UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

JOHN J. CARNEY, IN HIS CAPACITY AS COURT-APPOINTED RECEIVER, FOR HIGHVIEW POINT PARTNERS, LLC, MICHAEL KENWOOD GROUP, LLC, MK MASTER INVESTMENTS LP, MK INVESTMENTS, LTD., MK OIL VENTURES LLC., MICHAEL KENWOOD CAPITAL MANAGEMENT, LLC; MICHAEL KENWOOD ASSET MANAGEMENT, LLC; MK ENERGY AND INFRASTRUCTURE, LLC; MKEI SOLAR, LP; MK AUTOMOTIVE, LLC; MK TECHNOLOGY, LLC; MICHAEL KENWOOD CONSULTING, LLC; MK INTERNATIONAL ADVISORY SERVICES, LLC; MKG-ATLANTIC INVESTMENT, LLC; MICHAEL KENWOOD NUCLEAR ENERGY, LLC; MYTCART, LLC; TUOL, LLC; MK CAPITAL MERGER SUB, LLC; MK SPECIAL OPPORTUNITY FUND; MK VENEZUELA, LTD.; SHORT TERM LIQUIDITY FUND, I, LTD. Plaintiff, v. ODO HABECK, NANCY HABECK, AND OGH ADVISORS, LLC Defendants.	Civil Action No. **JURY TRIAL DEMANDED**

COMPLAINT

John J. Carney, Esq. (the "Receiver")[1], as Receiver to the Michael Kenwood Group, LLC (the "MK Group") and certain affiliated entities (the "Receivership Entities")[2] in *Securities and Exchange Commission v. Illarramendi, Michael Kenwood Capital Management, LLC et al. C.A.*, No. 3:11-cv-00078 (JBA), (the "SEC Action") by and through his undersigned counsel, alleges the following:

SUMMARY OF ACTION

1. This lawsuit represents the Receiver's continuing efforts to recapture and return the investor proceeds stolen from funds managed and operated as a Ponzi scheme by Francisco Illarramendi ("Illarramendi") and others affiliated with the MK Group and Highview Point Partners, LLC ("HVP Partners"). Odo Habeck ("Habeck") was the Chief Executive Officer, President and shareholder of the MK Group, LLC and a fiduciary of some of the investment funds used to perpetrate the fraud. These lofty titles helped Illarramendi cloak his fraud and the MK Group with an air of legitimacy. In reality, however, Habeck abdicated his responsibilities to the MK Group and its funds in return for personal financial gain as the fraud transpired.

2. Habeck received millions of dollars of misappropriated investor money to purchase a luxury home, for the use and enjoyment of a yacht, and to otherwise ignore the

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[1] Unless otherwise explicitly defined herein, the Receiver adopts for purposes of this Complaint the defined terms as set forth in the Amended Receiver Order dated January 4, 2012.

[2] The term Receivership Entities includes: Highview Point Partners, MK Master Investments LP, MK Investments, Ltd., MK Oil Ventures LLC., The Michael Kenwood Group, LLC, Michael Kenwood Capital Management, LLC; Michael Kenwood Asset Management, LLC; MK Energy and Infrastructure, LLC; MKEI Solar, LP; MK Automotive, LLC; MK Technology, LLC; Michael Kenwood Consulting, LLC; MK International Advisory Services, LLC; MKG-Atlantic Investment, LLC; Michael Kenwood Nuclear Energy, LLC; MyTcart, LLC; TUOL, LLC; MK Capital Merger Sub, LLC; MK Special Opportunity Fund; MK Venezuela, Ltd.; Short Term Liquidity Fund, I, Ltd.

blatant red flags from the fraud that surrounded him. In short, Habeck grew fat through the fraud orchestrated by Illarramendi in exchange for abandoning his responsibilities and ignoring the obvious signs unfolding all around him.

3. Habeck was not merely an owner, President, and Chief Executive Officer of the MK Group. In addition, he held senior management positions within various other MK Group entities (collectively, the "MK Entities"[3]). Habeck was the President and Chief Executive Officer of Michael Kenwood Capital Management, LLC ("MK Capital") which served as the investment manager and director for the investment funds, Michael Kenwood Venezuela Fund ("MKV"), the Michael Kenwood Special Opportunity Fund ("SOF") and the Short Term Liquidity Fund ("STLF") (collectively, the "MK Funds").

4. In addition to the fiduciary duties owed to the MK Entities and MK Funds, Habeck was President and Chief Executive Officer of Michael Kenwood Asset Management, LLC ("MKAM"), which oversaw MK Group's private equity investments, many of which were funded using misappropriated investor money.

5. The fraudulent transfers and damages that the Receiver seeks to recover through this action were thinly characterized by Illarramendi, Habeck and others as compensation. They include undocumented, interest-free loans, other unspecified "bonuses" paid through offshore entities in an apparent effort to avoid scrutiny, mortgage payments on a luxury yacht, an inflated

[3] The term MK Entities includes: MK Master Investments LP, MK Investments, Ltd., MK Oil Ventures LLC., The Michael Kenwood Group, LLC, Michael Kenwood Capital Management, LLC; Michael Kenwood Asset Management, LLC; MK Energy and Infrastructure, LLC; MKEI Solar, LP; MK Automotive, LLC; MK Technology, LLC; Michael Kenwood Consulting, LLC; MK International Advisory Services, LLC; MKG-Atlantic Investment, LLC; Michael Kenwood Nuclear Energy, LLC; MyTcart, LLC; TUOL, LLC; and MK Capital Merger Sub, LLC.

salary based upon the fraudulent and falsified reported returns of the MK Group investment funds and purported profit and equity withdrawals taken from investor proceeds.

6. Habeck owed these companies and the MK Funds a fiduciary duty to act in their best interest and in the best interest of the funds' investors. He was, however, completely derelict in these duties and responsibilities, thereby enabling and facilitating the Ponzi scheme. If Habeck had been doing his job instead of personally enriching himself, Illarramendi's scheme might have never succeeded or continued for so long.

7. To date, the Receiver has identified at least $7,594,093 in transfers and salary to the Defendants, comprising investor proceeds and other monies that must be recovered by the Receivership Estate for ultimate distribution to those defrauded by the Ponzi scheme.

8. From 2005 through the Fall of 2010, Illarramendi and two other individuals together owned and controlled HVP Partners, a registered investment adviser located in Stamford, Connecticut. HVP Partners advised two hedge funds, the Highview Point Master Fund and two feeder funds, the Highview Point Offshore, Ltd. and Highview Point LP., (collectively, the "HVP Funds").

9. The HVP Funds and MK Entities were used as a part of one common overarching fraud which began at least as early as October 2005, when Illarramendi first concealed from the HVP Funds' investors and others, the multimillion dollar loss he incurred in a bond transaction. Illarramendi concealed this loss on the books of the HVP Funds creating a "hole" between the reported assets and liabilities of the fund. The hole grew exponentially over time as Illarramendi, in a desperate effort to conceal it, engaged, with the assistance of others, in numerous fraudulent transactions misusing and looting the HVP Funds and ultimately the MK Funds. These acts included the massive commingling of fraudulently transferred funds with

those of the HVP Funds, the falsification of the HVP Funds' books and records, the diversion and misappropriation of investor funds, and the apparent payment of millions of dollars in bribes to at least one official with management responsibilities over the retirement funds of Petroleos de Venezuela ("PDVSA"), the oil company owned by the government of Venezuela (the "Pension Funds").

10. In 2007, Illarramendi expanded the Ponzi by forming the MK Entities and MK Funds along with Habeck, who was the Chief Executive Officer of the MK Entities. The MK Entities and Funds eventually performed the critical role of raising new investor money that would be fraudulently transferred to the HVP Funds in order to conceal their ever-increasing losses. Illarramendi used the MK Funds to raise capital from some of the same investors and transaction participants that had been involved in the HVP Funds.

11. By early 2011, while Habeck served as Chief Executive Officer and director of the MK Entities and Funds, more than a quarter of a billion of the capital of the MK Funds was fraudulently transferred to the HVP Funds in order to conceal the "hole" and further the common Ponzi scheme that had begun more than 5 years before at the HVP Funds. Habeck sat idly by and ignored the red flags and irregularities he was confronted with on a daily basis.

RELEVANT ENTITIES

12. **Special Opportunity Fund** ("SOF") is a fund registered in the Cayman Islands. SOF was formed on September 12, 2007, with the purported purpose of operating as a fund-of-funds while "making direct investments on an opportunistic basis."

13. **Michael Kenwood Venezuela** ("MKV") is a fund registered in the Cayman Islands. MKV was formed on August 14, 2008, with the purported purpose of investing in "the Bolivarian Republic of Venezuela ("Venezuela") credit spectrum including arbitrage between the

Venezuelan Bolivar (VEF) and the US dollar (USD), as well as high returns currently being offered by Venezuela USD international bonds."

14. **Short Term Liquidity Fund** ("STLF") is a fund registered in the Cayman Islands. STLF was formed on June 20, 2008, with the purported purpose of investing in "products offered in the global fixed income and derivatives markets to generate gains through short-term (under one year) investments in sovereign securities, particularly those subject to currency arbitrage opportunities in their country of issuance, due to a particular country's exchange rate policy."

15. **Michael Kenwood Consulting, LLC** ("MK Consulting") is a New York limited liability company organized on May 2, 2006, and served as the primary entity through which funds flowed for payments to employees of the MK Group, including Habeck.

16. **Michael Kenwood Group, LLC** is a Connecticut limited liability company formed on January 26, 2007, and served as the holding company for MK Consulting, MK Capital, MKAM, and other MK Entities.

17. **Michael Kenwood Capital Management, LLC**, is a Delaware limited liability company organized on December 19, 2006, and served as an unregistered investment advisor for the MK Funds including MKV, SOF and STLF. The investors in the MK Funds were primarily offshore individuals and entities, including the Pension Funds.

18. **Michael Kenwood Asset Management, LLC** is a Delaware limited liability company organized on December 19, 2006. Among other things, MKAM was the owner of certain private equity investments Illarramendi funded with misappropriated investor money.

19. **Michael Kenwood Energy & Infrastructure, LLC** ("MKE&I") is a Delaware limited liability company organized on July 1, 2009. MKE&I was created solely for the purpose

of taking and holding title to certain private equity investments funded with misappropriated investor money.

20. **Michael Kenwood Oil Ventures, LLC** ("MK Oil") is a Delaware limited liability company organized on April 20, 2010. MK Oil was created by the principals of MK Group to invest in oil related investments. Habeck held a 19.4% interest in MK Oil funded through advances of the non-existent profit from MK Group.

21. **Highview Point Partners, LLC** is a Delaware limited liability company organized on August 27, 2004. HVP Partners was run by Illarramendi and two other individuals and advised two hedge funds, the Highview Point Master Fund and two feeder funds (the Highview Point Offshore, Ltd. and Highview Point LP).

THE DEFENDANTS

22. **Habeck**, age 52, resides at 226 Buttery Road, New Canaan, Connecticut (the "Habeck Residence"). Habeck first met Illarramendi in 2001, when they worked together at an investment bank. When Illarramendi formed MK Consulting in 2006, he selected Habeck to become the Chief Executive Officer. In 2007, Habeck helped establish MK Capital, the investment manager for the MK Funds, and helped create SOF and was one of its directors. Habeck was also appointed to the board of directors for STLF in May 2009, and the board of directors for MKV in April 2009. By the time Illarramendi's Ponzi scheme was discovered, Habeck was the Chief Executive Officer of all the key MK entities that participated in the fraud including the MK Group, MK Consulting, MK Capital, MKE&I and MKAM. Habeck was an insider of the MK Entities within the meaning of section 52-552(b)(7) of Connecticut Uniform Fraudulent Transfer Act ("CUFTA").

23. **Nancy Habeck**, ("Mrs. Habeck") age 53, is a resident of New Canaan, Connecticut. Mrs. Habeck resides at the Habeck Residence and is listed as a joint owner of the property.

24. **OGH Advisors, LLC**, is a Connecticut limited liability company organized for the purported purpose of providing consulting services. Habeck and Mrs. Habeck (collectively, "the Habecks") each hold 50% of the ownership in OGH Advisors, LLC. The Habecks are the sole members and principals of OGH Advisors, LLC. OGH Advisors, LLC was used to receive some of the improper and fraudulent transfers made to Habeck. Upon information and belief, at all relevant times, there was a sufficient unity of interest between Habeck and OGH Advisors, LLC that there was no independent ownership or independence on the part of OGH Advisors, LLC. At all relevant times OGH Advisors, LLC was dominated and controlled by Habeck.

JURISDICTION AND VENUE

25. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1367 in that this is an action brought by the Receiver appointed by this Court concerning property under this Court's exclusive jurisdiction. *See Securities and Exchange Commission v. Illarramendi, Michael Kenwood Capital Management, LLC et al. C.A.*, No. 3:11-cv-00078 (JBA), Amended Order Appointing Receiver (June 22, 2011)(Docket #279).

26. This Court has personal jurisdiction over the Defendants pursuant 28 U.S.C. § 754 and 28 U.S.C. § 1692.

27. The District of Connecticut is the appropriate venue for any claims brought by the Receiver pursuant to 28 U.S.C. § 754 as the acts and transfers alleged herein occurred in the District. Moreover, the Defendant's primary residence is in this district.

RECEIVER'S STANDING

28. On January 14, 2011, the Securities and Exchange Commission ("SEC") commenced a civil enforcement action against Illarramendi, MK Capital, and various Relief Defendants (the "SEC Defendants"). The SEC's complaint alleges that Illarramendi and others misappropriated investor assets in violation of Section 206(1), (2) and (4) of the Investment Advisers Act of 1940 and Rule 206(4)-(8) thereunder. The SEC also sought equitable relief, including injunctions against future violations of the securities laws, disgorgement, prejudgment interest, and civil monetary penalties.

29. Simultaneously with the filing of its complaint, the SEC sought emergency relief, including a preliminary injunction, in the form of an order freezing the assets of the SEC Defendants. The SEC also sought the appointment of a receiver over those assets.

30. On February 3, 2011, the Court appointed Plaintiff John J. Carney, Esq. as Receiver over all assets "under the direct or indirect control" of Defendant MK Capital and Relief Defendants MKAM, MKE&I, and MKEI Solar, LP. A motion to expand the scope and duties of the Receivership was filed on March 1, 2011, and the Amended Receiver Order was entered on March 1, 2011, expanding both the duties of the Receiver and the definition of the Receivership Estate to include the MK Funds, namely SOF, MKV and STLF.

31. On June 22, 2011, the Court entered a second Amended Receiver Order, which, *inter alia*, expanded the scope of the Receivership Estate to include HVP Partners as a Receivership Entity. By additional order of the Court, the Receivership was again expanded on July 5, 2011, to include MK Master Investments LP, MK Investments, Ltd. and MK Oil Ventures LLC ("MK Oil"). On January 4, 2012, the Court entered another modified Receiver Order to include additional reporting requirements. The Receiver is presently seeking to bring the HVP Funds into the Receivership.

32. Pursuant to the Court's Amended Order Appointing Receiver of January 4, 2012 ("Amended Receiver Order"), the Receiver has the duty of, among other things, identifying and recovering property of the Receivership Entities to ensure the maximum distribution to the Receivership Entities' defrauded creditors and to maximize the pool of assets available for distribution. To accomplish this goal, the Receiver must take control of all assets owned by or traceable to the Receivership Estate, including any funds that were stolen, misappropriated, or fraudulently transferred as alleged herein.

33. The Receiver has standing to bring these claims pursuant to, among other things, CUFTA, CONN. GEN. STAT. § 55-552, Connecticut Unfair Trade Practices Act ("CUTPA"), CONN. GEN. STAT. § 42-110a, *et seq.*, and Connecticut common law.

34. The Receiver has standing to bring claims that the Receivership Entities could have brought on their own behalf. As alleged herein, Illarramendi freely commingled proceeds between and among the Receivership Entities such that the Receivership Entities, including the MK Funds, are creditors of one another. Accordingly, the Receiver has standing to recover the fraudulent transfers made to the Defendants. The Receiver also has standing to bring common law claims on behalf of the Receivership Entities based upon Habeck's status as an insider and as a result of Habeck's breaches of fiduciary duty to the MK Entities and MK Funds from which he benefitted.

THE FRAUDULENT PONZI SCHEME

I. ILLARRAMENDI'S NETWORK OF ENTITIES AND FUNDS

35. The Ponzi scheme at the center of this action involves the misappropriation and misuse of investor assets by two investment advisers located in Stamford, Connecticut—namely, HVP Partners and MK Capital. While these entities were controlled by Illarramendi, the day-to-day operations of MK Capital were managed by Habeck.

36. To perpetrate and prolong his fraud, Illarramendi fabricated entire transactions and the profitability of actual transactions in an effort to conceal his scheme and defraud creditors. To obfuscate his ever-growing shortfall, Illarramendi played a shell game with the remaining investor funds, constantly shuffling funds from one entity or fund to the next, creating a pervasive commingling of funds and giving off the false appearance of profitability.

37. From at least 2005 through the Fall of 2010, Illarramendi caused HVP Partners, the MK Entities, the MK Funds, and the HVP Funds to engage in scores of extraordinarily complex and multi-layered transactions as part of a fraudulent Ponzi scheme, all in an effort to conceal investment losses and the misappropriation of investor assets. Illarramendi conducted the fraud using the HVP Funds and the MK Funds in tandem, engaging in many related and fabricated transactions between the two groups, which included purported loans, and extensive undocumented transfers of cash between them for the purpose of concealing massive losses in order to hinder, delay or defraud the investors and creditors of the Receivership Entities and HVP Funds.

38. For example, as of the end of 2010, the purported value of one of the MK Funds, STLF, was as high as $540 million. In fact, however, STLF was insolvent, with assets substantially less than that primarily because many of its assets were used during 2010 to pay investor redemptions to investors in MKV as well as obligations to other third parties.

39. Any separation between the MK Funds and the HVP Funds was a legal fiction as Illarramendi freely and indiscriminately commingled, misappropriated and looted investor proceeds to further the fraud and conceal it from investors and creditors.

40. During the relevant period, Habeck served as President and Chief Executive Officer of MK Capital, Chief Executive Officer of MK Consulting, and was a director of each of

the MK Funds. As a result of these numerous roles, Habeck had access to the financial information of the MK Funds throughout this time period and had an affirmative obligation to ensure that investor proceeds were safeguarded and invested in accordance with the terms of the relevant investment documents provided to investors. Instead, Habeck ceded all authority to Illarramendi and did nothing to confirm that the profits Illarramendi reported or the trades Illarramendi claimed to execute—many of which were false—actually took place. As a director of the MK Funds, Habeck had a fiduciary obligation to be certain that investor money was safeguarded and invested appropriately. Habeck failed to take any meaningful action to monitor Illarramendi, carry out the duties expected of him as an officer and a director, or prevent or detect the fraud.

II. THE TRANSACTIONS HARM THE MK FUNDS

41. With regard to STLF (and as the fund's name necessarily implies), the Private Offering Memorandum contemplated that the investments in said fund would be short term in nature:

> While the Fund may, from time to time, invest in longer-term securities, its primary investment strategy seeks to take advantage of products offered in the global fixed income and derivatives markets to generate gains through short-term (under one year) investments[.] . . [T]he investment manager may pursue any strategies, employ any investment techniques and purchase any type of security it considers appropriate to achieve the investment objective of the Fund, as long as they are constrained to fixed income securities and derivatives referencing fixed income securities.

42. Consistent with the goals of a self-described short-term liquidity fund, the Private Offering Memorandum provided that investors may generally redeem their investments upon thirty days' notice. The Private Offering Memorandum did not disclose that investor funds would be used to redeem investors in other unrelated funds, and it did not provide for loans to be made to the adviser or entities under common ownership or control of the adviser, as were

made for some of the private equity investments or other forms of misappropriation alleged herein, without notice to the investors.

43. Instead, investor money in STLF was rarely invested in legitimate securities transactions. Rather, it was used to satisfy other obligations incurred by Illarramendi to continue to conceal the hundreds of millions in losses incurred from his multi-year scheme.

44. Similarly, the Private Offering Memoranda for MKV and SOF did not disclose that investor funds would be used to redeem investors in other funds and did not allow for loans to be made to the investment adviser or entities under common ownership or control of the adviser, or the other forms of misappropriation alleged herein, without notice to the investors.

45. In fact, as early as October 7, 2009, Habeck was on notice that Illarramendi had been using MKV to execute purported trades outside the scope of the Private Offering Memorandum. Despite this knowledge, Habeck took no additional steps and did not exercise any additional diligence to confirm that Illarramendi was managing MKV in accordance with the Private Offering Memorandum as would be expected of a fiduciary on notice of possible irregularities. As alleged in detailed herein, Habeck ignored his fiduciary obligations and continued to allow Illarramendi to do as he pleased with the MK Fund assets, thereby expanding the Ponzi scheme and the losses incurred.

46. Given his senior managerial positions at the MK Entities and fiduciary responsibilities to the MK Funds, Habeck should have verified and ensured that Illarramendi was managing and investing the money of the MK Funds in accordance with the Private Offering Memoranda and not engaging in blatant misappropriation and misuse of investor assets. As a

director of each of the MK Funds, Habeck was "responsible for the overall management and control of the [f]und in accordance with its memorandum."

47. As part of the scheme, Illarramendi and MK Capital also misappropriated at least $60 million from the MK Funds by making unauthorized investments of the monies in long-term private equity investments for the benefit of Illarramendi without the knowledge or approval of investors in the MK Funds.

48. Habeck was aware that some of these private equity investments were made with investor money and in contravention of the Private Offering Memoranda of the relevant funds. As the Chief Executive Officer of the investment manager and a director of the MK Funds, Habeck had a duty to prevent and not assist Illarramendi from misappropriating investor money to invest in these entities.

49. On or about March 7, 2011, the United States Attorney's Office for the District of Connecticut filed a Criminal Information against Illarramendi alleging that Illarramendi, with others, had engaged in a massive Ponzi scheme involving hundreds of millions of dollars of money supplied primarily by foreign institutional and individual investors. The primary purpose of the Ponzi scheme was to "conceal the existence of the gap between the [commingled] assets and liabilities" of the MK Funds and their actual insolvency. Illarramendi acknowledged that he "commingled the investments in each individual hedge fund with investments in other hedge funds without regard to their structure, stated purpose or investment limitations and thus, treated all investments in Funds as a single source to provide returns to investors."

50. According to the Information, Illarramendi engaged in or caused multiple acts in furtherance of the Ponzi scheme, including but not limited to: (1) making false statements to investors, creditors and employees of the Receivership Entities, the SEC and others to conceal

and continue the scheme; (2) creating or causing fraudulent documents to be created; (3) engaging in multiple transactions without documentation in an effort to conceal and continue the scheme; (4) transferring millions of dollars of assets across the Receivership Entities and other entities he controlled to make investments in private equity companies; and (5) commingling assets across the Receivership Entities and other affiliated entities. On March 7, 2011, Illarramendi pleaded guilty to two counts of wire fraud, and one count of conspiracy to obstruct justice, to obstruct an official proceeding and to defraud the SEC.

51. As Illarramendi publicly acknowledged during his plea allocution in the criminal case, he began engaging in this scheme as early as 2005 to hide from investors and creditors the losses he had incurred and the massive discrepancy that existed.

III. HABECK WAS A FIDUCIARY OF THE MK ENTITIES AND MK FUNDS AND KNEW OR SHOULD HAVE KNOWN OF ILLARRAMENDI'S FRAUD

52. Because of Habeck's unique position, holding various leadership and supervisory positions of various MK entities, he was aware of many red flags that should have indicated to him that Illarramendi was engaged in a Ponzi scheme. At a minimum, Habeck should have known that investor proceeds were freely commingled and misappropriated for unintended uses. Habeck ignored these red flags to the detriment of the investors and creditors and instead profited from Illarramendi's fraud.

53. During the relevant time period, Habeck held, among others, the following positions:

- President and Chief Executive Officer of MK Group;
- President and Chief Executive Officer of MK Capital, the investment advisor to the MK Funds;
- President and Chief Executive Officer of MKAM;
- Chief Executive Officer of MKE&I; and

- Chief Executive Officer of MK Consulting.

54. During the relevant time period, Habeck also served as a director for the following MK Funds:

- SOF;
- MKV; and
- STLF.

55. Habeck had access to the books and records of the MK Entities and had a duty to verify that the purported flow of funds into and out of these entities was accurate and represented legitimate securities transactions in accordance with the relevant fund documents.

56. The fiduciary duties owed by Habeck included duties of care and loyalty to the MK Entities and its investors and duties to act in good faith. He also had the duty not to waste or divert the assets of the MK Entities and duties not to act in furtherance of his own personal interests at the expense of the MK Entities and its investors. Habeck breached each and every one of these duties.

57. While the Ponzi scheme perpetrated by Illarramendi was continuous in nature, there were a series of specific transactions that were intended to prevent the discovery of the fraud by using investor funds for improper purposes and to disguise the ever-growing losses he had incurred. While these transactions made the MK Funds and Receivership Entities appear outwardly profitable, as the following transactions make clear, the MK Entities and MK Funds were insolvent at all relevant times. The transactions did nothing more than pay earlier investors with money received from later investors, the hallmark of a Ponzi scheme. Because many transactions did not occur, or the profits reported from transactions that did occur were falsified, these purported profits were never actually earned. As a result, transfers paid to Habeck and

other managers of the MK Entities based on Illarramendi's fraud were not, and could not have been legitimate payments as all the relevant MK Entities were rendered insolvent.

A. 2009 Transaction

58. Illarramendi frequently used HVP Partners, and the HVP Funds it managed, to mask the commingling and loss of investor proceeds that occurred throughout the fraud.

59. During 2009, Illarramendi used HVP Fund investor money to make payments to various offshore entities for the purpose of concealing his mounting losses and in order to hinder, delay or defraud creditors. The approximately $79 million shortfall he created from these transfers was then replenished with money from SOF, a separate fund with separate investors. These transfers were nothing more than repayment, plus fictitious profit, of earlier investors with money from later investors and a blatant violation of the Private Offering Memoranda of SOF of which Habeck was a director and fiduciary. By the end of 2009, Illarramendi began falsely recording the entire $79 million on the HVP Fund books as an "investment" in MKV, adding an additional layer of absurdity to the transfers by recording the false investment in MKV, instead of in the SOF which actually repaid the money. Of course there was no corresponding entry on the books of MKV or any other indication that the HVP Funds had made an investment.

60. On December 30, 2009, to avoid having the phony MKV investment on the HVP Fund books at year's end, and in an attempt to evade scrutiny from the HVP Fund's auditors, Illarramendi and MK Capital, of which Habeck was President and Chief Executive Officer, caused the SOF, the fund of which Habeck was also a director, to transfer $99 million in cash to the HVP Funds, of which at least $91 million was a purported redemption of the approximately $79 million phony MKV investment, with interest. The result was that Illarramendi misappropriated $79 million from the HVP Funds during 2009 and then Illarramendi and MK

Capital replaced those misappropriated assets with at least $99 million misappropriated from a different set of investors, namely SOF and MKV.

61. For this transaction, HVP Partner's auditors might have discovered and questioned the legitimacy of the investment from the HVP Funds if $99 million in investor funds had not been transferred from SOF to the HVP Funds as of December 31, 2009. This transfer made it appear that the HVP Fund's investment in MKV was legitimate and even generated a profit.

62. Habeck was aware of this transfer at the time it was initiated but did nothing to confirm its purpose or legitimacy. On December 30, 2009, Illarramendi sent an email with the instructions for the transfer and copied Habeck, stating that the ostensible purpose for the transfer was to partially repay HVP Partners for bonds received free of payment over the prior few weeks.

63. Habeck was also aware of other payments made to unrelated third parties in connection with this transaction but did not perform any due diligence to determine the propriety of these transfers. As part of the 2009 Transaction, MKV wired $9 million to SOF and SOF wired $20 million to "4A Star," an offshore entity unconnected to the transaction. Although he was a director of SOF and MKV, upon information and belief, Habeck did not question the payment or perform any diligence to determine why MKV wired $9 million to SOF, why 4A Star received $20 million from SOF, or whether 4A Star was involved in the so-called bond transaction.

64. The explanation provided by Illarramendi was largely false. The transfer of money to HVP Partners and 4A Star was part of Illarramendi's scheme to pay other obligations and conceal the massive shortfalls he created. Habeck had a duty as both the Chief Executive

Officer of the investment manager and as a member of the board of MKV and SOF to understand and verify the purpose of the transfer, determine if it was in the best interests of MKV and SOF and consistent with the Private Offering Memorandum. Habeck's obligations were to do more than accept Illarramendi's explanation and instead exercise his judgment to determine whether this was a legitimate transaction in the best interest of MKV and SOF investors.

65. Habeck, however, accepted Illarramendi's largely false explanation despite never receiving or understanding the underlying terms of the transaction, asking for documents to confirm the so-called bond purchases or taking any other meaningful steps to determine why SOF and MKV made multi-million dollar transfers to HVP Funds.

66. Had Habeck been doing his job honestly and faithfully as his position required, he should have seen the red flags and challenged Illarramendi in order to determine whether this and other transactions were legitimate.

67. In fact, contrary to the appearance given by the titles he held, Habeck had little understanding of the purported investments and transactions Illarramendi engineered. He did not understand or inquire into the purpose behind the frequent transfers of fund money, often to unknown offshore entities or individuals. Habeck's management and director positions created an obligation for him to be more than just a figurehead and to determine whether the transaction took place, whether it was in the best interests of the MK Funds, and whether it was in accordance with the Private Offering Memorandum. If Habeck had fulfilled this obligation, at a minimum he should have known that the transfer to the HVP Funds was not proper under the Private Offering Memorandum. Instead Habeck accepted the false explanations received from Illarramendi without question all while he earned significant compensation at the expense of the funds to which he owed fiduciary obligations.

B. Harewood

68. In or around March 2010, in an effort to gain more liquidity to feed his growing fraud, Illarramendi negotiated with the Pension Funds to purchase underperforming securities in an investment fund known as Harewood. These securities had depreciated significantly and the Pension Funds had incurred unrealized losses on its books. Illarramendi agreed to purchase the securities for $35 million in return for a $100 million investment by the Pension Funds into SOF. Illarramendi purchased these securities for $35 million though he believed they were worth far less, if anything at all. The Pension Funds agreed not to withdraw the money subscribed into SOF for one year when Illarramendi promised he would return the $100 million along with a guaranteed rate of return of 8%. Essentially, Illarramendi agreed to take the Harewood shares and the corresponding losses off of the Pension Funds' books allowing them to realize a gain while simultaneously promising the Pension Funds he could guarantee an 8% return on their investment in SOF. In order to pay for the Harewood securities, Illarramendi took money from the MK Funds to pay $25 million of the $35 million purchase price. When the Harewood shares were redeemed several months later, the proceeds of the redemption were paid to certain principals of the MK Group, rather than to the MK Funds.

69. Habeck again played a significant role in this transaction which occurred to the detriment of an MK Fund and its investors but to the personal financial benefit of certain principals of the MK Group. Habeck was aware that the MK Funds paid the Pension Funds significantly more than the actual value of the Harewood shares and that the proceeds from the redemption of the shares did not go to the investors whose funds were used to purchase the shares.

70. On March 30, 2010, Habeck was copied on the email correspondence confirming the transfer of $25 million from MKV to the Pension Funds for the purchase of the Harewood

shares. An additional $10 million was also wired to the Pension Funds from HVP Partners for a total purchase price of $35 million.

71. Although MKV and HVP Partners paid for the Harewood shares, the shares were then transferred into STLF. Habeck was aware that MKV had advanced $25 million of the $35 million "purchase" price and upon information and belief, that the HVP Funds paid the additional $10 million, yet he did not find it odd, nor did he question, why the Harewood shares were transferred to STLF.

72. On July 20, 2010, Habeck received a letter informing him that the Harewood position would be liquidated. On August 4, 2010, Habeck received an email confirmation that STLF received approximately $18 million in proceeds from the redemption of Harewood. Thus, Habeck was aware that the amount the MK Funds paid for the Harewood shares was greatly in excess of the value the MK Funds received for the shares. Of course, the proceeds from this transaction were not paid to STLF, MKV, or HVP Partners, the entities that financed the purchase of the Harewood shares and bore the risk associated with the transaction. Instead, the proceeds from the redemption were misappropriated from the MK Funds and were paid to certain principals of the MK Group.

73. Again, Habeck did nothing to understand the nature of the purported investment in SOF and did nothing to prevent the misappropriation of these assets which he knew or should have known were property of STLF or the MK Funds and should not have been used for the personal profit of the principals of the MK Group.

74. Habeck also never questioned why MKV paid for a portion of the Harewood shares but did not receive a portion of the profits nor did he question why the securities were ultimately transferred to STLF. He similarly did not object or inquire as to why the redemption

proceeds were paid to the principals of MK Group and not retained by STLF. Habeck again ignored the overwhelming indicia of fraud that surrounded him.

C. 2010 Transaction

75. Between January 2010 and March 2010, Illarramendi through HVP Partners caused the HVP Funds to transfer approximately $90 million to various offshore third parties in order to satisfy previous obligations Illarramendi incurred as part of his scheme to conceal investment losses. Of that approximately $90 million that was misappropriated, at least $24 million was used to repay a loan to an unrelated third party. A portion of the original $24 million "loan" had been used to finance the purchase of the Habeck Residence. Illarramendi also misappropriated an additional $7 million to purchase a private plane for one of the principals of HVP Partners. These transfers were again falsely recorded by the HVP Funds as purported investments in MKV.

76. As he did in 2009, Illarramendi "repaid" the misappropriated assets to the HVP Funds using money from the MK Funds. In May 2010, Illarramendi caused MKV to transfer $94 million to the HVP Funds. The money transferred from MKV was largely comprised of money originally invested into SOF by the Pension Funds in connection with the Harewood transaction. Again, this payment was falsely characterized as representing repayment plus interest of the HVP Funds' purported investment in MKV. In reality, though, similar to the 2009 transaction, the result was that Illarramendi and HVP Partners had misappropriated approximately $90 million from the HVP Funds, and then Illarramendi replaced these misappropriated assets along with fictitious profits by transferring $94 million from a different fund and a different set of investors at MKV.

77. This use of Ponzi payments was designed to hide the fact that over the previous several years, Illarramendi had misappropriated substantial assets from the HVP Funds and

sought to repay these misappropriated aseets from the MK Funds. As he did in 2009, Illarramendi falsely characterized these Ponzi payments as investments in MKV to conceal the losses and in a continuing effort to hinder, delay or defraud creditors. These payments were also designed to conceal the fact that the MK Funds and the HVP Funds had experienced substantial investment losses. As a result of these hidden misappropriations and investment losses, the liabilities of the MK Funds, in this instance MKV, (the purported value of investor subscriptions and money owed other creditors) at all relevant times, vastly exceed the actual assets held by MKV and it was insolvent.

78. Once again Habeck should have recognized the blatant red flags surrounding the multi-million dollar transfers from the MK Funds to the HVP Funds in 2010. As a fiduciary to the investment manager and MKV itself, Habeck knew of these transfers yet did not inquire as to their legitimacy or purpose.

79. There were no subscription documents or other documents to confirm that this was an investment in MKV and there is no indication that Habeck was aware of what the purported purpose behind this large transfer was. As a director of MKV, Habeck should have inquired to determine whether the HVP Funds had a legitimate investment in MKV that would have warranted a multi-million dollar transfer and whether this payment represented a legitimate return of an investment and profits. Had Habeck done even the basic amount of diligence he should have realized that there was no economic substance to this transaction; there never was an investment by the HVP Funds into MKV or any other MK Fund or MK Entity that would justify the repayment of this money to the HVP Funds.

80. Habeck also had an obligation to determine whether the transaction was in the best interests of MKV and in accordance with the Private Offering Memorandum. Habeck knew

or should have known that the transfer to the HVP Funds was not proper under the Private Offering Memorandum, did not represent the return of an actual investment and was not supported by any documentation that would reflect a legitimate subscription into MKV or any other MK Fund. The Receiver has not located any meaningful evidence that Habeck exercised any independent diligence or oversight of this transaction or any other transaction Illarramendi engineered. Instead, Habeck blindly accepted the false explanations received from Illarramendi which allowed the fraudulent scheme to proceed unchecked and allowed Habeck to profit at the investors' expense.

D. 2014 Bond Transaction

81. As late as August 2010, Habeck continued to ignore the blatant evidence of fraud that surrounded him even as Illarramendi grew increasingly desperate to meet his obligations and receive additional liquidity to keep his mounting losses hidden and the Ponzi scheme running.

82. Once again, through an extremely complex series of transactions (involving bonds provided by the Pension Funds), designed to hide the true nature of the scheme, and hinder, delay, or defraud creditors, Illarramendi and MK Capital used STLF assets to partially fund the redemption of MKV investors with fictitious gains reported on those investments. In addition to the misappropriation of tens of millions of dollars, STLF suffered another loss of approximately $13.5 million to the Pension Funds as part of this bond transaction.

83. Of course, Habeck was still a director of STLF, the president of MK Capital and had full access to the books, records, and bank statements for the MK Funds at the time of this transaction.

84. Illarramendi initiated the transaction by offering the Pension Funds the opportunity to engage in an even exchange of certain government bonds maturing in 2027 and 2037 for bonds maturing in 2014. Illarramendi engaged in this transaction in part to

receive additional liquidity to keep his losses concealed and so that he could consolidate all the losses he had incurred to date into STLF giving him greater control over the ability to conceal the fraud from investors. The additional liquidity would allow him to continue making Ponzi payments in order to hinder, delay or defraud creditors.

85. The Pension Funds initially transferred the 2027 and 2037 bonds to one of the HVP Funds. Illarramendi, through the HVP Funds, then transferred the bonds to MKV. In early July 2010, MKV sold the bonds to a third party for approximately $149 million. Illarramendi used a significant portion of the proceeds from the sale of the bonds in another series of Ponzi payments, partially redeeming MKV investors (including paying them fictitious profits), and transferring the remaining proceeds to STLF between July 7 and July 14, 2010.

86. STLF then used investor funds to purchase the approximately $158 million worth of 2014 bonds that had to be returned to the Pension Funds as part of the swap (at a cost of nearly $10 million more than the value of the proceeds realized from the sale of the 2027 and 2037 bonds that had been received from the Pension Funds). In August 2010, STLF transferred the 2014 bonds to the Pension Funds, and in return the Pension Funds subscribed those bonds back into STLF with an inflated value of over $171 million, more than $13 million than the purchase price STLF had paid only a few days earlier. The net result of this transaction was that STLF paid out $97 million more than it received from MKV from the sale of the bonds.

87. Had he been doing his job, Habeck's involvement in the 2014 Bond Transaction should have put him on notice of the numerous indicia of fraud surrounding this transaction.

88. Habeck was instrumental in the sale of the 2027 and 2037 bonds that led to the payment of approximately $149 million into MKV. On July 1, 2010, Habeck instructed the

investment bank that held the 2027 and the 2037 bonds to transfer them from MKV's account to an unrelated third party which paid the $149 million into MKV.

89. Throughout the end of July and early August 2010, Habeck, in his role as director of STLF, was aware that the Pension Funds received the 2014 bonds valued at $158 million and then turned around and subscribed those bonds back into STLF, only this time at the inflated value of $171.5 million. Habeck was aware of the round trip nature of this transaction but did not inquire as to why MKV initially received the bonds from the HVP Funds even though the Pension Funds made a subscription into STLF or why a significant portion of the proceeds were paid to MKV investors.

90. Habeck knew or should have known that the Pension Funds' subscription into STLF included the $13.5 million in inflated value for the 2014 bonds. This inflated value did not represent the actual value of the bonds but was added to the Pension Funds' subscription as an additional incentive for them to provide Illarramendi with the liquidity he desperately needed to keep the scheme going.

91. Habeck also knew or should have known of the Ponzi payment, had he exercised any oversight or done any diligence on this transaction, that the investors in MKV were paid using profits from a transaction that was purportedly for the benefit of STLF and its investors. The transaction succeeded in placing the total losses from the fraud in STLF and paying off the obligations Illarramendi had to MKV's investors with fictitious profits.

92. Habeck should have questioned this transaction and prevented it from taking place. His failure was compounded by allowing the Pension Funds to receive a subscription into STLF at an artificially inflated value. Upon information and belief, Habeck again accepted

Illarramendi's false explanations and did not do what was required of him as a fiduciary to the MK Funds.

93. Habeck, as Chief Executive Officer of MK Capital, the investment manager for MKV, should have known that this transfer occurred with no apparent benefit to any of the MK Funds and without any apparent investment purpose.

E. Additional Knowledge of Improper Commingling of Fund Assets

94. As the prior transactions demonstrate, Habeck knew or should have known of extensive commingling of funds between the Receivership Entities and the MK Funds as well as the misappropriation of those funds. Habeck was also a witness to commingling in the form of transfers between the MK Funds and Receivership Entities to repay debts, transfers to disguise the purchase of private equity investments with investor money, and improper kickbacks for investments between related funds.

a. Improper Payments to Third Parties

95. Illarramendi had a habit of issuing promissory notes from HVP Partners that were payable to the MK Funds, from which he misappropriated the money, as a means of concealing the increasing losses from the Ponzi scheme and an attempt to legitimize the misappropriation of money from the MK Funds. To the extent they were repaid, these promissory notes were often repaid by third parties and not HVP Partners. Upon information and belief, the repayments often came from offshore entities and individuals at the request of Illarramendi in an effort to conceal the growing losses at the HVP Funds.

96. For example, between May and November 2008, HVP Partners issued several notes to SOF for a total of approximately $15 million. These notes were ultimately repaid by third parties completely unaffiliated with HVP Partners or SOF. There are numerous other

instances of similar transactions that should have put Habeck on notice of some sort of irregularity.

97. Upon information and belief, Habeck was aware of these promissory notes and their repayment by unaffiliated third parties. Habeck never performed any diligence to determine the legitimacy of these transactions and the reasons behind the promissory notes. Habeck also never questioned why these third parties made direct payments to the MK Funds on behalf of HVP Funds.

b. Improper Private Equity Investments

98. As a director of STLF, Habeck knew that the purpose of STLF as stated in the Private Offering Memorandum was "to take advantage of products offered in the global fixed income and derivatives markets to generate gains through short-term (under one year) investments." Despite the representations made to investors, Habeck knew or should have known that Illarramendi used money diverted from the MK Funds to improperly finance various long-term private equity investments.[4] Habeck once again did nothing to prevent the misappropriation of investor funds for this improper purpose as his position required him to do.

99. On May 12, 2010, Habeck instructed that $20,350,000 from STLF's Deutsche Bank account be transferred directly to a startup energy company to finance the closing of that investment on behalf of MKE&I. Although this transfer was characterized as a loan, there were no documents in place to support this contention and there was no evidence that STLF received

[4] Illarramendi made these private equity investments in mostly start-up entities with the misguided hope that they would yield a multi-million dollar payout if successful so he could conceal the massive losses he had incurred by this time. Of course, this was nothing more than wishful thinking and these investments only succeeded in expanding the investment losses.

interest or otherwise benefitted from this transaction. It was only after the SEC began its investigation that documentation to paper the loan was put into place. Habeck knew the investment was contrary to the Private Offering Memorandum of STLF and did nothing to prevent the transaction but instead took steps to further this blatant misappropriation of investor money by authorizing the transfer of funds.

100. Habeck was also aware that the funding of other private equity transactions were all based on similar "loans" to Illarramendi. Rather than ensuring that all loans were properly documented and that money properly belonging to the MK Funds was properly invested and safeguarded, Habeck concerned himself with how to best classify these loans on MK Consulting's books and records so that it would not appear to be an outright misappropriation of investor money. Habeck relinquished all of the duties he owed to the MK Funds and MK Entities, happy instead to continue to receive millions of dollars in return for not interfering with Illarramendi's fraud.

101. On December 30, 2009, after some of the private equity investments were made with MK Fund money, Illarramendi and Habeck received an email from the Chief Compliance Officer for MK Group questioning whether money used for the private equity investments was Illarramendi's or "other people's money (especially investors' money in funds we manage)" because the investments were not held in the name of the funds. Habeck, as a director for all of the MK Funds and as Chief Executive Officer and President of the investment manager for the MK Funds, knew or should have known, certainly after receiving this email, that the source of funding for the private equity investments was in fact misappropriated from investors. Despite the Chief Compliance Officer's concern, Habeck did nothing to rectify the situation or prevent this misappropriation from taking place for future transactions, as his senior position required.

102. Instead, Habeck continued to assist Illarramendi in pursuing and increasing the number of private equity investments. From the beginning of 2010 through the commencement of the SEC Action, approximately $60 million in investor funds were wrongfully diverted from MK Funds to various private equity investments. Habeck knew or should have known that these investments were improperly paid for with MK Fund money. Had Habeck fulfilled his duties as director, President, and Chief Executive Officer, to the extent he didn't know, he should have inquired as to the source of the funds for these investments. To the extent Habeck did know that the money was misappropriated from the MK Funds, he should have taken action to prevent the misappropriation instead of assisting in the process and acting contrary to what was expected of him as a fiduciary.

c. Improper Kickbacks

103. In addition to his work at MK Group, Habeck was also affiliated for a time with the Global Developing Markets Offshore Fund ("GDMO"), a fund operated by Ronald Percival ("Percival"), another MK Group principal. Upon information and belief, Habeck had an agreement with Percival to receive a kickback for all investments he solicited and that were invested into the GDMO. In late 2007, SOF invested $10 million into the GDMO, becoming its largest investor, and as a result, Habeck received payments of at least $75,000. Habeck's decision as the investment manager of SOF to invest money into the GDMO when he knew he was going to personally profit from this investment was a blatant conflict of interest and breach of his duty of loyalty to SOF and yet another example of Habeck's proclivity for placing his personal enrichment at the expense of the funds to which he owed fiduciary duties.

IV. HABECK PROFITED FROM THE PONZI SCHEME

104. From 2006 to January 2011, Habeck was well compensated for failing to do the job that was expected of him and for ignoring the red flags as Illarramendi's fraud expanded and

proceeded unchecked. Habeck and Mrs. Habeck received at least $7,594,093, (the "Transfers") directly or indirectly, from Receivership Entities that consist of fraudulent transfers and salary earned for management positions that he essentially abdicated to Illarramendi.

105. The Transfers consist of:

(a) a $3,000,000 interest-free and undocumented "loan," which was used to purchase the Habecks' home; to date the Receiver has not located any evidence that any part of this loan or any interest was ever repaid;

(b) a $1,000,000 "bonus" from an offshore entity directly traceable to funds from MKV, for which Habeck did not provide value;

(c) $135,539 in mortgage, insurance, and maintenance payments made on their behalf for a yacht co-owned by Habeck and Illarramendi;

(d) $1,281,041 received as salary and bonuses from MKG entities for five years, even though he repeatedly breached his duties to those same entities;

(e) $1,132,261 in purported "equity" withdrawals from the insolvent MK Group entities; and

(f) $1,045,252 in capital contributions made to MK Oil on Habeck's behalf for which he did not provide value.

106. These Transfers represented commingled investor proceeds or were based on profits never legitimately earned as the MK Group and the MK Funds that Habeck managed were insolvent at all relevant times due to Illarramendi's fraud.

107. Mrs. Habeck is named herein to the extent she received the benefit of these Transfers either in the form of real property, transfers into bank accounts jointly owned with

Habeck for which she is jointly and severally liable, or into OGH Advisors, LLC, an entity jointly owned by the Habecks.

A. The Habecks' Residence Was Purchased With Investor Money

108. On October 7, 2009, Habeck and Mrs. Habeck's real estate attorney received a wire transfer directly from MK Consulting in the amount of $2,970,360. The same day, Habeck personally received a wire transfer from MK Consulting in the amount of $29,640 (collectively, the "Home Transfers"). These two transfers from MK Consulting were to be used, in the words of Habeck, "for the purchase of the house located at 226 Buttery Road," the Habecks' primary residence.

109. MK Consulting was insolvent at all times prior to the Home Transfers. Illarramendi freely commingled funds in order to meet whatever obligations were due and the transfers that funded the Home Loans were no different. To pay the Home Transfers, MK Consulting had to divert money originally intended for HVP Partners. The $3,000,000 that came to MK Consulting to pay for the Habecks' home was comprised of a larger misappropriation of money intended for investment with the MK and HVP Funds but instead deposited into the MK Consulting bank account. The $3,000,000 Home Transfers were funded with money misappropriated from HVP Partners and directly used to purchase the Habeck Residence.

110. Although the transfer to the Defendants was characterized as a loan, the Receiver has located no documentation reflecting a loan agreement or that any interest payments were ever contemplated. In fact, as of the date of this action, the Receiver has located no evidence that any portion of the Home Transfers have been repaid or that any interest payments were ever made. This "loan" represented nothing more than a gratuitous transfer of investor money for the purchase of his luxury home, the same money Habeck was supposed to safeguard as a fiduciary of the MK Entities.

111. Upon information and belief, the Home Transfers to Habeck and his wife were disguised as a loan to avoid income tax liability and Habeck never intended to repay these funds to the Receivership Entities.

112. The purchase of the Habeck Residence did not provide the Receivership Entities with any value. Accordingly, Habeck was unjustly enriched by the Home Transfers as he provided no value in exchange for the transfers used to buy the home.

113. These transfers occurred while Habeck was the Chief Executive Officer and President of MK Group and was a director of, and investment manager for, the MK Funds. As a fiduciary to these entities and the MK Funds they managed, Habeck owed the MK Funds and the MK Entities duties of care and loyalty that he violated through this blatant self-dealing. Habeck knew or should have known that this free transfer of fund money was improper. At a minimum, instead of receiving the free money, he should have inquired as to the source of the funds and knew or should have known that MK Consulting (which paid the Home Transfers) was insolvent as a result of Illarramendi's fraud. Habeck either knew he was misappropriating investor money or deliberately looked the other way in order to personally profit at the Receivership Entities expense.

114. Attached as Exhibit A is a schedule of the transfers used to purchase the Habecks' Residence.

B. Habeck Received Unwarranted Bonus Payments with Investor Money

115. To compound his failures as a manager, director, and fiduciary, Habeck received purported performance bonuses which also consisted of nothing more than money misappropriated from the MK Funds and its investors.

116. In June 2009, the Defendants received two transfers totaling $1,000,000 (the "Unwarranted Bonus Payments") from an offshore Venezuelan entity primarily owned by

Illarramendi's brother-in-law. Illarramendi often used this and other offshore entities to transfer funds to third parties and conceal the Ponzi activity he was engaged in. In addition, upon information and belief, this offshore entity was also used to transfer funds in order to avoid tax liability in the United States.

117. Prior to this transfer to the Defendants, MKV transferred $2,000,000 in May 2010, and $4,000,000 in June 2010, to the offshore entity to fund the purported Unwarranted Bonus Payments to Habeck as well as other obligations unrelated to any investments by MKV. Once again, Illarramendi misappropriated investor money from Receivership Entities to pay Habeck compensation for being a good soldier. Upon information and belief, these transfers were made through the offshore entity and not through MK Group in order to conceal the true nature of the transactions.

118. On June 1, 2009, Illarramendi sent a letter to the offshore Venezuelan entity on MKV letterhead requesting that it transfer $500,000 to OGH Advisors, LLC, an entity owned and controlled by Habeck and his wife. The letter indicated that the transfer was for purported consulting fees related to the MK Group. Illarramendi provided the offshore entity with similar instructions for the June 18, 2009 transfer of $500,000.

119. To date, the Receiver has located no evidence to support the claim that Habeck or his company OGH Advisors, LLC provided any consulting services to the MK Group. At the time of these transfers, Habeck had been an employee of the MK Group for more than three years and received a salary for his lackluster efforts. Habeck was also a director of the MKV and the term "consulting services" was used to hide the true nature of the payment, a free transfer of misappropriated investor funds into Habeck's pocket.

120. The money for the Unwarranted Bonus Payments was misappropriated from MKV when it was transferred to the offshore entity and later to the Defendants.

121. The Defendants were unjustly enriched and did not provide any value in exchange for the Unwarranted Bonus Payments and the MK Entities and Funds were insolvent at the time of the Unwarranted Bonus Payments.

122. Upon information and belief, Illarramendi made the Unwarranted Bonus Payments as a reward for, and encouragement to, Habeck to continue to turn a blind eye to the blatant red flags that surrounded him on a daily basis.

123. While the money passed from MKV to the offshore entity, the entity never held dominion or control over the money, as evidenced by the letters from Illarramendi to the offshore entity instructing it how to distribute the funds. Thus, both legally and equitably, the offshore entity was nothing more than a mere conduit of the funds from MKV to OGH Advisors, LLC and ultimately to the Habecks.

124. Of course, these transfers also occurred while Habeck was the Chief Executive Officer and President of MK Group and was a director of, and investment manager for, MKV. As a fiduciary, Habeck owed the MK Entities and MK Funds duties of care and loyalty which he violated by accepting the Unwarranted Bonus Payments for work he did not perform and duties he did not uphold. Even if the Unwarranted Bonus Payments represented legitimately earned compensation, Habeck should have inquired as to why they were paid from an offshore entity and knew or should have known that the funds originated from MKV and were improperly diverted for their personal enrichment. As was typical for Habeck, he asked no questions and enriched himself at the expense of the MK Entities and MK Funds.

125. At the time of the Unwarranted Bonus Payments, OGH Advisors, LLC was under the complete dominion and control of Mr. and Mrs. Habeck. Further, at no time was there a sufficient separation of identity and interest between Mr. and Mrs. Habeck and OGH Advisors, LLC to treat OGH Advisors, LLC as a separate corporate entity. OGH Advisors, LLC and Mr. and Mrs. Habeck were one and the same.

126. Attached as Exhibit B is a schedule setting forth the details of the Unwarranted Bonus Payments OGH Advisors, LLC received from money misappropriated from MKV.

C. Habeck Used Investor Money to Finance the Purchase of a Luxury Yacht

127. In addition to the purchase of his luxury home and a $1 million "bonus" for managing investment funds that yielded massive losses and were involved in a Ponzi scheme, Habeck also used Receivership Entity money to finance the purchase of a $437,000, 41-foot Meridian yacht (the "Yacht") (co-owned by Habeck and Illarramendi), for his personal use and enjoyment.

128. In total, $135,539 in payments was made on behalf or for the benefit of Habeck for the purchase, use, and maintenance of the Yacht (the "Yacht Payments"). Of this amount, $108,640 in mortgage payments were made to Bank of America. An additional $6,372 in insurance payments were made to Northern Assurance Company of America from MK Consulting on Habeck's behalf as well as $20,527 in docking and maintenance payments. These funds must be returned to the Receiver.

129. In order to make the mortgage, insurance, and maintenance payments, money was transferred to MK Consulting. As none of the MK Entities or MK Funds ever generated a profit and solely consisted of commingled investor money, the proceeds of MK Consulting consisted of nothing more than money misappropriated from the MK Funds or other sources.

130. The investor proceeds used to fund the purchase and upkeep of the Yacht were property of the MK Funds and were wrongfully misappropriated when they were transferred to MK Consulting and ultimately to other entities for the benefit of Habeck's use and enjoyment of a yacht.

131. Habeck was unjustly enriched as they enjoyed the benefits of these transfers, but did not provide MK Consulting or any other Receivership Entity with any corresponding value, as the MK Funds were insolvent due to Illarramendi's continued fraud. As a fiduciary to these entities and the MK Funds they managed, Habeck owed the MK Funds and the Receivership Entities duties of care and loyalty which he violated through his misappropriation of investor funds for his personal use and enjoyment of the Yacht.

132. Attached as Exhibit C is a schedule of the transfers made from MK Consulting on Habeck's behalf in connection with the purchase and use of the Yacht that must be returned.

D. Habeck's Salary And Bonus Was Paid with Investor Money and Unwarranted

133. Over the course of his connection with MK Group, Habeck received at least $1,281,041 in purported consulting fees, salary, and bonus (collectively, the "Salary Transfers").

134. These Salary Transfers were all paid from MK Consulting to accounts controlled by Defendants. MK Consulting was insolvent at all relevant times herein.

135. The Salary Transfers were paid to Habeck, or for the benefit of Habeck, purportedly for his work in various capacities, as described above, for the MK Entities and the MK Funds.

136. While a handful of legitimate transactions engaged in by the MK Funds might have yielded an occasional profit, these were subsumed by the fictitious transactions (some of which are alleged herein) and blatant commingling, which created massive losses and meant that

the MK Funds were insolvent at all relevant times. Therefore, any transfers to MK Consulting from the MK Funds were transfers of commingled and misappropriated investor money, not profits from investments made on behalf of the funds or purported management fees earned from the management of the MK Funds. As such, Habeck's salary, which was funded through MK Consulting, was nothing more than money misappropriated from the MK Funds from which it was taken.

137. Moreover, as detailed herein, Habeck did not carry out the duties required as President and Chief Executive Officer of the various MK Entities or as a director to the MK Funds and is not entitled to the compensation he received. Habeck repeatedly abdicated responsibility to Illarramendi and breached his duties, all the while ignoring the numerous red flags, the complete commingling, and other indicia of wrongdoing that should have alerted him to Illarramendi's fraud. He did so while he personally profited at the MK Funds' expense.

138. As a result, Habeck breached the fiduciary duties he owed to the MK Entities and the MK Funds, and must disgorge the compensation he received for failing to do the job that was required of him.

139. The Defendants were also unjustly enriched by the Salary Transfers as they did not provide equivalent value in exchange for the transfers.

140. Attached as Exhibit D is a complete schedule of the Salary Transfers the Defendants received.

E. Habeck Made Withdrawals Without Contributing Any Capital

a. Profit and Equity Withdrawals

141. Habeck held a purported 29% ownership interest in MK Group that he used to misappropriate at least $1,132,261 in investor funds in the form of purported equity and profit withdrawals into bank accounts controlled by Defendants between April 2009 and September

2010. Similarly, an additional $1,045,252 was distributed on behalf of Habeck (collectively with the equity withdrawals, the "Distribution Transfers") as distributions for a purported ownership interest in MK Oil, an entity formed by the principals of MK Group, that Habeck claimed to hold a 19.4% ownership stake in. Habeck never contributed any money or capital into MK Group, MK Oil or any of the MK Entities.

142. Habeck's purported equity draws from the MK Group were based on profits never earned and capital never contributed and was paid to him while the MK Entities were insolvent. Habeck withdrew these funds while he was blatantly disregarding his duties as Chief Executive Officer and director. These purported equity and profit withdrawals were fraudulent and must be returned to the Receivership Estate.

b. MK Oil Transfers

143. Similarly, Habeck's purported 19.4% ownership interest in MK Oil was the result of gratuitous transfers disguised as equity withdrawals or advances In addition to these gratuitous transfers, investor money was funneled to MK Oil, disguised as equity withdrawals or advances from the MK Group, to pay professionals for services provided to MK Oil on Habeck's behalf. These transfers total at least $1,045,252 in fraudulent transfers made by MK Group to MK Oil on Habeck's behalf and to pay for his ownership interest.

144. As Habeck did not contribute any money to MK Group, he had no equity that could be withdrawn or "advanced" to fund his ownership interest in MK Oil. Similarly, as MK Group did not have any legitimate profits of its own because of its insolvency, Habeck could not take an advance on, or withdraw any profits from the MK Group.

145. Upon information and belief, these advances were made from MK Entities and some were labeled loans or advances to make it appear that they would be repaid at a later date.

The Receiver has not located any evidence of interest or other repayment for the money advanced on Habeck's behalf.

146. Even if Habeck could demonstrate a bona fide ownership interest in MK Group or MK Oil, Habeck would not have been entitled to these distributions or "advances" as none of the MK Entities ever made legitimate profits or were anything more than insolvent shells funded with misappropriated and commingled investor money.

147. The MK Funds have a claim to the return of the money as Habeck did not provide any value for the Distribution Transfers he received. The investor money used to make the Distribution Transfers was property of the MK Funds and was wrongfully misappropriated when it was transferred to other MK Entities, MK Oil and ultimately to the Habecks, unjustly enriching them in the process.

148. As a fiduciary to these entities and the funds they managed, Habeck owed the MK Funds and the MK Entities duties of care and loyalty that he violated through his blatant self-dealing by further personally profiting at the expense of the MK Entities and MK Funds.

149. Attached as Exhibit E is a schedule of the Distribution Transfers made to or for the benefit of Habeck.

THE NATURE OF THE CAUSES OF ACTION AGAINST HABECK

150. At all times relevant hereto, the Receivership Entities were insolvent in that (i) its liabilities exceeded the value of its assets by millions of dollars; (ii) it could not meet its obligations as they came due; and/or (iii) at the time of the Transfers to Defendants described herein, the MK Group was left with insufficient capital to pay its investors/creditors.

151. This action is being brought to recover misappropriated investor money paid to Habeck, as well as damages for breach of fiduciary duty, conversion and unjust enrichment, so

that these funds can be returned and equitably distributed among the investors and creditors of the Receivership Entities.

152. Without regard to the extent to which he knew of Illarramendi's fraudulent scheme, or not, Habeck should have known that he was not entitled to these distributions of "free" company money or to receive salary and bonus payments while abdicating his responsibilities and failing miserably to meet even the most basic standard of care expected of a fiduciary and senior manager. Habeck held senior positions and was intimately involved with all aspects of the MK Entities and Funds involved in the Ponzi scheme. In addition to the detailed allegations set forth herein, Habeck was also on notice of the following indicia of irregularity and fraud, but either failed to make sufficient inquiry that would have put him on notice of the fraud, or knew of the fraud, ignored it, and profited from it:

(a) Illarramendi repeatedly made investments with MK Fund money that were not permitted under the Private Offering Memoranda of the MK Funds;

(b) Habeck was aware that Illarramendi accepted subscriptions into the MK Funds without performing the necessary due diligence and without supporting documentation;

(c) Illarramendi and Habeck treated the Receivership Entities as a personal piggy-bank; moving funds between entities as necessary to cover unrelated obligations and pay unwarranted loans and compensation;

(d) Illarramendi routinely used Habeck's electronic signature with his knowledge to authorize many of the misappropriations from the MK Funds but Habeck did nothing to prevent these transfers or inquire as to their purpose;

(e) MKV, SOF and STLF did not maintain proper books and records or have auditors perform regular valuations. Despite being a director of all these funds as alleged herein,

Habeck did virtually nothing to verify the flow of funds or the legitimacy of investments purportedly made on their behalf;

(f) Illarramendi and Habeck took multiple "loans" with MK Fund money that were not documented and that were either not repaid or not repaid with interest;

(g) Illarramendi and Habeck structured transactions to conceal their true nature; and

(h) Illarramendi, with Habeck's knowledge, concealed his role in the MK Funds to certain investors.

153. Moreover, because of the violations of his obligations to the MK Entities and MK Funds, Habeck was not entitled to the salary or any bonus that he received.

154. At all relevant times, Illarramendi was involved in a Ponzi scheme with the transfers he made designed to hinder, delay or defraud creditors and continue to conceal his fraudulent conduct.

155. The Receiver was only able to discover the fraudulent nature of the above-referenced Transfers after Illarramendi and his accomplices were removed from control of the Receivership Entities and after a time-consuming and extensive review of thousands upon thousands of paper and electronic documents relating to the Receivership Entities. The Receiver's investigation is still ongoing. No amount of reasonable diligence by the Receiver could have detected the fraudulent transfers sooner. As a result, there may be evidence of other assets belonging to the Receivership Estate or other fraudulent transfers of funds that the Receiver has yet to discover. If such transfers or assets are later discovered, the Receiver will seek to amend this Complaint to assert claims regarding such transfers or assets.

156. To the extent that any of the recovery counts below may be inconsistent with each other, they are to be treated as pleaded in the alternative.

FIRST CAUSE OF ACTION

CUFTA SECTION 52-552e(a)(1) (ACTUAL FRAUD)
As To All Defendants

157. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

158. The Transfers were (a) made on or within four years before the date of this action or (b) were discovered within one year of when the fraudulent transfers could have been reasonably discovered by the Receiver.

159. At the time of each of the Transfers, one or more of the Receivership Entities were each "creditors" within the meaning of section 52-552(b)(4) of CUFTA.

160. At the time of each of the Transfers, Habeck was an "insider" of the Receivership Entities within the meaning of section 52-552(b)(7) of CUFTA.

161. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities within the meaning of section 52-552(b)(12) of CUFTA. All of the Transfers occurred during the course of a Ponzi scheme, when investor money was commingled and all Receivership Entities were insolvent. Accordingly, multiple Receivership Entities are creditors within the meaning of section 52-552(b)(4) of CUFTA for the various Transfers alleged herein.

162. Each of the Transfers was to, or for the benefit of, the Defendants.

163. Each of the Transfers was made with money misappropriated from Receivership Entities. At all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

164. Each of the Transfers was made without receipt of reasonably equivalent value from the Defendants.

165. Each of the Transfers were made by Illarramendi and others to further the Ponzi scheme and were made with the actual intent to hinder, delay or defraud some or all of the Receivership Entities' then-existing creditors.

166. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552e(a)(1) of CUFTA and recoverable from the Defendants pursuant to section 52-552h of CUFTA.

167. As a result of the foregoing, pursuant to sections 52-552e(a)(1) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers; and (ii) recovering the Transfers, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

SECOND CAUSE OF ACTION

CUFTA SECTION 52-522e(a)(2) (CONSTRUCTIVE FRAUD)
As To All Defendants

168. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

169. The Receiver seeks to avoid those Transfers that were made on or within four years before the date of this action.

170. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities within the meaning of section 52-552(b)(12) of CUFTA. All of the Transfers occurred during the course of a Ponzi scheme, when investor money was commingled and all Receivership Entities were insolvent. Accordingly, multiple Receivership Entities are

creditors within the meaning of section 52-552(b)(4) of CUFTA for the various Transfers alleged herein.

171. Each of the Transfers was to, or for the benefit of, the Defendants.

172. Each of the Transfers was made with money misappropriated from Receivership Entities. At all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

173. Each of the Transfers was made without receipt of reasonably equivalent value from the Defendants.

174. At the time of each of the Transfers, the Receivership Entities were insolvent, were engaged in a business or transaction, or was about to engage in a business or a transaction, for which any property remaining with the Receivership Entities was an unreasonably small capital.

175. At the time of each of the Transfers, the Receivership Entities intended to incur, or believed that they would incur, debts that would be beyond its ability to pay as such debts matured.

176. The Transfers were not made by the Receivership Entities in the ordinary course of business.

177. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552e(a)(2) of CUFTA and recoverable from the Defendants pursuant to section 52-552h of CUFTA.

178. As a result of the foregoing, pursuant to sections 52-552e(a)(2) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on

or within four years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

THIRD CAUSE OF ACTION

CUFTA SECTION 52-522f(a) (CONSTRUCTIVE FRAUD)
As To All Defendants

179. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

180. The Receiver seeks to avoid those Transfers that were made on or within four years before the date of this action.

181. Each of the Transfers constitutes a transfer of an interest of property of the Receivership Entities within the meaning of section 52-552(b)(12) of CUFTA. All of the Transfers occurred during the course of a Ponzi scheme, when investor money was commingled and all Receivership Entities were insolvent. Accordingly, multiple Receivership Entities are creditors within the meaning of section 52-552(b)(4) of CUFTA for the various Transfers alleged herein.

182. Each of the Transfers was to, or for the benefit of, the Defendants.

183. Each of the Transfers was made with money misappropriated from Receivership Entities. At all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

184. Each of the Transfers was made without receipt of reasonably equivalent value from the Defendants.

185. At the time of each of the Transfers, the Receivership Entities were insolvent, or became insolvent, as a result of the transfer in question.

186. The Transfers constitute fraudulent transfers avoidable by the Receiver pursuant to section 52-552f(a) of CUFTA and recoverable from the Defendants pursuant to section 52-552h of CUFTA.

187. As a result of the foregoing, pursuant to sections 52-552f(a) and 52-552h of CUFTA, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

FOURTH CAUSE OF ACTION

COMMON LAW FRAUDULENT TRANSFER

As To All Defendants

188. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

189. The Receiver seeks to recover those Transfers that were made on or within three years before the date of this action.

190. At the time of each of the Transfers, one or more of the Receivership Entities were creditors.

191. Each of the Transfers constitutes a transfer of an interest of property of Receivership Entities. All of the Transfers occurred during the course of a Ponzi scheme, when investor money was commingled and all Receivership Entities were insolvent. Accordingly, multiple Receivership Entities are creditors for the various Transfers alleged herein.

192. Each of the Transfers was to, or for the benefit of, the Defendants.

193. Each of the Transfers was made with money misappropriated from Receivership Entities. At all relevant times herein, the Receivership Entities had a claim to the funds used for the Transfers.

194. Each of the Transfers was made without receipt of reasonably equivalent value from the Defendants.

195. At the time of each of the Transfers, the Receivership Entities were insolvent, or became insolvent, as a result of the transfer in question.

196. The Transfers constitute fraudulent transfers avoidable by the Receiver and recoverable from the Defendants.

197. As a result of the foregoing, the Receiver is entitled to a judgment: (i) avoiding and preserving the Transfers made on or within three years before the date of this action; and (ii) recovering the Transfers made on or within three years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

FIFTH CAUSE OF ACTION

CUTPA, CONN. GEN. STAT. SECTION 42-110a, et seq.
As Against Defendant Habeck

198. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

199. The claim for breach of the Connecticut Unfair Trade Practices Act ("CUTPA") is asserted against Habeck, who, as detailed above, engaged in numerous and repetitive unfair or deceptive acts and practices in his various management capacities for the Receivership Entities and MK Funds.

200. These unfair or deceptive acts were committed while Habeck was engaged in the conduct of an investment manager.

201. As a result of Habeck's deceptive acts, the Receivership Entities, and the MK Entities and MK Funds in particular, suffered a loss.

202. By reason of the above, the Receiver is entitled to an award of compensatory damages for Habeck's unfair or deceptive acts and practices in an amount to be determined at trial.

203. Because of the repetitive nature of Habeck's deceptive acts, the Receiver is entitled to an award of punitive damages in an amount to be determined at trial.

204. As required by CUTPA section 42-110(d), a copy of this Complaint is being sent to the Connecticut Attorney General and the Connecticut Commissioner of Consumer Protection.

SIXTH CAUSE OF ACTION

BREACH OF FIDUCIARY DUTY

As Against Defendant Habeck

205. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

206. The claim for breach of fiduciary duty is asserted against Habeck, who had a relationship of trust and confidence with the MK Entities and MK Funds, held managerial and supervisory positions for the MK Entities during the relevant time period, and served as a member of the board of directors for each of the MK Funds during the relevant time period that they were used to carry out the Ponzi scheme, and consequently had fiduciary duties to act in the best interests of, and for the benefit of, the MK Entities and MK Funds.

207. The fiduciary duties owed by Habeck included duties of care and loyalty to the MK Entities and MK Funds and duties to act in good faith. He also had the duty not to waste or divert the assets of the MK Entities and MK Funds and duties not to act in furtherance of his own personal interests at the expense of the MK Entities and MK Funds.

208. Habeck breached the fiduciary duties owed to the MK Entities and MK Funds by, among other things, the misuse of corporate assets, self-dealing, mismanagement, corporate waste, failure to heed red flags, and breach of his duty to act with care, loyalty, and good faith and fair dealing as alleged herein.

209. Habeck's breach of his fiduciary duty has been a continuing course of conduct and continued until the Receiver removed him from his management positions.

210. As a direct and proximate result of Habeck's conduct, the MK Entities and MK Funds were damaged.

211. By reason of the above, the Receiver is entitled to an award of damages and disgorgement of all sums received by Habeck from the Receivership Entities in an amount to be determined at trial.

SEVENTH CAUSE OF ACTION

UNJUST ENRICHMENT

As To All Defendants

212. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

213. The Defendants each benefited from the receipt of money from the Receivership Entities in the form of loans, payments, bonuses, compensation, and other Transfers alleged herein which were the property of the Receivership Entities and their investors, and for which the Defendants did not adequately compensate the Receivership Entities or provide value.

214. The Defendants unjustly failed to repay the Receivership Entities for the benefits they received from the Transfers.

215. The enrichment was at the expense of the Receivership Entities and, ultimately, at the expense of MK Funds' creditors.

216. Equity and good conscience require full restitution of the monies received by Defendants from the Receivership Entities for distribution to the creditors.

217. Habeck's conscious, intentional, and willful tortious conduct alleged herein entitles the Receiver to recapture profits derived by the Defendants from utilizing monies they received from Receivership Entities.

218. By reason of the above, the Receiver, on behalf of the Receivership Entities and its creditors, is entitled to an award in an amount to be determined at trial.

EIGHTH CAUSE OF ACTION

CONVERSION

As To All Defendants

219. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

220. The Receivership Entities had a possessory right and interest to its assets.

221. The Defendants converted the assets of Receivership Entities when they received money originating from Receivership Entities in the form of loans, bonus payments, and other transfers. These actions deprived the Receivership Entities and their creditors of the use of this money.

222. As a direct and proximate result of this conduct, the Receivership Entities and their creditors have not had the use of the money converted by the Defendants.

223. By reason of the above, the Receiver, on behalf of the Receivership Entities, is entitled to an award of compensatory damages in an amount to be determined at trial.

224. Habeck's conscious, willful, wanton, and malicious conduct entitles the Receiver, on behalf of the Receivership Entities and their creditors, to an award of punitive damages in an amount to be determined at trial.

NINTH CAUSE OF ACTION

CONSTRUCTIVE TRUST
As To All Defendants

225. The Receiver incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

226. As alleged herein, the assets of the Receivership Entities have been wrongfully diverted as a result of fraudulent transfers, unfair trade practices, unjust enrichment, conversion, breaches of fiduciary duty, and other wrongdoing of Habeck for the Defendants' individual interests and enrichment.

227. The Receiver has no adequate remedy at law.

228. Because of the past unjust enrichment and the fraudulent transfers made to the Defendants, the Receiver is entitled to the imposition of a constructive trust with respect to any transfer of funds, assets, or property from Receivership Entities, as well as to any profits received by the Defendants in the past or on a going forward basis from transfers derived from the Receivership Entities.

229. In addition, the sums sent to or for the benefit of the Defendants, and received as fraudulent transfers and/or which were transferred directly for the purchase of the real property as alleged herein, should be held in trust for the Receiver's use, benefit, and account, specifically the real property located at: 226 Buttery Rd., New Canaan, CT 06840.

230. The Receiver is entitled to and demands title, possession, use and/or enjoyment of the foregoing property for the benefit of the Receivership Estate.

TENTH CAUSE OF ACTION

ACCOUNTING

As To All Defendants

231. The Receiver incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

232. As set forth above, the assets of the Receivership Entities have been wrongfully diverted as a result of fraudulent transfers, breaches of fiduciary duties, conversion, and other wrongdoing of the Defendants for their own individual interests and enrichment.

233. The Receiver has no adequate remedy at law.

234. To compensate the Receivership Entities for the amount of monies the Defendants diverted from Receivership Entities for their own benefit, it is necessary for the Defendants to provide an accounting of any transfer of funds, assets, or property received from the Receivership Entities, as well as to any profits in the past and on a going forward basis in connection with Receivership Entities. Complete information regarding the amount of such transfers misused by the Defendants for their own benefit is within their possession, custody, and control.

WHEREFORE, the Receiver respectfully requests that this Court enter judgment in favor of the Receiver and against Defendant(s) as follows:

i. On the First Cause of Action; pursuant to sections 52-552e(a)(1) and 52-552h of the Connecticut Fraudulent Transfers Act: (i) avoiding and preserving the Transfers; and (ii) recovering the Transfers, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

ii. On the Second Cause of Action; pursuant to sections 52-552e(a)(2) and 52-552h of the Connecticut Fraudulent Transfers Act: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

iii. On the Third Cause of Action; pursuant to sections 52-552f(a) and 52-552h of the Connecticut Fraudulent Transfers Act: (i) avoiding and preserving the Transfers made on or within four years before the date of this action; and (ii) recovering the Transfers made on or within four years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

iv. On the Fourth Cause of Action; pursuant to Connecticut common law, (i) avoiding and preserving the Transfers made on or within three years before the date of this action; and (ii) recovering the Transfers made on or within three years before the date of this action, or the value thereof, from the Defendants for the benefit of the Receivership Estate.

v. On the Fifth Cause of Action against Habeck; pursuant to sections 42-110(b) and (g) of the Connecticut Unfair Trade Practices Act, for compensatory and punitive damages in an amount to be determined at trial;

vi. On the Sixth Cause of Action against Habeck for breach of fiduciary duty, for damages, disgorgement of all sums received by Habeck, or by any other Defendant for the benefit of Habeck, from the Receivership Entities for the period in which Habeck was in breach of his fiduciary duties;

vii. On the Seventh Cause of Action against each of the Defendants for unjust enrichment and for damages in an amount to be determined at trial;

viii. On the Eighth Cause of Action against each of the Defendants for conversion, for damages in an amount to be determined at trial.

ix. On the Ninth Cause of Action against each of the Defendants for imposition of a constructive trust upon any transfer of funds, assets, or property received from the Receivership Entities, including, without limitation, against the property the Habecks' purchased with fraudulently diverted funds located at 226 Buttery Road, New Canaan CT 06840;

x. On the Tenth Cause of Action against each of the Defendants for an accounting of any transfer of funds, assets, or property of the Receivership Entities.

xi. On all Causes of Action, awarding the Receiver all applicable pre-judgment and post-judgment interest, costs, and disbursements of this action; and

xii. On all Causes of Action, granting the Receiver such other, further, and different relief as the Court deems just, proper and equitable.

The Receiver respectfully requests a jury trial for all of the preceding causes of action.

Date: February 2, 2012

/s/ Ona T. Wang

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Exhibit A

$3,000,000 Interest Free and Undocumented "Loan"

Date	Entity	Bank Account		Amount
10/7/2009	MK Consulting	Rucci, Burnham, Carta, & Carello LLP	$	(2,970,360)
10/7/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(29,640)
		Total:	**$**	**(3,000,000)**

Exhibit B

$1,000,000 "Bonus" from Offshore Entity

Date	Entity	Bank Account		Amount
6/3/2009	MKV (Through Fidevalores[1])	OGH Advisors Peoples Savings Bank xxxx-4287	$	(500,000)
6/18/2009	MKV (Through Fidevalores[1])	OGH Advisors Peoples Savings Bank xxxx-4287	$	(500,000)
		Total:	**$**	**(1,000,000)**

Note:

[1]Fidevalores is an offshore Venezuelan entity primarily owned by Illarramendi's brother-in-law.

Exhibit C

$135,539 in Boat Mortgage, Insurance, and Maintenance Payments

Date	Entity	Counterparty		Amount
Maintenance Payments				
2/1/2008	MK Consulting	Avalon on Stamford Harbor Marina	$	(1,000)
3/31/2008	MK Consulting	Avalon on Stamford Harbor Marina	$	(4,512)
8/7/2008	MK Consulting	N/A	$	(650)
8/25/2008	MK Consulting	N/A	$	(1,020)
10/17/2008	MK Consulting	Avalon on Stamford Harbor Marina	$	(1,030)
12/22/2008	MK Consulting	Avalon on Stamford Harbor Marina	$	(1,000)
4/16/2009	MK Consulting	Avalon on Stamford Harbor Marina	$	(4,585)
11/3/2009	MK Consulting	Avalon on Stamford Harbor Marina	$	(1,120)
1/26/2010	MK Consulting	Avalon on Stamford Harbor Marina	$	(5,610)
Maintenance Payments Total:			**$**	**(20,527)**
Mortgage Payments				
12/7/2007	MK Consulting	Bank of America	$	(2,859)
1/8/2008	MK Consulting	Bank of America	$	(2,859)
2/8/2008	MK Consulting	Bank of America	$	(2,859)
3/10/2008	MK Consulting	Bank of America	$	(2,859)
4/4/2008	MK Consulting	Bank of America	$	(2,859)
5/14/2008	MK Consulting	Bank of America	$	(2,859)
6/3/2008	MK Consulting	Bank of America	$	(2,859)
6/30/2008	MK Consulting	Bank of America	$	(2,859)
7/29/2008	MK Consulting	Bank of America	$	(2,859)
8/26/2008	MK Consulting	Bank of America	$	(2,859)
10/14/2008	MK Consulting	Bank of America	$	(2,859)
10/30/2008	MK Consulting	Bank of America	$	(2,859)
11/24/2008	MK Consulting	Bank of America	$	(2,859)
12/26/2008	MK Consulting	Bank of America	$	(2,859)
1/27/2009	MK Consulting	Bank of America	$	(2,859)
2/24/2009	MK Consulting	Bank of America	$	(2,859)
3/24/2009	MK Consulting	Bank of America	$	(2,859)
4/22/2009	MK Consulting	Bank of America	$	(2,859)
5/26/2009	MK Consulting	Bank of America	$	(2,859)
6/15/2009	MK Consulting	Bank of America	$	(2,859)
8/6/2009	MK Consulting	Bank of America	$	(2,859)
9/8/2009	MK Consulting	Bank of America	$	(2,859)
10/5/2009	MK Consulting	Bank of America	$	(2,859)
11/6/2009	MK Consulting	Bank of America	$	(2,859)
12/7/2009	MK Consulting	Bank of America	$	(2,859)
1/6/2010	MK Consulting	Bank of America	$	(2,859)
2/8/2010	MK Consulting	Bank of America	$	(2,859)
3/8/2010	MK Consulting	Bank of America	$	(2,859)
4/5/2010	MK Consulting	Bank of America	$	(2,859)

$135,539 in Boat Mortgage, Insurance, and Maintenance Payments

Date	Entity	Counterparty	Amount
5/6/2010	MK Consulting	Bank of America	$ (2,859)
6/7/2010	MK Consulting	Bank of America	$ (2,859)
7/6/2010	MK Consulting	Bank of America	$ (2,859)
8/6/2010	MK Consulting	Bank of America	$ (2,859)
9/7/2010	MK Consulting	Bank of America	$ (2,859)
10/6/2010	MK Consulting	Bank of America	$ (2,859)
11/8/2010	MK Consulting	Bank of America	$ (2,859)
12/6/2010	MK Consulting	Bank of America	$ (2,859)
1/6/2011	MK Consulting	Bank of America	$ (2,859)
Mortgage Payments Total:			**$ (108,640)**
Insurance Payments			
12/10/2007	MK Consulting	Boaters Choice Insurance Co	$ (2,124)
9/10/2008	MK Consulting	Boaters Choice Insurance Co	$ (2,124)
9/17/2009	MK Consulting	Boaters Choice Insurance Co	$ (2,124)
Insurance Payments Total:			**$ (6,372)**
			$ (135,539)

Exhibit D

$1,281,041 in Salary and Bonus Payments

Date	Entity	Bank Account		Amount
8/21/2006	MK Consulting	OGH Advisors Peoples Savings Bank xxxx-4287	$	(50,000)
10/23/2006	MK Consulting	OGH Advisors Peoples Savings Bank xxxx-4287	$	(12,500)
11/15/2006	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
12/1/2006	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
12/15/2006	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
12/31/2006	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
		2006 Total:	**$**	**(87,500)**
1/1/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
1/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
2/1/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
2/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
2/28/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
3/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
3/30/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
4/13/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
4/30/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
5/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
5/31/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
6/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
6/30/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
7/13/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
7/31/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
8/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
8/31/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
9/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
9/28/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
10/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(6,250)
10/31/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(10,417)
11/15/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(10,417)
11/30/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(10,417)
12/14/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(10,417)
12/31/2007	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(10,417)
		2007 Total:	**$**	**(177,083)**
1/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
1/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(50,000)
1/31/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/29/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/14/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/31/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)

Exhibit D

$1,281,041 in Salary and Bonus Payments

Date	Entity	Bank Account		Amount
4/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
4/30/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/30/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/13/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(80,000)
6/16/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/28/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/11/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/30/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/29/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/12/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/27/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/14/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/30/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
11/15/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
11/21/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/12/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/12/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(50,000)
12/27/2008	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
		2008 Total:	**$**	**(455,000)**
1/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
1/30/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/27/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/27/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
4/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
4/24/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/14/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/29/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/12/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/26/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/31/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/14/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/28/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/14/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/30/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/12/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/30/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)

Exhibit D

$1,281,041 in Salary and Bonus Payments

Date	Entity	Bank Account		Amount
11/13/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
11/25/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/15/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/30/2009	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
		2009 Total:	**$**	**(275,000)**
1/13/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
1/29/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/12/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
2/26/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
3/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
4/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
4/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/14/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
5/28/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
6/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
7/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/13/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
8/31/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
9/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
10/29/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
11/12/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
11/26/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/15/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
12/30/2010	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
		2010 Total:	**$**	**(275,000)**
1/14/2011	MK Consulting	Habecks' Joint Citibank xxxx-4263	$	(11,458)
		2011 Total:	**$**	**(11,458)**
		Grand Total:	**$**	**(1,281,041)**

Exhibit E

$1,132,261 in Purported "Equity" Withdrawals

Date	Entity	Bank Account		Amount
4/13/2009	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(28,087)
4/13/2009	MK Asset Management	Habecks' Joint Citibank xxxx-4263	$	(13,440)
5/20/2009	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(13,000)
7/1/2009	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(13,000)
9/21/2009	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(13,000)
1/13/2010	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(13,300)
4/2/2010	MK Capital	Habecks' Joint Citibank xxxx-4263	$	(661,525)
7/1/2010	MK Group	Habecks' Joint Citibank xxxx-4263	$	(75,000)
8/24/2010	MK Group	Habecks' Joint Citibank xxxx-4263	$	(301,037)
9/20/2010	MK Group	Habecks' Joint Citibank xxxx-4263	$	(873)
		Total:	**$**	**(1,132,261)**

$1,045,252 in Capital Contributions and Loans Made to MK Oil Ventures

Date	Fund/Entity	Counterparty		Amount
1/11/2010	MK Asset Management	Vetra Exploration and Production	$	(250,173)
1/29/2010	MK Asset Management	Finn, Dixon & Herling	$	(782)
3/3/2010	MK Asset Management	Finn, Dixon & Herling	$	(934)
3/3/2010	MK Asset Management	Finn, Dixon & Herling	$	(776)
3/17/2010	MK Asset Management	Finn, Dixon & Herling	$	(32)
3/31/2010	MK Asset Management	Vetra Exploration and Production	$	(112,622)
5/5/2010	MK Asset Management	Finn, Dixon & Herling	$	(58)
8/6/2010	MK Group	BT & MK Energy and Commodities	$	(85,433)
8/16/2010	MK Group	BT & MK Energy and Commodities	$	(523,800)
9/7/2010	MK Group	MK Oil Venture	$	(1,940)
10/6/2010	MK Group	MK Oil Venture	$	(48,500)
10/29/2010	MK Group	MK Oil Venture	$	(20,172)
11/9/2010	MK Consulting	BT & MK Energy and Commodities	$	(30)
		Total:	**$**	**(1,045,252)**