

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(Miami Division)**

SECURITIES & EXCHANGE COMMISSION,

Case No.: 10-22078-CV-MORENO

Plaintiff,

vs.

ESTATE OF KENNETH WAYNE MCLEOD,
F & S ASSET MANAGEMENT GROUP, INC. and
FEDERAL EMPLOYEE BENEFITS GROUP, INC.,

Defendants.

**ORDER GRANTING RECEIVER'S MOTION SET AMOUNT OF DISPUTED CLAIMS
AND ESTABLISH PROCEDURE TO CALCULATE CLAIMS DISTRIBUTION**

THIS MATTER came before the Court upon the Motion to Set Amount of Disputed Claims and Establish Procedure to Calculate Claims Distribution, filed by Michael I. Goldberg ("Receiver") in his capacity as Receiver of Defendants, F&S Asset Management, Inc. and Federal Employee Benefits Group, Inc.

The Court, having reviewed the Motion and being otherwise fully advised in the premises, **ORDERS AND ADJUDGES the following:**

1. The Receiver is authorized to deny Advance Funeral Funding LLC's claim (Claim No. 1) in its entirety. It was not timely filed and Advance Funeral Funding LLC is not entitled to share in the funds from the receivership estate generally.
2. The Receiver's may subordinate or deny Capital Analysts Inc.'s claim (Claim No. 20) in its entirety. Capital Analysts Inc. shall be prohibited from using its settlements as a way to assert a claim it would not otherwise have, particularly when

it has failed to take any legal action to establish Mr. McLeod's alleged liability to Capital Assets Inc. outside of the receivership estate.

3. The Receiver may deny the following three claims from individuals who engaged McLeod in his capacity as a registered representative to manage their individual brokerage accounts with various brokerage firms:

- (1) Michael Ian Polsky (Claim #95);
- (2) Nicklaus T. Cooper (Claim #28); and,
- (3) Ronald & Nanette VanGundy (Claim #131).

The Court finds that these claims have no connection to the Receivership Entities and, therefore, are not entitled to share in a distribution from the receivership estate.

4. Use of the Net Investment Method is ADJUDGED to be the most equitable procedure to calculate claims distribution of receivership assets in this case. The Receiver is authorized to use the net investment method to calculate claims distributions in this matter.

DONE AND ORDERED in Chambers in Miami-Dade County, Florida on this 18th day of December, 2013.



FEDERICO A. MORENO
CHIEF UNITED STATES DISTRICT JUDGE

Copies Provided to:
Counsel of Record