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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 FIFTH 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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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 Fifth Interim Report and Recommendations ("Fifth 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 was approved on April 9, 2024
18 (Dkt 218).

19 On December 1, 2023, the Receiver filed a motion for authority to pursue
20 certain claims for recovery on behalf of the receivership estate (known as clawback
21 claims) and for authority to settle such claims within certain parameters (Dkt. 197).
22 This motion was likewise approved on April 9, 2024 (Dkt 218).

23 This quarterly report covers the Receiver's activities during the first quarter of
24 2024, including accounting information from inception of the receivership on
25 May 19, 2023 through March 31, 2024, and also reflects the status of certain assets
26 as of the date of this report, if material activity has occurred between March 31,
27 2024 and the date of this report.

28

1 phones/computers, and financial books and records), Defendants and Relief
2 Defendants have provided minimal information. Through her own efforts, the
3 Receiver has been able to obtain control over Receivership Entity websites, email
4 accounts (many of which were empty due to deletion) and limited financial
5 information. The data available from these sources is largely incomplete,
6 deleted/destroyed, or otherwise non-existent.

7 With limited cooperation and little to no data turned over, the Receiver,
8 through her counsel, has been forced to issue over 200 subpoenas requesting
9 information from third parties related to the Receivership Entities and their
10 investors; this process involves significant time preparing the subpoenas, following
11 up with subpoena recipients to secure document productions and reviewing the
12 productions received. These efforts have not only provided the Receiver with
13 contact information for hundreds of investors and records critical to the
14 investigation of potential claims against third parties, but also have confirmed the
15 existence of and to date, provided for the Receiver's recovery of the following
16 assets:

- 17 • Over \$8 million in cash (see Receipts and Disbursements below),
- 18 • Fourteen (14) mostly exotic and luxury vehicles,
- 19 • Six (6) real properties, and
- 20 • Numerous pieces of jewelry and artwork.

21 During the first quarter of 2024, the Receiver continued to concentrate efforts
22 on advancing the forensic accounting, securing the known assets, making
23 preparations for the sale of the recovered assets pending approval for disposition
24 thereof, and investigating potential claims and recoveries.

25 As discussed herein, the Receiver and her professionals have made significant
26 progress, especially considering the minimal cooperation and very limited organic
27 company data available. However, work remains to be done – notably on
28

1 completing the forensic accounting, investigating and pursuing claims,² the
2 recovery/monetization of receivership assets,³ and a claims and distribution process.

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

4 **1. Business Operations**

5 Although virtual addresses associated with the Receivership Entities have
6 been identified, no physical cannabis operations or premises operated or owned by
7 the Receivership Entities have been located to date. Moreover, no revenue
8 generated from any cannabis operations has been identified to date.

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

14 The Receiver, through counsel, has issued subpoenas on various electronic
15 and accounting related software companies to recover organic company related data;
16 however, some of the responses to these subpoenas remain pending.

17 **2. Funds Recovered to Date**

18 The Receiver promptly notified each bank and known financial institution
19 identified as having an account associated with the Receivership Entities. Through
20 March 31, 2024, the Receiver recovered over \$8.0 million from bank accounts
21 previously controlled by the defendants, legal retainers, a pre-receivership vehicle
22 deposit, a post-TRO sale of a vehicle owned by Autobahn, and funds withdrawn
23 from accounts by Mr. Hirschmann (which funds were previously unknown to the
24
25

26 ² On December 1, 2023, the Receiver filed a motion for authority to pursue
27 clawback claims and for approval of proposed procedures (Dkt. 197), which
28 motion was approved on April 9, 2024 (Dkt 218).

³ On September 29, 2023, the Receiver filed a motion for authority to sell personal
and real property assets (Dkt. 162), which motion was approved on April 9, 2024
(Dkt 218).

1 Commission but discovered by the Receiver). See below in the Receipts and
2 Disbursements section for more detail.

3 The Receiver, through her counsel, has also subpoenaed all known financial
4 institutions for all account records, which records are necessary for the Receiver to
5 complete an accounting, as ordered by the Court. The Receiver is still awaiting
6 some responses and follow-up requests from certain financial institutions, but the
7 Receiver's ongoing accounting work is progressing and is further discussed below.

8 **3. Real Property Assets**

9 As previously discussed, the Receiver has confirmed that six (6) real
10 properties (all are residential except for one (1) commercial storage unit, and each
11 property is part of a homeowner's association) are owned by Autobahn. These
12 properties are in Boise, Idaho, Las Vegas, Nevada, and Fort Lauderdale, Florida.

13 The Receiver continued in possession of five (5) of the real properties
14 including a Fort Lauderdale, Florida condo ("Isle of Venice"), a commercial storage
15 unit ("Summersweet"), two townhomes ("Riverpark" and "Sultana") and a single-
16 family residence ("Hacienda"). Summersweet, Riverpark, Sultana and Hacienda are
17 all located in the Boise, Idaho area.

18 During the period, the efforts of the Boise property management firm
19 continued, and the homes remained in good condition throughout the winter months.
20 Through the security cameras installed onsite, the Receiver's staff has been able to
21 monitor the site visits of the property management firm. The Receiver also
22 committed to the work of re-installing the wall that had been removed at the
23 Hacienda property. That work is presently ongoing and is expected to be completed
24 in late May or early June 2024, pending delivery of some key materials. It was
25 determined that other minor repairs at the Hacienda and Sultana properties would
26 most cost effectively be completed by a handyman/repair person in coordination
27 with the listing agents, and the management company is working on spring start-up
28 activities for the properties (notably the pool and irrigation system at Hacienda).

1 Finally, a member of the Receiver's staff visited the Isle of Venice property to
2 confirm that the property remained secured, to install a security camera at the
3 property, and box up and return personal property left onsite.

4 The Receiver took possession of the property located in Las Vegas
5 ("Gracemoor") on April 1, 2024 after expiration of the lease term of the tenant,
6 Loretta Cruz. The Receiver, through her staff, secured the property, interviewed and
7 hired a landscaper, a pool company and an asset manager, respectively, to maintain
8 the property. Recently, after some vandalism was observed at the property, the
9 Receiver's staff installed security cameras to remotely monitor any activity at the
10 property. As previously discussed, the Gracemoor HOA notified the Receiver of
11 alleged pre-receivership violations of the HOA rules related to a carport/awning
12 structure added to the property, among other complaints. In various
13 communications since her appointment, the Receiver has reminded the HOA of the
14 Court's stay order that prohibits placing a lien on the property. Nonetheless, on
15 January 17, 2024, the Receiver received a notice from a debt collector representing
16 the HOA advising of a lien placed on the property due to various unpaid violation
17 notices. The Receiver, through counsel, demanded that the HOA remove the lien.
18 On February 1, 2024, the debt collector responded that the lien would be removed
19 promptly and on February 7, 2014, the Receiver received confirmation of the lien
20 removal.

21 After reviewing the materials related to the alleged HOA violation, it appears
22 that a structure was approved for construction at the site, however, the HOA alleges
23 that the structure erected is different than what was approved by the HOA. In
24 July 2023, the HOA retroactively rescinded approval for the structure and began to
25 assess a weekly \$100 fine against the property. Those fines are currently over
26 \$4,000. It should be noted that the prior occupants hired a licensed contractor to
27 professionally build the structure. The structure was inspected and approved by the
28 county inspector and the contractor claims that the structure built is consistent with

1 the plans submitted to the HOA. The Receiver is working to try and resolve the
2 dispute with the HOA.

3 Finally, the Receiver was notified by a vendor of a mechanic's lien placed on
4 the property due to non-payment for some security window screens for the property.
5 The screens have not been installed at the property. Pursuant to the aforementioned
6 stay order, the Receiver requested the vendor remove the lien and has issued the
7 vendor a subpoena for records. The vendor has thus far refused to remove the lien,
8 asserting that it did not have notice of the stay of creditor actions in the Preliminary
9 Injunction Orders when the lien was recorded, but has provided records.

10 On April 9, 2024, the Court granted the Receiver's motion seeking authority
11 to sell personal property and list the real property for sale through licensed brokers.
12 Pursuant to that authority, the Receiver has begun to finalize efforts with the
13 previously discussed brokers. Recently, the National Association of Realtors has
14 announced a nationwide settlement that will fundamentally change the way that
15 residential real estate is bought/sold in the United States. One of the main goals of
16 the settlement is to reduce the commission rates sellers pay to list their homes.
17 While the settlement is not anticipated to be effective until late July or early
18 August 2024, the Receiver has used that settlement as leverage to negotiate
19 significant discounts to many of the previously discussed commission rates with the
20 listing agents. Currently the Receiver has signed listing agreements for all the
21 properties except for the Hacienda property. That agreement is anticipated to be
22 signed once the aforementioned repairs are complete.

23 It should be noted that for the Hacienda, Gracemoor and Riverpark properties,
24 significant funds were spent prior to the Receiver's appointment for work done to
25 the properties. Unfortunately, all listing agents who have reviewed those properties
26 have noted that the expenditures made for that work are not likely to be recovered
27 through the sale prices. In some cases, the work done reduced the bedroom and
28 bathroom count (Gracemoor & Riverpark), which tends to lower the likely selling

1 price. In other cases, the work done was highly specific to the prior occupants, like
2 creation of a show garage with car lifts and workout space or an outdoor kitchen and
3 pool which is useful for a relatively short portion of the year in Boise, Idaho
4 (Hacienda). The Receiver has provided the listing agents with invoices and the
5 details of the work completed to try to push the value of the real estate as high as
6 possible. Unfortunately, the Boise, Idaho market is also experiencing a declining
7 market due to higher interest rates and increasing supply in new developments. In
8 light of this set of facts, the Receiver has procured appraisals for the three Boise
9 residences in order to help determine their current value.

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

11 In addition to the real property, the Receiver noted dozens of vehicle
12 purchases by Receivership Entities or with funds raised from investors. To date, the
13 Receiver had identified 13 vehicles owned by Autobahn, all but one of which have
14 been recovered from Defendant Hirschman. Almost immediately after the TRO was
15 entered on May 19, 2023, Hirschmann sold a Maserati automobile for \$170,000
16 cash (about half of what Autobahn had purchased it for six months earlier). The
17 Receiver was able to recover the \$170,000, which Hirschmann had instructed the
18 buyer to wire to a criminal defense law firm.

19 The Receiver is also aware of numerous vehicles owned by Defendants or
20 Relief Defendants. Relief Defendant Campbell turned over two (2) vehicles to date.
21 A third vehicle, a Ford Mustang, remains in Relief Defendant Campbell's
22 possession. The vehicle is believed to have no equity value due to an existing loan
23 secured by the vehicle. The Receiver also identified and made demand on three (3)
24 luxury SUV's, which were purchased by Autobahn and gifted by Hirschmann to
25 three (3) women located throughout the country. Further pursuit of these vehicles is
26 forthcoming pursuant to the Court's recent granting of authority for the Receiver to
27 pursue the clawback claims.

28

1 Since locating the first vehicle at takeover, the Receiver coordinated transport
2 from their locations in Boise, Las Vegas and Southern California and is holding all
3 14 vehicles recovered to date in a secured storage facility in Southern California.
4 The facility regularly maintains the vehicles to ensure that they remain in running
5 condition.

6 Pursuant to the Court's recent granting of authority for the Receiver to sell
7 personal property, the Receiver has located and is negotiating a listing agreement
8 with a reputable asset disposition firm. Prior to this, the Receiver had investigated
9 various methods for selling luxury and exotic vehicles, including dealership sales,
10 consignment sales and various well known auction sites. Accordingly, various
11 sources provided estimates of value for the vehicles to guide the Receiver in
12 determining list prices and whether she will accept an offer for each vehicle. Once
13 the agreement is finalized, the Receiver anticipates that it will take a few months to
14 sell all the vehicles.

15 Based on the best information available at this time, the Receiver identified
16 hundreds of thousands of dollars of jewelry purchases. Approximately thirteen (13)
17 jewelry pieces have been recovered and secured in a safe deposit box at a Southern
18 California bank vault. Additionally, four large metal art sculptures weighing
19 hundreds of pounds are located in the Boise area. After contacting the retailer that
20 sold the sculptures to Defendant Hirschmann, the value suggested for all pieces was
21 \$7,500. That said, receipts and discussion with the retailer suggest that over
22 \$50,000 was paid for the sculptures. Efforts to identify, locate and recover
23 additional jewelry, luxury goods, artwork and other valuable personal property are
24 ongoing. Attached as **Exhibit A** is a schedule detailing the assets collected to date,
25 including real property, automobiles, jewelry and artwork.

26 The Receiver is likewise pursuing avenues to sell the jewelry and artwork.
27 Unfortunately, it does not appear that selling the jewelry and artwork will be as
28 efficient as selling the real property and vehicles, due to the highly subjective nature

1 of the value of each item. The net recoveries may be lower as well in relation to
2 funds expended to purchase the items. Individual tastes and preferences will highly
3 influence the marketability for these items and will require an individual approach to
4 each sale. As noted before, prospective consignment sellers and auctioneers have
5 also expressed a softening market for such items (and personal property items are
6 subject to high retail mark-ups when purchased).

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

8 The Receiver maintains general liability and property insurance over all the
9 real properties and during the period, continued to reorganize coverage considering
10 the current state of the properties as vacant with limited personal property located
11 therein. It should be noted that the insurance marketplace appears to be a general
12 state of transition, and that carriers are increasingly unwilling to renew policies, or
13 make changes that were typical to the industry in certain markets highly susceptible
14 to climate change. Thus far, the Receiver has been able to maintain effective
15 policies over these assets. The Receiver previously reorganized coverage on the
16 vehicles in her possession to obtain quality coverage that considered the lack of
17 daily driving on the vehicles.

18 Coverage for the jewelry was previously placed, however, after determining
19 that the jewelry would not be worn daily or held in a home environment, the carrier
20 withdrew the coverage. The Receiver intends to place coverage for the jewelry and
21 artwork while in transit and prior to sale. As part of these efforts, the Receiver may
22 be required to engage an appraisal service to confirm appropriate coverage with a
23 carrier.

24 **6. Other Investments and Loans**

25 After reviewing the banking records and then documents and information
26 produced by the web hosting company in response to her subpoena, the Receiver
27 discovered an operating business owned by Raw Sports, LLC (a Hirschmann
28 controlled entity), which had recently purchased Rari Nutrition ("Rari"). Rari was a

1 nutritional supplements company largely sold through the Amazon.com website, but
2 also through its own website at rarinutrition.com.⁴ Through various subpoenas, the
3 Receiver confirmed that Raw Sports, LLC dba Rari was an existing operating
4 business that Hirschmann purchased through Raw Sports, LLC, just prior to the
5 Receiver's appointment with what appears to be investor funds. After the Receiver
6 obtained this information, Hirschmann agreed to turn control of the company and its
7 operations over to the Receiver. An experienced Amazon.com operations team was
8 operating the virtual storefront, along with existing product, which consisted of
9 various health/exercise supplements. The Receiver worked with the operations team
10 and continued to gather information regarding the business to support its operations
11 (from manufacturing of product inventory to warehouse inventory to insurance).
12 Unfortunately, the prior net losses reported, the limited revenue activity and
13 complete lack of cooperation by the manufacturer of the supplements has led to a
14 wind down of operations.

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

20 **7. Digital Records**

21 Without a physical operation and with very limited cooperation from the
22 Defendants and Relief Defendants, the Receiver has also been working diligently to
23 identify any payments to any companies associated with the Receivership Entities.
24 As part of her effort to identify, obtain, control and preserve the business records
25 associated with the Receivership Entities, with the assistance of counsel, the
26 Receiver has also served various vendors, and other third parties (including the
27

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

1 internet service provider, website hosting companies, and other key vendors
2 believed to service the Receivership Entities) with subpoenas and has made a
3 demand that they each preserve all electronic and other documents in their
4 possession, custody or control.

5 Initially, the Receiver took control of six (6) primary domains (ocgm.com,
6 weedgenics.com, inr.green, wcdev.us, xjus.com, rarinutrition.com), and nine (9)
7 add-on domains and if applicable, their related email accounts. Since appointment,
8 the Receiver has taken possession of a total of 47 domains, however 34 appear to be
9 parked, meaning the domain name is owned/controlled by the Receivership Entities,
10 but no other web assets appear to be related to the name (e.g. no corresponding
11 website or email account is operating). Hirschmann, through counsel, has asserted
12 that various of the domains should be outside of the scope of the PI Order. Control
13 over these accounts allows the Receiver to make a static copy of the primary domain
14 websites for archival purposes and re-direct any website traffic to the Receiver's
15 website at www.INRreceivership.com. Out of an abundance of caution, the
16 Receiver has continued to pay for the annual renewal of all domains until their
17 further utility can be ascertained. Due to the ongoing expense for many domains
18 which do not appear to have data associated with them, the Receiver is reorganizing
19 the domains to lower cost options.

20 In addition to website traffic, the domains are also capable of having
21 associated email accounts, e.g. user@inr.green or user@ocgm.com. Thus far, the
22 Receiver noted various instances of the Defendants or Relief Defendants using those
23 email accounts (e.g. max@ocgm.com, max.bergmann@inr.green, max@xjus.com or
24 aia.montgomery@inr.green), however upon taking control of those domains, the
25 Receiver noted that almost no emails existed in the accounts. Furthermore, the
26 Receiver has discovered that certain of the receivership entity accounts were deleted
27 and has been able to trace those deletion efforts to the IP address associated with the
28

1 Defendant Hirschmann occupied Hacienda property shortly after the TRO was
 2 entered.

3 **8. Receipts and Disbursements**

4 The following reflects the cash activity of the receivership estate for the
 5 period from May 19, 2023, through March 31, 2024. A summary of the receipts and
 6 disbursements is as follows:

7	Total Bank Account Balances at takeover	\$6,541,700
8	Hirschmann Withdrawal Recovery	\$1,128,921
9	Legal Retainer Recovery	\$370,000
10	Vehicle Deposit Recovery	\$30,000
11	Interest Income	\$161,082
12	Parking Lease Income	\$500
13	Raw Sports Net Operating Revenue	\$49,352
14	TOTAL RECEIPTS	\$8,281,554
15	Raw Sports Operating Expenses	(\$43,186)
16	Real Property Related Expenses (e.g., HOA monthly dues, property taxes, insurance)	(\$94,729)
17	Vehicle Expenses (e.g., repossession, transportation, security, storage, insurance)	(\$137,599)
18	General Receivership Expenses (primarily includes asset search related expenses)	(\$41,733)
19	TOTAL DISBURSEMENTS	(\$317,247)
20	CASH BALANCE AT MARCH 31, 2024	\$7,964,308

25 As of March 31, 2024, outstanding checks totaled \$9,329, thus the actual
 26 bank balance as of March 31, 2024, was \$7,954,979.

27
 28

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, with a production in response thereto forthcoming.

24 **10. Forensic Accounting**

25 While the Receiver and her team are making significant progress on the
26 Court-ordered forensic accounting, significant work remains to be done. Notably,
27 the Receiver has not yet seen any material transactions incurred by the Receivership
28 Entities which are associated with revenue generating cannabis operations, but has

1 seen *material* amounts of credit card payments, payments to numerous
2 (unexplained) non-investor individuals and entities (mentioned above), payments to
3 investors, cash withdrawals, real and personal property purchases (discussed above),
4 real property renovation/improvement related expenses, and other personal affect-
5 type transactions. The forensic accounting efforts to date have also been critical in
6 assisting with the ongoing investigation of potential third-party claims and
7 recoveries.

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 time required to complete the
14 accounting, which in some complex cases can take years (depending on the number
15 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 As appropriate, the Receiver will seek to locate any presently unaccounted for
27 receivership assets that may exist. As part of her investigation, the Receiver is and
28 will continue to evaluate claims to pursue recovery of assets of the Receivership

1 Entities from third parties. With the exception of clawback claims, which the Court
2 has already authorized, the Receiver will seek Court approval before pursuing any
3 such claims.

4 **3. Accounting**

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

9 **V. CONCLUSION**

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

15
16 Dated: May 17, 2024

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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18 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	Receiver Possession (on 4/1/2024)

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