

Terence G. Banich (SBN 212173)
terence.banich@katten.com
Allison E. Yager (*pro hac vice*)
allison.yager@katten.com
KATTEN MUCHIN ROSENMAN LLP
525 W. Monroe St.
Chicago, IL 60661
Telephone: (312) 902-5200
Facsimile: (312) 902-1061

Attorneys for the Receiver
Michele Vives

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ZACHARY J. HORWITZ; and 1inMM
CAPITAL, LLC,

Defendants.

Case No. 2:21-cv-02927-CAS-PD

**QUARTERLY REPORT OF
RECEIVER MICHELE VIVES
(FOURTH QUARTER 2023)**

Judge: Hon. Christina A. Snyder
Courtroom: 8D

KATTEN MUCHIN ROSENMAN LLP

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. General Receivership Update..... 2

 A. Settlement Activity During the Fourth Quarter 2023 2

 1. Settlement with the Law Firm 3

 2. Settlement with the Professional Services Firm 5

 3. Settlement with Breakout SPE LLC 5

 B. Avoidance and Recovery of Transfers to Net Winners 7

 1. Overview 7

 2. Specific Efforts 8

 C. Potential Settlement with Financial Institution 8

 D. Forensic Accounting Background and Update 8

 E. Preview of the Claims Process 9

 F. Asset Updates..... 10

 1. Rogue Black..... 10

 a. Payment Dispute and Demand for Arbitration 11

 b. Anticipated Future Sale of Rogue Black’s
 Film Library 11

 2. LayJax 11

 a. Update on Recovery Potential..... 12

 3. The Additional Investments..... 12

 4. Additional Film Investments 13

 G. Potential Litigation and Engagement of Conflicts Counsel..... 13

II. ACCOUNTING OF RECEIPTS AND DISBURSEMENTS..... 14

 A. Cash Receipts..... 14

 B. Cash Disbursements..... 14

 C. Cash on Hand 14

III. CONCLUSION 14

KATTEN MUCHIN ROSENMAN LLP

1 Michele Vives, the duly appointed permanent receiver (the “Receiver”) of
 2 1inMM Capital, LLC and its subsidiaries and affiliates (“1inMM”), and over assets
 3 that are attributable to funds derived from investors or clients of the above-captioned
 4 defendants (“Defendants”) or were fraudulently transferred by the Defendants
 5 (collectively, the “Estate”), pursuant to Local Rule 66-6 and the *Order on*
 6 *Appointment of a Permanent Receiver* (“Order of Appointment”) entered on January
 7 14, 2022, hereby submits this quarterly report (the “Report”) for the period October
 8 1, 2023 through December 31, 2023 (the “Fourth Quarter 2023”). This Report details
 9 the Receiver’s principal activities during the Fourth Quarter 2023 to protect and
 10 administer the Estate and to identify new assets, and lays out the Receiver’s general
 11 strategy to maximize the recovery for the benefit of investors harmed by the Ponzi
 12 scheme perpetrated by Defendants (the “1inMM Ponzi Scheme”).¹

13 **I. GENERAL RECEIVERSHIP UPDATE**

14 **A. Settlement Activity During the Fourth Quarter 2023**

15 The Receiver previously reported that, during the First, Second and Third
 16 Quarters 2023, she reached four major settlements that, if approved by the Court,
 17 would yield a total of \$15,190,000 in settlement value for the Estate, before payment
 18 of certain administrative claims. These settlements are with: (a) three former
 19 principals of JJMT Capital, LLC (“JJMT”); (b) the fourth former principal of JJMT;
 20 (c) a law firm that represented 1inMM, the name of which the Receiver agreed to
 21 keep confidential (the “Law Firm”); and (d) Breakout SPE LLC, which was a sub-
 22 aggregator of JJMT, and its principals. The Court has since approved all four of
 23 those settlements, and the Receiver has since entered into another major settlement.

24
 25
 26
 27 ¹ With respect to the Receiver’s principal activities and other events that occurred prior to the
 28 Second Quarter 2023, the Receiver incorporates by reference her previously filed quarterly reports.
 [ECF # 93, 120, 142, 173, 208, 238, 292]

1 All five of these settlements are significant because they simultaneously
2 resolve pending or threatened litigation by groups of net losing investors in 1inMM.
3 Although the Receiver has addressed the existing settlements in greater detail in the
4 motions for their approval, the Receiver now explains how these hard-fought
5 compromises came about, summarizes their basic terms and provides an update of
6 their status through the Fourth Quarter 2023. She also previews the terms of a new
7 settlements that came about during the Third and Fourth Quarters 2023.

8 During the Fourth Quarter 2023, Messrs. Wunderlin and Schweinzger of
9 JJMT made the first installments of their respective portions of the settlement
10 payment, and Mr. deAlteris made arrangements with the Receiver to remit his first
11 installment in early January 2024.

12 *1. Settlement with the Law Firm*

13 As the Receiver previously reported, during the First Quarter 2023, she and
14 certain net losing investors in 1inMM (represented by Loftus & Eisenberg, Ltd.
15 (“L&E”), of Chicago, Illinois,) (the “Claimant Investors”), jointly reached a
16 settlement with the Law Firm. A critical component of this settlement is the
17 Receiver’s agreement to keep the identity of the Law Firm strictly confidential, so
18 the Receiver must keep her public comments about this settlement general and brief.

19 The Law Firm represented 1inMM for approximately one year. The Claimant
20 Investors asserted—in private correspondence with the Law Firm as well as its
21 malpractice insurer—that the Law Firm is liable for their losses on theories of
22 malpractice, negligence and aiding and abetting the 1inMM Ponzi Scheme. They
23 threatened legal action against the Law Firm if the parties did not settle. Although
24 the Receiver did not threaten to sue the Law Firm, the Law Firm opened negotiations
25 with the Receiver about the Claimant Investors’ potential litigation, as the Law Firm
26 made clear that any settlement must include a bar order enjoining any similar actions
27 against it. Discussions between the Law Firm, its insurer and the Claimant Investors
28 continued for the better part of a year. The parties eventually agreed to mediate

1 before Bruce Friedman, a JAMS neutral located in Los Angeles. The mediation with
2 Mr. Friedman took place in Los Angeles on March 15, 2023, and was successful.

3 The essential terms of the settlement are that the Law Firm will pay \$1.5
4 million to the Estate to settle both the Claimant Investors' asserted claims as well as
5 any claims that the Estate may have against the Law Firm, in exchange for mutual
6 general releases and a bar order. The bar order would enjoin any person or entity
7 from commencing or continuing any claim against the Law Firm arising out of or
8 relating to the 1inMM Ponzi Scheme. And, as with the JJMT-related settlements
9 discussed above, because the Claimant Investors have agreed that the entire amount
10 of the settlement consideration should be paid to the Estate for the benefit of all
11 creditors, the Receiver agreed to seek approval to pay certain negotiated amounts to
12 L&E, as counsel for the Claimant Investors, in recognition of their assistance in
13 creating a common fund in the Estate.

14 During the Second Quarter 2023, counsel for the Receiver, the Claimant
15 Investors and the Law Firm worked on drafting the settlement agreement and related
16 documentation. During the Third and Fourth Quarters 2023, this settlement was
17 approved and consummated. Specifically, on September 1, 2023, the Receiver filed
18 an application for leave to file under seal the motion approving the settlement with
19 the Law Firm. [ECF #255]. On September 22, 2023, the Court held a hearing on the
20 application [ECF #272], and on September 27, 2023 entered an order granting it
21 [ECF #274].

22 On October 4, 2023, the Receiver filed a motion (under seal) to approve the
23 settlement with the Law Firm. [ECF #276] No party in interest objected to this
24 settlement motion. [ECF #298] On October 13, 2013, the Court entered an order
25 (under seal) approving the settlement with the Law Firm [ECF #289], which order
26 has since become final and unappealable. During the Fourth Quarter 2024, the
27 Receiver received the full settlement payment on account of the settlement with the
28 Law Firm.

1 **2. *Settlement with the Professional Services Firm***

2 During the Second Quarter 2023, the Receiver reached a settlement with a
3 professional services firm that worked with 1inMM, the name of which the Receiver
4 also agreed to keep confidential (the “Professional Services Firm”). The settlement
5 with the Professional Services Firm, if approved, would yield additional cash for the
6 Estate.

7 The Receiver, the Claimant Investors and the Professional Services Firm
8 agreed to a mediation, which took place in Chicago on May 3, 2023 before Judge
9 Schenkier of JAMS. This mediation was successful as well. As part of the settlement,
10 it was critical to the Professional Services Firm that the Receiver keep its identity
11 confidential, and that she agree not to disclose any of the settlement’s specific
12 financial terms in a quarterly report. Rather, the Receiver will disclose the details of
13 this settlement in a motion for its approval. During the Second, Third and Fourth
14 Quarters 2023, counsel for the Professional Services Firm, the Receiver and the
15 Claimant Investors worked on the basic settlement documentation. During the first
16 quarter 2024, the Receiver expects to file an application for leave to file under seal
17 the settlement motion with the Professional Services Firm.

18 **3. *Settlement with Breakout SPE LLC***

19 During the Third Quarter 2023, the Receiver also reached a settlement with a
20 sub-aggregator of JJMT, Breakout SPE LLC, as well as its managing members,
21 Duncan Davis and Brandon Labrum (collectively, “Breakout”).

22 Settling with Breakout was particularly complicated and took much of 2023
23 for the Receiver to achieve. Breakout’s principals were not only liable to the Estate
24 for having received transfers from 1inMM that were subject to avoidance and
25 recovery under UVTA as fraudulent transfers, but Breakout was also embroiled in
26 contentious litigation pending in Illinois state court with Nalpak I LP, Nalpak II LP,
27 Nalpak Enterprises LLC and Peter Xilas (collectively, the “Nalpak Investors”), an
28 investor group that had lost about \$9 million in the 1inMM Ponzi Scheme. On top

1 of all that, the Claimant Investors also threatened Breakout with contributing to their
2 losses as part of the 1inMM Ponzi Scheme. So, Breakout presented yet another three-
3 way dispute with which the Receiver had to contend.

4 The Nalpak Investors—the largest net losing creditors of the Estate—were
5 intent on vindicating their rights against Breakout and thus were not all that inclined
6 to compromise their claims as part of a larger settlement. Confident in their claims,
7 the Nalpak Investors preferred to continue with their litigation against Breakout to
8 judgment. At the same time, however, Breakout was unwilling to settle with the
9 Receiver unless she either simultaneously brokered a settlement with the Nalpak
10 Investors or agreed to ask the Court to enter a bar order that would terminate the
11 Nalpak Investors’ litigation *and* enjoin any litigation that the Claimant Investors
12 might commence. Those seemingly diametrically opposed objectives and interests
13 made a settlement elusive for most of 2023, despite two separate mediation sessions
14 with Judge Schenkier.

15 Fortunately, and after several months of negotiations, the parties’ creativity
16 and persistence resulted in a settlement. Under the proposed settlement, Breakout
17 will pay a total of \$1,900,000 of cash consideration, with \$1,060,000 to the Nalpak
18 Investors and \$840,000 to the Estate. The payment to the Estate represents about
19 67% of the total transfers that the Receiver could have sued to avoid and recover
20 under UVTA and also resolves the Claimant Investors’ claims. Breakout will make
21 its payment to the Nalpak Investors directly (i.e., outside of the Estate), so that aspect
22 of the settlement will not require this Court’s approval. Breakout will pay the
23 settlement payment over a period of approximately 21 months.

24 Considering, however, that the Nalpak Investors will receive that \$1,060,000
25 outside of the Estate on account of their 1inMM Ponzi Scheme losses, the Receiver
26 made sure that the Nalpak Investors would not double recover in a receivership
27 claims process. The Receiver did that by requiring the Nalpak Investors to reduce
28 their claim against the Estate on a dollar-for-dollar basis. In other words, the face

1 amount of the unsecured claim that the Nalpak Investors will eventually file against
2 the Estate for its 1inMM Ponzi Scheme losses will be reduced by the same amount
3 they are receiving from Breakout—\$1,060,000.

4 Finally, as with the settlements discussed above, because the Claimant
5 Investors have agreed that the entire amount of the settlement consideration should
6 be paid to the Estate for the benefit of all creditors, the Receiver agreed to seek
7 approval to pay certain negotiated amounts to L&E, as counsel for the Claimant
8 Investors, in recognition of their assistance in creating a common fund in the Estate.

9 During the Third Quarter 2023, the parties came to terms on the settlement
10 and worked on the basic documentation, and during the Fourth Quarter 2023 the
11 Receiver sought approval of the settlement. Specifically, on November 13, 2023, the
12 Receiver filed a motion to approve the settlement with Breakout. [ECF #301] No
13 party in interest objected to this settlement motion. On November 27, 2023, the
14 Court entered an order approving the Settlement with Breakout. [ECF #306] That
15 order has since become final and unappealable. Breakout is scheduled to make its
16 first installment payment during the first quarter of 2024.

17 **B. Avoidance and Recovery of Transfers to Net Winners**

18 ***1. Overview***

19 Through the Receiver's forensic accounting, the Receiver has identified
20 investors who were significant net winners (receiving payments far in excess of the
21 amounts they invested) as well as various persons and entities who were transferred
22 very large sums from 1inMM but do not appear to have been investors in the 1inMM
23 Ponzi Scheme.

24 The Receiver has been reviewing the financial details of identified net winners
25 and anticipates initiating settlement conversations and sending settlement demand
26 letters to most of them.

27 Exact details of the Receiver's negotiations with these net winning transferees
28 obviously must remain confidential for the time being so as not to jeopardize these

1 good-faith settlement discussions. However, once the Receiver reaches a proposed
2 settlement, she will petition the Court to approve any agreement. Should the
3 Receiver determine that a lawsuit is necessary to recoup fraudulent transfers, the
4 Receiver will proceed appropriately.

5 **2. *Specific Efforts***

6 During the Third and Fourth Quarters 2023, the Receiver engaged in
7 settlement discussions with two aggregators of the 1inMM Ponzi Scheme. The
8 Receiver's forensic accounting analysis indicates that the insiders of those
9 aggregators are significant net winners, and thus liable to the Estate under UVTA
10 for receiving fraudulent transfers.

11 One of those aggregators and its insiders have agreed to a mediation with the
12 Receiver and the Claimant Investors before Judge Schenkier, which was scheduled
13 to take place in the first quarter 2024. The Receiver is engaged in more informal
14 settlement discussions with the other aggregator, which the Receiver expects will
15 continue in the first quarter 2024.

16 **C. Potential Settlement with Financial Institution**

17 During the last several calendar quarters, the Receiver has been engaged in
18 settlement discussions with a major financial institution that did business with
19 1inMM. During the Fourth Quarter 2023, the Receiver and this financial institution
20 exchanged settlement offers. These negotiations are likely to yield a significant
21 settlement that the Receiver expects to present to the Court for approval during the
22 first quarter 2024.

23 **D. Forensic Accounting Background and Update**

24 Throughout the duration of the Ponzi scheme, 1inMM engaged in tens of
25 thousands of transactions totaling over \$1 billion (receipts and disbursements). As
26 there were no accounting records, the Receiver has had to reconstruct 1inMM's
27 transaction history from scratch. To do so has required a continuous forensic
28 accounting analysis that has thus far involved the review of over 2,965 bank

1 statements and encompassed over 24,800 transactions. These numbers have steadily
2 increased as the Receiver collects new data. The Receiver and her team continue to
3 analyze additional records as she uncovers more detail behind the Ponzi scheme and
4 identifies other potential sources of recovery.

5 The forensic accounting analysis is a fundamental element of maximizing the
6 Estate’s recovery, as it enables the Receiver to determine who may be liable to the
7 Estate for receiving fraudulent transfers, and to identify previously unknown assets
8 and obtaining information about 1inMM’s investors.

9 During the Fourth Quarter 2023, the Receiver and her team continued to
10 obtain and analyze additional bank records from aggregators and sub-aggregators
11 (i.e., investment feeder funds that invested into other aggregators) which provided
12 further data down to the individual investor level. The process continues to help
13 identify both net winners and net losers, and will thus potentially help with the
14 recovery of additional dollars and assist the Receiver’s team for the claims process.
15 To date, the Receiver has identified a total of 586 investors. The Receiver and her
16 team are continuing to evaluate each of their net loss or net winning positions.

17 The forensic accounting project is in the final phase and is nearly complete.
18 The Receiver and her staff believe that they have mapped roughly all transactions of
19 importance, and they have begun to reconcile and verify amounts invested by certain
20 investors. This will assist with the investor claims process that is preliminarily
21 outlined below.

22 **E. Preview of the Claims Process**

23 The Receiver has begun preparations for an investor claims process that is
24 anticipated to be administered by the receivership estate later in 2024. The investor
25 claims process is an integral step in determining and confirming the full scope of
26 losses incurred by victims of the 1inMM Ponzi Scheme. This figure, in conjunction
27 with the ultimate recovery from assets, forms the fundamental calculation necessary
28 to determine a comprehensive distribution plan for the victims. The Receiver has

1 purposefully forestalled implementing a claims process until such time that she
 2 could ensure all investor victims had been identified so that they may participate in
 3 the claims process. Due to the investment structure of 1inMM, which was
 4 complicated by using aggregators and sub-aggregators to funnel in investment
 5 dollars into the scheme, clouded investor identities by hiding them behind other
 6 entities which separately held investor data.

7 The Receiver now believes she has identified nearly all, if not all, potential
 8 investors in the 1iMM Ponzi Scheme. She and her team have begun developing the
 9 necessary documents and infrastructure that will be necessary to administer this
 10 claims process. The Receiver anticipates petitioning the Court for approval of the
 11 investor claims process and structure in the third quarter 2024 before
 12 implementation.

13 **F. Asset Updates**

14 In addition to the cash on hand detailed in Section II.C. (below), the
 15 receivership assets, not including litigation claims, currently consist of: (1) Rogue
 16 Black, LLC ("Rogue Black"), (2) LayJax Ventures, LLC ("LayJax"), (3)
 17 investments made into sixteen entities of an investor ("Additional Investments") and
 18 (4) investments made in potentially eight additional films. The updated details to
 19 each of these is outlined below.

20 **1. *Rogue Black***

21 Rogue Black was a film finance and production company in which Horwitz
 22 owned a membership interest and invested using 1inMM funds. Ultimately, 1inMM
 23 invested approximately \$21.5 million with Rogue Black, which went on to produce
 24 and complete a total of eight films (collectively, the "Produced Films"). The
 25 Receiver continues to collect monies owed to Rogue Black in relation to the
 26 Produced Films and pursue monies that are owed but have not yet been paid. As
 27 noted below, potential further recoveries may be obtained through an eventual sale
 28 of the film library.

1 *a. Payment Dispute and Demand for Arbitration*

2 Through an investigation, the Receiver discovered that Rogue Black is owed
 3 a significant amount of money related to distribution rights on one of its films. The
 4 Receiver attempted to resolve the issue through discussions with the relevant parties
 5 which include Iervolino & Lady Bacardi Entertainment S.p.A. (“ILBE”) and Orion
 6 Releasing LLC (“Orion”). However, when it became apparent those discussions
 7 were not progressing, the Receiver demanded arbitration pursuant to the applicable
 8 agreement between the relevant parties. The Receiver decided it was best to assign
 9 the legal work associated with this project to Katten Muchin Rosenman LLP lawyers
 10 resident in its Century City office who practice in the area of entertainment law.

11 The parties selected an arbitrator, and attended the first arbitration
 12 management conference with the arbitrator on July 17, 2023. Subsequently, the
 13 parties have exchanged documents they intend to rely on in connection with the
 14 forthcoming hearing. Orion served document requests on both the Receiver and
 15 ILBE, to which both parties have responded. The discovery deadline has been set
 16 for December 8, 2023, and the hearing is currently set for February 6, 2024.

17 *b. Anticipated Future Sale of Rogue Black’s Film Library*

18 To maximize the monetary recovery of the estate, the Receiver intends to
 19 eventually sell Rogue Black’s film library. The Receiver is in the very preliminary
 20 stages of evaluating the best format to execute such a sale, and whether the library
 21 will fetch the highest price through selling the library piecemeal or as a bundle. As
 22 additional details are determined, the Receiver will provide updates in future
 23 quarterly reports.

24 **2. LayJax**

25 LayJax is an angel investment company which invested in early startup
 26 business ventures. Using 1inMM funds, Horwitz caused LayJax to invest \$2.5
 27 million with twelve separate startup business ventures that LayJax had sourced. The
 28 businesses in which LayJax invested are broad and diverse.

1 *a. Update on Recovery Potential*

2 As previously reported, only two or three of LayJax’s twelve investments hold
3 a moderate chance of producing a return. One of those investments is a company
4 that sells skincare treatments, which company was acquired on October 21, 2022.
5 Another LayJax investment that has produced a return is a canned adult beverage
6 company, which was acquired on May 20, 2023. While the skincare treatment
7 investment brought in a sizeable return to the Estate (approximately \$450,000), the
8 return on the canned adult beverage company will be much more modest. LayJax
9 holds only a 0.889 percent equity interest in that company, so the Receiver
10 anticipates that the Estate will initially receive approximately \$40,000 from the
11 initial purchase price. Over the next few years, there are additional yearly earn-out
12 distributions that may potentially add up to a further \$130,000. These future earn-
13 out distributions are dependent upon future sales growth and may be difficult to fully
14 exploit. The Estate has not yet received any cash return on this particular LayJax
15 investment, but the Receiver anticipates that it will do so in the future.

16 The Receiver continually monitors each investment for progress, as well as
17 for potential opportunities to generate recoveries. The Receiver will provide
18 additional updates as new or meaningful activity occurs.

19 **3. The Additional Investments**

20 As a part of the Receiver’s forensic accounting analysis, the Receiver
21 identified investments of more than \$5.6 million made by ZJH Enterprises, LLC
22 (“ZJH”) or 1inMM into Additional Investments, sixteen (16) investment vehicles.
23 ZJH’s sole source of funding came from 1inMM. The entities comprising the
24 Additional Investments are each investment vehicles made for the sole purpose of
25 investing into third party start-up companies. Importantly, however, the Additional
26 Investments are all managed or controlled by a principal of one of the aggregators.

27 In reviewing the production of records regarding these investments, the
28 Receiver discovered that ZJH was the largest investor in the Additional Investments.

1 According to bank records, ZJH invested over \$5.6 million (“Invested Funds”) into
2 the Additional Investments. Additional questions remain, compelling the Receiver
3 to continue her investigation into these entities and make additional document and
4 information requests.

5 **4. *Additional Film Investments***

6 As a result of the Receiver’s forensic accounting investigation, the Receiver
7 and her staff identified five additional entities that received more than \$13.1 million
8 from 1inMM, which appear to have funded the production of an additional eight
9 films. The Receiver continues to investigate these entities, films and the best avenue
10 to efficiently maximize the recovery from these investments. The Receiver has
11 begun to shift more resources to this potential asset and, pending additional
12 investigation, continues to believe it prudent not to include any additional details on
13 these entities and films in this report so as not to impede, jeopardize or hamper her
14 investigation.

15 **G. Potential Litigation and Engagement of Conflicts Counsel**

16 As noted in previous reports, the Receiver moved the Court to authorize her
17 to engage Raines Feldman as conflict counsel, and the Court granted that motion on
18 January 3, 2023. [ECF #166]

19 The Receiver continues to explore potential causes of action whereby the
20 Receiver may seek to recover funds or assets for the benefit of the estate. To that
21 end, the Receiver has issued subpoenas to investigate potential litigation claims. A
22 subpoena respondent filed a motion to quash the Receiver’s subpoena [ECF #195].
23 After briefing and argument [ECF #202, #203, #206], Magistrate Judge Patricia
24 Donahue granted the motion to quash [ECF #250]. On August 28, 2023, the Receiver
25 filed a motion asking this Court to review Judge Donahue’s order [ECF #251]. This
26 Court revised the Magistrate’s order and the motion to quash was denied by order
27 entered on October 30, 2023 [ECF #296].
28

1 **II. ACCOUNTING OF RECEIPTS AND DISBURSEMENTS**

2 Attached as Exhibit “A” is a copy of the Standard Fund Accounting Report.
3 Below is a summary of the cash receipts and disbursements from the estate on a cash
4 accounting basis.

5 **A. Cash Receipts**

6 During the Fourth Quarter 2023, the receivership estate had cash receipts of
7 \$3,238,231. These cash receipts were comprised of (i) \$3,200,000 representing
8 settlement funds received, (ii) \$31,859 related to interest income, (iii) \$4,750.40
9 related to turnover of remaining cash in a Rogue Black bank account, and (iv)
10 \$1,621.78 related to Rogue Black film income.

11 **B. Cash Disbursements**

12 During the Fourth Quarter 2023, cash disbursements totaled \$1,061,419.
13 These disbursements were comprised of (i) \$ 495,000.00 paid to Loftus & Eisenberg
14 as part of the agreement in the settlement with the Law Firm, (ii) \$267,337.14 of
15 fees paid to Katten Muchin, the Receiver’s counsel, (iii) 241,248.92 of Receiver’s
16 fees, (iv) \$48,803 to JAMS, the arbitrator in the Rogue Black matter with ILBE and
17 Orion, (v) \$4,550 related to LayJax operational costs, (vi) \$424 of bank charges, and
18 (vii) \$289.65 of forensic account software costs.

19 **C. Cash on Hand**

20 As of December 31, 2023, the receivership estate held an ending balance of
21 \$5,453,689.

22 **III. CONCLUSION**

23 The Receiver respectfully requests that the Court grant the motion to approve
24 this Report and award the related relief requested therein.

25
26 Dated: February 9, 2024

Respectfully submitted,

27 By: */s/Michele Vives*
28 Michele Vives, Receiver

KATTEN MUCHIN ROSENMAN LLP

PROOF OF SERVICE

STATE OF ILLINOIS, COUNTY OF COOK

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Cook, State of Illinois. My business address is 525 W. Monroe St., Chicago, IL 60661.

On February 9, 2024, I served the following document(s) described as:

QUARTERLY REPORT OF RECEIVER MICHELE VIVES (FOURTH QUARTER 2024)

as follows:

BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with Katten Muchin Rosenman LLP practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

BY E-MAIL OR ELECTRONIC TRANSMISSION: I caused the document(s) to be sent from e-mail address terence.banich@katten.com to the persons at the e-mail addresses listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

BY OVERNIGHT MAIL (FedEx): I enclosed said document(s) in an envelope or package provided by FEDEX and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of FEDEX or delivered such document(s) to a courier or driver authorized by FEDEX to receive documents.

BY PERSONAL SERVICE: I caused said document to be personally delivered the document(s) to the person at the addresses listed above by leaving the documents in an envelope or package clearly labeled to identify the attorney being served with a receptionist or an individual in charge of the office.

E-FILING: By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

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

Executed on February 9, 2024, at Winnetka, Illinois.

/s/Terence G. Banich
Terence G. Banich

KATTEN MUCHIN ROSENMAN LLP

**STANDARDIZED FUND ACCOUNTING REPORT (CASH BASIS) for
ZACHARY J. HORWITZ; and 1inMM CAPITAL, LLC
RECEIVERSHIP; CIVIL COURT DOCKET NO. 2:21-CV-02927-CAS
REPORTING PERIOD from October 1, 2023 through December 31, 2023**

FUND ACCOUNTING (See Instructions):		DETAIL	SUBTOTAL	GRAND TOTAL
Line 1	Beginning Balance of the Fund as of October 1, 2023			\$3,276,877
	<i>Increases in Fund Balances:</i>			
Line 2	Business Income (Receipts)			1,622
Line 3	Cash and Securities			4,750
Line 4	Interest / Dividend Income			31,859
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation			0
Line 8	Miscellaneous - Other			3,200,000
	Total Funds Available (Lines 1-8)			6,515,108
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			0
Line 10	Disbursements for Receivership Operations			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>		290,341	0
Line 10b	<i>Business Asset Expenses</i>		4,550	
Line 10c	<i>Personal Asset Liquidation</i>			
Line 10d	<i>Investment Expenses</i>		424	
Line 10e	<i>Third-Party Litigation Expenses</i>			
	1. Attorney Fees	762,337		
	2. Litigation Expenses	0		
	<i>Total Third-Party Litigation Expenses</i>		762,337	
Line 10f	<i>Tax Administrator Fees and Bonds</i>		0	
Line 10g	<i>Federal and State Tax Payments</i>		3,766	
	Total Disbursements for Receivership Operations			1,061,419
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator	0		
	Independent Distribution Consultant (IDC)	0		
	Distribution Agent	0		
	Consultants	0		
	Legal Advisors	0		
	Tax Advisors	0		
	2. Administrative Expenses	0		
	3. Miscellaneous	0		
	<i>Total Plan Development Expenses</i>		0	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator	0		
	Independent Distribution Consultant (IDC)	0		
	Distribution Agent	0		
	Consultants	0		
	Legal Advisors	0		
	Tax Advisors	0		
	2. Administrative Expenses	0		


**STANDARDIZED FUND ACCOUNTING REPORT (CASH BASIS) for
ZACHARY J. HORWITZ; and 1inMM CAPITAL, LLC
RECEIVERSHIP; CIVIL COURT DOCKET NO. 2:21-CV-02927-CAS
REPORTING PERIOD from October 1, 2023 through December 31, 2023**

	3. Investor Identification:			
	Notice/Publishing Approved Plan	0		
	Claimant Identification	0		
	Claims Processing	0		
	Web Site Maintenance / Call Center	0		
	4. Fund Administrator Bond	0		
	5. Miscellaneous	0		
	6. Fair Account for Investor Restitution (FAIR) Reporting Expenses	0		
	<i>Total Plan Implementation Expenses</i>		0	
	Total Disbursements for Distribution Expenses Paid by the Fund			0
Line 12	Disbursements to Court / Other:			
Line 12a	<i>Investment Expenses / Court Registry Investment System (DRIS) Fees</i>	0		
Line 12b	<i>Federal Tax Payments</i>	0		
	Total Disbursements to Court / Other			0
	Total Funds Disbursed (Lines 9-12)			1,061,419
Line 13	Ending Balance of the Fund as of December 31, 2023			\$5,453,689
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>			\$5,453,689
Line 14b	<i>Investments</i>			0
Line 14c	<i>Other Assets or Uncleared Funds</i>			0
	Total Ending Balance of Fund - Net Assets			\$5,453,689

OTHER SUPPLEMENTAL INFORMATION:				
		DETAIL	SUBTOTAL	GRAND TOTAL
	Report of Items NOT to be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	<i>Plan Development Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator		\$0	
	Independent Distribution Consultant (IDC)		0	
	Distribution Agent		0	
	Consultants		0	
	Legal Advisors		0	
	Tax Advisors		0	
	2. Administrative Expenses		0	
	3. Miscellaneous		0	
	<i>Total Plan Development Expenses Not Paid by the Fund</i>			0
Line 15b	<i>Plan Implementation Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator		0	
	Independent Distribution Consultant (IDC)		0	
	Distribution Agent		0	
	Consultants		0	
	Legal Advisors		0	

**STANDARDIZED FUND ACCOUNTING REPORT (CASH BASIS) for
ZACHARY J. HORWITZ; and 1inMM CAPITAL, LLC
RECEIVERSHIP; CIVIL COURT DOCKET NO. 2:21-CV-02927-CAS
REPORTING PERIOD from October 1, 2023 through December 31, 2023**

	Tax Advisors		0	
	2. Administrative Expenses		0	
	3. Investor Identification:			
	Notice/Publishing Approved Plan		0	
	Claimant Identification		0	
	Claims Processing		0	
	Web Site Maintenance / Call Center		0	
	4. Fund Administrator Bond		0	
	5. Miscellaneous		0	
	6. FAIR Reporting Expenses		0	
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>			0
Line 15c	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			0
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			\$0
Line 16	Disbursements to Court / Other Not Paid by the Fund:			
Line 16a	<i>Investment Expenses / CRIS Fees</i>		\$0	
Line 16b	<i>Federal Tax Payments</i>		0	
	Total Disbursements to Court / Other Not Paid by the Fund:			\$0
Line 17	DC & State Tax Payments			\$0
Line 18	Number of Claims:			
Line 18a	Number of Claims Received This Reporting Period			0
Line 18b	Number of Claims Received Since Inception of Fund			0
Line 19	Number of Claimants / Investors:			
Line 18a	<i>Number of Claimants / Investors Paid This Reporting Period</i>			0
Line 18b	<i>Number of Claimants / Investors Paid Since Inception of Fund</i>			0

Receiver: _____
 By: 
 (signature)
 Michele Vives
 (printed name)
 Date: 1.31.2024