

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

CASE NO.: 06-20975-CIV-HUCK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendants.

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

The Receiver, Michael I. Goldberg ("Receiver"), by and through undersigned counsel, files his Fourteenth Report on the Condition of the Receivership Entities.

This report is filed pursuant to the *Order Appointing Receiver* [ECF No. 12] dated April 20, 2006. Detailed background information on the Receivership Entities is more fully described in the *Receiver's Initial Report* filed on March 1, 2006, and subsequent status reports filed in this case. Copies of the status reports and certain of the court papers are available for review on the Receiver's website at www.entertainmentgroupinfo.com.

A. Matters Still Being Administered by the Receiver

1. Life Insurance Policies

During his administration of the receivership assets, the Receiver learned that Jack Utsick ("Utsick") owned nine life insurance policies with a combined death benefit of \$54.5 million,

however, three of the policies had lapsed prior to his discovery of same. The Receiver paid the premiums for the remaining six policies until the premiums for three of the policies increased to amounts which were prohibitively expensive to maintain, forcing the Receiver to abandon those policies. The Receiver continues to maintain the three policies listed below:

Company Name	Policy Type	Face Amount	Monthly Premium	Current Status
John Hancock	Universal Life	\$ 2,000,000	\$ 4,010.00	Active
TransAmerica	Term	\$ 2,000,000	\$ 3,473.92*	Active
Brighthouse Financial f/k/a MetLife	Universal Life	\$15,000,000	\$50,870.96 **	Active
Total of 3 Active Policies		\$19,000,000	\$58,354.88	
<p>* According to the policy illustration, this policy will expire on 6/25/2020. ** The monthly premiums for this policy increased from \$23,087.78 to \$50,870.96 in May 2019 as the cash accumulation in the policy previously used to reduce the monthly cost of insurance was exhausted.</p>				

The premiums for the active policies are currently \$58,354.88 per month. As of this date, the Receiver holds approximately \$1,075,000 million in trust. If the Receiver were to distribute these funds to the victims, taking into account outstanding expenses and cost to make a distribution and close the estate, the average distribution any individual investor would receive is *di minimis*.

The Receiver, based on the past guidance and advice of the Investor Advisory Panel, has continued to pay the remaining 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 intends to use the funds on hand to continue to pay the insurance premiums.

The Receiver continues to informally market the policies for sale and continues to update relevant information for the sale of the policies. However, without Utsick's full cooperation,

including his agreement to sit for a physical examination, the Receiver has been unable to sell the insurance policies. The Receiver shall continue to pay the premiums with the funds on hand until they are exhausted, after which the policies will lapse.

2. Administration of Settlement Funds

On November 10, 2008, the Court approved the Receiver's settlement with the Estate of Sheri DiSalvo, et al. [DE 322]. Through this settlement, a brokerage account at Comerica was turned over to the Receiver. The account holds various asset-backed securities and accumulates cash which have been liquidating over time. The Receiver continues to administer this account and receives monthly dividend payments approximately less than \$1,000 a month. The value of the account as of January, 2020, was \$100,981.05.

B. Jack Utsick

On April 6, 2010, the United States Attorney for the Southern District of Florida ("U.S. Attorney") filed an Indictment against Utsick in the criminal case *United States v. Utsick*, Case No. 10-20242 (the "Criminal Case"). The Indictment charged Utsick with mail fraud and money laundering. A jury trial was scheduled to take place on May 3, 2016, however Utsick agreed to plead guilty to one count of mail fraud. At the conclusion of the Sentencing Hearing, on October 5, 2016, the judge in the Criminal Case issued a Judgment committing Utsick to a jail term of 220 months and ordered Utsick to pay restitution in the amount of \$169,177,338.¹ Utsick remains in jail, serving his sentence.

Utsick appealed the Judgment to the United States Court of Appeals for the Eleventh Circuit, Case No. 16-16505 (the "Appeal"). There has been little progress in the Appeal. Utsick originally filed a motion to proceed *in forma pauperis* seeking the appointment of an attorney to

¹ Upon the request of the U.S. Attorney and over Utsick's objection, the judge in the Criminal Case entered an order authorizing a continuing Writ of Garnishment ("Writ") to Transworld Airlines, Inc. to garnish a portion of Utsick's monthly airline pension/disability of \$1,887.59 and apply the garnished funds to the restitution.

represent him in the appeal and for transcripts of the trial, at the government's expense, but Utsick later withdrew his motion and obtained a private attorney. The transcript of the Sentencing Hearing was filed in January 2019, triggering a schedule for the parties to file their appellate briefs. However, Utsick has requested and received multiple extensions of time to file his initial brief, currently through March 13, 2020.

C. RECEIVER'S PLANNED COURSE OF ACTION

The receivership estate is essentially fully administered but for the insurance policies. The Receiver intends to continue to pay the premiums on the remaining policies for as long as he can until the policies lapse for non-payment. After the Receiver has administered the remaining assets of the Receivership Entities, he intends to fully close the Receivership Estate, with the Court retaining jurisdiction to determine any issues that may arise.

Dated: March 3, 2020

Respectfully submitted,

/s/ Michael I. Goldberg

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by CM/ECF on March 3, 2020 on all counsel or parties of record on the Service List below.

By: /s/ Michael I. Goldberg
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