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Proposed Attorneys for Jeffrey E.
Brandlin, Receiver

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

RICHARD VU NGUYEN, A/K/A
NGUYEN THANH VU, AND NTV
FINANCIAL GROUP, INC.,

Defendants,

and

MAI DO,

Relief Defendant.

Case No. SACV19-1174-AG (KESX)

**FIRST STATUS REPORT OF THE
RECEIVER**

Hearing on Receiver's Motion:

DATE: September 9, 2019

TIME: 10:00 a.m.

CTRM: 10D

Hearing on SEC's Motion:

DATE: September 12, 2019

TIME: 10:00 a.m.

CTRM: 10D

JUDGE: Hon. Andrew J. Guilford

**TO THE HONORABLE ANDREW J. GUILFORD, UNITED STATES
DISTRICT JUDGE, AND ALL PARTIES IN INTEREST:**

In connection with the above-referenced upcoming hearings, Jeff
Brandlin, the receiver (the "Receiver") appointed by this Court over NTV
Financial Group, Inc. and bank accounts held by or for the benefit of Richard

1 Nguyen and Mai Do, submits the following status report to inform the Court
2 of what has been accomplished to date and what is expected in the coming
3 months.

4
5 **I. SUMMARY OF OPERATIONS**

6 **A. Retention of Counsel**

7 As the Receiver indicated in his proposal to the SEC, he has retained
8 Smiley Wang-Ekvall, LLP, as his counsel in this matter, subject to the
9 approval of the Court. The hearing on the motion to approve the firm's
10 employment is scheduled for September 9, 2019, at 10:00 a.m. That motion
11 also seeks Court approval of the employment of Brandlin & Associates as
12 the receivership estate's forensic accountant and the retention of a number
13 of other professionals whose services are required for the administration of
14 this estate. The motion is unopposed.

15 **B. Field Operations**

16 **1. Control of the Office Location, Books and Records,**
17 **and the Freezing of Accounts**

18 The same day that the Receiver was appointed, he and his agents
19 went to NTV's office location at 900 W. 17th Street, Unit B, Santa Ana,
20 California, to secure the location and the books and records in it. The
21 Receiver had the locks changed and redirected the mail. He took
22 possession of the books and records at that location, including four
23 computers and a cell phone. The Receiver had the computers imaged and
24 is reviewing the information on the computers and the cell phone. He and
25 his team have reviewed all the books and records that were seized. From
26 these records, the Receiver expects to obtain information about NTV's
27 operations, to identify investors and trade creditors, and to attempt to locate
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1 additional assets. In addition, the Receiver immediately notified all of the
2 financial institutions listed in the asset freeze order of his appointment,
3 requested turnover of funds in the bank accounts, and requested documents
4 to understand the activity in each of the accounts. With respect to the funds
5 that were in the brokerage accounts, the Receiver was concerned about the
6 volatility of the investments and the reality that doing nothing could result in
7 their becoming worthless. In order to avoid incurring further losses and to
8 preserve the value of the investments for investors, the Receiver instructed
9 the firms to liquidate the investments in the account and to turn over the
10 proceeds.

11 The Receiver has so far collected \$457,460.01 as a result of these
12 efforts.

13 The Receiver has verified that NTV owns the office condominium from
14 which it operated and that it has sufficient equity to justify its administration,
15 so the Receiver is in the process of selecting a broker and will submit that
16 for Court approval shortly.

17 **2. Identification of Assets Acquired with NTV Funds and**
18 **the Inaccuracies in the Disclosure of Assets Provided**
19 **by Richard Nguyen and Mai Do**

20 In addition to requesting bank records for the bank accounts and
21 statements for the brokerage accounts, the Receiver has served subpoenas
22 on a number of third parties, including a couple of escrow companies and
23 several jewelers. He has then compared that information to the information
24 contained in the disclosure of assets provided by Mr. Nguyen and Ms. Do.
25 As detailed in the Receiver's declarations submitted in connection with the
26 motion of the Securities and Exchange Commission to expand the scope of
27 the preliminary injunction and the motion for an order to show cause why Mr.
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1 Nguyen and Ms. Do should not be held in civil contempt, the Receiver has
2 determined that the disclosure of assets was substantially inaccurate,
3 omitting at least 14 bank accounts and misrepresenting the source of funds
4 used to acquire at least two real properties and two luxury cars. The
5 process of identifying assets remains ongoing. The Receiver expects to file
6 a motion in the near future seeking to expand the scope of the receivership
7 estate to include these assets on the basis that they were acquired with
8 funds obtained from NTV's investors.

9 **3. Investor Identification and Communication**

10 Upon his appointment, the Receiver immediately attempted to
11 communicate with counsel for Mr. Nguyen and Ms. Do, but it took a few
12 days to do that because of a change in counsel. The Receiver e-mailed a
13 number of immediate requests, including for passwords to the computers
14 and to the Gmail account used by NTV and information related to the
15 investors. It took two weeks to get the password to the Gmail account and
16 documentation related to the investors, which consisted of paper statements
17 from an unspecified source. It took a few more weeks to get an explanation
18 of how the statements were generated. Mr. Nguyen has been, at best,
19 minimally cooperative.

20 Using the statements provided by Mr. Nguyen as well as books and
21 records obtained at NTV's office, the Receiver compiled a list of potential
22 investors and the amount of their investment according to NTV. The
23 Receiver has identified approximately 63 current investors. The Receiver is
24 in the process of verifying these amounts and recalculating the net
25 investment of each investor, based on the amounts actually deposited less
26 any distributions and not including any return or interest component.
27 Although this process is not complete, the Receiver estimates that the
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1 investors will have net investments in the range of \$2 million to \$2.5 million.
 2 The Receiver mailed a letter to these investors to notify them of the
 3 receivership, to answer some basic questions, and to direct them to a
 4 website that the Receiver set up to provide information to investors. The
 5 website is at: <https://www.donlinrecano.com/Clients/brandlin/Index>. NTV's
 6 website has been redirected to the Receiver's website.

7 Because the Receiver has determined that the majority of the
 8 investors are fluent in Vietnamese but either speak and/or read limited
 9 English, the website was recently made available in Vietnamese and the
 10 letter sent to investors is being translated into Vietnamese and will be mailed
 11 a second time.

12 II. ANTICIPATED NEXT STEPS

13 As set forth above, the Receiver expects to file a motion to approve
 14 the employment of a real estate broker and the sale procedure and a motion
 15 to expand the scope of the receivership estate in the near future.

16 Once the Receiver has received all of the bank records and has a
 17 degree of confidence that all investors have been identified and that the
 18 calculation of their net investment is correct, he will seek Court approval of a
 19 claims process. In addition, to the extent necessary and appropriate, the
 20 Receiver may seek Court approval to bring claims against third parties to
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1 recover assets that should belong to the receivership estate.

2 Respectfully submitted,

3 DATED: September 3, 2019 SMILEY WANG-EKVALL, LLP
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6 By: /s/ Kyra E. Andrassy
7 Kyra E. Andrassy
8 Proposed Counsel for Jeffrey E.
9 Brandlin, Receiver
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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Orange, State of California. My business address is 3200 Park Center Drive, Suite 250, Costa Mesa, CA 92626.

On **09/03/19**, I served true copies of the following document(s) described as **FIRST STATUS REPORT OF THE RECEIVER** on the interested parties in this action as follows:

SEE ATTACHED SERVICE LIST

(X) (BY COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")) – Pursuant to United States District Court, Central District of California, Local Civil Rule 5-3, the foregoing document will be served by the court via NEF and hyperlinked to the document. On **09/03/19**, I checked the CM/ECF docket for this case and determined that the aforementioned person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated.

() (BY MAIL). I enclosed the document(s) in a sealed envelope or package and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with the practice of Smiley Wang-Ekvall, LLP for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I am a resident or employed in the county where the mailing occurred. The envelope was placed in the mail at Costa Mesa, California.

() (BY E-MAIL). By scanning the document(s) and then e-mailing the resultant pdf to the e-mail address indicated above per agreement. Attached to this declaration is a copy of the e-mail transmission.

() (BY FACSIMILE). I caused the above-referenced documents to be transmitted to the noted addressee(s) at the fax number as stated. Attached to this declaration is a "TX Confirmation Report" confirming the status of transmission. Executed on _____, at Costa Mesa, California.

() STATE I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

(X) FEDERAL I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on September 03, 2019, at Costa Mesa, California.

/s/ Lynnette Garrett
Lynnette Garrett

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