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12 KRISTA L. FREITAG

13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA
15

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 vs.

20 INTEGRATED NATIONAL
RESOURCES, INC. dba
21 WEEDGENICS, ROLF MAX
HIRSCHMANN aka "MAX
22 BERGMANN," PATRICK EARL
WILLIAMS,

23 Defendants, and,

24 WEST COAST DEVELOPMENT LLC,
25 INR CONSULTING LLC (WYOMING
ENTITY), OCEANS 19 INC.,
26 AUTOBAHN PERFORMANCE LLC,
ONE CLICK GENERAL MEDIA INC.,
27 OPUS COLLECTIVE, JOHN ERIC
FRANCOM, INR-CA INVESTMENT
28 HOLDINGS, LLC, MICHAEL
DELGADO. TOTAL SOLUTION

Case No. 8:23-cv-00855-JWH (KES)

**RECEIVER'S THIRD INTERIM
REPORT AND
RECOMMENDATIONS**

1 CONSTRUCTION LLC, BAGPIPE
2 HOLDINGS LLC, BAGPIPE
3 MULTIMEDIA LLC, TYLER
4 CAMPBELL, INR CONSULTING LLC
5 (CALIFORNIA ENTITY), HIDDEN
6 SPRINGS HOLDINGS GROUP LLC,
7 and ALEXANDRIA PORTER BOVEE
8 aka "AIA MONTGOMERY",

Relief Defendants.

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TABLE OF CONTENTS

1

2 I. BACKGROUND **Page**

3 II. EXECUTIVE SUMMARY 6

4 III. SUMMARY OF RECEIVER'S ACTIVITIES 8

5 1. Business Operations 8

6 2. Funds Recovered to Date 9

7 3. Real Property Assets 9

8 4. Personal Property Assets Identified and Recovered to Date 12

9 5. Real and Personal Property Insurance 13

10 6. Other Investments and Loans 13

11 7. Digital Records 14

12 8. Receipts and Disbursements 16

13 9. Investor Communications 17

14 10. Forensic Accounting 17

15 IV. PRELIMINARY RECOMMENDATIONS 18

16 1. Document Recovery Efforts 18

17 2. Receivership Asset Recovery Efforts and Investigation 18

18 3. Accounting 19

19 V. CONCLUSION 19

20
21
22
23
24
25
26
27
28

1 Krista Freitag ("Receiver"), the Court-appointed permanent receiver for
2 Defendant INTEGRATED NATIONAL RESOURCES, INC., DBA
3 WEEDGENICS, And Relief Defendants, WEST COAST DEVELOPMENT LLC,
4 INR CONSULTING LLC (WYOMING ENTITY), OCEANS 19 INC.,
5 AUTOBAHN PERFORMANCE LLC, ONE CLICK GENERAL MEDIA INC.,
6 OPUS COLLECTIVE, INR-CA INVESTMENT HOLDINGS, LLC, TOTAL
7 SOLUTION CONSTRUCTION LLC, BAGPIPE HOLDINGS LLC, BAGPIPE
8 MULTIMEDIA LLC, INR CONSULTING LLC (CALIFORNIA ENTITY), AND
9 HIDDEN SPRINGS HOLDINGS GROUP LLC, and their subsidiaries and affiliates
10 (collectively the "Receivership Entities" or individually, a "Receivership Entity")
11 hereby submits this Third Interim Report and Recommendations ("Third Interim
12 Report").

13 **I. BACKGROUND**

14 On May 19, 2023, this Court entered the Temporary Restraining Order and
15 Orders: (1) Freezing Assets; (2) Appointing a Temporary Receiver; (3) Requiring
16 Accountings; (4) Prohibiting the Destruction of Documents; and (5) Granting
17 Expedited Discovery; and Order to Show Cause why a Preliminary Injunction
18 should not be Granted and a Permanent Receiver should not be Appointed. (the
19 "Temporary Restraining Order" or "TRO"). (Dkt. 17).

20 Subsequently, the Court entered Preliminary Injunction Orders as follows:

21 1. June 2, 2023 - as to Defendants Integrated National Resources Inc. dba
22 WeedGenics ("INR"), Rolf Max Hirschmann aka "Max Bergmann" ("Hirschmann"),
23 and Patrick Earl Williams ("Williams") (collectively, "Defendants"), and various
24 Relief Defendants, including West Coast Development LLC ("WCD"), INR
25 Consulting LLC (Wyoming Entity) ("INR Consulting/Williams"), Oceans 19 Inc.
26 ("Oceans 19"), Autobahn Performance LLC ("Autobahn"), One Click General
27 Media Inc. ("One Click"), and Opus Collective ("Opus"). Dkt. 33. This order made
28 the receivership permanent as to the listed entities.

1 2. June 9, 2023 – as to Relief Defendants Michael Delgado, Total
2 Solution Construction LLC ("TSC"), Bagpipe Holdings LLC ("Bagpipe Holdings")
3 and Bagpipe Multimedia LLC ("Bagpipe MM"). Dkt. 48. This order made the
4 receivership permanent as to TSC, Bagpipe Holdings, and Bagpipe MM.

5 3. June 9, 2023 – as to Relief Defendants Tyler Campbell, INR
6 Consulting LLC (California Entity) ("INRC"), and Hidden Springs Holdings Group
7 LLC ("Hidden Springs"). (Dkt. 49). This order made the receivership permanent as
8 to INRC and Hidden Springs.

9 4. June 29, 2023 - as to Relief Defendants John Eric Francom and INR-
10 CA Investment Holdings, LLC's ("INR-CA") Joint Stipulated Request for a
11 Preliminary Injunction Order and Orders: (1) Freezing Assets; (2) Appointing a
12 Permanent Receiver; and (3) Prohibiting the Destruction of Documents. (Dkt. 95).
13 This order made the receivership permanent as to INR-CA.¹

14 5. July 13, 2023 – as to Relief Defendant Alexandria Porter Bovee AKA
15 "Aia Montgomery."

16 On June 29, 2023, the Court issued an Order Approving Stipulation
17 Regarding Limited Modification to Preliminary Injunction Order with Respect to
18 Certain Defendants and Relief Defendants and Orders: (1) Freezing Assets; (2)
19 Appointing A Permanent Receiver; (3) Requiring Accountings; And (4) Prohibiting
20 The Destruction Of Documents ("Hirschmann Stipulation") (Dkt 93). The
21 stipulation allowed Defendant Hirschmann to remain in possession of two
22 residential properties located in Boise, Idaho occupied by Hirschmann, his wife, and
23 his father, as well as two vehicles owned by Autobahn (the properties were to be
24 vacated and the vehicles turned over to the Receiver no later than September 20,
25 2023). On September 14, 2023, Defendant Hirschman filed an Ex Parte Application
26 for Modification of Order Approving Stipulation For Limited Modification to
27

28 ¹ On November 28, 2023, the Court granted the unopposed motion of Relief
Defendant Francom to lift the freeze on his personal assets.

1 Preliminary Injunction with Respect to Certain Defendants and Relief Defendants,
2 (Dkt 155) seeking to delay turnover of the real properties to the Receiver. On
3 September 25, 2023, the Court issued an Order Denying this Ex Parte Application
4 (Dkt 160), requiring prompt turnover of the real properties.

5 On July 6, 2023, the Receiver filed her Motion for Order in Aid of
6 Receivership (Dkt. 107), and on July 28, 2023, the Court granted this motion (Dkt.
7 125), which among other things authorizes the Receiver to engage the law firm of
8 Allen Matkins Leck Gamble Mallory & Natsis LLP as her general counsel, to
9 prepare and file interim reports with the Court on a quarterly basis, to provide notice
10 to all investors, creditors and other interested parties via electronic mail and the
11 receivership-specific website – www.INReceivership.com and grants relief from
12 Local Rule 66-7.

13 On September 29, 2023, the Receiver filed a Motion for Authority to
14 (A) Engage Licensed Auctioneers and Dealers to Assist in Selling Personal
15 Property, (B) Sell Automobiles, Jewelry and Other Personal Property of the
16 Receivership Entities (C) Engage Brokers to List Real Properties for Sale.
17 ("Authority to Sell Motion") (Dkt 162). This motion is pending.

18 This quarterly report covers the Receiver's activities during the third quarter
19 of 2023, including accounting information from inception of the receivership on
20 May 19, 2023 through September 30, 2023, and also reflects the status of certain
21 assets as of the date of this report, if material activity has occurred between
22 September 30, 2023 and the date of this report.

23 II. EXECUTIVE SUMMARY

24 In its Complaint, the Commission alleges that from June 2019 to April 2023,
25 defendants Williams and Hirschman, along with INR raised approximately \$61.7
26 million – including over \$22.4 million from November 2022 to April 2023 – from
27 approximately 350 investors nationwide. The Complaint alleges Defendants lied
28 about the existence of, revenue from, and permits associated with INR facilities that

1 supposedly cultivated cannabis in Adelanto, California and Las Vegas, Nevada. The
2 Complaint further alleges that Defendants fraudulently used investor funds to enrich
3 themselves rather than to fund their purported business. To date, no evidence of
4 such cannabis business operations has been located other than virtual offices (e.g.,
5 mailbox locations).

6 As previously reported, upon entry of the TRO, the Receiver and her team
7 worked to review as much of the Complaint and evidence submitted by the
8 Commission as possible. Despite repeated requests for meetings and demands for
9 turnover of assets, books and records, the cooperation of the Defendants and Relief
10 Defendants has been very limited. Most of what is known about the Receivership
11 Entities' assets and operations has come from gathering and reviewing records from
12 third parties (including through the issuance of more than a hundred subpoenas). In
13 fact, nearly all information, assets, books and records the Receiver has recovered or
14 obtained in this case is a result of her and her team's subpoena efforts and very
15 specific inquiries (resulting from the Receiver's review of third-party
16 documentation) that she, through counsel, has posed to Defendants and Relief
17 Defendants. In other words, unless the Receiver has identified them first and then
18 demanded turnover thereof, assets have not been voluntarily disclosed and/or turned
19 over to the Receiver. Furthermore, the Receiver has received no responses at all
20 from Defendant Williams or Relief Defendant Delgado. As it relates to digital
21 records and assets (e.g., websites, emails, company phones/computers, and financial
22 books and records), Defendants and Relief Defendants have provided minimal
23 information. Through her own efforts, the Receiver has been able to obtain control
24 over Receivership Entity websites, email accounts (many of which were empty) and
25 limited financial information. The data available from these sources is, for the most
26 part, incomplete, deleted/destroyed or otherwise non-existent.

27 With limited cooperation and little to no data turned over, the Receiver,
28 through her counsel, has been forced to issue over 160 subpoenas requesting

1 information from third parties related to the Receivership Entities and their
2 investors; this process involves significant time preparing the subpoenas, following
3 up with subpoena recipients to secure document productions and reviewing the
4 productions received. These efforts have not only provided the Receiver with
5 contact information for hundreds of investors, but also have confirmed the existence
6 of and to date, provided for the Receiver's recovery of the following assets:

- 7 • Approximately \$8 million in cash (see Receipts and
- 8 Disbursements below),
- 9 • Fourteen (14) mostly exotic and luxury vehicles,
- 10 • Six (6) real properties, and
- 11 • Numerous pieces of jewelry and artwork.

12 During the third quarter, the Receiver continued to concentrate efforts on
13 advancing the forensic accounting, securing the known assets and making
14 preparations for the sale of those assets, and investigating potential claims and
15 recoveries.

16 As discussed herein, the Receiver and her professionals have made significant
17 progress, considering the minimal cooperation and very limited organic company
18 data available. However, work remains to be done – notably on completing the
19 forensic accounting, investigating and pursuing claims,² the recovery/monetization
20 of receivership assets, and a claims and distribution process.

21 **III. SUMMARY OF RECEIVER'S ACTIVITIES**

22 **1. Business Operations**

23 Although virtual addresses associated with the Receivership Entities have
24 been identified, no physical cannabis operations or premises operated or owned by
25

26

27 _____
28 ² On December 1, 2023, the Receiver filed a motion for authority to pursue
clawback claims and for approval of proposed procedures (Dkt. 197), which
motion is set to be heard on January 5, 2024.

1 the Receivership Entities have been located to date. Moreover, no revenue
2 generated from any cannabis operations has been identified to date.

3 As noted in the Receiver's initial report, where possible, change of addresses
4 for the Receivership Entities' virtual addresses have been completed with the United
5 States Postal Service (the USPS does not allow change of addresses for commercial
6 mail receiving agencies – e.g., a UPS Store) to ensure all Entity related mail is
7 forwarded to the Receiver.

8 The Receiver, through counsel, has issued subpoenas on various electronic
9 and accounting related software companies in an attempt to recover organic
10 company related data; however, some of the responses to these subpoenas remain
11 pending.

12 **2. Funds Recovered to Date**

13 The Receiver promptly notified each bank and known financial institution
14 identified as having an account associated with the Receivership Entities. Through
15 September 30, 2023, the Receiver recovered over \$8.0 million from bank accounts
16 previously controlled by the defendants, legal retainers, a pre-receivership vehicle
17 deposit, a post-TRO sale of a vehicle owned by Autobahn, and funds withdrawn
18 from accounts by Mr. Hirschmann which were previously unknown to the
19 Commission but discovered by the Receiver. See below in the Receipts and
20 Disbursements section for more detail.

21 The Receiver, through her counsel, has also subpoenaed all known financial
22 institutions for all account records, which records are necessary for the Receiver to
23 complete an accounting, as ordered by the Court. The Receiver is still awaiting
24 some responses from financial institutions, but the Receiver's ongoing accounting
25 work is further discussed below.

26 **3. Real Property Assets**

27 Upon entry of the TRO, the Receiver promptly began diligent efforts to
28 identify, take possession of and protect the physical assets of the Receivership

1 Entities. The Receiver has confirmed that six (6) real properties (all are residential
2 except for one (1) commercial storage unit, and each property is part of a
3 homeowner's association) are owned by Autobahn. These properties are in Boise,
4 Idaho, Las Vegas, Nevada, and Fort Lauderdale, Florida.

5 The Receiver is now in possession of five (5) of the real properties, including
6 the Sultana and Hacienda properties, which were transitioned to the Receiver's
7 possession on October 13, 2023, shortly after the Court denied Mr. Hirschmann's
8 request for extension of possession thereof pursuant to the Hirschmann Stipulation.
9 The five (5) properties include a Fort Lauderdale condo, a commercial storage unit
10 ("Summersweet"), two townhomes ("Riverpark" and "Sultana") and a single-family
11 residence ("Hacienda"). Summersweet, Riverpark, Sultana and Hacienda are all
12 located in the Boise, Idaho area.

13 During the third quarter, the Receiver worked with the contractor at the
14 Riverpark property to finish renovations³ at the property at a nominal cost. The
15 Receiver also coordinated with her staff and a local property inspection company to
16 conduct a detailed review of Sultana and Hacienda during the pendency of the
17 Hirschmann Stipulation. And shortly after taking possession thereof on October 13,
18 2023, she engaged professional vendors to winterize the Boise-area properties,
19 including the pool at the Hacienda property, and to provide ongoing property
20 management oversight until the properties are sold. The Receiver has also been
21 seeking proposals for some work that needs to be completed at the Hacienda
22 property. As noted in previous reports, at the Receiver's appointment, work was
23 ongoing at the Hacienda property. This included the removal of a wall separating
24 the garage from the home, installation of an outdoor kitchen and minimal wear and
25 tear repairs. Most notably, the garage wall was intended to be replaced with a fire

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27

28

³ As discussed in the prior report, at appointment, the Receiver found that work was in progress on both the Riverpark and Hacienda properties. At that time, the work was paused to allow the Receiver to assess the renovations.

1 rated glass wall to showcase the various exotic cars housed in the garage; the cost on
2 which was quoted at over six figures. After consultation with various local real
3 estate agents, all recommended replacing the wall with much more cost-efficient
4 drywall instead of glass, as most buyers would not be interested in a "show" garage.
5 The Receiver will review the most cost-effective options upon receipt.

6 Pending approval of the Authority to Sell Motion, the Receiver with the
7 assistance of staff has begun to interview real estate brokers to list the properties for
8 sale in Idaho and Florida. As the carrying costs for the homes are significant, the
9 hope is that they can be marketed and sold upon approval from the Court. It should
10 also be noted that as a part of this interview process, all brokers have mentioned the
11 strong headwinds facing the current real estate market, including high interest rates,
12 a smaller pool of buyers at the higher price points, and the general softening of the
13 real estate market. Additionally, the brokers have commented that the Riverpark
14 and Hacienda homes are over-improved for their area and comparable homes.
15 Because the improvements appear to be highly specific to the tastes of the
16 Hirschmann's, they may not be valued by the general market and thus the funds
17 spent improving these properties may not be recovered through sales.

18 The property located in Las Vegas ("Gracemoor") is currently occupied by a
19 tenant, Loretta Cruz, who is described by Defendant Hirschmann as a family friend.
20 Defendant Hirschmann provided a copy of a purported lease, however it contains
21 various highly unusual and non-market terms, including a requirement for payment
22 of a single annual rent payment of \$54,000 in cash just before the Receiver's
23 appointment. Both Defendant Hirschmann and Ms. Cruz claim this cash payment
24 was made, but no record of the alleged sum is reflected in any Receivership Entity
25 bank records and Hirschmann asserted that he could not remember how the funds
26 were spent. The tenant has engaged counsel and declined to vacate the property
27 prior to the end of the lease term in March 2024. Additionally, the HOA has
28 notified the Receiver of various significant alleged violations of the HOA rules

1 related to an unapproved structure added to the property, among other complaints.
2 Without access to the property, the Receiver has requested the HOA's patience in
3 responding to the violation letters. Additionally, the Receiver was notified by a
4 vendor of a lien placed on the property due to non-payment for some security
5 renovations at the property. The Receiver requested the vendor remove the lien and
6 has issued the vendor a subpoena for records, the response to which is pending.

7 **4. Personal Property Assets Identified and Recovered to Date**

8 In addition to the real property, the Receiver noted dozens of vehicle
9 purchases by Receivership Entities or with funds raised from investors. To date, the
10 Receiver has identified 12 vehicles owned by Autobahn, all of which have been
11 recovered from Defendant Hirschman.

12 The Receiver is also aware of numerous vehicles owned by Defendants or
13 Relief Defendants and is investigating the source of funds used to purchase those
14 vehicles. Relief Defendant Campbell has turned over two (2) vehicles to date. The
15 Receiver has also identified and made demand on three (3) luxury SUV's, which
16 were purchased by Autobahn and gifted by Hirschmann to three (3) women located
17 throughout the country.

18 Since locating the first vehicle at takeover, the Receiver has coordinated
19 transport from their locations in Boise, Las Vegas and Southern California and is
20 holding all 14 vehicles recovered to date in a secured storage facility in Southern
21 California. The facility regularly maintains the vehicles to ensure that they remain
22 in running condition.

23 Based on the best information available at this time, the Receiver identified
24 hundreds of thousands of dollars of jewelry purchases. Approximately thirteen (13)
25 jewelry pieces have been recovered and secured in a safe deposit box at a Southern
26 California bank vault. Additionally, four large metal art sculptures weighing
27 hundreds of pounds are located in the Boise area. After contacting the retailer that
28 sold the sculptures to Defendant Hirschmann, the value suggested for all pieces was

1 \$7,500. That said, receipts and discussion with the retailer suggest that over
2 \$50,000 was paid for the sculptures. Efforts to locate and recover additional jewelry
3 pieces are ongoing. Attached as **Exhibit A** is a schedule detailing the assets
4 collected to date, including real property, automobiles, jewelry and artwork.

5 Pending approval of the Authority to Sell Motion, and as noted therein, the
6 Receiver has identified various outlets for the sales of the automobiles and jewelry;
7 however, in doing so, these prospective brokers/auctioneers have also expressed a
8 softening market for such items (and personal property items are subject to high
9 retail mark-ups).

10 **5. Real and Personal Property Insurance**

11 The Receiver continues to maintain general liability and property insurance
12 over all of the real properties. The Receiver has also reorganized coverage on some
13 of the vehicles in her possession. Previously, some of the automobiles did not have
14 coverage or were covered under State Farm Insurance. However, for an extended
15 period, State Farm would not provide the Receiver with details of coverage or cost
16 for their respective policies. Accordingly, the Receiver placed coverage on eight (8)
17 automobiles with Hagerty Insurance, a provider that specializes in exotic and luxury
18 vehicles. Once State Farm began to assist the Receiver, she was able to confirm that
19 Hagerty provided comparable and more cost-effective insurance for eight (8)
20 vehicles. The six (6) remaining vehicles remain covered by State Farm Insurance.

21 Coverage for the jewelry was previously placed, however, after determining
22 that the jewelry would not be worn daily or held in a home environment, the carrier
23 withdrew the coverage. The Receiver continues to search for coverage that will
24 cover the jewelry when it is outside of the bank vault and will place coverage before
25 attempting to sell the pieces.

26 **6. Other Investments and Loans**

27 After reviewing the banking records and then documents and information
28 produced by the web hosting company in response to her subpoena, the Receiver

1 discovered an operating business owned by Raw Sports, LLC (a Hirschmann
2 controlled entity), which had recently purchased Rari Nutrition ("Rari"). Rari was a
3 nutritional supplements company largely sold through the Amazon.com website, but
4 also through its own website at rarinutrition.com.⁴ Through various subpoenas, the
5 Receiver confirmed that Raw Sports, LLC dba Rari is an existing operating business
6 that Hirschmann purchased through Raw Sports, LLC, just prior to the Receiver's
7 appointment with what appears to be investor funds. After the Receiver obtained
8 this information, Hirschmann agreed to turn control of the company and its
9 operations over to the Receiver. An experienced Amazon.com operations team was
10 operating the virtual storefront, along with existing product, which consists of
11 various health supplements. The Receiver has worked with the operations team and
12 continued to gather information regarding the business to support its operations
13 (from manufacturing of product inventory to warehouse inventory to insurance).
14 Unfortunately, the limited sales activity and complete lack of cooperation by the
15 manufacturer of the supplements are likely to lead to a wind down of operations in
16 the near term.

17 While information is limited at this time as to the nature, status and
18 collectability thereof, the Receiver, with the assistance of counsel is working to
19 pursue information on material transfers made to numerous individuals and
20 companies from Receivership Entities and investor funds, including an alleged
21 cannabis-related operation located in Oklahoma.

22 **7. Digital Records**

23 Without a physical operation and with very limited cooperation from the
24 Defendants and Relief Defendants, the Receiver has also been working diligently to
25 identify any payments to any companies associated with the Receivership Entities.
26 As part of her effort to identify, obtain, control and preserve the business records
27

28 ⁴ No known sales have occurred through the website and the Receiver disabled the
capability for sales on it.

1 associated with the Receivership Entities, with the assistance of counsel, the
2 Receiver has also served various vendors, and other third parties (including the
3 internet service provider, website hosting companies, and other key vendors
4 believed to service the Receivership Entities) with subpoenas and has made a
5 demand that they each preserve all electronic and other documents in their
6 possession, custody or control.

7 Initially, the Receiver took control of six (6) primary domains (ocgm.com,
8 weedgenics.com, inr.green, wcdev.us, xjus.com, rarinutrition.com), and nine (9)
9 add-on domains and if applicable, their related email accounts. During the period,
10 the Receiver took control over an additional 20 domain names associated with
11 Defendant Hirschmann. Hirschmann, through counsel, has asserted that various of
12 the domains should be outside of the scope of the PI Order. Control over these
13 accounts allows the Receiver to make a static copy of the primary domain websites
14 for archival purposes and re-direct any website traffic to the Receiver's website at
15 www.INRreceivership.com. Out of an abundance of caution, the Receiver has
16 continued to pay for the annual renewal of all domains until their further utility can
17 be ascertained.

18 In addition to website traffic, the domains are also capable of having
19 associated email accounts, e.g. user@inr.green or user@ocgm.com. Thus far, the
20 Receiver noted various instances of the Defendants or Relief Defendants using those
21 email accounts (e.g. max@ocgm.com, max.bergmann@inr.green, max@xjus.com or
22 aia.montgomery@inr.green), however upon taking control of those domains, the
23 Receiver noted that almost no emails existed in the accounts. Furthermore, the
24 Receiver has discovered that certain of the receivership entity accounts were deleted
25 and has been able to trace those deletion efforts to the IP address associated with the
26 Hacienda property shortly after the TRO was entered (when the property was
27 occupied by Defendant Hirschmann).

28

8. Receipts and Disbursements

The following reflects the cash activity of the receivership estate for the period from May 19, 2023, through September 30, 2023. A summary of the receipts and disbursements is as follows:

Total Bank Account Balances at takeover	\$6,541,700
Hirschmann Withdrawal Recovery	\$1,090,000
Legal Retainer Recovery	\$370,000
Vehicle Deposit Recovery	\$30,000
Interest Income	\$57,833
Raw Sports Net Operating Revenue	\$35,691
TOTAL RECEIPTS	\$8,127,426
Raw Sports Operating Expenses	(\$20,759)
Real Property Related Expenses (e.g., HOA monthly dues, taxes, insurance)	(\$24,396)
Vehicle Expenses (e.g., repossession, transportation, security, storage, insurance)	(\$55,207)
General Receivership Expenses (primarily includes asset search related expenses)	(\$22,220)
TOTAL DISBURSEMENTS	(\$122,582)
CASH BALANCE AT SEPTEMBER 30, 2023	\$8,004,844

As of September 30, 2023, outstanding checks totaled \$1,900, thus the actual bank balance as of September 30, 2023 was \$8,006,744.

1 **9. Investor Communications**

2 Upon entry of the TRO, the Receiver promptly established a dedicated web
3 page with a link to same on the Receiver's company's website which will be used to
4 provide case information, regular updates, and answers to frequently asked
5 questions to investors. The Internet address for the webpage is
6 www.INRreceivership.com. In addition, the Receiver is maintaining a dedicated e-
7 mail address and telephone line for all inquiries.

8 As previously discussed, a complete investor database was not turned over to
9 the Receiver. As a result, the Receiver promptly posted an initial communication
10 with investors on the receivership website and proceeded to work diligently to
11 identify physical mailing addresses for investors through banking records and to
12 otherwise identify investors through a subpoena to DocuSign – the platform used by
13 investors to sign subscription agreements. As a result of these efforts, the Receiver
14 was able to send a physical letter to all known investors for whom addresses were
15 attainable and given the DocuSign production, the Receiver also believes she should
16 have email addresses used by all investors who signed subscription agreements.
17 However, even with this list of investors, until the Receiver completes a forensic
18 accounting and a claims process, it is possible that the complete list of investors
19 (and creditors) will remain unknown.

20 The Receiver has also been working to identify any payments to accounting
21 software, customer relationship manager (CRM) entities, or similar types of
22 programs. To date, only one such vendor has been identified and a subpoena for
23 records was issued, response to which has not yet been received.

24 **10. Forensic Accounting**

25 While the Receiver and her team are making significant progress on the
26 Court-ordered forensic accounting, it is still somewhat early in the process. For
27 example, several financial institutions still have not produced records in response to
28 the Receiver's subpoenas. Nonetheless, the Receiver has not yet seen any material

1 transactions incurred by the Receivership Entities which are associated with revenue
2 generating cannabis operations, but has seen *material* amounts of credit card
3 payments, payments to numerous (unexplained) non-investor individuals and
4 entities (mentioned above), payments to investors, cash withdrawals, real and
5 personal property purchases (discussed above), real property
6 renovation/improvement related expenses, and other personal affect-type
7 transactions.

8 Given that no accounting system or data for the companies has been located
9 or turned over by any of the Defendants or Relief Defendants, the Receiver, through
10 her counsel, has issued numerous subpoenas to gather banking records (as discussed
11 above) and is using a project-specific and cost-effective AI software to upload the
12 tens of thousands of banking transactions into a database. This software is saving
13 considerable time and expense and will shorten the period of time required to
14 complete the accounting, which in some complex cases can take many months or
15 even years (depending on the number of bank accounts and volume of transactions).

16 **IV. PRELIMINARY RECOMMENDATIONS**

17 The Receiver's efforts to marshal and recover assets and relevant
18 Receivership Entity documents and records are ongoing. In the near term, the
19 Receiver and her professionals make the following recommendations.

20 **1. Document Recovery Efforts**

21 The Receiver will continue to obtain records from all available sources
22 identified and associated with the Receivership Entities, including all financial
23 institutions where the Receivership Entities maintained accounts, as well as from
24 attorneys and accountants engaged by the Receivership Entities.

25 **2. Receivership Asset Recovery Efforts and Investigation**

26 The Receiver will seek to locate any presently unaccounted for receivership
27 assets that may exist. As part of her investigation, the Receiver will evaluate claims
28

1 to pursue recovery of assets of the Receivership Entities from third parties. The
2 Receiver will seek Court approval before pursuing any such claims.

3 **3. Accounting**

4 The Receiver will proceed with the forensic accounting to establish, among
5 other things, identification of all assets not already identified, the identification of
6 investors and the money in-money out account balances associated with the
7 investors identified.

8 **V. CONCLUSION**

9 Based upon the Receiver's preliminary investigation and findings, the
10 Receiver recommends and requests that the Court order the Receiver to continue her
11 work pursuant to the orders issued by the Court. The Receiver also requests the
12 Court authorize her continuing investigation and approve this third report and
13 recommendations.

14
15 Dated: December 15, 2023

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

16
17 By: /s/Edward G. Fates
EDWARD G. FATES
Attorneys for Court-Appointed
Receiver KRISTA L. FREITAG

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EXHIBIT A

Exhibit A - Schedule of Assets

Real Property Assets:

	Address	City	State	Description	Notes
1	865 E. Riverpark	Boise	ID	Attached Townhome	Receiver Possession
2	2158 Summersweet	Boise	ID	Commerical Condominium Storage Unit	Receiver Possession
3	21 Isle of Venice	Fort Lauderdale	FL	Condominium	Receiver Possession
4	5963 N. Hacienda	Boise	ID	Single Family Residence	Receiver Possession
5	9641 Sultana	Garden City	ID	Attached Townhome	Receiver Possession
6	7691 Gracemoor	Las Vegas	NV	Single Family Residence	Occupied by Tenant

Personal Property - Autos:

	Make	Model	Year	Notes
1	Toyota	Tundra	2021	Surrendered by Hirschmann, in storage
2	Mclaren	620R	2020	Surrendered by Hirschmann, in storage
3	Bentley	Continental	2022	Surrendered by Hirschmann, in storage
4	Aston Martin	DBS	2019	Surrendered by Hirschmann, in storage
5	Mercedes Benz	G Wagon	2022	Surrendered by Hirschmann, in storage
6	BMW	X3	2022	Surrendered by Hirschmann, in storage
7	Mercedes Benz	S AMG	2020	Surrendered by Hirschmann, in storage
8	Lamborghini	Huracan	2022	Surrendered by Hirschmann, in storage
9	Ferrari	F8 Tributo	2022	Surrendered by Hirschmann, in storage
10	Ferrari	488 EVO	2020	Surrendered by Hirschmann, in storage
11	Mercedes Benz	C63 Coupe	2023	Surrendered by Campbell, in storage
12	Kawasaki	Ninja	2022	Surrendered by Campbell, in storage
13	BMW	X5	2022	Surrendered by Hirschmann, in storage
14	BMW	M5	2021	Surrendered by Hirschmann, in storage
15	Ford	Mustang	2019	Held by Campbell, believed to have no value due to outstanding auto loan secured by title to the vehicle.

Personal Property - Jewelry and Sculptures (all except statues in safe deposit box):

- 1 Breitling Emergency Mission men's watch
- 2 Breitling Super Ocean men's watch
- 3 Breitling Navitimer PanAM men's watch
- 4 Breitling Special Edition Military Ops men's watch
- 5 Carl Bucherer Travel Tec GMT men's watch
- 6 Breitling Chronomat diamond ladies' watch
- 7 Mikimoto diamond pendant necklace
- 8 Mikimoto diamond pendant earrings
- 9 Mikimoto triple row bracelet
- 10 Hearts of Fire aerial dewdrop twisted bangle
- 11 SC Moonstone pendant necklace
- 12 SC Moonstone pendant earrings
- 13 JBS oval diamond earrings
- 14 Standing Anubis Statue
- 15 Standing Hours Statue
- 16 Standing Knight Statue
- 17 Bugatti Car Statue