

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**PLAINTIFF,**

**v.**

**PATRICK O. HOWARD;  
HOWARD CAPITAL HOLDINGS, LLC;  
AND OPTIMAL ECONOMICS CAPITAL  
PARTNERS, LLC,**

**DEFENDANTS.**

**Civil Action No. 3:17CV-420- L**

**RECEIVER'S SECOND QUARTERLY STATUS REPORT**

Pursuant to the *Order Appointing Receiver* (Docket Entry No. 10), W. Craig Stokley, in his capacity as Receiver for Defendants Patrick O. Howard, Howard Capital Holdings, LLC and Optimal Economics Capital Partners, LLC, submits his Quarterly Status Report. This Quarterly Status Report covers the period of time from inception of the receivership on April 1, 2017 through June 30, 2017.<sup>1</sup>

**I. CASE STATUS**

**A. SUMMARY OF ACTION BY RECEIVER**

Since appointment on February 14, 2017, the Receiver has operated Howard Capital Holdings, LLC (“Howard Capital”) and Optimal Economics Capital Partners, LLC (“OE Capital”) (collectively, the “Receivership Entities”). As further described below, from April 1, 2017

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<sup>1</sup> Unless defined in the Quarterly Status Report, defined terms have the meaning assigned in the *Order Appointing Receiver*. This Report is in addition to the Receiver’s previously submitted 30-day status report, covering the time period February 14, 2017 to March 16, 2017 (Dkt. 40), and the Receiver’s Quarterly Status Report dated May 1, 2017 (Dkt. 60).

through June 30, 2017, the Receiver has (a) continued to identify and preserve any and all assets of the Receivership Estate; (b) terminated any continuing financial obligations that would not maximize the value of the Receivership Estate; (c) negotiated terms of a potential agreement whereby certain obligations of WHRZT, Inc would be converted to equity, (d) finalized an informational website regarding the receivership for investors, creditors, and interested third parties; (e) sent formal notification to the investors regarding the receivership; (f) responded to investor inquiries; (g) returned Howard's leased 7-series BMW; (h) administered contracts with movers; (i) canceled certain events and obtained refund for deposits; (j) managed inventory of TU Flow bottles and sought interested buyers; (k) negotiated with Midland Funding to freeze all 401K accounts to avoid any fees being directly charged to investors and associated collection efforts; (l) resolved payroll tax issues that existed when the Receiver was appointed; (m) prepared and filed Florida reemployment tax reports and paid associated taxes; (n) responded to and resolved notices from the Texas Workforce Commission Special Actions Unit for overdue unemployment taxes for the first quarter of 2015, first quarter of 2016, and certain unemployment taxes for the second, third, and fourth quarters of 2016; (o) investigated circumstances surrounding false and misleading emails from the email address: oecapitalpartnersinvestors@gmail.com that began on April 8, 2017; (p) filed a motion to show cause why certain former employees should not be held in contempt for causing false and misleading communications to be sent to legitimate investors of the Receivership; (q) responded to motions by Howard's counsel to seal records from the public, have certain documents stricken, and other harassing actions by Howard and his counsel that interfered with the administration of this Receivership; and (r) investigated possible claims against third-parties and options related to same.

**B. PROCEDURAL HISTORY SINCE LAST REPORT**

The procedural history since the last report relates primarily to three things: (a) administration of the receivership estate; (b) authority to enter certain transactions to convert debt obligations by Whrzt, Inc. owed to the Receivership Entities into equity; and (c) filings related to certain former employees, and their counsel's, contemptuous conduct.

**1. Filings Related to the Administration of the Receivership Estate**

On May 1, 2017, the Receiver filed his first quarterly status report for the quarter ending on March 31, 2017. (Docket Entry No. 60). On May 15, 2017, the Receiver filed his quarterly fee application with accompanying exhibits. (Docket Entry No. 65). On June 13, 2017, the Court granted the Receiver's quarterly fee application, but noted that the fee application did not request authorization to pay accounting and web design professionals. (Docket Entry No. 88). On June 14, 2017, the Receiver filed a motion for authorization to pay accounting and web design professionals. (Docket Entry No. 89).

**2. Filings Related to Whrzt, Inc.**

On May 12, 2017, the Receiver filed two unopposed motions related to the Receivership Entities' contractual relationship with Whrzt, Inc. First, the Receiver filed an unopposed motion for authority to enter into a certain transaction with Whrzt, Inc. that, if ultimately agreed upon by the parties, would convert some of Whrzt's contractual obligations to the Receivership Entities into equity. (Docket Entry No. 64). Second, the Receiver filed an unopposed motion to retain transactional counsel Mario Dolan to assist the Receiver with legal documentation memorializing the agreement to convert the Receivership Entities interests into equity. (Docket Entry No. 63). On June 2, 2017, the Court granted both motions. (Docket Entry No. 79, 80).

### **3. Filings Related to Certain Former Employees', And Their Counsels', Contemptuous Conduct**

On April 10, 2017, the Receiver learned that an email was sent on April 8, 2017 from an anonymous address, oecapitalpartnersinvestors@gmail.com, to all of the legitimate investors. The email contained false, inaccurate, and misleading information in an effort to band these legitimate investors together in support of the emails stated goal: "removal of the receivership [to] allow our investment team [i.e. Patrick Howard] to at least finish out our contracts" (the "April 8 Email"). The April 8 Email purported to come from fellow similarly-situated legitimate investors, but the email was in fact organized, written, and spearheaded at the direction of Howard and his former employees.

After investigating the available facts and evidence surrounding the April 8 Email, it was clear to the Receiver that the perpetrators of the securities fraud were seeking to further defraud their victims to advance their own interests. *Id.* On April 13, 2017, pursuant to paragraph 31 of the Court's *Order Appointing Receiver*, the Receiver notified the Court of certain former employees' failure to comply with the Court's order arising from their varying involvement in making false and misleading communications to legitimate investors of the Receivership Entities. (Docket Entry No. 54).

On April 19, 2017, the Receiver filed a motion to show cause along with a brief and appendix in support setting out evidence demonstrating the involvement by Patrick Howard, Dovile Soblinskas, Christine Horne, and Ron Scherer to interfere with the Receivership by providing investors information that indicated that they should jointly retain counsel, which the employees would direct to seek removal of the Receiver and reinstatement of Howard and/or those employees to manage investors' funds. (Docket Entry No. 56, 57, 58).

On April 28, 2017, the Court granted the Receiver's Motion to Show Cause and ordered

Patrick Howard, Dovile Soblinskas, Christine Horne, and Ron Scherer each to “file a written brief showing cause why [he/she] should not be held in civil contempt of the court’s order as alleged, documented, and requested by the Receiver in docket entry numbers 56-58.” Docket Entry No. 59. The order further required the Receiver to “arrange to have a process server personally serve this Order, along with the motion to show cause, brief, and appendix in support, on the non-party respondents Dovile Soblinskas, Christine Horne, and Ron Scherer, and file a notice with the Court containing an affidavit of service on each non-party respondent.” *Id.* Notably, the Order stated that any request for criminal contempt was not under consideration until further order of the Court: “Because the motion seeks two forms of contempt – civil and criminal – the court will consider the civil contempt issues (items numbered 1, 4-6 listed as requested relief in the Receiver’s Motion) through written submissions unless otherwise ordered. *Id.* After consideration of the written submissions on civil contempt, the court will determine whether it will consider the request for criminal contempt (items number 2 and 3 listed as requested relief in the Receiver’s Motion), and if so, set an evidentiary hearing upon appropriate notice.” *Id.* The Court’s Order did not authorize any discovery on the civil contempt matter. *Id.*

In compliance with the Court’s April 28, 2017, Order, the Receiver filed an affidavit of service upon Christine Horne on May 5, 2017 (Docket Entry No. 67), Ron Scherer on May 17, 2017 (Docket Entry No. 67). An affidavit acknowledging of service upon Dovile Soblinskas was filed on May 25, 2017 (Docket Entry No. 74) by Soblinskas counsel.

On May 10, 2017, attorney Brady Wyatt appeared on behalf of Christine Horne (Docket Entry No. 62) and filed a response to the Court’s Order to show cause on May 18, 2017 (Docket Entry No. 68).

On May 19, 2017, Howard filed a response to the Court’s order to show cause (Docket

Entry No. 69).

On May 16, 2017, attorney James Bell appeared on behalf of Dovile Soblinskas, and despite no discovery being authorized, filed a motion to expedite discovery. (Docket Entry No. 66). On May 22, 2017, attorney James Bell moved to withdraw as counsel. (Docket Entry No. 70). On May 24, 2017, attorney James Bell Moved to extend time to file a written brief (in response to the Court's order to show cause). On May 25, 2017, attorney Ramon Rodriguez filed a notice of appearance on behalf of Dovile Soblinskas (Docket Entry No. 72) and moved to withdraw the above-mentioned motion to expedite discovery (Docket Entry No. 73).

On May 30, 2017, the Court granted attorney James Bell's motion to withdraw (Docket Entry No. 76), and granted Soblinskas' motion to withdraw her motion to expedite discovery (Docket Entry No. 75).

On June 8, 2017, the Receiver and Soblinskas filed a joint motion to resolve the Court's Order to Show Cause with Respect to Soblinskas. (Docket Entry No. 83). On June 9, 2017, the Court granted the Receiver and Soblinskas' joint motion and ordered Soblinskas to: (a) provide any and all requested information in her possession that have been, or may be in the future, requested by the Receiver (which is already required pursuant to the terms of the Court's *Order Appointing Receiver*); (b) pay a civil penalty to the Receivership in the total amount of \$5,000; and (c) permanently enjoining and restraining Soblinskas from communicating directly, indirectly, oral, in writing or otherwise in any manner with any investor of the Receivership Entities, or third party, about the Receivership Entities, and when asked that she will state the following: "I have been ordered not to speak about OE Capital or the other entities in receivership." (Docket Entry No. 84).

On June 2, 2017, the Receiver filed an omnibus response and appendix in support of finding

Howard, Horne, and Scherer in civil contempt. (Docket Entry No. 81, 82). In connection with Soblinskas' cooperation, Soblinskas provided a non-privileged email sent by Patrick Howard's counsel Brandon McCarthy on February 26, 2017, which was just twelve days after the February 14, 2017 *Order Appointing Receiver* in this case, as well as sworn testimony regarding same. Mr. McCarthy's email stated his intent to "hopefully lose/jettison the receiver;" recommended an attorney who was "very very good in this area and can create havoc for the receiver," and closed the email with the following sentence: "And winter is coming for Mr. Stokley" (referred to as the "McCarthy Email"). Because the McCarthy Email confirmed the evidence in support of the Receiver seeking a civil contempt order against Howard, the Receiver included the McCarthy email in its omnibus response, as well as sworn testimony by Soblinskas that supported the Receiver's evidence of contemptuous conduct.

Between June 9, 2017 and the present, Howard's counsel has embarked on a campaign of collateral attacks on the Receiver that has interfered with the Receivership and harassed the Receiver. On June 9, 2017, Howard's counsel filed a motion to strike the McCarthy Email and related sworn testimony (Docket Entry No. 85), claiming it to be an attorney client privileged communication despite countless principles of black letter law demonstrating otherwise (by way of example, the email copied an unrelated third party, it was then forwarded to another unrelated third party, and no common legal interest privilege can exist under these circumstances for a myriad reasons). On June 12, 2017, Brandon McCarthy sent an unfiled letter to the Court attempting to explain away the McCarthy Email. The Receiver attached this letter to his response. (Docket Entry No. 93 at pp. 7-8). On June 16, 2016, despite no discovery being authorized and after all of the briefing related to the Court's order to show cause was already on file, Howard filed a motion for expedited discovery without attempting to make the required showing of good cause

for expedited discovery. (Docket Entry No. 90). On June 20, 2017, after the McCarthy Email had been on file with the Court's electronic filing system for three weeks, Howard's counsel filed a motion to seal the McCarthy Email and any references to it on the Court's docket. (Docket Entry No. 91).

On June 30, 2017, the Receiver filed a single response in opposition to all of Howard's frivolous filings surrounding the McCarthy Email, along with an appendix in support. (Docket Entry No. 92, 93). The Receiver's response sets forth eight independent, stand-alone, reasons why the McCarthy Email is not a protected document.

Despite the fact that no discovery was authorized, Howard's counsel caused a set of requests for admissions, requests for production, and a set of interrogatories to be served by hand delivery on June 29, 2017, with a unilaterally set 5-day deadline the day after the July 4, 2017 holiday weekend. The substance of the discovery requests demonstrates they were intended to harass the Receiver, and had no relevance to any authorized discovery in this case.

### **C. OPERATIONS OF THE RECEIVER**

As detailed in the Receiver's first quarterly report (Docket Entry No. 40), the Receiver investigated the investments made by the Receivership Entities and determined that the Receivership Entities could not fund their current operations without infusion of additional investor capital. As a result, the Receiver, after careful examination of each of the businesses in which the Receivership Entities were engaged, discontinued all future funding and marketing activities of the Receivership Entities. During the second quarter of 2017, the Receiver focused on administrative matters related to the Receivership Estate, identifying any additional sources of recovery, minimizing expenses, and positioning the receivership estate to be in the best position to recover investor funds in the event any of the portfolio companies succeed in the future.



### **1. Website.**

The Receiver finalized an informational website that went live at [www.companyreceiver.com](http://www.companyreceiver.com). The website contains a summary of the SEC's allegations, the case's procedural history, a summary of the initial actions taken by the Receiver, a link to the court filings, status updates, a contact form for communicating with the Receiver, and a section for making claims when and if a claims process becomes appropriate.

### **2. Notifications and communications with Investors.**

On April 11, 2017, the Receiver sent formal communications to the investors notifying them of the receivership, the website, and information related to tax documents that the Receiver anticipates to be issued in September of 2017. On May 15, 2017, the Receiver's counsel sent a notification by email to the investors regarding the Receiver's unopposed motion for authority related to Whrzt, Inc. During this quarter, the Receiver has responded to investor inquiries in person, over the phone, and by email on various subjects.

### **3. Whrzt, Inc.**

On March 23, 2017, the Receiver sought authority from the Court to enter into an agreement with Whrzt, Inc. whereby Whrzt, Inc. would pay cash consideration for the option to convert its remaining outstanding obligations to the Receivership Entities to equity. Ultimately, Whrzt, Inc. was unable to pay the cash consideration and, therefore, the deal was never consummated.

Subsequently, during this quarter, WHRZT, Inc. and the Receiver worked together to identify another potential agreement that would convert most of WHRZT, Inc. obligations to the Receivership Entities into equity which would enable Whrzt, Inc. to raise growth capital from outside investors without the burden of Whrzt, Inc.'s debts to the Receivership Entities. Currently,

Whrzt, Inc. is unable to pay any of its debts to the Receivership and converting to equity will provide the Receivership Entities an opportunity to recover its investment in the event that Whrzt, Inc. is able to obtain growth capital and become a successful, viable company. The Receiver presented this agreement to counsel for the SEC, Patrick Howard, counsel for the largest single investor, and posted the agreement on the Receiver's website during an objection period. No objections were received. Thereafter, the Receiver presented the order unopposed to the Court, and it was granted. The Receiver also obtained approval from the Court to engage transactional counsel to assist with memorializing this agreement between the Receivership Entities and Whrzt, Inc. While the parties are working toward closing on this transaction, the transaction has not closed as of the date of this report.

Once the transaction closes, the Receivership will be entitled to a board seat under certain circumstances. The Receiver has identified Rick Stahl (one of the investors of the Receivership Entities) to sit in the position, and he has agreed to serve in that capacity. It should be noted that the likelihood of recovering any meaningful amounts of money from the equity position in Whrzt, Inc. is speculative.

#### **4. Investor Lawsuit**

One May 5, 2017, investor Phillip Hess filed cause number DC-17-05373 against Optimal Economic Capital Partners, Patrick Howard, among others. Upon service of the petition, the Receiver notified Mr. Hess's counsel of the *Order Appointing Receiver*, Section VIII, which enjoins parties from commencing ancillary proceedings against the Receivership Entities. Mr. Hess's counsel promptly nonsuited the ancillary proceeding.

#### **5. Midland Funding IRA**

The Receiver was notified by investors that they were receiving invoices directly from

Midland Funding IRA – which was a self-directed IRA that was used by the Receivership Entities as a vehicle to move money from investors 401K retirement accounts to the Receivership Entities. The Receiver conducted a conference with the CEO of Midland IRA, Dave Owens, and reached understanding that Midland Funding would place a freeze on any charges, would work directly with the Receiver and would not seek any additional funds from the investors.

## **6. Tax Matters**

The Receiver prepared OE Capital's Florida reemployment tax report for the first quarter of 2017, and sent it with the \$567.00 payment due to Florida Department of Revenue. The Receiver included an Employer Account Change Form notifying Florida DOR of the business location address change, and cancelling the account.

The Texas Workforce Commission Special Actions Unit sent a summary of debt for Howard Capital and OE Capital. The Receiver sent payment of \$2,573.21 for overdue Howard Capital Holdings Texas unemployment taxes for the first quarter of 2015 and the first quarter of 2016, and payment of \$7,595.24 for overdue Optimal Economics Capital Partners Texas unemployment taxes for the second, third, and fourth quarters of 2016.

Further, the pending 941 tax issue that was already in progress at inception of the Receivership was resolved during this quarter.

## **D. PHYSICAL ASSETS**

The known physical assets of the Receivership Estate at the beginning of this quarter were: (a) approximately 180 pallets of TU FLO + ELIXR exercise water bottles ("TU Bottles") that are pre-packaged with each pallet measuring 48 x 48 x 62; (b) computer hardware from the Receivership Entities operations; (c) several designer wrist watches; and (d) a leased 7-series BMW vehicle.

The anticipated disposition of the TU Bottles is to sell them to a liquidator. During the quarter, the Receiver sought out interested buyers with the following consumer product suppliers and liquidators: (a) United National Consumer Suppliers; (b) H&J Closeouts; (c) Merchandise USA; (d) Topper Liquidators; (e) AAA Closeout Liquidators; (f) Kole Imports; (g) Via Trading; as well as submitting the products to numerous online liquidators for consideration. Of the above companies, only H&J Closeouts made an offer, which was for only a small percentage of product at a price of \$1.60 per box of product. The total order would result in revenue of \$8,000, and would leave the receivership with up to 45,000 of remaining packages of TU bottles. Currently, the storage cost for the TU bottles is \$1,620 per month. As a result, the Receiver is working to identify a buyer in the near term.

The Receiver anticipates consigning the wrist watches with a resale specialist. The value of the wrist watches is currently unknown.

The Receiver anticipates selling the computer hardware if the costs associated with creating a forensic image of the hardware does not exceed the anticipated resale value of the computer hardware. The Receiver is currently investigating options regarding same.

Patrick Howard and the OE Capital entered into a lease agreement in late 2016. As with most other creditors, the lease payments had not been made in the months leading up to appointment of the Receiver. On April 14, 2017, Mr. Howard's counsel Ryan Meyer met the Receiver at the BMW dealership and returned the leased vehicle.

#### **E. CASH AND CASH EQUIVALENTS**

As of June 30, 2017, the Receivership Estate had cash on hand of \$310,465.62. During the Report Period, the Receivership Estate received funds in the amount of \$5,678.87 and disbursed \$111,744.86, as evidenced by the accounting statement attached as **Exhibit A**. Aside from small

payments for administrative expenses (e.g., subscription fees), the disbursements by the estate related to storage fees, tax liabilities that were unpaid by the Receivership Entities prior to the inception of the Receivership, Receiver and other professional fees.

To date, the Receivership Estate has accrued administrative expenses to the following vendors and Retained Professionals: Howard LLP related to tax and accounting; Net Vida related to the receivership website and investor communications; and the Receiver's fees and fees of the Receiver's counsel, Palter Stokley Sims PLLC.

#### **F. CREDITOR'S CLAIMS**

In most instances, the Receiverships Defendants were behind on their financial obligations. By way of example, as described above, OE Capital had never paid for storage of the TU<sup>TM</sup> FLO bottles, for which the warehouse claims \$8,465.40 currently past due as of March 7, 2017.

The Receiver and his team have identified numerous other potential claims against the Receivership Estate. The Receiver has received notice of several past due invoices for varying services including marketing events, legal services, and past-due commission payments, among other potential categories. At this point, the Receiver has not determined the validity of any particular claim. For example, the Receiver has questions about the validity and priority of certain debt. Similarly, the Receiver does not know whether equity investors who purchased prior to February 14, 2017 should be considered creditors or merely equity holders.

The Receiver has conducted an initial investigation into the billing statements and books and records of the Receivership and identified the following as potential creditors of the Receivership Entities to date: (a) American Express; (b) BMW Financial Services; (c) BlueCross BlueShield; (d) DiLucci&&DiLucci; (e) Eplus Technology; (f) EQD/Consilio; (g) ERGOS Technology Partners; (h) Harbor Insurance Group; (i) IPFS Corporation; (j) K&L Gates; (k) Logix;

(l) Mass Mutual; (m) Masters of Taxation, Inc.; (n) Olymbec USA; (o) PostNet; (p) Tower Club, among possible others. No official claims have been submitted and a formal claims process has not been proposed by the Receiver or approved by the Court.

## **II. CONCLUSION**

This Second Quarterly Report is for the period of April 1, 2017 through June 30, 2017. The Receiver anticipates filing similar reports on a quarterly basis in accordance with the Court's *Order Appointing Receiver*. The Receiver recommends that the receivership continue so that the Receiver can finalize all tax reporting obligations; close on the transaction to convert Whrzt, Inc.'s obligations to the Receivership Entities into equity (i.e. stock certificates); pursue potential claims the Receivership Estate may have against companies it invested into and/or entities who may have caused the Receivership Estate financial harm; sell and/or liquidate the inventory of TU Water bottles; sell all remaining physical assets; resolve the amount of civil penalties with the United States Securities and Exchange Commission; and distribute any remaining cash and/or stock certificates to investors and/or creditors, or trusts for their benefit (as appropriate to address issues related to investors using their IRAs) through an appropriate administrative process.

Respectfully submitted,

*/s/ Kimberly M. J. Sims*

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**ATTORNEYS FOR RECEIVER**

**CERTIFICATE OF SERVICE**

On August 1, 2017, I electronically filed the Receiver's Initial Status Report via the Court's CM/ECF filing system, which will send a notice of electronic filing to all CM/ECF participants. I further certify that I served a true and correct copy of the foregoing document and the notice of electronic filing via UPS and electronic mail on all non-CM/ECF parties and/or their counsel.

*/s/ Kimberly M. J. Sims*

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**KIMBERLY M. J. SIMS**

# **Exhibit A**



STANDARDIZED FUND ACCOUNTING REPORT for Howard Capital Holdings LLC

and Optimal Economics Capital Partners LLC - Cash Basis

Receivership Civil Court Docket No. 3:17-cv-00420-L

Reporting Period 04/01/2017 to 06/30/2017

FUND ACCOUNTING:				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2017):	416,531.61		
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities	4,125.51		
Line 4	Interest/Dividend Income	53.36		
Line 5	Business Asset Liquidation	1500.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
	Total Funds Available (Lines 1-8):	422,210.48	422,210.48	
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	96,835.37		
Line 10b	Business Asset Expenses	4,174.04		
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			
		101,009.41		
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments	10,735.45		
	Total Disbursements for Receivership Operations	111,744.86	111,744.86	310,465.62
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 Advisers .....			
	Tax Advisers .....			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			

STANDARDIZED FUND ACCOUNTING REPORT for Howard Capital Holdings LLC

and Optimal Economics Capital Partners LLC - Cash Basis

Receivership Civil Court Docket No. 3:17-cv-00420-L

Reporting Period 04/01/2017 to 06/30/2017

Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees			
	Fund Administrator .....			
	IDC .....			
	Distribution Agent .....			
	Consultants .....			
	Legal Advisers .....			
	Tax Advisers .....			
	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) Reporting 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 Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11):			
Line 13	Ending Balance (As of 06/30/2017)			310,465.62

STANDARDIZED FUND ACCOUNTING REPORT for Howard Capital Holdings LLC

and Optimal Economics Capital Partners LLC - Cash Basis

Receivership Civil Court Docket No. 3:17-cv-00420-L

Reporting Period 04/01/2017 to 06/30/2017

Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents			310,465.62
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			0.00
	Total Ending Balance of Fund - Net Assets			310,465.62

## OTHER SUPPLEMENTAL INFORMATION:

		Detail	Subtotal	Grand Total
	Report of Items NOT to be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund:			
	1. Fees			
	Fund Administrator . . . . .			
	IDC . . . . .			
	Distribution Agent . . . . .			
	Consultants . . . . .			
	Legal Advisers . . . . .			
	Tax Advisers . . . . .			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund			
Line 15b	Plan Implementation Expenses Not Paid by the Fund:			
	1. Fees			
	Fund Administrator . . . . .			
	IDC . . . . .			
	Distribution Agent . . . . .			
	Consultants . . . . .			
	Legal Advisers . . . . .			
	Tax Advisers . . . . .			
	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			
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			

STANDARDIZED FUND ACCOUNTING REPORT for Howard Capital Holdings LLC

and Optimal Economics Capital Partners LLC - Cash Basis

Receivership Civil Court Docket No. 3:17-cv-00420-L

Reporting Period 04/01/2017 to 06/30/2017

Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements for Court/Other Not Paid by the Fund:			
Line 17	DC & State Tax Payments			
Line 18	No. of Claims:			
Line 18a	# of Claims Received This Reporting Period . . . . .			
Line 18b	# of Claims Received Since Inception of Fund . . . . .			
Line 19	No. of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period . . . . .			
Line 19b	# of Claimants/Investors Paid Since Inception of Fund . . . . .			

SCHEDULE OF RECEIPTS AND DISBURSEMENTS for Howard Capital Holdings LLC  
and Optimal Economics Capital Partners LLC - Cash Basis  
Receivership Civil Court Docket No. 3:17-cv-00420-L  
Reporting Period 04/01/2017 to 06/30/2017

Date		Amount	Total
	Beginning Balance (As of 04/01/2017):		416,531.61
	Q2 Receipts:		
4/5/2017	Chase Bank	238.00	
4/11/2017	Comerica Interest	20.85	
5/1/2017	Adams Office Furniture	1,500.00	
5/3/2017	Texas Comptroller	1,387.51	
5/9/2017	Comerica Interest	15.85	
6/9/2017	Comerica Interest	16.66	
6/20/2017	Dovile Soblinskas	2,000.00	
6/30/2017	Dovile Soblinskas	500.00	
	Total Receipts		5,678.87

SCHEDULE OF RECEIPTS AND DISBURSEMENTS for Howard Capital Holdings LLC  
and Optimal Economics Capital Partners LLC - Cash Basis  
Receivership Civil Court Docket No. 3:17-cv-00420-L  
Reporting Period 04/01/2017 to 06/30/2017

Date		Amount	Total
	Q2 Disbursements:		
4/3/2017	Insynq	(102.00)	
4/10/2017	Zoho Corporation	(204.00)	
4/10/2017	GoDaddy.com	(5.40)	
4/10/2017	Galaxy Global Logistics	(3,240.00)	
4/28/2017	Masters of Taxation	(3,377.02)	
4/28/2017	Florida U,C, Fund	(567.00)	
4/28/2017	Texas Workforce Commission	(10,168.45)	
5/3/2017	Insynq	(102.00)	
5/9/2017	GoDaddy.com	(5.32)	
5/11/2017	Zoho Corporation	(204.00)	
5/17/2017	Palter Stokley Sims	(11,983.16)	
6/5/2017	Insynq	(102.00)	
6/9/2017	GoDaddy.com	(5.32)	
6/12/2017	Zoho Corporation	(204.00)	
6/28/2017	Palter Stokley Sims	(18,852.00)	
6/28/2017	Palter Stokley Sims	(31,709.47)	
6/28/2017	Palter Stokley Sims	(30,913.72)	
	Total Disbursements		(111,744.86)
	Q2 Total		310,465.62

SCHEDULE OF RECEIPTS AND DISBURSEMENTS for Howard Capital Holdings LLC  
and Optimal Economics Capital Partners LLC - Cash Basis  
Receivership Civil Court Docket No. 3:17-cv-00420-L  
Reporting Period 02/14/2017 to 03/31/2017

Date		Amount	Total
	Beginning Balance (As of 02/14/2017):	0.00	0.00
	Q1 Receipts:		
2/28/2017	Green Bank	0.19	
2/28/2017	Green Bank	0.89	
2/28/2017	Green Bank	77.73	
2/28/2017	Green Bank	5,765.95	
2/28/2017	Green Bank	422,524.22	
3/9/2017	Comerica Interest	5.81	
3/10/2017	Chase Bank	9,577.58	
3/10/2017	Chase Bank	525.65	
3/10/2017	Chase Bank	82,965.16	
3/10/2017	Chase Bank	30,980.73	
3/10/2017	Chase Bank	208.57	
	Total Receipts		552,632.48

SCHEDULE OF RECEIPTS AND DISBURSEMENTS for Howard Capital Holdings LLC  
and Optimal Economics Capital Partners LLC - Cash Basis  
Receivership Civil Court Docket No. 3:17-cv-00420-L  
Reporting Period 02/14/2017 to 03/31/2017

Date		Amount	Total
	Q1 Disbursements:		
3/6/2017	Zach Gong	(500.00)	
3/6/2017	Giedrius Andriunaitis	(500.00)	
3/6/2017	Ryan Horton	(500.00)	
3/6/2017	Paychex, Inc.	(38,237.62)	
3/6/2017	Cristina Cason	(4,666.67)	
3/8/2017	Harland Clarke	(177.39)	
3/8/2017	United States Treasury	(4,322.09)	
3/8/2017	United States Treasury	(4,724.77)	
3/8/2017	United States Treasury	(1,104.95)	
3/8/2017	United States Treasury	(507.98)	
3/13/2017	Zoho Corporation	(204.00)	
3/15/2017	Christine Horne	(2,000.00)	
3/15/2017	Cristina Cason	(2,333.34)	
3/21/2017	GoDaddy.com	(5.40)	
3/27/2017	USPS	(1.00)	
3/27/2017	USPS	(1.00)	
3/29/2017	Insynq	(102.00)	
3/29/2017	Olymbec USA LLC	(5,737.81)	
3/31/2017	Cristina Cason	(2,333.34)	
3/31/2017	Howard, LLP	(4,456.00)	
3/31/2017	NetVida Marketing	(260.69)	
3/31/2017	Palter Stokley Sims	(63,424.82)	
	Total Disbursements		(136,100.87)
	Q1 Total		416,531.61