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5 Receiver

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UNITED STATES DISTRICT COURT

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SOUTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA, Plaintiff)
in Interpleader,)

11 Plaintiff,)

12

13 vs.)

14 BETTYE JAN BAKER ADAIR, Defendant)
in Interpleader, et al.,)

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16 Defendants.)

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I, Richard M Kipperman, the duly appointed, qualified and acting Receiver herein
21 ("Receiver"), make this initial verified report and petition for instructions as follows:

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REPORT ON ADMINISTRATION

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Appointment of Receiver:

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On September 30, 2009 the Court issued its order appointing Richard M
25 Kipperman ("Receiver") and directing the Receiver, per the Court's Order of June 23,
26 2009 to:

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"...examine all of the answers and conduct the necessary discovery in the case
28 to make a plan of recommended distribution of the Interpleaded Funds in
accordance with the following:

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1 (1) All Defendants-in-Interpleader with directly traceable funds shall be
2 compensated from the Interpleaded Funds, including a pro rata share of
accrued interest;

3 (2) Excluded from presently participating in the receipt of Interpleaded
4 Funds are Objectors and all other alleged wrongdoer defendants in the
Canadian Action; and

5 (3) The balance of the Interpleaded Funds, after compensating innocent
6 directly traceable fraud victims and the payment of administrative
7 expenses, shall be paid to the registry of the Canadian Court for
distribution in that action.”

8 **Initial Administration:**

9 The Receiver has been advised that interpleaded funds deposited with the Clerk
10 of the Court total \$5,322,885.09. The Receiver is not aware of any other assets of this
11 estate.

12 The Receiver has received the following from the FBI: copies of First National
13 Bank documents bates stamped 04-026-CC-BRIX-0056 to 0207; and, the answers in
14 Interpleader Civil Case No. 09 CV 0254 by 98 parties.

15 The Receiver has been in contact with representatives of the Canadian
16 government for the purpose of obtaining documents related to the bank accounts of
17 Garth S. Bailey.

18 The Receiver has been in contact with Graham McClennan, representative of the
19 Class Action Plaintiffs for the purpose of obtaining additional documentation pertinent to
20 the Receiver's investigation and necessary to the Receiver's performance of a thorough
21 investigation.

22 In order for the Receiver to comply with the Order appointing the Receiver, the
23 Receiver will at a minimum require the documentation regarding the Bailey bank
24 accounts requested of the Canadian government, as well as documentation in the
25 control of the Class Action Plaintiffs and requested of Mr. McClennan.

26 Until such time as the requested documents have been provided to the Receiver,
27 and the Receiver has thoroughly reviewed the documents, the Receiver is unable to
28 estimate what additional information may be required for the Receiver to fulfill his duties

1 under the Order appointing him.

2 The Receiver shall provide the Court with further report in 90 days unless
3 directed by the court to do otherwise.

4 **Receiver's Inventory:**

5 The Receiver has not taken possession of the interpleaded funds which are to
6 remain deposited with the Clerk of the Court, nor has the Receiver taken possession
7 any other assets of the defendants. Consequently, there is no inventory to report at this
8 time.

9 **Receiver's Accounting:**

10 The Receiver has not collected any receipts nor has the Receiver made any
11 disbursements in connection with this receivership. Consequently, there is no
12 accounting to file with this report at this time.

13 **PETITION FOR INSTRUCTIONS**

14 The Receiver makes no petition for instructions at this time.

15 **VERIFICATION**

16 I, Richard M Kipperman, Receiver herein, hereby certify under penalty of perjury,
17 under the laws of the United States of America that the foregoing is true and correct,
18 and that this verification was executed on October 30, 2009 at La Mesa, California.

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21 Richard M Kipperman, Receiver

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