

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
FORT MYERS DIVISION

CASE NO.: 2:09-CV-229-JES-CM

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FOUNDING PARTNERS CAPITAL MANAGEMENT  
and WILLIAM L. GUNLICKS,

Defendants,

FOUNDING PARTNERS STABLE-VALUE FUND, LP,  
FOUNDING PARTNERS STABLE-VALUE FUND II, LP,  
FOUNDING PARTNERS GLOBAL FUND, LTD., and  
FOUNDING PARTNERS HYBRID-VALUE FUND, LP,

Relief Defendants.

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**RECEIVER'S REPORT ON DISTRIBUTION TO FP OFFSHORE**

Daniel S. Newman, as Court-appointed Receiver (“Receiver”) for Founding Partners Capital Management Co., Founding Partners Stable-Value Fund, LP, Founding Partners Stable-Value Fund II, LP, Founding Partners Global Fund, Ltd., and Founding Partners Hybrid-Value Fund, LP (collectively, the “Receivership Entities”) respectfully submits this Report on Distribution to FP Offshore Ltd. (“FP Offshore”).

1. On May 11, 2021, the Court entered its order approving the Receiver’s request to make an interim distribution of \$225,000,000 in funds to all holders of Approved Claims, as that term is defined in underlying briefing. [D.E. 542].

2. To date, for reasons discussed herein, the Receiver has not been able to make the interim distribution to FP Offshore, Claimant No. 217.<sup>1</sup>

3. On June 8, 2021, the Receiver filed a motion for leave to make the interim distribution to FP Offshore by wire transfer, in accordance with wire instructions provided by Ian Stokoe, a director of FP Offshore. [D.E. 544]. The Court approved that method of distribution on June 24, 2021. [D.E. 546].

4. The same day, June 24, 2021, the Receiver initiated a wire transfer totaling 68,906,052.00 to a bank account for FP Offshore at Butterfield Bank, as directed by Mr. Stokoe.

5. On or about July 2, 2021, the Receiver's banking representatives at Wells Fargo Bank contacted him and informed him that FP Offshore's bank blocked the wire transfer, and the funds were returned to the Receiver's account at Wells Fargo Bank. The Receiver immediately notified Mr. Stokoe and other FP Offshore representatives.

6. On July 3, 2021, an FP Offshore representative responded by asking the Receiver to hold FP Offshore's distribution while FP Offshore worked with Butterfield Bank to unblock its account.

7. Several times between July and mid-September 2021, the Receiver communicated with FP Offshore representatives concerning the status of FP Offshore's efforts to receive the distribution at Butterfield Bank.

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<sup>1</sup> In or about April 2016, Founding Partners Global Fund Inc. ("Global Inc."), approved Claimant No. 217, transferred its entire claim to FP Offshore Ltd. ("FP Offshore"). [D.E. 469]. On May 20, 2016, the Court entered an order permitting the Receiver to update his books and records to reflect FP Offshore as Claimant No. 217. [D.E. 470]. The Court further ordered the Receiver to make subsequent distributions to FP Offshore. *Id.*

8. In addition, on several occasions between August 16 and September 23, 2021, counsel for Credit Value Partners (“CVP”)<sup>2</sup> spoke with undersigned counsel regarding the status of the distribution to FP Offshore. Among other things, counsel for CVP stated that CVP was concerned that Butterfield Bank’s rejection of the wire transfer distribution to FP Offshore may relate to a pending U.S. criminal tax case involving an individual involved with a former Global Inc. sub-investor (the “Criminal Case”).<sup>3</sup>

9. Counsel for CVP also asked the Receiver to inform CVP if FP Offshore requests a wire transfer to a new bank, as CVP would like to take steps to prevent the funds constituting their claimed interest in FP Offshore from leaving the country.

10. As such, there is apparently a conflict between CVP and FP Offshore about whether certain funds should leave the United States. The Receiver has no stake in the dispute, except that the Receiver currently possesses these funds, and, under the Court’s Orders, the Receiver is required to transfer the funds at the direction of FP Offshore.

11. On or about September 23, 2021, Mr. Stokoe informed the Receiver, among other things, that:

- He suspected, but could not be sure, that FP Offshore’s Butterfield Bank account was “blocked” or “frozen” due to the Criminal Case.
- Butterfield Bank has given FP Offshore until mid-October to find a new bank.
- FP Offshore is having a difficult time finding a bank that will open an account for it, given the disclosure of its current frozen account at Butterfield Bank.

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<sup>2</sup> CVP represented to the Receiver that CVP is an assignee of interests in FP Offshore and that CVP also holds a promissory note from FP Offshore.

<sup>3</sup> As widely reported, the this individual is purportedly a cooperating witness in the Criminal Case. *See* Case No. 4:21-cr-00009, pending in the Southern District of Texas.

12. To date, FP Offshore's approved distribution remains in the U.S., held in a Wells Fargo bank account controlled by the Receiver.

13. Recently, FP Offshore advised that it may have a means to accept the funds, at which points FP Offshore would direct the Receiver to send the funds. As noted, CVP seeks to prevent a portion of those funds from leaving the United States.

14. The Receiver files this Report in an abundance of caution, to the inform the Court of the status of the distribution to FP Offshore, and to give the Court necessary background information in the event CVP or any other FP Offshore sub-investor seeks relief in this Court.

15. The Receiver will keep the Court apprised of all developments concerning FP Offshore and the pending distribution.

Dated: October 12, 2021.

Respectfully submitted,

**NELSON MULLINS BROAD AND CASSEL LLP**

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**CERTIFICATE OF SERVICE**

I hereby certify that on October 12, 2021, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel who are not authorized to receive electronically Notices of Electronic Filing.

By: /s/ Jonathan Etra  
Jonathan Etra, Esq.

**SERVICE LIST**

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