

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 16-cv-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,
WILLIAM STENGER,
JAY PEAK, INC.,
Q RESORTS, INC.,
JAY PEAK HOTEL SUITES L.P.,
JAY PEAK HOTEL SUITES PHASE II. L.P.,
JAY PEAK MANAGEMENT, INC.,
JAY PEAK PENTHOUSE SUITES, L.P.,
JAY PEAK GP SERVICES, INC.,
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,
JAY PEAK GP SERVICES GOLF, INC.,
JAY PEAK LODGE AND TOWNHOUSES L.P.,
JAY PEAK GP SERVICES LODGE, INC.,
JAY PEAK HOTEL SUITES STATESIDE L.P.,
JAY PEAK GP SERVICES STATESIDE, INC.,
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,
AnC BIO VERMONT GP SERVICES, LLC,

Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,
GSI OF DADE COUNTY, INC.,
NORTH EAST CONTRACT SERVICES, INC.,
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND
CONFERENCE CENTER, L.P.,
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

**RECEIVER'S RESPONSE TO SUPPLEMENTAL MOTION TO ADDRESS THE
COURT'S CONCERNS AND APPROVE DISBURSEMENT OF ATTORNEYS' FUND**

Michael I. Goldberg, as the court-appointed receiver (the "Receiver") for Jay Peak, Inc.,
Q Resorts, Inc., Jay Peak Hotel Suites L.P., Jay Peak Hotel Suites Phase II L.P., Jay Peak
Management, Inc., Jay Peak Penthouse Suites L.P., Jay Peak GP Services, Inc., Jay Peak Golf

and Mountain Suites L.P., Jay Peak GP Services Golf, Inc., Jay Peak Lodge and Townhouses L.P., Jay Peak GP Services Lodge, Inc., Jay Peak Hotel Suites Stateside L.P., Jay Peak GP Services Stateside, Inc., Jay Peak Biomedical Research Park L.P., AnC Bio Vermont GP Services, LLC, Q Burke Mountain Resort, Hotel and Conference Center, L.P., Q Burke Mountain Resort GP Services, LLC, Jay Construction Management, Inc., GSI of Dade County, Inc., North East Contract Services, Inc., and Q Burke Mountain Resort, LLC, responds to the Supplemental Motion to Address Court's Concerns and Approve Disbursement of Attorneys' Fund.

As the Receiver stated at the hearing held on June 30, 2017, the Raymond James settlement was a team effort. Class Counsel, and the resolution of that litigation, was a substantial factor in concluding the Raymond James settlement. Resolving that litigation, along with the other cases against Raymond James, was a critical component of the settlement, because Raymond James wanted "global peace." On the other hand, the Receiver wanted to insure that the victims of the fraud were positioned to either receive all of their principal back, or eligibility for a green card; in either event, he did not wish for any victim to have to pay their attorneys from the recovery that they received. For those reasons, we agreed to support the \$25 million fee application in the settlement agreement, and do so today.

Nevertheless, the Receiver is pleased to report that, since the hearing, the SEC, Class Counsel and the Receiver have been discussing whether the firms receiving the \$25 million Attorneys' Fund should pay some portion of the fees of the Receiver and his professionals to address the Court's concerns. All participating firms have agreed that if the \$25 million Attorneys' Fund is awarded pursuant to the Notice of Proposed Allocation of the Attorneys' Fund (DE 343), the participating firms will voluntarily contribute \$1,352,651.20 to the

receivership estate, which is the entire amount of the Receiver's second fee application, which is was filed on July 7, 2017 (DE 357).

WHEREFORE, the Receiver requests that, in light of the foregoing, the Court enter the attached order approving disbursement of the Attorneys' Fund in the amount of \$25 million, and directing that the disbursement take place as set forth in the allocation submitted by Class Counsel, as modified by the agreement set forth above. The SEC is in agreement with this resolution.

Dated: July 10, 2017

Respectfully submitted,

By: /s/ Jeffrey C. Schneider
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Counsel for Receiver Michael I. Goldberg

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on this July 10, 2017 via the Court's notice of electronic filing on all CM/ECF registered users entitled to notice in this case as indicated on the attached Service List.

By: /s/ Jeffrey C. Schneider
JEFFREY C. SCHNEIDER, P.A.

SERVICE LIST

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Defendants,

JAY CONSTRUCTION MANAGEMENT, INC.,
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Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants, and

Q BURKE MOUNTAIN RESORT, HOTEL AND
CONFERENCE CENTER, L.P.,
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC

Additional Defendants

**ORDER APPROVING
DISBURSEMENT OF ATTORNEYS' FUND**

THIS MATTER came before the Court on the Motion to Approve Disbursement of Attorneys' Fund (DE 354) (the "Motion") in connection with the Receiver's earlier Motion for

Approval of Settlement between Receiver, Interim Class Counsel and Raymond James & Associates, Inc. (DE 315). The Receiver responded to the Motion (DE _____), and advised the Court that Class Counsel and the participating firms have agreed that, if the \$25 million Attorneys' Fund is awarded, they will contribute \$1,352,651.20 from the Attorneys' Fund to the receivership estate, which is the entire amount of the Receiver's second fee application. The SEC supports this decision. The Court, being otherwise duly advised in the premises, hereby **ORDERS** and **ADJUDGES** as follows:

1. The Motion is **GRANTED**.
2. The Receiver shall disburse the Attorneys' Fund, in the amount of \$25 million, in accordance with the Notice of Proposed Allocation of the Attorneys' Fund (DE 343).
3. Within twenty days thereafter, the participating firms shall remit \$1,352,651.20 to the Receiver.

DONE AND ORDERED in Chambers at Miami, Florida, this ____ day of _____, 2017.

DARRIN P. GAYLES
UNITED STATES DISTRICT JUDGE