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THOMAS A. SEAMAN

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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **WESTERN DIVISION**

11 COMMODITY FUTURES TRADING  
COMMISSION,

12 Plaintiff,

13 v.

14 MONEX DEPOSIT COMPANY,  
15 MONEX CREDIT COMPANY,  
16 NEWPORT SERVICE  
CORPORATION, MICHAEL  
17 CARABINI, AND LOUIS  
18 CARABINI

19 Defendants.

Case No. 8:17-cv-01868-JVS-DFM

**MONITOR'S SECOND STATUS  
REPORT AND ACCOUNTING**

Ctrm.: 10 C  
Judge: Hon. James V. Selna

20  
21 **TO THE HONORABLE JAMES V. SELNA JUDGE OF THE UNITED**  
22 **STATES DISTRICT COURT IN THE WESTERN DIVISION OF THE**  
23 **CENTRAL DISTRICT, AND INTERESTED PARTIES:**

24 Thomas A. Seaman ("Monitor") the Court-appointed Monitor for the Monex  
25 Restitution Fund, hereby submits this Second Status Report and Accounting (the  
26 "Report"). The reporting period for Report is from January 1, 2024, through  
27 March 31, 2024 (the "Reporting Period").  
28

1 **STATUS OF CLAIMS PROCESS**

2 As previously reported, the Monitor initiated the claims process in early  
3 December 2023, by mailing a Notice of Bar Date and a pre-printed claim form  
4 containing the investor's loss derived from Monex' books and records. The mailing  
5 was completed on December 5, 2023.

6 There are 10,313 investors with losses in the aggregate amount of  
7 \$448,715,546. The notice and claim form were mailed to all of them. Many  
8 hundreds were returned with a forwarding address and the Monitor re-sent the  
9 notices and claim forms accordingly. To date, at least 1,644 have been returned to  
10 the Monitor with no forwarding address. The Monitor also emailed the notice and  
11 claim form to 9,730 investors, of those 1,379 were returned as undeliverable.

12 Based on the large number of returned notices and emails, and only receiving  
13 claims from approximately 40% of aggrieved investors, the Monitor extended the  
14 Bar Date from February 3, 2024 to March 29, 2024 to allow for additional efforts to  
15 reach the investors with verified losses including but not limited to airing notices on  
16 television and expanding the search engine optimization and social media  
17 campaigns. The Monitor then decided to extend the Bar Date for one short  
18 additional extension to April 15, 2024, to allow time for the additional social media  
19 campaigns and digital advertising to reach more claimants.

20 The total number of claims that have been received is currently 4,751, net of  
21 numerous duplicate claims filed both by hard copy and digitally. The Monitor has  
22 received 2,566 hard copy claim forms. These claim forms are in the process of  
23 being scanned and entered into the investor database. There are approximately 300  
24 forms remaining to be input. It appears that many investors filed both paper claims  
25 and claims on the portal.

26 To date, and net of duplicate claims, 2,185 investors have filed claims on the  
27 portal and 2,556 have filed hard copy paper claims, for a total of 4,751 claims. Of  
28 the 4,751 claims filed, 4,395 reflected the investor's agreement to the losses shown

1 on the pre-printed claim form and 126 investors filed claims in which they disputed  
2 the loss figure shown on the claim form. Collectively these disputed claims seek  
3 payment of \$9,126,160.17 more than is reflected in the company's records. The  
4 total dollar value of all claims, both those agreed to and those disputed is  
5 \$279,453,288.56. With the value of the disputed claims at the higher amount  
6 asserted by the claimant, the value of the claims grows to \$288,578,448.73. Based  
7 on the foregoing, as of April 10, 2024, the expected percentage recovery for each  
8 investor, as a percentage of the total investors claims, will be in the range of 11.4%  
9 to 11.8%.

10 Based on investor communications to date, most investors who disagree with  
11 the Monitor's calculation of their claims, appear to be including losses on trades that  
12 did not use leverage, or they failed to offset trades using leverage that resulted in  
13 gains. Several investors have changed their claim after the calculations were  
14 explained.

15  
16 **ACCOUNTING**

17 As set forth in **Exhibit A** which provides a Profit & Loss Statement, Balance  
18 Sheet and Standardized Fund Accounting Report ("SFAR"), during the Second  
19 Reporting Period, the gross receipts to the Monex Restitution Fund were  
20 \$187,634.90 and were entirely comprised of interest income. Disbursements  
21 include Court approved payments of \$87,900 to Thomas Seaman Company, the  
22 Monitor, and \$98,910.22 to Stretto for claim administration logistics and support.  
23 Disbursements also include \$156,900.38 in Public Outreach expenses comprised of  
24 \$12,652.38 for notices published in the LA Times and Wall Street Journal, \$84,248

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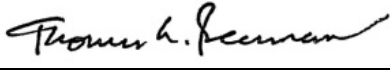
1 for television ads, and \$60,000 for social media campaigns and digital advertising.  
2 The Monitor is currently holding funds in the amount of \$33,342,301.09 as of  
3 March 31, 2024.

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Dated: April 18, 2024

Respectfully submitted,

Thomas Seaman Company

By: 

Thomas A. Seaman  
Monitor for the Monex Restitution Fund

# **EXHIBIT A**

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04/12/24

Accrual Basis

**Monex Restitution Fund**  
**Profit & Loss**  
January through March 2024

	<u>Jan - Mar 24</u>
<b>Income</b>	
Interest Income	187,634.90
<b>Total Income</b>	<u>187,634.90</u>
<b>Expense</b>	
Computer / IT Services	1,485.00
Office Supplies	45.00
Professional Fees	
Claims Administrator Fees	98,910.22
Monitor Fees	87,900.00
<b>Total Professional Fees</b>	<u>186,810.22</u>
Public Outreach	156,900.38
<b>Total Expense</b>	<u>345,240.60</u>
<b>Net Income</b>	<u><u>-157,605.70</u></u>

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04/12/24

Accrual Basis

**Monex Restitution Fund**

**Profit & Loss**

As of March 31, 2024

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	<u>Mar 31, 24</u>
<b>Income</b>	
Interest Income	691,262.69
Restitution Funds Received	33,000,000.00
	<hr/>
<b>Total Income</b>	33,691,262.69
<b>Expense</b>	
Computer / IT Services	1,485.00
Office Supplies	45.00
Professional Fees	
Accountants	2,921.00
Claims Administrator Fees	98,910.22
Monitor Fees	87,900.00
	<hr/>
<b>Total Professional Fees</b>	189,731.22
Public Outreach	156,900.38
Taxes	
State	800.00
	<hr/>
<b>Total Taxes</b>	800.00
	<hr/>
<b>Total Expense</b>	348,961.60
	<hr/>
<b>Net Income</b>	<u><u>33,342,301.09</u></u>

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04/12/24

Accrual Basis

**Monex Restitution Fund**  
**Balance Sheet**  
As of March 31, 2024

	Mar 31, 24
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Western Alliance	33,343,786.09
<b>Total Checking/Savings</b>	<b>33,343,786.09</b>
<b>Total Current Assets</b>	<b>33,343,786.09</b>
<b>TOTAL ASSETS</b>	<b>33,343,786.09</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,485.00
<b>Total Accounts Payable</b>	<b>1,485.00</b>
<b>Total Current Liabilities</b>	<b>1,485.00</b>
<b>Total Liabilities</b>	<b>1,485.00</b>
Equity	
Retained Earnings	33,499,906.79
Net Income	-157,605.70
<b>Total Equity</b>	<b>33,342,301.09</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>33,343,786.09</b>




**STANDARDIZED FUND ACCOUNTING REPORT for MONEX Restitution Fund - Cash Basis**  
 Thomas Seaman, Monitor case number Case No: 8:17-cv-01868-JVS-DFM Judge Selna  
 Reporting Period 01/01/2024 to 03/31/2024

FUND ACCOUNTING (See Instructions):				
		<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Line 1	Beginning Balance (12/31/2023):	33,503,627.79		33,503,628
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			-
Line 3	Cash and Securities			-
Line 4	Interest/Dividend Income	187,635		187,635
Line 5	Business Asset Liquidation			-
Line 6	Personal Asset Liquidation			-
Line 7	Third-Party Litigation Income			-
Line 8	Miscellaneous - Other			-
	<b>Total Funds Available (Lines 1 - 8):</b>	<b>33,691,263</b>		<b>33,691,263</b>
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			-
Line 10	Disbursements to Receivership Operations			
Line 10a	Disbursement to Receiver or Other Professionals	87,900		87,900
Line 10b	Business Asset Expenses			-
Line 10c	Personal Asset Expenses			-
Line 10d	Investment Expenses			-
Line 10e	Third-Party Litigation Expenses			-
	1. Attorney Fees			-
	2. Litigation Expenses			-
	<b>Total Third-Party Litigation Expenses</b>			<b>-</b>
Line 10f	Tax Administrator Fees and Bonds			-
Line 10g	Federal and State Tax Payments			-
	<b>Total Disbursements for Receivership Operations</b>			<b>87,900.00</b>
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....	-		-
	Independent Distribution Consultant (IDC)..	98,910.22		98,910.22
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	3,766.00		3,766.00
	3. Miscellaneous	156,900.38		156,900.38
	<b>Total Plan Developmental Expenses</b>			<b>259,576.60</b>
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	-		-
	<b>Total Plan Implementation Expenses</b>			<b>-</b>
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>259,577</b>
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			-
Line 12b	Federal Tax Payments			-
	<b>Total Disbursement to Court/Other:</b>			<b>-</b>
	<b>Total Funds Disbursed:</b>			
Line 13	Ending Balance (As of 3/31/2024):			<b>33,343,786</b>

**STANDARDIZED FUND ACCOUNTING REPORT for MONEX Restitution Fund - Cash Basis**  
 Thomas Seaman, Monitor case number Case No: 8:17-cv-01868-JVS-DFM Judge Selna  
 Reporting Period 01/01/2024 to 03/31/2024

<b>Line 14 Ending Balance of Fund - Net Assets:</b>			
<i>Line 14a Cash &amp; Cash Equivalents</i>			33,343,786
<i>Line 14b Investments</i>			-
<i>Line 14c Other Assets or Uncleared Funds</i>			-
Total Ending Balance of Fund - Net Assets			33,343,786
<b>OTHER SUPPLEMENTAL INFORMATION:</b>			
	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<i>Report of Items NOT to be Paid by the Fund:</i>			
<b>Line 15 Disbursement for Plan Administration Expenses Not Paid by the Fund:</b>			
<i>Line 15a 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	-		-
<b>Total Plan Developmental Expenses Not Paid by the Fund</b>			
<b>Line 15b Plan Implementation Expenses Not Paid by the Fund</b>			
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	-		-
<b>Total Plan Implementation Expenses Not Paid by the Fund</b>			
<i>Line 15c Tax Administrator Fees &amp; Bonds Not Paid by the Fund</i>			-
<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			
<b>Line 16 Disbursements to Court/Other Not Paid by the Fund:</b>			
<i>Line 16a Investment Expenses/CRIS Fees</i>	-		-
<i>Line 16b Federal Tax Payments</i>	-		-
<b>Total Disbursement to Court/Other Not Paid by the Fund:</b>			
			-
<b>Line 17 DC &amp; State Tax Payments</b>	-		-
<b>Line 18 No. of Claims:</b>			
<i>Line 18a # of Claims Received This Reporting Period.....</i>			
<i>Line 18b # of Claims Received Since Inception of Fund.....</i>	4,751		
<b>Line 19 No. of Claimants/Investors:</b>			
<i>Line 19a # of Claimants/Investors Paid this Reporting Period.....</i>			
<i>Line 19b # of Claimants/Investors Paid Since Inception of Fund.....</i>			

By:   
 Thomas Seaman  
 Monitor for MONEX Restitution Fund  
 Date: 4/11/2024