

Nehra and Waak; Gerald P. Nehra, Attorney at Law, PLLC; Richard W. Waak individually and doing business as the Law Offices of Nehra and Waak; and Richard W. Waak Attorney at Law, PLLC (collectively “Defendants” or “Nehra and Waak”) served as legal counsel to RVG from June 2011 until August 2012, when RVG was placed into receivership. This lawsuit is one of several steps the Receiver is taking pursuant to his court-ordered duties to the Receivership Estate to recover damages for the harms incurred by RVG.

2. By virtue of their knowledge of RVG and ZeekRewards and their legal expertise, Nehra and Waak knew or should have known that RVG was perpetrating an unlawful scheme which involved a pyramid scheme, an unregistered investment contract and a Ponzi scheme. Despite this knowledge, Nehra and Waak encouraged investors to participate in the scheme by knowingly allowing their names to be used in providing a false façade of legality and legitimacy and gave improper legal advice that allowed the scheme to continue far longer than it would have without the Defendants’ support. Nehra and Waak’s improper and negligent actions, which breached their fiduciary duties to RVG and assisted RVG’s Insiders to breach their fiduciary duties, caused significant damage to RVG. As described in detail below, Nehra and Waak are liable to RVG both for those damages and the money they made from RVG.

THE PARTIES

The Receiver

3. Kenneth D. Bell is the Receiver appointed by this Court in *Securities and Exchange Commission v. Rex Venture Group, LLC d/b/a ZeekRewards.com and Paul*

Burks, Civil Action No. 3:12-cv-519 (the “SEC Action”) for and over the assets, rights, and all other interests of the estate of Rex Venture Group, LLC, d/b/a ZeekRewards.com and its subsidiaries and any businesses or business names under which it does business (the “Receivership Entities”). For jurisdictional purposes, Plaintiff is a citizen of the State of North Carolina.

The Receivership Entity

4. The primary Receivership Entity, Rex Venture Group, LLC, is a Nevada limited liability company with its former principal place of business in Lexington, North Carolina. RVG wholly owns and operated ZeekRewards, an internet website (www.zeekrewards.com) with a physical location for operations in Lexington, North Carolina, and internet customers and contacts in this judicial district and throughout the United States and internationally. RVG also owned and operated Zeekler.com, an online auction business.

The Defendants

5. Defendant Gerald P. Nehra (“Nehra”) is an individual who upon information and belief currently resides in the State of Michigan.

6. Defendant Gerald P. Nehra, Attorney at Law, PLLC (“Nehra PLLC”) is registered as a professional limited liability company organized under the laws of the State of Michigan and may be served with process upon its agent authorized to receive service of process, Gerald P. Nehra, 1710 Beach Street, Muskegon, Michigan 49441.

7. Defendant Richard W. Waak (“Waak”) is an individual who upon information and belief currently resides in the State of Michigan.

8. Defendant Richard W. Waak, Attorney at Law, PLLC (“Waak PLLC”) is registered as a professional limited liability company organized under the laws of the State of Michigan and may be served with process upon its agent authorized to receive service of process, Richard W. Waak, 11300 East Shore Drive, Delton, Michigan 49046. Defendant Waak is the sole member, manager, and registered agent of Waak PLLC.

9. Upon information and belief, Defendant the Law Offices of Nehra and Waak is a general partnership of Defendants Nehra, Waak, Nehra PLLC, and Waak PLLC, with offices at 1710 Beach Street, Muskegon, Michigan 49441 and 11300 East Shore Drive, Delton, Michigan 49046.

JURISDICTION, VENUE AND STANDING

10. On August 17, 2012, the Securities and Exchange Commission filed the SEC Action in this District pursuant to Sections 20(b), 20(d)(1) and/or 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a)] and Sections 21(d)(1), 21(d)(3)(A), 21(e) and/or 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa] to halt the ZeekRewards Ponzi and pyramid scheme, freeze RVG’s assets, and seek the appointment of a receiver for RVG.

11. On the same date, in an Agreed Order Appointing Temporary Receiver and Freezing Assets of Defendant Rex Venture Group, LLC (the “Agreed Order”), this Court authorized and directed Mr. Bell as RVG’s Receiver to institute actions and legal proceedings seeking the avoidance of fraudulent transfers, disgorgement of profits, imposition of constructive trusts and any other legal and equitable relief that the Receiver

deems necessary and appropriate to preserve and recover RVG's assets for the benefit of the Receivership Estate.

12. Within 10 days of his reappointment on December 4, 2012, the Receiver filed the original Complaint and Agreed Order in the SEC Action in all of the United States District Courts pursuant to 28 U.S.C. § 754 giving this Court jurisdiction over RVG's property in every federal district.

13. As an action brought by the Receiver in furtherance of his appointment and in the performance of his duties as directed by this Court, this action is within the ancillary jurisdiction of this Court.

14. This Court also has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1332(a)(1) because Plaintiff and Defendants are citizens of different states and the amount in controversy exceeds \$75,000, excluding interest and costs.

15. This action is also within the ancillary jurisdiction of this Court because this action concerns RVG's property and assets, which are now under this Court's exclusive jurisdiction.

16. This Court has subject matter jurisdiction over this matter pursuant to its common law ancillary jurisdiction as set forth above.

17. Also, this Court has subject matter jurisdiction under 28 U.S.C. § 1367 because this action is directly related to the claims in the related SEC Action, concerns property within this Court's exclusive control and/or is in furtherance of the duties given to the Receiver by this Court.

18. This Court has personal jurisdiction over the Defendants pursuant to 28 U.S.C. § 754 and 28 U.S.C. § 1692.

19. This Court also has personal jurisdiction over the Defendants pursuant to N.C. Gen. Stat. §1-75.4 because, *inter alia*, the Defendants provided legal services to RVG, which operated in North Carolina, and they received payments from RVG through its banks located in North Carolina. By voluntarily assisting the operation of the ZeekRewards scheme, including numerous communications with RVG and/or meetings in North Carolina, the Defendants created a substantial connection to North Carolina such that the exercise of personal jurisdiction over them is fair and just.

20. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) because a substantial portion of the acts and transfers alleged herein, as well as the harm sustained because of Defendants' actions and omissions, occurred in this District. Defendants provided legal services to RVG in North Carolina, and these services directed at North Carolina gave rise to the causes of action asserted below.

21. The Receiver has standing to bring the claims made in this action pursuant to his authority and the direction of this Court.

FACTUAL BACKGROUND

The ZeekRewards Scheme¹

22. Beginning at least as far back as 1997, Paul Burks, RVG's owner and lead executive, operated a number of generally unsuccessful multi-level marketing businesses through Rex Venture Group, LLC (and related entities).

23. Dawn Wright-Olivares was RVG's Chief Operating Officer and the Chief Marketing Officer of ZeekRewards. Together with Burks, Wright-Olivares developed the ZeekRewards scheme.

24. Other key employees of RVG included Daniel ("Danny") Olivares, Wright-Olivares' stepson who was responsible for designing and running RVG's websites and databases with Burks; Alexandre ("Alex") de Brantes, Wright-Olivares' then-fiancée who had the title of Executive Director of Training and Support Services; Roger Plyler, who handled "affiliate relations"; and Darryle Douglas, who was a member of RVG's senior-level management. Collectively, these individuals may be referred to as RVG's "Insiders."

25. In 2010, RVG launched Zeekler.com, a so-called "penny auction" website where items ranging from personal electronics to cash were auctioned to bidders.

¹ A more detailed description of the operation of the ZeekRewards scheme is contained in paragraphs 36–134 of the Complaint against RVG's Insiders filed in *See Bell v. Burks et al*, No. 3:14-cv-89 (W.D.N.C. filed Feb. 28, 2014), which is attached as Exhibit 1. The allegations of those paragraphs are hereby incorporated by reference and alleged in this complaint.

26. A “penny auction” does not work like a typical auction. In a normal auction, it costs nothing to bid, and the auction price rises based on the amount of the bid until there is no higher bid or the amount of time set for the auction expires. In a “penny auction,” bids must be *purchased* by bidders, and each incremental bid placed raises the amount of the total price of the auction item only by \$0.01. The winner pays the final auction price (plus the cost of bids used), which is theoretically well below the retail price. However, the unsuccessful bidders lose all the money they spent to purchase bids.

27. During 2010, the Zeekler penny auctions were not very successful, but RVG’s fortunes changed in 2011. In January 2011, RVG launched a new money-making scheme – ZeekRewards. RVG promoted ZeekRewards as Zeekler.com’s “private, invitation-only affiliate advertising division.” In reality, ZeekRewards was just a multi-level marketing scheme grafted onto the Zeekler business. It falsely purported to pay a portion of the profits from the Zeekler penny auction business to participants who earned bid balances or points, primarily by buying auction bids. Also, participants in ZeekRewards, often called “Affiliates,” were paid for recruiting other participants in a pyramid “multi-level” sales format.

28. The financial essence of the scheme – to buy bids to get a profit share and get paid for recruiting others to the scheme – was or should have been clear to Nehra and Waak. From the beginning, RVG intended to use “bids” in ZeekRewards not as a product but as a proxy for money deposited into the program. Dawn Wright-Olivares was very clear about the plan, telling Danny Olivares on January 21, 2011: “We’re just

going to use bids as currency.” On another occasion, Dawn Wright-Olivares referred to the compounding bids as “Monopoly money.”

29. ZeekRewards emphasized that the offer to pay Affiliates for purchasing compounding / sample / VIP “bids” distinguished those bids from the simple purchase of retail bids to participate in the Zeekler auctions. In the “About us” section of the ZeekRewards website, the company wrote: “PLEASE NOTE: To qualify for the 125% reward points you MUST buy the bids in the ZeekRewards back office. Bids purchased on the Zeekler Penny Auction site are ‘retail customer’ bids and do not qualify.”

30. Further, ZeekRewards made clear that even though bids bought through ZeekRewards could be used in the auctions, that fact was irrelevant to the multi-level marketing scheme. Affiliates were told that using the bids in the auction would have no effect on their all-important bid or points balance (“Each time you buy a Compounding Bid in your ZeekRewards Back Office a bid is added to the Compounding bucket. *Spending the bid in an auction does not remove it from the bucket.*”) (emphasis added).

31. As one Affiliate told Burks, “I know how the system works mathematically and you know I know. Whether you call the bids bids or hamburgers makes no difference. People are not joining Zeek to get hamburgers, or auction bids; they are joining Zeek to make money....”

32. Not surprisingly, relatively few ZeekRewards non-retail bids were used in the Zeekler auctions. Prior to shutdown, RVG estimated that only approximately 19 million VIP bids were used in auctions out of over 7 billion VIP bids sold to Affiliates – less than 1/3 of 1%.

33. The ZeekRewards scheme, rather than the penny auction site, was the source of nearly all the company's income. Relative to ZeekRewards, little or no money was made in the Zeekler "penny auction" business. According to the ZeekRewards database, ZeekRewards sold approximately \$820 million in compounding / sample / VIP bids, but only about \$10 million in retail bids were sold.

34. With their inside knowledge of multi-level marketing schemes and access to RVG's Insiders, Nehra and Waak knew or should have known that insufficient income from the penny auction business was being made to pay the daily "profit share" promised by ZeekRewards. The Defendants knew or should have known that the money used to fund ZeekRewards' distributions to Affiliates came almost entirely from new participants rather than income from the Zeekler penny auctions.

35. Further, based on their inside knowledge and access, Nehra and Waak knew or should have known that the alleged "profit percentage" was nothing more than a number made up by Burks or one of the other Insiders. Rather than reflecting the typical variances that might be expected in a company's profits, the alleged profits paid in ZeekRewards were remarkably consistent, falling nearly always between 1% and 2% on Monday through Thursday and between .5% and 1% on the weekends, Friday through Sunday.

36. With RVG's and the Defendants' knowledge, Affiliates regularly and openly touted the consistent payments in their recruiting of new participants. For example, one leading Affiliate's email footer said: "It has been going like clockwork for over 220 days, 7 days per week.".... "EVERYONE...GETS...PAID...FIRST..

.DAY!” . . . This works every time with just one minute per day! If you’re not getting paid every single day for 1 minute of work, . . . [sic] why not?” . . . “100 percent of our active members are paid daily 100 percent of the time within their first 24 hours without any referrals.”

37. This fake consistency should have, at a minimum, caused reasonably diligent legal counsel to inquire further about the validity of the alleged profits. Indeed, the program publicly advertised historical average returns of 1.4% per day, which no legitimate investment could accomplish. But, Nehra and Waak deliberately turned a blind eye to these incredible claims and chose not to seek further information.

38. It was or should have been obvious to the Defendants that ZeekRewards succeeded because it promoted this lucrative “compensation plan,” offering large amounts of passive income to entice individuals to participate in the scheme. Nehra and Waak knew that participants in the ZeekRewards scheme invested money in the scheme expecting that they would receive profits from the Zeekler penny auction or other Zeek efforts. Thus, Nehra and Waak knew or should have known that RVG, with their assistance, was promoting an unlawful unregistered security.

39. Finally, Nehra and Waak knew or should have known that the ZeekRewards compensation plan was paying Affiliates to recruit other Affiliates in an unlawful pyramid-style payment system. ZeekRewards openly referred to this system as the “Matrix.”

40. The Matrix pyramid was initially a “2x21” matrix in which Affiliates made multi-level marketing commissions for 21 levels down in their “organization.” Later,

ZeekRewards used a “2x5 forced-fill matrix,” which is a pyramid with 63 positions that paid a bonus to Affiliates for every “downline” investor within each affiliate’s first five levels, plus a “matching bonus” for every subsequent 5th level where certain qualifiers were met; so in effect, the commissions could be earned indefinitely.

41. To get bonuses through the Matrix, Affiliates just had to (1) enroll in a monthly subscription plan requiring payments of \$10, \$50, or \$99 per month; and (2) recruit at least two other “Preferred Customers” (i.e., investors who also enrolled in a monthly subscription plan). Once qualified, Affiliates earned bonuses and commissions for every paid subscription within their “downline” pyramid, whether or not they personally recruited everyone within the matrix.

42. Simply put, Nehra and Waak knew or should have known that affiliates were rewarded merely for recruiting new investors without regard to any efforts by the Affiliates to sell bids or products or otherwise materially support the Zeekler retail business.

Nehra and Waak Played an Integral Role

43. Defendants played a central role in the scheme. Because of the lucrative, seemingly “too good to be true” claims being made by RVG and ZeekRewards, many potential investors were skeptical of whether the scheme was legal and legitimate. So, RVG enlisted the aid of Nehra and Waak and other legal counsel to assist in promoting and legitimizing the appearance of the scheme.

44. Nehra and Waak helped in several ways. First, the Defendants knew or should have known that ZeekRewards was an unlawful Ponzi and pyramid scheme. In

addition to their legal experience and knowledge of the scheme, they received specific inquiries on this topic. As one individual wrote in an email to Nehra: “Would you or Mr. Grimes be able to assist me in my responding to a request from a prospective affiliate . . . for me to provide a letter confirming that Zeekrewards and associated entities are not Pyramid nor Ponzi.”

45. Yet despite their knowledge that ZeekRewards was a fundamentally flawed and unlawful pyramid and/or Ponzi scheme and was selling unregistered securities, the Defendants allowed RVG to use their names to encourage investors and potential investors to believe that ZeekRewards was a lawful enterprise.

46. As described above, very early in their representation of RVG, Nehra and Waak knew or should have known that ZeekRewards was an unlawful program that might change its terminology and surface appearance but would not change in substance. And the Defendants were closely involved in the cosmetic changes ZeekRewards made to the program during the summer of 2011 so the scheme could fly below the radar of government authorities.

47. For example, the Defendants’ notes reflect that they were more concerned with terminology than with recommending substantive changes that would make the program lawful: “Be careful. This program already looks a lot like gambling – You don’t need to use gambling terminology in even your internal docs.”

48. Further, Nehra and Waak reviewed and provided comments on an adjusted compensation plan provided to RVG by Keith Laggos in June 2011, noting that

ZeekRewards should not speak of “selling businesses,” since this is a “pyramid element,” and that it should instead speak of “selling bids.”

49. In another recommendation of terminology over substance, the Defendants encouraged ZeekRewards not to refer to affiliates’ “purchasing” VIP bids, instead recommending that it should speak of the “sales” of VIP bids. Similarly, they recommended that Zeek not state that affiliates were required to “purchase” a subscription – instead, Nehra and Waak recommended that Zeek use the term “earn qualifying PV” or “sell’ a subscription,” because “If personal purchase of a commissionable product is the only way for an affiliate to participate in the cash rewards, the deal is a pyramid.”

50. Moreover, Nehra and Waak knew that the Matrix, including the payment of a portion of subscription fees to an affiliate’s up line, constituted a pyramid scheme. Their notes indicate this concern, stating: “MUST NOT PAY any portion of business center enrollment or subscrip. fees to reps!” Nonetheless, despite their knowledge that ZeekRewards continued to pay a portion of affiliates’ subscription fees to up line investors, Nehra and Waak still allowed Zeek to use their reputation as MLM specialist attorneys to prop up the scheme.

51. In one article, the Defendants allowed their names to be used as follows: “Zeekler has been focused on compliance since last year when the company hired the Nehra & Waak law firm to review every aspect of the Zeekler program to ensure all was in compliance.”

52. Nehra and Waak knew that their continued representation of RVG encouraged prospective ZeekRewards affiliates to invest with the scheme and existing affiliates to continue investing, thus perpetuating the scheme, deepening RVG's insolvency, and causing significantly more loss to RVG than it otherwise would have incurred.

53. As one affiliate wrote to Nehra on April 27, 2012,

I have been advised by another affiliate of Zeekler that your company Nehra & Waak is the law firm hired by Rex Venture Group LLC to handle their legal affairs. I am seeking to verify that this information is accurate. You and your law firm are highly respected and would definitely bring some credibility to Rex Venture Group.

Another affiliate wrote to Nehra:

I am now leaving my job, that I have been working on these last 12 years, because I totally believe [in] this company [e]specially because of you . . . and of course Mr. Paul Burks and his incredible team.

54. Yet the Defendants' wrongful activity went beyond allowing the use of their names and reputations. Nehra and Waak, although they knew or should have known that ZeekRewards was an unlawful Ponzi and pyramid scheme, nevertheless negligently and falsely told RVG that the structure of the RPP was "legally defensible." This further encouraged the RVG Insiders' desires to keep the substance of the unlawful scheme intact as long as it was making them money.

55. Further, the Defendants advised RVG in July 2011 that instead of using "compounding" bids in the RPP, which would likely raise the concerns of regulators regarding an investment contract, it would supposedly legitimize the compensation plan if Zeek would instead award points to affiliates after they gave the bids away as samples.

But, with the full knowledge of Defendants, this change of wording and the awarding of points (i.e. simply changing form not substance) did nothing to change the illegal character of the scheme.

56. Regarding this change that Nehra and Waak recommended, Dawn Wright-Olivares explained in an email to an affiliate, “Rick Waak of Nehra & Waak, has given us the green light on bid purchases as samples.”

57. Nehra and Waak continued representing RVG and billing it for their services through July 2012, the month before ZeekRewards was shut down.

58. In a July 14, 2012 email, Waak explained, “I have primary responsibility for the Zeek Rewards account with our law firm.”

59. The Receiver and the Defendants entered into a tolling agreement on June 13, 2014, tolling the statute of limitations on all of the Receiver’s potential claims against the Defendants. This tolling agreement was terminated effective September 10, 2014. The statute of limitations was tolled 89 days under this agreement.

60. From the time that Nehra and Waak began their representation through the time the unlawful scheme was exposed and shut down, they provided their legal services under the name The Law Offices of Nehra and Waak, which is upon information and belief comprised of all named defendants in this action. When they engaged in the wrongful conduct described herein, Nehra and Waak were acting within the course and scope of their employment with The Law Offices of Nehra and Waak and in furtherance of the firm’s business. As a result, Defendants The Law Offices of Nehra and Waak; Gerald P. Nehra, Attorney at Law, PLLC; and Richard W. Waak, Attorney at Law, PLLC

are also liable for the tortious acts of their employees, Gerald Nehra and Richard Waak, alleged herein.

FIRST CLAIM FOR RELIEF

Legal Malpractice / Negligence / Breach of Fiduciary Duty

61. The Receiver realleges and incorporates by reference the foregoing paragraphs.

62. As RVG's attorneys, Defendants owed a fiduciary duty to RVG that required Defendants to exercise the degree of care, skill, or diligence that an attorney of ordinary skill and knowledge commonly possesses.

63. Defendants failed to use reasonable care and diligence in their representation of RVG and failed to exercise in good faith their best judgment in attending to the legal representation in which they were engaged. Among other failures in their representation, Nehra and Waak informed the Insiders that the RPP, an unregistered security, was "legally defensible"; generally promoted the scheme; and allowed their names to be used to prop up ZeekRewards as a supposedly legitimate enterprise, all which breached their duties to RVG.

64. Defendants' negligence and breach of this duty proximately caused an injury to RVG in an amount in excess of \$100 million.

65. As a result of Defendants' breaches, RVG is entitled to recover its damages from the Defendants.

SECOND CLAIM FOR RELIEF
Aiding and Abetting Breach of Fiduciary Duty

66. The Receiver realleges and incorporates by reference the foregoing paragraphs.

67. Burks and the other RVG Insiders owed fiduciary duties to RVG.

68. These Insiders failed to act in good faith and with due regard to RVG's interests when they knowingly operated an unlawful compensation plan and caused hundreds of millions of dollars of damages to RVG.

69. Defendants had knowledge of the Insiders' breaches of their fiduciary duties to RVG.

70. Knowing that their conduct alleged herein – including recommending changes to the ZeekRewards scheme's terminology to mask its potential illegality; generally promoting the scheme; and allowing their names to be used to prop up ZeekRewards as a supposedly legitimate enterprise – served to aid or abet the Insiders' breaches, Defendants knowingly participated in the Insiders' breaches of fiduciary duty. Defendants knew or should have known that their aiding, abetting, or participation in these breaches of fiduciary duties would result in significant harm to RVG.

71. These breaches of the fiduciary relationship and Defendants' substantial assistance in the breaches have directly and proximately caused substantial harm to RVG, including, but not limited to, the financial claims of the victims of the Zeek Ponzi and/or pyramid scheme against RVG.

72. RVG is entitled to recover from the Defendants the amount of damages proximately caused by their conduct in an amount to be proven at trial.

73. The Defendants' substantial assistance to these breaches of fiduciary duties was willful, wanton, and outrageous, and RVG is entitled to an award of punitive damages against the Defendants to deter such conduct in the future.

THIRD CLAIM FOR RELIEF
Unjust Enrichment

74. The Receiver realleges and incorporates by reference the foregoing paragraphs.

75. The Defendants each benefited from the receipt of money from the Receivership Entities in the form of alleged compensation and other payments which were the property of the Receivership Entities and for which the Defendants did not adequately compensate RVG or provide value. Indeed, the Defendants' work for RVG caused it additional losses by assisting in recruiting victims to the ZeekRewards scheme.

76. The Defendants have unjustly failed to repay RVG for their profit and the excessive benefits they received.

77. The enrichment was at the expense of the Receivership Entities and ultimately at the expense of RVG's creditors / victims.

78. Equity and good conscience require full restitution of the monies received by the Defendants for distribution to RVG's creditors / victims.

79. Accordingly, the Receiver, on behalf of RVG, is entitled to an award of full restitution from the Defendants in an amount to be determined at trial.

FOURTH CLAIM FOR RELIEF
Constructive Trust

80. The Receiver realleges and incorporates by reference the foregoing paragraphs.

81. As alleged above, the assets of the Receivership Entities have been wrongfully diverted as a result of unjust enrichment, breaches of fiduciary duty and other wrongful conduct for the Defendants' individual interests and enrichment.

82. The Receiver has no adequate remedy at law.

83. Because of the past unjust enrichment, the Receiver is entitled to the imposition of a constructive trust with respect to any transfer of funds, assets, or property from the Receivership Entities, as well as any assets received by Defendants in the past or on a going forward basis as a result of those transfers from the Receivership Entities.

84. The Receiver is entitled to and demands title, possession, use and enjoyment of the foregoing property for the benefit of the Receivership Estate.

PRAYER FOR RELIEF

WHEREFORE, the Receiver respectfully requests that the Court:

1. Enter Judgment against each of the Defendants jointly and severally for the losses suffered by RVG and the Defendants' unjust enrichment in an amount to be determined at trial.

2. Award the Receiver just and reasonable attorney fees, subject to Court approval, which are justified in light of the costs to the Receivership Estate in bringing this action.

3. Award prejudgment and post-judgment interest, costs and such other and further relief as the Receiver is entitled to recover.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands trial by jury in this action of all issues so triable.

Dated: September 21, 2015

Respectfully submitted,

/s/ Irving M. Brenner

Kenneth D. Bell, Esq., Receiver
Irving M. Brenner (NC Bar No. 15483)
Matthew E. Orso (NC Bar No. 42409)
McGuireWoods LLP
201 North Tryon Street, Suite 3000
Charlotte, North Carolina 28202
(704) 343-2000
(704) 373-8836 (fax)
kbell@mcguirewoods.com
ibrenner@mcguirewoods.com
moso@mcguirewoods.com