



Jeffrey E. Brandlin
Receiver

Investor Presentation

December 9, 2021



Introduction

Elevate Investments LLC

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Receivership Overview & Purpose

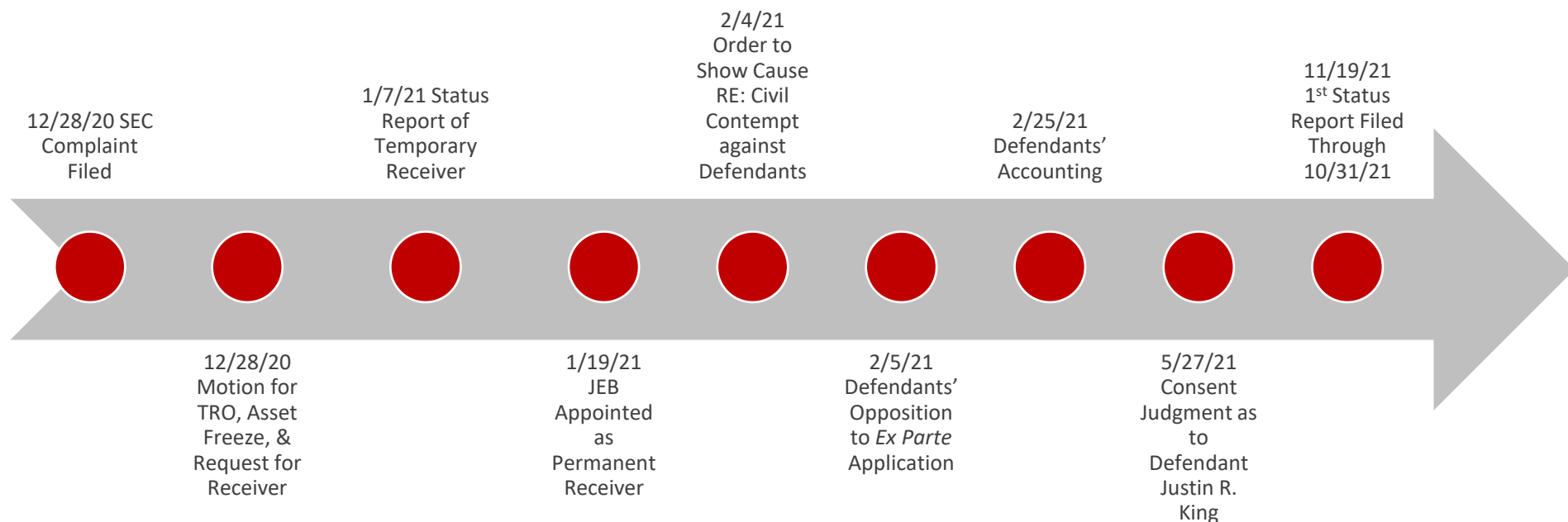
Jeffrey E. Brandlin, Receiver

1. Elevate Investments LLC (“Elevate”) and Justin Robert King (collectively, “Defendants”) – Shannon Leigh King (“Relief Defendant”).
2. Defendants invested investors’ monies and incurred significant market losses as well as used investors’ monies to fund their personal lifestyles.
3. The receivership was granted by the court to preserve documents relevant to the case, prevent additional dissipation of assets, and prevent the Defendants from continuing “*business as usual*.”
4. Elevate did not maintain books & records and did not utilize an accounting system. Therefore, the Receiver engaged Brandlin & Associates (“B&A”) to perform a forensic accounting of the Elevate business and its transactions.
5. The Receiver is supervised by the court and charged with efficiently administering the Estate for the benefit of the investors!
6. Parties involved: Receiver / B&A / Smiley Wang-Ekvall (counsel) / Citrin Cooperman (tax) / SEC

Timeline of Events

31 case-related filings have been made since the receivership began

The Receivership has been in existence for **12 months**



Receivership Website: <https://www.donlinrecano.com/Clients/ei/Index>

Forensic accounting, asset analysis, asset recoveries and other critical procedures have been performed throughout the receivership to identify and recover assets for the benefit of the investors.

Forensic Accounting, Asset Analyses & Recoveries

Inception-to-date gross recoveries: **\$1,580,217** (through 10/31/21)

1. Onsite seizure of all Elevate business documentation (computers, documents & other items).
2. Information obtained was reviewed and analyzed (e.g., investor documentation, emails, related party documents and other), and scanned.
3. Subpoenaed banks (9 accts.) & brokerage firms (9 accts.) for statements.
4. Banking and brokerage activity scheduled and analyzed (forensic “tracing” of funds). The period analyzed was 2/1/16 – 12/31/20.
5. Identified sources of recoveries
 - a) Bank accounts;
 - b) Brokerage accounts; and
 - c) Fraudulent transfers (“Clawback” Litigation).

Investor Accounts

Investor Recap

Total No. of Investors	49
Total Funds Invested	\$ 8,298,985
Investor Repayments	\$ (409,525)
Net Amount Owed to Elevate Investors	\$ 7,889,460

Note: Substantial market losses were incurred before the appointment of the Receiver in January 2021

Net Marker Losses ~ \$5.5 million

NOTES:

- Elevate did not maintain books & records and did not utilize an accounting system.
- B&A used bank records and brokerage account statements to create and identify the sources and uses of Elevate funds which is summarized on the following page.

Receivership Accounting

Elevate Investments - Sources & Uses

	Total Cash	Comments
Total Beginning Balance - circa May 2019 (A)	\$ 13,802	Total of Elevate-related accounts
<u>Sources</u>		
<u>Investors:</u>		
Contributions from Investors	8,298,985	Investor deposits (investor count: 58), see prior page
<u>Non-Investor Related:</u>		
Intra & Inter Bank Transfers	739,898	
Bank Transfers to Brokerage Accts.	2,330,043	
Brokerage Transfers to Bank Accts.	1,563,296	
Intra Brokerage Transfers	1,030,372	
Other Sources	986,969	See page 9
Subtotal Non-Investor Related:	6,650,578	
Total Sources (A)	14,949,563	
<u>Uses</u>		
<u>Investors:</u>		
Distributions to Investors	(409,525)	14 individual pymts. (12 investors) between 2019 & 2020
<u>Non-Investor Related:</u>		
Intra & Inter Bank Transfers	(691,108)	
Brokerage Transfers to Bank Accts.	(1,253,165)	
Bank Transfers to Brokerage Accts.	(1,920,718)	
Intra Brokerage Transfers	(1,067,372)	
Other Uses	(2,312,678)	See page 9
Subtotal Non-Investor Related:	(7,245,042)	
Total Uses (A)	(7,654,567)	
Market Gains Realized	348,430	Trading was conducted in 7 separate Brokerage Accts.
Market Losses Realized	(5,883,007)	Brokerage accts: Ameritrade / Fidelity / Schwab
Market Losses, Net (A)	(5,534,576)	
Ending Balance - 12/31/20 (sum (A))	\$ 1,774,222	

Receivership Accounting (cont'd)

Elevate Funds Transferred to Receiver

<i>Elevate Investments - Sources & Uses (cont'd)</i>		
	<u>Total Cash</u>	<u>Comments</u>
Ending Balance - 12/31/20	<u>\$ 1,774,222</u>	See prior page
<u>Less: Funds Not Transferred to Receiver</u>		
Chase (multiple bank accts.)	(86,720)	<i>Note: The Receiver <u>did not</u> have authority over these accts. No evidence investor funds were commingled in these accts. However, counsel to the Receiver will be filing a motion to transfer the frozen assets to the Receivership</i>
Fidelity - Justin R. King	(2,732)	
Schwab - Shannon King	(39,373)	
Schwab - Justin R. King	(80,154)	
Subtotal Funds Not Transferred to Receiver:	<u>(208,980)</u>	
<u>Funds Transferred to Receiver:</u>		
Acct. Balance transferred from Schwab 6211	<u>\$ 1,565,242</u>	
Act. Funds Transferred to Receiver - 1/11/21	\$ 1,581,932	Per Fund Accounting Report
Variance	<u>\$ 16,690</u>	Realized market gain
<u>Receivership Activity:</u>		
	<u>Amount</u>	<u>Comments</u>
Funds Transferred to Receiver 1/11/21	\$ 1,581,932	See above
Total Receivership Expenses - ITD	(1,715)	
Ending Cash Balance @ 10/31/21	<u>\$ 1,580,217</u>	Agrees to Fund Accounting Report

NOTES:

- The forensic accounting is ongoing and reported amounts are subject to change.
- The Receiver is in the process of obtaining missing bank statements and other financial records that will assist in documenting all transactional details.

Receivership Accounting (cont'd)

Other Sources & Uses

<u>Sources - Other</u>		Amounts	Est. Sources of Recovery
1	Finance/Merchant/CC Receipts	\$ 41,572	
2	Defendants/Related Parties	97,202	
3	Cash Deposits	184,138	
4	3rd Party Receipts	314,619	
5	Unknown Receipts	304,261	
6	Non-Investor Individuals	29,465	
7	Miscellaneous	15,713	
Total Sources - Other		\$ 986,969	N/A
<u>Uses - Other</u>			
1	Real Estate	\$ (82,340)	\$ 79,050
2	Auto Payments	(41,068)	11,924
3	Credit Cards	(683,069)	505,075
4	Known Payee	(173,339)	135,439
5	Defendant / Related Parties	(625,511)	-
6	Non-Investors Individuals	(368,865)	-
7	Mortgage / Rent Payments	(118,000)	-
8	Miscellaneous	(220,485)	-
Total Uses - Other		\$ (2,312,678)	\$ 731,488

See pg. 7

COMMENT:

The sources of recovery (\$731,488) is an estimated amount based on preliminary analysis and may be subject to Clawback litigation. Independent counsel will be engaged on a contingency basis (30%) to potentially recover such amounts and other, if possible.

Estimated Investor Return of Capital %

The Defendant's Lost 67% of Investor's Money via Market Losses

Elevate Investments LLC		
Estimated Investor Return of Capital		
	Amount	Comments
Ending Cash Balance at 10/31/21	\$ 1,580,217	See prior page
<u>Projected Cash Receipts:</u>		
Frozen Assets to be transferred to Receivership Estate	\$ 208,980	Refer to pg. 8
Less: Diminution of Frozen Assets (realized market losses)	(35,000)	Estimated
Potential Clawback Litigation - Gross	731,488	Refer to pg. 9
Less: Contingency Fee (30%)	(219,446)	Contingency attorney would be engaged
Less: Reserve	(100,000)	Reserve for settlement(s)
Subtotal Projected Cash Receipts, Net	\$ 586,021	
<u>Receivership Expenditures - Inception-to-Date:</u>		
Brandlin & Associates (B&A) / Receivership Fees & Exp.	\$ (70,948)	See following page
Smiley Wang-Ekval, LLP (Counsel) Fees & Exp.	(48,780)	See following page
Subtotal Actual Expenditures Inception-to-Date	\$ (119,727)	Fees & Expenses through 10/31/21
<u>Projected Cash Disbursements:</u>		
Receivership & Counsel's Fees - est.	\$ (100,000)	Receiver, legal & tax preparation fees
Miscellaneous Expenses - est.	(5,000)	3rd party costs of receivership
Subtotal Projected Cash Disbursements - Est.	\$ (105,000)	
Projected Ending Cash Balance Available for Distribution	\$ 1,941,511	
Net Amount Owed to Elevate Investors	7,889,460	Refer to pg. 6
Est. Receivership Estate Shortage / Elevate Investors' Loss	\$ (5,947,948)	Loss primarily attributable to Market Losses (67%)
Estimated Loss %	-75%	& Kings' personal consumption of monies (33%)
Est. Net Amt. Owed to Elevate Investors % (as of 12/9/21)	25%	

Professional Fees

Incurred for the benefit of the Estate

		12/28/20 - 10/31/21						
		Less:						
Firm	Ref	Total Hours	Gross Fees	Courtesy Discount	Net Fees	[3] Expenses	Total	
Brandlin & Associates	[1]	200	\$ 85,633	\$ (14,795)	\$ 70,838	\$ 110	\$ 70,948	
Discount %				-17%				
Smiley Wang-Ekval, LLP	[2]	107	\$ 50,199	\$ (5,020)	\$ 45,179	\$ 3,601	\$ 48,780	
Discount %				-10%				
Totals		308	\$ 135,831	\$ (19,815)	\$ 116,017	\$ 3,711	\$ 119,727	

COMMENTS:

[1] B&A's fees include the receivership administration, forensic accounting, asset analysis and recovery, and other ancillary services necessary to oversee the estate and to represent the investors.

[2] SWE fees include legal representation of the receiver and court pleadings / filings and other on behalf of the estate.

[3] 3rd party out-of-pocket costs incurred (e.g., scanning & photocopying, locksmith, courier, court fees, website and other).

Other / Conclusion

Next Steps / Questions

1. Motion to expand scope of receivership estate to include frozen King bank accounts to be filed this month.
2. Finalization of forensic accounting.
3. Clawback litigation & asset recovery efforts which is expected to increase the return to investors.
4. Investor Claims Process & Timing (**IMPORTANT!**).
5. Interim (est. Q3 2022) & Final (presently unknown) investor distributions.
6. SEC to determine the amount of the disgorgement judgment against the Defendants.
7. File estate tax return – “End of Receivership.”

Questions / Comments?

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