

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

PALM HOUSE HOTEL, LLLP, et al.,

Defendants and Relief Defendants.

Case No.: 9:18-CV-81038-DMM

**PLAINTIFF'S NOTICE OF THE FILING OF THE
DISTRIBUTION AGENT'S FIRST PROGRESS REPORT**

Pursuant to this Court's Order entered June 18, 2020 (ECF No. 100), Plaintiff Securities and Exchange Commission (the "SEC") hereby files, on behalf of JND Legal Administration ("JND"), the Distribution Agent's First Status Report, attached hereto as Exhibit 1.

Dated: February 4, 2021

Respectfully submitted,

/s/ Catherine E. Pappas

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U.S. Securities and Exchange Commission

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served as indicated on February 4, 2021 on all counsel or parties of record on the Service List below.

/s/ Catherine E. Pappas
Catherine E. Pappas

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Exhibit 1
(Distribution Agent's First Status Report)

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THE DISTRIBUTION AGENT’S FIRST STATUS REPORT

JND Legal Administration (“JND”), the Court-appointed Distribution Agent in the above-captioned matter, respectfully submits this Status Report pursuant to this Court’s Order entered June 18, 2020 (the “Order”, ECF No. 100) and the Plan of Distribution approved by the Court on November 13, 2020 (the “Plan”, ECF Nos. 101-2 and 102). By the Order, this Court appointed JND as the Distribution Agent for the collections in this action (the “Distribution Fund”), to oversee the administration and distribution of the Distribution Fund in coordination with the Securities and Exchange Commission’s (“SEC”) counsel of record. Pursuant to paragraph 4(i) of the June 18, 2020 Order, the Distribution Agent is required to file with the Court or provide to the SEC’s counsel of record to file with the Court, quarterly status reports. This report covers the period from JND’s appointment through December 31, 2020.¹

Tasks Performed by the Distribution Agent Since Its Appointment

Since JND’s appointment, JND has performed the following tasks in connection with its role as the Court-appointed Distribution Agent in the instant case:

- JND staff worked with SEC counsel to draft and finalize the Plan and submit for Court approval;

¹ The Distribution Agent respectfully acknowledges that this First Status Report is untimely under the Order. The Distribution Agent intends to timely file a second report within twenty days of the end of the first quarter, 2021.

- Upon Plan approval, JND, in consultation with SEC counsel, began to implement the Plan by, among other things:
 - Establishing a website at www.PalmHouseHotelFund.com and drafting the content of the same, including a summary page, frequently asked questions (with answers), important documents, and contact information; finalizing the content; and publishing it in both English and Chinese;
 - Establishing a toll-free telephone number that utilizes an interactive voice response system with specific information about the Distribution Fund in English or Chinese and is staffed by operators who will assist Potentially Eligible Investors² with their inquiries;
 - Establishing a case specific database of all Potentially Eligible Investors (the “Investor Database”) based on information provided to, and obtained by, the Distribution Agent;
- Within 30 days of Court approval of the Plan, JND, in consultation with the SEC, drafted and finalized the Plan Notice and, on December 11, 2020, sent the same to Potentially Eligible Investors by electronic mail (or mail to those for whom an email address was not available). The Plan Notice solicited from Potentially Eligible Investors payment information to assist the Distribution Agent in making Distribution Payments if and when that Potentially Eligible Investor is determined eligible for the same.

3. *Anticipated Next Steps*

Following the Plan Notice, JND will continue to execute the Plan, including:

- Reviewing submissions from Potentially Eligible Investors and updating the Investor Database with corrected and/or payment information;
- Responding to inquiries by Potentially Eligible Investors and their representatives and assisting them in submitting the information requested;

² Capitalized terms not defined herein are used as defined in the Plan.

- Working with Potentially Eligible Investors who seek payment to a name other than that known to the Distribution Agent, in accordance with paragraph 46 of the Plan;
- Establishing the Escrow Account;
- Working with the Tax Administrator and the SEC to determine the Net Available Distribution Fund;
- Upon receipt of acceptable payment information from substantially all Potentially Harmed Investors, compiling the Payee List and drafting a Reasonable Assurance Letter to the SEC staff;
- Upon receipt of funds from the SEC, issuing Distribution Payments.
- Filing a Second Status Report on or before April 20, 2021.

Dated: February 4th, 2021

Respectfully submitted,

By: Luiggy Segura

Luiggy Segura

JND Legal Administration

Distribution Agent

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