

(Trustee's Fifth Status Report)

**DEBORAH C. MENOTTE
Federal Bankruptcy Trustee
Southern District of Florida**

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West Palm Beach, FL 33421
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January 9, 2015

Re: CLSF III IV, Inc., Debtor (and all related/consolidated cases)
Case No. 12-30081-BKC-EPK, et al

Dear Investors and Creditors:

Happy New Year!

Below is an update as to the status of these cases since my last report.

SUBSTANTIVE CONSOLIDATION

As indicated in prior reports, the Court entered an order (the "CLSF Subcon Order") [Doc # 561] substantively consolidating the Debtors' cases with certain non-debtor entities as identified in the CLSF Subcon Order. On October 15, 2013, the Court entered an order [Doc # 579] modifying the CLSF Subcon Order (the "Modified Order"), and providing that the CLSF Subcon Order be amended to include two additional alter ego entities. On January 24, 2014, the Court entered an order (the "Clarification Order") [Doc # 673], which clarified the CLSF Subcon Order to provide all references to "The Klara Rosenberg Insurance Trust Dated 8/19/12" include The Klara Rosenberg Insurance Trust a/k/a The Klara Rosenberg Insurance Trust UA a/k/a The Klara Rosenberg Ins. Trust UA dtd 9-1-10, as well as any variation thereof. Each of these orders are located under the Pleadings/Court Filings tab on the website.

On August 6, 2014, the Court entered an order [Doc # 857] (the "Peck Subcon Order") granting the motion [Doc # 837] for substantive consolidation of the Chapter 7 case of debtor, Deborah Catherine Peck (Case No. 14-14507-EPK) and non-debtor, Deborah C. Peck, Esq., P.A. with the Debtors and entities substantively consolidated pursuant to the CLSF Subcon Order, and Modified Order. The Peck Subcon Order is located under the Pleadings/Court Filings tab on the website.

On August 13, 2014, I was appointed as Successor Chapter 7 Trustee of the estate of Deborah Catherine Peck. Since my appointment as Successor Chapter 7 Trustee, I have been reviewing and investigating the financial affairs of Ms. Peck, individually, in an effort to liquidate assets and/or pursue any causes of action for the benefit of creditors of the consolidated estates.

SALE AND MARKETING OF POLICIES

On January 13, 2014, the Court approved the motion requesting authorization to sell an insurance policy with a face value of \$4,000,000.00 to Midwest Fund I, LLC for the purchase price of \$1,150,000.00. In addition, the Court approved the motion requesting authorization to sell an insurance policy with a face value of \$12,000,000.00 to Life Partners, Inc. for the purchase price of \$2,200,000.00.

ASSETS

Please review under the "Assets" Tab on Website my current Form 1, which is an asset listing, and my Form 2 which reflects cash receipts and disbursements to date.

LITIGATION MATTERS

On August 21, 2014, I, as Trustee for the CLSF Debtors, filed nine adversary proceedings against various individuals and entities seeking to recover assets for the benefit of all creditors. As of this status report, two of the adversary cases have been settled and the estate has received the sum of \$451,500.00 as a result of those two settlements. I, with the assistance of my counsel, continue to prosecute the remaining litigation cases to recover additional assets for the benefit of the estates.

I also expect to pursue additional litigation claims, as Trustee for the CLSF/BGI Debtors and for Debtor, Deborah Catherine Peck, for the benefit of the estates.

GENERAL ONGOING CASE ACTIVITIES

I, with the assistance of my counsel, continue to investigate the affairs of the Debtors, issue subpoenas and requests for documents to various entities and financial institutions, and review and analyze documents received, in an effort to recover assets for the benefit of all creditors.

CLAIMS

As discussed in prior status reports, the deadline for the filing of claims in the CLSF cases was **March 3, 2014**. As of the date of this status report, there have been 1,105 claims filed. We are in the process of reviewing and analyzing claims filed in order to determine whether objections to any

claims are necessary.

SERVICE BY ELECTRONIC MAIL:

EMAIL ADDRESSES: We have previously requested that all investors/claimants provide an email address and agree to accept service of pleadings regarding this case by email rather than regular mail. Email service will not only get you important updates and Court documents quicker, but it will save this case money. Every time we have to do a mass mailing to those who have not contacted us to accept email service it increases the expenses for copies and postage that come off the top of any monies available for payment to creditors. We are trying to save the estate money and we are trying to get you service of Court documents in the most expeditious and cost effective way. If you have not already done so, and continue to receive copies of documents by mail, PLEASE contact lcloyd@bergersingerman.com by email and agree to accept service by way of email.

Please review Doc # 957 under Pleadings/Court Filings, which explains and gives detail as to accepting service by way of email. Your cooperation in this regard would be appreciated.

Please also review additional pleadings and orders filed in this case under Pleadings/Court Filings that will provide additional information on a variety of case issues.

Sincerely,

/s/Deborah C. Menotte, Trustee

Deborah C. Menotte, Trustee in Bankruptcy for CLSF/Peck cases