

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 14-CV-80468-MIDDLEBROOKS/BRANNON

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JCS ENTERPRISES, INC. d/b/a JCS
ENTERPRISES SERVICES, INC., T.B.T.I., INC.,
JOSEPH SIGNORE, and PAUL L. SCHUMACK, II,

Defendants.

ORDER

THIS CAUSE comes before the Court upon the Receiver's Unopposed Motion for Entry of an Order Authorizing First Interim Distribution and Disposing of Certain Receivership Claims, filed on May 13, 2020. (DE 456). Having reviewed the Motion and the record in this case, the Court finds granting the Motion to be in the Receivership Estate's best interests.

Accordingly, it is hereby **ORDERED AND ADJUDGED** that:

1. The Receiver's Motion (DE 456) is **GRANTED**.
2. For the reasons discussed in the Motion and under the circumstances of this Receivership, the Receiver's proposed first distribution of \$6 million under the rising tide distribution plan is fair and equitable and is approved.
3. For the reasons discussed in the Motion and under the circumstances of this Receivership, the Receiver is authorized to accept as allowed claims the late claims listed in Exhibit B to the Motion.
4. Therefore, the Receiver is authorized to make a first interim distribution in the amount of \$6 million under the rising tide distribution plan to claimants with allowed

claims and late claims, according to the claim amounts as described in Exhibits A and B to the Motion.

5. Any uncashed distribution checks may be deemed “unclaimed funds” and subject to return into the Receivership Estate’s reserve.

6. The Receiver is also authorized to use his discretion to issue and/or reissue checks to claimants who fail to timely cash checks for equitable reasons, such as if a claimant passes away, if a claimant moves, or if the Receiver determines a new address. Therefore, the Receiver is authorized to issue and/or reissue checks to a deceased claimant’s estate if the claimant passes away and if the Receiver receives written proof of death, such as a death certificate.

7. Regarding claimants who invested through an IRA, because the 10% tax is not being withheld from the subject first distribution, the Receiver is authorized to withhold issuing distribution checks to such claimants until the claimants complete and sign a Form W4-P, *Withholding Certificate for Pension or Annuity Payments*.

8. For the reasons discussed in the Motion and under the circumstances of this Receivership, the Court disallows the claims listed in Exhibit C to the Motion.

9. For the reasons discussed in the Motion and under the circumstances of this Receivership, the Receiver is authorized to establish a reserve for the net funds remaining in the Receivership Estate after making the \$6 million distribution.

SIGNED in Chambers at West Palm Beach, Florida, this 7th day of July, 2020.



Donald M. Middlebrooks
United States District Judge