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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR MARICOPA COUNTY

STATE OF ARIZONA;) Cause No. CV2014-006765
)
Plaintiff,)
)
v.) ORDER RE: PETITION NO. 74
)
SHERMAN EUGENE UNKEFER, III,)
ET AL,) (Assigned to the Honorable Danielle J.
) Viola)
In Personam Defendants.)
)
)

The Receiver having filed Petition No. 74, *Petition for Order Approving Receiver's Status Report Dated April 4, 2025* and the Court having considered same, and it appearing to the Court that the matters requested by Petition No. 74 are reasonable, just and appropriate:

NOW, THEREFORE, IT IS HEREBY ORDERED approving the *Report of the Receiver* dated April 4, 2025.

DATED: _____

 The Honorable Danielle J. Viola
 Judge of the Superior Court

eSignature Page 1 of 1

Filing ID: 19905005 Case Number: CV2014-006765
Original Filing ID: 19700563

Granted with Modifications



/S/ Danielle Viola Date: 5/23/2025
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2014-006765

SIGNATURE DATE: 5/23/2025

E-FILING ID #: 19905005

FILED DATE: 5/27/2025 8:00:00 AM

BENJAMIN L HODGSON

GREGORY A STEIN

MARK K SAHL

PATRICK M MURPHY

PETER SPAW

RAYMOND A HANNA

Report of the Receiver

Mango Trust et al.

Submitted By: Michael J. FitzGibbons, Receiver

April 4, 2025

1) Procedural

Receivership Court (Court): Superior Court of the State of Arizona in and for the County of Maricopa

Cause #: CV2014-006765

Receivership Order: April 16, 2014

Order Appointing Receiver: April 22, 2014

Order Service Date: May 23, 2014

Receiver: Michael J. FitzGibbons

Counsel to Receiver: Ryan Anderson; Burch & Cracchiolo

Other Professionals: FitzGibbons and Company, Inc.
Henry and Horne, LLC

2) Operating Receivership Entities and Status

A) X-1, LLC: X-1 remains the operating company. Effective December 31, 2015, the final Mango Trust 1041 tax return was filed. All remaining Mango Trust bank accounts are collapsed into X-1.

B) Magic Wand Services, LLC (Magic Wand): Closed in August 2015.

C) Occidental Resources Group, LP/Occidental Management, LLC (ORG): Closed in August 2015.

D) Mango Trust: Closed December 31, 2015.

3) Non- Operating and Previously Closed Receivership Entities: All legal entities subject to this Receivership Order other than X-1 are closed.

4) Employees: None

5) Settlement with Defendants: Plaintiff settled with all defendants and stipulated to the entry of the *Amended Final Order and In Rem Judgment*, entered on March 20, 2015 (“Judgment”). The Judgment required that certain payments be made by the Receiver:

A) Laundry Unkefer receives 10% of each payment received by the Receiver from the sale of the XANGO distributorship sale discussed at 6 below, not to exceed \$300,000. Ms. Unkefer has been paid \$182,832 through 12-31-24.

B) The Receiver paid \$55,000 to counsel for the co-trustees of the Mango Trust for Trustee fees, legal fees and expenses incurred.

6) Distributorship Purchase Agreement (DPA): The Receiver inherited X-1's rights under the DPA. The Deguzmans (Buyer) had the obligation to pay \$3 million over a period of five (5) years.

Buyer made principal and interest payments in the amount of \$1,963,408, all in accordance with the DPA. In May 2018 the Buyer defaulted on his obligations. On October 17, 2018, the Buyer filed for Chapter 11 Bankruptcy in the District of Arizona. The Guarantor of the contract, Xango, had all its assets seized by its secured creditors.

The Receiver settled with the Buyer, with the approval of this Court¹ and the Bankruptcy Court. Terms of the settlement are as follows:

A) Judgement for \$550,000

- \$2,500 per month
- Forgive \$50,000 upon receipt of 1st \$100,000
- Forgive \$250,000 upon receipt of next \$150,000
- 78 months remain to satisfy \$250,000

B) Conveyance of Tubac Property

- Sold in June 2022 for \$72,500.
- \$17,500 down and \$55,000 secured by 1st mortgage. 36-month term at \$1,698.24 per month²
- Final payment in June of 2025

On or around May 30, 2022, the buyer again defaulted on his obligations and on June 7, 2022, again filed for bankruptcy. Bankruptcy was dismissed July 6, 2022.

The Buyer again filed for bankruptcy in August of 2022 and was again dismissed on May 8, 2023.

¹ See Petition and Order # 47

² Closing costs of \$8,433.

Presently, the Buyer has been challenged in keeping payments current. Buyer is again delinquent, with the outstanding balance amounting to \$139,000.

7) Other

A) X-1: X-1 is a non-taxable entity and remains the legal entity for distributions to victims.

B) Core Resources: Investment. Bankruptcy and closed in November 2018 with no distribution.

C) Federal and State Tax Recoveries: The Forfeiture Order and amended returns for 2014 and 2015 returns resulted in \$150,114 in tax refunds for the estate.

D) Victim Compensation: The Receiver filed his Report on Requests for Compensation in accordance with this Court's Order re: Petition 16.

Significant efforts were undertaken to locate victims. These efforts resulted in the filing dated October 24, 2016 (Receiver's Report on Objections).

The Court approved a \$1.0 million distribution on May 27, 2017.³ On June 7, 2018, the Court approved an additional \$24,972 distribution⁴ for a total court approved distribution of \$1,024,972.

On January 17, 2023⁵, the Court approved a second distribution for an additional \$400,000. We continue to withhold \$93,287 pending receipt of additional documents from certain victims/victim representatives.

The status of victim compensation is as follows:

Number of Victims	Court Approved Compensation	Compensation Paid	Compensation Pending
609	\$7,947,716	\$1,331,686	\$93,287

A final distribution is now planned for the 3rd quarter of 2025. See below at paragraph 10.

³ Order Re: Petition 27

⁴ Order Re: Petition 35

⁵ Order Re: Petition 62

8) Receivership Fees & Costs: Set forth at **Exhibit A** is a schedule of all fees and costs paid from the receivership to the Receiver and engaged professionals in accordance with the orders of this Court.

9) Financial Statements as of December 31, 2024:

- A) See inception to date cash receipts and disbursements at **Exhibit B**.
- B) See Balance Sheet at **Exhibit C**.

10) Closing the Receivership: As previously reported, the mortgage received as part of the sale of the Tubac property is current and will be paid off in June 2025. The Buyer settlement is scheduled to be satisfied by 2032. Buyer settlement is again in arrears.

The Receiver will attempt to find a buyer for the Buyer receivable at a fair value.

Efforts to sell will be completed by June 2025, following Tubac mortgage payoff.

Projected cash flow remains positive through June of 2025. See **Exhibit D**. Subsequently net cash flow goes negative.

The Receiver will initiate final distribution to Victims in June 2025. Closing expected immediately following.

Exhibit A

**Mango Trust Receivership
Fees Paid to Professionals
May 2014 to Dec 31, 2024**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Grand Total
FitzGibbons and Company	97,913	136,581	190,988	107,266	24,447	19,214	14,974	62,627	17,110	34,615	49,318	1,123,488
Guttilla Murphy Anderson PC	55,726	56,335	40,853	32,186	18,192	30,785	22,631	8,056	5,354	7,331	3,073	390,713
Henry & Horne, LLP	9,160	25,875	57,043	-								174,996
Gilardi	-	5,000	17,697	-								45,393
Carpenter, Hazelwood, Delgado, Bolen, PC	-	55,000	-	-								110,000
Wood Balmforth LLC	-	-	-	-	4,645							4,645
Quinn Emanuel Orguha						150	150	717				1,017
Burch & Cracchiolo, PA											1,410	1,410
Total	162,799	278,792	306,581	139,452	47,284	50,149	37,755	71,400	22,464	41,946	53,801	1,851,662

Exhibit B

Mango Trust in Receivership
Cash Receipts and Disbursements Inception to Date
12-31-24.

	2014 (a)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	Total
Beginning Balance January 1	38,686	963,776	1,165,009	1,447,230	559,554	487,132	650,203	626,757	579,698	602,718	245,473	239,267	38,686
Receipts													
Gary Road House Sale	569,620	-	-	-									569,620
Rev - 13th Street Property	-	13,400	-	-									13,400
Interest Income	-	4,621	94,576	4,475	1,737	9,892	4,573	1,826	2,531	988	1,950	624	127,792
Mortgage Interest									2,075	1,455	1,969	442	5,941
Revenues	402,802	544,481	417,215	210,000									1,574,498
Tax refunds	-	187,299	126,600	30,179									344,078
DeGuzman Payments							12,500	30,000	30,000	15,000	17,500	6,000	111,000
Cash on Sale of Property									9,067				9,067
Mortgage Note payment									9,812	8,734	18,410	9,747	46,704
Derrick Raynes Payments	-	6,000	1,699	-									7,699
Deposit from Wells Fargo	-	147	-	-							-		147
Net Sale of Investments	141,251	-	-	-									141,251
Net Sale of Assets	19,326	-	-	-									19,326
Dividends Received	279	-	-	-									279
Misc. Income	-	2,237	(7)	-		204,619							206,849
Total Receipts	1,133,278	758,185	640,083	244,654	1,737	214,511	17,073	31,826	53,485	26,177	39,829	16,813	3,177,651
Disbursements													
Distributions				967,728	24,681		298		1,581	335,563	(1,799)		1,328,052
Bank Fees	236	592	348	445	30		15	60	72	195	406	78	2,477
Supplies				566						294	-	-	860
Outside Services				1,849	914							-	2,763
Payroll taxes	19,380												19,380
Wells Fargo Pmt to MOB		147											147
Insurance	4,380	1,306	684	1,290	1,290	1,290	1,202	1,254	1,253	1,254	-	1,254	16,457
Postage		457	5,176	-									5,633
HOA - Tubac Rio Cruz								1,600					1,600
Property Tax - Tubac Rio Cruz								1,571					1,571
Misc. Expense	3,378	822	2,733								(1,760)	1,032	6,205
Tax Expense												-	-
Federal	18,015	180,098	(44,784)									-	153,329
State	-	-	36,281										36,281
L. Unkefer payments		94,738	50,803	21,000			1,250	3,000	5,095	4,279	3,078	1,988	185,231
Professional		5,000	17,697	-									22,697
Legal Fees	55,726	134,986	23,191	32,186	22,800	30,936	22,781	8,774	5,354	7,221	3,073	1,777	348,805
Receiver Fees	97,913	136,581	190,990	107,266	24,444	19,214	14,973	62,626	17,110	34,616	43,037	6,281	755,051
Tax Prep Fees	9,160	2,225	74,743	-									86,128
Total Expenses	208,189	556,952	357,862	1,132,330	74,159	51,440	40,519	78,885	30,465	383,422	46,035	12,410	2,972,668
Net Cash Flow	925,090	201,233	282,221	(887,676)	(72,422)	163,071	(23,446)	(47,059)	23,020	(357,245)	(6,206)	4,403	204,983
Ending Balance December 31	963,776	1,165,009	1,447,230	559,554	487,132	650,203	626,757	579,698	602,718	245,473	239,267	243,670	243,670

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(a) May 24, 2014 Incepting

Exhibit C

Mango Trust in Receivership
Balance Sheet
Unaudited

31-Dec-24

Assets

Cash	243,669
Tubac Mortgage	8,345
Tubac Property	-
DeGuzman Receivable	140,500
Total Assets	392,514

Liabilites

Accrued Payables	2,688
Due to L. Unkefer	14,808
Total Liabilities	17,496

Net Worth	375,018
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Exhibit D

Mango Trust
Cash Flow
1-25 to End

	2025	2026	2027	2028	2029
Beginning Cash	243,669	249,793	247,437	245,068	242,685
Receipts					
Buyer	18,000	18,000	18,000	18,000	18,000
Bad debt reserve	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)
Mortgage	8,491	-	-	-	-
Other	-	-	-	-	-
Total Receipts	15,691	7,200	7,200	7,200	7,200
Disbursements					
Receiver	4,800	4,800	4,800	4,800	4,800
Legal	3,600	3,600	3,600	3,600	3,600
Commission	720	720	720	720	720
Other	1,800	1,800	1,800	1,800	1,800
Total Disbursements	10,920	10,920	10,920	10,920	10,920
Net Cash Flow	4,771	(3,720)	(3,720)	(3,720)	(3,720)
Ending Cash	248,440	246,073	243,717	241,348	238,965
Investment Income	1,353	1,364	1,351	1,338	1,325
Cash Grand Total	249,793	247,437	245,068	242,685	240,290
Change	6,124	(2,356)	(2,369)	(2,382)	(2,395)
Cumulative Change	6,124	3,768	1,399	(984)	(3,379)