

Receivership

Professionals

Lisa P. Sumner

William W. Wilkins

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Our attorneys have had extensive experience in obtaining information concerning the location of assets and subsequently recovering and liquidating assets as a receiver. Matters have involved:

1. Recovery of approximately \$1 million from banking institutions located in Central America;
2. Seizure and liquidation of real and personal property in Atlanta;
3. Pursuit of litigation against third parties having liability arising with respect to the receivership assets and operations.

Our attorneys have served as receiver in various state and federal matters on behalf of various creditors and the SEC. Recent cases of importance include:

- “SEC v. Elfindopan, SA. et. al.,” United States District Court for the Middle District of North Carolina (Ponzi scheme involving in excess of \$42 million)
- “The Money Store v. Commercial Mortgage & Assoc.,” North Carolina Guilford County Superior Court (Ponzi scheme involving in excess of \$3 million).

Christy Myatt, former Chair of the firm's Bankruptcy Practice Group, served on the Rules Committee for the NC Business Court where she was instrumental in creating new receivership procedures for the court.

Litigation and Asset Pursuit

Our attorneys have pursued assets and claims through litigation in various states around the country including Nevada, South Carolina, and Illinois. Our attorneys have pursued assets and claims through litigation in various states around the country including Nevada, South Carolina, and Illinois. One of the cases resulted in a judgment in the amount of several hundred thousand dollars against a group of tax protesters and freemen. The litigation included obtaining various pre-judgment orders holding the principals of the scheme in contempt and the Federal Court issuing sanctions against them.

Technology Capabilities

Our document management system handles hundreds of thousands of legal documents, and this helps make document production and retrieval efficient. We further are positioned to offer clients access to our lawyers and services via extranets where appropriate.

We have established an Internet site for the benefit of the 2000+ investors. This website provided up-to-date information about the case, court filings, email contact and the status of distributions. We further set up a separate voice mailbox for the investors, and had several staff members dedicated to providing prompt response to the emails and phone calls in this case.

Potential Strategy

The following action **could** be taken with regard to a receivership assignment:

1. Act immediately to secure and collect the profits, income, revenues, fees, proceeds and all other funds, held accrued or accruing from the defendant's assets;
2. Take immediate possession of all original records, books, bank and other financial accounts, leases, deposits, ledgers, and other materials relating to the operation of the defendant's business and the ownership of its assets;
3. Prepare a list of all of the defendant's secured and general creditors and promptly notify the creditors of the receiver's appointment;
4. Employ a forensic fraud examiner to assist in locating the defendant's assets (we previously have worked with former IRS and SBI agents who have provided invaluable service in this regard);
5. Bring all actions at law or in equity, or, such other proceedings as may be necessary and proper to administer and liquidate the company's assets; and
6. Take such other steps and actions as are reasonably necessary and proper to administer, protect and liquidate the defendant's assets;
7. Set up a website for the investors with pertinent information;

8. Work with the U.S. Attorney and/or SEC on discovery issues – i.e. request for production of documents, and interrogatories and depositions;
9. File a motion to establish a claims procedure and to set a claims bar date; file subsequent motions for determination of claims and to approve plan of general disbursement.

If you have questions and would like to speak to an attorney, please contact a member of our receivership's team: Billy Wilkins, Christy Myatt, Mark Moore, Dan Boyce.

Insights

10.16.2018

Involuntary Bankruptcy: Creditor's Tool to Be Used with Caution

01.08.2018

Comparison: Chapter 11 vs Chapter 12 vs Chapter 13

01.22.2018

Bankruptcy Court Holds Credit Union Policy Does Not Violate Discharge Injunction