

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION

SECURITIES AND EXCHANGE COMMISSION, §
V. § Civil Action No. 5:22-cv-114-C
BORON CAPITAL, LLC, et al. §

RECEIVER’S FIRST INTERIM REPORT

Receiver Albert C. Black III reports to the Court as directed, respectfully stating:

1. On June 15, 2022, the Court entered its Order Appointing Receiver.
2. Since the Receiver’s appointment, he has been working to preserve assets and records, to determine the extent and nature of the Receivership Assets, and to make business judgments with regard to certain ongoing matters.
3. Specifically, Receiver and/or members of Receiver’s support staff from On-Target Supplies & Logistics, Ltd. have been engaged in the following activities since the Receiver’s appointment:
 - a. Conducted interviews of all key staff of Boron Capital, LLC and related entities;
 - b. Based on interviews of key staff and review of any existing processes and procedures, implemented revised policies, processes and procedures to streamline the operations and enhance the control of The Dallas Oasis and Midland Corporate Ranch entities;
 - c. Accumulated a list of investors for all currently known holdings of Defendants and related entities;
 - d. Taken telephone calls and/or received and responded to email communications from investors to answer any questions from the investors regarding such

matters as redemption of funds from their investments and the overall process of the receivership;

- e. Assumed control and management of payroll processing for all affected employees of the Defendants' entities, and payroll is current and is being wired to the designated Human Resources management vendor on a bi-weekly basis.
- f. Preparation of a combined Cash Report for All Defendant Entities as of July 19, 2022; and
- g. Assumed management of all accounting and bookkeeping functions by requiring:
 - i. All personnel currently employed in accounting and bookkeeping roles to report directly to the Receiver or designee;
 - ii. Initiated procedures for control of bank accounts, expenditures and receipts.

Assets

4. In regard to cash assets, the Receiver determined the combined bank balances totaled approximately \$2,100,000 (see Cash Report for All Defendant Entities as of July 19, 2022 attached hereto as Exhibit A).

5. Additionally, there are three operating assets.

6. First, there is an event venue called The Dallas Oasis, which is located in Red Oak, Texas. Construction on the facility has only recently been completed. The venue is presently being utilized to host weddings. The Receiver is presently working with available information to compile an accounting of the operations, and to segregate construction costs, so that an analysis can be prepared to determine the relative value of the operation. Approximately \$250,000 of the

available cash noted above appears to be attributable to deposits for future weddings. Presently available information indicates the operations are not losing money, and therefore the Receiver is continuing the operations. However, the business does not generate sufficient cash flow to provide for meaningful debt service or distributions to investors at the present time. The Receiver and the Defendants have agreed to work together to prepare a more complete accounting. Based upon the results of that work, the Receiver will be able to present a recommendation for the Court's consideration in regard to how best to proceed toward addressing the debts owed to investors.

7. Second, there is an ongoing remodel of a property in Midland, Texas. The property appears to have a present value of approximately \$1.5 million, and approximately \$150,000 of the presently available cash has been earmarked for the renovation, following which the Defendants believe the property will be worth approximately \$3 million. At present, the Receiver does not see any other feasible means of proceeding other than to complete the construction and offer the property for sale as planned. Accordingly, the Receiver has authorized the continuation of this project.

8. Third, there is a fund focused on investing in cryptocurrencies. The fund has lost approximately 60% of its value since inception. The fund manager has recommended continuing to hold the present positions. However, the cryptocurrency markets are highly unstable and this course of action presents very significant risks. Others with whom the Receiver has consulted advise there is no present clarity on the probable direction of the cryptocurrency markets and that they are holding assets principally in cash as well. Accordingly, with the agreement of Defendants, the fund manager has been directed to liquidate cryptocurrency positions to cash for the time being. The present value is approximately \$1.6 million. Exhibit A reflects the original positions as reported by the fund manager.

9. In addition to the aforementioned assets, the following is a list of Defendant(s)-owned real properties currently known to the Receiver:

- a. 4804 60th Street, Lubbock, Texas;
- b. 1809 18th Street, Lubbock, Texas;
- c. 2009 Ave. K , Lubbock, Texas;
- d. 1813 East Private Rd. 7330, Lubbock, Texas;
- e. 1805 East Private Rd. 7330, Lubbock, Texas;
- f. 3910 Fairwood Ct., Midland, Texas;
- g. Washington, Lincoln, Jefferson – 9503 W. County Rd. 60, Midland, Texas 79707;
- h. Midland Corporate Housing – 9505 W. County Rd. 60, Midland, Texas 79707;
and
- i. 300 W. Briarwood, Midland, Texas 79707.

Liabilities

10. The various entities representing the Receivership Estate have been financed through loans provided by investors. The loans exceed \$17 million. The operations are not capable of servicing the debt obligations.

11. The Defendants have also incurred credit card debt of approximately \$200,000. Payments on those obligations are current.

Defendants' Disclosures

12. The Defendants have been forthcoming in producing information for the Receiver, so that the Receiver has been able to secure the principal assets. Although the Defendants have

not provided the reports that the Court has directed in the Order Appointing Receiver, the Receiver expects cooperation to continue and that he will receive equivalent information in due course.

Plan for Administration

13. The Receiver has agreed with the Defendants to work to compile an operational accounting of the principal asset – The Dallas Oasis – and to operate that property in the interim. Following the compilation of that accounting, the Receiver will seek to reach agreement with the Defendants on the most appropriate means of addressing the debts to the investors.

14. Meanwhile, the Receiver will allow the remodel project to proceed.

15. Absent signs of marked improvement and stability in the cryptocurrency markets, the Receiver believes the disruption and uncertainty of those markets warrant keeping the fund assets in cash.

Liquidation Plan

16. The Order Appointing Receiver directs the Receiver to propose a deadline for a the presentation of a Liquidating Plan. However, such a plan is presently dependent upon the timing of the compilation of an accounting for The Dallas Oasis, and the exploration of the feasibility of borrowing against the facility or otherwise restructuring the debt obligations with investors. As a result, the Receiver is uncertain as to what would be an appropriate deadline. The Receiver presently hopes to be in a position to present a liquidation plan in the next 90 days.

Quarterly Report

17. This report includes substantially the information the Court has directed be included in a quarterly report. As such, this report will serve as the first quarterly report as well as the initial report.

Respectfully submitted,

/s/ Dennis Roossien

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COUNSEL FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on the 3rd day of August, 2022, a true and correct copy of the foregoing instrument was served electronically in compliance with the Court's Electronic Filing Procedures on all counsel of record who are deemed to have consented to electronic service.

/s/ Dennis Roossien

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Securities and Exchange Commission, v.
Blake Robert Templeton, et al
Albert C. Black, Receiver

Cash Report for All Entities
July 19, 2022

Entity	Chase Bank Acct. No.	Balance			Bank Balance 07/19/2022	Outstanding Checks	Cash Balance 07/19/2022
		06/14/2022	Receipts	Disbursements			
Boron Capital, LLC	1103	\$ 172,574.81	\$ 6,830.75	\$ (91,913.44)	\$ 87,492.12	\$ (76,033.80)	\$ 11,458.32
Boron Capital, LLC	0821	5,866.19		(2,459.48)	3,406.71		3,406.71
Boron Capital, LLC	0839	3,169.65		(4,606.05)	(1,436.40)		(1,436.40)
Boron Capital, LLC	0862	2,500.00			2,500.00		2,500.00
Boron Capital, LLC	3612	6,185.89			6,185.89		6,185.89
Boron Capital, LLC	Total	190,296.54	6,830.75	(98,978.97)	98,148.32	(76,033.80)	22,114.52
Dallas Oasis, LLC	0867	200,963.33	191,884.83	(201,164.22)	191,683.94	(24,651.74)	167,032.20
Dallas Oasis, LLC	0859	2,131.60			2,131.60		2,131.60
Dallas Oasis, LLC	0826	53,200.24			53,200.24		53,200.24
Dallas Oasis, LLC	Total	256,295.17	191,884.83	(201,164.22)	247,015.78	(24,651.74)	222,364.04
BC Holdings 2017, LLC	3965	2,425.58	11,620.00	(3,742.95)	10,302.63		10,302.63
BC Holdings 2017, LLC	3973	41,807.30			41,807.30		41,807.30
BC Holdings 2017, LLC	Total	44,232.88	11,620.00	(3,742.95)	52,109.93	0.00	52,109.93
Midland Corporate Ranch	1291	0.00			0.00		0.00
Midland Corporate Ranch	1309	151,968.47	64,201.41	(20,841.99)	195,327.89	(16,995.54)	178,332.35
Midland Corporate Ranch	Total	151,968.47	64,201.41	(20,841.99)	195,327.89	(16,995.54)	178,332.35
Secure Purpose, LLC	2628	2,742.10			2,742.10		2,742.10
Boron Fund 8, LLC	9276	26,828.32	13,854.16		40,682.48		40,682.48
Boron Holdings, LLC	2816	2,085.00			2,085.00		2,085.00
Boron Digital - Voyager	Crypto	5,237.92			5,237.92		5,237.92
Boron Digital - Voyager	Cash	15,731.69			15,731.69		15,731.69
Boron Digital	Sub-total	20,969.61	0.00	0.00	20,969.61	0.00	20,969.61
Boron Digital	OK Coin	16,334.03			16,334.03		16,334.03
Boron Digital	Kracken	1,526,670.63			1,526,670.63		1,526,670.63
Boron Digital	CF Bank	23,252.61			23,252.61		23,252.61
Boron Digital	Total	1,587,226.88	0.00	0.00	1,587,226.88	0.00	1,587,226.88
Total All Entities		\$ 2,261,675.36	\$ 288,391.15	\$ (324,728.13)	\$ 2,225,338.38	\$ (117,681.08)	\$ 2,107,657.30

EXHIBIT

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