

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

TREASURE ENTERPRISE LLC,
PATRICIA ENRIGHT GRAY and LARRY
Battani
ALLEN HOLLEY

No. 17-cv-10963
Hon. Marianne O.

Defendants,

and

KINGDOM ASSET MANAGEMENT LLC
and CARLEEN RENEE HOLLEY,

Relief Defendants

_____ /

RECEIVER'S FIRST QUARTERLY STATUS REPORT

Patrick O'Keefe and O'Keefe & Associates Consulting, LLC (the "Receiver"), hereby submit the Receiver's First Quarterly Status Report (the "Status Report"). This Status Report covers the time period commencing with the date of the appointment of the Receiver (March 28, 2017) (the "Receiver Appointment Date") through April 15, 2017.

INTRODUCTION

This lawsuit was initiated by the United States Securities and Exchange Commission against the above named defendants and relief defendants (collectively, the “Defendants”) on the basis that they had, among other things, engaged in unlawful conduct in offering investments to various investors, in violation of existing law. As part of the lawsuit, a Sealed Order Appointing Receiver was entered by the Court on March 28, 2017 (the “Receivership Order”). Per the Receivership Order, the Receiver was appointed over all of the assets of the Defendants (the “Receivership Estates”).

RECEIVER’S REPORT

A. From and after the Receiver Appointment Date, the Receiver has undertaken a multitude of tasks.

1. *Location of Receivership Estate Assets.* The Receiver has spent considerable time investigating and determining the location of assets of the Receivership Estates. The Receiver was fortunate to have the cooperation of certain of the Defendants and employees of the Defendants in assisting in identifying the assets of the Receivership Estates. The originals of all material business records of the Receivership Estates were seized by the Internal Revenue Service. While access to those records will be made available to the Receiver in the near term, the Receiver has not had the

benefit of those records, to date. Included in those records are leases, deeds and other materials related to real estate owned by the Receivership Estates, as well as source documents related to obligations owed by the Receivership Estates to investors and lenders.

2. *Control of Cash Management.* The Receiver has undertaken to obtain control of all known bank accounts of the Defendants and has opened the necessary accounts to permit the Receiver to control the funds of the Receivership Estates and to account therefor.

3. *Identification of Additional Receivership Assets.* The Receiver has identified nine properties, not in the name of the above noted Defendants, but which were purchased using the funds of one or more of the Defendants. Pursuant to a stipulation entered into with the Defendants, these properties were voluntarily made subject to the Receivership Order and are now part of the Receivership Estates. These properties are the following:

Owner Name	Address of Property
Angel's Properties, LLC	1814 Parkfront Dr. Flint, MI 205 W. Linsey Blvd., Flint, MI 1174 Robert T. Longway, Flint, MI 1198 Robert T. Longway, Flint, MI 6059 Brookstone, Grand Blanc, MI
Destiny Investment Properties	2205 Berkley St., Flint, MI 2210 Wolcott St., Flint, MI 512 W. Baker, Flint, MI

Abundant Life Ministries Int'l, Inc. 5508 Calkins Rd., Flint, MI

The Receiver has identified other properties, not in the name of the Defendants, which the Receiver intends to seek to have added to the Receivership Estates.

4. *Operation of the Receivership Estate Assets.* The Receiver has undertaken significant efforts to understand each of the Receivership Estate assets. This has included the collection of rent, an assessment of pending litigation (by and against the Defendants), management of tenant complaints, repairs and maintenance, determination of Receivership Estate liabilities, termination and engagement of employees and contractors to assist the Receiver and the establishment of accounting functions.

5. *Kingdom Asset Management, LLC.* Kindom Asset Management manages properties for owners who purchased properties from Defendant Treasure Enterprise, LLC. The Receiver reviewed the operations of Kingdom Asset Management and determined the time and effort necessary to manage properties not owned by Treasure Enterprise, LLC was not beneficial to the Receivership Estates and would be a drain on the Receivership assets. Consequently, the Receiver has contacted the owners of the properties and provided them with contact information for three

property management companies in the area. The Receiver will not manage any properties not in the Receivership Estates effective immediately.

B. As of April 15, 2017, the Receiver had cash on hand of \$249,076.35 (all of which is unencumbered) and there were no accrued administrative expenses on April 15, 2017 (exclusive of the fees of the Receiver and its professionals). The Receiver is unable to produce a Balance Sheet due to the lack of records available at this time. The Receiver has tagged for copying a substantial number of files in the control of the IRS but has not received the copies as of this date.

C. Attached as **Exhibit A** is an Operating Statement, for the period from the Receiver Appointment Date through April 15, 2017 (the “Operating Statement”), which details each of the Receiver’s receipts and disbursements.

D. Attached as **Exhibit B** is a listing of the Receivership Estates’ real estate, which the Receiver has identified, to date. This list is preliminary, based on the lack of access to the records of the Defendants which are under the control of the IRS. The Receiver has not yet been able to determine the approximate values of the assets set forth on Exhibit C. Most all of the assets on Exhibit C were set to be sold at tax sale, as of the time of the Receiver Appointment Date. The Receiver was able to obtain a one-year postponement of those tax sales, in light of the receivership having been initiated.

E. Because the Receiver has not yet been provided with the records under the control of the IRS, the Receiver has not yet developed a schedule of liquidated and unliquidated claims held by, or asserted against, the Receivership Estates. The Receiver will be filing with the Court a Motion of Receiver to Establish Claims Procedure (the "Claims Procedure Motion"). Pursuant to the Claims Procedure Motion, the Receiver will be affording all investors and creditors with the opportunity to file a proof of claim and supporting documents, to confirm the amount claimed to be owed by each creditor and investor. A claims resolution process will also be incorporated into the Claims Procedure Motion, relating to any disputed claims asserted against the Receivership Estates. The Receiver will continue to use counsel to assist the Receiver to collect monies owed to the Receivership Estates, primarily from tenants of properties owned by the Receivership Estates. The Receiver has not yet developed a complete list of all receivables owed. The United States Securities Exchange Commission has taken the laboring oar regarding the forensic review of the Defendants' past banking records, which information will be shared with the Receiver, when finalized. With that information, the Receiver will be in the position to pursue any identified transfers which should be brought back into the Receivership Estates.

F. The Receiver has not yet been able to develop a list of all known creditors with their addresses and the amount of their claims. After being provided

access to the records housed with the IRS, the Receiver will be able to develop a master matrix of the known creditors and their addresses. With that information, the Receiver will be able to establish a direct line of contact with the creditors and investors, to enable them to have timely updates of the Receiver's activities. Through the process set forth in the Claims Procedure Motion, the Receiver will be in a position to assign values to each of the creditors' and investors' claims.

G. The Receiver recommends that the receivership continue. The receivership provides the best mechanism for collection and disposition of the Receivership Estates' assets and the determination and payment of creditor and investor claims.

Respectfully submitted,

**Patrick O'Keefe and O'Keefe
& Associates Consulting LLC, Receiver**

Dated: May 1, 2017

By: /s/ Patrick O'Keefe
Patrick O'Keefe, on behalf of himself and
on behalf of O'Keefe & Associates
Consulting LLC

EXHIBIT A

Operating Report

See attached

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04/28/17
Accrual Basis

Treasure Enterprises in Receivership
Schedule of Receipts & Disbursements

Exhibit A

March 28 through April 15, 2017

Mar 28 - Apr 15, 17

Receipts

Rental & Land Contract Receipts	66,013.10
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Disbursements

Bank and Service Charges	388.93
Cleaning Supplies	1,554.98
Insurance Expense	7,766.78
Outside Services	12,313.85
Repairs and Maintenance	3,158.76
Utilities	11,632.99
Total Disbursements	<u>36,816.29</u>

Net Cash	<u><u>\$ 29,196.81</u></u>
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EXHIBIT B

List of Real Estate

See attached

**Treasure Enterprises in Receivership
Commercial Property List**

COMMERCIAL PROPERTY	units	SQ FT - Est	TERMS	ENTITY	2016 SEV	2017 SEV
Arizona 3242		1,000	L/C	TREASURE	5,200	
Ballenger 1161 N		12,000		TREASURE	189,500	196,100
Beach St 932		8,000		TREASURE	137,200	141,300
Beecher_3573		60,000	LEASE OPT	SJ FIN	1,080,200	
Bristol 4488 W		40,000		TREASURE	747,200	852,500
Calkins 5508 ****		24,000		ALMS	550,400	649,700
Clio Rd 4128		15,000		TREASURE	436,700	482,900
Clio Rd 4403		170,000		TREASURE	748,900	
Comer 3166			L/C	TREASURE		
Court 2710 W		16,000		TREASURE	250,800	260,800
Court St 2707 E.		4,000	L/C with L/C		73,300	75,500
Elms Rd. Bldg. B 2029 S.		14,000		TREASURE	441,500	492,200
Elms Rd. Bldg. C 2033 S.		24,000		TREASURE	606,500	675,800
Emerson 3401		8,000		TREASURE	160,000	179,500
Flushing 3163		12,000		SEV LC	157,500	
Flushing Rd 3201		3,000		TREASURE	64,000	72,400
Huron 902		6,000	Balance LC	TREASURE		
Linden_2483		14,000	LEASE OPT	SJ FIN	397,800	
Linden_2503		24,000	LEASE OPT	SJ FIN	690,800	
Pasadena 3015		12,000	Balance LC	TREASURE		
Pasadena 3035		16,000		TREASURE	173,400	194,100
Pasadena 3142 W		4,000		TREASURE	45,600	
Pasadena 4215				TREASURE	232,400	264,900
Robert T Longway 1174		15,000		ANGELS	329,100	339,000
Robert T Longway 1198				ANGELS	241,900	249,200
Saginaw 1600		15,000		TREASURE	191,400	197,100
Saginaw 4521 N.		30,000	L/C	TREASURE	41,200	
Saginaw 5411 N.		8,000		TREASURE	132,800	
Saginaw 5601 N.		8,000	L/C	TREASURE		
Van Slyke 3717		12,000		TREASURE	202,600	210,700
Wadsworth 2716				TREASURE	70,133	64,687
Current COMMERCIAL Asset					8,398,033	
PROPERTY NOT IN TREASURE ENTERPRISE'S NAME			TERMS	ENTITY	2016 SEV	2017 SEV
Beecher Rd 3169 ***		30,000		M & M	659,900	748,100
Averill 2715				ALMS	175,000	
Clio Rd 5402				ALMS	275,000	
Dort Hwy 4510 S		40000	mortgage	ALMS	513,000	

963,000

**Treasure Enterprises in Receivership
Residential Properties**

Land Contracts	Parcel #
3014 BARTH	40-02-359-025
1402 COPEMAN	40-02-458-024
1908 DARTMOUTH	40-02-131-017
201 W EDDINGTON AVE	41-19-404-008
2531 FLUSHING RD	40-11-329-013
1450 FOREST HILL AVE	40-11-204-003
708 S FRANKLIN AVE	41-08-384-005
1827 GILMARTIN ST	41-16-329-010
3730 GRATIOT AVE	40-14-157-014
1713 GRIGGS DR	46-26-378-010
3087 HATHERLY AVE	07-10-527-011
205 W LINSEY BLVD	41-19-255-036
1720 Mackin	
2521 MALLERY	40-11-203-004
3279 MARTHAROSE CT	14-22-580-025
1260 NIAGARA AVE	40-12-301-005

3901 RACE ST	46-35-479-021
3020 RAYWOOD ST	14-34-577-058
305 E. RUSSELL	
871 TACKEN ST	40-15-434-030
3002 WOLCOTT ST	40-11-108-012

Contracts	Parcel #
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RESIDENTIAL RENTALS	Parcel #
1810 ARIZONA	41-05-129-015
246 E. AUSTIN	
512 W. BAKER	
2306 BARTH ST	
2205 BERKLEY ST	40-11-405-015
3826 BROWNELL	
2617 W. COURT	40-14-541-001
2111 W DARTMOUTH ST	40-02-155-001
201 E GENESEE ST	40-01-203-034
3710 GRATIOT AVE	40-14-157-019
4705 GREENLAWN DR	46-35-130-034
1095 Harding	12-06-553-110
1322 JEAN AVE	40-12-158-008
5416 LESLIE DR	46-26-380-010
2006 Mc Clellan	40-02-105-033
1708 OXLEY DR	46-26-377-038
1412 PROSPECT ST	40-12-303-023
1513 W PATERSON ST	40-02-454-002
1270 Peachtree	14-13-577-021
2526 PROCTOR AVE	40-02-281-008
1814 PARKFRONT	40-02-126-054
3017 PROSPECT	40-10-230-007
2217 RASKOB ST	40-11-406-015
2527 TRUMBULL AVE	40-02-180-027
4108 WINONA ST	46-35-327-007
5418 WINTHROP BLVD	46-26-477-006

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**CERTIFICATE OF SERVICE REGARDING
RECEIVER'S FIRST QUARTERLY STATUS REPORT**

I hereby certify that a copy of the Receiver's First Quarterly Status Report and Certificate of Service were served upon all counsel of record on May 1, 2017 using the Court's CM/ECF filing system.

/s/ Deon M. Goldberg