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SEAMAN, Court-Appointed Receiver

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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 DIGITAL ALTITUDE LLC, a
17 Delaware limited liability company;
DIGITAL ALTITUDE LIMITED,
18 United Kingdom company; ASPIRE
PROCESSING LLC, a Nevada limited
19 liability company; ASPIRE
PROCESSING LIMITED, a United
20 Kingdom company; ASPIRE
VENTURES LTD., a United Kingdom
21 company; DISC ENTERPRISES INC.,
a Nevada corporation; RISE SYSTEMS
22 & ENTERPRISE LLC, a Utah limited
liability company; RISE SYSTEMS &
23 ENTERPRISE LLC, a Nevada limited
liability company; SOAR
24 INTERNATIONAL LIMITED
LIABILITY COMPANY, a Utah
25 limited liability company; THE
UPSIDE, LLC, a California limited
26 liability company; THERMOGRAPHY
FOR LIFE, LLC, also d/b/a LIVING
27 EXCEPTIONALLY, INC., a Texas
limited liability company; MICHAEL
28 FORCE, individually and as an officer,

Case No.: 2:18-cv-00729 JAK-MRW

Assigned to Hon. John A. Kronstadt

**RECEIVER'S NOTICE OF
MOTION AND MOTION TO
DISCHARGE RECEIVER,
APPROVE RECEIVER'S FINAL
ACCOUNT AND REPORT,
APPROVE RECEIVER
DISTRIBUTION OF FUNDS, AND
DISCHARGE RECEIVER;
MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT THEREOF**

Hearing:

Date: June 15, 2020
Time: 8:30 a.m.
Loc.: 350 W. First Street
Los Angeles, CA 90012
Ctrm: 10B

1 member and/or manager of Digital)
 Altitude LLC and Soar International)
 2 Limited Liability Company; MARY)
 DEE, individually and as an officer,)
 3 member and/or manager of Digital)
 Altitude LLC, Digital Altitude Limited,)
 4 Aspire Processing LLC, RISE Systems)
 & Enterprise LLC, The Upside, LLC,)
 5 and Thermography for Life, LLC;)
 MORGAN JOHNSON, individually and)
 6 as an officer, member and/or manager of)
 Digital Altitude LLC and RISE Systems)
 7 & Enterprise LLC; ALAN MOORE,)
 individually and as an officer, member)
 8 and/or manager of Digital Altitude LLC)
 and Aspire Processing Limited; and)
 9 SEAN BROWN, individually and as an)
 officer, member and/or manager of)
 10 Aspire Processing LLC, Disc)
 Enterprises Inc. and RISE Systems &)
 11 Enterprise LLC,)
 12 Defendants.)
 13 _____)
 14)
 15)
 16)
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1 **TO THIS COURT, ALL PARTIES, AND THEIR ATTORNEYS OF**
2 **RECORD:**

3 **PLEASE TAKE NOTICE THAT**, on June 15, 2020, at 8:30 a.m., or as soon
4 thereafter as this matter may be heard in Courtroom 10B of the above-titled Court,
5 located at 350 W. First Street Los Angeles, CA 90012, the Honorable John A.
6 Kronstadt presiding, Thomas A. Seaman, the Court-appointed receiver (“Receiver”)
7 for defendants Digital Altitude, LLC (“DA”), Digital Altitude Limited; Aspire
8 Processing LLC; Aspire Processing Limited; Aspire Ventures Ltd; Disc Enterprises
9 Inc.; RISE Systems & Enterprise LLC (Utah); RISE Systems & Enterprise LLC
10 (Nevada); Soar International Limited Liability Company; The Upside, LLC;
11 Thermography for Life, LLC, d/b/a Living Exceptionally, Inc., and each of their
12 subsidiaries, affiliates, successors, and assigns (the “Receivership Entities”), will
13 and hereby does bring this Motion To Approve Receiver’s Final Account and
14 Report, Approve Receiver’s Distribution of Funds, and Discharge Receiver (this
15 “Motion”).

16 The purposes of Receiver’s appointment are essentially complete. Receiver
17 brings this Motion to close out his receivership while requesting standard relief
18 including this Court’s approval of Receiver’s Final Account and Report (as
19 contained in this Motion), permitting Receiver to make final distributions of
20 receivership funds (including the payment of remaining professional fees for
21 Receiver and his counsel, and the remittance of remaining fees to the Federal Trade
22 Commission, the party which sought Receiver’s appointment and will be
23 responsible for the distribution of remaining receivership funds to aggrieved
24 consumers of the Receivership Entities), and for the Receiver’s final discharge.
25 Concurrently with this Motion, Receiver and his counsel are requesting by separate
26 application and motion, respectively, approval for receiver to pay remaining and
27 outstanding professional fees.

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1 Prior to bringing this Motion, Receiver met and conferred with the FTC
2 concerning the relief to be sought by this Motion. As a result of such meet and
3 confer, Receiver expects that the FTC will file a forthcoming Notice of Non-
4 Opposition concerning the relief sought by this Motion.

5 This Motion will be, and is, based upon this Notice of Motion and Motion, the
6 concurrently filed Memorandum of Points and Authorities in support hereof, the
7 Final Account and Report of Receiver contained in this Motion, the pleadings and
8 records on file, and such further evidence as may be presented to the Court at the
9 hearing on this Motion.

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Dated: March 11, 2020

LOEB & LOEB LLP
LANCE N. JURICH
BENJAMIN R. KING

By: /s/ Benjamin R. King
Benjamin R. King

Attorneys for THOMAS A. SEAMAN,
Court-Appointed Receiver

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 Thomas A. Seaman, the Court-appointed Receiver (“Receiver”) for
3 defendants Digital Altitude, LLC, Digital Altitude Limited; Aspire Processing LLC;
4 Aspire Processing Limited; Aspire Ventures Ltd; Disc Enterprises Inc.; RISE
5 Systems & Enterprise LLC (Utah); RISE Systems & Enterprise LLC (Nevada); Soar
6 International Limited Liability Company; The Upside, LLC; Thermography for
7 Life, LLC, d/b/a Living Exceptionally, Inc., and each of their subsidiaries, affiliates,
8 successors, and assigns (the “Receivership Entities”), respectfully submits this
9 Memorandum of Points and Authorities in support of Receiver’s Motion To
10 Approve Receiver’s Final Account and Report, Approve Receiver’s Distribution of
11 Funds, and Discharge Receiver (the “Motion”) (this “Memorandum”). This
12 Memorandum also contains Receiver’s Final Account and Report to inform this
13 Court of the final status of this receivership.

14 **I. INTRODUCTION AND PROCEDURAL BACKGROUND**

15 Plaintiff Federal Trade Commission (“FTC”) filed the above-captioned
16 action, under seal, on January 29, 2018. On Thursday, February 1, 2018, this Court
17 entered its “*Ex Parte* Temporary Restraining Order With Asset Freeze, Appointment
18 of Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why
19 a Preliminary Injunction Should Not Issue” (the “TRO”). On March 9, 2018 the
20 Court issued a Preliminary Injunction and continued the receivership. The Receiver
21 filed his Receiver’s First Report on March 1, 2018 which provided an accounting
22 through February 28, 2018. The Receiver’s Second Report was filed on June 22,
23 2018. The Receiver’s Third Report was filed October 25, 2018. The Receiver’s
24 Fourth Report was filed February 6, 2019. This Court entered stipulated Permanent
25 Injunctions and Monetary Judgements against Michael Force and Mary Dee on
26 March 4, 2019. The Receiver’s Fifth Report was filed on or around August 20,
27 2019. Therefore, this Final Report covers the period from July 31, 2019 through
28 January 31, 2020 (“the Reporting Period”).

1 **II. FINAL ACCOUNT AND REPORT**

2 **A. Frozen Funds:** As previously reported, the Receiver took possession
3 of the Receivership Entities' frozen funds in accordance with the TRO and
4 Preliminary Injunction. A number of bank accounts of the Receivership Entities
5 were frozen upon entry of the TRO. Based upon information gathered from Digital
6 Altitude's digital books and records, the Receiver identified additional non-named
7 parties and took actions to freeze their bank accounts. On February 28, 2018, the
8 Receiver filed his "Notice of Identification of Nonparties as Receivership Parties
9 pursuant to Temporary Restraining Order." [See Docket # 82]. No additional
10 accounts were identified, nor were any funds received from previously frozen
11 accounts during the Reporting Period. For the duration of the receivership Through
12 July 31, 2019, the Receiver has taken possession of \$2,009,540.33 on hand in frozen
13 accounts.

14 **B. Merchant Account Payment Processors:** Most of Digital Altitude's
15 customers paid their fees with a credit card and Digital Altitude used a very large
16 network of merchant accounts to facilitate the payment of members' fees. The
17 Receiver provided notice of this Court's Freeze Order and TRO to known merchant
18 account processors and instructed them that charge-backs requested by cardholders
19 cannot be paid from the reserves in these accounts. The Receiver had been
20 attempting to collect funds and records from Paypal who appears to hold
21 approximately \$46,000. Paypal did not cooperate and informed the Receiver that it
22 would only deal with the FTC. Accordingly, the Receiver referred the matter to the
23 FTC.

24 **C. Release of Funds to Individual Defendants:** In accordance with this
25 Court's prior Orders the Receiver authorized the release of frozen funds to Four
26 Defendants – Alan Moore, Mary Dee, Michael Force, and Sean Brown during prior
27 reporting periods. The Court issued an order granting the FTC's motion to
28 terminate the release of frozen funds for living expenses of Defendants and the

1 remaining cash, \$27,138.29 in Force's account and \$8,316.90 in Dee's accounts,
2 was distributed to the FTC in accordance with Monetary Judgements entered by the
3 Court.

4 **D. Additional assets.** The Receiver is informed that Digital Altitude
5 made a clerical error and overpaid \$515,000 to an individual named John Souza on
6 behalf of his company, Paradise Media Ventures, LLC ("PMV"), in connection with
7 a purported settled contractual dispute. PMV was apparently to have been paid
8 \$600,000 in settlement, but according to the Receiver's calculations received
9 \$1,105,000 in settlement payments plus \$10,000 in settlement-related overpayments.
10 The Receiver demanded return of the funds, but Mr. Souza, PMV's principal
11 (through his counsel) disputed the Receiver's demand and the Receiver filed a
12 motion to compel turnover which this Court denied (determining that the matter was
13 subject to legitimate dispute). The Receiver also sought, and was granted, authority
14 to be reappointed to allow the Receiver to give notice of his appointment in Georgia
15 for purposes of pursuing litigation there against PMV. The Receiver made repeated
16 attempts to settle the matter both before and after the turnover motion was brought
17 and denied, but to no avail. In the course of those efforts, Receiver prepared a
18 Complaint for filing in the State court in Georgia, and presented it to counsel for
19 PMV. However, after conducting an extensive cost-benefit analysis with respect to
20 bringing the litigation, without any engagement at all from PMV concerning its
21 willingness to discuss potential settlement, and without waiver of any rights or
22 interests any of the Receivership Entities may have with respect to the matter, the
23 Receiver has determined that it is not in the best interests of the receivership estate
24 to move forward with litigation in Georgia against PMV.

25 **E. Falcon shares.** In connection with the Monetary Judgment against
26 defendant Alan Moore, Mr. Moore has tendered 314,000 shares of Falcon Oil & Gas
27 Limited, an Irish company that trades on the Canadian stock exchange ("Falcon
28 shares"). The shares appear to be illiquid and not of significant value. The

1 Receiver’s efforts to monetize the shares have been unsuccessful to date, however
2 these efforts continue. Given that this is the only remaining asset, and its
3 prospective limited value, the Receiver, does not believe it is in the best interests of
4 the receivership estate as a whole to hold the receivership open and delay
5 distribution of the receivership funds to the FTC for payment of consumer redress
6 until those shares can be monetized. The Receiver has accrued \$880 in receiver fees
7 in his final fee application filed herewith to cover the Receiver’s fees associated
8 with monetizing the Falcon shares. In addition, the Receiver requests approval to
9 turn over any funds received from the sale of the shares to the FTC once those funds
10 come in.

11 **III. ACCOUNTING**

12 Attached collectively as **Exhibit A** to this Final Report is a Profit and Loss
13 Statement and Balance Sheet and SFAR for the receivership for the Reporting
14 Period and from its inception through January 31, 2020. The total receipts during
15 the Reporting Period were \$7,726.17, comprised entirely of interest income on
16 excess funds invested by the Receiver in U.S. Treasury securities. The surplus cash
17 will continue to earn interest until this Court orders it distributed. Inception-to-date
18 gross receipts are \$2,126,333.24, which includes \$36,048 in funds received from
19 consumers following the TRO. The Receiver has established a liability for this
20 amount on the receivership balance sheet, should the Court order these funds
21 returned to consumers in the future. From inception-to-date, the Receiver has
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1 disbursed \$443,544.08. The Receiver is holding total cash in the amount of
 2 \$1,682,789.16 as of February 7, 2020.

3 **IV. PROFESSIONAL FEES**

4 The Receiver’s fees for the reporting period were \$42,779.50. The total
 5 receiver fees for the duration of the receivership are \$250,213 and are 13% of the
 6 gross receipts to the estate.

7 The Receiver and his counsel filed their third fee applications on August 15,
 8 2019 with a hearing date of November 18, 2019 for the period from October 1, 2018
 9 through July 31, 2019 in the amount of \$29,758 and \$89,056.72 respectively. No
 10 objections were received. The Court vacated the hearing date in November 2019
 11 and, as of the submission of this Motion, the applications fees remain under
 12 submission. The Receiver’s request to pay the surplus over to the FTC, discussed in
 13 further detail below, assumes that Court will authorize these pending fees to be paid
 14 in full or in such amount as this Court deems proper.

15 **V. Distribution of Surplus.** Receiver is currently holding cash in the amount
 16 of \$1,682,789.16. Provided that the Court approves of the professional fees
 17 requested by the Receiver and his counsel in their pending Third, and Final, Fee
 18 Applications, there will be a surplus of \$1,488,296.78. More specifically, the
 19 surplus may be calculated as follows:

20	Cash on hand	1,682,789.16
21	Receiver pending fee	
22	app	(29,758.00)
23	Loeb & Loeb pending	
24	fee app	(89,056.72)
25	Receiver Final Fee	
26	App	(41,899.50)
27	Loeb & Loeb Final Fee	
28	App	(33,778.16)
	<hr/>	
	Cash available	
	distribution	1,488,296.78

1 The Receiver requests an Order authorizing the Receiver to pay the remaining
2 surplus to the FTC for subsequent redress to consumers. The Receiver also seeks an
3 Order directing him to pay to the FTC any funds that come into the possession of the
4 Receiver following the filing of this Final Account, including but not limited to the
5 proceeds of the Falcon shares and interest income.


6 Wherefore, the Receiver requests an Order: (1) approving the Receiver's
7 Final Account and Report contained herein; (2) ratifying and confirming the
8 Receiver's actions on behalf of the receivership estate; (3) approving the
9 professional fees of the Receiver and his counsel as set forth above and in the
10 concurrently filed Fee Applications; and (4) authorizing the Receiver to pay
11 \$1,488,296.78 to the FTC for purposes of consumer redress; (5) authorizing the
12 Receiver to turn over to the FTC any funds collected by the Receiver following this
13 Court's ruling on this Motion; and (6) discharging Receiver subject to the foregoing
14 relief.

15 Dated: March 11, 2020

THOMAS A. SEAMAN,
RECEIVER

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By: 
THOMAS A. SEAMAN

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20 Dated: March 11, 2020

LOEB & LOEB LLP
LANCE N. JURICH
BENJAMIN R. KING

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By: /s/ Benjamin R. King
Benjamin R. King
Attorneys for THOMAS A. SEAMAN,
Court-Appointed Receiver

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EXHIBIT A

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02/03/20

Accrual Basis

Digital Altitude LLC in Receivership

Balance Sheet

As of January 31, 2020

	<u>Jan 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo Operating 4499	124,709.53
Wells Fargo Treasury Acct 6054	1,560,754.69
Total Checking/Savings	<u>1,685,464.22</u>
Total Current Assets	<u>1,685,464.22</u>
TOTAL ASSETS	<u>1,685,464.22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Post TRO Consumer Payments	36,048.00
Total Other Current Liabilities	<u>36,048.00</u>
Total Current Liabilities	<u>36,048.00</u>
Total Liabilities	36,048.00
Equity	
Retained Earnings	1,676,342.66
Net Income	<u>-26,926.44</u>
Total Equity	<u>1,649,416.22</u>
TOTAL LIABILITIES & EQUITY	<u>1,685,464.22</u>

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02/03/20

Accrual Basis

Digital Altitude LLC in Receivership

Profit & Loss

August 2019 through January 2020

	<u>Aug '19 - Jan 20</u>
Ordinary Income/Expense	
Expense	
Bank Service Charges	71.83
Computer and Internet Expenses	18,535.48
Outside Services	
Document Reproduction	53.90
Postage & Delivery	39.76
Total Outside Services	<u>93.66</u>
Professional Fees	
Tax Accountants	17,406.85
Total Professional Fees	<u>17,406.85</u>
Total Expense	<u>36,107.82</u>
Net Ordinary Income	-36,107.82
Other Income/Expense	
Other Income	
Interest Income	7,726.17
Total Other Income	<u>7,726.17</u>
Net Other Income	<u>7,726.17</u>
Net Income	<u><u>-28,381.65</u></u>

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02/03/20

Accrual Basis

Digital Altitude LLC in Receivership

Profit & Loss

As of January 31, 2020

	<u>Jan 31, 20</u>
Ordinary Income/Expense	
Income	
Sale of Personal Property	59,990.22
Turnover/Seizure	2,009,540.33
Total Income	<u>2,069,530.55</u>
Expense	
Bank Service Charges	150.58
Computer and Internet Expenses	50,817.60
Outside Services	
Document Reproduction	764.66
Misc Services	521.00
Postage & Delivery	1,620.99
Total Outside Services	<u>2,906.65</u>
Professional Fees	
Receiver's Counsel Costs	329.89
Receiver's Counsel Fees	132,091.51
Receiver's IT Consultant Costs	1,154.32
Receiver's IT Consultant Fees	8,150.50
Receiver Fees	207,434.00
Tax Accountants	34,406.85
Total Professional Fees	<u>383,567.07</u>
Travel Expense	3,427.12
Total Expense	<u>440,869.02</u>
Net Ordinary Income	1,628,661.53
Other Income/Expense	
Other Income	
Interest Income	20,754.69
Total Other Income	<u>20,754.69</u>
Net Other Income	<u>20,754.69</u>
Net Income	<u><u>1,649,416.22</u></u>

4:12 PM

Digital Altitude LLC in Receivership

General Ledger

As of January 31, 2020

02/03/20

Accrual Basis

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Wells Fargo Operating 4499								
Check	8/29/2019	1019	JPMorgan Chase	File SB1054996...	Document Reproduction		6.00	100,817.35
Check	9/4/2019	1020	Matthew Flahive	AWS Reimburs...	Bank Service Charges		25.58	100,811.35
Check	9/10/2019	1021	The Dolins Group	Per Agreement	Tax Accountants		9,000.00	100,785.77
Check	9/13/2019			Service Charge	Bank Service Charges		0.59	91,785.18
Check	10/3/2019	1022	Unishippers	Account UL102...	Postage & Delivery		39.76	91,745.42
Check	10/13/2019			Service Charge	Bank Service Charges		3.40	91,742.02
Transfer	10/31/2019			Funds Transfer	Wells Fargo Treasury A...	60,000.00		151,742.02
Check	11/13/2019			Service Charge	Bank Service Charges		10.28	151,731.74
Check	12/11/2019	Debit	Wells Fargo Bank		Bank Service Charges		16.41	151,715.33
Check	1/13/2020			Service Charge	Bank Service Charges		15.57	151,699.76
Check	1/28/2020		Clifford Larsen Alle...	Account 097-10...	Tax Accountants		3,406.85	148,292.91
Check	1/29/2020	1023	Thomas Seaman C...	Q3&Q4-2019 R...	-SPLIT-		18,583.38	129,709.53
Check	1/29/2020		Clifford Larsen Alle...	2019 Tax Prepe...	Tax Accountants		3,000.00	126,709.53
Check	1/29/2020		Clifford Larsen Alle...	2020 Tax Prepe...	Tax Accountants		2,000.00	124,709.53
Total Wells Fargo Operating 4499						60,000.00	36,107.82	124,709.53
Wells Fargo Treasury Acct 6054								
Deposit	8/31/2019			Deposit	Interest Income	946.76		1,613,028.52
Deposit	9/30/2019			Deposit	Interest Income	1,863.84		1,613,975.28
Transfer	10/31/2019			Funds Transfer	Wells Fargo Operating ...		60,000.00	1,615,839.12
Deposit	10/31/2019			Deposit	Interest Income	1,799.44		1,555,839.12
Deposit	11/30/2019			Deposit	Interest Income	1,417.11		1,557,638.56
Deposit	12/31/2019			Deposit	Interest Income	1,619.66		1,559,055.67
Deposit	1/31/2020			Deposit	Interest Income	79.36		1,560,675.33
Total Wells Fargo Treasury Acct 6054						7,726.17	60,000.00	1,560,754.69
Accounts Receivable								
Total Accounts Receivable								
Undeposited Funds								
Total Undeposited Funds								
Accumulated Depreciation								
Total Accumulated Depreciation								
Furniture and Equipment								
Total Furniture and Equipment								
Accounts Payable								
Total Accounts Payable								
Payroll Liabilities								
Total Payroll Liabilities								
Post TRO Consumer Payments								
Total Post TRO Consumer Payments								
Opening Balance Equity								
Total Opening Balance Equity								
Retained Earnings								
	Closing E...	12/31/2019				1,455.21		-1,677,797.87
Total Retained Earnings						1,455.21	0.00	-1,676,342.66
Sale of Personal Property								
Total Sale of Personal Property								
Turnover/Seizure								
Total Turnover/Seizure								
Advertising and Promotion								
Total Advertising and Promotion								
Automobile Expense								
Total Automobile Expense								
Bank Service Charges								
	Check	1/13/2020		Service Charge	Wells Fargo Operating ...	15.57		0.00
Total Bank Service Charges						15.57	0.00	15.57
Computer and Internet Expenses								
	Check	1/29/2020	1023	Thomas Seaman C...	Monthly Google...	11,760.00		0.00
	Check	1/29/2020	1023	Thomas Seaman C...	July 2019 - Jan ...	5,712.00		11,760.00
	Check	1/29/2020	1023	Thomas Seaman C...	Network Solutio...	1,063.48		17,472.00
Total Computer and Internet Expenses						18,535.48	0.00	18,535.48

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Digital Altitude LLC in Receivership

General Ledger

As of January 31, 2020

02/03/20

Accrual Basis

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Depreciation Expense								0.00
Total Depreciation Expense								0.00
Insurance Expense								0.00
Total Insurance Expense								0.00
Interest Expense								0.00
Total Interest Expense								0.00
Meals and Entertainment								0.00
Total Meals and Entertainment								0.00
Office Supplies								0.00
Total Office Supplies								0.00
Outside Services								0.00
Document Reproduction								0.00
Check	1/29/2020	1023	Thomas Seaman C...	PACER Court F...	Wells Fargo Operating ...	47.90		47.90
Total Document Reproduction						47.90	0.00	47.90
Misc Services								0.00
Total Misc Services								0.00
Postage & Delivery								0.00
Total Postage & Delivery								0.00
Outside Services - Other								0.00
Total Outside Services - Other								0.00
Total Outside Services						47.90	0.00	47.90
Payroll Expenses								0.00
Total Payroll Expenses								0.00
Professional Fees								0.00
Receiver's Counsel Costs								0.00
Total Receiver's Counsel Costs								0.00
Receiver's Counsel Fees								0.00
Total Receiver's Counsel Fees								0.00
Receiver's IT Consultant Costs								0.00
Total Receiver's IT Consultant Costs								0.00
Receiver's IT Consultant Fees								0.00
Total Receiver's IT Consultant Fees								0.00
Receiver Fees								0.00
Total Receiver Fees								0.00
Tax Accountants								0.00
Check	1/28/2020		Clifford Larsen Alle...	2018 QSF Tax ...	Wells Fargo Operating ...	3,406.85		3,406.85
Check	1/29/2020		Clifford Larsen Alle...	2019 QSF Tax ...	Wells Fargo Operating ...	3,000.00		6,406.85
Check	1/29/2020		Clifford Larsen Alle...	2020 QSF Tax ...	Wells Fargo Operating ...	2,000.00		8,406.85
Total Tax Accountants						8,406.85	0.00	8,406.85
Professional Fees - Other								0.00
Total Professional Fees - Other								0.00
Total Professional Fees						8,406.85	0.00	8,406.85
Rent Expense								0.00
Total Rent Expense								0.00
Repairs and Maintenance								0.00
Total Repairs and Maintenance								0.00
Telephone Expense								0.00
Total Telephone Expense								0.00
Travel Expense								0.00
Total Travel Expense								0.00
Utilities								0.00
Total Utilities								0.00

4:12 PM

02/03/20

Accrual Basis

Digital Altitude LLC in Receivership

General Ledger

As of January 31, 2020

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Interest Income								0.00
Deposit	1/31/2020			Deposit	Wells Fargo Treasury A...		79.36	-79.36
Total Interest Income						0.00	79.36	-79.36
Ask My Accountant								0.00
Total Ask My Accountant								0.00
No acct								0.00
Total no acct								0.00
TOTAL						96,187.18	96,187.18	0.00

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 FTC v. Digital Altitude, LLC, et al
 Reporting Period 08/01/2019 to 01/31/2020

FUND ACCOUNTING (See instructions):			
	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Line 1	Beginning Balance (07/31/2019):	1,713,846	1,713,846
	<i>Increases in Fund Balance:</i>		
Line 2	Business Income		-
Line 3	Cash and Securities		-
Line 4	Interest/Dividend Income	7,726	7,726
Line 5	Business Asset Liquidation		-
Line 6	Personal Asset Liquidation		-
Line 7	Third-Party Litigation Income		-
Line 8	Miscellaneous - Other		-
	Total Funds Available (Lines 1 - 8):	1,721,572	1,721,572
	<i>Decreases in Fund Balance:</i>		
Line 9	Disbursements to Consumers	-	-
Line 10	Disbursements to Receivership Operations		
Line 10a	Disbursement to Receiver or Other Professionals	(17,407)	(17,407)
Line 10b	Business Asset Expenses	(18,701)	(18,701)
Line 10c	Personal Asset Expenses	-	-
Line 10d	Investment Expenses	-	-
Line 10e	Third-Party Litigation Expenses		
	1. Attorney Fees	-	-
	2. Litigation Expenses	-	-
	Total Third-Party Litigation Expenses	-	-
Line 10f	Tax Administrator Fees and Bonds	-	-
Line 10g	Federal and State Tax Payments		
	Total Disbursements for Receivership Operations		(36,108)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:		
Line 11a	Distribution Plan Development Expenses:		
	1. Fees:		
	Fund Administrator.....	-	-
	Independent Distribution Consultant (IDC)..	-	-
	Distribution Agent.....	-	-
	Consultants.....	-	-
	Legal Advisors.....	-	-
	Tax Advisors.....	-	-
	2. Administrative Expenses	-	-
	3. Miscellaneous	-	-
	Total Plan Developmental Expenses		-
Line 11b	Distribution Plan Implementation Expenses:		
	1. Fees:		
	Fund Administrator.....	-	-
	IDC.....	-	-
	Distribution Agent.....	-	-
	Consultants.....	-	-
	Legal Advisors.....	-	-
	Tax Advisors.....	-	-
	2. Administrative Expenses	-	-
	3. Investor Identification:		
	Notice/Publishing Approved Plan.....	-	-
	Claimant Identification.....	-	-
	Claims Processing.....	-	-
	Web Site Maintenance/Call Center.....	-	-
	4. Fund Administrator Bond	-	-
	5. Miscellaneous	-	-
	6. Federal Account for Investor Restitution (FAIR) Reports Expenses	-	-
	Total Plan Implementation Expenses		-
	Total Disbursements for Distribution Expenses Paid by the Fund		-
Line 12	Disbursements to Court/Other:		
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-	-
Line 12b	Federal Tax Payments	-	-
	Total Disbursement to Court/Other:		-
	Total Funds Disbursed (Lines 9 - 11):		(36,108)
Line 13	Ending Balance (As of 01/31/2020):		1,685,464.22

STANDARDIZED FUND ACCOUNTING REPORT for Digital Altitude Receivership

FTC v. Digital Altitude, LLC, et al
7594

Reporting Period 08/01/2019 to 01/31/2020

Line 14	Ending Balance of Fund - Net Assets:		
<i>Line 14a</i>	<i>Cash & Cash Equivalents</i>		1,685,464
<i>Line 14b</i>	<i>Investments</i>		-
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>		-
	Total Ending Balance of Fund - Net Assets		1,685,464

OTHER SUPPLEMENTAL INFORMATION:			
	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<i>Report of Items NOT to be Paid by the Fund:</i>			
Line 15	Disbursement for Plan Administration Expenses Not Paid by the Fund:		
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund:</i>		
	1. Fees:		
	Fund Administrator.....	-	-
	IDC.....	-	-
	Distribution Agent.....	-	-
	Consultants.....	-	-
	Legal Advisors.....	-	-
	Tax Advisors.....	-	-
	2. Administrative Expenses	-	-
	3. Miscellaneous	-	-
	Total Plan Developmental Expenses Not Paid by the Fund		-
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund</i>		
	1. Fees:		
	Fund Administrator.....	-	-
	IDC.....	-	-
	Distribution Agent.....	-	-
	Consultants.....	-	-
	Legal Advisors.....	-	-
	Tax Advisors.....	-	-
	2. Administrative Expenses	-	-
	3. Investor Identification		
	Notice/Publishing Approved Plan.....	-	-
	Claimant Identification.....	-	-
	Claims Processing.....	-	-
	Web Site Maintenance/Call Center.....	-	-
	4. Fund Administrator Bond	-	-
	5. Miscellaneous	-	-
	6. FAIR Reporting Expenses	-	-
	Total Plan Implementation Expenses Not Paid by the Fund		-
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>		
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund		-
Line 16	Disbursements to Court/Other Not Paid by the Fund:		
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>	-	-
<i>Line 16b</i>	<i>Federal Tax Payments</i>	-	-
	Total Disbursement to Court/Other Not Paid by the Fund:		-
Line 17	DC & State Tax Payments	-	-
Line 18	No. of Claims:		
<i>Line 18a</i>	<i># of Claims Received This Reporting Period.....</i>		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund.....</i>		
Line 19	No. of Claimants/Investors:		
<i>Line 19a</i>	<i># of Claimants/Investors Paid this Reporting Period.....</i>		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund.....</i>		

Receiver:



By:

Thomas Seaman
Receiver for Digital Altitude

Date:

7-Feb-20