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Diane A. Thompson*

**IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION**

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**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**AMERICAN PENSION SERVICES, INC.,  
a Utah Corporation and CURTIS L.  
DeYOUNG, an individual,**

**Defendants.**

**SIXTH QUARTERLY STATUS  
REPORT OF RECEIVER**

**Case No.: 2:14-CV-00309-RJS-DBP**

**Judge Robert J. Shelby  
Magistrate Judge Dustin B. Pead**

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**TABLE OF CONTENTS**

	<b>Page</b>
1. Introduction.....	1
2. Directions to Receiver.....	3
3. Operations of Receiver .....	3
A. Current Operations of APS .....	5
B. Current Operations of Receiver .....	15
1. Implementation of Amended Modified Plan of Liquidation .....	15
2. IRS Private Letter Ruling.....	21
3. Assets Sold During Reporting Period.....	1
4. Insurance, Tax Refunds, and Other Claims of Receiver.....	25
5. Distributions to Clients and Creditors.....	28
6. Costs of Receivership .....	28
7. Pending Litigation.....	29
4. Cash on Hand, Expenses, Unencumbered Funds, Receipts, and Disbursements .....	31
5. Receivership Property .....	33
6. Liquidated and Unliquidated Claims .....	33
7. Creditors and Claim Proceedings.....	34
8. Receiver Recommends Continuation of the Receivership.....	34

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>FEDERAL STATUTES</b>	
18 U.S.C. § 1341.....	4
Internal Revenue Code § 408(e)(2).....	11

Diane Thompson, Court-appointed receiver (Receiver) for Defendants American Pension Services Inc. and Curtis L. DeYoung (DeYoung) and related entities, by and through her counsel of record Ballard Spahr LLP hereby submits the Sixth Quarterly Status Report of Receiver as of September 30, 2015.

**1. Introduction**

On April 24, 2014, the Court appointed Diane Thompson as Receiver of American Pension Services, Inc. and any related entities owned, controlled, or under common control by or through American Pensions Services, Inc. and all assets of Mr. Curtis L. DeYoung (collectively referred to as Receivership Defendants). *See* Order Appointing Receiver, Freezing Assets, and Other Relief 1–3 [Dkt. 9] (hereinafter Receivership Order). These entities include American Pension 401K Services, Inc. (APS 401K); LJP, LLC; Interim Funding LLC; First Silverado Properties, LLC; LIC Environmental; and Quicksilver Management, LLC. *Id.* American Pensions Services, Inc. and related entities owned, controlled, or under common control of American Pension Services, Inc. are collectively referred to as APS.

The Court found the appointment of a Receiver was necessary to “marshal[] and preserv[e] all assets” of the Receivership Defendants (Receivership Assets) as well as “the assets of any other entities that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the Defendants; and[] (d) may otherwise be includable as assets of the estates of the Defendants.” Receivership Order at 1–2.

The Receiver, with approval from the Court, engaged Ballard Spahr LLP as legal counsel to the Receiver, Piercy Bowler Taylor & Kern (PBTk) as forensic accountants, Precision

Discovery, Inc. as forensic information technology specialists, Richards Brandt Miller Nelson as insurance coverage counsel, Orange Legal Technologies to perform forensic computer services, and Gary Free as an independent appraiser. *See* First Quarterly Report of Receiver 1–2 [Dkt. 169]; Order Granting Motion to Retain Gary Free as Appraiser [Dkt. 208]. The Receiver is required to “file and serve a full report and accounting of each Receivership Estate . . . reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and . . . the extent of liabilities . . . of the Receivership Estates” within thirty days of the end of each quarter. Receivership Order at 22.

The quarterly status report must contain: (1) a summary of the operations of the Receiver; (2) the amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate; (3) a schedule of all the Receiver’s receipts and disbursements with one column for the quarterly period covered and a second column for the duration of the Receivership;<sup>1</sup> (4) a description of all Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended; (5) a description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic or investigatory resources, the approximate valuation of these claims, the anticipated or proposed method of enforcing these claims, and the likelihood of success of the claims; (6) a list of known creditors with their addresses and the amounts of their claims; (7) the status of creditor claims proceedings; and (8)

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<sup>1</sup> The Receiver operates three accounts within APS. These accounts are discussed in more detail in Section IV, with copies of the Receiver’s Receipts and Disbursements attached as Exhibits A, B, and C.

the Receiver's recommendation for continuing or discontinuing the Receivership with reasons for the recommendation. Receivership Order at 22–23.

This Sixth Quarterly Status Report is submitted to the Court in compliance with the Receivership Order for the period of July 1, 2015 to September 30, 2015 (Reporting Period).

**2. Directions to Receiver**

The Receivership Order provides detailed authorizations, directions, and instructions to the Receiver with regard to the Receivership Estate. A copy of the Receivership Order is available as Document Number 9 in this case.

**3. Operations of Receiver**

The Receivership continues to be a very unique and complicated Receivership. Unlike a typical Receivership—where the Receiver steps in, shuts down the business, terminates all employees, identifies and liquidates assets, makes disbursements to creditors, and files a report—the Receiver was faced with the task of not only marshaling all Receivership Assets, but also taking over and managing a business of providing third-party administrative services to over 5,500 clients with self-directed individual retirement accounts (IRAs) or 401(k) accounts.<sup>2</sup> The purported value of the assets of APS client accounts as of April 25, 2014 was in excess of \$350 million.<sup>3</sup> The APS business is complex because the emphasis of the business is on offering

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<sup>2</sup> Due to the asset freeze placed on the accounts of APS, on April 25, 2014 there were approximately 5,400 clients with self-directed IRAs being administered by APS and over 300 clients with 401(k)s being administered by APS 401K. As the Receiver has implemented her Amended Modified Plan of Liquidation, these numbers have been significantly reduced. *See infra*. Part 3.A–B.

<sup>3</sup> APS IRA accounts purportedly had in excess of \$350 million in assets, while APS 401(k)s purportedly had in excess of \$35 million in assets.

administration of non-traditional assets, such as unsecured real estate and promissory notes.<sup>4</sup> It has become clear that APS was mismanaged prior to the Receivership and there were deficiencies in operating processes, training, technology, and process and accounting controls. Adding to the complexity of the Receivership—as well as the determination of the value of assets of both the Receivership Defendants and APS clients—is missing, poor, or inadequate documentation. This lack of documentation has made the Receiver’s task more difficult. The Receiver has also spent much of the Receivership continuing to search for information regarding assets of the Receivership Estate. This effort was complicated by the lack of cooperation from DeYoung in providing a detailed sworn statement identifying and estimating the value of all known assets of the Receivership Estate and in his deposition on September 30, 2014.<sup>5</sup>

Further adding to the cost and complexity of the Receivership are the hundreds of continuous telephone calls and emails between the Receiver or her staff and APS clients, many of whom have questions, are confused, angered, and frustrated by the Receivership. Some APS clients seek answers to questions about the Receivership, some demand distributions, others seek to conduct business transactions which require review pursuant to the Court’s Order Clarifying Order Appointing Receiver, Freezing Assets, and Other Relief [Dkt. 79] (“Clarifying Order”), which authorized APS customer transactions under certain conditions. The Court approved the

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<sup>4</sup> While unsecured promissory notes were an offering available prior to the Receivership, the Receiver has authorized only secured promissory notes pursuant to the Court’s Order Clarifying Order Appointing Receiver, Freezing Assets, and Other Relief [Dkt. 79].

<sup>5</sup> DeYoung continues to be uncooperative in the identification and recovery of Receivership Assets. Mr. DeYoung was indicted on fifteen counts of mail fraud in violation of 18 U.S.C. § 1341 on February 25, 2015. Furthermore, despite numerous assertions by Mr. DeYoung that he has reached a settlement with the SEC, no such settlement has been entered.

Receiver's Amended Modified Plan of Liquidation (“Plan of Liquidation”) and proposed Successor Administrator Equity Trust Company on February 27, 2015. Consequently, APS clients could transfer their account to Equity Trust Company.

The Receiver began the transfer of accounts to Equity Trust Company on April 1, 2015. During the Reporting Period, the Receiver and her professionals responded to hundreds of telephone calls and emails from APS clients with questions regarding transfer to Equity Trust Company and the Amended Modified Plan of Liquidation. These calls include questions regarding whether their accounts are subject to the Plan of Liquidation, how clients can make their loss allocation, how to transfer accounts to Equity Trust Company, how to re-register their alternative assets in the name of Equity Trust Company after their accounts have been transferred, and the amount of the future distribution the client may receive. Clients also had questions about how to seek a revaluation of the assets in their APS accounts and whether they qualify for an in-kind exemption.

**A. Current Operations of APS**

The Receiver seized control of APS and the Receivership Assets on April 25, 2014, including the APS office located at 4168 West 12600 South, Suite 300, Riverton, Utah 84096. Upon seizing control, the Receiver took over a complex business operation administering self-directed IRA and 401(k) accounts. APS offered third-party administration services for self-directed retirement accounts for over thirty years. During the thirty-plus years of operation, APS administered accounts for over 14,000 clients. As of April 25, 2014, APS was the third-party administrator of approximately 5,500 accounts who had self-directed IRAs, self-directed 401(k)s, or both, with those accounts purportedly holding in excess of \$350 million in assets.



The assets held by clients within their retirement accounts vary widely and consist of real estate, stock in private corporations, memberships in limited liability companies, leases of business furniture and equipment, automobiles, short and long-term notes, precious metals, bonds, oil and gas interests, and foreign currency.<sup>6</sup> Because the accounts administered by APS are mostly retirement accounts, and in an effort to minimize the harm to those clients, the Receiver recognized the need of clients to continue to direct investment activities and sought a clarifying order from the Court allowing clients to pursue investment opportunities. On May 21, 2014, the Court granted a Clarifying Order, which allowed clients to pursue investment opportunities while the Receiver developed a liquidation plan. The Clarifying Order authorized the Receiver to: (1) make ordinary and necessary expenses to maintain and preserve assets; (2) approve the liquidation of investments for reinvestment into other assets within an APS client's account upon direction by the client; (3) approve the investment of existing cash in APS client accounts into other investments within the account; (4) approve the investment of existing cash into a business entity (e.g. LLC, partnership, or corporation) with identifiable "hard" assets so long as the asset remained frozen under the Receivership Order; (5) approve new incoming cash deposited to APS for investment within APS client accounts; (6) approve the payment of pre-existing regularly scheduled monthly, quarterly, or semi-annual distributions to clients; and (7) approve required minimum distributions to clients over the age of seventy-and-a-half years to comply with IRS guidelines. Under the Clarifying Order, APS client transaction and investment requests were initially subject to maintaining a 20% liquidity requirement. On February 6, 2015, the Court granted the Receiver's requested Amended Clarifying Order that subsequently reduced

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<sup>6</sup> This list is by way of example and not exhaustive of all types of assets held by client accounts.

the 20% liquidity requirement to 10%. *See* Amended Clarifying Order [Dkt. 434]. The Receiver has continued to operate APS under the requirements of the Receivership Order, Clarifying Order, and Amended Clarifying Order during the Reporting Period until July 3, 2015.

On July 3, 2015, the Receiver ceased normal APS business operations and shifted her focus to transitioning APS accounts to Equity Trust Company, as detailed in the Amended Modified Plan of Liquidation. The Receiver terminated the remaining APS employees on July 3, 2015. The Receiver continued to receive client direction letters and loss allocation payments from clients requesting that their accounts be transferred to Equity Trust Company as the successor custodian. The Receiver continues to process client accounts for transfer to Equity Trust Company. At the end of the reporting period, the Receiver had received communications from 4,171 of the of the approximately 5,500 APS clients. Of the 4,171 clients that had submitted a communication to the Receiver, 2,961 were transferred to Equity Trust Company as of the end of the Reporting Period.<sup>7</sup>

The Receiver ceased normal APS business operations on July 3, 2015, but continues to work with clients that are working in good faith and require transactions within their accounts to facilitate the closing of sales and/or to create liquidity and fund their loss allocation in order to comply with the Plan of Liquidation. The Receiver continues to follow APS procedures to conduct these transactions, which require clients submit a direction letter and the transaction documents. Client transactions require a review of direction letters, transaction documents, and coordination with clients regarding any relevant supplemental documentation needed. The

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<sup>7</sup> As of the date of this filing, the Receiver has received communication from 4,711 clients. Of those 4,711 clients, 3,420 have been transferred to Equity Trust Company.

Receiver and her staff continue to review and process transactions to create liquidity for a loss allocation payment that include, but are not limited to, the transfer or funding from business entities such as LLCs, and the sale of secured promissory notes, real estate, precious metals, and foreign currency. Because the Receiver ceased normal APS operations on July 3, 2015, no further purchases have been authorized within APS accounts. Furthermore, clients were required to submit their account transfer paperwork by May 27, 2015. This deadline was later extended to June 30, 2015. The ceasing of normal business operations and not permitting changes in investments has encouraged clients who had not complied with the Plan of Liquidation to fund their loss allocations and transfer to Equity Trust Company.

At the time of this filing, the Receiver has also provided an extension agreement, which allows clients to seek and receive additional time to liquidate assets to fund their loss allocation. Specifically, clients have sought extensions to complete the sale of real properties within their self-directed accounts in order to fund their loss allocations. The Receiver will continue to work with clients who have taken affirmative steps to comply with the Plan of Liquidation. The Receiver continues to process and review transactions for these clients. The Receiver has also accommodated client transaction requests to preserve and protect assets according to this Court's orders.

The Receiver continues to update the Receivership website ([www.apsreceiver.com](http://www.apsreceiver.com)) in an effort to keep all APS clients informed of key events affecting the Receivership. The website is updated with Court filings and frequently asked questions on a regular basis. The updates during this Reporting Period have included posting of the Fifth Quarterly Status Report of the Receiver; an Order Requiring Transfer of All APS Clients to Equity Trust Company; a Motion and

Memorandum to: (1) Approve Settlement with First Utah Bank, and (2) For a Claims Bar Order; and an Order Regarding Notice Of and Time For Objections to Motion and Memorandum to: (1) Approve Settlement with First Utah Bank, and (2) For a Claims Bar Order. The posting and mailing of the Order Requiring Transfer of All APS Clients to Equity Trust Company has increased the number of phone calls from clients that had questions regarding the Plan of Liquidation and the loss allocation. This has allowed the Receiver the opportunity to explain and encourage clients to comply with the Plan of Liquidation and fund their loss allocations. The Order has also motivated many clients to comply with the Amended Modified Plan of Liquidation.

The Receiver continues to receive hundreds of calls and e-mails from clients. Clients or legal counsel representing clients have phoned regarding the transfer of their accounts to Equity Trust Company. Many of these calls and e-mails are regarding the necessary steps to transfer an account. Other calls and e-mails have been from clients who have transferred to Equity Trust and are merely seeking a status of their account. The Receiver has also answered calls and e-mails regarding the DeYoung criminal matter. The Receiver has referred all inquiries regarding the DeYoung criminal matter to the U.S. Attorney's Office.

The Receiver and her staff received requests from APS clients for amendments to 2014 IRS Forms 1099-R tax documents that were issued in January 2015 and the 2014 IRS Forms 5498 that were issued in May 2015. The Receiver and her staff have investigated and responded to all requests for amendments and continue to investigate and respond to requests as they are received.

The Receiver and her staff met with clients in person to answer questions regarding their APS accounts. During these meetings, clients inquired as to the status of their accounts, the current status of the Receivership, revaluation and in-kind exemption requests, and the process of transferring their accounts to Equity Trust Company. Many have brought transfer documents and loss allocation payments to the in-person meetings.

The Receiver continued to receive fair market valuation requests from clients seeking to modify current account values. The purpose of these fair market valuations is to appropriately list the value of client accounts for IRS reporting purposes. One substantial problem at APS prior to the Receivership was the inaccurate valuation of assets reported on IRS Forms 5498. The Receiver posted the fair market valuation form to the Receivership website in February 2015 and has received and processed numerous requests submitted by clients. The Receiver spoke with Equity Trust Company regarding fair market valuation requests and agreed to process these requests before the transfer of the account to Equity Trust Company. However, since the termination of APS personnel, clients have been encouraged to make adjustments to the fair market value of their accounts following the transfer of their accounts to Equity Trust Company.

The Receiver continued her efforts to collect outstanding administrative and management fees owed to APS. The collection of these fees was warranted due to the continuing operations of APS during the Receivership pursuant to the Receivership Order and subsequent Clarifying Orders. Any remaining funds related to management fees following the winding up of the APS business will be distributed back to clients under the Plan of Liquidation. APS administrative and management fees are charged yearly on the APS Clients' anniversary date. On April 25, 2014, the amounts owed for outstanding management fees totaled \$559,857.93. This amount did

not include any outstanding management fees that were owed to APS for clients that had closed their APS accounts. That balance currently stands at \$286,898.48.<sup>8</sup> APS's stated policy prior to the Receivership was that all outstanding management fees were to be collected before closing an account. Despite the stated policy, APS was not diligent in its collection efforts associated with these accounts.<sup>9</sup> At the end of the Reporting Period, APS had \$421,217.71 in outstanding administrative and management fees owed. As noted in previous reports, the outstanding administrative and management fees had grown to approximately \$803,000. Outstanding management fees continue to be collected as part of the process of transferring accounts to Equity Trust Company. The current outstanding balance represents the accounts receivable balance for clients that have only illiquid assets within their accounts, as those clients with liquidity have their administrative and management fees paid from funds within their account. Furthermore, clients with sufficient funds to cover their loss allocation payment and outstanding administrative and management fees have been transferred to Equity Trust Company. The Plan of Liquidation calls for all clients to pay their outstanding management fees prior to the transfer of their account(s) to Equity Trust Company. Outstanding management fees owed will be collected as the Receiver proceeds with the liquidation of assets within the client accounts. The Receiver continues to evaluate how best to collect management fees owed on closed accounts and may engage a collections agent to pursue these fees.

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<sup>8</sup> In previous reports, the Receiver identified this balance as "approximately \$271,000." The balance listed above is the current figure.

<sup>9</sup> APS typically did not seek collections from clients. Rather, APS would simply resign as the third-party administrator, distribute assets to the client, and issue an IRS Form 1099-R indicating the distribution.

The Receiver also reviewed account details for all clients that had not transferred as of June 30, 2015. The Receiver discovered several accounts were still listed as “open,” but the only account balance was a charge for management fees. These accounts have been charged an annual \$40.00 trust fee, but never contained assets. The Receiver and her staff identified and closed these accounts. These accounts are not assessed a loss allocation and will not be transferred to Equity Trust Company.

The Receiver continues to receive responses from some clients that they closed their accounts prior to the Receivership. The Receiver investigates these claims as they arise. The Receiver is closing accounts where clients have been charged and paid termination fees and the accounts contain no assets. The Receiver is performing these account closings in conjunction with account revaluations and transfers to Equity Trust Company. This is in contrast to clients who have requested revaluations on assets, insisting they are worth nothing, but they do not fit into any of the permitted revaluation categories and never previously attempted to revalue their asset.

In previous Quarterly Status Reports, the Receiver noted anecdotal evidence that clients who receive regular deposits from dividends, rental income, or payments from promissory notes were diverting those deposits from their APS accounts. The Receiver continues to notify APS clients of the potential ramifications of diverting those deposits, including the ramifications of a prohibited transaction under section 408(e)(2) of the Internal Revenue Code of 1986 (Prohibited Transactions). The Receiver continues to notify clients to consult with independent legal counsel regarding Prohibited Transactions or any other tax advice sought by APS clients. As noted in previous Quarterly Status Reports, the Receiver has elected to include an acknowledgment that

no withholdings have occurred within the transfer paperwork to Equity Trust Company preceding the transfer of APS client accounts. As a result of this acknowledgment, to the best of the Receiver's knowledge, many clients who may have been withholding funds, typically out of fear or confusion due to the Receivership, have returned those funds prior to the transfer of their accounts to Equity Trust Company.

The Receiver continues to work with clients who have accounts with investments involved in other receiverships. The Receiver has worked with those receivers to ascertain the appropriate value of assets held in APS accounts, which may include the amount of any possible recovery. Notably, the Management Solutions, Inc. receivership has proposed and conducted distributions, with another distribution authorized during the Reporting Period. These distributions were the subject of an interpleader motion whereby the Management Solutions, Inc. receiver interpleaded funds to this Court for distribution to APS clients or their APS accounts. [Dkt. 550, 552]. The Receiver prepared and filed a motion during the Reporting Period to have interpleaded funds released to the appropriate APS clients' self-directed accounts. The Court granted this order on August 17, 2015. Funds were deposited to the appropriate client accounts. From these funds, clients were able to make their loss allocation payments as proscribed by the Plan of Liquidation and were transferred to Equity Trust. Any future distribution sent to APS will be forwarded to Equity Trust Company for deposit into the appropriate accounts. Equity Trust will notify the MSI Receiver in here to remit further payments.

The Receiver has continued to transfer APS account to Equity Trust Company as directed by the Plan of Liquidation. During the previous Reporting Period, ExpertPlan, a record-keeper and third-party administrator used by APS 401K, resigned. As a result, the Receiver selected



Equity Trust Company as the new record-keeper and third-party administrator of the 401(k) accounts. The transfer of APS 401K account from ExpertPlan to Equity Trust Company began during this Reporting Period. All 401(k) plans entered a blackout period during the transfer process, per Department of Labor regulations, to allow the new record-keeper and third-party administrator to conduct the transfer and reconcile the accounts. The blackout period began on September 3, 2015 and will terminate on November 2, 2015. Although the accounts have been moved from ExpertPlan to Equity Trust Company, the 401(k) accounts that have not yet satisfied their loss allocation remain frozen pursuant to the orders of this Court.

APS continued to have regular conference calls with Equity Trust Company regarding the transfer status of accounts, any issues that arise during the account transfer process, the handling of calls from APS clients, and the reimbursement of expenses per agreement between the Receiver and Equity Trust Company.

The Receiver also began the process of closing the APS office. The process of shutting down the APS office is complicated. There are large amounts of files associated with the business operations of APS, including over ten years of financial and bank statements, closed account files, tax filings, and other internal business documents that will need to be preserved during and after the litigation process and Mr. DeYoung's civil and criminal proceedings. The Receiver coordinated with the SEC and the Department of Justice regarding document retention and storage requirements. The Receiver is currently evaluating proposals from various secured document storage facilities to determine the most cost-effective way to store documents for litigation and criminal trial purposes. The Receiver continues to utilize APS computer systems to conduct transactions on behalf of clients seeking to make a loss allocation payment. In order

to shut down and vacate the APS offices, this computer software will need to be transitioned in order for the Receiver to continue to utilize this software. The Receiver has conducted meetings with information technology staff from Ballard Spahr LLP, PBTK, and Equity Trust Company to develop a plan for the transfer of APS software systems. The Receiver will continue to work toward closing the APS office and anticipates the office closure to take place in mid-December 2015. Closure of the APS office will further reduce the ongoing costs of the Receivership.

**B. Current Operations of Receiver**

In addition to conducting the day-to-day operations of APS described above, the Receiver has conducted a variety of other actions pertaining to the Receivership. These actions include attempts to recover assets of the Receivership Estate. A detailed description of the Receiver's actions outside of the day-to-day operations of APS follows.

1. Continued Execution of the Amended Modified Plan of Liquidation

The vast majority of the Receiver's attention during this Reporting Period has been on the continued execution of her Plan of Liquidation. During this Reporting Period, the Receiver and her staff received transfer documents from 1,944 clients. The Receiver and her staff review each client account for which documents are received and determine if all required documents are complete and that there is sufficient funds to make the required loss allocation payment. Of the 1,944 clients that submitted transfer documents, 1,495 clients' files were processed and transferred during this Reporting Period. The remaining 449 clients for which transfer requests were received had missing or incomplete items, refused to make a loss allocation payment, requested a delay in their transfer while awaiting a Private Letter Ruling, or requested a revaluation or in-kind exemption of their account. Missing items within transfer packets

included a missing or incomplete direction letter, missing or incomplete Equity Trust Company account application, insufficient funds to make their required loss allocation payment, or failure to remit payment for outstanding management fees.

By the end of the Reporting Period, the Receiver had received communications or transfer requests from a total of 4,171 of the approximately 5,500 APS clients. Of the 4,171 clients for which the Receiver had received transfer requests, 2,961 had been processed and transferred as of the end of the Reporting Period. For clients that submitted transfer requests with missing items, the Receiver has mailed a letter to the client detailing the insufficiencies in the transfer requests with directions on how to rectify the insufficiency.

The Receiver continues to receive varied responses from clients to the Plan of Liquidation. While the numbers cited above indicate that most clients have voluntarily complied with the Plan of Liquidation, the Receiver continues to receive responses from clients who do not believe they are subject to the loss allocation. Furthermore, at the end of the Reporting Period, the Receiver has received fifty-four (54) responses from clients that refuse to make a loss allocation payment. The Receiver will continue to track those clients that have refused to make a loss allocation. The Receiver is evaluating the contents of each of these accounts and is determining the most cost-effective method of dealing with these accounts, and may file further motions with the Court.

The Receiver has received 221 formal requests from clients for either an in-kind exemption or revaluation under the Plan of Liquidation. At the time of this filing, the Receiver has responded to all 221 of the formal requests for revaluation or an in-kind exemption. The Receiver and her staff spent over 350 hours on a variety of tasks associated with revaluation and

in-kind determination requests. The overwhelming majority of this time was spent reviewing client requests, supporting documentation submitted by clients with their requests, researching APS paper and electronic files associated with the client revaluation or in-kind exemption requests, and drafting determination letters. The Receiver and her staff also fielded several hundred phone calls from clients either asking questions regarding the process for review, whether their accounts would qualify for exemption or revaluation before submitting a formal request, or seeking additional information following a determination by the Receiver. The Receiver offset the costs associated with the revaluation and in-kind exemption determinations by collecting a non-refundable \$500.00 fee from clients seeking a formal in-kind exemption or revaluation.

The Receiver has granted a total of 101 of the 221 formal requests for revaluation. Of the 101 granted requests, seventy-six (76) were revaluation requests and twenty-five (25) were in-kind exemptions. The seventy-six (76) revaluations reduced the total amount of assets assessed a loss allocation by \$5,959,673.37, or \$595,967.34 in loss allocation payments. The twenty-five (25) in-kind exemption requests resulted in exemption of \$14,613,838.40<sup>10</sup> of assets from a loss allocation payment, or \$1,461,383.84 in loss allocation payments. The total reduction of assets is \$20,573,511.77.

The number of clients requesting a revaluation has slowed dramatically. The Receiver will evaluate and respond to client requests for revaluation or in-kind treatment of their accounts as they are received and will continue to diligently research the client requests by reviewing the

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<sup>10</sup> The vast majority of this amount comes from an in-kind exemption of two accounts. Those two accounts totaled \$13,132,775.80.

client's entire APS file, any documentation provided by the client, and any other documentation within control of the Receiver. The review of the client's entire APS file and communication of all factual considerations has added to the response time for revaluation and in-kind exemption requests, but the Receiver believes this has reduced the number of potential appeals.

The Receiver continues to receive returned mail on documents sent to clients. The Receiver has endeavored to determine updated addresses and resend the mailings to clients.

The Receiver and her staff continue to process accounts for transfer to Equity Trust Company. This processing involves multiple steps with appropriate quality controls. A member of PBTK and the Receiver's legal team each review all account files to ensure all paperwork has been completed appropriately, that loss allocations have been appropriately booked into both the APS and accounting software, and that all precious documents and hard copies of files have been gathered and shipped to Equity Trust Company. The process for transferring foreign currency and precious metals involves additional controls, including the removal of foreign currency and precious metals from safe deposit boxes by staff of both PBTK and the Receiver's legal team, the counting of currency and precious metals by additional staff members, and the packaging and shipping in the presence of two or more staff members from different firms. The use of these controls is appropriate to assure that the correct/verifiable assets are transmitted to Equity Trust.

As part of the transfer of accounts, clients' loss allocations are documented by a Contingent Repayment Agreement ("CRA"). The CRA is similar to a promissory note, and represents the amount clients have paid from their account to fund their loss allocation.<sup>11</sup> The

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<sup>11</sup> In accordance with this Court's ruling on August 7, 2015, some clients will have the CRA issued to them personally, as they are ineligible to contribute to their retirement plan or have otherwise funded their loss allocation from asset outside of their retirement plan. *See infra*, Part

Receiver will use the amounts listed on the CRAs to make future distributions, if any, to the clients on pro-rata basis. Because the Receiver's recovery of assets is ongoing, the amount of Receivership Assets available for distribution is currently unknown. Thus, the best estimate of the value of the CRA at this time is the amount of each client's contribution to the loss allocation under the Plan of Liquidation. There will be no adjustment to the value of the CRA until the Receiver has exhausted her recovery efforts and has determined the amount that will be distributed to clients, if any.

The Receiver must facilitate the transfer of both IRA and 401K plan assets. Because 401(k) plans contain individual accounts for each participant, there is added complexity. Complicating the transition of APS 401K accounts and plans is the fact that not all accounts in a particular plan are impacted by the loss allocation. However, the 401(k) plan members who are affected must individually comply with the Plan of Liquidation before the entire 401(k) plan can be transferred. For example, a 401(k) plan that contains twenty members must have all twenty members satisfy the requirements of the Plan of Liquidation before transfer. Thus, if nineteen plan members have complied by submitting transfer paperwork and funding a loss allocation, but one member has not, that 401(k) plan cannot be transferred. Further complicating the transfer of 401(k) plans was the resignation of ExpertPlan as a record-keeper and administrator for APS 401K accounts and plans during the last reporting period. The Receiver has worked with Equity Trust Company and ExpertPlan to transition accounts to Equity Trust Company as the new

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3.B.2; *see also* Findings of Fact, Conclusions of Law, and Order Granting Receiver's Motion for Order Requiring All Remaining American Pension Services, Inc. Account Holders to Transfer Accounts to Equity Trust Within Thirty Days, and Authorizing the Receiver to Exercise All Rights to Collect Loss Allocation Payments Under the Liquidation Plan. (Dkt. 592).

record-keeper and administrator and ensure compliance with all ERISA requirements. Although not all 401(k) accounts holders subject to the Plan of Liquidation have made their loss allocation, the Receiver has worked with Equity Trust Company to establish controls that freeze the individual accounts until the loss allocation payment is made and ensure compliance with existing Court orders.

The transfer of accounts from APS to Equity Trust Company requires that all assets previously titled in the name of APS for the benefit of the client be re-registered to reflect ownership as Equity Trust Company for the benefit of the client. The Receiver assisted clients and Equity Trust Company in the re-registration of several assets. The Receiver also executed a limited power of attorney that allows Equity Trust Company to re-register client assets.

The Receiver also conducted numerous meetings with her legal counsel and accounting staff regarding the accounts of clients that have refused to comply with the Plan of Liquidation. In order to accommodate clients working to fund their loss allocation, the Receiver and her staff developed criteria to allow clients to receive an extension from the latest deadline for compliance with the Plan of Liquidation. Clients must request an extension in writing and must provide a plan for liquidating assets within their accounts to fund their loss allocations. The Receiver and her staff also met with her staff to discuss the assets contained within the accounts and the manner of liquidation for those assets in order to fund the required loss allocation. The Receiver is evaluating her options for liquidating assets within accounts of clients who have failed to comply with the Plan of Liquidation.

## 2. IRS Private Letter Ruling

The Receiver was and is cognizant that many APS clients do not have sufficient cash in their accounts to make a ten percent loss allocation payment. Such a situation could be addressed by having APS clients contribute cash outside of their IRA account, liquidate assets, or borrow against assets held in their accounts. *See* Amended Modified Plan of Liquidation at 34-35. The Receiver further recognized that the cash contribution, allocation, or liquidation of or borrowing against assets may have adverse tax consequences. *Id.* Thus, the Receiver filed a request for a Private Letter Ruling on October 3, 2014 (“PLR Request”). Additionally, as part of the Plan of Liquidation, the Receiver allowed clients with solely illiquid assets to elect to defer the transfer of their account to Equity Trust by returning a “notice” to APS indicating they elect to defer transfer until the IRS issued guidance on the PLR Request. To date, approximately 450 clients have filed these elections.

In the PLR Request, the Receiver sought advice from the IRS as to how she should treat the various transactions included in the loss allocation approach for tax reporting purposes. While the IRS ruling sought in the PLR Request would only provide guidance to the Receiver on tax reporting, APS clients presumably would take the Receiver’s reporting position into account when determining the tax treatment of their transactions. The PLR Request sought guidance on tax advice on tax issues related to the loss allocation to resolving the cash shortfall. Specifically, the Receiver asked that payments or future reimbursements: (1) be considered a “restorative payment”; (2) not be considered a contribution to the 401(k) or IRA account; (3) not be considered a distribution from the 401(k) or IRA; (4) not be subject to additional excise taxes imposed by the Internal Revenue Code; and (5) not be reported as income on a Form W-2, Form



5498, or Form 1099-R. The Receiver requested expedited treatment and a conference regarding the ruling. A meeting on the Receiver's request for a Private Letter Ruling was held at the end of April 2015 in Washington D.C., which was attended by the Receiver and her legal counsel.

The Receiver learned during the previous reporting period that the IRS has declined to issue the PLR based on procedural considerations. Nevertheless, the Receiver believes that there is substantial authority supporting the conclusion that the tax positions on which the Receiver sought guidance by filing the PLR Request are reasonable. Based on consultation with legal counsel and the relevant IRS guidance and authority, the Receiver intends, for Federal income tax reporting purposes, to treat a payment of cash outside the IRA account or liquidation of assets in order to pay the required loss allocation as described above. The Receiver does not provide tax or legal advice to the individual account holders. In this situation, based on relevant IRS guidance and authority, the Receiver does not intend to report any such payment or liquidation of assets to the IRS as a contribution to, or distribution from, the individual accounts. The Receiver has provided notice to clients on her tax reporting obligations and has contacted all clients who made their loss allocation payment outside of their account after April 8, 2015 asking the clients to notify the Receiver if they prefer that the Receiver report such payment as a contribution.

In addition to those account holders who have legitimately deferred their transfer under the Liquidation Plan, some APS account holders not eligible to defer transfer have refused to submit the papers necessary to transfer their account to Equity Trust as required by the Plan of Liquidation. Pursuant to the Plan of Liquidation, the Receiver may exercise all of her rights to collect the loss allocation payment by causing the resignation of APS as administrator, imposing

a lien on account assets, pursuing collection, and/or liquidating account assets, which includes sweeping the cash accounts of any such clients in order to satisfy all or part of that account holder's loss allocation.

Therefore, on July 13, 2015, the Receiver filed a motion with this Court requesting an order to: (1) require all remaining APS account holders to transfer their account to the Court-approved APS successor/custodian Equity Trust Company ("Equity Trust") within thirty (30) days of receipt of notice of such an order; and (2) authorize the Receiver to exercise all available collection efforts under the Liquidation Plan for any account holder who has failed to transfer within thirty (30) days of receipt of notice of the Court's order requiring such transfer. [Dkt. 567]. Due to the time-sensitive nature of the Receiver's request for a Court order, the Receiver also requested expedited consideration of her motion. The motion was heard on August 12, 2015, and was granted by the Court.

### 3. Assets Sold During Reporting Period

This Receiver has been unable to uncover any additional Receivership Assets since the last Reporting Period, and no assets have been sold to date. On April 20, 2015, the Receiver filed a Motion for and Memorandum in Support of Order Approving the Sale of Certain Personal Property [Dkt. 515] ("Motion to Sell").

The Motion to Sell seeks to sell the following: a 1913 Ford Model T, Coca Cola vending machines, a large crystal geode, furniture and other personal property from DeYoung's home and cabin, and motor vehicles owned by DeYoung. The Receivership Estate contains a 1913 Ford Model T, which is currently appraised at \$3,000. The Receivership Estate also contains four Coca Cola vending machines or coolers. The vending machines vary in value from \$600 to

\$2,000 each. The Receivership Estate contains a large geode crystal, currently appraised at approximately \$10,000. The Receiver has also obtained an appraisal on the personal property located at the DeYoung residence. The personal property is currently appraised at approximately \$20,000. The Receiver is aware of a cabin located in Island Park, Idaho for which Curtis paid for extensive renovations and furniture following a flood. The Receiver has been unable to gain access to the cabin to assess the value of personal property located within. Curtis DeYoung filed a Response and Objection to Receiver's Motion for and Memorandum in Support of Order Approving the Sale of Certain Personal Property [Dkt. 541] on May 18, 2015. The Receiver replied on June 4, 2015 [Dkt. 548]. The Motion to Sell has not yet been set for a hearing.

The Receiver has determined that the DeYoung residence is of no value to the Receivership Estate because it has no equity. As such, on July 20, 2015, the Receiver filed a Motion for Partial Lift of Freeze Order for Limited Purpose of allowing the Foreclosure of DeYoung Residence [Dkt. 573], in which the Receiver seeks to allow the lender of the DeYoung's residence to commence non-judicial foreclosure proceedings. Curtis DeYoung and Michelle DeYoung filed oppositions [Dkts. 595 and 627]. The Receiver has an open extension to file a reply in support of the Motion for Partial Lift of Freeze Order for Limited Purpose of allowing the Foreclosure of DeYoung Residence as the DeYoung Residence will be a topic of discussion during a mediation with Michelle DeYoung, which is discussed in more detail in the paragraph below.

Relatedly, Michelle DeYoung moved to intervene for a second time,<sup>12</sup> seeking to assert her interest in the personal property that is the subject of the Motion to Sell [Dkt. 544]. Ms. DeYoung's motion to intervene was granted [Dkt. 601].<sup>13</sup> On October 15, 2015, the Receiver and Ms. DeYoung filed stipulated motions to refer their claims against each other to mediation in the SEC case and in *Thompson v. Curtis DeYoung and Michelle DeYoung*, Case No. 2:14-cv-00870-RJS, [Dkts. 631 and 85, respectively]. The Court granted these motions [Dkts. 633 and 86, respectively] and mediation is scheduled for November 10, 2015. The Receiver believes mediation with Ms. DeYoung is the best approach if a reasonable resolution may be achieved with Ms. DeYoung because it would avoid costly and protracted litigation with Ms. DeYoung concerning assets of little value.

The Receiver continues to evaluate her options regarding the remaining assets and real property owned by APS and DeYoung. The Receiver has indicated how she has or intends to dispose of each known asset in her Summary of Receivership Assets, attached as Exhibit D.

#### 4. Insurance, Tax Refunds, and Other Claims of Receiver

The Receiver has filed claims against APS's "CrimeShield Advanced" policy issued by the Hartford with policy limits of \$1 million. During the Reporting Period, the Receiver was asked for and responded to additional information from the Hartford regarding the \$1 million

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<sup>12</sup> Ms. DeYoung filed her first motion to intervene on December 16, 2014, asserting an interest in APS 401K. The Court denied Ms. DeYoung's first motion to intervene as untimely on February 27, 2015. Ms. DeYoung has filed an appeal on this ruling.

<sup>13</sup> Ms. DeYoung has also filed an appeal to the Tenth Circuit Court of Appeals regarding the denial of her first motion to intervene, in which she sought to stake a claim to the personal assets as well as APS 401K [Dkt. 371]. On appeal, Ms. DeYoung seeks monetary recompense for her asserted interest in APS 401K. The Receiver will respond to the appellate brief before the required deadline. The Receiver will keep the Court apprised of the status of the appeal.

claim. A meeting with the Hartford attorneys was scheduled to be held in late July and preliminary settlement terms were agreed upon. A settlement agreement is in the process of being finalized. The Receiver will seek the Court's approval of the settlement shortly and will report the settlement terms at that time.

The Receiver also made a claim on APS's Chubb "PRO E&O" errors and omissions policy issued by the Federal Insurance Company with policy limits of \$1 million. The Receiver understands from her outside counsel's discussions with a Chubb representative that Chubb intends to interplead the \$1 million policy limits with the Court. The Receiver further understands Mr. DeYoung's attorney has been in discussions with a Chubb representative and intends to make a claim to those funds to cover defense costs. The Receiver intends to assert the Receivership's interests in those funds at the appropriate time.

During previous reporting periods, the Receiver completed pre-litigation discussions and mediation with some third parties, including financial institutions, regarding their potential liability to APS and its clients. On September 17, 2015, the Receiver and First Utah entered into a proposed settlement agreement ("Settlement Agreement") to be approved by this Court. (*See* Settlement Agreement attached to Motion and Memo. To Approve Settlement with First Utah Bank and for a Claims Bar Order ("Motion to Approve Settlement") [Dkt. 618].) The Settlement Agreement provides that First Utah would provide value to the Receivership with cash and other consideration in excess of \$6 million. The Receiver believes the Settlement Agreement offers the highest potential recovery for the Receivership Estate and IRA Accounts Owners and the best method to carry out the Court's mandate to efficiently and economically administer the Receivership Estate.

The Receiver filed the Motion to Approve Settlement on September 23, 2015. Concurrently with filing the Motion to Approve, the Receiver filed an Ex-Parte Motion for Order Regarding Notice of and Time for Objections to the Motion to Approve Settlement [Dkt. 619], which sets for the manner by which APS Account Owners will be provided notice of the Settlement Agreement and the opportunity to be heard. That motion was granted by the Court on September 24, 2015 (“Order of Notice”). The Receiver provided notice of the Motion to Approve Settlement to all APS Account Owners by mailing a copy of the Order of Notice to each IRA Account Owners’ last known mailing address. The Receiver also emailed a copy of the Order of Notice and posted a copy on the Receivership website, [www.apsreceiver.com](http://www.apsreceiver.com).

The deadline for IRA Account Owners’ submission of responses or objections to the Motion to Approve Settlement is November 2, 2015. All responses and objections will be submitted to the Court by November 9, 2015. The Receiver’s reply memorandum is due November 23, 2015. The hearing to consider the Motion to Approve Settlement is scheduled for December 2, 2015.

The Receiver has filed two ancillary lawsuits to pursue recovery on behalf of APS clients (*Thompson v. Curtis DeYoung and Michelle DeYoung*, Case No. 2:14-cv-00870-RJS; *Thompson v. Michael Memmott Sr. et al.*, Case No. 2:14-cv-00744-RJS).<sup>14</sup> The Receiver has completed her analysis and evaluation of potential claims against third parties, including DeYoung family members. As set forth above, the claims of the Receiver and Michelle DeYoung in *Thompson v.*

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<sup>14</sup> Due to the death of one party in *Thompson v. Michael Memmott Sr. et al.*, Case No. 2:14-cv-00744-RJS, the personal representative for the estate of the deceased individual has been substituted as a defendant. Details cannot be publicly revealed at this time due to the sealed status of the case.

*Curtis DeYoung and Michelle DeYoung*, Case No. 2:14-cv-00870-RJS have been referred to Magistrate Judge Pead for mediation. The Receiver is currently in settlement discussions with Michael Memmott Sr., Shauna Memmott, and Deni Memmott—as personal representative for the Estate of Michael Memmott Jr.—in an attempt to resolve the disputes between the parties and avoid costly litigation.

The Receiver has also sent several demand letters to parties related to outstanding amounts owed to APS. No funds have yet been recovered as a result of these demand letters. After evaluating the potential to recover, the likelihood of any recovery, and the costs to obtain any recovery, the Receiver has decided not to file suit against these parties at this time. Outside of these loans, the Receiver has determined that further actions against other third parties would not be prudent at this time.

#### 5. Distributions to Clients and Creditors

At the time of this filing, there are not funds available to cover the loss caused by the misappropriation of approximately \$25 million from the APS Master Trust Account by DeYoung. Thus, there have been no distributions to any APS clients or creditors at this time.

Furthermore, the Receiver has continued to receive requests from clients to close their APS accounts and distribute all assets to the client. The Receiver has denied each of these requests as each is contrary to existing Court orders.

#### 6. Costs of Receivership

The costs of the Receivership remain significant during the Reporting Period. The Receiver continues to seek and marshal the assets of the Receivership Defendants and pursue all available avenues to recover the approximately \$25 million misappropriated by DeYoung.

While the Court has approved the Receiver's Applications for Interim Compensation of Receiver and Professionals for Services, the Receiver has utilized amounts in excess of one month of operating expenses (approximately \$50,000) to cover a portion of Court-approved fees and expenses.

The costs of the Receivership have been reduced following the transfer of accounts from APS to Equity Trust Company and cessation of operations. During the Reporting Period, many of the administrative costs of APS have been reimbursed by Equity Trust Company pursuant to the court-approved Transition Services Agreement. This reimbursement includes employee payroll, benefit expenses and software licensing fees. Receivership costs have reduced following the Receiver's ceasing of normal APS business operations as of June 30, 2015 and termination of remaining APS employees effective July 3, 2015.

#### 7. Pending Litigation

The Receiver has determined that as of April 25, 2014, APS was involved in a total of nine separate lawsuits in California, Idaho, and Utah as either a plaintiff or defendant. One action, noted in the First Quarterly Status Report, settled and resulted in over \$15,000 being deposited into the APS operating account. The Receiver has stayed the remaining actions. The Receiver has also elected to terminate counsel for APS in these actions and Ballard Spahr has entered appearances on behalf of APS.

During the Reporting Period, the Receiver and her counsel have made necessary filings and court appearances in appropriate courts to report on the status of the receivership in the ancillary actions.



The Receiver also issued and served the following subpoenas duces tecum, with the status indicated below:

- Durham Jones Pinegar. The subpoena was issued on July 28, 2015. Durham Jones Pinegar responded on August 3, 2015. The documents received from Durham Jones Pinegar have been processed accordingly for use in counsel's document review platform.
- University Federal Credit Union ("UFCU"). The subpoena was issued on August 6, 2015. UFCU responded on August 13, 2015. The documents received from UFCU have been processed accordingly for use in counsel's document review platform.
- Primary Capital. The subpoena was issued on August 12, 2015. As of this date, Primary Capital has not responded.
- Elmer Leon Harward. The subpoena was issued on September 1, 2015. As of this date, Elmer Leon Harward has not responded.
- Byron Lamont Smith. The subpoena was issued on October 1, 2015. Byron Lamont Smith responded on October 20, 2015. The documents received from Byron Lamont Smith have been processed accordingly for use in counsel's document review platform.
- Michael Black. The subpoena was issued on October 7, 2015. Michael Black responded on October 20, 2015. The documents received from Michael Black have been processed accordingly for use in counsel's document review platform.

As noted above, the Receiver continues to prosecute claims in two ancillary actions (*Thompson v. Curtis DeYoung and Michelle DeYoung*, Case No. 2:14-cv-00870-RJS; *Thompson v. Michael Memmott Sr. et al.*, Case No. 2:14-CV-00744-RJS) to recover monies resulting from fraudulent transfers. On April 21, 2015 in the *Thompson v. Curtis DeYoung and Michelle DeYoung* matter, the Receiver filed her Motion in Support of Partial Summary Judgment [Dkt. 22]. Curtis and Michelle DeYoung filed separate Opposition briefs on May 22, 2015 [Dkt. 44, 45]. The Receiver replied to the oppositions on June 19, 2015 [Dkt. 55]. A hearing on the Receiver's motion occurred on August 12, 2015. The Court denied the Motion for Partial Summary Judgment to allow the parties time to conduct additional discovery and gather

additional evidence. The Receiver is gathering additional evidence to support her case and will conduct discovery as appropriate.

During the Reporting Period, the Receiver and her counsel reviewed Michael Memmott Sr. documents in the possession of DeYoung's counsel. The Receiver subpoenaed, received and reviewed documents from the former office of Michael Memmott Jr. produced by Rick Memmott. The Receiver also gained access and performed an inspection of the former offices of Michael Memmott Jr. and deposed the personal representative of Michael Memmott Jr., Deni Memmott. The Receiver is currently negotiating a settlement agreement with the defendants in *Thompson v. Michael Memmott Sr. et al.*

**4. Cash on Hand, Expenses, Unencumbered Funds, Receipts, and Disbursements**

APS business operations can be evaluated and broken into three categories. First, is revenue and expenses related to the day-to-day operations of APS. Second, there are assets and expenses attributable to APS clients. Third, are assets and expenses related to APS 401K accounts. The following is a breakdown of the revenue and expenses of all three categories, with a summary of related account balances.

**APS Operations (Day-to-Day)**

As of September 30, 2015, the Operating Account<sup>15</sup> of APS was as follows:

July 1, 2015	
through	<u>Receivership</u>
<u>September 30, 2015</u>	<u>Cumulative</u> <sup>16</sup>

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<sup>15</sup> The Operating Account is a combination of the operating accounts for APS and APS 401K; however, these accounts are maintained separately by the Receiver.

<sup>16</sup> This reflects the balance of the account at the beginning of the Receivership.

Beginning Balance	\$ 1,409,421.99	\$ 129,251.80
APS Receipts <sup>17</sup>	\$ 452,826.01	\$ 4,498,325.79
APS Expenses <sup>18</sup>	\$ 1,644,006.23	\$ 4,409,335.82
APS Operating Account Balance	\$ 218,241.77	\$ 218,241.77

Attached as Exhibit A is a Summary of the Operating Cash Receipts and Disbursements of APS for the Reporting Period, as well as a cumulative report.

**APS Master Trust Accounts**

As of September 30, 2015, the APS Master Trust Account and related expenses, receipts, and disbursements are as follows:

	July 1, 2015 through <u>September 30, 2015</u>	<u>Receivership</u> <u>Cumulative</u>
Beginning Balance	\$ 21,158,318.06	\$ 25,962,173.24
Receipts	\$ 6,742,605.41	\$ 58,274,707.25
Expenses	\$ 20,944,690.70	\$ 77,280,647.72
Balance	\$ 6,956,232.77	\$ 6,956,232.77

Attached as Exhibit B is a Summary of the Operating Cash Receipts and Disbursements

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<sup>17</sup> This amount represents business revenue generated from fees paid to APS in accordance with the APS clients' agreement to have First Utah Bank act as custodian and APS as third-party administrator.

<sup>18</sup> This does not include all of the administrative expenses approved by the Court in the Fee Orders because amounts were not dispersed by the end of the Reporting Period. Those expenses will be reflected on the next Quarterly Status Report.

of the APS Master Trust Account for the Reporting Period.

**APS 401K**

As of September 30, 2015, the APS 401K Trust Account and related expenses, receipts, and disbursements are as follows:

	July 1, 2015 through <u>September 30, 2015</u>	<u>Receivership Cumulative</u>
Beginning Balance	\$ 4,757,032.24	\$ 3,842,908.62
Receipts	\$ 621,065.72	\$ 7,150,249.13
Expenses	\$ 1,235,682.73	\$ 6,850,742.52
Balance	\$ 4,142,415.23	\$ 4,142,415.23

Attached as Exhibit C is a Summary of the Operating Cash Receipts and Disbursements of APS 401K Account for the Reporting Period.

**5. Receivership Property**

The Receiver has attached a list of Receivership Assets and its actual or estimated value as Exhibit D. The Receiver has attached a Schedule of Assets of APS Clients as Exhibit E. As with the previous Quarterly Status Reports, the Receiver has elected not to provide a detailed list of APS client assets on confidentiality grounds.

**6. Liquidated and Unliquidated Claims**

The Receiver has yet to determine whether claims held by the Receivership Estate are liquidated or unliquidated. The Receiver and her staff continue to evaluate all claims, the value of potential claims, and the anticipated methods of enforcing such claims, if any.

**7. Creditors and Claim Proceedings**

A list of known creditors, their addresses, and the amounts of their claims is attached as Exhibit F. The list of known creditors is exclusive of potential creditor claims of APS clients, which may be impacted by the final Plan of Liquidation. No creditor claim proceedings have taken place to date. On or about September 19, 2014, each of the creditors was sent Notice of the Proposed Plan of Liquidation and a response form to the Plan. As stated in the Amended Modified Proposed Plan of Liquidation, the Receiver has determined that creditors of APS should be classified differently than APS clients. *See* Amended Modified Plan of Liquidation at 51-52. Each creditor will need to submit a proof of claim setting forth (1) the date the claim arose, (2) the nature of the claim, (3) the amount of the claim, (4) whether the claim is secured or unsecured, and (5) when the creditor contends the claim became due and owing. *Id.* The creditor must attach all supporting documentation to the proof of claim. *Id.* A proof of claim form is attached to the Amended Modified Plan of Liquidation as Appendix H. Once a proof of claim is filed, the Receiver will consider the claim. Should the Receiver object to the creditor's claim, the Receiver will notify the creditor in writing of the basis for her objection. The creditor will have the opportunity to respond to the objection by written reply. If the Receiver and creditor cannot agree on the amount of the claim, the Receiver or creditor will be allowed to submit the proof of claim, written objection, and written reply to the Honorable U.S. Magistrate Judge Dustin B. Pead for determination of the amount of the claim.

**8. Receiver Recommends Continuation of the Receivership**

As noted above, this is a complicated Receivership due to the nuances created by the APS clients, the assets held in the clients' accounts, and the interplay with the Internal Revenue Code.

The Receiver recommends continuation of the Receivership. Continuation of the Receivership will assure the most favorable outcome for all APS clients through the pursuit of and equitable distribution of Receivership Assets. Additionally, the continuation of the Receivership will allow for the transfer of the remaining APS business and client accounts to Equity Trust Company as the successor custodian/administrator.

To the best of my knowledge, the information presented in this Sixth Quarterly Status Report is a full report and accounting of the Receivership estate as of the end of the Reporting Period.

DATED this 30th day of October, 2015.

/s/ Melanie J. Vartabedian

Mark R. Gaylord, Esq.

Melanie J. Vartabedian, Esq.

Tesia N. Stanley, Esq.

Scott S. Humphreys, Esq. (*admitted pro hac vice*)

BALLARD SPAHR LLP

Attorneys for Court-Appointed Receiver, Diane A. Thompson

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct of copy of the foregoing **SIXTH QUARTERLY STATUS REPORT OF RECEIVER** was served to the following this 30<sup>th</sup> day of October 2015, in the manner set forth below:

Through the CM/ECF System for the U.S. District Court

Hand Delivery

U.S. Mail, postage prepaid

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/s/ Mary Jane Goodale\_\_\_\_\_

**INDEX**

- Exhibit A Summary of the Operating Cash Receipts and Disbursements of APS
- Exhibit B Summary of the Operating Cash Receipts and Disbursements of the APS Master Trust Account
- Exhibit C Summary of the Operating Cash Receipts and Disbursements of APS 401K Account
- Exhibit D Summary of Receivership Assets
- Exhibit E Schedule of Assets of APS Clients
- Exhibit F Summary of Known Creditors

# **EXHIBIT A**

**AMERICAN PENSION SERVICES, INC. AND AMERICAN PENSION 401K SERVICES, INC.**  
**Business Operating Cash Receipts and Disbursements**  
**For the Period July 1, 2015 through September 30, 2015**

	July 1, 2015 through Sept 30, 2015	Receivership Cumulative
Beginning Cash Balance at July 1, 2015	\$ 1,409,421.99	\$ 129,251.80
<b>Cash Receipts</b>		
Business Revenue	452,826.01	3,404,325.79
Transition Services Fee	-	1,050,000.00
Legal Settlements	-	44,000.00
<b>Total Cash Receipts</b>	<u>452,826.01</u>	<u>4,498,325.79</u>
<b>Cash Disbursements</b>		
Appraisal Fees	-	4,075.00
Auto Expense - Employee	150.08	1,817.63
Bank Charges	9,037.67	55,862.15
Building Rent	-	67,793.46
Comcast Internet Services	739.24	1,921.87
Computer Software	-	3,640.71
Computer Support Services	1,013.61	16,304.70
Contract Labor	8,141.77	84,486.46
Copier Expense	2,228.81	3,077.42
Credit Card Processing	565.72	3,716.36
Document Disposal	456.43	1,920.91
Docuware Support	-	-
Employee 401(k) Program	9,237.04	36,438.08
Employee Comp.-401K Services	20,056.34	104,678.20
Employee Compensation & Taxes	64,172.08	357,906.23
Equipment Leases	3,263.28	22,472.16
General Telephone	4,379.37	26,583.80
Guard Services	-	42,437.50
Health Insurance	4,052.67	33,251.08
Insurance Expense	856.10	4,508.10
Interest Expense	-	3,179.33
Internet Research Fee	25.00	451.00
Legal Noticing	1,252.93	135,913.39
Licenses & Permits	156.80	622.90
Litigation Resolution	-	1,673.33
Meals & Entertainment	352.61	5,456.98
Mediation Services	-	7,687.50
Miscellaneous Operating Expense	-	5,314.54
Office supplies	1,228.44	12,949.21
Outside Contracting Services	-	23,043.10
Postage	4,007.96	17,718.94
Printing Expenses	-	10,264.27
Professional Services	-	1,245.00

**AMERICAN PENSION SERVICES, INC. AND AMERICAN PENSION 401K SERVICES, INC.**  
**Business Operating Cash Receipts and Disbursements**  
**For the Period July 1, 2015 through September 30, 2015**

	July 1, 2015 through Sept 30, 2015	Receivership Cumulative
Repairs & Maintenance	1,386.33	10,520.55
Storage	537.00	2,835.92
Subscription Services	-	-
Taxes - Other	(10,000.00)	3,431.13
Taxes - Payroll	-	3,400.00
Travel Expense - Reimbursement	-	552.97
Utilities	-	86.01
Web Site Fees	3,630.00	20,612.59
<b>Total Expenses</b>	<u>130,927.28</u>	<u>1,139,850.48</u>
<b>Extraordinary Expenses:</b>		
Receivership Fees and Expenses	1,513,078.95	3,269,485.34
<b>Total Extraordinary Expenses</b>	<u>1,513,078.95</u>	<u>3,269,485.34</u>
<b>Total Cash Disbursements</b>	<u>1,644,006.23</u>	<u>4,409,335.82</u>
<b>Ending Balance at September 30, 2015</b>	<u><u>\$ 218,241.77</u></u>	<u><u>\$ 218,241.77</u></u>

**NOTES:**

Note 1 - The above amounts are cash receipts and disbursements related to the business operations of American Pension Services, Inc. and American Pension 401k Services, Inc.

# **EXHIBIT B**

**AMERICAN PENSION SERVICES MASTER TRUST ACCOUNT****Cash Receipts and Disbursements****For the Period July 1, 2015 through September 30, 2015**

	July 1, 2015 through September 30, 2015	Receivership Cumulative
Beginning Cash Balance at July 1, 2015	\$ 21,158,318.06	\$ 25,962,173.24
<b>Cash Receipts</b>		
Contributions for Loss Allocation	2,784,303.56	4,314,223.55
Contribution	27,117.98	936,951.24
Gain	136,734.17	4,132,060.14
Interest Payments	225,582.63	7,069,903.94
Principal Payments	527,430.77	20,935,968.61
Rent	231,850.52	1,623,475.77
Rollovers	95,639.15	1,015,066.89
Assets Sold	1,660,735.70	16,336,485.22
Direct Transfer In	1,052,682.93	1,867,730.41
Dividends	528.00	42,841.48
	-	-
<b>Total Cash Receipts</b>	<u>6,742,605.41</u>	<u>58,274,707.25</u>
<b>Cash Disbursements</b>		
Transfer to Equity	20,544,129.01	41,751,733.69
Assets Bought	-	28,449,424.02
Corrections	-	664.29
Early Distribution - exception applies	-	314,253.17
Early Distribution - no exception applies	33,974.65	371,726.53
Normal Distribution	253,224.14	2,723,516.88
Distribution Charitable Gift Annuity	-	14,853.04
Qualified Distribution Roth IRA	-	37,760.22
Roth IRA Distribution - Exception applies	-	59,035.47
Federal Tax / Premature Distribution	-	16,500.00
Federal Tax / Normal Distribution	-	48,724.96
Expenses	5,945.58	1,242,892.30
Fees Paid	102,319.29	1,926,161.67
Property Tax	5,098.03	309,312.96
Charitable Gift Annuity	-	74.36
Direct Transfer Out	-	14,014.16
<b>Total Disbursements</b>	<u>20,944,690.70</u>	<u>77,280,647.72</u>
<b>Ending Cash Balance at September 30, 2015</b>	<u>\$ 6,956,232.77</u>	<u>\$ 6,956,232.77</u>

**NOTES:**

Note 1 - The above amounts include deposits and disbursements related to client retirement accounts administered by American Pension Services, Inc.



# **EXHIBIT C**

**APS 401(K) TRUST ACCOUNT****Cash Receipts and Disbursements****For the Period July 1, 2015 through September 30, 2015**

	July 1, 2015 through September 30, 2015	Receivership Cumulative
Beginning Cash Balance at July 1, 2015	\$ 4,757,032.24	\$ 3,842,908.62
<b>Cash Receipts</b>		
Gain	3,651.75	230,316.68
Interest	21,257.97	660,071.21
Principal	11,406.50	1,458,031.24
Rent	18,704.41	192,501.19
Assets Sold	382,139.98	2,283,467.21
Money Market Transfer In	388.38	1,452,984.48
Contribution - Loss Allocation	103,255.64	104,387.71
Refund of Fees	-	2,160.57
Employer Contribution	4,038.82	423,205.62
Employee Contribution	76,222.27	343,123.22
<b>Total Cash Receipts</b>	<u>621,065.72</u>	<u>7,150,249.13</u>
<b>Cash Disbursements</b>		
Expenses	12,252.22	67,371.88
Fees	1,540.01	149,524.88
Money Market Transfer Out	-	927,499.28
Real Property Tax	-	24,378.57
Loss Allocation	665,688.64	665,688.64
Assets Purchased	552,393.27	4,995,543.76
Loan Payment	3,808.59	20,735.51
<b>Total Disbursements</b>	<u>1,235,682.73</u>	<u>6,850,742.52</u>
Ending Cash Balance at September 30, 2015	<u>\$ 4,142,415.23</u>	<u>\$ 4,142,415.23</u>

**NOTES**

Note 1 - The above amounts include deposits and disbursements related to client 401(k) accounts.

# **EXHIBIT D**

AMERICAN PENSION SERVICES, INC. AND RELATED PARTIES  
SUMMARY OF ASSETS

Entity	Asset Description	Estimated Value	Comments	Disposition Status
<b>Personal Assets - Curtis DeYoung</b>				
	Home - 12231 S. 1950 E., Draper, UT	630,000	Appraised Value	Subject of Motion for Partial Lift of Freeze Order [Dkt. 573]
	Encumbered by mortgage	(590,000)	Franklin America	
	Encumbered by 2nd Mortgage	(125,000)	Heritage West Credit Union	Part of pending settlement agreement with financial institution
	Rental Property - 1574 Iron Horse, Bluffdale, UT	375,000	Appraised Value	
	Encumbered by mortgage of \$364,644	(364,644)	First Utah Bank	Subject of <i>Thompson v. DeYoungs</i> , Case No. 2:14-cv-00870-RJS
	Retirement Accounts - Curtis DeYoung	70,051	Frozen at Brighton Bank	
	Retirement Accounts - Michelle DeYoung	81,745	Frozen at Brighton Bank	Subject of <i>Thompson v. DeYoungs</i> , Case No. 2:14-cv-00870-RJS
	Personal Furniture, Fixtures	20,000	Value based on Rob Olson inspection	Subject of Motion to Sell Assets, [Dkt. 515]
	Vehicles	45,507	Kelley Blue Book	The Receiver will file appropriate motion to invalidate Trust holding vehicles shortly
<b>American Pension Services, Inc.</b>				
	Cash - First Utah Bank	193,337	Operating account controlled by Receiver	Being used for day-to-day operations of APS and payment of professional fees, as funds are available
	Receivable - Watson	7,000	Loan 8/14/08, no payments received.	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Courseware	46,600	Loans 2011 and 2012, no payments received	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Innovative Equity Partners	155,617	Loans Apr. to July 2013, Mike Memmott entity	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Innovative Services	16,500	\$6500 loaned 6/29/11, \$10,000 on 6/4/13, Mike Memmott entity	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Sawtell Capital, LLC	12,750	Loan on 8/31/11, Mike Memmott entity	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Tyler Ayres	6,630	Loan on 10/25/10, no payments received	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Harold Hardee	5,056	\$15,000 loan on 12/31/06, repayment of \$9,943 on 6/10/11. No payments since.	Receiver has been unable to locate Mr. Hardee. Receiver will continue to search.
	Vernal Property-Kendrick Note	58,468	Loaned on 5/2/12, no payments received	Receiver has demanded repayment and will determine whether further collection efforts are appropriate
<b>American Pension 401k Svcs, Inc.</b>				
	Cash - First Utah Bank	3,594	Operating account controlled by Receiver	Being used for day-to-day operations
<b>LIC Environmental</b>				
	Commercial Property - 11027 S. State Street, Sandy, UT	330,000	Appraised Value	Part of pending settlement agreement with financial institution
<b>LIP, LLC</b>				
	Cash-First Utah Bank	7,530		
	Receivable - Prime Utah	35,000	Loan 10/7/08, no payments received	Memmott entity. Receiver has demanded repayment and will determine whether further collection efforts are appropriate
	Receivable - Cl. White - Kansas City	2,250	No payments received since 2010	No value to Receivership Estate.
	Receivable - Lionel Brown - Kansas City	18,000	No payments received since 9/15/11	Periodic payments being received in amount of \$137.50.
<b>Quicksilver</b>				
	Real Property - Legends Townhomes in American Fork	280,000	Holladay Bank - Property is subject of litigation.	Minimal value to Receivership Estate. Receiver settled with Holladay Bank [Dkt. 522]
	Encumbered by loan from Holladay Bank & Trust	(186,861)		
<b>APS Master Trust</b>				
	Property - Harrisburg, PA	25,300	3 homes, assessed value only on land	No value to Receivership Estate
<b>Other Claims or Assets</b>				
	Going Concern Value of APS	Unknown	Value to be determined.	Subject of Transition Services Agreement with Equity Trust
	1913 Ford Automobile	Unknown	Value to be determined.	Subject of Motion to Sell Assets [Dkt. 515]
	Vintage Coke Machines	Unknown	Value to be determined.	Subject of Motion to Sell Assets [Dkt. 515]
	Potential Action Against First Utah Bank	Unknown	Claim amount to be determined.	Subject to ongoing negotiations

AMERICAN PENSION SERVICES, INC. AND RELATED PARTIES  
SUMMARY OF ASSETS

Entity	Asset Description	Estimated Value	Comments	Disposition Status
	Potential Claims Against Michael Memmott	Unknown	Claim amount to be determined.	Subject of <i>Thompson v. Memmotts</i> , Case No. 2:14-cv-00744-RJS
	Potential Action Against NACH Trust	Unknown	Vehicles held by the Trust	The Receiver will file appropriate motion to invalidate Trust shortly.
	Potential Action Against NACH II Trust	Unknown	Recreation vehicles held by the Trust	The Receiver will file appropriate motion to invalidate Trust shortly.
	Potential Claim Against Insurance Carriers	Unknown	Amount to be determined	Receiver is pursuing claims against the Hartford and Chubb
	Membership Interest in Asset Management Intl., LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in First Silverado Properties, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Interest in BD&D Investments, Inc.	Unknown	Value to be determined.	No value to Receivership Estate
	Partnership interest in DeYoung Associates, Ltd.	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in Interim Funding, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in DLC2 Investments, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Trustee of APS Master Business Trust	Unknown	Value to be determined.	No value to Receivership Estate
	Partnership Interest in NACH, LP	Unknown	Value to be determined.	No value to Receivership Estate
	Interest in Venture Broadcast Inc.	Unknown	Value to be determined.	No value to Receivership Estate

# **EXHIBIT E**

AMERICAN PENSION SERVICES, INC. AND RELATED PARTIES  
SUMMARY OF ASSETS

Entity	Asset Description	Estimated Value	Comments	Disposition Status
<b>Personal Assets - Curtis DeYoung</b>				
	Home - 12231 S. 1950 E., Draper, UT	630,000	Appraised Value	Subject of Motion for Partial Lift of Freeze Order [Dkt. 573]
	Encumbered by mortgage	(590,000)	Franklin America	
	Encumbered by 2nd Mortgage	(125,000)	Heritage West Credit Union	Part of pending settlement agreement with First Utah Bank [Dkt. 618]
	Rental Property - 1574 Iron Horse, Bluffdale, UT	375,000	Appraised Value	
	Encumbered by mortgage of \$364,644	(364,644)	First Utah Bank	Subject of <i>Thompson v. DeYoungs</i> , Case No. 2:14-cv-00870-RJS
	Retirement Accounts - Curtis DeYoung	70,051	Frozen at Brighton Bank	
	Retirement Accounts - Michelle DeYoung	81,745	Frozen at Brighton Bank	Subject of <i>Thompson v. DeYoungs</i> , Case No. 2:14-cv-00870-RJS
	Personal Furniture, Fixtures	20,000	Value based on Rob Olson inspection	Subject of Motion to Sell Assets, [Dkt. 515]
	Vehicles	45,507	Kelley Blue Book	The Receiver is considering whether to file motion to invalidate Trust holding vehicles
<b>American Pension Services, Inc.</b>				
	Cash - First Utah Bank	193,337	Operating account controlled by Receiver	Being used for day-to-day operations of APS and payment of professional fees, as funds are available
	Receivable - Watson	7,000	Loan 8/14/08, no payments received.	Receiver has determined further collection efforts are not cost effective
	Receivable - Courseware	46,600	Loans 2011 and 2012, no payments received	Receiver has determined further collection efforts are not cost effective
	Receivable - Innovative Equity Partners	155,617	Loans Apr. to July 2013, Mike Memmott entity	Receiver has determined further collection efforts are not cost effective
	Receivable - Innovative Services	16,500	\$6500 loaned 6/29/11, \$10,000 on 6/4/13, Mike Memmott entity	Receiver has determined further collection efforts are not cost effective
	Receivable - Sawtell Capital, LLC	12,750	Loan on 8/31/11, Mike Memmott entity	Receiver has determined further collection efforts are not cost effective
	Receivable - Tyler Ayres	6,630	Loan on 10/25/10, no payments received	Receiver has determined further collection efforts are not cost effective
	Receivable - Harold Hardee	5,056	\$15,000 loan on 12/31/06, repayment of \$9,943 on 6/10/11. No payments since.	Receiver has been unable to locate Mr. Hardee and has determined further efforts are not cost effective
	Vernal Property-Kendrick Note	58,468	Loaned on 5/2/12, no payments received	Receiver has determined further collection efforts are not cost effective
<b>American Pension 401k Srvs, Inc.</b>				
	Cash - First Utah Bank	3,594	Operating account controlled by Receiver	Being used for day-to-day operations
<b>LIC Environmental</b>				
	Commercial Property - 11027 S. State Street, Sandy, UT	330,000	Appraised Value	Part of pending settlement agreement with First Utah Bank [Dkt. 618]
<b>LJP, LLC</b>				
	Cash-First Utah Bank	7,530		
	Receivable - Prime Utah	35,000	Loan 10/7/08, no payments received	Memmott entity. Receiver has determined further collection efforts are not cost effective
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<b>Quicksilver</b>				
	Real Property - Legends Townhomes in American Fork	280,000	Holladay Bank - Property is subject of litigation.	Minimal value to Receivership Estate. Receiver settled with Holladay Bank [Dkt. 522]
	Encumbered by loan from Holladay Bank & Trust	(186,861)		
<b>APS Master Trust</b>				
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<b>Other Claims or Assets</b>				
	Going Concern Value of APS	Unknown	Value to be determined.	Subject of Transition Services Agreement with Equity Trust
	1913 Ford Automobile	Unknown	Value to be determined.	Subject of Motion to Sell Assets [Dkt. 515]
	Vintage Coke Machines	Unknown	Value to be determined.	Subject of Motion to Sell Assets [Dkt. 515]
	Potential Action Against First Utah Bank	Unknown	Claim amount to be determined.	Subject of Motion to Approve Settlement [Dkt. 618]
	Potential Claims Against Michael Memmott	Unknown	Claim amount to be determined.	Subject of <i>Thompson v. Memmotts</i> , Case No. 2:14-cv-00744-RJS
	Potential Action Against NACH Trust	Unknown	Vehicles held by the Trust	The Receiver is considering whether to file motion to invalidate Trust.
	Potential Action Against NACH II Trust	Unknown	Recreation vehicles held by the Trust	The Receiver is considering whether to file motion to invalidate Trust.
	Potential Claim Against Insurance Carriers	Unknown	Amount to be determined	Receiver is pursuing claims against the Hartford and Chubb
	Membership Interest in Asset Management Intl., LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in First Silverado Properties, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Interest in BD&D Investments, Inc.	Unknown	Value to be determined.	No value to Receivership Estate

AMERICAN PENSION SERVICES, INC. AND RELATED PARTIES  
SUMMARY OF ASSETS

Entity	Asset Description	Estimated Value	Comments	Disposition Status
	Partnership interest in DeYoung Associates, Ltd.	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in Interim Funding, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Membership Interest in DLC2 Investments, LLC	Unknown	Value to be determined.	No value to Receivership Estate
	Trustee of APS Master Business Trust	Unknown	Value to be determined.	No value to Receivership Estate
	Partnership Interest in NACH, LP	Unknown	Value to be determined.	No value to Receivership Estate
	Interest in Venture Broadcast Inc.	Unknown	Value to be determined.	No value to Receivership Estate



# **EXHIBIT F**

**AMERICAN PENSION SERVICES, INC.  
SUMMARY OF KNOWN CREDITORS**

CREDITOR	ADDRESS	OBLIGOR	AMOUNT	DESCRIPTION
First Utah Bank	4168 W. 12600 S., Riverton, UT 84096	Curtis DeYoung	\$ 43,412.75	Unsecured loan
First Utah Bank	4168 W. 12600 S., Riverton, UT 84096	Curtis DeYoung	364,644.32	Secured by Iron Horse Property
First Utah Bank	4168 W. 12600 S., Riverton, UT 84096	American Pension Services, Inc.	137,299.92	Unsecured line of credit
First Utah Bank	4168 W. 12600 S., Riverton, UT 84096	Curtis DeYoung	3,450.00	Overdraft on bank account
Snow, Christensen & Martineau	10 Exchange Place, 11th Floor, SLC, UT 84145-5000	American Pension Services, inc., Curtis DeYoung	14,851.60	Legal fees
City of Harrisburg, PA	10 N. 2nd St., Suite 103, Harrisburg, PA 17101-1679	APS Master Trust	26,711.22	Demolition Costs on Property
City of Harrisburg, PA	10 N. 2nd St., Suite 103, Harrisburg, PA 17101-1679	APS Master Trust	10,504.77	Utility bills
Smith Accounting Services	999 E. 13200 S., Draper, UT 84020	American Pension Services, Inc.	8,695.62	Accounting fees
Greenbaum Law Group, LLP	840 Newport Ctr. Dr., Suite 720 Newport Beach, CA 92660	American Pension Services, Inc.	3,484.50	Legal fees
Kyler Kohler Ostermiller & Sorensen	1883 W. Royal Hunte Dr., Suite 200, Cedar City, UT 84720	American Pension Services, Inc.	320.00	Legal fees
Franklin America	501 Corporate Centre Dr., Franklin, TN 37067	Curtis DeYoung	590,000.00	Mortgage on residence
Heritage West Credit Union	13218 South 5600 West, Herriman, UT 84096	Curtis DeYoung	125,000.00	Mortgage on residence
Holladay Bank & Trust	2020 Murray Holladay Rd., SLC, UT 84117	Quicksilver, LLC	186,861.00	Secured by Legends Townhomes
Mountain America Credit Union	111 East Broadway, 11th Floor, SLC, UT 84111	American Pension Services, Inc.	12,253.00	Judgment
Estate of Jeannine Reneau	2825 E. Cottonwood Pkwy, Ste. 500, SLC, UT 84121	American Pension Services, Inc.	505,959.87	Judgment
Total			<u>\$ 2,033,448.57</u>	

NOTES:

Note 1 - The above list contains known creditors as of the inception of the Receivership on April 24, 2014, and those creditors who have filed proofs of claim.

Note 2 - The above list does not include investors who have retirement accounts with American Pension Services Master Trust.