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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION Plaintiff, v. SUPERIOR SERVICING LLC, a limited liability company; SUNRISE SOLUTIONS USA LLC, a limited liability company; ALUMNI ADVANTAGE LLC, a limited liability company; STUDENT PROCESSING CENTER GROUP LLC, a limited liability company; SPCTWO LLC, a limited liability company; ACCREDIT LLC, a limited liability company; DENNISE MERDJANIAN, aka Dennise Correa, individually and as managing member of SUPERIOR SERVICING LLC;	Case No. 2:24-cv-02163-GMN-MDC **RECEIVER'S SEVENTH INTERIM REPORT** Ctrm: 7D Judge: Hon. Gloria M. Navarro

ERIC CALDWELL, individually and as owner, officer, or manager of SUPERIOR SERVICING LLC, SUNRISE SOLUTIONS USA LLC, ALUMNI ADVANTAGE LLC, STUDENT PROCESSING CENTER GROUP LLC, SPCTWO LLC, and ACCREDIT LLC; and

DAVID HERNANDEZ, individually and as owner, officer, or manager of SUPERIOR SERVICING LLC, SUNRISE SOLUTIONS USA LLC, ALUMNI ADVANTAGE LLC, STUDENT PROCESSING CENTER GROUP LLC, SPCTWO LLC, and ACCREDIT LLC,

Defendants.

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Krista Freitag ("Receiver"), the Court-appointed permanent receiver for Defendants Superior Servicing, LLC, Accredit LLC, Sunrise Solutions USA, LLC, Alumni Advantage, LLC, Student Processing Center Group, LLC, and SPCTWO, LLC, as well as Gold West Financial, 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. (collectively the "Receivership Entities" or individually, a "Receivership Entity") hereby submits this Receiver's Seventh Interim Report ("Seventh Interim Report").

I. BACKGROUND

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

[1] The Preliminary Injunction Order entered on December 19, 2024 also specifically added Accredit, LLC, Sunrise Solutions USA, LLC, Alumni Advantage, LLC, Student Processing Center Group, LLC, SPCTWO, LLC, Gold West Financial, 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.

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

II. EXECUTIVE SUMMARY

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

Upon entry of the TRO, the Receiver secured the Receivership Entities' business locations, recovered and relocated the remaining personal property to storage, and subsequently surrendered each premises to the respective landlord after operations ceased.

Based on the investigation of documents and computer records, and actions taken with the information obtained, the Receiver has recovered more than $1.8 million in Receivership Entity funds through June 30, 2026. These recoveries include bank account balances, funds held by payment processors, funds recovered from pre and post receivership legal retainers, Charles Schwab funds (including a tax holdback) included in the Final Order against Hernandez, asset sales and the return of a lease deposit. As part of the Final Orders entered against Caldwell, Hernandez and Merdjanian, the Receiver took possession of a luxury boat, an automobile owned by Caldwell and an automobile owned by Merdjanian. During the second quarter of 2026, sale of one of the automobiles was completed, and the sale of the second automobile commenced (the latter sale completed in the third quarter of 2026). Marketing efforts for the boat remain ongoing, but pricing is being aggressively adjusted to encourage a transaction.

A residential real property was returned to Hernandez after it was determined that no material value could be obtained from a sale of the property. An additional real property (vacant, raw land) is discussed in further detail below, and is expected to result in an additional favorable recovery for the receivership. On July 30, 2026, the Court approved a 90-day extension of the deadline for the Receiver to complete her duties as stipulated by the Receiver and the Commission; such stipulation was deemed necessary in order for the Receiver to complete several remaining tasks, including to resolve a claim that is expected to generate a material recovery for the receivership estate, as further discussed below.

This quarterly report focuses on the Receiver's activities during the second quarter of 2026, including accounting information from inception of the receivership on November 22, 2024 through June 30, 2026.

III. SUMMARY OF RECEIVER'S ACTIVITIES

A. Business Operations

The Receiver assumed control over the leased premises located at 500 South Kraemer Blvd., Suite 100b, Brea, CA 92821 (the "Kraemer Office"), 3020 Saturn Street, Suite 200, Brea, CA 92821 (“Saturn Office”) and 3230 E. Imperial Highway, Suite 206, Brea, CA 92821 (“Imperial Office”). The Receiver also identified and served numerous former, virtual, and post office box locations associated with the Receivership Entities. All three office locations were secured, and mail was redirected or frozen at the respective virtual and/or post office box locations. The Receiver also interviewed certain former employees, resulting in the recovery of additional information and documentation.

Consistent with the Court’s initial findings and orders, the Receiver suspended business operations of the Receivership Entities. Employees were promptly notified, and a notice was posted on the Receiver’s website. The Receiver's staff coordinated with ADP to complete 2024 payroll reporting and issue W-2s and 1099s, and worked with the Receivership Entities’ accounting firm to complete the 2024 books and tax filings. The Receiver timely filed extensions and tax returns for 2024, and completed the change of registered agent for the following entities: Accredit, LLC; Business Done Right Inc.; DM Financial, LLC; ET&C Holdings, LLC; Gold West Financial LLC; SPCTWO, LLC; Student Processing Center LLC; Sunrise Solutions USA LLC; Superior Servicing LLC. The 2025 tax returns were extended and completed (along with the associated tax payments in the third quarter of 2026).

B. Funds Recovered, Receipts and Disbursements

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

The following reflects the cash activity of the receivership estate for the period from November 22, 2024 through June 30, 2026. A summary of the receipts and disbursements is as follows:

Accredit LLC	$373,070
DM Financial, LLC	$230,056
Sunrise Solutions USA LLC	$28,773
Superior Servicing LLC	$9,373
SPCTWO LLC	$47,111
Student Processing Center LLC	$97,372
ET & C Holdings LLC	$935
Business Done Right Inc	$21,738
Gold West Financial LLC	$37,304
SUBTOTAL BANK BALANCES[2]	**$845,732**

[2] Some funds were collected from customers after the TRO and PI Orders due to the timing of entities being added to the receivership estate and funds being 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.

Credit Card Processing Recovery	$317,690
Legal Retainers Recovery[3]	$258,078
Hernandez Settlement Payment (sent to FTC)[4]	$108,913
Charles Schwab Account Recovery[5]	$205,546
Lease Security Deposit Returned	$1,000
Vehicle Sales[6]	$62,500
Interest Income	$24,298
SUBTOTAL OTHER RECEIPTS	**$978,025**
TOTAL RECEIPTS	**$1,823,757**
General & Administrative Expenses	($70,059)
Tax-Related Expenses	($70,662)
Asset-Related Expenses	($76,112)
Hernandez Settlement Payment to FTC	($108,913)
Receiver Fees and Expenses	($231,622)
Receivership Legal Fees and Expenses	($109,147)
TOTAL DISBURSEMENTS	**($666,515)**
CASH BOOK BALANCE AT JUNE 30, 2026	**$1,157,242**

Outstanding checks as of June 30, 2026 totaled $6,725, resulting in a bank balance as of June 30, 2026 of $1,163,967. As previously noted, in August 2026,

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3 Reflects the first quarter of 2026 Holland & Knight retainer settlement recovery of $140,000.

4 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.

5 These funds, which include a $83,810 holdback for potential income taxes owed by Hernandez, were recovered in the fourth quarter of 2025 pursuant to the Commission's Final Order as to Hernandez. Hernandez's actual tax liability resulting from the early termination of the defined benefit plan was recently reported to be $69,476.22 and corresponding payments were made to the respective federal and state taxing authorities in August 2026.

6 This vehicle sale occurred in the second quarter of 2026.

$69,476.22 of the $83,810 holdback was paid to taxing authorities on behalf of Defendant Hernandez pursuant to the Court's Final Order as to Hernandez.

C. Affiliated Entities and/or URLs

As noted above, Superior was part of a student loan debt relief enterprise comprised of numerous affiliated entities owned and controlled by Caldwell, Hernandez, and Merdjanian. Through investigation, review of records, and the Commission's filings, the Receiver identified the following entities and associated domains that appear to be affiliated with the 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.	

D. Control Over Computer Hardware, Software and Documents

The Receiver took possession of computer equipment located at all three office locations. The Receiver retained the services of HKA Global, LLC, ("HKA") a forensic computer consultant, to image workstation hard drives located at the Saturn Street and Imperial Offices. HKA also imaged various IT employee devices and entity email accounts. Additional computers that were not configured as workstations were secured but not imaged.

The Receiver also secured access to key electronic records by serving notice on third-party vendors and obtaining access to the Receivership Entities' CRM communication platforms, email accounts, and principal internet domains including studentprocessingcenter.com, spctwo.com, the accredit.com, superiorservicing.net and sunrisesolutionsllc.org. While most vendors cooperated, GoDaddy continued to require a specific court order before granting the Receiver full control of the domains. Because the domains remained frozen, the Receiver was unable to redirect internet traffic from the enterprise domains to the receivership website. Instead, the existing websites were modified to provide notice of the receivership and a link to the receivership website. The Receiver continues to maintain the active domains and associated email accounts as necessary to preserve records and facilitate any remaining communications. Finally, the Receiver recovered access to certain Microsoft email accounts, although many accounts had been deleted before access was obtained. Despite recovery efforts, approximately 35 email accounts remain unrecovered.

E. Personal Property

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

As previously discussed, as part of the Final Order, Caldwell turned over a 2017 Chevrolet Corvette z06 ("Corvette") and a 2021 Sea Ray 400 luxury boat ("Sea Ray"). The Sea Ray is a 40 ft luxury boat suitable for entertaining and includes a wet bar, queen bed, bathroom and shower in the berth. Likewise, as part of the Merdjanian Final Order, the Receiver recovered a 2022 Tesla Model Y ("Tesla").

After taking possession, the Corvette and the Tesla were placed in a secured storage location in San Diego, California. The storage location specializes in holding luxury and exotic cars and provides owner assistance including coordinating maintenance services and keeping the cars on a battery tender to ensure the batteries do not go dead during storage. To improve marketability the Receiver approved detailing and cleaning for both cars. The Tesla also arrived with a flat tire, and at the recommendation of the storage service, all four tires were replaced. During the current period, the Receiver completed the sale of the Corvette. The Tesla also sold in the third quarter of 2026.

As previously reported, the Sea Ray was recovered from a privately owned marina in Newport Beach and relocated to another marina in Southern California. To save costs, the Receiver eventually moved the boat into a subleased space. Additionally, the Receiver has undertaken numerous maintenance and repairs necessary to maintain the boat in operable condition and preserve its marketability. As noted by service technicians, routine maintenance does not appear to have been performed prior to the Receiver's involvement, and the resulting repairs have been material. The boat also requires ongoing care and maintenance to ensure its marketable condition.

During the current period the Receiver finalized a new lease with the Marina and engaged a new listing agent to market the boat for sale. The previous listing agent's agreement expired without receiving an offer. The Receiver has continued to incur maintenance and repair costs necessary to preserve the boats' condition and marketability. Based on the recommendation of the new listing agent and prevailing market conditions, the listing price has been reduced on several occasions in order to generate increased buyer interest.

F. Real Property

As part of his Final Order, Hernandez was required to turn over two real properties to the Receiver: (1) 5814 E. Bryce Ave, Orange, California ("Bryce") and (2) 10591 Bent Tree Road, Santa Ana, California ("Bent Tree"). As it relates to the Bryce property, the Receiver was to determine by November 9, 2025 whether to retain and sell the property or return it to the lender. As part of this analysis, the Receiver contacted seven real estate brokers active in the County and obtained broker's opinions of value ("BOV"). The consensus was that the property would likely sell for between $1,750,000 and $1,800,000 with a more likely outcome on the lower end of that range.[7] The Receiver also obtained the mortgage payoff from the secured lender and estimated customary closing costs and commissions based on broker input and experience. Based on this analysis, only a sale near $1,800,000 would result in a net positive recovery, while a sale closer to $1,750,000 would result in a loss to the estate. Accordingly, the Receiver timely advised Hernandez that she would not take possession of the Bryce property.

The Bent Tree property is owned by the Receivership Entity formerly controlled by Hernandez, Business Done Right, Inc. In 2020, Hernandez entered into an agreement to purchase this vacant, raw land located in Santa Ana, California from Parkside Estates Holdings, LLC ("PEH") for $5.1 million, with a

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

seller carry back mortgage in the amount of $3,525,000. Although the purchase agreement was signed in 2020, the closing did not occur until 2024. The Receiver commissioned an appraisal and determined that the value of the property was significantly less than its value at the time the agreement was signed, at closing, and currently.

As a result, the Receiver investigated the facts and circumstances surrounding this transaction and identified potential fraudulent transfer claims against PEH and its principal, Tom Chou, a friend of Hernandez. It should be noted that the Consumer Financial Protection Bureau previously brought an enforcement action against Chou and others for running a student debt relief scheme that was strikingly similar to the one run by Hernandez and Caldwell, including the use of similarly named entities.

Recently, the Receiver and Chou participated in mediation regarding the Receiver's claims. The mediation resulted in a settlement pursuant to which the Bent Tree property will be returned to PEH in exchange for a material cash payment to the Receivership Estate. The settlement represents a significant recovery for the estate, avoids costly litigation and is a favorable and cost-effective resolution that maximizes value for the receivership estate. The settlement documentation is underway, will require Court approval and is expected to be completed in the coming months.

G. **Insurance**

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

After taking possession of the Corvette, Tesla and the Sea Ray, the Receiver bound insurance policies for each vehicle. As the Corvette and Tesla have sold, those policies were recently cancelled. The Sea Ray remains insured pending its sale.

H. Pending Litigation

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

I. Borrower/Client Communications

The Receiver continues to maintain a dedicated website[8] to provide case information, regular updates, and answers to frequently asked questions. In addition, the Receiver maintains a dedicated e-mail address and telephone line for all inquiries, details for which are provided on the receivership website.

As previously reported, because the Receiver was unable to redirect the companies' internet domains to the receivership website, the existing websites continue to display notice of the receivership and direct visitors to the receivership website. The Receiver also continues to maintain automatic forwarding and auto responder notices for the enterprise's recovered email accounts.

[8] https://www.superiorservicingreceivership.com

IV. CONCLUSION

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 until such time as the remaining receivership tasks have been completed. The Receiver also requests the Court approve this seventh report and recommendations.

Dated: August 31, 2026

KRISTA FREITAG
Court-Appointed Receiver

Dated: August 31, 2026

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP

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

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 August 31, 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 SEVENTH 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**
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I declare under penalty of perjury that the foregoing is true and correct. Executed on August 31, 2026, at San Diego, California.

<u>/s/ Pamela Tei Lewis</u>
Pamela Tei Lewis