

**UNITED STATES DISTRICT COURT
Southern District of Florida
Miami Division**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Case No.: 06-20975-CIV-HUCK
Magistrate Judge Bandstra

vs.

JACK P. UTSICK,
ROBERT YEAGER,
DONNA YEAGER,
WORLDWIDE ENTERTAINMENT, INC.,
THE ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC., and
ENTERTAINMENT FUNDS, INC.,

Defendants.

**RECEIVER'S ELEVENTH REPORT ON THE CONDITION
OF THE RECEIVERSHIP ENTITIES**

Michael I. Goldberg, court-appointed receiver (the "Receiver") for The Entertainment Group Fund, Inc., Worldwide Entertainment, Inc. ("Worldwide"), American Enterprises, Inc. and Entertainment Funds, Inc. (collectively, the "Receivership Entities"), files the Receiver's Eleventh Report on the Condition of the Receivership Entities to provide the Court and Creditors with an update on the following matters:

A. Jack Utsick

The Receiver has learned that Jack Utsick ("Utsick") was arrested this spring in Brazil and is currently in jail pending extradition to the United States. Based on published articles, the Receiver understands that Utsick is contesting extradition. The Receiver is monitoring the matter and will update creditors on this matter as it progresses.

B. Matters Still Being Administered by the Receiver

1. Quay Park Arena (Vector Arena)

Worldwide owns a one hundred percent (100%) interest in Worldwide New Zealand, LLC ("WWNZ"). WWNZ owns a twenty five percent (25%) interest in a New Zealand company known as the Quay Park Arena Management Trust ("QPAM"). QPAM is the legal owner of a valuable lease to manage and operate the Quay Park Arena, a modern 12,000 seat facility in Auckland, New Zealand. The remaining seventy five (75%) percent interest in QPAM is held by Jacobsen Venue Management New Zealand, Ltd. and Jacobson F.T. Pty, Ltd. (the "Jacobson Parties"). Quay Park Arena is a world class multi-use indoor sports and entertainment arena. It is now known as the "Vector Arena." As of 2008, WWNZ had invested approximately \$3.5 million in QPAM.

Prior to the Receiver's appointment, WWNZ commenced litigation against the Jacobsen Parties alleging, among other things, that they diverted partnership assets for their own use. When the receivership was commenced, the Jacobsen Parties asserted that there was a change in control of WWNZ that triggered their right of first refusal to purchase WWNZ's interest in QPAM. A dispute soon developed between the Receiver and the Jacobsen Parties as to the process to be used to value WWNZ's interest. The Jacobsen Parties took the unreasonable position that they had the unilateral right to value WWNZ's interest. After nearly four years of litigating over this issue, with numerous hearings and appeals, the High Court of New Zealand handed down a decision in favor of WWNZ which included 5 years of interest. Essentially, the High Court of New Zealand stated that the Jacobsen Parties do not have the unilateral right to value WWNZ's interest.

Update: The Successors in interest to the Jacobsen Parties paid the Receiver the undisputed portion of the High Court's ruling, but appealed to the Court of Appeal certain portions of the ruling primarily related to the interest awarded to WWNZ. The Court of Appeal reduced the amount of interest awarded. WWNZ has sought leave to appeal to the Supreme Court from the decision of the Court of Appeal. The Receiver will report on the outcome of this application for leave to appeal when it is concluded.

2. Jacksonville Property

In January 2003, Worldwide purchased 49.6 acres of land just off of I-95 near Route 16 between Jacksonville and St. Augustine, Florida, with the intent of building an amphitheater on the property (the "Jacksonville Property"). The Jacksonville Property is highly visible from I-95, a major interstate highway.

The Jacksonville Property was originally purchased for \$1.5 million; however, due to the downturn in the Florida market for raw-land, the Receiver is unsure of the current value of the Jacksonville Property. There is no mortgage on the Jacksonville Property and the costs of holding the property are minimal. Accordingly, the Receiver, with the advice of his Investor Advisory Panel, decided not to aggressively market the Jacksonville Property for sale, but to "mothball" the property in hopes that the market will recover.

Update: The Receiver is in the process of marketing this property. The market for vacant land in this area has improved, but is still "soft." The Receiver has reduced the price for this land to \$1.1 million. The Receiver is hopeful that the property will be sold within the next year.

3. Life Insurance Policies

At the commencement of the receivership, the Receiver learned that Utsick owned

several life insurance policies with a combined death benefit of \$54.2 million¹. Three of the active policies are Universal Life policies totaling \$27 million in death benefits and list TEGFI as the beneficiary. There is one additional active Universal Life policy with a face amount of \$15 million and listed Jack Utsick's personal trust as beneficiary. The remaining two active policies are Term policies having a combined death benefit of \$12 million. These two policies previously listed Utsick's girlfriend, Jennifer Homan, and Utsick's estate as the beneficiary; however, Utsick subsequently assigned the policies to the Receiver on behalf of Worldwide. The premiums for all of the active policies are approximately \$700,000 per year.

Update: Based on recently learned information that Utsick has been arrested in Brazil and is awaiting extradition back to the United States, the Receiver, with the guidance of the Investor Advisory Panel, has decided to continue to pay the insurance premiums as it is the belief that this affords the best opportunity for an additional significant recovery versus the minimal distribution that would be made to investors from the funds on hand. The Receiver has enough funds on hand to continue to pay the insurance premiums for another few years. Moreover, the Receiver is also exploring the possibility of placing the insurance policies in a trust allowing those investors that wish to continue to pay for the premiums the option of participating as trust beneficiaries provided they pay their pro-rata share of the premiums. As a condition of this, the Receiver will require that the Trust reimburse the estate for the premiums it has paid to date in

¹ The Receiver uncovered nine policies altogether, however, three (3) of the policies had lapsed prior to his discovery of same. The remaining six active policies consist of \$54 million in death benefits.

the event Utsick dies and the policies pay off.

Dated: October 4, 2013

Respectfully Submitted,

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By: /s/ Michael I. Goldberg
Michael I. Goldberg, Receiver
Florida Bar Number: 886602

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of October 2013, I electronically filed the foregoing *Redacted* Report with the Clerk of the Court by using the CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notice of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronic notices.

/s/ Michael I. Goldberg, Receiver