

**UNITED STATES DISTRICT COURT
Southern District of Florida
Miami Division**

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

Case No.: 06-20975-CIV-HUCK
Magistrate Judge Bandstra

vs.

JACK P. UTSICK,
ROBERT YEAGER,
DONNA YEAGER,
WORLDWIDE ENTERTAINMENT, INC.,
THE ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC., and
ENTERTAINMENT FUNDS, INC.,

Defendants.

_____ /

NOTICE OF FILING

Michael I. Goldberg (the "Receiver"), hereby gives notice of the filing of Receiver's Twelfth Report on the Condition of the Receivership Entities, The Entertainment Group Fund, Inc., Worldwide Entertainment, Inc., American Enterprises, Inc., and Entertainment Funds, Inc.

Respectfully submitted,

AKERMAN LLP

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By: /s/ Michael Goldberg

Michael Goldberg, Esquire
Florida Bar Number: 886602

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of June, 2015, I electronically filed the foregoing *Notice of Filing of the Receiver's Twelfth Report Concerning the Condition of the Receivership Entities* with the Clerk of the Court by using the CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notice of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronic notices.

/s/ Michael Goldberg

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Plaintiff,

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AMERICAN ENTERPRISES, INC., and
ENTERTAINMENT FUNDS, INC.,

Defendants.

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

Michael I. Goldberg, court-appointed receiver (the "Receiver") for The Entertainment Group Fund, Inc., Worldwide Entertainment, Inc. ("Worldwide"), American Enterprises, Inc. and Entertainment Funds, Inc. (collectively, the "Receivership Entities"), files the Receiver's Twelfth Report on the Condition of the Receivership Entities to provide the Court and Creditors with an update on the following matters:

A. Jack Utsick

Jack Utsick ("Utsick") was arrested last year in Brazil and was extradited to the United States to face trial. It is expected that his trial will take place in the fall of 2015. The Receiver is monitoring the matter and will update creditors on this matter as it progresses.

B. Matters Still Being Administered by the Receiver

1. Quay Park Arena (Vector Arena)

Worldwide owns a one hundred percent (100%) interest in Worldwide New Zealand, LLC ("WWNZ"). WWNZ owns a twenty five percent (25%) interest in a New Zealand company known as the Quay Park Arena Management Trust ("QPAM"). QPAM is the legal owner of a valuable lease to manage and operate the Quay Park Arena, a modern 12,000 seat facility in Auckland, New Zealand. The remaining seventy five (75%) percent interest in QPAM is held by Jacobsen Venue Management New Zealand, Ltd. and Jacobson F.T. Pty, Ltd. (the "Jacobson Parties"). Quay Park Arena is a world class multi-use indoor sports and entertainment arena. It is now known as the "Vector Arena." As of 2008, WWNZ had invested approximately \$3.5 million in QPAM.

Prior to the Receiver's appointment, WWNZ commenced litigation against the Jacobsen Parties alleging, among other things, that they diverted partnership assets for their own use. When the receivership was commenced, the Jacobsen Parties asserted that there was a change in control of WWNZ that triggered their right of first refusal to purchase WWNZ's interest in QPAM. A dispute soon developed between the Receiver and the Jacobsen Parties as to the process to be used to value WWNZ's interest. The Jacobsen Parties took the unreasonable position that they had the unilateral right to value WWNZ's interest. After nearly four years of litigating over this issue, with numerous hearings and appeals, the High Court of New Zealand handed down a decision in favor of WWNZ which included 5 years of interest. Essentially, the High Court of New Zealand stated that the Jacobsen Parties do not have the unilateral right to value WWNZ's interest.

Update: The Receiver has received the funds awarded by the Court. There is a small, ongoing dispute with respect to certain costs the Receiver claims the Jacobsen Parties' successor owe the Receiver. The Receiver expects to ultimately collect these funds, however, they are materially insignificant.

2. Jacksonville Property

In June 2003, Worldwide purchased 49.6 acres of land just off of I-95 near Route 16 between Jacksonville and St. Augustine, Florida, with the intent of building an amphitheater on the property (the "Jacksonville Property"). The Jacksonville Property is highly visible from I-95, a major interstate highway.

The Jacksonville Property was originally purchased for \$1.5 million; however, due to the downturn in the Florida market for raw-land, the Receiver is unsure of the current value of the Jacksonville Property. There is no mortgage on the Jacksonville Property and the costs of holding the property are minimal. Accordingly, the Receiver, with the advice of his Investor Advisory Panel, decided not to aggressively market the Jacksonville Property for sale, but to "mothball" the property in hopes that the market will recover.

Update: On May 5, 2015, the Receiver sold the Jacksonville Property to St. John's County for the construction of a new Sheriff's Office. The purchase price of the Jacksonville Property was \$925,000. After payment of taxes and other selling expenses, the Receiver netted \$912,494.04.

3. Life Insurance Policies

At the commencement of the receivership, the Receiver learned that Utsick owned

several life insurance policies with a combined death benefit of \$54.2 million¹. Three of the active policies are Universal Life policies totaling \$27 million in death benefits and list TEGFI as the beneficiary. There is one additional active Universal Life policy with a face amount of \$15 million and listed Jack Utsick's personal trust as beneficiary. The remaining two active policies are Term policies having a combined death benefit of \$12 million. These two policies previously listed Utsick's girlfriend, Jennifer Homan, and Utsick's estate as the beneficiary; however, Utsick subsequently assigned the policies to the Receiver on behalf of Worldwide. The premiums for all of the active policies are approximately \$700,000 per year.

Update: Currently, the Receiver holds \$3,370,407.16 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.² 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 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, the Receiver is also exploring the possibility of placing the insurance policies in a trust allowing those investors that wish to continue to pay for the

¹ The Receiver uncovered nine policies altogether, however, three (3) of the policies had lapsed prior to his discovery of same. The remaining six active policies consist of \$54 million in death benefits.

² 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.

premiums the option of participating as trust beneficiaries provided they pay their pro-rata share of the premiums. As a condition of this, the Receiver will require that the Trust reimburse the estate for the premiums it has paid to date in the event Utsick dies and the policies pay off.

Dated: June 18, 2015

Respectfully Submitted,

AKERMAN LLP

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/s/ Michael I. Goldberg, Receiver