

RICHARD WEISSMAN  
Receiver

**SEC v. SUN EMPIRE SUN COMMERCE ,ET AL.**

**RECEIVER'S STATUS REPORT:**

**1. STATUS OF COURT PROCEEDINGS**

A. Sun Empire LLC; Empire Club LLC; ECAM, LLC, Sun Celebrity, LLC, Sun Investment Savings and Loan (SISL), Sun Group, Delilah Proctor, Shauntel McCoy, Bich Quay Nguyen, Johnny Johnson:

1. Preliminary Injunction:

The court has entered against each of the above named defendants, their affiliates, employees and representatives Preliminary Injunctions against the violation of federal securities laws and other violations of law. At this time, effectively, none of the foregoing entities or persons nor their agents, representatives and/or employees should be conducting any business under the allegations of the complaints filed by the SEC. Any manifestation of new investment offers or the continuation of any business transactions may be in violation of the Preliminary Injunction and subject to further enforcement proceedings by the Court.

B. Permanent Receiver:

Richard Weissman has been appointed by the Court as the Permanent Receiver over the assets and business operations of Sun Empire LLC, Empire Club LLC, ECAM LLC (also known as Empire Capital Asset Management), Sun Group, Sun Investment Savings and Loan, and their affiliate entities. The receiver has taken, or is in the process of taking possession, of bank accounts of said entities and affiliates of certain relief defendants named in the SEC's First and Second Amended Complaints.

It has not been verified that SISL is a registered financial institution, or even a registered corporate entity, in Sweden. Likewise, it has not been verified that SISL is a registered banking institution in Panama or has a banking facility located in Panama.

**2. RECOVERY OF ASSETS:**

The Court has ordered Sun Investment Savings and Loan, Nguyen and Johnson to repatriate (return to the United States) to the receiver all funds each or all of them may hold or control in offshore bank accounts where the SEC can demonstrate the offshore funds are "tied to the fraudulent investment scheme..."

The receiver has been informed by six (6) Clubs of payments to SISL, either through Sun Empire or directly by the Club, of the principal sum of \$8,367,019. SISL has acknowledged that at least \$10 million, if not more, was received through the Sun Empire sponsored Clubs. The accumulating interest is only partially computed in the foregoing sum. All the Clubs and/or their investors should submit to the receiver financial documents showing the dates and amounts of investments to Sun Empire LLC intended for deposit with SISL and/or showing a direct deposit to any of the US bank accounts of SISL, Sun Group, and/or Sun Commerce and Investment or any account on behalf of any of them, respectively, whether foreign or domestic. Such documentation potentially will reduce the audit time and expense to establish the full amount of money deposited with SISL, Nguyen and Johnson and their related entities.

The Sun Empire sponsored Clubs known to have invested with SISL are: Infinity Investment Club, LLC, Sun Quest, LLC, Tycoon Club International, LLC, Sun Celebrity LLC, Empire Club, LLC and Sun ACI, LLC, which is located in the San Jose/Milpitas, California area. There may be additional Clubs located in Northern California and Nevada.

Anyone aware of other Clubs (not mentioned above) that may have invested with SISL at any time, should communicate directly with the receiver to identify the Club, the amount invested (if known), and its investors. It is imperative for the receivership to establish an accurate database of the investments and investors from which full and accurate accountings

Any investor who is not currently on the electronic mailing list should be requested to communicate with Maria Byciuk, at the receiver's office, either at (310) 481-6780 or by e-mail to [mbyciuk@rwreceiver.com](mailto:mbyciuk@rwreceiver.com) Or [dfashakin@rwreceiver.com](mailto:dfashakin@rwreceiver.com) to be added to their respective Club' e-mail list.

All investors may submit any investment materials, copies of checks and/or particularly wire transfer instructions and

pertinent bank statements exhibiting their investments. These submissions are voluntary and will be only preliminary to a formal claims procedure that the Court may formally adopt at a later time. The Court will not be in a position to establish any claims procedure until the liability of the primary defendants and Relief Defendants has been adjudicated by the Court.

### **3. CONTROLLED ASSETS/CONTROLLED BANK ACCOUNTS**

Bank accounts of the named defendants, several relief defendants and a number of Private Investment Clubs ("PICs") were frozen by the SEC pursuant to orders issued by the Court. Approximately \$2.8 million of funds held by Sun Empire, ECAM and certain relief defendants were frozen through the Court's orders. The receiver is in the process of obtaining direct control of these funds.

A. SISL (Sun Investment Savings and Loan; Nguyen and Johnson): approximately \$800,000 has been recovered from SISL on account of the \$10 million plus it has acknowledged receiving as stated above. Efforts are continuing to recover said funds, including the accrued and unpaid interest.

B. BScaler: It has been alleged that SISL loaned BScaler more than \$1.5 million. It appears that Nguyen was not an owner of BScaler. This information was obtained through the receiver's personal interview of BScaler's CEO. The receivership will seek full repayment of the loan.

#### **C. SUN EMPIRE LLC/ECAM**

From Nevada and California state records, Delilah Proctor is the managing member of both Sun Empire LLC and ECAM LLC, if not their sole member, respectively. The receiver was informed that there was a "parting of the ways" between Bich Quay Nguyen and Delilah Proctor at the end of 2008. Subsequent Club investments through Sun Empire and/or to ECAM, commencing at or about January 2009, were redirected to different kinds of investments other than SISL sponsored high interest-bearing certificates of deposit.

Entities to which Sun Empire, ECAM or individual PICs transferred money, from December 2008 to April 2009, are known to be:

1. D'Quadrant-\$1,600,000
2. Recommended Services: \$1,070,000

3. Paramount Group: Unknown
4. Business Diversity: Full Amount Unknown
5. APS: Full Amount Unknown
6. IBP: Full Amount Unknown
7. Prime Capital Holding, LLC: \$299,500, plus interest

The receiver has communicated with Yasser Attia, the principal of Prime Capital Holdings LLC. He stated he was out of the United States at the time of the call. The receiver has made written demand upon him for the return of the full amount of the money invested with him, including interest to date 2009. All pertinent bank wire information has been provided to enable him to transfer funds directly to the receiver's trust account. Several different investors have stated to the receiver that Mr. Attia has spoken with them or representatives of their Clubs, indicating that he is prepared to remit the money directly to the affected investor(s) or Club(s). Mr. Attia has stated to the receiver that he is having some financial difficulties and will continue to endeavor to repay to the receiver the investments as soon as he can.

D. ECAM/BAJA SAND AND GRAVEL/D'Quadrant

The receiver has had multiple conversations with the principals of Baja Sand and Gravel (BSG) regarding the \$1.6 million loaned through ECAM/Proctor (from several Clubs) to D'Quadrant for its several ventures with BSG. Proctor has a 25% interest in D'Quadrant through her ownership of ECAM, which is the member of D'Quadrant LLC ("DQ"). DQ has two main ventures in the Mexican state of Baja which were to be funded by various Club investments (known or unknown to investors): (a) a wind farm; and (b) the purchase of land and equipment to commence a large scale sand and gravel mining operation and the purveyor of bottled pure water. The BSG principals have orally acknowledged the debt of \$1.6 million and ECAM's 25% interest in DQ. No audit has been undertaken to establish which Clubs and investors were the source of said loans.

**4. PRIVATE INVESTMENT CLUBS**

Separately attached to this Report is a list of the Private Investment Clubs currently known to the receiver. If there are

Clubs which do not appear on the list, please provide the receiver with the names of said Clubs and their leaders/investors contact information.

**5. SUN EMPIRE OFFICES:**

631 W. Katella Ave., Anaheim, CA.

The Sun Empire offices have been effectively vacated at the Desert Palms Hotel Suite. The receiver has removed all of the office equipment and furnishings. Proctor has informed the receiver she paid \$21,000 for the wood furniture contained therein. The receiver has received a purchase offer of \$2,100.00 for all of the wood furniture. An electronic letter was sent to all investors on the receiver's electronic mailing list offering the furniture for sale to the highest cash or credit bidder among the investors if the bids exceeded said \$2,100. All of the office furniture is currently at the office site. As of June 23, Proctor has now asserts that wants to personally retain the furniture, which the receiver earlier was informed he could sell. The matter will be promptly discussed between SEC counsel and Proctor's counsel.

**6. RECEIVER'S WEBSITE:**

The receiver is constructing a website which will contain Court related documents pertinent to the investors, periodic reports of the receiver, financial information filed with the Court and other information that may be of interest to the investors. Notices of Court hearings will be provided by electronic mail through the investor e-addresses the receiver has received. Investors may update their contact information with the receiver's staff as necessary.