

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

CASE NO. 6:07-cv-1920-Orl-22-DAB

vs.

ROBERT E. LANE,
WEALTH POOLS INTERNATIONAL, INC.,
and RECRUIT FOR WEALTH, INC.,

Defendants,

T-N-T EDUCATION COMPANY, INC.,
RICHARD LANE, MUNDO TRADE, INC.,
RENEE BECKER, JULIA LANE, and
FIRST FIDUCIARY BUSINESS TRUST,

Relief Defendants.

**RECEIVER'S MOTION FOR AUTHORIZATION TO DISPENSE WITH
FRAUDULENT TRANSFER ACTIONS AND FOR AUTHORIZATION TO LIMIT
CLAIM OBJECTIONS TO PROFITEERS AND SETTING FORTH TIMELINE
FOR FINALIZING ESTATE**

Michael I. Goldberg, Receiver for Wealth Pools International, Inc. and Recruit for Wealth, Inc. (the "Receivership Entities"), moves the Court for Authorization to Dispense With Fraudulent Transfer Actions and for Authorization to Limit Claim Objections to Profiteers and Setting Forth Timeline for Finalizing Estate.

A. The Receiver, Respectfully Suggests That He Be Able to Dispense With a Full Claims Objection Process

1. In the limited time since his appointment, the Receiver has investigated the affairs of the Receivership Entities including:

- i. reviewed the Final Judgments of disgorgement (collectively, the "Final Judgments"), in order to effectuate the relief contained therein;
- ii. reviewed the bank records of the Receivership Entities;
- iii. reviewed the indices of claims detailing the number and amount of claims filed against the receivership estate;
- iv. identified claims filed by parties who received a profit and are subject to fraudulent transfer claims (the "Profiteers"); and
- v. reviewed potential claims against third parties.

2. The Receivership Estate has approximately 10,000 creditors who filed claims totaling roughly \$6 million. This case is unusual when compared to other SEC receiverships in the following respects.

- i. the number of claimants (approximately 10,000) is very large;
- ii. the average size of a claim (roughly \$6,600) is very small; and
- iii. the average investment (roughly \$9,200) is also very small.

3. Thus, the Receiver must deal with an inordinately high number of victims with inordinately small claims. However, the work required to administer each claim is basically the same – whether the claim is \$6,600 or \$1,000,000. Moreover, the anticipated potential distribution to creditors is expected to be approximately \$2 to \$3 million . Thus, distributions are expected to be approximately 3 to 4 percent.

4. The Receiver has conducted an overview analysis of the claims against the Receivership Entities and balanced the cost of processing such claims against the actual proceeds available for distribution. The processing cost includes, among other things, reviewing the claim (including reviewing any documentation in support of such claim) to determine the validity thereof, conducting any additional follow-up correspondence or telephone calls in respect to such

claim, filing objections to claims, appearing at a hearing on allowance of the claims, and distributing the payout on claims (including any fees to process payment of such claim and mailing postage of such claim) (collectively, the "Administrative Cost").

5. The Receiver estimates that the Administrative Cost to be \$50 to \$100 for each of the estimated 10,000 claims. This Administrative Cost could actually be even higher if the Receiver needs to prepare specific objections to the claims and follow through on the process for disposition of such objections. The Receiver has determined that if he must review and fully process all of the claims, the Administrative Cost would likely consume almost the entire amount available for distribution.

6. The Receiver believes the cost of objecting to claims (excluding those persons who clearly received profit) outweighs the potential marginal benefit that persons with legitimate claims would obtain from the reduction of illegitimate claims. The Receiver believes the only parties who would benefit by such a process would most likely be professionals.

7. Accordingly, the Receiver seeks permission to dispense with conducting complete claims objection process and to permit him only to object to claims filed by Profiteers who under principals of equity are not entitled to a claim and whose claims can be "weeded out" in a very short time.

B. The Receiver Respectfully Requests That He Be Permitted to Abandon Instituting Fraudulent Transfer Actions Against Profiteers

8. In the order appointing Receiver, the Court permitted the Receiver to bring actions pursuant to §726 of the Florida Statutes (fraudulent transfers). In many receiverships such fraudulent transfers are brought to recover profits from those investors who may have actually benefited from the fraudulent activity in the form of distributions that exceed the amount invested.

9. In order to prosecute fraudulent transfer actions, the Receiver would need to have forensic accountants complete a bank reconstruction. The Receiver was advised by a forensic accountant that it would cost more than \$500,000 to adequately complete a forensic accounting of the Receivership Entities.

10. Based on a preliminary view of the Receivership Entities' books and records there are over 200 fraudulent transfer cases of transfers in excess of \$25,000.00.

11. The recipients of the fraudulent transfers are primarily individuals of limited means who reside mainly in the United States and Puerto Rico. It is believed that a significant portion of the transferees do not have the assets to pay any judgment. In fact, some of the recipients have already filed for bankruptcy. There were two companies who received fraudulent transfers. Depositions of the corporate representatives have shown that these companies are shells and have no assets.

12. Based on the Receiver's experience in similar cases, it is not cost beneficial to the Receivership estate to pursue fraudulent transfer actions in this case. The cost to pursue the actions will likely exceed the amount ultimately collected on the judgments, reducing the minimal sum of money to distribute to claimants. Accordingly, the Receiver requests permission to abandon any fraudulent transfer actions against Profiteers.

C. Proposed Timeline to Conclude the Receivership

13. Pursuant to the terms of the Final Judgments, the Receiver must obtain transfer of certain real property located in Alabama and Canada. The Receiver is in the process of completing the transfer and it is expected that the Receiver will have title to all the real property set forth in the Final Judgments within the 30 to 60 days. Upon receiving title to each piece of real property, the Receiver will promptly list it for sale and attempt to obtain a fair market value.

The Receiver anticipates that he will be able to complete a sale of all real property by December 31, 2010.

14. If the Court were to adopt the Receiver's recommendation (as set forth herein) to dispense with the full claims' objection process and the bringing of fraudulent transfer suits against Profiteers, these functions will not delay the closing of the receivership estate.

15. The Receiver has identified a cause of action against the Receiver Entities' pre-receivership debit card and processor. The Receiver intends to attempt to settle this claim, and if he is unable to he intends to commence a cause of action against the processor in this Court. Clearly, it is difficult to know with certainty how long the litigation may last, but it is the Receiver's intent to request the Court to expedite the lawsuit so that it can be completed by December 31, 2010.

16. The Receiver has to complete and file tax returns in order to close the estates. The Receiver anticipates this will take 30 to 60 days from the conclusion of all sales and litigation to complete this process. Thus, the Receiver is hopeful that the receivership can be fully completed by February 28, 2011.

Wherefore, the Receiver requests that this Court enter an order to (i) allow the Receiver to dispense with the full claims objection process, unless the claims are made by Profiteer; (ii) to

dispense with fraudulent transfer actions against Profiteers; and (iii) to grant such other relief as the Court deems appropriate.

Respectfully Submitted,

s/ Kathryn B. Hoeck

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**COUNSEL FOR RECEIVER FOR WEALTH
POOLS INTERNATIONAL, INC. and
RECRUIT FOR WEALTH, INC.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 30, 2009, I electronically filed the foregoing document with the Clerk of Court using the CM/ECF System, which will send a notice of electronic filing to the following:

Christopher E. Martin, Esq. (martinc@sec.gov)
Counsel for Securities & Exchange Commission

Trisha Dee Sindler, Esq. (Fuchst@sec.gov)
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Counsel for Richard H. Lane and T-N-T Education Company, Inc.

and that on November 30, 2009, I served the foregoing document by U.S. Mail to the following non-CM/ECF participants:

Mundo Trade, Inc.
First Fiduciary Business Trust
c/o Robert E. Lane
12711 Broleman Road
Orlando, FL 32832

s/ Kathryn B. Hoeck

Kathryn B. Hoeck, Esq.