

1 Jarrod L. Rickard, Esq., Bar No. 10203
Email: jlr@semenzarickard.com
2 SEMENZA RICKARD LAW
10161 Park Run Drive, Suite 150
3 Las Vegas, Nevada 89145
Telephone: (702) 835-6803
4 Facsimile: (702) 920-8669

5 Edward G. Fates, Esq. (*pro hac vice admitted*)
Email: tfates@allenmatkins.com
6 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
7 600 West Broadway, 27th Floor
San Diego, CA 92101-0903
8 Telephone: (619) 233-1155
Facsimile: (619) 233-1158
9

10 *Attorneys for Receiver Krista Freitag*

11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13 FEDERAL TRADE COMMISSION

14 Plaintiff,

15 v.

16 SUPERIOR SERVICING LLC, a
limited liability company;

17 SUNRISE SOLUTIONS USA LLC, a
18 limited liability company;

19 ALUMNI ADVANTAGE LLC, a
20 limited liability company;

21 STUDENT PROCESSING CENTER
GROUP LLC, a limited liability
company;
22 SPCTWO LLC, a limited liability
company;

23 ACCREDIT LLC, a limited liability
24 company;

25 DENNISE MERDJANIAN, aka
26 Dennise Correa, individually and as
managing member of SUPERIOR
27 SERVICING LLC;

Case No. 2:24-cv-02163-GMN-MDC

**RECEIVER'S FIFTH INTERIM
REPORT**

Ctrm: 7D

Judge: Hon. Gloria M. Navarro

1 ERIC CALDWELL, individually and
2 as owner, officer, or manager of
3 SUPERIOR SERVICING LLC,
4 SUNRISE SOLUTIONS USA LLC,
5 ALUMNI ADVANTAGE LLC,
6 STUDENT PROCESSING CENTER
7 GROUP LLC, SPCTWO LLC, and
8 ACCREDIT LLC; and

9 DAVID HERNANDEZ, individually
10 and as owner, officer, or manager of
11 SUPERIOR SERVICING LLC,
12 SUNRISE SOLUTIONS USA LLC,
13 ALUMNI ADVANTAGE LLC,
14 STUDENT PROCESSING CENTER
15 GROUP LLC, SPCTWO LLC, and
16 ACCREDIT LLC,

17 Defendants.

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1 Krista Freitag (“Receiver”), the Court-appointed permanent receiver for
2 Defendants Superior Servicing, LLC, Accredited LLC, Sunrise Solutions USA, LLC,
3 Alumni Advantage, LLC, Student Processing Center Group, LLC, and SPCTWO,
4 LLC, as well as Gold West Financial, LLC, DM Financial, LLC, LJC Music
5 National LLC, South Coast Services, LLC, Business Done Right Inc., ET&C
6 Holdings, LLC, Capital Servicing, LLC, Cornerstone Doc Prep, Inc., Amerifed Doc
7 Prep, LLC, Amerifed Servicing, Inc., Scholastic Solutions LLC, and First Clover
8 Capital, Inc. (collectively the “Receivership Entities” or individually, a
9 “Receivership Entity”) hereby submits this Receiver’s Fifth Interim Report (“Fifth
10 Interim Report”).

11 I. BACKGROUND

12 On November 22, 2024, this Court entered the Ex Parte Temporary
13 Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and
14 Other Equitable Relief, and Order to Show Cause Why Preliminary Injunction
15 Should Not Issue (the "TRO"), appointing Krista Freitag ("Receiver") temporary
16 receiver for Superior Servicing, LLC ("Superior"), its subsidiaries, affiliates,
17 successors and assigns, and any other entity that has conducted any business related
18 to Defendants' student debt relief services. (Dkt. 9). On December 5, 2024, a
19 hearing was held to determine whether the TRO should be made permanent and an
20 Order Granting Preliminary Injunction as to Defendant Superior Servicing LLC was
21 entered on December 6, 2025. (Dkt 30). On December 19, 2024, an additional
22 hearing was held where the Court determined that a preliminary injunction should
23 be entered as to Defendant Merdjanian. (Dkt 42).¹ On September 9, 2025, the

24 _____
25 ¹ The Preliminary Injunction Order entered on December 19, 2024 also specifically
26 added Accredited, LLC, Sunrise Solutions USA, LLC, Alumni Advantage, LLC,
27 Student Processing Center Group, LLC, SPCTWO, LLC, Gold West Financial,
28 LLC, DM Financial, LLC, LJC Music National LLC, South Coast Services, LLC,
Business Done Right Inc., ET&C Holdings, LLC, Capital Servicing, LLC,
Cornerstone Doc Prep, Inc., Amerifed Doc Prep, LLC, Amerifed Servicing, Inc.,
Scholastic Solutions LLC, and First Clover Capital, Inc. as defined Receivership
Entities. The Receiver has also determined that Student Processing Center, LLC
is a Receivership Entity.

1 Court entered Stipulated Order[s] for Permanent Injunction, Monetary Judgment,
2 and Other Relief (“Final Order[s]”) as to Defendants Eric Caldwell (“Caldwell”)
3 and David Hernandez (“Hernandez”). (Dkt 85 & 86). On February 10, 2026, the
4 Court also entered an Order Granting Stipulation for Permanent Injunction,
5 Monetary Judgment and Other Relief (“Merdjanian Final Order”) as to Defendant
6 Dennise Merdjanian (“Merdjanian”). (Dkt. No. 108).

7 II. EXECUTIVE SUMMARY

8 On November 18, 2024, the Commission filed its Complaint against Superior
9 and Merdjanian. The Complaint alleges that Superior and Merdjanian engaged in
10 alleged unlawful acts and practices as part of a scheme preying on student loan
11 borrowers seeking relief from their loan repayment obligations. The Commission's
12 allegations include, but are not limited to, (a) deceptive marketing,
13 misrepresentation of student loan debt relief program services, (b) inaction with
14 providing the represented student loan debt relief program services to be provided
15 (e.g., they do not enroll consumers in federal debt relief programs, reduce or
16 eliminate their student loan payments or balance, or apply payments to consumers'
17 loans) and (c) in connection with telemarketing of student loan debt relief program
18 services, requests and receipt of payments of a fee or consideration for debt relief
19 services before debt relief was obtained. On March 26, 2025, the Commission filed
20 its First Amended Complaint, adding as Defendants Sunrise Solutions USA LLC,
21 Alumni Advantage LLC, Student Processing Center Group LLC, SPCTWO LLC,
22 Accredited LLC, Caldwell, and Hernandez. On May 29, 2025, the Clerk of Court
23 entered a default against Superior Servicing LLC, Sunrise Solutions USA, LLC,
24 Alumni Advantage LLC, Student Processing Center Group LLC, SPCTWO LLC,
25 and Accredited LLC. (Dkt 70).

26 Upon entry of the TRO, the Receiver successfully obtained possession of and
27 secured the following physical locations: (1) 500 South Kraemer Blvd., Suite 100b,
28 Brea, CA 92821 (this space had previously been vacated in September/October of

1 2024); (2) 3020 Saturn Street, Suite 200, Brea, CA 92821; and (3) 3230 E. Imperial
2 Highway, Suite 206, Brea, CA 92821. As operations of the Receivership Entities
3 have ceased, each premises has been surrendered to the respective landlord.
4 Personal property from each location was removed and relocated to storage.

5 Based on her investigation of documents and computer records, and actions
6 taken with the information obtained, the Receiver has recovered nearly \$1.5 million
7 in Receivership Entity funds through December 31, 2025. These recoveries include
8 bank account balances, funds held by payment processors, funds recovered from
9 legal retainers,² Charles Schwab funds (including a tax holdback) included in the
10 Final Order against Hernandez, and the return of a lease deposit. As part of the Final
11 Orders entered against Caldwell, Hernandez and Merdjanian, the Receiver has also
12 taken possession of a luxury boat, an automobile owned by Caldwell and an
13 automobile owned by Merdjanian. Marketing efforts are underway for the boat and
14 Caldwell vehicle; the Receiver just recently took possession of the Merdjanian
15 vehicle and is in the process of preparing it for sale. A residential real property was
16 returned to Hernandez after it was determined that no material value could be
17 obtained from a sale of the property. An additional real property (vacant, raw land)
18 is discussed in further detail below.

19 As reported, Superior is one of a series of entities, all set up and operated in
20 very similar fashion, that operated a student loan debt relief enterprise. As noted in
21 the Declaration of Krista Freitag Regarding Preliminary Investigative Findings and
22 Observations filed on December 4, 2024 (Dkt. No. 23), various documentation and
23 bank record observations showed that Defendant Merdjanian, who appeared on paper
24 to be in control of Superior, may have had less control and less ownership in the
25 enterprise than Caldwell and Hernandez. As a result of the Receiver's observations
26

27 ² The Receiver also sought and received Court approval of a settlement with
28 Holland & Knight for recovery of \$140,000 of post-receivership legal fees; such
approval and funds were received in the first quarter of 2026 and so are not
reflected in this number.

1 and evidence reported to this Court, the Court entered an expanded Preliminary
2 Injunction that specifically identified the Receivership Entities on December 19,
3 2024.

4 This quarterly report covers the Receiver's activities during the fourth quarter
5 of 2025, including accounting information from inception of the receivership on
6 November 22, 2024 through December 31, 2025.

7 III. SUMMARY OF RECEIVER'S ACTIVITIES

8 A. Business Operations

9 As previously noted, the Receiver assumed control over the leased premises
10 located at 500 South Kraemer Blvd., Suite 100b, Brea, CA 92821 (the "Kraemer
11 Office"), 3020 Saturn Street, Suite 200, Brea, CA 92821 ("Saturn Office") and
12 3230 E. Imperial Highway, Suite 206, Brea, CA 92821 ("Imperial Office"). As a
13 result of the Receiver's extensive efforts to identify physical locations, numerous
14 former and virtual and/or post office box location addresses were discovered and
15 contacts associated with same were served. All three office locations were secured,
16 and mail was redirected or frozen at the respective virtual and/or post office box
17 locations. Certain members of the entities' staff were interviewed with partial
18 cooperation – some provided information and documentation, while others claimed
19 to have no relevant knowledge.

20 Consistent with the Court's initial findings and orders, the Receiver suspended
21 business operations of the Receivership Entities. Employees were promptly notified
22 of the change, and a notice was posted on the Receiver's website. The Receiver's
23 staff conferred with the third-party payroll processing company ADP to coordinate
24 processing of 2024 payroll reports, and issuance of W-2's and 1099's. The Receiver
25 served and contacted the Receivership Entities' accounting firm and has coordinated
26 with same to cost-effectively complete the 2024 books and tax returns (as
27 applicable); notably, 2024 tax returns extensions and returns were timely filed and a
28 changeover of registered agent has been completed for the following entities:

1 Accredited, LLC; Business Done Right Inc.; DM Financial, LLC; ET&C Holdings,
 2 LLC; Gold West Financial LLC; SPCTWO, LLC; Student Processing Center LLC;
 3 Sunrise Solutions USA LLC; Superior Servicing LLC. The 2025 tax returns are
 4 currently underway and were extended.

5 **B. Funds Recovered, Receipts and Disbursements**

6 In addition to the Commission's asset freeze notifications, the Receiver also
 7 promptly notified each bank and payment processor identified as having an account
 8 associated with the Receivership Entities' enterprise. All funds were transferred into
 9 the Receiver's new bank account for the receivership estate, which funds are in an
 10 insured cash sweep program, which not only earns interest, but also fully protects the
 11 funds in FDIC-insured accounts.

12 The following reflects the cash activity of the receivership estate for the period
 13 from November 22, 2024 through December 31, 2025. A summary of the receipts
 14 and disbursements is as follows:

15	Accredit LLC	\$373,070
16	DM Financial, LLC	\$230,056
17	Sunrise Solutions USA LLC	\$28,773
18	Superior Servicing LLC	\$9,373
19	SPCTWO LLC	\$47,111
20	Student Processing Center LLC	\$97,372
21	ET & C Holdings LLC	\$935
22	Business Done Right Inc	\$21,738
23	Gold West Financial LLC	\$37,304
24	SUBTOTAL BANK BALANCES³	\$845,732

26 ³ Some funds were collected from customers after the TRO and PI Orders due to
 27 the timing of entities being added to the receivership estate and funds being
 28 recovered. Approximately \$2,000 was recovered from funds re-deposited into
 receivership entities' accounts just before the accounts were finally closed; these
 funds appear to be unsuccessful electronic customer refund attempts which were
 initiated pre-receivership.

1	Credit Card Processing Recovery	\$317,690
2	Legal Retainers Recovery ⁴	\$118,078
3	Hernandez Settlement Payment (sent to FTC) ⁵	\$108,913
4	Charles Schwab Account Recovery ⁶	\$205,546
5	Lease Security Deposit Returned	\$1,000
6	Interest Income	\$17,012
7	SUBTOTAL OTHER RECEIPTS	\$768,238
8	TOTAL RECEIPTS	\$1,613,971
9	General & Administrative Expenses	(\$56,176)
10	Tax-Related Expenses	(\$69,208)
11	Asset-Related Expenses	(\$35,666)
12	Hernandez Settlement Payment to FTC	(\$108,913)
13	Receiver Fees and Expenses	(\$173,288)
14	Receivership Legal Fees and Expenses	(\$109,147)
15	TOTAL DISBURSEMENTS	(\$552,398)
16	CASH BOOK BALANCE AT	
17	DECEMBER 31, 2025	\$1,061,572

18 Outstanding checks as of December 31, 2025 totaled \$39,785, resulting in a
19 bank balance as of December 31, 2025 of \$1,101,357. As previously noted, no more
20 than \$83,810 of the cash balance on hand as of December 31, 2025 is to be paid to
21 the taxing authorities on behalf of Defendant Hernandez pursuant to the Court's
22 Final Order as to Hernandez.

23 _____
24 ⁴ An additional settlement recovery of a legal retainer in the amount of \$140,000
25 was pending Court approval as of December 31, 2025. While Court approval and
26 funds have since been received, for avoidance of doubt, this \$140,000 is not yet
27 reflected in this report's receipts numbers.

28 ⁵ As previously noted, the Receiver collected a \$108,913 payment from Defendant
Hernandez pursuant to his settlement with the Commission. Those funds were
temporarily held and ultimately forwarded to the Commission pursuant to the
Court's order in this quarter ending September 30, 2025.

⁶ These funds were recovered in the fourth quarter of 2025 pursuant to the
Commission's Final Order as to Hernandez; these funds include an \$83,810
income tax holdback which final amount should be determined soon.

1 **C. Affiliated Entities and/or URLs**

2 As noted above, Superior is part of a student loan debt relief enterprise of
3 affiliated entities owned and controlled by Caldwell, Hernandez, and Merdjanian.
4 Through investigation and review of records and the Commission's filings, the
5 Receiver identified the following entities and/or URLs, which appear to be
6 affiliated with Superior, Merdjanian, Caldwell, Hernandez, and the larger
7 enterprise:

Entity	Associated Domain
Accredit LLC	www.theaccredit.com
Sunrise Solutions USA LLC	www.sunrisesolutionsllc.com
Alumni Advantage LLC	www.alumiadvantage.com
Student Processing Center Group LLC (and/or Student Processing Center LLC)	www.studentprocessingcenter.com
SPCTWO LLC	www.spctwo.com
Gold West Financial LLC	www.goldwestfinancial.com
DM Financial LLC	
LJC Music National LLC (lease for Kraemer Office in this name)	
South Coast Services, LLC	
Business Done Right, Inc.	
ET&C Holdings, LLC	
Capital Servicing, LLC	
Cornerstone Doc Prep, Inc	
Amerifed Doc Prep, LLC	
Amerifed Servicing, Inc.	
Scholastic Solutions, LLC	
First Clover Capital Inc.	

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1 **D. Control Over Computer Hardware, Software and Documents**

2 As noted previously, the Receiver took possession of computer equipment
3 located at all three office locations. The Receiver retained the services of HKA
4 Global, LLC, a forensic computer consultant, to image workstation hard drives
5 located at the Saturn Street and Imperial Offices; various of the IT employee's
6 devices and entity email accounts have also been imaged by HKA. Numerous
7 computers were not set up in workstations; those computers were secured but not
8 imaged.

9 To varying degrees of success, the Receiver served notice to various vendors
10 of her appointment. All such vendors were demanded to preserve and turn over
11 relevant information to aid the Receiver. Some vendors, such as the CRM provider
12 DebtPayPro/Forth.com and team meeting/communication provider Slack.com
13 provided access to the relevant accounts. Other vendors such as GoDaddy, the
14 domain host and email service reseller were not as cooperative. Go Daddy insisted
15 on a specific Order requiring them to turn over access to the accounts. After
16 various discussions, and confirmation that the accounts were "frozen" (i.e. the
17 accounts could not be moved from the provider, however, preservation does not
18 appear to have taken place), the Receiver obtained relevant login credentials for the
19 domains from Caldwell and Merdjanian for (1) studentprocessingcenter.com; (2)
20 SPCTWO.com; (3) theaccredit.com; (4) superiorservicing.net; and (5)
21 sunrisesolutionsllc.org. Once the domains were under her control, the Receiver
22 discovered that, due to GoDaddy's freeze, she was unable to forward the domains to
23 the Receiver's website to inform customers of the receivership. Instead, the
24 Receiver changed the existing websites to include information about the
25 receivership, along with a link to the receivership website. To date, GoDaddy has
26 declined to grant the Receiver full control of the domains absent the aforementioned
27 Order.

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1 GoDaddy is also the reseller of the Microsoft email accounts used by the
2 enterprise. The Receiver was also able to gain access to some email accounts once
3 given control of the domains by Caldwell and Merdjanian. However, at that time, it
4 was noted that most email accounts for each domain had been deleted. Some email
5 accounts were recovered, but approximately 35 remain unrecovered.

6 **E. Personal Property**

7 As noted previously, the Receiver took possession of various personal
8 property (mostly typical office furniture and fixtures and computer hardware and
9 records) at the three office locations. Due to lack of market interest, the Receiver
10 was unable to monetize the office furniture and fixtures and instead negotiated with
11 the landlords to leave those items at each location. In one instance, the Receiver
12 successfully negotiated the return of a nominal portion of the security deposit from
13 that location. The computer equipment and records were moved into offsite, secure
14 storage and remain there.

15 As previously discussed, as part of the Final Order, Caldwell turned over a
16 2017 Chevrolet Corvette z06 (“Corvette”) and a 2021 Sea Ray 400 luxury boat
17 (“Sea Ray”). The Corvette is a high-performance sports car. The Sea Ray is a 40ft
18 luxury boat suitable for entertaining and includes a wet bar, queen bed, bathroom
19 and shower in the berth.

20 After taking possession, the Corvette was placed in a secured storage location
21 in San Diego, California. The storage location specializes in holding higher end
22 vehicles, which can include coordinating maintenance services and keeping the car
23 on a battery tender to ensure the battery does not go dead during storage. Recently,
24 the Receiver authorized minor detailing work to improve the vehicle’s marketability
25 at the listing agent’s recommendation. The Corvette is currently listed for sale.

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1 The Sea Ray was sitting in a privately owned marina in Newport Beach,
2 California. The Receiver coordinated the pickup of the boat and relocated it to a
3 marina located in Southern California. Since pickup, the boat has required various
4 maintenance and repairs to keep it in good condition. Service techs have noted that
5 typical maintenance does not appear to have been previously completed. Those
6 repairs have been substantial; however, the boat would not function without some
7 repairs, and the visible indicators of needed repairs (e.g. service panel warning
8 lights) would have severely limited the vessel's sale price. Additionally, to save
9 costs, during the period, the Receiver subleased a more cost-effective space within
10 the same marina. The boat has been listed with a local boat broker and is being
11 marketed for sale.

12 Finally, as part of the Merdjanian Final Order, the Receiver just recently
13 recovered a 2022 Tesla Model Y ("Tesla") vehicle. Like the Corvette, the Receiver
14 is securely storing the Tesla, performing a few necessary repairs and discussing
15 marketing plans with a listing agent.

16 **F. Real Property**

17 As part of his Final Order, Hernandez was required to turn over two real
18 properties to the Receiver: (1) 5814 E. Bryce Ave, Orange, California ("Bryce")
19 and (2) 10591 Bent Tree Road, Santa Ana, California ("Bent Tree"). As it relates to
20 the Bryce property, the Receiver was to determine by November 9, 2025 whether
21 the property would be kept and sold to recover any proceeds, or whether the
22 property would be returned to the lender. As part of this process, the Receiver
23 reached out to seven real estate brokers active in the County and solicited broker's
24 opinions of value ("BOV"). The consensus was that the property would likely sell
25 for between \$1,750,000 and \$1,800,000 with a more likely outcome on the lower
26 end of that range.⁷ In addition to seeking the BOVs, the Receiver also contacted the
27

28 ⁷ Hernandez had the property listed for sale for \$1,800,000 during the
Spring/Summer 2025 but was unable to close a sale.

1 secured lender to ascertain the payoff amount for the mortgage loan. The Receiver
2 also estimated typical closing costs and commissions based on discussions with the
3 various brokers. Ultimately, it was determined that only a sale closer to \$1,800,000
4 would provide a net positive gain on the sale of the property. A sale closer to
5 \$1,750,00 would result in a loss to the estate. The Receiver thus timely advised
6 Hernandez that she would not take possession of the property.

7 The Bent Tree property is owned by the Receivership Entity formerly
8 controlled by Hernandez, Business Done Right, Inc. Hernandez entered into an
9 agreement in 2020 to purchase this vacant, raw land located in Santa Ana,
10 California from Parkside Estates Holdings, LLC (“PEH”). The property was sold
11 for \$5.1 million, with a seller carry back mortgage in the amount of \$3,525,000.
12 The agreement to purchase the property was signed in 2020, however the closing
13 did not occur until 2024. The Receiver commissioned an appraisal for the property
14 and determined that the value of the property is significantly less than the property
15 was worth in 2020 (when the sale agreement was signed), or in 2024 (when the
16 closing occurred) and currently.

17 As a result, the Receiver has been further investigating the facts and
18 circumstances surrounding this transaction and believes the receivership estate has
19 potential fraudulent transfer claims against PEH and its principal, Tom Chou, a
20 friend of Hernandez. It should be noted that an enforcement action was previously
21 brought against Chou and others by the Consumer Financial Protection Bureau for
22 running a student debt relief scheme that was strikingly similar to the one run by
23 Hernandez and Caldwell (with the entities involved even having very similar names
24 as some of the entities involved here). The Receiver, through counsel, has been in
25 communication with Chou, PEH, and their counsel to discuss these claims and a
26 potential settlement. To date, however, no settlement has been reached.

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1 **G. Insurance**

2 The Receiver noted two business owner’s policies covering the leased
3 premises, the personal property and the general liability for Superior Servicing LLC
4 and Accredited LLC. Each policy included employee dishonesty coverage (up to
5 \$25,000). The Receiver filed a claim under each policy; however, the carrier
6 denied coverage based on the specific facts of this matter. As the value of the
7 personal property is negligible and there are no longer any leased premises and
8 there are no entity operations, the policies were cancelled.

9 After taking possession of the Corvette, Tesla and the Sea Ray, the Receiver
10 has bound insurance policies for each vehicle. Those policies will continue in place
11 until the respective vehicles are sold.

12 **H. Pending Litigation**

13 The Receiver is aware that two entities associated with the enterprise,
14 Amerifed Doc Prep and Cornerstone Doc Prep, along with Caldwell, were
15 investigated by state regulatory agencies in Colorado, Minnesota, and California,
16 which reportedly led to them being shut down. Similarly, Superior was investigated
17 by state regulators in Washington after it was shut down in 2024. In addition, in
18 October 2024, the New York Attorney General’s office contacted Superior via
19 email about a complaint received from a consumer and asked for a response thereto.
20 The Receiver is not currently aware of any active lawsuits brought by or against
21 Superior or any of its affiliated entities (other than the instant action).

22 **I. Borrower/Client Communications**

23 The Receiver has established a dedicated web page on the Receiver's website
24 which is used to provide case information, regular updates, and answers to
25 frequently asked questions to employees and customers. The Internet address for
26 the webpage is: <http://www.superiorservicingreceivership.com>. In addition, the
27 Receiver is maintaining a dedicated e-mail address and telephone line for all
28 inquiries, details for which are provided on the aforementioned website.

1 As previously mentioned, the Receiver was unable to forward the companies'
2 domains to the receivership website. However, the Receiver updated the respective
3 websites to remove all content other than basic information on the receivership case
4 and directing visitors to the receivership website. Additionally, as the Receiver
5 gained access to various email accounts, the Receiver forwarded all incoming email
6 to those accounts to a Receiver controlled email account. All incoming email to
7 those accounts auto-responds advising about the receivership.

8 IV. RECOMMENDATIONS

9 The Receiver's efforts to marshal and recover assets and relevant
10 Receivership Entity documents and records are ongoing in an efficient manner. For
11 the near term, the Receiver and her professionals hereby make the following
12 recommendations.

13 A. Document Recovery Efforts

14 The Receiver has obtained records from all known financial institutions
15 where the Receivership Entities maintained accounts as well as from attorneys and
16 accountants engaged by the Receivership Entities. The Receiver has served
17 subpoenas on certain institutions, individuals, and entities.

18 B. Receivership Asset Recovery Efforts and Investigation

19 The Receiver will seek to locate, secure, and facilitate turnover, of any
20 unaccounted-for receivership assets that may exist. As a result of her accounting
21 (further discussed below) and analysis of other documentation, the Receiver has
22 identified and become aware of prospective assets either owned by Receivership
23 Entities or purchased with Receivership Entity funds. The Receiver has
24 interviewed and/or has requested numerous documents from the defendants and
25 third parties (who, at least in some instances, are friends or family members of the
26 defendants) regarding these potential investments, purchases, loans and other
27 transfers to third parties. Certain documents have been received, and dozens of
28 subpoenas have been issued; notably many of the subpoenaed individuals who

1 received material amounts of money appear to be evading service. With respect to
2 the various purported investments, purchases, loans and other transfers from the
3 Receivership Entities, the defendants and other persons interviewed have stories
4 which consistently conclude with the complete dissipation of large sums of money
5 with no assets of value acquired or prospect of a recovery. The Receiver's work to
6 investigate these transfers and potential recovery claims is ongoing. She will seek
7 Court approval before pursuing any such claims through litigation.

8 **C. Accounting**

9 Despite demands/requests therefor, with incomplete financial records
10 available or turned over to the Receiver for many of the Receivership Entities'
11 activities, in the interest of time and cost-efficiency, but in order to identify the
12 majority of the Receivership Entities' sources (including customer deposits into the
13 enterprise) and uses of funds (where the funds went, including potential asset
14 identification), the Receiver performed a high-level preliminary accounting of the
15 bank record data received to date in accordance with the Court's orders. The
16 Receiver filed her report reflecting the results of this high-level preliminary
17 accounting on December 4, 2025 (Dkt No. 98); her findings from this analysis
18 resulted in identification of millions of dollars of transfers to third parties (including
19 friends and family members of the defendants).

20 The preliminary accounting, which is subject to being revised if deemed
21 necessary, has been used to identify an initial net harm amount to customers of the
22 enterprise, as well as to help identify where the funds received from customers went
23 and to help identify prospective assets for recovery (as noted above).

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V. CONCLUSION

Based upon the Receiver's preliminary investigation and findings, the Receiver recommends and requests that the Court order the Receiver to continue her duties pursuant to the TRO and supplemental PI orders issued by the Court. The Receiver also requests the Court authorize her continuing investigation and approve this fifth report and recommendations.

Dated: April 2, 2026



KRISTA FREITAG
Court-Appointed Receiver

Dated: April 2, 2026

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/Edward G. Fates
EDWARD G. FATES
Attorneys for Court-Appointed
Receiver
KRISTA FREITAG

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CERTIFICATE OF SERVICE

I am employed in the County of San Diego, State of California. I am over the age of eighteen (18) and not a party to the within action. My business address is One America Plaza, 600 West Broadway, 27th Floor, San Diego, California 92101-0903.

On April 2, 2026, I used the United States District Court, District of Nevada’s Electronic Case Filing System, with the ECF registered to Edward G. Fates to file the following document(s):

• **RECEIVER’S FIFTH INTERIM REPORT**

The ECF system is designed to send an e-mail message to all parties in the case, which constitutes service. The parties served by e-mail in this case are found on the Court’s Electronic Mail Notice List.

- **Luis H Gallegos**
lgallegos@ftc.gov; egarcia@ftc.gov;
mwilshire@ftc.gov,mwernz@ftc.gov
- **Paul Rowland Graff**
rgraff@crdslaw.com; ygiraud@crdslaw.com; cweber@crdslaw.com;
attorneygraff@gmail.com
- **Robert Christopher Reade**
Creade@crdslaw.com; ygiraud@crdslaw.com; adavid@crdslaw.com;
mrodriguez@crdslaw.com; cweber@crdslaw.com;
crodriguezvissek@crdslaw.com; kkeyes@crdslaw.com
- **Jarrold L. Rickard**
jlr@semenzarickard.com; oak@semenzarickard.com;
alb@semenzarickard.com
- **Reid Abram Tepfer**
rtepfer@ftc.gov

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 2, 2026, at San Diego, California.

/s/ Pamela Tei Lewis
Pamela Tei Lewis