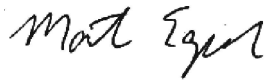


DISTRICT COURT, DENVER COUNTY, COLORADO	
Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	
Plaintiff(s) GERALD ROME SECURITIES COM FOR THE ST OF CO v. Defendant(s) GARY DRAGUL et al.	DATE FILED: November 29, 2018 11:07 AM CASE NUMBER: 2018CV33011 <p style="text-align: center;">△ COURT USE ONLY △</p> Case Number: 2018CV33011 Division: 424 Courtroom:
Order: Receiver's Preliminary Report (w/attach)	

The motion/proposed order attached hereto: REVIEWED.

Issue Date: 11/29/2018



MARTIN FOSTER EGELHOFF
District Court Judge

District Court, Denver County, State of Colorado Denver District Court 1437 Bannock St. Denver, CO 80202 (720) 865-8612	<p style="text-align: center; font-size: 2em; opacity: 0.2; transform: rotate(-45deg);"> Attachment to Order - 2018CV33011 </p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>Plaintiff: Gerald Rome, Securities Commissioner for the State of Colorado</p> <p>v.</p> <p>Defendants: Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, LLC</p>	
<p>Attorneys for Receiver: Patrick D. Vellone, #15284 Michael T. Gilbert, #15009 Rachel A. Sternlieb, #51404 Allen Vellone WOLF HELFRICH & FACTOR P.C. 1600 Stout St., Suite 1100 Denver, Colorado 80202 Phone Number: (303) 534-4499 E-mail: pvellone@allen-vellone.com E-mail: mgilbert@allen-vellone.com E-mail: rsternlieb@allen-vellone.com</p>	
RECEIVER'S PRELIMINARY REPORT	

Harvey Sender, the duly-appointed receiver (“Receiver”) for Gary Dragul (“Dragul”), GDA Real Estate Services, LLC (“GDA RES”), GDA Real Estate Management, LLC (“GDA REM”), and related entities (collectively, “Dragul and the GDA Entities”), submits this preliminary report concerning the status and condition of the Receivership Estate.

I. Procedural History

1. On August 15, 2018, Gerald Rome, Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief against Dragul and the GDA Entities.

2. On August 29, 2018, the Commissioner and Dragul and the GDA Entities filed a Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Dragul and the GDA Entities pursuant to Colo. Rev. Stat. § 11-51-602(1) and C.R.C.P. 66.

3. On August 30, 2018, the Court entered a Stipulated Order Appointing Receiver (the “Receivership Order”) appointing Harvey Sender of Sender & Smiley, LLC as receiver for Dragul and the GDA Entities, and their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at 2, ¶ 5.

4. This report is submitted as required by paragraph 14 of the Receivership Order.

II. Receiver’s Initial Activities

5. The Receiver has taken control of the operations and assets of Dragul and the GDA Entities. Upon his appointment, the GDA offices were closed, no employees were working, and the loans of 10 shopping centers in the Receivership Estate were in default, two of which were in foreclosure. Construction on one of the properties, Happy Canyon, had been suspended because of loan defaults and the appointment of the Receiver. There were numerous leasing and tenant issues at the properties. The Receiver’s priority was to stabilize the commercial properties to the greatest extent practicable; address the many lender demands and threatened and actual foreclosures; and investigate the economics of the various properties to determine what assets might be available to distribute to creditors. In a short period, the Receiver investigated numerous special purpose entities (“SPEs”) associated with 15 or more real estate assets in the Receivership Estate and determined the staffing needed to operate the ongoing business to preserve the value of these assets. The Receiver continues to evaluate the circumstances and economics of these assets in order to preserve and protect their value.

6. The balance in bank accounts of entities subject to the Receivership Order which the Receiver has been able to identify have been transferred to the Receivership Estate account, which is under the Receiver’s sole control. All income being generated by any Receivership asset is being deposited into the Receivership Account.

7. The Receiver has retained counsel and forensic accounting experts to assist him in carrying out his duties, and they continue to review the books and records of Dragul and the GDA Entities and their bank records to ascertain the operation of liabilities of the Estate. The Receiver has worked with the Commissioner and his staff in this process.

8. The Receiver has met with and interviewed Dragul, counsel for GDA, and all employees of the GDA Entities to discuss and evaluate the business, operations, assets, and liabilities of Dragul and the GDA Entities. In an effort to avoid potentially harmful business interruption, the Receiver reviewed of all of the GDA companies' employees' responsibilities, salaries, and job responsibilities, and has retained employees the Receiver has deemed essential to operate the ongoing business and to preserve the value of Receivership assets.

9. The Receiver has relocated the GDA offices to substantially less expensive office space and reduced the rent from \$18,000/month to \$5,500/month. The commercial and residential properties currently under the Receiver's control and the Receiver's activities concerning those properties are described below.

III. Assets of the Receivership Estate

A. Receivership Estate cash

10. Upon his appointment, there was approximately \$321,041.43 in the Chase Bank accounts owned, managed, or controlled by Dragul and the GDA Entities known to the Receiver. Since then, the Receiver's forensic accountants have uncovered additional bank accounts associated with Dragul and the GDA Entities at Fortis Private Bank, Citywide Banks and Colorado Business Bank. Those accounts have been frozen pursuant to the Receivership Order; the Receiver is currently ascertaining whether there may be additional cash balances in any of those accounts.

11. As of November 15, 2018, the balance in the Receivership account was \$210,306.50. Detailed statements reflecting the receipts and disbursements of the Receivership Estate since August 30, 2018, are attached as **Exhibits A and B**.

B. Commercial and residential property

12. The primary assets of the Estate are Dragul's interest in and management rights over the following property.

13. **Commercial property.** The "Commercial Estate Property" listed below is owned by one or more SPEs which hold various equity interests in the underlying real estate, typically as a tenant-in-common. Overall, the ownership

structure is complex and multi-layered. As shown below, in some instances Dragul owns 100% of the SPE that owns the real property, and in others only a minority interest. All of the SPEs were managed by Dragul and/or the GDA Entities through additional SPEs of similar complex organizational structure, all of which were ultimately owned 100% by Dragul.

COMMERCIAL ESTATE PROPERTY						
No.	Property Name	Street Address	City	State	Description	Gary Dragul Equity (%)
1.	Ash and Bellaire	2195 South Bellaire Street	Denver	CO	6 houses located at Ash & Bellaire Streets; ¹ Proposed 27 townhome development	100%
2.	Village Pad Inn	5290 East Arapahoe Road	Centennial	CO	Unoccupied former Village Inn restaurant pad	100%
3.	Cassinelli Square	East Kemper & Princeton Parkway	Cincinnati	OH	Retail shopping center (48.99% leased) ²	4.727%
4.	Clearwater Collection	21800 US Highway 19 North	Clearwater	FL	Retail shopping center (87% leased)	6.76%
5.	Marketplace at Delta	501 North Marketplace Boulevard	Lansing	MI	Retail shopping center (80.97% leased)	7.066%
6.	DU Student Housing	2311 South High Street	Denver	CO	3 single-family homesites ³ acquired to develop a 0.43-acre site with 5-story 60,000 sq. ft. student housing development. No construction has started	20.00%

¹ 2166 South Ash Street, 2175 South Ash Street, 2175 South Bellaire Street, 2186 South Ash Street, 2195 South Bellaire Street, and 2196 South Ash Street, Denver, Colorado 80201.

² Leasing percentages are based on Dragul and the GDA Entities' estimates.

³ 2311 South High Street, 2321 South High Street, and 2329 South High Street, Denver Colorado 80201.

COMMERCIAL ESTATE PROPERTY						
No.	Property Name	Street Address	City	State	Description	Gary Dragul Equity (%)
7.	Happy Canyon Market	4950 East Hampton Avenue	Denver	CO	Former Safeway Box to be developed into marketplace; construction is expected to recommence soon	9.417%
8.	Happy Canyon Shoppes	5082 East Hampton Avenue	Denver	CO	Retail shopping center (93%)	100%
9.	Hickory Corners & Box	1718 Highway 70 SE	Hickory	NC	Retail shopping center (73% leased)	25.875%
10.	Prospect Square	9722 Colerain Avenue	Cincinnati	OH	Retail shopping center (79.37% leased as of 9/30/2018)	6.387%
11.	Rose	8916 3300 S. Las Vegas Boulevard	Las Vegas	NV	Leasehold interest at Treasure Island Casino	
12.	Summit Marketplace	335 Crossing Drive	Lafayette	CO	Retail shopping center (100% leased)	10.041%
13.	Windsor Square	297 North Seven Oaks Drive	Knoxville	TN	Retail shopping center (100% leased)	3.793%
14.	YM Retail	6460 East Yale Avenue	Denver	CO	Retail shopping center with two separate parcels; lender's receiver has controlled the property since 2013	17.411%
15.	X12 Housing	Various (see list below)	Various	AZ, CO, IL, NV	16 residential properties	100%

14. **X12 Housing residential properties.** The following are the residential properties owned by X12 Housing, LLC (“X12”) which is wholly-owned and ultimately managed by Gary Dragul.

X12 HOUSING RECEIVERSHIP PROPERTIES			
#	Address	City	State
1.	6937 East 6th Street, #1002	Scottsdale	AZ
2.	6937 East 6th Street, #1004	Scottsdale	AZ
3.	6937 East 6th Street, #1005	Scottsdale	AZ
4.	41 South Fairway	Beaver Creek	CO
5.	7373 East Fremont	Centennial	CO
6.	7104 South Syracuse Street	Centennial	CO
7.	7517 East Davies Place	Centennial	CO
8.	3593 South Hudson Street	Denver	CO
9.	1777 Larimer Street, #901	Denver	CO
10.	3142 South Leyden Street	Denver	CO
11.	3675 South Hibiscus Way	Denver	CO
12.	3555 South Holly Street	Denver	CO
13.	5722 South Lansing Court	Englewood	CO
14.	5788 South Lansing Way	Englewood	CO
15.	1660 N. LaSalle Drive, #3909	Chicago	IL
16.	1660 N. LaSalle Drive, #4205	Chicago	IL
17.	11188 Campsie Fells Court	Las Vegas	NV

15. **Other residential properties.** In addition to the residential property owned by X12, the Receiver believes the residential property listed below is also owned and/or managed by Dragul or wholly-owned Dragul SPEs and is therefore part of the Receivership Estate.

RESIDENTIAL RECEIVERSHIP PROPERTIES				
No.	Address	City	State	SPE Owner
1.	1777 Larimer, Unit 901	Denver	CO	901 Larimer 18, LLC
2.	1777 Larimer, Unit 703	Denver	CO	1777 Larimer 17, LLC
3.	5455 Landmark Place, #509	Greenwood Village	CO	5455 Landmark Place 17, LLC
4.	5788 South Lansing Way	Englewood	CO	5788 South Lansing 17, LLC
5.	5746 South Truckee Court	Centennial	CO	5746 South Truckee 15, LLC
6.	7104 South Syracuse Street	Centennial	CO	7104 South Syracuse 16, LLC
7.	3416 S. Cherry Street	Denver	CO	3416 South Cherry 05, LLC
8.	3020 S. Bellaire Street	Denver	CO	3020 South Bellaire 05, LLC
9.	2989 South Steele Street	Denver	CO	2829 South Steele 15, LLC
10.	2770 South Garfield Street	Denver	CO	2770 South Garfield 15, LLC
11.	891 14th Street, #2417	Denver	CO	891 Fourteenth Street 17, LLC
12.	3040 South Garfield Street	Denver	CO	3040 South Garfield 17, LLC
13.	6403 South Florence Way	Englewood	CO	6403 South Florence 16, LLC
14.	6316 East Fair Avenue	Centennial	CO	6316 East Fair 16, LLC
15.	7842 East Briarwood Boulevard	Centennial	CO	7842 East Briarwood 16, LLC
16.	1777 Larimer, #1109	Denver	CO	1777 Larimer 17, LLC
17.	7046 South Spruce Street	Denver	CO	7046 South Spruce 16, LLC
18.	1567 South Gaylord Street	Denver	CO	Gary J. Dragul
19.	1700 Basset Street, #105	Denver	CO	Gary J. Dragul

RESIDENTIAL RECEIVERSHIP PROPERTIES				
No.	Address	City	State	SPE Owner
20.	2432 South Newport Street	Denver	CO	Gary J. Dragul
21.	2624 South Oneida Street	Denver	CO	Gary J. Dragul
22.	2979 South Garfield Street	Denver	CO	Gary J. Dragul

16. The Receiver has retained the nationally-recognized firm Marcus & Millichap to market and sell the Commercial Estate Properties to third-parties unrelated to Dragul and the GDA Entities. Notice of Marcus & Millichap's employment was filed with the Court on November 15, 2018. Marcus & Millichap has completed an independent valuation of the Commercial Estate Property, and the Receiver has also obtained estimates of the value of that Property from Dragul and the GDA Entities. The Receiver continues efforts to value the residential properties.

17. All the Commercial and Residential Estate Properties are encumbered. Due to the cash position of the Receivership Estate, the only mortgage payments that have been made since the Receiver was appointed are to the first lender on the Summit Marketplace property in Lafayette, Colorado. Recently, that lender's special servicer, Rialto Capital Advisors, LLC, has declared that loan to be default and has demanded that the rents from the property be turned over to it.

18. The remaining commercial mortgages are all in default. Before the Receiver was appointed, the lenders on Clearwater Collection, Delta Marketplace, Hickory Corners, Prospect Square, and Windsor Square declared loan defaults and began to sweep the rental income from those properties and to apply them to their loans. A receiver was appointed for the YM Retail property in 2013, and since then the lender on that property has controlled those rents.

19. The Receiver has been collecting rents from the Ash & Bellaire, Cassinelli Square, Happy Canyon Shoppes, and Summit properties. This rental income has been paid into the Receiver's general account and used to pay utilities, insurance, and other essential expenses for all commercial and residential properties, to pay rent on the current GDA offices, and to pay critical employee salaries, withholding taxes, and applicable benefits.

20. On March 13, 2018, Dragul executed a \$500,000 note payable to WBF/CT Associates, LLC ("WBF/CT") and secured that loan with property owned by Hickory Corners Box 16 A, LLC (the Hickory Corners Box).

21. On March 21, 2018, Dragul executed another \$1.2 million note, payable to WBF/CT and secured it with the following residential properties owned by X-12:

WBF/CT ASSOCIATES, LLC \$1.2 MIL LOAN COLLATERAL				
No.	Address	City	State	Zip
1.	5722 South Lansing Court	Englewood	Colorado	80111
2.	3142 South Leyden Street	Denver	Colorado	80222
3.	7373 East Fremont Street	Denver	Colorado	80112
4.	3675 South Hibiscus Way	Denver	Colorado	80237
5.	3555 South Holly Street	Denver	Colorado	80237
6.	7517 East Davies Place	Centennial	Colorado	80112
7.	11188 Campsie Fells Court	Las Vegas	Nevada	89141
8.	3593 South Hudson Street	Denver	Colorado	80237
9.	6937 East 6th Street, #1005	Scottsdale	Arizona	85251
10.	6937 East 6th Street, #1002	Scottsdale	Arizona	85251
11.	6937 East 6th Street, #1004	Scottsdale	Arizona	85251

22. On November 1, 2018, the Receivership Court entered an Order approving a stipulation between the Receiver and WBF/CT (the second lien holder) on the above properties (the “WBF/CT Stipulation”). Pursuant to the WBF/CT Stipulation, the Estate will recover 30% of the net proceeds from any sale of these properties, rather than 100% being paid directly to WBF/CT to satisfy its second position lien.

23. On March 23, 2018, Dragul executed an additional \$500,000 note payable to WBF/CT and secured the loan with property owned by GDA-DU Student Housing 18 B, LLC (the DU Housing project). Upon information and belief, Dragul may have used the funds from the WBF/CT loans to fund payment obligations of other SPE entities.

C. Pending and threatened foreclosure actions

24. **Loan defaults.** Because the Estate is unable to cure monetary defaults on loans against Receivership property due to the cash position of the Estate, several lenders have threatened, and in two cases (Hickory Corners Box and YM Retail) commenced, foreclosure actions. Because the Receivership Order expressly stays all legal and equitable actions against property of the Receivership Estate absent the

Court's prior authorization, the Receiver promptly informed those lenders that any foreclosure actions are stayed.

25. **Hickory Corners Box.** Notwithstanding the Receiver's notice of the stay imposed by the Receivership Order, the Hickory Corners Box Lender, Dynasty, LLC ("Dynasty") initiated a foreclosure action in Hickory, North Carolina, where the property is located. Before the Receiver was appointed, Dynasty sent a notice of default to Dragul and the GDA Entities. When the default was not cured, and after the Receiver was appointed, Dynasty commenced efforts to foreclose the property. The Receiver has filed a motion seeking an Order to Show Cause from the Receivership Court why Dynasty should not be held in contempt for violating the stay imposed by the Receivership Order (the "Hickory OSC Motion"). The Receiver also retained local counsel in North Carolina to assist in staying the Hickory Box foreclosure. The Receiver and the lender have agreed to continue the foreclosure until the end of January 2019 to allow the parties time to attempt to resolve the Hickory Box loan and foreclosure issues.

26. **The YM Property.** On October 24, 2018, the lender on another Receivership property filed a motion for relief from the Receivership Order to proceed with its foreclosure action against real property owned by YM Retail 07 A, LLC ("YM Retail"). The YM property is a shopping center located at Yale and Monaco streets in Denver, Colorado and consists of two separate parcels. The YM property has been in a separate receivership since October 2013. The YM receiver was appointed at the lender's (MLMT 2005-LC1 Yale Retail, LLC) request due monetary defaults exceeding \$4 million.

a. There are two parcels subject to the YM receivership, both retail strip malls. The Colorado Department of Public Health and Environment ("CDPHE") has deemed one parcel of the YM property contaminated by PCE. In 2013, CDPHE commenced an environmental enforcement action against GDA REM, GDA RES, Gary Dragul, and Aaron Metz (a former employee of Dragul and the GDA Entities) (collectively, the "YM Defendants"), *CDPHE v. GDA RES, et al.*, Case No. 2013CV33076, Denver County, Colorado (the Environmental Action").

b. In January 2015, the CDPHE and the YM Defendants entered into a Stipulation and Proposed Order in the Environmental Action (the "YM Stipulation"). The YM Stipulation requires the YM Defendants to fund remediation of the contaminated parcel of the YM property. Since 2013, the YM receiver has assumed the management of and has collected the rents from the YM property and has applied approximately \$815,000 to the MLMT Loan balance. The YM property has not been remediated.

c. The Receiver has investigated the value of any potential interest the Estate may hold in either YM Retail or the entities that own and/or formerly managed the property. Based on consultation with an environmental expert, a recent remediation cost estimate provided to CDPHE, and a market valuation of the contaminated YM Property, the Receiver has determined that any possible interest the Estate may hold in YM Retail is of inconsequential value or a burden to the Estate. On November 28, 2018, the Receiver filed a motion to abandon any interest the Estate may hold in YM Retail or its managing entity.

D. Pending litigation against Dragul and the GDA Entities

27. Before the Receiver was appointed, various lawsuits had been filed against Dragul and the GDA Entities. After the Receiver was appointed, one additional case was filed. The following table summarizes that litigation.

PENDING LITIGATION AGAINST DRAGUL AND GDA ENTITIES					
Case Caption	Court	Case Number	Date Suit Commenced	Nature of Suit	Status
<i>Southern Glazer's Wine and Spirits of Colorado, LLC v. MC Liquor 02, LLC dba Incredible Wine & Spirits, and Gary. J. Dragul</i>	Adams County District Court	2018CV30960	6/01/2018	Liquor store distribution dispute	Case closed
<i>CLPF – KSA Grocery Portfolio Greenwood Village, LLC v. MC Liquor 02, LLC d/b/a Incredible Wine & Spirits</i>	Adams County District Court	2018C40085	06/15/2018	Incredible Liquor Store lease dispute; FED action	Case closed (writ of restitution entered)
<i>Southern Glazer's Wine and Spirits of Colorado, LLC v. MC Liquor 02, LLC dba Incredible Wine & Spirits, and Gary. J. Dragul</i>	Adams County District Court	2018CV31596	9/12/2018	Liquor store distribution dispute	Administratively Closed
<i>Christopher A. Helms v. GDA Real Estate Services, LLC and Gary J. Dragul</i>	Arapahoe County District Court	2018CV31358	6/08/2018	Claim on unsecured promissory note(s)	Case stayed pursuant to Receivership Order

PENDING LITIGATION AGAINST DRAGUL AND GDA ENTITIES					
Case Caption	Court	Case Number	Date Suit Commenced	Nature of Suit	Status
<i>Christopher A. Helms v. GDA Real Estate Services, LLC and Gary J. Dragul</i>	Arapahoe County District Court	2018CV31582	7/03/2018	Claim on unsecured promissory note(s)	Case stayed pursuant to Receivership Order
<i>SSC Aviation 06, LLC and GDA Real Estate Services, LLC v. Moser Aviation, LLC</i>	Arapahoe County District Court	2018CV31589	7/03/2018	Dispute concerning airplane ownership and lease	Notice of Receivership filed by Defendant
<i>Park Place Operating Company, LLC. v. GDA Real Estate Services, LLC</i>	Arapahoe County District Court	2018CV32070	08/30/2018	Unpaid rent/ FED action	Case stayed pursuant to Receivership Order
<i>Loja Real Estate, LLC v. MC Liquor 02 LLC</i>	Arapahoe County District Court	2018CV32112	9/04/2018	Breach of Contract (lease)	Notice of Receivership filed
<i>Colorado Department of Public Health and Environment v. YM Retail 07 A, LLC, GDA Real Estate Management, Inc., GDA Real Estate Services, LLC, Gary Dragul and Aaron Metz</i>	Denver District Court	2013CV33076	07/12/2013	See above	Notice of Receivership filed
<i>Wilmington Trust, N.A., as Trustee, as Successor in Interest to Rialto Mortgage Finance, LLC, as Successor in Interest to RMF Sub 1, LLC, et al v. Clearwater Collection 15, LLC, Clearwater Plainfield 15, LLC, Gary J. Dragul, GDA Management Services, LLC, et al.</i>	Circuit Court of the Sixth Judicial District Circuit for Pinellas County, Florida - Circuit Division	18-00549-CI	8/24/2018	Foreclosure and deficiency action	Case stayed pursuant to Receivership Order

PENDING LITIGATION AGAINST DRAGUL AND GDA ENTITIES					
Case Caption	Court	Case Number	Date Suit Commenced	Nature of Suit	Status
<i>Rose, LLC v. Treasure Island, LLC</i>	Supreme Court of Nevada	Case No. 71941	05/28/2015	Appeal of adverse judgment concerning lease termination at Treasure Island Casino.	Awaiting a decision following oral argument in October 2018

28. Counsel for the Receiver contacted counsel for Dragul and GDA Entities in the cases that remained active when the Receiver was appointed to ensure that notice of the Receivership Order was filed in each case. The Receiver's counsel has entered appearances in all but two of the open cases in Colorado.

E. Miscellaneous other assets

29. **Office equipment and furniture.** In addition to the Commercial and Residential SPE assets, Dragul and the GDA Entities own or have an interest in office equipment and furniture of which the Receiver has taken possession. The FFE is unlikely to have material value to the Receivership Estate.

30. **Books and records.** The Receiver has inventoried taken possession of all computers and books and records located at the Estate's offices. Forensic experts have copied the server hard drives and obtained backups of the data. These assets have little or no liquidation value.

F. Marketing and sales efforts

31. Since being appointed, the Receiver has retained Marcus & Millichap to value, market, and sell the Commercial Estate Property. The Receiver has received unsolicited inquiries from potential purchasers interested in acquiring some or all of the Receivership property. Non-disclosure agreements have been executed with interested parties, and the Receiver has made significant efforts to respond to due diligence inquiries. The Receiver has received and evaluated several letters of intent from potential purchasers and is in the process of negotiating sale transactions. The Receiver will continue efforts to market and sell Receivership assets in a commercially reasonable manner.

G. Litigation claims

32. The Receiver is identifying and investigating potential litigation claims against various parties. These litigation claims may allow the Receiver to recover assets transferred both before and after the Receivership Order was entered, including claims against preferred equity holders, insiders, and other potential beneficiaries and family members of Dragul and the GDA Entities. At this time, the Receiver cannot provide any reasonable estimate of the value, if any, of these claims.

IV. Summary of the Estate's liabilities

33. While the full extent of the Estate's liabilities is presently unknown, estimates are provided. There is approximately \$113 million of first-priority mortgage debt on the real estate properties owned or controlled by the Estate. There is at least \$5.5 million in junior secured debt. The Court recently approved the Receiver's proposed claims administration process and **set a claims bar date of February 1, 2019**, which will allow the Receiver to quantify the extent of all claims against the Estate.

34. As of October 31, 2018, the Receiver has incurred obligations to counsel and experts retained to assist in recovering the Receivership Estate's assets as follows:

Obligee:	Amount of Obligation:	Basis of Obligation:
Allen Vellone Wolf Helfrich & Factor P.C.	\$131,399.45	Legal fees
RubinBrown	\$34,232.26	Accounting fees
Waldrep Law, LLC	\$1,789.00	Legal fees as North Carolina counsel in Hickory Corners Box foreclosure
Harvey Sender	\$81,600.00	Receiver's fees
Total:	\$249,020.71	

35. The Receiver continues to investigate the assets and liabilities of the Estate and will file additional periodic reports as appropriate.

Dated: November 28, 2018.

**ALLEN VELLONE WOLF HELFRICH &
FACTOR P.C.**

By: /s/ Michael T. Gilbert

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Michael T. Gilbert

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ATTORNEYS FOR THE RECEIVER

Attachment to Order 2018-10-18-CV-33011

CERTIFICATE OF SERVICE

I hereby certify that on **November 28, 2018**, I served a true and correct copy of the foregoing Receiver's Preliminary Report via CCE to the following:

Robert W. Finke
Sueanna P. Johnson
Matthew J. Bouillon Mascareñas
Ralph L. Carr Judicial Building
1300 Broadway, 8th Floor
Denver, Colorado 80203

*Counsel for Gerald Rome, Securities
Commissioner*

Jeffery A. Springer, Esq.
Springer and Steinberg P.C.
1600 Broadway, Suite 1200
Denver, Colorado 80202

*Counsel for Defendants, Gary Dragul,
GDA Real Estate Services, LLC and
GDA Real Estate Management, LLC*

CERTIFICATE OF SERVICE ON KNOWN CREDITORS

A copy of the **Receiver's Preliminary Report** will also be served by email (where the Receiver has email addresses), and/or by U.S. mail first-class, postage-prepaid (for those whose email addresses are unknown), to all currently known creditors of, and all investors in, the Receivership Estate. These addresses are set forth on the service list maintained in the Receiver's records.

By: /s/ Terri M. Novoa