

Status of Settlement Negotiations and Persons Responsible

The persons responsible for the settlement negotiations on behalf of the SEC are Timothy McCole and Chris Davis. The SEC submitted written settlement offers on the following dates:

- to Defendants Helms, Kaelin, Sellers, and Barrera — on December 15, 2015;
- to Relief Defendants Barlow and Global Capital Ventures — on December 17, 2015; and
- to all remaining Defendants (the “Receivership Defendants”) on December 17, 2015.

As of the date of this filing, Helms, Kaelin, and Sellers have rejected the SEC’s offers in writing. Sellers and the SEC, however, have agreed to continue settlement negotiations with the goal of reaching a settlement in principle in the near term. The SEC is in continued communications with the Relief Defendants and the Receivership Defendants and hopes to be able to reach settlements with these parties. Barrera has not responded to the SEC’s settlement offer.

Appropriateness of ADR

The SEC does not believe ADR is appropriate. The SEC continues to negotiate a settlement with the Receivership Defendants and is optimistic that a settlement can be reached in the near future. ADR would not aid these negotiations and would only add additional costs to the Receivership Estate. The SEC also continues to negotiate with Sellers and the Relief Defendants and does not believe ADR would aid these negotiations. In light of these negotiations, the SEC believes there is a good chance a settlement will be reached with Sellers and the Relief Defendants relatively soon. Finally, the SEC does not believe ADR is appropriate for its claims against Helms, Kaelin, and Barrera based on the settlement negotiations to date.

Dated: January 7, 2014

Respectfully submitted,

s/Chris Davis
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CERTIFICATE OF SERVICE

I hereby certify that on January 7, 2014, I electronically filed the foregoing document with the Clerk of the Court for the Western District of Texas, Austin Division, by using the CM/ECF system, which will send a notice of electronic filing to the following CM/ECF participants, and that I notified non-CM/ECF participants in the manner listed below:

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