bryant and Wammel, one need look no further than the deliberate falsification of documents for the express purpose of misleading others.

51. Specifically, together Wammel and Bryant falsified documents—

- for the Wammel Group, *see* August 15, 2013 E-mail from T. Bryant to A. Wammel creating Wammel Group monthly statements, attached hereto as **Exhibit A-19** (BUCFN00815160-83);
- for Bryant's ability to purchase assets, *see* February 14, 2013 E-mail from A. Wammel to T. Bryant (discussing creating pay stub), attached hereto as **Exhibit A-20** (BUCFN00294331); *see also*, February 14, 2013 E-mail from A. Wammel as CFO to Keller Williams Realty regarding T. Bryant, attached hereto as **Exhibit A-21** (BUCFN00294396); *see also*, March 23, 2015 E-mail from T. Bryant to A. Wammel (requesting fake paystubs), attached hereto as **Exhibit A-33** (BUCFN00892654); and
- for BUCF's earnings, *see* July 23, 2013 E-mail from T. Bryant to A. Wammel (attaching doctored earnings statement for BUCF), attached hereto as **Exhibit A-34** (BUCF00331911).

**iv. Wammel invested commingled funds in high risk options.**

52. Notwithstanding the facts that the Wammel Defendants should never have received the funds in the first place, the Wammel Group's options trading receipts from 2011

through 2016 totaled only about \$5.9 million—well short of the sum required to pay BUCF investors the 30% returns they were promised. Complaint at ¶ 6. Trading records from 2017 reflect even more severe losses. To date, BUCF has transferred \$16.2 million in BUCF investor monies to the Wammel Group, and the Wammel Group has returned \$15.8 million to BUCF in fictitious earnings. Exhibit B, Kleinman Declaration at ¶ 9. This \$15.8 million is comprised of funds received from BUCF, funds raised from the Wammel Group’s non-BUCF investors, its limited trading profits, and other sources—all of which the Wammel Group commingled. *Id.*

53. Notably, the Wammel Group ceased tendering monthly distributions to BUCF on or about April 1, 2017, soon after the SEC subpoenaed Wammel and the Wammel Group for documents related to the relationship with Bryant and BUCF. Complaint at ¶ 23. In April 2017, Wammel withdrew at least \$290,000 from Wammel Group options trading accounts he controls and which contain, or contained, ill-gotten gains obtained from BUCF and, indirectly, BUCF investors. *Id.*

54. Despite the misuse of BUCF investor funds in options trading, the Wammel Defendants’ performance in the options market varied wildly, and from 2011 to 2016 it received only \$5.9 million from trading and suffered severe losses in 2017. Complaint at ¶ 49. Apart from options and securities trading, Wammel Group made approximately \$300,000 from other investments using BUCF investor monies, including investments in two car dealerships, a boat and RV storage facility, and two luxury rental cars—all without BUCF investors’ consent. *Id.* Like Wammel Group’s options trading, these other investments deviate from BUCF’s purported short-term mortgage lending business. *Id.*

55. The Wammel Group’s revenues from trading and other activities were not sufficient to generate BUCF’s promised 30% investor returns. Complaint at ¶ 50. While the

Wammel Group paid \$15.8 million to BUCF between 2011 and 2017 as *purported returns on investments* (or earnings), in reality those funds were comprised of (1) the \$5.9 million in receipts from the Wammel Group’s options and securities trading; and (2) ill-gotten investor funds obtained from BUCF; and (3) funds raised from the Wammel Group’s own, non-BUCF investors.

**v. Wammel pled the Fifth Amendment in response to the SEC’s discovery.**

56. On May 18, 2017, the SEC served its First Set of Interrogatories to the Wammel Defendants. Plaintiff’s First Set of Interrogatories to Relief Defendants Arthur F. Wammel and Wammel Group, LLC, attached hereto as **Exhibit A-14**; Plaintiff’s First Document Request to Relief Defendants Arthur F. Wammel and Wammel Group, LLC, attached hereto as **Exhibit A-15**.

57. On May 22, 2017, the Wammel Defendants responded with a limited document production and by “invok[ing] the Fifth Amendment privilege against self-incrimination and declin[ing] to answer” the all four interrogatories—such interrogatories requested information regarding Wammel Group investor information, transfers between BUCF and the Wammel Group, and representations between the Receivership Defendants and the Wammel Defendants. Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Response to Plaintiff’s First Set of Interrogatories, attached hereto as **Exhibit A-16**; Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Response to Plaintiff’s First Document Request, attached hereto as **Exhibit A-17**.

58. The investors are prejudiced by Wammels’ decision to invoke the Fifth Amendment because Wammel has failed to preserve evidence and Wammel is the only person

who possesses information regarding the status and involvement of these entities, thereby preventing the Receiver from discovering such relevant information.

**vi. Wammel refuses to comply with the Receivership Order and has failed to preserve evidence.**

59. Despite having received the Receivership Order, the Wammel Defendants have not provided any accounting to the Receiver of the funds that the Wammel Defendants received from entities covered by the Receivership in violation of paragraph 16 of the Receivership Order and paragraph 15 of the TRO.

60. Moreover, during the Federal Rule of Civil Procedure Rule 26(f) Conference, the Wammel Defendants' counsel represented that computers used by the Wammel Group during the relevant time frame had either been disposed of or were no longer able to be located. This was the first notification of any such destruction or disposal of relevant evidence and further confirms the needs for this emergency request to ensure all evidence is preserved.

**III.  
ARGUMENT**

**A. The Receiver moves for *ex parte* emergency relief under Federal Rule of Civil Procedure 65(b).**

This Motion should be granted *ex parte* in order to avoid further erosion of assets rightfully belonging to the Receiver and BUCF and to preserve potentially relevant evidence. Rule 65(b) of the Federal Rules of Civil Procedure provides that the Court may grant an *ex parte* temporary restraining order upon a showing of “irreparable injury” and “reasons supporting the claim that notice should not be required.” The Receivership Order provided in paragraph 16 that “all . . . persons or entities which have possession . . . of any asset or funds . . . of the Receivership Defendants . . . shall [] not liquidate, transfer, sell, convey, or otherwise transfer

[such assets or funds].” The Wammel Defendants’ dissipation of over \$8 million cash and \$7 million in total value of the assets of the Receivership Defendants’ funds directly violates the Receivership Order.

As detailed above, there is ample evidence of irreparable injury that has and will continue to accrue to BUCF absent a temporary restraining order prohibiting the Wammel Defendants’ further dissipation of assets and authorizing the Receiver to conduct an unimpeded accounting examination to reclaim more BUCF assets. This temporary restraining order must be obtained *ex parte* given the Wammel Defendants’ recent dissipation of assets and total disregard for Judge Mazzant’s Receivership Order and TRO. Further, the Receiver respectfully requests that the Court consider this request on an emergency basis. The Receiver therefore requests pursuant to Local Rule CV-7(l) that the Court hold an immediate *ex parte* hearing on this Motion.

Any notice to the Wammel Defendants would likely trigger the hastened dissipation and transfer of assets. Wright & Miller explain that the *ex parte* TRO is ideal for situations like this one and may cause the further disposal or destruction of evidence:

The *ex parte* temporary restraining order is indispensable to the commencement of an action when it is the sole method of preserving a state of affairs in which the court can provide effective final relief. Immediate action is vital when imminent destruction of the disputed property, its removal beyond the confines of the state, or its sale to an innocent third party is threatened. In these situations, giving the defendant notice of the application for an injunction could result in an inability to provide any relief at all.

11A Charles A. Wright and Arthur R. Miller, *Federal Practice and Procedure* § 2951 at 257 (1995). Under Rule 65(b), courts typically require a showing of irreparable injury, consideration of public interest, a relative weighing of the harm with and without the injunctive relief, and a showing of likelihood of success on the merits. *Garcia v. United States*, 680 F.2d 29, 31 (5th

Cir. 1982); *Dilworth v. Riner*, 343 F.2d 226, 229 (5th Cir. 1965) (temporary restraining order is generally issued *ex parte*).

**B. The Receiver moves to expand the receivership over the Wammel Defendants.**

The SEC brought this suit under the federal securities laws in order to enforce the law and to protect investors from further harm. In so doing, the SEC acts “not as an ordinary litigant, but as a statutory guardian charged with safeguarding the public interest in enforcing the securities laws.” *SEC v. Mgmt. Dynamics, Inc.*, 515 F.2d 801, 808 (2d Cir. 1975). A significant objective of this case (and the Receiver’s charge) is to ensure that all available assets are brought within the receivership so that they may be properly distributed to creditors, including investors. *SEC v. Elmas Trading Corp.*, 620 F. Supp. 231, 234 (D. Nev. 1985), *aff’d* 805 F.2d 1039 (9th Cir. 1986). This Court is thus, afforded great discretion in ordering the affairs of the estate. *SEC v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 328 (5th Cir. 2001).

An aspect of this discretion is the ability to expand the existing receivership to include (1) parties who participated in the fraud with the Receivership Defendants, and (2) parties affiliated with the Receivership Defendants. *See Elmas Trading Corp.*, 620 F. Supp. at 234-35; *also SEC v. Private Equity Mgmt. Group, Inc.*, No. CV 09-2901, 2009 WL 3074604, at \*5 (C.D. Cal. 2009); *see SEC v. Nadel*, No. 8:09-cv-87-T-26TBM, 2013 WL 2291871, at \*2 (M.D. Fla. May 24, 2013); *see also, SEC v. Torchia*, No. 1:15-cv-3904-WSD, 2016 WL 6212002, at \*1-2 (N.D. Ga. Oct. 25, 2016).

*1. The Court should expand the Receivership to include parties who participated in the fraud with the Receivership Defendants.*

The Receiver’s investigation has uncovered that the Wammel Defendants were substantial facilitators of the Receivership Defendants’ activities and assisted in and participated

with the Receivership Defendants in defrauding investors. Indeed, the Receiver's investigation has uncovered a consistent, systematic plan to defraud investors utilizing the Wammel Defendants and various BUCF entities.

The blueprint for the Wammel Defendants' level of participation in the fraud is starkly defined by the flow of investor funds to the Wammel Defendants: the Wammel Group received over 70% of misappropriated funds, and Wammel, individually, received over \$5 million of such commingled funds. The result was that approximately 70% of BUCF investor monies for the period July 2011 through April 2017 were funneled to the Wammel Defendants. The Wammel Defendants profited from the monies transferred to them from the BUCF investment scheme. Moreover, Wammel had knowledge of the underlying representations made by Bryant to BUCF investors and assisted Bryant in setting up the intricate web of interdependent entities. Accordingly, because the Wammel Defendants played an integral part in aiding the Receivership Defendants to defraud investors and participated in the fraud, the assets of the Wammel Defendants should be administered by the Receiver for the ultimate benefit of the defrauded investors.

Expansion of the receivership estate is proper although the non-receivership entity is not an alter ego of the receivership entities, where the non-receivership entity used scheme proceeds to generate profit. *See SEC v. Nadel*, No. 8:09-cv-87-T-26TBM, 2013 WL 2291871, at \*2 (M.D. Fla. May 24, 2013) (finding the third party's receipt of scheme proceeds to generate profit constituted participation in the fraud warranting expansion over the third party); *see also, SEC v. Torchia*, No. 1:15-cv-3904-WSD, 2016 WL 6212002, at \*1-2 (N.D. Ga. Oct. 25, 2016). Here, Wammel used proceeds from the BUCF scheme to generate profit for Wammel Group and himself. As evidenced by the Wammel Defendants' rapid dissipation of assets, the value



remaining within the Wammel Defendants will be lost to all investors if the assets are not preserved and maintained going forward.

Further, that the Wammel Defendants have asserted the Fifth Amendment in response to discovery by the SEC seeking information regarding the status of their assets and involvement in the BUCF scheme further supports inclusion of the Wammel Defendants in the receivership. *See Elmas Trading Corp.*, 620 F. Supp. at 235 (“The Receiver is correct when he notes that [the two men who asserted the Fifth Amendment] may be the only ones who possess the information of the status of these various entities. Thus, this assertion is a pivotal issue in trying to determine whether to include the Receiver’s proposed entities in the Receivership.”).

The granting of equitable relief against the Wammel Defendants is appropriate, even without charging them with any wrongdoing, because they “possess illegally obtained profits but have no legitimate claim to them.” *SEC v. Cherif*, 933 F.2d 403, 414, n.11 (7th Cir. 1991), *cert. denied*, 112 S. Ct. 966 (1992). The appointment of a receiver is a well-established equitable remedy available in SEC enforcement proceedings for injunctive relief. *See, e.g., SEC v. First Fin’l Group of Tex.*, 645 F.2d 429, 438 (5th Cir. 1981). Accordingly, the Receiver requests that the Receivership Order be expanded to include the Wammel Defendants.

2. *The Court should expand the receivership to include entities affiliated with the Receivership Defendants.*

In *Elmas Trading Corp.*, the Court concluded that because the operations between the receivership and other entities were so intertwined, in exercise of discretion an expansion of the receivership was proper. *Elmas Trading Corp.*, 620 F. Supp. at 233, 235, 241 n.3; *see also, SEC v. Creative Capital Consortium, LLC*, No. 08-81565, 2009 WL 10664430, at \*1 (S.D. Fla. Sept. 21, 2009) (“Given the government’s interest in preventing violations of federal securities laws,

under which this action arises, it is appropriate for the court to apply a ‘more flexible approach in determining whether the corporate entities should be disregarded.’” (citing *Elmas Trading Corp.*). Factors that should be considered in determining whether to expand the receivership over affiliated entities include:

- (1) The presence of common control or ownership among the defendants and the entities to be included in the receivership,
- (2) The transfer of money or assets between and among the entities in question,
- (3) Common addresses and office locations,
- (4) The records and ledgers of the entities are incomplete and do not conform to standard business practices.

*Elmas Trading Corp.*, 620 F. Supp. at 234-36. The entities that the Receiver seeks to add to the receivership fulfill each of these factors. Wammel, WGHP, and the Wammel Group should be included within the Receivership based on their common control, commingling of assets, and common location.

*First*, the evidence in this case supports the notion that the Receivership Defendants and the Wammel Defendants were commonly owned and controlled. For example, WGHP, an entity purportedly owned by BUH and the Wammel Group—thus Bryant and Wammel—is commonly owned and controlled by the Receivership Defendants and the Wammel Defendants. This entity, its owners, and assets worked in concert in a common enterprise to conduct fraudulent activities. Moreover, Wammel’s individual involvement and positions held with the Bryant’s entities further demonstrates common control. As previously indicated, Wammel was the COO, CIO, and/or CFO of Bryant Financial or BUH and BUCF.

*Second*, the transfer of money between the entities is undeniable. The Receivership Defendants and Wammel diverted approximately \$16.2 million from BUCF, through BUH and WGHP, to the Wammel Group. Thereafter, this money was commingled with separate Wammel Group investor funds. The Receivership Defendants and Wammel hid the payment of fees (for their personal benefit) and the source of the funds for those payments in a series of convoluted transactions.

*Third*, although the Wammel Defendants did not share a common office space or addresses with BUH or BUCF, the fact that Wammel served as the COO, CIO, and/or CFO of Bryant Financial or BUH and BUCF and WGHP was commonly owned by BUH and Wammel Group equitably outweighs the lack of a common physical address when considering the third factor.

*Finally*, the evidence confirms that Bryant and Wammel deviated from standard business practices by counterbalancing and falsifying documents. The counterbalancing between the Wammel Group and BUCF reflects the failure of the entities to adequately keep records and ledgers reflecting accurate balances transferred between the parties.

Sufficient evidence exists under each of the factors to add the Wammel Defendants to this receivership. Adding the Wammel Defendants benefits all of the investors. The Wammel Group Investors have claims against the Receivership Estate's assets, and the Receivership Estate's creditors and investors have claims to the Wammel Group's and Wammel's assets. The Court can best balance these competing claims if all of the creditors and all of the assets are in a single proceeding. The Court should, therefore, expand the Receivership to include the Wammel Defendants. *Elmas Trading Corp.*, 620 F. Supp. at 234-36.

**C. The Receiver moves to extend the freeze order to the Wammel Defendants.**

In the course of her investigation, the Receiver has discovered information concerning several entities which were formed, owned, and controlled by Relief Defendants, specifically the Wammel Defendants, and which received substantial sums of money in the form of transfers from BUCF accounts. The Receiver's investigation reveals that the Wammel Defendants control assets which rightfully belong to the defrauded investors of BUCF. The circumstances surrounding the transfer of funds to the Wammel Defendants leads the Receiver to move the Court to extend the asset freeze to include these Relief Defendants.

An asset freeze is necessary against the Wammel Defendants in order to preserve the investor funds, especially given the Wammel Defendants' recent dissipation of assets. An asset freeze "facilitate[s] enforcement of any disgorgement remedy that might be ordered" and may be granted "even in circumstances where the elements required to support a traditional Commission injunction has not been established." *SEC v. Unifund SAL*, 910 F.2d 1028, 1041 (2d Cir 1990).

Courts recognize that an asset freeze is sometimes necessary to ensure that a future disgorgement order will not be rendered meaningless, and the Receiver may request asset freezes against relief defendants who have not yet been accused of violating any federal securities laws. *Janvey v. Adams*, 588 F.3d 831, 835 n.2 (5th Cir. 2009) (quoting *SEC v. Cavanagh*, 155 F.3d 129, 136 (2d Cir. 1998)); *SEC v. Connectajet.com*, No. 3:09-CV-1742-B, 2011 WL 5509896, at \*5-6 (N.D. Tex. Nov. 9, 2011); *Warfield v. Arpe*, No. 3:05-cv-1457-R, 2007 WL 549467, at \*6 (N.D. Tex. Feb. 22, 2007); *SEC v. Miller*, 808 F.3d 623, 635 (2d Cir. 2015). The Receiver can request an asset freeze against the Wammel Defendants if the Receiver establishes that the funds to be frozen are the ill-gotten product of Bryant's wrongdoing, and that the Wammel Defendants do not have a legitimate claim to those funds. *Janvey v. Adams*, 588 F.3d 831, 835 n.2 (5th Cir.

2009) (quoting *SEC v. Cavanagh*, 155 F.3d 129, 136 (2d Cir. 1998)). From a review of the foregoing and the attached Exhibits, it is clear that the Wammel Defendants were receiving funds which were derived directly from investors in BUCF. These transfers appear to have no legitimate business purpose and appear to have been made in furtherance of the BUCF scam. Accordingly, the Freeze Order should be expanded.

**D. The Receiver moves for a temporary restraining order against the Wammel Defendants due to their wanton violations of the Receivership Order and previous TRO.**

To obtain a temporary restraining order (like the showing required to obtain *ex parte* relief), the Court will require a showing by the Receiver of (1) irreparable injury, (2) consideration of public interest, (3) a relative weighing of the harm with and without the injunctive relief, and (4) a showing of likelihood of success on the merits.

Under the first factor, the Wammel Defendants' wanton violations of the Receivership Order and TRO in misappropriating BUCF assets readily demonstrates that a temporary restraining order in this case is necessary to prevent further irreparable injury to BUCF. The Wammel Defendants wrongfully converted BUCF funds, both before and after Judge Mazzant enjoined such actions. The Wammel Defendants dissipated over \$7 million in investor monies since December 2016. What is presently known of the Wammel Defendants' behavior is more than enough to warrant entry of this temporary restraining order to track down BUCF assets before they evaporate. But equally important, this behavior also strongly suggests that the temporary restraining order should be entered so that the Receiver can take actions to prevent further dissipation of presently unknown assets.

Second, granting the Receiver's request for a temporary restraining order will serve the public interest by maximizing the assets available to the Receiver in executing the goals of her

appointment. In other words, the requested temporary restraining order will serve the public interest by preventing further conversion of BUCF assets.

Third, it follows that the balance of harm weighs in the Receiver's favor. While the Wammel Defendants will undoubtedly claim great harm will accrue through entry of this TRO, to so find would reward the Wammel Defendants' misdeeds. The required balancing test weighs the equities, and the Wammel Defendants are found wanting. On the other side of the scales of justice are the interests of BUCF investors and the Receiver, who has been appointed to marshal the assets of BUCF wherever they may be found.

Finally, the Receiver can show likelihood of success on the merits on those causes of action that the Receiver will seek to assert against the Wammel Defendants that are relevant to the requested temporary restraining order, namely, fraudulent transfer, conversion, conspiracy, and breach of fiduciary duty. Specifically, on the claim for fraudulent transfer, the Receiver will prevail because the Wammel Defendants are in receipt of funds directly traceable to the BUCF investors (without good cause or having provided reasonably equivalent value). Furthermore, the facts as set forth herein show an unjustified, willful interference on the part of the Wammel Defendants with BUCF's possession and use of its property. The Wammel Defendants converted funds. Similarly, the Wammel Defendants' acts additionally constitute civil conspiracy because they collaborated with one another and Bryant/BUCF in systematically carrying out their plans. The Wammel Defendants also owed fiduciary duties to BUCF, and their acts constitute a breach of those duties. The Wammel Defendants' mismanagement, appropriation, and waste of BUCF assets were blatant violations of these important duties. Thus, success on the merits of BUCF's claims is likely.

The conclusion that the Wammel Defendants' actions present issues worthy of more deliberate action is self-evident. As set forth above, the evidence currently known to the Receiver indicates that the Wammel Defendants likely have exclusive possession, custody, and control of a significant portion of BUCF assets. Further, it is reasonable to conclude that these assets are in danger of being utterly wasted in the near term absent Court intervention. Such a dissipation of BUCF assets would have devastating effect on the ability of the Receiver, as an officer of the Court, to achieve the Court's objectives as set forth in the Receivership Order.

#### **IV. CONCLUSION**

For the foregoing reasons, the Receiver respectfully requests that this Court issue an order that provides for the following relief:

- (1) That the Court amend and expand the Receivership Order to include the Wammel Defendants;
- (2) That the Court freeze the assets of the Wammel Defendants; and
- (3) That the Court temporarily and preliminarily enjoin the Wammel Defendants from further violated the Receivership Order and pursuant thereto.

Dated: July 19, 2017.

Respectfully submitted,

By: /s/ Timothy E. Hudson

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**PROPOSED COUNSEL TO RECEIVER**



**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

V.

Case 04:17-CV-00336-ALM

THURMAN P. BRYANT, III and  
BRYANT UNITED CAPITAL FUNDING,  
INC.

Defendants,

and

ARTHUR F. WAMMEL, WAMMEL  
GROUP, LLC, THURMAN P. BRYANT,  
JR., CARLOS GOODSPEED a/k/a SEAN  
PHILLIPS d/b/a TOP AGENT  
ENTERTAINMENT d/b/a MR. TOP  
AGENT ENTERTAINMENT

Relief Defendants.

**DECLARATION OF JENNIFER ECKLUND IN SUPPORT OF  
THE RECEIVER'S *EX PARTE* EMERGENCY MOTION TO EXPAND RECEIVERSHIP  
AND ASSET FREEZE AGAINST THE WAMMEL DEFENDANTS, FOR TEMPORARY  
RESTRAINING ORDER, AND FOR PRELIMINARY INJUNCTION**

I, Jennifer Ecklund, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am a partner with the law firm of Thompson & Knight LLP (“**T&K**”) in Dallas, Texas. I am a member in good standing of the bar of the State of Texas, and am admitted to practice in the United States District Courts for all Districts of Texas. There are no disciplinary proceedings pending against me.

**DECLARATION OF JENNIFER ECKLUND IN SUPPORT OF  
THE RECEIVER'S EX PARTE EMERGENCY MOTION TO EXPAND RECEIVERSHIP  
AND ASSET FREEZE AGAINST THE WAMMEL DEFENDANTS, FOR TEMPORARY  
RESTRAINING ORDER, AND FOR PRELIMINARY INJUNCTION**  
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PAGE 1

2. I am the Court-appointed Receiver (the “**Receiver**”) for Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (collectively, the “**Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”) in this case.

3. I submit this Declaration in support of the *Ex Parte Emergency Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support*.

4. Since my appointment, my team and I have worked diligently to investigate the Defendants’ business model, and to begin the process of collecting, marshaling, and taking control over the Receivership Property pursuant to this Court’s directives.

5. Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (“**BUCF**”) (collectively, Bryant and BUCF, the “**Receivership Defendants**”) and Relief Defendant Arthur F. Wammel (“**Wammel**”), Wammel Group Holdings Partnership (“**WGHP**”), and Wammel Group, LLC (the “**Wammel Group**,” together with Wammel and WGHP, the “**Wammel Defendants**”) created a virtual spider’s web of interlocking entities that they utilized in connection with the investment scheme out of which this case arises.

6. One entity—BUCF—offered and sold securities to investors. Other entities—Bryant United Holdings, Inc. dba Bryant United, dba Bryant Financial, dba Bryant United Realtors (“**BUH**”), WGHP, and the Wammel Group—acted as conduits through which investor money flowed. Each of these entities was owned or controlled by Bryant and/or Wammel who worked in concert to defraud investors.

7. Bryant and Wammel have a long history of working together dating back to 2007—first through Bryant’s mortgage company, then creating separate investment schemes that

depended on and related to one another. Bryant and Wammel worked closely, using their entities interchangeably.

8. As reflected in the documents and bank records obtained and reviewed, (1) investors would transfer money to BUCF, (2) BUCF would transfer money to the Wammel Group, (3) the Wammel Group would commingle such monies with the Wammel Group investor funds, and (4) the Wammel Group would eventually transfer funds back to BUCF.

9. The Wammel Defendants used the majority of the \$16.2 million of BUCF investor capital received, commingled with funds raised from the Wammel Defendants' own investors, to fund speculative options and securities trading.

10. Over the days subsequent to my appointment, I took control of and secured Receivership Property and began reviewing financials and other documents relating to the Defendants' business operations.

11. Attached in support of these statements as Exhibits A-1 through A-40 are true and correct copies of the following records, which have informed my opinions herein:

1. February 20, 2008 E-mail from A. Wammel to T. Bryant clarifying position as COO of Bryant Financial and attaching business card
2. February 21, 2008 E-mail from T. Bryant to A. Wammel confirming position as COO
3. November 10, 2011 E-mail from A. Wammel with signature block of Chief Investment Officer
4. Employment Verification to North Star Property Management confirming T. Bryant's salary with A. Wammel's signature as CFO of BUH and BUCF

5. July 15, 2011 E-mail from T. Bryant to investor copying A. Wammel discussing mortgage investment
6. October 26, 2011 E-mail from T. Bryant to A. Wammel
7. September 7, 2010 E-mail from T. Bryant to A. Wammel re investment options to pose to investors
8. February 1, 2011 E-mail from A. Wammel to T. Bryant
9. February 1, 2011 E-mail from T. Bryant to A. Wammel regarding specific investors
10. June 24, 2011 E-mail from T. Bryant to A. Wammel regarding investment contract terms for his review
11. General Partnership Agreement of Wammel Group Holdings Partnership
12. Activity Statements related to the partnership created by the Receivership Defendants and Wammel Defendants from June 2010 through March 2014
13. March 31, 2014 E-mail from A. Wammel to T. Bryant, attaching March 2014 Activity Statement
14. Plaintiff's First Set of Interrogatories to Relief Defendants Arthur F. Wammel and Wammel Group, LLC
15. Plaintiff's First Document Request to Relief Defendants Arthur F. Wammel and Wammel Group, LLC
16. Relief Defendants Arthur F. Wammel and Wammel Group, LLC's Response to Plaintiff's First Set of Interrogatories

17. Relief Defendants Arthur F. Wammel and Wammel Group, LLC's Response to Plaintiff's First Document Request
18. July 25, 2011 E-mail from T. Bryant to A. Wammel providing him with the new BUCF entity and bank information
19. August 15, 2013 E-mail from T. Bryant to A. Wammel creating Wammel Group monthly statements
20. February 14, 2013 E-mail from A. Wammel to T. Bryant
21. February 14, 2013 E-mail from A. Wammel as CFO to Keller Williams Realty regarding T. Bryant
22. December 1, 2016 E-mail from A. Wammel to T. Bryant
23. October 10, 2011 and October 25, 2011 E-mail and attachments from T. Bryant to investors
24. OptionsXPress Account Statement for the Wammel Group dated December 2016
25. OptionsXPress Account Statement for the Wammel Group dated April 30, 2017
26. OptionsXPress Account Statement for the Wammel Group dated May 31, 2017
27. OptionsXPress Account Statement for the Wammel Group dated June 30, 2017
28. BUH National Mortgage Licensing System Details (listing Bryan Financial and BUCF as "Other Trade Names" for BUH)

29. August 18, 2010 E-mail from A. Wammel to T. Bryant attaching WGHP Partnership Agreement
30. June 16, 2017 E-mail from Receiver's Counsel K. Clark to the Wammel Defendants' Counsel T. Galloway (attaching Preliminary Injunction)
31. February 15, 2011 E-mail from A. Wammel to T. Bryant regarding the structure and payouts of investments
32. February 14, 2013 E-mail from A. Wammel to T. Bryant discussing creating pay stub
33. March 23, 2015 E-mail from T. Bryant to A. Wammel requesting fake paystubs
34. July 23, 2013 E-mail from T. Bryant to A. Wammel attaching doctored earnings statement for BUCF
35. August 23, 2013 E-mail from T. Bryant to A. Wammel sending Wammel the BUCF investor contract
36. OptionsXPress Account Statement for the Wammel Group dated January 31, 2017
37. OptionsXPress Account Statement for the Wammel Group dated February 28, 2017
38. OptionsXPress Account Statement for the Wammel Group dated March 31, 2017
39. Property Detail Report for the Wammel Home

40. Bank Statement of Wammel Group reflecting purchase of home for  
\$339,357.94

12. Except as otherwise indicated, all facts set forth in this Declaration are based on  
my personal knowledge and my involvement as Receiver in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July \_\_\_\_, 2017 at Dallas, Texas.

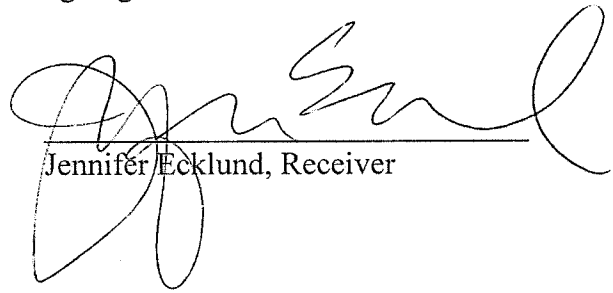
\_\_\_\_\_  
Jennifer Ecklund, Receiver

40. Bank Statement of Wammel Group reflecting purchase of home for  
\$339,357.94

12. Except as otherwise indicated, all facts set forth in this Declaration are based on  
my personal knowledge and my involvement as Receiver in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 18, 2017 at Dallas, Texas.



Jennifer Ecklund, Receiver



**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

V.

Case 04:17-CV-00336-ALM

THURMAN P. BRYANT, III and  
BRYANT UNITED CAPITAL FUNDING,  
INC.

Defendants,

and

ARTHUR F. WAMMEL, WAMMEL  
GROUP, LLC, THURMAN P. BRYANT,  
JR., CARLOS GOODSPEED a/k/a SEAN  
PHILLIPS d/b/a TOP AGENT  
ENTERTAINMENT d/b/a MR. TOP  
AGENT ENTERTAINMENT

Relief Defendants.

**DECLARATION OF BRANDI KLEINMAN IN SUPPORT OF  
THE RECEIVER'S *EX PARTE* EMERGENCY MOTION TO EXPAND RECEIVERSHIP  
AND ASSET FREEZE AGAINST THE WAMMEL DEFENDANTS, FOR TEMPORARY  
RESTRAINING ORDER, AND FOR PRELIMINARY INJUNCTION**

I, Brandi Kleinman, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am a Vice President with Veritas Advisory Group, Inc. (“**Veritas**”) in Dallas, Texas. I am a Certified Public Accountant and certified in Financial Forensics, and a member of the American Institute of Certified Public Accountants. I am a member in good standing of the Texas State Board of Public Accountancy. There are no disciplinary proceedings pending

**DECLARATION OF BRANDI KLEINMAN IN SUPPORT OF  
THE RECEIVER'S EX PARTE EMERGENCY MOTION TO EXPAND RECEIVERSHIP  
AND ASSET FREEZE AGAINST THE WAMMEL DEFENDANTS, FOR TEMPORARY  
RESTRAINING ORDER, AND FOR PRELIMINARY INJUNCTION**

PAGE 1

against me.

2. I am an accountant hired to assist Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (collectively, the “**Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”) in this case.

3. I submit this Declaration in support of the *Ex Parte Emergency Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support*.

4. As part of my work, my team and I have found that investor funds were, in most instances, deposited into the accounts of Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (“**BUCF**”) (collectively, Bryant and BUCF, the “**Receivership Defendants**”) and then dispersed as directed by Bryant.

5. The Activity Statements from June 2010 through March 2014 (the “**Activity Statements**”) of WGHP or BUH on a monthly basis correspond to certain transactions identified in the bank records the Receiver obtained and that my team and I have analyzed for BUCF.

6. As reflected in the documents and bank records obtained and reviewed, (1) investors would transfer money to BUCF, (2) BUCF would transfer money to the Wammel Group, (3) the Wammel Group would commingle such monies with the Wammel Group investor funds, and (4) the Wammel Group would transfer funds purported to be investor earnings back to BUCF.

7. The Wammel Defendants used a portion of the \$16.2 million of BUCF investor capital received, commingled with funds raised from the Wammel Defendants’ own investors, to

fund options and securities trading.

8. Since at least 2011, the Wammel Defendants received BUCF investor funds and commingled them with money raised from the Wammel Group's, non-BUCF investors in order to (a) make distributions to BUCF; (b) make distributions to the Wammel Group's investors; and (c) fund high-risk investment schemes, including options trading by Wammel.

9. To date, BUCF has transferred \$16.2 million in BUCF investor monies to the Wammel Group, who has paid \$15.8 million back to BUCF in purported earnings. This \$15.8 million is comprised of funds received from BUCF, funds raised from the Wammel Group's non-BUCF investors, its limited trading profits, and other sources of funds commingled by the Wammel Group.

10. From July 2011 through April 2017, BUCF transferred \$16,229,944 from BUCF to the Wammel Group.<sup>1</sup> The returns or earnings expected to be transferred back to BUCF from the Wammel Group for the benefit of investors based upon documentation and representations provided to BUCF investors would be an additional \$11,825,997 (*i.e.* 30% return on investment). When combined with the initial investment of \$16.2 million the total amount of funds that should have been returned equals approximately \$28 million. However, the Wammel Group transferred only \$15,887,588 back to BUCF (of the \$28 million expected) through April 2017, accounting for some purported earnings and principal, but not fully accounting for the amount of original principal invested in the Wammel Group. **Thus, the Wammel Group should hold \$12,168,353 in principal from BUCF investor funds.**

11. The Wammel Group has dissipated assets from December 2016 to June 2017 of

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<sup>1</sup> This accounts for over 70% of the total funds obtained from BUCF investors.

over \$7 million.

12. Wammel transferred over \$5.5 million of commingled BUCF investor funds and Wammel Group investor funds from 2011 to 2017 to himself, individually.

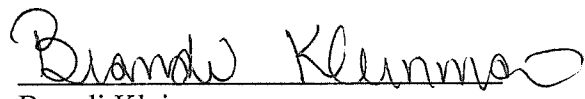
13. Over the days subsequent to my engagement, I obtained from the Receiver documents, financials, and bank records of the Defendants and other documents relating to the Defendants' business operations.

14. Attached in support of these statements as Exhibits B-1 through B-4 are true and correct copies of the following summaries, which have informed my opinions herein:

1. Veritas Comparison of Bryant United Holding, Inc. Activity Statements and Transfers Between BUCF and the Wammel Group
2. Veritas Summary of Investor Funds and Returns Transferred Between BUCF and the Wammel Group
3. Veritas Summary of Wammel OptionsXpress Account 0502-2959
4. Veritas Summary of Withdrawals from Wammel Group, LLC

15. Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge and my involvement as a Retained Professional in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.  
Executed on July 18, 2017 at Dallas, Texas.

  
Brandi Kleinman

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

THURMAN P. BRYANT, III, and  
BRYANT UNITED CAPITAL FUNDING, INC.

Defendants,

ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a  
MR. TOP AGENT ENTERTAINMENT,

Relief Defendants.

Civil Action No.: 4:17cv336

FILED UNDER SEAL

***EX PARTE* ORDER GRANTING RECEIVER'S *EX PARTE* EMERGENCY MOTION TO  
EXPAND THE RECEIVERSHIP AND ASSET FREEZE AGAINST THE  
WAMMEL DEFENDANTS, FOR TEMPORARY RESTRAINING ORDER,  
AND FOR PRELIMINARY INJUNCTION**

This matter came before the Court this 19th day of July, 2017, on motion of Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for issuance of an order granting *Ex Parte Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support* (the “**Motion**”) relief [Dkt. No. \_\_\_\_]:

The Receiver seeks orders: (1) amending and expanding the Order Appointing Receiver [Dkt. No. 17] to include Arthur F. Wammel (“**Wammel**”), Wammel Group Holdings Partnership (“**WGHP**”), and Wammel Group, LLC (the “**Wammel Group**” together with Wammel and WGHP, the “**Wammel Defendants**”); (2) freezing the assets of the Wammel Defendants; and

(3) temporarily restraining and preliminarily enjoining the Wammel Defendants from further violating the Receivership Order and pursuant thereto. Having considered the Receiver's Motion, supporting memorandum, declarations, and exhibits thereto, and the argument of counsel, the Court finds:

1. This Court has jurisdiction over the subject matter of this action and over the Defendants and Relief Defendants, and the Receiver is a proper party to bring this action seeking the relief sought in the Motion.

2. There is good cause to believe that the Wammel Defendants (1) participated in the fraud with the Receivership Defendants, and (2) are affiliated with the Receivership Defendants.

3. There is good cause to believe that without the temporary relief requested the Receivership Estate will be irreparably harmed by the continuing evaporation of assets, destruction of evidence, and further violation of the Receivership Order.

4. There is good cause to believe that requiring notice to the Wammel Defendants of the Receiver's motion for this Order would result in immediate and irreparable injury, loss, or damage to the investors.

5. This proceeding is one in which the Receiver seeks a preliminary injunction.

6. The timing restrictions of Fed. R. Civ. P. 26(d) and (f), 30(a)(2)(C) and 34 do not apply to this proceeding in light of the Receiver's requested relief and its demonstration of good cause.

**IT IS THEREFORE ORDERED:**

7. The Motion is GRANTED.

8. The receivership and asset freeze are expanded to include the Wammel Defendants.

9. The Wammel Defendants are further temporarily restrained and preliminarily enjoined from further violating the Receivership Order and pursuant thereto.

10. This Court's Order Appointing Receiver dated May 15, 2017 is amended and expanded in all respects to include the Wammel Defendants, as set forth in the Amended Order Appointing Receiver [Dkt. No. \_\_\_\_], as if the Wammel Defendants were included among the original entities over which the Receiver was appointed. The Amended Order Appointing Receiver shall apply with equal force and effect to the Wammel Defendants as it applies to the original Defendants. The terms, orders, and provisions of the Amended Order Appointing Receiver are incorporated herein by reference as to the Wammel Defendants.

11. Unless extended by agreement of the parties, the portion of this order that constitutes a temporary restraining order shall expire at **5:00 p.m. on August 2, 2017**, or such later date as may be ordered by the Court. All other provisions of the orders issued herein, including the asset freeze, shall remain in full force and effect until specifically modified by further order of this Court.

12. The Wammel Defendants shall appear before this Court at the United States District Courthouse, 101 E. Pecan Street, Sherman, Texas 75090 at **9:00 a.m. on August 2, 2017**, or as soon thereafter as they can be heard, and in any event prior to the expiration of the orders issued herein, to show cause, if any, why this Court should not enter a preliminary injunction extending the relief granted in this Order until a final adjudication on the merits may be had. The Wammel Defendants shall serve any papers in opposition to such relief by hand delivery or overnight courier service to the Receiver's Counsel, Timothy Hudson, no later than five full business days before such hearing. The Receiver may serve and file a reply no later than 24 hours before the hearing, and shall serve such reply brief, if any, on the Wammel Defendants

or their attorneys by facsimile transmission, courier service, email, or such other means as the Receiver may reasonably determine will give them or their attorneys prompt delivery of these papers. Pursuant to Rule 43(e) of the Federal Rules of Civil Procedure, the Court, in determining whether the Wammel Defendants should be preliminarily enjoined, may consider affidavits, declarations and exhibits.

**IT IS SO ORDERED.**

Signed at \_\_\_\_\_ p.m. on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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AMOS L. MAZZANT  
UNITED STATES DISTRICT JUDGE



**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

# SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

**THURMAN P. BRYANT, III, and  
BRYANT UNITED CAPITAL FUNDING, INC.**

Defendants,

**ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC,  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a  
MR. TOP AGENT ENTERTAINMENT,**

Relief Defendants.

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Civil Action No.: 4:17cv336

**FILED UNDER SEAL**

**AMENDED ORDER APPOINTING RECEIVER**

**WHEREAS** this matter has come before this Court upon motion of the Plaintiff U.S. Securities and Exchange Commission (“SEC” or “Plaintiff”) to appoint a receiver in the above-captioned action; and,

**WHEREAS** the Court finds that, based on the record in these proceedings, the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of Defendants Thurman P. Bryant, III, Bryant United Capital Funding, Inc., Arthur F. Wammel, Wammel Group Holdings Partnership; and Wammel Group, LLC (“Receivership Assets”); and,

**WHEREAS** this Court has subject matter jurisdiction over this action and personal jurisdiction over the Defendants and Relief Defendants, and venue properly lies in this district.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED  
THAT:**

1. This Court hereby takes exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of, or under the control of, the following Defendants:

- Thurman P. Bryant, III;
- Bryant United Capital Funding, Inc.;
- Arthur F. Wammel;
- Wammel Group Holdings Partnership; and
- Wammel Group, LLC;

(collectively, “Receivership Defendants”).

2. Until further Order of this Court, **Jennifer R. Ecklund, Thompson & Knight LLP, Dallas, Texas**, is hereby appointed to serve without bond as receiver (the “Receiver”) for the estate of the Receivership Defendants.

**I. Asset Freeze**

3. Except as otherwise specified herein, all Receivership Assets are frozen until further order of this Court. Accordingly, all persons and entities with direct or indirect control over any Receivership Assets, other than the Receiver, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing such assets. This freeze shall include, but not be limited to, Receivership Assets that are on deposit with financial institutions such as banks, brokerage firms and mutual funds.

**II. General Powers and Duties of Receiver**

4. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the entity

Receivership Defendants under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Fed. R. Civ. P. 66.

5. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys and other agents of the Receivership Defendants are hereby dismissed and the powers of any general partners, directors and/or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Defendants' operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Defendants and shall pursue and preserve all of their claims.

6. No person holding or claiming any position of any sort with the Receivership Defendants shall possess any authority to act by or on behalf of the Receivership Defendants.

7. Subject to the specific provisions in Sections III through XIV, below, the Receiver shall have the following general powers and duties:

- A. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Defendants, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Defendant owns, possesses, has a beneficial interest in, or controls directly or indirectly ("Receivership Property" or, collectively, the "Receivership Estate");
- B. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Defendants; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;
- C. To manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;

- D. To use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver;
- E. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants;
- F. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;
- G. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;
- H. To issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;
- I. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;
- J. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,
- K. To take such other action as may be approved by this Court.

### **III. Access to Information**

8. The individual Receivership Defendant and the past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants and employees of the entity Receivership Defendant, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Defendants and/or all Receivership Property; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

9. Within ten (10) days of the entry of this Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and the SEC a sworn statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Defendants; and, (c) the names, addresses and amounts of claims of all known creditors of the Receivership Defendants.

10. Within twenty (20) days of the entry of this Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and the SEC a sworn statement and accounting, with complete documentation, covering the period from January 1, 2010 to the present:

- A. Of all Receivership Property, wherever located, held by or in the name of the Receivership Defendants, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains and/or exercised or exercises control, including, but not limited to: (a) all securities, investments, funds, real estate, automobiles, jewelry and other assets, stating the location of each; and (b) any and all accounts, including all funds held in such accounts, with any bank, brokerage or other financial institution held by, in the name of, or for the benefit of any of them, directly or indirectly, or over which any of them maintained or maintains and/or exercised or exercises any direct or indirect control, or in which any of them had or has a direct or indirect beneficial interest, including the account statements from each bank, brokerage or other financial institution;
- B. Identifying every account at every bank, brokerage or other financial institution: (a) over which Receivership Defendants have signatory authority; and (b) opened by, in the name of, or for the benefit of, or used by, the Receivership Defendants;
- C. Identifying all credit, bank, charge, debit or other deferred payment cards issued to or used by each Receivership Defendant, including but not limited to the issuing institution, the card or account number(s), all persons or entities to which a card was issued and/or with authority to use a card, the balance of each account and/or card as of the most recent billing statement, and all statements for the last twelve months;
- D. Of all assets received by any of them from any person or entity, including the value, location, and disposition of any assets so received;

- E. Of all funds received by the Receivership Defendants, and each of them, in any way related, directly or indirectly, to the conduct alleged in the SEC's Complaint. The submission must clearly identify, among other things, all investors, the securities they purchased, the date and amount of their investments, and the current location of such funds;
- F. Of all expenditures exceeding \$1,000 made by any of them, including those made on their behalf by any person or entity; and
- G. Of all transfers of assets made by any of them.

11. Within twenty (20) days of the entry of this Order, the Receivership Defendants shall provide to the Receiver and the SEC copies of the Receivership Defendants' federal income tax returns for taxable years 2010-2016 with all relevant and necessary underlying documentation.

12. The Receivership Defendants' past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners, and other appropriate persons or entities shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Defendants, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership Defendants. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil Procedure.

13. The Receivership Defendants are required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for information and documents from the Receiver.

#### **IV. Access to Books, Records and Accounts**

14. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Defendants. All persons and entities having control, custody or

possession of any Receivership Property are hereby directed to turn such property over to the Receiver.

15. The Receivership Defendants, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Defendants, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts or assets of the Receivership Defendants are hereby directed to deliver the same to the Receiver, his agents and/or employees.

16. All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, and of the Receivership Defendants that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall:

- A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants except upon instructions from the Receiver;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- C. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the SEC a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and,
- D. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

#### **V. Access to Real and Personal Property**

17. The Receiver is authorized to take immediate possession of all personal property of the Receivership Defendants, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of

indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

18. The Receiver is authorized to take immediate possession of all real property of the Receivership Defendants, wherever located, including but not limited to all ownership and leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises.

19. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Defendants, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

20. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Defendants, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

21. Upon the request of the Receiver, the United States Marshal Service, in any judicial district, is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody and control of, or identify the location of, any assets, records or other materials belonging to the Receivership Estate.



## **VI. Notice to Third Parties**

22. The Receiver shall promptly give notice of his appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited partners of the Receivership Defendants, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

23. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Defendants shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Defendants had received such payment.

24. In furtherance of his responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the Receivership Estates. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the SEC.

25. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of the Receivership Defendants (the "Receiver's Mail"), including all mail addressed to, or for the benefit of, the Receivership Defendants. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Defendants shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of the Receivership Defendants, and/or any mail

appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Defendants. The Receivership Defendants shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

26. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the Receivership Defendants shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

#### **VII. Injunction Against Interference with Receiver**

27. The Receivership Defendants and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

- A. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;
- B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against

any Receivership Property or any Receivership Defendants, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Defendant or which otherwise affects any Receivership Property; or,

D. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estates.

28. The Receivership Defendants shall cooperate with and assist the Receiver in the performance of his duties.

29. The Receiver shall promptly notify the Court and SEC counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

### **VIII. Stay of Litigation**

30. As set forth in detail below, the following proceedings, excluding the instant proceeding and all police or regulatory actions and actions of the SEC related to the above-captioned enforcement action, are stayed until further Order of this Court:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; (c) the Receivership Defendants, including subsidiaries and partnerships; or, (d) any of the Receivership Defendants' past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

31. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

32. All Ancillary Proceedings are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the

Receivership Defendants against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

### **IX. Managing Assets**

33. For each of the Receivership Estates, the Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent Receivership Property (the “Receivership Funds”).

34. The Receiver’s deposit account shall be entitled “Receiver’s Account, Estate of Thurman P. Bryant, III and Bryant United Capital Funding, Inc.” together with the name of the action.

35. The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

36. Subject to Paragraph 37, immediately below, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

37. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

38. The Receiver is authorized to take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estates, including making legally required payments to creditors, employees, and agents of the Receivership Estates and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

39. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable "Settlement Fund," within the meaning of Section 468B of the Internal Revenue Code and of the regulations.

#### **X. Investigate and Prosecute Claims**

40. Subject to the requirement, in Section VIII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his discretion, and in consultation with SEC counsel, be advisable or proper to recover and/or conserve Receivership Property.

41. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Defendant were conducted and (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for the SEC before commencing investigations and/or actions.

42. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by the Receivership Defendants.

43. The Receiver has a continuing duty to ensure that there are no conflicts of interest between the Receiver, his Retained Personnel (as that term is defined below), and the Receivership Estate.

#### **XI. Bankruptcy Filing**

44. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the “Bankruptcy Code”) for a Receivership Defendant. If a Receivership Defendant is placed in bankruptcy proceedings, the Receiver may become, and may be empowered to operate each of the Receivership Estates as, a debtor in possession. In such a situation, the Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver is vested with management authority for the Receivership Defendant and may therefore file and manage a Chapter 11 petition.

45. The provisions of Section VIII above bar any person or entity, other than the Receiver, from placing the Receivership Defendant in bankruptcy proceedings.

#### **XII. Liability of Receiver**

46. Until further Order of this Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary obligations in this matter.

47. The Receiver and his agents, acting within scope of such agency (“Retained Personnel”) are entitled to rely on all outstanding rules of law and Orders of this Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel.

48. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

49. In the event the Receiver decides to resign, the Receiver shall first give written notice to the SEC's counsel of record and the Court of its intention, and the resignation shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

### **XIII. Recommendations and Reports**

50. The Receiver is authorized, empowered and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (the "Liquidation Plan").

51. Within thirty (30) days of the entry date of this Order, the Receiver shall file a status report with the Court. The status report will include a summary of receivership activities to date. It will also include a proposed plan for administering the receivership going forward, as well as a proposed deadline by which the Receiver will submit the Liquidation Plan. The Receiver's fees—including all fees and costs for the Receiver and others retained to assist in the administration and liquidation of the Receivership estate—are capped at \$75,000 during the initial 30-day period. Further fee limitations, including capping fees at sixty (60) or ninety (90) days after the entry date of this Order, if any, will be set by the Court after the Receiver submits the first status report.

52. Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the "Quarterly Status Report"), reflecting (to the best of the Receiver's knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of

liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

53. The Quarterly Status Report shall contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver's receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);
- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and,
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

54. On the request of the SEC, the Receiver shall provide the SEC with any documentation that the SEC deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the SEC's mission.

#### **XIV. Fees, Expenses and Accountings**

55. Subject to Paragraphs 56-62 immediately below, the Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary



course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

56. Subject to Paragraph 57 immediately below, the Receiver is authorized to solicit persons and entities (“Retained Personnel”) to assist him in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

57. Subject to the limitations in Paragraph 56 above, the Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estate as described in the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the “Billing Instructions”) agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

58. Within forty-five (45) days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estates (the “Quarterly Fee Applications”). At least thirty (30) days prior to filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by SEC staff.

59. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the receivership.

60. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts

held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

61. Each Quarterly Fee Application shall:

- A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,
- B. Contain representations (in addition to the Certification required by the Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

62. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by SEC staff, as well as the Receiver's final application for compensation and expense reimbursement.

**IT IS SO ORDERED.**

**SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.**

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AMOS L. MAZZANT  
UNITED STATES DISTRICT JUDGE

# EXHIBIT E

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

V.

THURMAN P. BRYANT, III and  
BRYANT UNITED CAPITAL FUNDING, INC.

Case 04:17-CV-00336-ALM

Defendants,

And

ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC,  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a/  
MR. TOP AGENT ENTERTAINMENT

Relief Defendants.

**RESPONSE TO RELIEF DEFENDANTS ARTHUR F. WAMMEL’S AND  
WAMMEL GROUP, LLC’S EMERGENCY MOTION AND BRIEF FOR  
RECONSIDERATION AND REPLY IN SUPPORT OF *EX PARTE* TRO,  
PRELIMINARY INJUNCTION, ASSET FREEZE, AND RECEIVERSHIP ORDERS**

Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for Defendants Thurman P. Bryant, III (“**Bryant**”) and Bryant United Capital Funding, Inc. (“**BUCF**”) (Bryant and BUCF, collectively, the “**Bryant Defendants**”) and Relief Defendant Arthur F. Wammel (“**Wammel**”), Relief Defendant Wammel Group, LLC (the “**Wammel Group**”), and Wammel Group Holdings Partnership (“**WGHP**”) (together Wammel, Wammel Group, and WGHP, the “**Wammel Defendants**”) receivership estates (together, the “**Receivership Estate**” or the

“**Receivership**”) in the above-captioned case (the “**Case**”), by and through undersigned counsel, hereby files this Response to *Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders* [Dkt. No. 56] (the “**Request for Reconsideration**”) and Reply in support of the Receiver’s *Ex Parte* TRO, Preliminary Injunction, Asset Freeze, and Amended Order Appointing the Receiver (the “**Reply**”).

## I. INTRODUCTION

In an obvious attempt to avoid the merits and substance of the Receiver’s *Ex Parte Emergency Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support* (the “**Motion**”), the Wammel Defendants instead accuse the Receiver of lying to the Court by focusing on minor procedural details and by taking statements out of context from the Receiver’s filings. The Wammel Defendants’ due process rights were not violated because the Receiver obtained *ex parte* relief properly—legally and procedurally. Further, the Receiver provided the Court with accurate and undisputed evidence to support such relief, including, evidence regarding the Wammel Defendants’: commingling of investor funds, participation in the BUCF fraud, alter ego with BUCF, and receipt of proceeds from the scheme. The Wammel Defendants never explain or try to justify the loss of millions of dollars of investor monies, losses in which Wammel was a direct participant and recipient. The Wammel Defendants never explain or justify any substantive bases provided by the Receiver in support of her Motion.

For the reasons explained below, the relief requested in the Wammel Defendants’ Request for Reconsideration should be denied and this Court should affirm the Receiver’s

expansion of the Receivership and Asset Freeze to include the Wammel Defendants and permanently enjoin the Wammel Defendants.

## II. ARGUMENT

### A. The Wammel Defendants’ due process rights were not violated because the Receiver properly obtained *ex parte* relief with undisputed evidence.

The Wammel Defendants claim that the Receiver “manufactured a non-existent emergency and trampled on the Wammel Relief Defendants’ constitutional rights.” Yet, the Receiver obtained the relief she requested with due process—legally and procedurally—and she provided the Court with accurate and undisputed evidence to support such relief.

*1. The Receiver’s ex parte relief did not violate the Wammel Defendants’ due process rights and thus does not constitute an unconstitutional search and seizure.*

*i. Pertinent legal authority supports the Court’s ex parte appointment of the Receivership over the Wammel Defendants.*

Courts (including the Fifth Circuit) have held that the Fourth Amendment does not bar the *ex parte* appointment of a receiver to take property. *Woods v. Federal Home Loan Bank Board*, 826 F.2d 1400, 1412 (5th Cir. 1987) (providing that court review of even a bank board’s *ex parte* appointment of a receiver without notice satisfies due process); *see also Foxfire Enterprises, Inc. v. Enterprise Holding Corp.*, 837 F.2d 597, 498 (2d Cir. 1988) (holding *ex parte* appointment of a receiver did not deprive defendant of property without due process of law); *see also Bradford Audio Corp. v. Pious*, 392 F.2d 67, 72 (2d Cir. 1968) (finding *ex parte* appointment of a receiver was not a violation of due process where defendant was thereafter notified and thereafter given a full opportunity to be heard). Here, the Receiver first moved to temporarily seal the docket for 48 hours, using the bases under Federal Rule of Civil Procedure

65 for support. Dkt. No. 42. In addition, the Motion filed by the Receiver was on its face a request for *ex parte* relief. The Court understood the request to be *ex parte*. Legally the Receiver was entitled to obtain the relief she was granted by the Court.

Further, obtaining a receivership on an *ex parte* basis is common where there are other reasons for expedited treatment, such as the imminent transfer of certain valuable assets, which in this case the Receiver had to immediately address upon her appointment. Here, the Receiver outlined the imminent irreparable injury, namely, the dissipation of assets by the Wammel Defendants. The Wammel Defendants admit that they “learned of the SEC’s investigation in December 2016” and that they began meeting with the SEC in March 2017. Request for Reconsideration at p. 4. The Receiver represents that the Wammel Defendants “dissipated over \$7 million in investor monies since December 2016” throughout her Motion. Motion at p. 3, 14, 15, and 30. Dissipation by the Wammel Defendants before the Receivership Order and TRO obtained by the SEC was relevant to the Receiver’s request that the Receivership be expanded to include the Wammel Defendants. Whether the Wammel Defendants dissipated \$7 million or \$200,000 after the Receivership Order and TRO is not relevant—what is relevant is that the Wammel Defendants moved a material amount of money both at the time that they gained knowledge of the SEC’s investigation (beginning in December 2016) and after the Receivership was put in place in violation of the TRO. In addition, in freezing the assets of the Wammel Defendants, the Receiver learned that the Wammel Defendants transferred the last \$200,000<sup>1</sup> from the OptionsXpress account on July 18, 2017—one (1) day before the expansion was granted—further evidencing the necessity to institute the expansion. *See* Transaction

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<sup>1</sup> At the time of the filing of the Receiver’s Motion, the account balance of the Wammel Group investment account at OptionsXpress was \$213,570.89. Motion at ¶ 38.

Documentation from OptionsXpress (reflecting and confirming withdrawal by A. Wammel of \$213,579.33 from OptionsXpress to Wells Fargo on July 18, 2017), attached hereto as

**Exhibit A.**

- ii. The Receiver utilized the correct procedural mechanisms to request and obtain the *ex parte* relief granted by the Court.

In addition to having the legal authority to move, the Receiver filed and abided by appropriate procedural protocols. The Receiver obtained *ex parte* relief pursuant to (i) the *Receiver's Emergency Ex Parte Motion to Temporarily Seal Docket and Proceedings and Brief in Support* [Dkt. No. 42] (the "**Motion to Seal**") pursuant to Local Rule CV-5(a)(7), and (ii) the Receiver's request for *ex parte* relief in her Motion pursuant to Federal Rule of Civil Procedure 65(b). Notice to the Wammel Defendants was not required under the rules. Furthermore, the Court granted the Motion to Seal [*see* Dkt. No. 46] and the request for *ex parte* relief in the Motion [*see* Dkt. No. 49]. Given that the Receiver properly moved under the Local Rule CV-5(a)(7) and Rule 65(b) and that this Court granted the relief within its right only after such procedural burdens were met, the Receiver's *ex parte* relief did not violate the Wammel Defendants' due process rights and thus does not constitute an unconstitutional search and seizure.

2. *The Receiver did not mislead the Court in her Motion.*

The Wammel Defendants claim that the Receiver obtained the expansion over the Wammel Defendants using "flagrant inaccuracies" and by "manufactur[ing] a non-existent emergency." Request for Reconsideration at p. 1-2. The Receiver never misled the Court, but instead, provided undisputed evidence (none of which has been controverted by the Wammel Defendants' Request for Reconsideration) to support the requested relief. The Wammel



Defendants, in an attempt to distract the Court from the lack of defenses to the substantive bases for expansion, inaccurately allege a number of purportedly misleading statements made by the Receiver in the Motion. The Receiver responds to each of the Wammel Defendants' inaccurate arguments below:

i. The Receiver's definition of the "Wammel Defendants" is not misleading.

The Wammel Defendants claim that the Receiver "mischaracterized Relief Defendants as Defendants." Request for Reconsideration at p. 5. The Wammel Defendants' focus on the "definition" the Receiver chose is perplexing. The Receiver defined the Wammel Defendants as follows:

The Receiver moves the Court to expand the Receivership so that the following are placed in receivership and made subject to the asset freeze:

- Relief Defendant Arthur F. Wammel ("Wammel");
- Wammel Group Holdings Partnership ("WGHP"); and
- Wammel Group, LLC (the "Wammel Group," together with Wammel and WGHP, the "Wammel Defendants").

This was done for efficiency purposes in the Motion. In the first instance when the Receiver defines the Wammel Defendants, she uses the word "Relief" and thereafter often uses it throughout her Motion—eight (8) additional times. *See* Motion at p. 2, 6, 21, and 29. Further, the caption to the case, itself, qualifies that the Wammel Defendants are "Relief Defendants." The Receiver's definition of the Wammel Defendants is not misleading.

- ii. The Receiver's representations regarding the Wammel Defendants' dissipation of over \$7 million in investor monies are not misleading as the Receiver adequately explains the timing of such dissipation.

The Wammel Defendants allege that the Receiver “misrepresents that they had ‘dissipated’ some \$7 million in assets since December 2016 in violation of a receivership order.” Request for Reconsideration at p. 7. The Wammel Defendants’ argument that the Receiver’s statements regarding the dissipation of the \$7 million in investor monies are misleading is a distraction from the substantive nature of the Receiver’s proof of dissipation.

*First*, the Receiver mentions the dissipation by the Wammel Defendants of over \$7 million in investor monies five (5) times throughout her Motion. Motion at p. 3, 14, 15, 23, and 30. In four (4) of the references to the dissipation of over \$7 million in investor monies by the Wammel Defendants, the Receiver clarifies that such dissipation was “since December 2016.” Motion at p. 3, 14, 15, and 30. The Receiver mentioned that such dissipation of \$7 million began in December 2016 in nearly every reference in the Motion.

*Second*, although the Receiver’s one instance stating that “[t]he Wammel Defendants dissipation of over \$8 million cash and \$7 million in total value of the assets of the Receivership Defendants’ funds directly violates the Receivership Order” may be incorrectly worded, the context through the Motion makes the statement clear. The Receiver specifically and in detail outlined the dissipation month-by-month by the Wammel Defendants in the Motion (*and* attached each monthly statement from the OptionsXpress account to the Motion), concluding with a statement that “the Wammel Group has dissipated assets from December 2016 to June 2017 of over \$7 million.” Motion at ¶ 34-39. The Receiver *never* intended nor effectively alleged that all of the dissipation occurred post appointment of the Receiver in May 2017. The

Receiver's representations regarding dissipation by the Wammel Defendants of over \$7 million in investor monies are not misleading.

iii. The Receiver accurately established dissipation of assets.

The Wammel Defendants claim that the Receiver simplifies the “decline in account value in the Wammel Group’s OptionsXpress account” as dissipation. Request for Reconsideration at p. 8. The Wammel Defendants criticize the Receiver for suggesting that the dissipation was wrongful and that there may be legitimate reasons for the dissipation. Notably, the Wammel Defendants do not offer to explain the alternative.

To dissipate means “to spend or use up wastefully or foolishly.” Merriam-Webster, n.d. Web, July 27, 2017. The losses by and transfers to Mr. Wammel, individually, fit within that definition. *See* Motion at p. 16 and 25. To the Receiver it does not matter that the dissipation was caused by the losses—the fact that the dissipation and/or loss occurred is what is important.

Further, the Receiver alleged that (a) the losses included commingled BUCF investor monies (a claim that the Wammel Defendants do not deny in the Wammel Defendants’ Request for Reconsideration), and (b) that the BUCF investors did not consent to high risk options trading (another claim unrefuted by the Wammel Defendants). *See* Motion at p. 20. Thus, the Receiver’s allegations regarding dissipation are not misleading or untrue, and the Receiver, contrary to the Wammel Defendants’ claim (Request for Reconsideration at p. 8), *has* demonstrated dissipation of assets.

iv. Representations made by the Receiver regarding the Wammel Defendants' computer were made in good faith based upon information provided to her by the Wammel Defendants' counsel.

The Wammel Defendants allege that the Receiver “claims with no proof that Mr. Wammel had ‘recently’ destroyed a computer.” Request for Reconsideration at p. 2-3. The proof relied upon by the Receiver with respect to her concerns about the preservation of evidence and the Wammel Defendants’ computer comes directly from the Wammel Defendants’ counsel. During the Rule 26(f) conference on June 30, 2017, counsel for the Wammel defendants informed all parties that the computer used by the Wammel Defendants had been disposed of or was no longer able to be located. *See* Motion at p. 22; *see also* Declaration of M. Wallace, attached hereto as **Exhibit B**. This was the first time that the Receiver was made aware of any potential preservation issues associated with the Wammel Defendants’ electronic media. During the course of the Receiver’s seizures of the Wammel Defendants’ assets, counsel for the Wammel Defendants indicated that the Wammel Defendants’ computer was “in [Mr. Wammel’s] upstairs office at his now-former residence.” Request for Reconsideration at p. at 3. This representation is contrary to counsel of the Wammel Defendants’ prior representations regarding the computer of the Wammel Defendants.

The Receiver agrees that any statement that Mr. Wammel had “recently destroyed a computer” may be false; however, the Receiver never stated such but simply alleged that the Wammel Defendants’ failed to preserve evidence, which was based upon their own counsel’s representation that the computer used by them was no longer available. Representations made by the Receiver in her Motion were made in good faith based upon the information provided to

her by the Wammel Defendants’ counsel and available to her at the time of the filing of the Motion.

- v. The Wammel Defendants are in clear violation of the Receivership Order and TRO despite the Wammel Defendants’ disingenuous claim that such were not directed to them when they were sent to them and given months to comply.

The Wammel Defendants surprisingly appear to argue that the Receivership Order and TRO do not apply to them. Specifically, the Wammel Defendants claim that the Receiver “misleadingly stated that [the Wammel Defendants] had violated court orders that the Receiver had not even sought to enforce.” Request for Reconsideration at p. 5.

The express language of the Receivership Order and the TRO dictate otherwise. The Receivership Order requires “persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of any Receivership Defendants” not to “liquidate, transfer, sell, convey, or otherwise transfer any assets . . . except upon instructions from the Receiver . . . .” *See* Motion at 6 (quoting Receivership Order at ¶ 16). The TRO requires that “all persons in . . . participation with the Defendants are restrained and enjoined from . . . making any payment or expenditure of funds . . . .” *See id* (quoting TRO at ¶ 15). The evidence in the Receiver’s Motion confirms that the Wammel Defendants were in possession of investor funds and dissipated those funds. This amounts to a clear violation of the Receivership Order and TRO.

As outlined above, in each instance where the Wammel Defendants attempt to claim the Receiver manufactured an emergency, the Receiver did not mislead the Court. The Wammel Defendants’ arguments regarding misleading statements by the Receiver are simply an avoidance

tactic. Instead, the Receiver provided this Court with accurate and undisputed evidence in support of her Motion. Thus, invalidation of the *ex parte* relief is unwarranted.

3. *The Receiver acts independently of the SEC to carry out her duties.*

The Wammel Defendants next argue that the “Receiver’s *ex parte* motion is directly contrary to the understanding the Wammel Relief Defendants had with the SEC.” Request for Reconsideration at p. 3. However, the Receiver is not privy to the details of the settlement discussions between the Wammel Defendants and the SEC. Although the Receiver was aware that the Wammel Defendants were in discussions regarding potential settlement with the SEC, the Receiver owes different duties as a fiduciary of this Court to represent the interest of the defrauded investors.

Moreover, the Wammel Defendants claim that the SEC “did not accuse them of wrongdoing.” Request for Reconsideration at p. 4. *First*, the Receiver disputes this claim as the SEC alleged that the Wammel Defendants commingled BUCF investor funds with Wammel Group investor funds and that the Wammel Defendants unlawfully obtained funds from BUCF investors subject to disgorgement. Complaint, Dkt. No. 1, at ¶¶ 5 and 7. *Second*, the Wammel Defendants admit in their own Wammel Defendants’ Request for Reconsideration, by attaching the settlement consents, that the SEC was accusing the Wammel Defendants of wrongdoing and that had the consents been agreed to by the SEC, the Complaint in this case would have been amended to add the Wammel Defendants as Defendants instead of Relief Defendants. *Finally*, regardless of the SEC’s accusations, the Receiver’s Motion is replete with examples and evidence conclusively showing that the Wammel Defendants participated in the fraud—nowhere in the Wammel Defendants’ Request for Reconsideration is this evidence refuted.

The SEC's attempt to settle with the Wammel Defendants should not prevent this Court from exercising its power to grant the Receiver authority over the Wammel Defendants' assets.

**B. The Wammel Defendants' have not and *cannot* address the Receiver's substantive bases for expansion.**

The Wammel Defendants offer no response to the substantive allegations of the Receiver in her Motion regarding the Wammel Defendants': commingling, participation in the fraud, alter ego with BUCF, and receipt of proceeds from the scheme. For example, the Wammel Defendants failed to present *substantive* evidence to controvert the following:

- **The Receivership Defendants and the Wammel Defendants were intertwined.** The Receivership Defendants and the Wammel Defendants created a virtual spider's web of interlocking entities that they utilized in connection with the investment scheme out of which this case arises.
- **The Wammel Defendants received significant transfers from the Receivership Defendants.** The Wammel Defendants received over \$16.2 million from BUCF from 2011 to date.
- **The Wammel Defendants commingled BUCF investors funds with Wammel Group investor funds.** The Wammel Defendants used the majority of the \$16.2 million of BUCF investor capital received, commingled with \$28.6 million in funds raised from the Wammel Defendants' own investors, to fund speculative options and securities trading.
- **The Wammel Defendants dissipated assets.** The Wammel Defendants have dissipated over \$7 million in investor monies since December 2016.
- **Like Bryant, Wammel personally benefitted.** Wammel benefitted personally by transferring or withdrawing over \$5 million in investors' funds received by the Wammel Group.
- **Wammel held various positions at BUCF and was aware of representations made to BUCF investors.** Wammel knew that Bryant communicated to BUCF investors that such monies would be used in the mortgage industry. Bryant communicated to Wammel the investment options he offered to BUCF investors. He further communicated to Wammel that BUCF investors were promised returns of 30%.

- **Wammel and Bryant falsified documents.** Wammel and Bryant coordinated the falsification of multiple documents. For example, acting as an employee of the Bryant entities, Wammel falsified documents for Bryant's personal benefit to purchase assets. Bryant also falsified documents for Wammel to solicit investors.
- **The Wammel Defendants violated the Receivership Order and TRO.** By dissipating BUCF assets, the Wammel Defendants violated (1) Judge Mazzant's *Order Appointing Receiver* ("**Receivership Order**") [Dkt. No. 17 at ¶ 16], and (2) Judge Mazzant's *Ex Parte Order Granting Motion for Temporary Restraining Order Preliminary Injunction, Asset Freeze, Appointment of Receiver, Document Preservation Order, Order to Make Accounting and Other Emergency Relief, and Setting Hearing Date on Plaintiff's Preliminary-Injunction Motion* (the "**TRO**") [Dkt. No. 16 at ¶ 15]. The Receivership Order and TRO required an accounting and forbade the dissipation or removal of any BUCF assets.
- **Wammel pled the Fifth Amendment and has failed to preserve evidence.** In response to the SEC's discovery, Wammel pled the Fifth Amendment. Additionally, the Receiver was only recently made aware that the computer used by the Wammel Defendants to transact business is no longer available.

The Receiver, in addition to the above, offered significant substantive support to demonstrate the need for expansion of the Receivership over the Wammel Defendants. Those arguments and substantive support presented in the Motion [Dkt. No. 45] and the Amended Order Appointing the Receiver [Dkt. No. 48], as well as the *Ex Parte* Order Granting the TRO and Expansion [Dkt. No. 49], are incorporated by reference as if they were specifically included herein.

### III. CONCLUSION

For the foregoing reasons, the Receiver respectfully requests that this Court (i) affirm its previously-issued Amended Order Appointing Receiver, continuing the expansion of the Receivership Order to include the Wammel Defendants and freeze the assets of the Wammel Defendants, and (ii) permanently enjoin the Wammel Defendants from further violating the Receivership Order.



Dated: August 1, 2017.

Respectfully submitted,

By: /s/ Timothy E. Hudson

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 1, 2017, I electronically filed the foregoing document with the Clerk for the United States District Court, Eastern District of Texas. The electronic case filing system (ECF) will send a Notice of Electronic Filing (NEF) to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. The foregoing document will also be sent to all counsel of record via the method identified below.

/s/ Timothy E. Hudson

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# EXHIBIT A

## Existing ACH Instructions

| Bank Name   | ABA       | Bank Acct # | Bank Acct Title  | Acct Type | Payee Alias | Type | Amount 1 | Amount 2 | Request Date         | Processed Date       | Periodic Date | Periodic Amount | Frequency | Status      | Action                                        |
|-------------|-----------|-------------|------------------|-----------|-------------|------|----------|----------|----------------------|----------------------|---------------|-----------------|-----------|-------------|-----------------------------------------------|
| Wells Fargo | 111900659 | 6981199950  | Wammel Group LLC | Checking  | 122851      | OD   | 0.01     | 0.04     | 11/3/2007 9:27:39 PM | 11/8/2007 9:10:48 AM | 12:00:00 AM   |                 |           | Established | <a href="#">Edit</a>   <a href="#">Cancel</a> |

Account ID: 496803 Business Unit: All Acct Entity: All Request Type: All Amount: All Status: All Periodic: ☐

Date Range: Current Month: 7/1/2017 To 8/1/2017 Submit Go

Total: 1 - Page 1 Of 1


| Acct #    | Acct ID | Total Comm   | Full Name     | Request Type   | Currency | Bank               | ABA       | Overnight | Amount        | Comments                                                                          | Code | Request Date         | Status    | Processed By | Processed Date       | Action                 |
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| 0502-2959 | 496803  | \$738,190.68 | Arthur Wammel | ACH Withdrawal |          | Wells Fargo XXX950 | 111900659 |           | *\$213,589.27 |  | A -  | 7/18/2017 8:09:08 AM | Completed | 1088708      | 7/18/2017 9:23:27 AM | <a href="#">Delete</a> |

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| <b>Communication View</b>                                                                                                                                |                        |
| Date:                                                                                                                                                    | 7/18/2017 8:09:08 AM   |
| Comm. type:                                                                                                                                              | Transfer Funds         |
| Subject:                                                                                                                                                 | ACH Withdrawal Request |
| <b>Message:</b>                                                                                                                                          |                        |
| Requested by customer (Person ID 497537)<br>IP address: 73.255.110.134<br>Amount: \$213,579.33<br>Cash available: \$213579.33<br>Held Funds: \$213579.33 |                        |

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| <p><b>Message:</b></p> <p>MRID: 3144925<br/>         Processed by broker: Nicholas Foote (Id: 1088708)<br/>         Amount: \$213,579.33<br/>         Code: FIX<br/>         Request inserted into FR for reconcile. FRID: 4045409<br/>         Sending Email to: artwammel@gmail.com....Email was successfully delivered.</p> <p>Email title: ACHWithdrawal request has been processed.<br/>         Email body:</p> <p> <i>"Charles" SCHWAB</i></p> <p>Dear Arthur Wammel,<br/>         Your \$213,579.33 ACH withdrawal request has been received, and will be submitted for processing.<br/>         An ACH transfer will take two business days after date of initiation to complete at your financial institution. However, you should contact your bank for details on their specific policy. If you have any questions regarding this movement, please contact us.</p> <p>User System Data: Mozilla/5.0 (Windows NT 6.3; WOW64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/52.0.2743.116 Safari/537.36<br/>         Web Server: NVM4522BDC<br/>         Index: 44</p> |                                           |





# EXHIBIT B

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

v.

Case 04:17-CV-00336-ALM

THURMAN P. BRYANT, III and  
BRYANT UNITED CAPITAL FUNDING,  
INC.

Defendants,

and

ARTHUR F. WAMMEL, WAMMEL  
GROUP, LLC, THURMAN P. BRYANT,  
JR., CARLOS GOODSPEED a/k/a SEAN  
PHILLIPS d/b/a TOP AGENT  
ENTERTAINMENT d/b/a/ MR. TOP  
AGENT ENTERTAINMENT

Relief Defendants.

**DECLARATION OF MACKENZIE WALLACE IN SUPPORT OF REPLY TO  
RELIEF DEFENDANTS ARTHUR F. WAMMEL AND WAMMEL GROUP, LLC'S  
EMERGENCY MOTION AND BRIEF FOR RECONSIDERATION OF *EX PARTE* TRO,  
PRELIMINARY INJUNCTION, ASSET FREEZE, AND RECEIVERSHIP ORDERS**

I, Mackenzie Wallace, declare as follows pursuant to 28 U.S.C. § 1746:

1. I am an associate with the law firm of Thompson & Knight LLP (“**T&K**”) in Dallas, Texas. I am a member in good standing of the bar of the State of Texas, and am admitted to practice in the United States District Court for the Eastern District of Texas. There are no disciplinary proceedings pending against me.

2. I represent Jennifer R. Ecklund, the Court-appointed Receiver (the “**Receiver**”) for Defendants Thurman P. Bryant, III (“**Bryant**”) and Bryant United Capital Funding, Inc.

(“BUCF”) (Bryant and BUCF, collectively, the “**Bryant Defendants**”) and Relief Defendant Arthur F. Wammel (“**Wammel**”), Relief Defendant Wammel Group, LLC (the “**Wammel Group**”), and Wammel Group Holdings Partnership (“**WGHP**”) (together Wammel, Wammel Group, and WGHP, the “**Wammel Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”) in the above-captioned case (the “**Case**”). I am fully familiar with the facts and procedural history of this case and the information contained in this Declaration is within my personal knowledge.

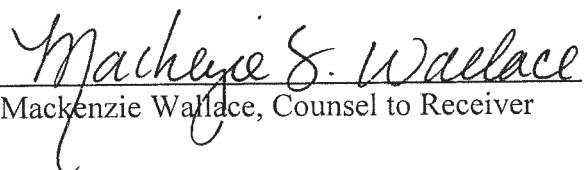
3. I submit this declaration in support of the Receiver’s *Reply to Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders*.

4. During the Rule 26(f) Conference, counsel to the Wammel Defendants represented that the computers used by the Wammel Group during the relevant time frame had either been disposed of or were longer able to be located. Based on the Wammel Defendants own counsel’s representations, the Receiver alleged in her *Ex Parte Emergency Motion for Temporary Restraining Order, for Preliminary Injunction, and to Expand Asset Freeze Against Arthur F. Wammel and Wammel Group, LLC and Brief in Support* that the Wammel Defendants’ failed to preserve critical evidence.

5. All facts set forth in this Declaration are based on my personal knowledge and my involvement as counsel to Receiver in the above-captioned case.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 31, 2017 at Dallas, Texas.

  
Mackenzie Wallace, Counsel to Receiver

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

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SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

THURMAN P. BRYANT, III, and  
BRYANT UNITED CAPITAL FUNDING, INC.

Defendants,

ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a  
MR. TOP AGENT ENTERTAINMENT,

bb

Relief Defendants.

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Civil Action No.: 4:17cv336

FILED UNDER SEAL

**ORDER GRANTING PRELIMINARY INJUNCTION**

This matter came before the Court this 2<sup>nd</sup> day of August, 2017, on motion of Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for issuance of an order granting *Ex Parte Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support* (the “**Motion**”) relief [Dkt. Nos. 44 and 45], *Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders* (the “**Response and Request for Reconsideration**”) [Dkt. No. 56], and *Response to Relief Defendants Arthur F. Wammel’s And Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration and Reply in Support*

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

THURMAN P. BRYANT, III, and  
BRYANT UNITED CAPITAL FUNDING, INC.

Defendants,

ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a  
MR. TOP AGENT ENTERTAINMENT,

Relief Defendants.

Civil Action No.: 4:17cv336

FILED UNDER SEAL

**ORDER DENYING WAMMEL DEFENDANTS' REQUEST FOR RECONSIDERATION**

This matter came before the Court this 2<sup>nd</sup> day of August, 2017, on motion of Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for issuance of an order granting *Ex Parte Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support* (the “**Motion**”) relief [Dkt. Nos. 44 and 45], *Relief Defendants Arthur F. Wammel and Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders* (the “**Response and Request for Reconsideration**”) [Dkt. No. 56], and *Response to Relief Defendants Arthur F. Wammel’s And Wammel Group, LLC’s Emergency Motion and Brief for Reconsideration and Reply in Support*

*of Ex Parte TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders* (the “**Reply**”) [Dkt. No. \_\_\_\_], and oral argument.

Having considered the Receiver’s Motion, supporting memorandum, declarations, and exhibits thereto, the Response and Request for Reconsideration, the Reply, and the argument of counsel, it is therefore ORDERED that the Wammel Defendants’ Response and Request for Reconsideration is denied.

**IT IS SO ORDERED.**

# EXHIBIT F

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

V.

THURMAN P. BRYANT, III and  
BRYANT UNITED CAPITAL FUNDING, INC.

Case 04:17-CV-00336-ALM

Defendants,

And

ARTHUR F. WAMMEL,  
WAMMEL GROUP, LLC,  
THURMAN P. BRYANT, JR.,  
CARLOS GOODSPEED a/k/a SEAN PHILLIPS  
d/b/a TOP AGENT ENTERTAINMENT d/b/a/  
MR. TOP AGENT ENTERTAINMENT

Relief Defendants.

**RECEIVER'S INITIAL STATUS REPORT FOR RECEIVERSHIP ESTATES  
OF (A) THURMAN P. BRYANT, III; (B) BRYANT UNITED CAPITAL FUNDING, INC.**

Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (collectively, the “**Defendants**”) receivership estates (together, the “**Receivership Estate**”) in the above-captioned case (the “**Case**”), by and through undersigned counsel, hereby files this *Receiver’s Initial Status Report* (the “**Initial Report**”).

## I. BACKGROUND

1. On May 15, 2017, Plaintiff, the Securities and Exchange Commission (“SEC”), filed its application for the appointment of a receiver for Defendants, Thurman P. Bryant, III and Bryant United Capital Funding, Inc. (the “SEC Application”).



2. On May 15, 2017, after the Court's review of the SEC Application and upon the Court's conclusion that the Court has subject matter jurisdiction over this case and personal jurisdiction over the Defendants, the Court determined that entry of an order appointing a receiver over the Defendants was both necessary and appropriate to marshal, conserve, hold and operate all of the Defendants' assets pending further order of the Court. Accordingly, the Court entered the *Order Appointing Receiver* ("**Receivership Order**") on May 15, 2017, naming Jennifer Ecklund as the Receiver over the Receivership Estates. The same day, the Court entered the Order Granting *Ex Parte Temporary Restraining Order, Freezing Assets, Granting Other Equitable Relief*, and Setting Hearing for Preliminary Injunction.

3. The SEC negotiated and the Court entered on [June 2, 2017] the *Agreed Order Granting Preliminary Injunction and Other Relief* [Dkt No. 27] (the "**Agreed Preliminary Injunction**") among Defendant Bryant, the Receiver, and the SEC.

4. On June 8, 2017, the Wammel Relief Defendants filed an Answer to the Complaint [Dkt. No. 29]. On June 9, 2017, Relief Defendant Thurman P. Bryant, Jr. filed an Answer to the Complaint [Dkt. No. 30]. Despite having been personally served with notice of the suit [*see* Dkt. No. 28], Relief Defendant Carlos Goodspeed has wholly failed to answer the allegations in the Complaint.

5. Pursuant to the Receivership Order, the Receiver is charged with marshaling and preserving all the assets of the Defendants.

6. The Receivership Order requires that the Receiver file an initial status report with the Court:

Within thirty (30) days of the entry date of this Order, the Receiver shall file a status report with the Court. The status report will include a summary of receivership activities to date. It will also include a proposed plan for administering the receivership going forward, as well as a

proposed deadline by which the Receiver will submit the Liquidation Plan.<sup>1</sup>

Receivership Order at para. 51.

7. As stated above, the Receiver was appointed on May 15, 2017. Accordingly, this Status Report covers the period of May 15, 2017 through June 14, 2017 (the “**Reporting Period**”).

## **II. GENERAL OVERVIEW**

8. During the Reporting Period, the Receiver actively seized, inventoried, and investigated assets and liabilities of the Receivership Estate. This inventory included preserving hard and electronic data. The Receiver also collected thousands of documents, talked with creditors and investors, and worked with various counsel in an attempt to locate assets for distribution to stakeholders. The Receiver’s work will continue beyond the Reporting Period in order to (i) analyze and take additional steps with respect to information and assets collected and preserved and (ii) supplement her investigation for the benefit of all stakeholders.

## **III. SUMMARY OF RECEIVERSHIP ACTIVITIES TO DATE**

### **A. Reporting Period Activities**

9. During the Reporting Period, the Receiver took swift action to maintain the *status quo* and preserve the Receivership Estate. Some of the actions the Receiver and her team have taken included:

- (a) Changing the locks at Defendant Bryant’s primary residence and taking an inventory of the assets located therein;

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<sup>1</sup> “Liquidation Plan” is defined in the Receivership Order as “a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property.” *See* Receivership Order at para. 50.

- (b) Collecting and/or forwarding all mail from the primary residence to the Receiver and establishing protocol for handling of incoming mail;
- (c) Investigating and securing storage units leased by Defendant Bryant and taking an inventory of the assets located therein;
- (d) Meeting with Defendant Bryant's (now former) counsel to discuss going-forward issues. Also spoke to Defendant Bryant directly regarding the same;
- (e) Engaging Ernst & Young ("E&Y") to inventory and image electronic devices at the Bryant residence;
- (f) Engaging Veritas Advisory Group, Inc. ("Veritas") to perform forensic accounting and coordinating appropriate follow up with respect to various identified accounts and/or persons or entities of interest discovered;
- (g) Taking steps to secure the virtual office location of Defendant BUCF in Katy, Texas by inspecting the premises, canceling lease, and collecting and/or forwarding all mail to the Receiver.
- (h) Communicating with relevant valuation consultants regarding inventoried personalty, including on-line auction house, equine consultant, and gun consultant;
- (i) Contacting GoDaddy, Inc. and other domain hosts to terminate the BUCF website<sup>2</sup>;
- (j) Establishing a line of communication with investors<sup>3</sup> by creating a receivership-specific website (<http://bucfreceivership.tklaw.com>) and a dedicated Receiver e-mail address (BUCFReceivership@tklaw.com);
- (k) Commencing review of production served on the SEC in advance of the SEC filing the Complaint and any supplemental productions thereafter;
- (l) Conducting research as to persons and entities of interest, including the Relief Defendants and companies owned or operated by Defendant Bryant, based on the Receiver's investigation;
- (m) Serving copies of the Agreed Preliminary Injunction on the Relief Defendants and other persons and entities of interest based on the Receiver's investigation;

<sup>2</sup> Though Go Daddy declined to shut down the BUCF website, [www.bucfinc.com](http://www.bucfinc.com), the website is no longer accessible as of the date of the filing of this Initial Report.

<sup>3</sup> The Receiver notes that on her appointment she did not have (and did not find readily available in her initial review of various document productions) an investor list or investor contacts list. Thus, the Receiver has worked to create a list of investor names and contact information and will serve this Initial Report on investors as set forth herein.

- (n) Seeking and/or reviewing information from named Relief Defendants and other persons and entities of interest based on the Receiver's investigation;
- (o) Having on-going communications with *pro se* Defendant Bryant regarding his obligations and duties during the Receivership; and
- (p) Responding to investor inquiries and reviewing information submitted by investors in furtherance of the Receiver's duties pursuant to the Receivership Order.

## **B. Physical Assets – Residence and Personality**

10. Upon her appointment, the Receiver took possession of the primary residence of Defendant Bryant. Defendant Bryant lived in an 8,000 square-foot home located in a DFW suburb. Defendant Bryant occupied the home pursuant to a lease, and thus the Receiver was required to coordinate with the owner/landlord of the residence to, among other things, change the locks on the home. Upon taking possession of the residence, the Receiver inventoried the more than 500 items contained in the residence, which included some items of interest such as guns,<sup>4</sup> designer handbags, and various furniture, furnishings, accessories and electronics.<sup>5</sup> This inventory was completed after law enforcement served a search warrant and seized certain items from the residence. The Receiver has requested (but not yet received) an inventory of all items seized by the government.

11. The Receiver negotiated with (now former) counsel to Defendant Bryant to allow Defendant Bryant and his family limited access to the residence in order to allow him to close his family affairs (including tending to the final week of the school year), to remove clothing and similar personal property that the Receiver believes was of inconsequential value, and to make arrangements for his family.

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<sup>4</sup> Defendant Bryant contests ownership of at least two of the guns.

<sup>5</sup> The Receiver will provide a more detailed inventory of identified assets in her first quarterly status report and/or liquidating plan.

12. The Receiver secured two storage units that contained two vehicles that, on information and belief, are owned by Defendant Bryant,<sup>6</sup> as well as minor personal property.

13. The Receiver took possession of a horse belonging to Defendant Bryant.

14. The Receiver has further investigated and will continue to search for the existence of additional property.

### **C. Assets and Liabilities – Failure to Disclose by the Receivership Estate**

15. The Receiver continues her investigation into assets and liabilities of the Defendants. During the Reporting Period, the bulk of the information regarding the Defendants' assets and liabilities was either (i) gathered through the on-site inspection of the various premises described above (the Bryant home, storage units, and Katy, Texas virtual office) or (ii) provided by records produced to the SEC and mail received by the Receiver (as a result of the mail forwards described above). The Receiver is actively seeking to supplement her investigation by reviewing mail received, documents submitted, and requesting additional information from various sources, including, if necessary, pursuant to subpoenas issued to financial institutions and/or depositions of persons or representatives of entities of interest.

16. The Receiver's investigation has not had the benefit of the reports that Defendant Bryant was required to file pursuant to the Receivership Order (i.e., the initial statement regarding property, which was due May 25, 2017 (the "**First Statement**") or the statement regarding property (the "**Second Statement**"), which was due June 4, 2017. *See* Receivership Order at paras. 9 and 10. However, Defendant Bryant did submit a sworn statement to the Receiver late in the day on June 12, 2017, which the Receiver is currently reviewing to analyze whether it complies with the Receivership Order.

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<sup>6</sup> Defendant Bryant contests ownership of one of the vehicles.

17. The Receiver has not received copies of the Defendants as-filed tax returns, or of any relevant and necessary underlying documentation, as required by paragraph 11 of the Receivership Order for the taxable years of 2010-2016. These documents were due June 4, 2017.

#### **D. Cash on Hand / Administrative Expenses**

18. **Cash on Hand.** In paragraph 3 of the Complaint, the SEC alleges that as part of bringing investors to the BUCF investment, Defendants promised to maintain a separate escrow account for each investor for contributed funds, and those funds were not to be at risk.<sup>7</sup> The Receiver has been actively searching for these accounts, but to date has been unable to find them, or anything that even indicates their existence. Thus, the Receiver does not have cash on hand in an amount equal to investments.

19. Rather, the Receiver has approximately \$30,000<sup>8</sup> in the account the Receiver has opened pursuant to the Receivership Order (the “**Receivership Account**”), which funds came from two sources: (1) cash in the possession of Defendant Bryant on the date of the seizure of the primary residence,<sup>9</sup> (2) funds turned over by Relief Defendant Thurman P. Bryant, Jr. in the amount of approximately \$29,000.

20. There are additional funds in the accounts frozen as a result of the asset freeze, but those funds remain frozen at the relevant financial institutions. The Receiver understands that the balances in the frozen accounts are relatively insignificant, but the Receiver will be

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<sup>7</sup> See also Dkt. No. 6-2 (Limited Partnership Agreement), which states at paragraph 6.2.1, “All initial investment and any and all reinvested growth or additional capital deposits will be retained in a secure escrow account, for the benefit of the Limited Partner. No risk to capital is expressed or implied by General/Managing Partner.”

<sup>8</sup> Receiver’s counsel is further holding \$10,000 in its trust account, which money was paid by Defendant Bryant’s sister as a deposit related to the brief re-entry granted to the Bryant family in the initial days following seizure of the Bryant home. The Receiver intends to direct the return of the funds in accordance with the sublease agreement and the Texas Property Code.

<sup>9</sup> The Receiver inventoried \$1300 as cash in the safe at Defendant Bryant’s home on the date of the home seizure. Defendant Bryant (or someone at his direction) removed the funds from the home in violation of the Receivership Order. Defendant Bryant eventually turned over \$1220 to the Receiver.

taking steps to bring those funds there into the Receivership Account, as appropriate pursuant to the Receivership Order.

21. In addition, the Receiver is continuing to investigate the existence of other accounts that are not frozen that may either hold Defendants' funds or hold funds for the benefit of Defendants.

22. **Administrative Expenses.** The Receiver has incurred certain administrative expenses as a result of her efforts to marshal and preserve the Receivership Estate and/or due to recurring charges that remain from the Defendants' prior obligations. For example, the Receiver has incurred expenses for her legal counsel and the forensic accountant<sup>10</sup> that have worked diligently during the Reporting Period to address the myriad issues that have arisen. The Receiver has also incurred expenses such as changing locks of the Bryant residence and storage units, imaging electronic devices, hiring security, and setting up the Receiver's website.<sup>11</sup>

23. The Receiver has further worked to *decrease* Receivership Estate expenses. To this end, the Receiver has terminated all known recurring expenses such as ongoing utility or related expenses at the Bryant residence, terminating the lease in Katy, Texas, ensuring termination of an apartment lease in Defendant Bryant's name for a Bryant family member, and internet, electricity and other utilities at the home and offices of the Receivership Estate. In addition, the Receiver is working to recover any existing security deposits and to return three leased Cadillac vehicles and to terminate the related leases.

24. The Receiver is also in negotiations with the owner/landlord of the Bryant family home in order to terminate the lease and further reduce Receivership Estate expenses. Those discussions are complex due to various factors, including (1) the size of the home and the

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<sup>10</sup> The Receiver has filed a request to approve retention of counsel [see Dkt. No. 31] and will be filing a similar request with respect to Veritas.

<sup>11</sup> The Receiver will provide a detail of expenses in her quarterly report.

amount of Receivership Assets currently located at the home; (2) the Bryants' allegedly unauthorized additions and improvements made to the leasehold; and (3) the relatively high amount of monthly rent the Bryants were paying to lease the home at the time of seizure.

25. The Receiver is mindful of the administrative costs burden associated with this case in light of the relatively low value of the readily identifiable assets of the Receivership Estates identified by the Receiver. The Receiver is balancing these concerns with the need to marshal the Receivership Assets for the benefit of investors and other interested stakeholders.

26. **Disbursements.** The Receiver has not made any disbursements directly from the Receivership Accounts.

#### **E. 28 U.S.C. § 754 Property**

27. The Receiver is investigating whether the Receivership Estate has any additional leases or property outside of the Eastern District of Texas.

28. In accordance with 28 U.S.C. § 754, the Receiver will file a notice of receivership and copy of the SEC Application and the Receivership Order in each jurisdiction in which the Receiver suspects Defendants may own assets by June 23, 2017, in accordance with the Order Extending 28 U.S.C. § 754 [Dkt No. 25].

#### **F. Claims Held By Receivership Estate**

29. The Receiver received a substantial amount of bank records and bank statements relating to the prior years of Defendant Bryant, BUCF, and related entities. The Receiver is very early in her investigation of these records and the potential legal impact on the Receivership. The Receiver is utilizing the assistance of forensic accountants with respect to this analysis.



**G. Known Creditors/Investors**

30. **Creditors.** Though Defendant Bryant has not provided a full accounting as required by the Receivership Order, the Receiver has taken steps based on mail received and documents produced to make informal information requests and to prepare subpoenas of records from certain credit card companies and financial institutions of account statements and account balances of Thurman P. Bryant, III and the Bryant United enterprise, which the Receiver expects to serve in the near future. Responses to those subpoenas may reveal additional creditors of the Receivership Estates.

31. **Investors.** As referenced above, the Receiver did not have initially available an investor list. Without the Defendants' required disclosures per the Receivership Order, it has been difficult to determine exactly how many investors there are, and their identity and contact information. However, the Receiver has compiled a list of investors from information produced to the SEC and/or provided by investors that have contacted the Receiver. The Receiver has not independently verified that each person listed is, in fact, an investor, or the invested amounts. The Receiver's initial investigation shows that there are approximately 120 to 150 investors that have invested approximately \$22 million with BUCF (and its related investment vehicles). The Receiver is targeting the first quarterly reporting deadline to produce an initial list of investors, and will serve this Initial Report on investors by e-mail (where available) and/or regular mail.

32. The Receiver has communicated with investors who contacted the receiver by mail, email or telephone. The Receiver would like to encourage all investors to contact the Receiver through mail and/or e-mail.

33. **Claims Procedure.** The Receiver has not yet requested the Court approve a creditor/investor claims procedure. The Receiver will request approval of creditor/investor

claims procedure only after the Receiver has confirmed that there will be assets available for distribution.

**IV.  
PROPOSED PLAN FOR ADMINISTERING THE RECEIVERSHIP, INCLUDING  
DEADLINE FOR SUBMISSION OF LIQUIDATION PLAN**

34. The Reporting Period covers only one month since the Receiver's appointment. As such, while the Receiver has seized control of readily identifiable assets and operations and begun her diligence of identifying additional assets and liabilities, it is too soon to make a final recommendation as to how the Receivership Estate should be resolved.

35. Accordingly, the Receiver recommends that the receivership continue to allow the Receiver additional time to locate and secure assets and to make a recommendation for further actions by the Receiver pursuant to the Receivership Order. The Receiver expects that as the Receivership continues, she will be finalizing her review of produced documents, supplementing the information discovered (or lack thereof) by issuing information or compliance requests and/or subpoenas and instituting any necessary related motion practice, including motions to compel, analyzing the forensic data gathered, and taking steps to confirm additional Receivership Assets discovered and/or expand the Receivership Estate to include various related entities and/or property.

36. The Receiver will continue the activities described herein, and expects to file a Liquidation Plan within 45 days of her submission of this Initial Report. The Receiver will also file the required Quarterly Report in July.

Dated: June 14, 2017.

Respectfully submitted,

By: /s/ Timothy E. Hudson

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**PROPOSED COUNSEL TO RECEIVER**

**CERTIFICATE OF SERVICE**

I hereby certify that on June 14, 2017, I electronically filed the foregoing document with the Clerk for the United States District Court, Eastern District of Texas. The electronic case filing system (ECF) will send a Notice of Electronic Filing (NEF) to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. The foregoing document will also be sent to all counsel of record via the method identified below.

/s/ Timothy E. Hudson  
Timothy E. Hudson

**Via Electronic Mail:**  
**COUNSEL FOR PLAINTIFF:**

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***PRO SE***

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**COUNSEL FOR CERTAIN RELIEF DEFENDANTS**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

JENNIFER ECKLUND, RECEIVER,

Plaintiff,

v.

ROBERT AND SANDRA BAILEY, et al.,

Defendants.

§  
§  
§  
§  
§  
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§  
§

Ancillary Civil Action No. 4:18-cv-359

**ORDER GRANTING THE RECEIVER’S MOTION FOR SUMMARY JUDGMENT  
AGAINST CERTAIN WINNING INVESTORS**

On this date, the Court considered the *Receiver’s Motion for Summary Judgment Against Certain Winning Investors* (the “Motion”). The Court, having considered the Motion, evidence, and any responsive pleadings, finds that there is no genuine dispute of material fact. Therefore, the Motion should be granted in all respects.

The Court hereby **ORDERS** that the Motion is **GRANTED** in its entirety, and the Receiver is **GRANTED** all of the relief requested therein.

**IT IS SO ORDERED.**