

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>U.S. SECURITIES AND EXCHANGE</b>	)	
<b>COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>v.</b>	)	
	)	
<b>WILLIAM A. HUBER and</b>	)	
<b>HUBADEX, INC.,</b>	)	
	)	
<b>Defendants,</b>	)	
	)	
<b>and</b>	)	
	)	
<b>THE QUARTER FUNDS, L.P.,</b>	)	
<b>THE SYMMETRY FUND, L.P.,</b>	)	
<b>THE TRIMESTER FUND, and</b>	)	
<b>RUTHANN HUBER,</b>	)	
	)	
<b>Relief Defendants.</b>	)	

**Case No. 09-cv-6068**

**Judge Ruben Castillo**

**Magistrate Judge Soat Brown**

**RECEIVER’S FIRST STATUS REPORT**  
**(Fourth Quarter of 2009)**

Kevin B. Duff, as the receiver (“Receiver”) for the assets of Defendants William A. Huber and Hubadex, Inc. and the Recoverable Assets of Relief Defendants The Quarter Funds, L.P., The Symmetry Fund, L.P., The Trimester Fund, and Ruthann Huber (collectively “Receivership Defendants”), and pursuant to the powers vested in him by the Order of this Court entered on October 13, 2009, now respectfully submits this First Status Report (Fourth Quarter of 2009) to apprise the Court of the status of the Receivership, and states as follows.

**A. SUMMARY OF THE OPERATIONS OF THE RECEIVER**

The Receiver, in conjunction with his legal counsel, Rachlis Durham Duff & Adler, LLC (“RDDA”), accountants, BrookWeiner, LLC (“BrookWeiner”), and forensic

consulting firm, Navigant Consulting, Inc., has undertaken, without limitation, the following activities since his appointment as Receiver by this Court:

1. The Receiver was appointed by the Court on October 13, 2009. (Docket No. 22.) The Receiver retained RDDA as special counsel on October 13, 2009, and on October 19, 2009, the Court entered the Order approving RDDA's rates. (Docket No. 28.) The Receiver retained BrookWeiner as accountant on October 29, 2009, and on November 4, 2009, the Court entered the Order approving BrookWeiner's rates. (Docket No. 31.)

2. Upon his appointment, the Receiver immediately began using reasonable efforts to determine the nature, location and value of all property interests of the Receivership Defendants, including monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all profits, interest, or other income attributable thereto, of whatever kind, which the Receivership Defendants owned, possessed, had a beneficial interest in, or controlled directly or indirectly. In furtherance of such, the Receiver took, *inter alia*, the following actions:

a. Notice of Appointment of Receiver.

The Receiver has endeavored to notify all necessary and relevant individuals and entities of the appointment of the Receiver and to protect and preserve the assets of the Receivership estate. To that end, the Receiver has sent out numerous such notices to, *inter alia*, all banks, financial institutions, brokerage firms, credit card issuers, life insurance companies, tax collectors, utility companies, contractors, vendors, and any other individuals or entities which have been identified as potentially having possession of the property, business, books, records, or accounts of the Receivership Defendants, or who may have retained, managed, held, insured, or encumbered, or had otherwise been

involved with any of the assets of the Receivership Defendants. In addition, the Receiver has sent such notices to the Internal Revenue Service, the postmasters in Forsyth, Illinois, Naples, Florida, and La Jolla, California, and to numerous jurisdictions across the United States where any potential assets of the Receivership estate may be located. Finally, the Receiver compiled a list of known investors in the Receivership Defendants' fraudulent investor scheme, and sent out a letter and notice advising of the appointment of the Receiver to all such investors.

b. Control of Receivership Property and Records

The Receiver immediately took steps to ascertain the location of Receivership property and records. Property and records were located in three principal locations: La Jolla, California; Naples, Florida; and Forsyth, Illinois. The Receiver has cooperated with federal authorities in the collection of records. The Receiver visited Hubadex's office in Forsyth, IL with federal authorities to search for records, remove all tangible items except for office furniture (see below), and to shut the office down. The Receiver worked with federal authorities to arrange for collection of records in La Jolla. The Receiver also visited the property in Naples to collect all records. The records the Receiver collected include hard copy and electronic files, including computers. All records collected by federal authorities are now in the Receiver's possession.

c. Determination of Status of Investor Accounts

The first step the Receiver took toward determining a distribution plan was to determine the identity of all investors, and the amounts of deposits and withdrawals for each investor. To meet this obligation, the Receiver has taken the following steps to determine the identity of investors in The Quarter Funds, L.P., The Symmetry Fund, L.P., and The Trimester Fund ("the Funds") and to determine the amounts of each investor's

deposits and withdrawals. The Receiver obtained Hubadex records reflecting amounts for investor deposits and withdrawals on an account by account basis. The Receiver also received bank records as well as records from some investors. The Receiver then took steps to determine the accuracy of investor deposit and withdrawal information in Hubadex's records, including by cross-checking bank and, when available, investor records, against Hubadex's records relating to deposits and withdrawals. This preliminary analysis indicated that the Hubadex records were accurate as to investor deposit and withdrawal information. As additional records become available, including from investors, the Receiver will continue with the process of verifying the accuracy of Hubadex records as to investor accounts. The Receiver expects this process to be complete within the next quarter, but thus far Hubadex's records appear to be reliable as to investor deposits into and withdrawals from the Funds.

From the records gathered, and for purposes of analyzing investor accounts, the Receiver and his attorneys have identified four different categories of investors. In addition, because Huber commingled investor deposits without regard to differences between investor accounts or the Funds, the Receiver views amounts in different accounts or Funds for the same investor on a cumulative basis for purposes of determining the net balances for investors.

The first category of investors includes all investors who had not withdrawn funds from their accounts prior to the discovery of the ponzi scheme, or who had withdrawn less than the amount of their principal deposits at the time the ponzi scheme was discovered. Through the date of this report, the Receiver has identified that this first category of investors includes 111 different investors who made deposits of approximately \$22,982,119.82 into one or more accounts and withdrew a total of

\$3,384,267.80. For the most part the investors in this category invested in only a single account. In some instances, this category includes investors who invested in two or three accounts, but under circumstances where calculation of their cumulated principal balance is straightforward.

The second category of investors includes all investors who withdrew less principal than they deposited, but who had a number of different accounts, often in different funds, and for which the Receiver is still in the process of determining the net investor balance. Through the date of this report, the Receiver has identified that this second category of investors includes 4 different investors who made deposits of approximately \$1,405,601.82 into one or more accounts and withdrew a total of \$539,500.00.

The third category of investors includes all investors who had one or more accounts in which they withdrew more funds from one or more accounts than they deposited, but who also had other accounts in which the investor had deposited funds at the time the ponzi scheme was discovered. Through the date of this report, the Receiver has identified that this third category of investors includes 16 different investors who made deposits of approximately \$6,234,728.45 into one or more accounts and withdrew a total of \$3,941,231.19.

The fourth category of investors includes all investors who withdrew more funds than they deposited. Through the date of this report, the Receiver and his attorneys have identified that this fourth category of investors includes 44 different investors who made deposits of approximately \$9,435,888 and withdrew a total of \$12,232,155. The amount of withdrawals in excess of deposits, \$2,796,267, is a key component of the Receiver's clawback analysis, which is discussed further below.

d. Securing Real and Personal Property and Businesses.

(1) The Receiver, in furtherance of his duty to take custody, control and possession of all Receivership Property and records relevant thereto, took possession of and shut down the leased business office of Hubadex, Inc., located in Forsyth, Illinois, and took possession of the real properties owned by the Receivership Defendants, located in Naples, Florida and La Jolla, California. With respect to the business offices in Forsyth, the Receiver inspected the premises, seized all personal and business property and records located thereupon, canceled the property lease, and sought and obtained Court approval (*see* Order, 12/4/09, Docket No. 45) and arranged for the valuation and sale of the used business furniture which remained.

(2) With respect to the real property in Naples, the Receiver inspected the premises, changed the locks, seized all files and records related to the Receivership assets located thereupon, sought and obtained Court approval (*see* Order, 12/4/09, Docket No. 43) and arranged for an evaluation and appraisal of the real estate and all personal property, and sought and obtained Court approval (*see* Order, 12/4/09, Docket No. 41) and arranged for the listing and anticipated sale of the Naples real estate with a licensed Florida real estate broker. The Naples property is listed for sale for \$1,849,000.00.

(3) With respect to the real property in La Jolla, the Receiver sought and obtained Court approval to retain a property manager and various contractors to oversee, manage and secure the property, change the locks, and complete certain renovations that were underway at the time the property was seized (*see* Order, 1/6/10, Docket No. 55), and sought and obtained Court approval to hire a licensed California real estate broker to list and sell the La Jolla property (*see* Order, 1/6/10, Docket No. 56). Federal authorities seized all electronic and non-electronic records therein relating to the

Receivership Defendants' assets and operations of Hubadex, Inc., which records are now in the possession of the Receiver. The property manager is currently overseeing completion of construction work on the La Jolla property that was interrupted when the Defendants' assets were frozen. At this time, the Receiver anticipates listing the La Jolla property for sale beginning in either the first or second quarter of 2010.

(4) In connection with both the Naples and La Jolla properties, the Receiver and his attorneys also contacted and retained certain professionals to maintain the real properties in order to retain the maximum property values. In addition, the Receiver has retained such utilities and services as are necessary to maintain the properties (*e.g.*, water, electricity, sewage, trash removal). The Receiver has also obtained and is in the process of reviewing and analyzing, in cooperation with federal authorities, all business and investor records, correspondence, statements, and related information, in both paper and electronic format. The Receiver is also in the process of evaluating gifts, donations, and charitable contributions for their inclusion as potential assets of the Receivership estate.

e. Securing Bank and Investment Accounts.

The Receiver has notified, contacted and conferred with all banks, brokerage firms, and other financial institutions which the Receiver has been able to identify as having custody or control of any funds, accounts, or other assets held by, in the name of, or for the benefit of, directly or indirectly, any and all of the Receivership Defendants. With respect to each such fund, account, or other asset, the Receiver has either taken control of the fund or account or confirmed that the assets of the fund or account are frozen pending further direction by the Receiver or Court order. In most instances, the

Receiver has liquidated the funds or accounts and transferred all proceeds to the accounts established by the Receiver for the operation and benefit of the Receivership estate.

f. Securing Life Insurance Policies.

The Receiver has identified four existing life insurance policies. The benefit amounts are, respectively, (a) \$12,000,000, (b) \$5,000,000, (c) \$1,250,000, and (d) \$1,000,000. The policies have varying remaining terms, including differences as to expiration date, conversion, payments, and escalation of premiums. The annual premiums at present are, respectively, (a) \$30,555.20, (b) \$40,750.00, (c) \$16,712.50, and (d) \$3,880.00. With respect to each such policy, the Receiver has contacted all insurance companies holding policies against the life of Receivership Defendant William A. Huber, and has received copies of all such policies and related documents from the insurers. The Receiver, with the cooperation of the Receivership Defendants, is in the process of changing the beneficiary designations to the Receivership estate, and is also investigating the possibility of obtaining life settlements in connection with these policies, the proceeds of which (if any) would be transferred to the Receivership estate.

g. Accounts Established by Receiver for the Benefit of the Receivership Estate.

The Receiver has established custodial accounts (both checking and savings) at JPMorgan Chase Bank, a federally insured financial institution, to hold all cash equivalent Receivership property. The interest-bearing checking account is used by the Receiver to collect liquid assets of the estate, and to pay various vendors and operating expenses of the Receivership estate. The Receiver has also established an interest-bearing savings account at JPMorgan Chase Bank for the purpose of depositing and holding funds, until such time as it becomes appropriate to deposit such funds in a

Settlement Fund for ultimate distribution, upon Court approval, to the creditors of the estate, including the investor victims.

h. Contact with Investor Victims.

As previously indicated, the Receiver has compiled a list of known investors in the Receivership Defendants' fraudulent accounts and have communicated with these investors to provide notice of the Receiver's appointment, advise them as to the status and progress of the Receiver's duties and responsibilities regarding the Receivership estate, and request preservation of all potential Receivership estate assets and records related thereto. To date, the Receiver has sent out 233 notice letters to the known investors and received approximately 182 responses. In addition, the Receiver has established a web page (<http://www.rddl.com/HubadexReceivership/index.htm>) for the investors and other interested parties to obtain information and court filings related to the Receivership estate. A copy of this Status Report will be posted on the Receiver's web page. The Receiver and his attorneys have also had frequent telephone and email communications with various investors or their representatives on a regular basis to answer inquiries and provide information related to the Receivership estate.

**B. RECEIVER'S FUND ACCOUNTING**

The Receiver's Standardized Fund Accounting Report ("SFAR") for the Fourth Quarter 2009 is attached hereto as Exhibit A. The SFAR sets forth the funds received and disbursed from the Receivership estate during this reporting period. As reported in the SFAR, the amount of cash on hand is \$3,248,183.54; the amount of accrued administrative expenses, consisting of business asset expenses and personal asset expenses, is \$144,679.81; the amount of unencumbered funds in the estate is \$3,103,503.93. The information reflected in the SFAR is based on records and

information currently available to the Receiver. The Receiver and his advisors are continuing with their evaluation and analysis.

**C. RECEIVER'S SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

The Receiver's Schedule of Receipts and Disbursements ("Schedule") for the 4<sup>th</sup> Quarter 2009 is attached hereto as Exhibit B. The Schedule sets forth the following receipts and disbursements:

1. The amounts and sources of funds transferred to the Receiver's accounts from liquidation of the business assets of the Receivership Defendants, totaling \$2,946,864.02;
2. Income from other sources, such as interest income, and clawbacks from investors, totaling \$14,568.34;
4. Disbursements made from the Receiver's accounts for receivership operations, consisting of business and personal asset expenses, totaling \$144,679.61.

The Schedule does not include certain cash assets and unliquidated investments originally held or made by the Receivership Defendants which have not yet been transferred to the Receiver's accounts.

**D. RECEIVERSHIP PROPERTY**

All known Receivership Property is identified and described in the Master Asset List attached hereto as Exhibit C, including approximate or actual valuations, and anticipated or proposed dispositions. The Master Asset List does not include assets and potentially recoverable assets for which the Receiver is still evaluating the value, potential value and/or ownership interests. The Receiver is in the process of evaluating certain other types of assets that may be recoverable by the Receivership estate, including, but not limited to, retirement and/or pension benefits, trust accounts, money

market funds, gifts and other property given to family members, and other real and personal property. In addition, the Receiver is evaluating the benefits of retaining, liquidating, and/or abandoning a country club membership.

**E. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY THE RECEIVERSHIP ESTATE**

As noted above, through the date of this report, the Receiver and his attorneys have identified 44 investors from which the Receiver has sought clawback payments claims totaling approximately \$2,796,267. The Receiver and his attorneys are in the process of analyzing other potential clawback claims.

In recent weeks, the Receiver has sent out letters demanding clawback payments from 32 investors who withdrew more money from the Funds than they deposited. The total amount demanded in these letters is \$2,225,524. To date, the Receiver has received 17 responses to these demand letters, including three payments of the amounts demanded and an indication from others that full payment can be expected. The Receiver expects to receive additional payments and will update this information in his next Quarterly Status Report.

In addition to the foregoing, the Receiver is evaluating potential clawback claims relating to charitable contributions and other transfers of funds by Huber from investor funds. At this time the investigation and research is preliminary as to these claims and as such, the Receiver has nothing specific to report other than to identify these as potential claims which are being investigated.

**F. CREDITORS AND CLAIMS AGAINST THE RECEIVERSHIP ESTATE**

As discussed above, the Receiver and his attorneys have provided notice to all known potential claimants, particularly investor victims, by contacting them at their last known address as maintained in the records of Receivership Defendants. At this time, it

does not appear that a procedure for providing notice to unknown claimants is necessary, given the facts of the case. The Receiver and his attorneys are in the process of collecting claims information from the investor victims via claim forms provided with the Receiver's mailing to the investors, and will confer with the SEC regarding the Receiver's analysis of the claims. Thereafter, in consultation and collaboration with the SEC, the Receiver and his attorneys will review the SEC's approach followed in similar cases in order to propose for Court approval a just and fair distribution plan for the creditors of the Receivership estate, particularly investor victims. Upon formulation of this distribution plan, the Receiver will file a motion with the Court, giving notice to all investor victims and other known creditors of the Receivership estate, of the Receiver's intent to receive Court approval for a distribution plan. At that point, the creditors can file objections to any proposed plan before the Court enters an order on such motion.

**G. CONCLUSION**

At this time, the Receiver recommends the continuation of the Receivership for the following reasons:

1. The continued investigation and analysis of assets and potentially recoverable assets for which the Receiver is still evaluating the value, potential value and/or ownership interests;
2. The continued efforts of the Receiver to liquidate various assets of the Receivership Estate, including, but not limited to, the real properties located in Naples, Florida and La Jolla, California;
3. The continued investigation and analysis of the potential claims against the Receivership Estate, including, but not limited to, the claims and records of investor victims;

4. The continued investigation, analysis and recovery of potential clawback claims relating to the Receivership Estate;

5. The continued analysis and formulation, in consultation with the SEC, of a just and fair distribution plan for the creditors of the Receivership estate, particularly investor victims, and the subsequent notice to investors and potential claimants, and submission of a motion for Court approval, of such plan; and

6. The carrying out of any other legal and/or appointed duties of the Receiver as identified in the October 13, 2009, Order Appointing Receiver, or as the Court deems necessary.

Dated: February 1, 2010

Kevin B. Duff, Receiver

By:                   /s/ Michael Rachlis                  

Michael Rachlis

Edwin L. Durham

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 1, 2010, I electronically filed the foregoing **Receiver's First Status Report (Fourth Quarter of 2009)** with the Clerk of the United States District Court for the Northern District of Illinois, using the CM/ECF system. A copy of the Status Report was served via the CM/ECF system upon counsel for the parties as identified on the attached Service List.

s/ Michael Rachlis \_\_\_\_\_

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**SEC v. WILLIAM A. HUBER, et al.**  
**Case No. 09-cv-6068**

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The Symmetry Fund, L.P., The Trimester Fund, and  
Ruthann Huber*

# **EXHIBIT A**

Receivership; Civil Court Docket No. 09-cv-6068

Reporting Period 10/13/2009 to 12/31/2009

<b>Fund Accounting (See Instructions):</b>				
		<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<b>Line 1</b>	<b>Beginning Balance (As of 10/13/2009):</b>			\$0.00
	<b><i>Increases in Fund Balance:</i></b>			
<b>Line 2</b>	<b>Business Income</b>			
<b>Line 3</b>	<b>Cash and unliquidated Huber/Hubadex Securities</b>	\$286,751.18		
<b>Line 4</b>	<b>Interest/Dividend Income</b>	\$3,504.12		
<b>Line 5</b>	<b>Business Asset Liquidation</b>	\$2,946,864.02		
<b>Line 6</b>	<b>Personal Asset Liquidation</b>			
<b>Line 7</b>	<b>Third-Party Litigation Income</b>			
<b>Line 8</b>	<b>Miscellaneous - Other</b>	\$11,064.22		
<b>Total Funds Available (Line 1-8):</b>				<b>\$3,248,183.54</b>
	<b><i>Decrease in Fund Balance:</i></b>			
<b>Line 9</b>	<b>Disbursements to Investors</b>			
<b>Line 10</b>	<b>Disbursements for receivership operations</b>			
<i>Line 10a</i>	Disbursements to receiver or Other Professionals			
<i>Line 10b</i>	Business Asset Expenses	(\$111,979.49)		
<i>Line 10c</i>	Personal Asset Expenses	(\$32,700.12)		
<i>Line 10d</i>	Investment Expenses			
<i>Line 10e</i>	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	<b>Total Third-Party Litigation Expenses</b>		\$0.00	
<i>Line 10f</i>	Tax Administrator Fees and Bonds			
<i>Line 10g</i>	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		(\$144,679.61)	
<b>Line 11</b>	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
<i>Line 11a</i>	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....			
	Independent Distribution Consultant (IDC).....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Miscellaneous			
	<b>Total Plan Development Expenses</b>		\$0.00	
<i>Line 11b</i>	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			

Receivership; Civil Court Docket No. 09-cv-6068  
 Reporting Period 10/13/2009 to 12/31/2009

	Legal Advisers.....		
	Tax Advisers.....		
	2. Administrative Expenses		
	3. Investor identification		
	Notice/Publishing Approved Plan.....		
	Claimant Identification.....		
	Claims Processing.....		
	Web Site Maintenance/Call Center.....		
	4. Fund Administrator Bond		
	5. Miscellaneous		
	6. Federal Account for Investor Restitution (FAIR) reporting Expenses		
	Total Plan Implementation Expenses		
	<b>Total Disbursement for Distribution Expenses Paid by the Fund</b>		<b>\$0.00</b>
<b>Line 12</b>	<b>Disbursement to Court/Other:</b>		
Line 12a	<i>Investment Expenses/Court Registry Investment     System (CRIS) Fees</i>		
Line 12b	<i>Federal Tax Payments</i>		
	Total Disbursement to Court/Others:		
<b>Total Funds Disbursed (Lines 1-9):</b>			<b>(\$144,679.61)</b>
<b>Line 13</b>	<b>Ending Balance (As of MM/DD/YYYY):</b>		<b>\$3,103,503.93</b>
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>		
Line 14a	<i>Cash &amp; Cash Equivalents</i>		\$2,936,416.03
Line 14b	<i>Investments (unliquidated Huber/Hubadex investments)</i>		\$167,087.90
Line 14c	<i>Other Assets or uncleared Funds</i>		
<b>Total Ending Balance of Fund - Net Assets</b>			<b>\$3,103,503.93</b>

<b>OTHER SUPPLEMENTAL INFORMATION:</b>				
		<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<b>Line 15</b>	<i>Report of Items NOT To Be Paid by the Fund:</i>			
	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
Line 15a	<i>Plan Development Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund			
Line 15b	Plan Implementation Expenses Not Paid by the Fund:			
	1. Fees:			

Receivership; Civil Court Docket No. 09-cv-6068

Reporting Period 10/13/2009 to 12/31/2009

	Fund Administrator.....		
	IDC.....		
	Distribution Agent.....		
	Consultants.....		
	Legal Advisers.....		
	Tax Advisers.....		
	2. Administrative Expenses		
	3. Investor identification		
	Notice/Publishing Approved Plan.....		
	Claimant Identification.....		
	Claims Processing.....		
	Web Site Maintenance/Call Center.....		
	4. Fund Administrator Bond		
	5. Miscellaneous		
	6. FAIR Reporting Expenses		
	Total Plan Implementation Expenses NOT Paid by the Fund		
Line 15c	<i>Tax Administrator Fees &amp; Bonds Not Paid by the Fund</i>		
	<b>Total Disbursement for Plan Administration Expenses NOT Paid by the Fund</b>		
Line 16	<b>Disbursements to Court/Other Not Paid By the Fund:</b>		
Line 16a	<i>Investment Expenses/CRIS Fees</i>		
Line 16b	<i>Federal Tax Payments</i>		
	<b>Total Disbursements to Court/Other NOT Paid By the Fund:</b>		
Line 17	<b>DC &amp; State Tax Payments</b>		
Line 18	<b>No. of Claims</b>		
Line 18a	<i># of Claims Received This Reporting Period.....</i>		
Line 18b	<i># of Claims Received Since Inception of Fund.....</i>		
Line 19	<b>No. of Claims/Investors</b>		
Line 19a	<i># of claimants/Investors Paid This Reporting Period.....</i>		
Line 19b	<i># of claimants/Investors Paid Since Inception of Fund.....</i>		

Receiver:

\_\_\_\_\_  
 /s/ Kevin B. Duff  
 (Signature)

\_\_\_\_\_  
 Kevin B. Duff  
 (Printed Name)

\_\_\_\_\_  
 Receiver - Hubadex, Inc.  
 (Title)

Date: \_\_\_\_\_ February 1, 2010

# **EXHIBIT B**

HUBADEX, INC. RECEIVERSHIP  
Case No. 09-cv-6068

4th Quarter 2009 Schedule of Receipts and Disbursements

<b>RECEIPTS</b>		
	<u>Received From</u>	<u>Amount</u>
	Buena Vista Bank <sup>1</sup>	\$317,902.17
	Bank of America <sup>1</sup>	\$20,290.79
	optionsXpress <sup>1</sup>	\$2,606,730.06
	E*Trade <sup>1</sup>	\$1,341.00
	Associated Office Furnishings <sup>2</sup>	\$600.00
	Investors <sup>3</sup>	\$11,064.22
	Interest earned on Receiver's accounts	\$3,504.12
	Subtotal Receipts:	\$2,961,432.36
<b>DISBURSEMENTS</b>		
	<u>Paid To</u>	<u>Amount</u>
	American General Life Ins. Co.	(\$21,597.50)
	Transamerica Life Ins. Co. (two policies)	(\$9,827.62)
	MetLife Ins. Co.	(\$15,277.60)
	Service Ins. Co. (Naples flood insurance)	(\$1,282.00)
	State Farm Ins. Co. (La Jolla earthquake insurance)	(\$369.33)
	Bank United (La Jolla mortgage)	(\$29,024.84)
	Bank United (Naples line of credit)	(\$4,058.28)
	Florida Power & Light (Naples electric service)	(\$567.52)
	Grand Bay Condo Assn. (Naples condo assessment & water)	(\$7,427.82)
	Eddie's Pool Service (Naples)	(\$506.56)
	Carl Romero Landscape Gardening (La Jolla)	(\$75.00)

## HUBADEX, INC. RECEIVERSHIP

Case No. 09-cv-6068

## 4th Quarter 2009 Schedule of Receipts and Disbursements

Linda Piatt (Naples cleaning service)	(\$200.00)	
Eshelman Appraisals, Inc. (La Jolla)	(\$1,300.00)	
Lewis Robinson Appraisals (Naples)	(\$1,925.00)	
Nugent Appraisal Services (Naples)	(\$3,536.25)	
The Appraisal Shoppe (Naples)	(\$450.00)	
Landry's Inspection Services (Naples)	(\$490.00)	
Collier County Tax Collector (Naples)	(\$16,736.20)	
BB Locksmith (Naples)	(\$619.90)	
A-1 Lock & Safe (La Jolla)	(\$200.34)	
Imagen USA, Inc. (shutter repair - Naples)	(\$100.00)	
Sunset West Development (La Jolla reconstruction)	(\$15,868.53)	
Lana Construction, Inc. (La Jolla reconstruction)	(\$12,321.10)	
Christian Wheeler Engineering (La Jolla Reconstruction)	(\$882.00)	
Sprint	(\$36.22)	
TOTAL DISBURSEMENTS:		(\$144,679.61)
<b>Grand Total Cash on Hand:</b>		<b>\$2,816,752.75</b>
<sup>1</sup> Transfer of Receivership Defendants' cash and securities to Receiver's accounts		
<sup>2</sup> Sale of Forsyth office furniture		
<sup>3</sup> Clawbacks from investors		

# **EXHIBIT C**

Master Asset List

<b>Receiver's Accounts (as of 01/25/2010)</b>		
<b>Institution</b>	<b>Account Information</b>	<b>Amount</b>
JPMorgan Chase & Co.	Checking	\$113,260.30
	Savings	\$2,703,492.45
		Total: \$2,816,752.75

<b>Receivership Defendants' Accounts</b>			
<b>Institution</b>	<b>Account Information</b>	<b>Current Value</b>	<b>Amount Transferred to Receiver's Account</b>
Advanced Equities	Series F Convertible Preferred Stock (unliquidated Huber/Hubadex investment – valued at cost)	\$100,000.00	
Bank United	Checking	\$ 336.24	
Bank of America, NA	Checking	\$ 3,144.04	
	Checking	\$113,951.24	
	Checking	\$0.00	\$20,290.79
Buena Vista National Bank	Checking	\$0.00	\$6,065.80
	Checking	\$0.00	\$54,185.98
	Checking	\$0.00	\$155,248.90
	Checking	\$0.00	\$102,401.49
			Total: \$317,902.17
E*Trade Bank	Checking	\$ 1,576.46	
	Checking	\$655.30	
E*Trade Brokerage	Stocks, Mutual & Money Market Funds (unliquidated Huber/Hubadex investment)	\$3,770.58	
E*Trade Securities, LLC	Checking	\$0.00	\$767.13
	Checking	\$0.00	\$573.87
			Total: \$1,341.00
optionsXpress	Stocks, Mutual & Money Market Funds	\$0.00	\$811.51
	Stocks, Mutual & Money Market Funds	\$0.00	\$500,362.10
	Stocks, Mutual & Money Market Funds	\$0.00	\$2,105,556.45
	(Huber/Hubadex investments)		Total: \$2,606,730.06
Muriel Seibert and Co., Inc.	Stocks, Mutual & Money Market Funds (unliquidated Huber/Hubadex investment)	\$1,511.32	
Summit Private Investments, Inc.	Hedge Fund (unliquidated Huber/Hubadex investment – value is projected for end of December 2009)	\$61,806.00	
		Total: \$286,751.18	Total: \$2,946,264.02

<b>Real Estate</b>	
<b>Description</b>	<b>Appraised Market Value</b>
Naples, Florida	\$1,740,000.00 Equity Line Balance as of 12/23/09: \$368,839.81
La Jolla, California	\$1,925,000.00 Mortgage Balance as of 12/26/09: \$589,613.33
	Total: \$3,665,000.00 Total less equity line and mortgage: \$ 2,706,546.90
<b>Personal Property</b>	
<b>Location</b>	<b>Est. Fair Market Value</b>
Naples, FL	\$71,974.00
La Jolla, CA	\$8,030.00
Jewelry-FL	Pending Appraisal
Jewelry-CA	Pending Appraisal
Forsyth, IL Office Furniture and other items	Office Furniture sold at \$600.00
	Total: \$87,639.00 (excluding jewelry)
<b>Vehicles</b>	
<b>Description</b>	<b>Est. Fair Market Value Based on Kelly Blue Book</b>
2007 BMW 335i-CA	\$37,400.00
2006 BMW 5 Series-FL	\$23,100.00
	Total: \$60,500.00