

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

CASE NO.: 06-20975-CIV-HUCK / OTAZO-REYES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**JOHN P. UTSICK, ROBERT YEAGER,
DONNA YEAGER, WORLDWIDE
ENTERTAINMENT, INC., THE
ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC. AND
ENTERTAINMENT FUNDS, INC.,**

Defendants.

**RECEIVER'S THIRTEENTH REPORT ON
THE CONDITION OF THE RECEIVERSHIP ENTITIES**

The Receiver, Michael I. Goldberg ("Receiver"), by and through undersigned counsel, files his Thirteenth Report on the Condition of the Receivership Entities.

This report is filed pursuant to the *Order Appointing Receiver* [ECF No. 12] dated April 20, 2006. Detailed background information on the Receivership Entities is more fully described in the *Receiver's Initial Report* filed on March 1, 2006 in the Original Receivership, and subsequent status reports filed in this case. Copies of the status reports and certain of the court papers are available for review on the Receiver's website at www.entertainmentgroupinfo.com.

A. Jack Utsick

Jack Utsick ("Utsick") was arrested in Brazil and was extradited to the United States to face trial. On June 10, 2016, Utsick entered into a Plea Agreement with the Office of the United States Attorney for the Southern District of Florida ("U.S. Attorney") in the criminal case *United*

States v. Utsick, Case No. 10-20242. Utsick agreed to plead guilty to Count 7 of the Superseding Indictment, which charged him with mail fraud in violation of 11 U.S.C. § 1341. The U.S. Attorney agreed to dismiss the remaining counts of the Superseding Indictment after sentencing. Utsick also agreed to pay restitution in the amount of \$169,177,338.00.

Utsick's sentencing hearing took place on October 4, 2016. After hearing testimony of multiple parties, including investors and the Receiver, the Judge entered a Judgment sentencing Utsick to 220 months in prison and ordering restitution in the amount of \$169,177,338.00. Utsick filed a Notice of Appeal to the United States Court of Appeals for the Eleventh Circuit, Case No. 16-16505. There has been little activity in the appellate case other than Utsick requesting the appellate court to allow him to file a motion to proceed *in forma pauperis* seeking for the government to pay the costs of his appeal.

B. Matters Still Being Administered by the Receiver

1. Life Insurance Policies

During his administration of the receivership assets, the Receiver learned that Utsick owned nine life insurance policies with a combined death benefit of \$54.5 million, however, three of the policies had lapsed prior to his discovery of same. The remaining six (6) policies consisted of the following:

Company Name	Policy Type	Face Amount	Monthly Premium	Current Status
John Hancock	Universal Life	\$ 2,000,000	\$ 3,650*	Active
TransAmerica	Term	\$10,000,000	\$11,751.16	Abandoned
TransAmerica	Term	\$ 2,000,000	\$ 3,473.92	Active
MetLife	Universal Life	\$15,000,000	\$10,548.54	Abandoned
MetLife	Universal Life	\$15,000,000	\$23,087.78	Active
MetLife	Universal Life	\$10,000,000	\$ 5,882.46	Active
Total		\$54,000,000	\$58,393.86	
Total of 4 Active Policies		\$29,000,000	\$32,444.16	
*As of 4/5/13, no premiums were due on the policy for years 9 through 13. The premiums will resume in 2018. Last premium paid was December 2013.				

The premiums for all of the active policies were approximately \$700,000 per year. However, in the last year, the premiums for two of the policies increased to amounts which were prohibitively expensive to maintain, forcing the Receiver to abandon those policies.

Currently, the Receiver holds approximately \$2,252,000 in trust which is largely made up of the recovery in the Vector Arena litigation and the proceeds from the sale of the Jacksonville Property. If the Receiver were to distribute these funds to the victims, the average victim would receive only an additional approximate 2.1% distribution.¹ Based on the fact that Utsick is currently in jail and is not believed to be in the greatest of health, the Receiver, based on the guidance and advice of the Investor Advisory Panel, has decided to continue to pay the remaining insurance premiums as it is the belief that this affords the best opportunity for an additional significant recovery versus the minimal distribution that would be made to investors from the funds on hand. The Receiver intends to use the funds on hand to continue to pay the insurance premiums for another few years. Moreover, although the Receiver has explored the possibility of selling the policies, to date, he has been unable to do so because Utsick has refused to sit for a physical examination.

2. Administration of Settlement Funds

On November 10, 2008, the court approved the Receiver's settlement with the Estate of Sheri DiSalvo, et al. [DE 322]. Through this settlement, a brokerage account at Comerica was turned over to the Receiver holding various asset-backed securities that have been liquidating

¹ This is a rough approximation based on the amount of cash divided by the total amount of allowed claims. It is impossible to determine the actual distribution any individual creditor may receive based upon the fact that funds are being distributed under a "rising tide" approach as opposed to a true pro-rata basis. However, in any event, the sum any individual investor would receive is *di minimis*. Moreover, the estimated distribution does not take into account outstanding expenses and the costs of making a distribution and closing the estate which would lower the distribution percentage.

over time. The Receiver continues to administer this account and receives monthly dividend payments approximately \$1,100 to \$1,500 a month. The value of the account as of April 30, 2017 holding cash and securities was \$107,936.75.

III. RECEIVER'S PLANNED COURSE OF ACTION

The receivership estate is essentially fully administered but for the insurance policies. The Receiver intends to continue to pay the premiums on the remaining policies for as long as he can. After the Receiver has administered the remaining assets of the Receivership Entities, he intends to fully close the Receivership Estate, with the Court retaining jurisdiction to determine any issues that may arise.

Dated: May 19, 2017

Respectfully submitted,

/s/ Michael I. Goldberg
Michael I. Goldberg, Esq.
Florida Bar Number: 886602
Email: michael.goldberg@akerman.com
Joan Levit, Esq.
Florida Bar Number: 987530
Email: joan.levit@akerman.com
AKERMAN LLP
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Telephone: (954) 463-2700
Facsimile: (954) 463-2224

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by CM/ECF on May 19, 2017 on all counsel or parties of record on the Service List below.

By: /s/ Joan Levit
Joan M. Levit, Esquire

SERVICE LIST

Robert K. Levenson
Regional Trial Counsel
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
(305) 982-6341 (Direct Dial)
(305) 982-6300 (Telephone)
(305) 536-4154 (Facsimile)
E-Mail: levensonr@sec.gov
Counsel for Plaintiff
Served by CM/ECF

Teresa Jacqueline Verges
Yolanda Gonzalez
Andre Zamorano
Securities & Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
E-Mail: vergest@sec.gov
E-Mail: gonzalezlm@sec.gov
E-Mail: zamoranoa@sec.gov
Counsel for Plaintiff
Served by CM/ECF

Robert V. Cornish , Jr.
Dilworth Paxson LLP
655 Fifteenth Street, NW, Suite 810
Washington, DC 20005
(202) 466-9158 (Telephone)
(202) 452-0930 (Facsimile)
E-Mail: rcornish@dilworthlaw.com
Counsel for Jack P. Utsick
Served by CM/ECF

David R. Chase, Esq.
David R. Chase, P.A.
1700 East Las Olas Blvd., Penthouse 2
Fort Lauderdale, Florida 33301
(954) 920-7779 (Telephone)
(954) 923-5622 (Facsimile)
E-Mail: david@davidchaselaw.com
Counsel for Jack P. Utsick
Served by CM/ECF

Richard A. Serafini, Esq.
Adams Cassidy & Phillippi, P.A.
One East Broward Boulevard, Suite 1410
Fort Lauderdale, FL 33301
(954) 764-6430 (Telephone)
(954) 764-6448 (Facsimile)
Email: rserafini@acplaw.net
***Counsel for Robert Yeager, Donna Yeager
American Enterprises, Inc. and
Entertainment Funds, Inc.***
Served by CM/ECF

David M. Levine, Esq.
Tew Cardenas LLP
Four Seasons Tower, 15th Floor
1441 Brickell Avenue
Miami, Florida 33131-3407
(305) 536-1112 (Telephone)
(305) 536-1116 (Facsimile)
E-Mail: dml@tewlaw.com
Counsel for First Source Bank
Served by CM/ECF

Michael James Rosen
Michael J. Rosen
2937 SW 27 Avenue
Suite 101
Miami, FL 33133
305-446-6116
Fax: 305-446-6150
Email: mjr@mjrosenlaw.com
Counsel for Jack P. Utsick
Served by CM/ECF