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<b>Keyword/Matter #</b> ⓘ	34657-1	<b>Status</b> ⓘ	Delivered
<b>Filing Type</b>	General Civil	<b>Location</b> ⓘ	Maricopa - Superior Court
<b>Customer Name</b>	Ryan W Anderson	<b>Customer Email</b>	randerson@bcattorneys.com
<b>Delivery Date &amp; Time</b>	09/20/2024 9:57 AM MST	<b>Filing Date &amp; Time</b>	
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### Attached Documents ⓘ

**Petition: Petition No 70 to Approve Receiver's Status Report Dated August 27 2024** ☐ [View](#)

**Proposed Order/Judgment (Supporting): Order Re Petition No 70** ☐ [View](#)

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Attorneys for the Receiver

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA,

Plaintiff,

v.

SHERMAN EUGENE UNKEFER, III, et

al,

In Personam Defendants.

Cause No. CV2014-006765

PETITION NO. 70

PETITION TO APPROVE RECEIVER'S  
STATUS REPORT DATED  
AUGUST 27, 2024

(Assigned to the Honorable Danielle  
Viola)

Michael J. FitzGibbons, as the court appointed Receiver, respectfully petitions the  
Court as follows:

1. On April 16, 2014, this Court entered its *Order Appointing Receiver*, which  
appointed Michael J. FitzGibbons as Receiver of Mango Trust; X-1, LLC fka X-1, Inc.;  
Magic Wand Services, LLC; Occidental Resources Group, LP; Occidental Management,  
LLC; E.A.P. Trust; International Marketing Systems; G.M.S. LLC; Catshaker Family Trust,  
Inc.; SLADUR; Black Rock, Inc.; and X-1 Global, LLC. ("Receivership Order"). On April  
22, 2014 the Court entered is *Order Appointing Michael J. Fitzgibbons Receiver*, which

1 appointed Michael J. FitzGibbons as Receiver of the Receivership Entities. These two  
2 orders are referred to hereafter as the "Receivership Order".

3 2. The Receiver has prepared and files herewith the *Report of the Receiver* dated  
4 August 27, 2024, which is attached hereto as Exhibit 1. The attached *Report of the Receiver*  
5 includes, among other things, a statement of fees paid to professionals from May 14, 2014 to  
6 June 30, 2024, (Exhibit A), Cash Receipts and Disbursements from Inception to June 30,  
7 2024 (Exhibit B), an unaudited balance sheet as of June 30, 2024 (Exhibit C), and Projected  
8 Cash Flow from July 1, 2024 to End (Exhibit D).

9 WHEREFORE, the Receiver respectfully requests that the Court enter an order  
10 approving the Report of the Receiver dated August 27, 2024, attached hereto as Exhibit 1.

11 Respectfully submitted this 20<sup>th</sup> day of September, 2024.

12 BURCH & CRACCHIOLO, P.A.

13 /s/ Ryan W. Anderson

14 Ryan W. Anderson

15 Attorneys for the Receiver  
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## EXHIBIT 1

**Report of the Receiver**

**Mango Trust et al.**

**Submitted By: Michael J. FitzGibbons, Receiver**

**August 27, 2024**

## 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: 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 were then 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 were either already dissolved at outset of the receivership or were dissolved during this receivership.

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 \$183,243 through 6-30-24
- 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 DeGuzman's (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. In August 2018, the Receiver filed a collection action against the Buyer in Utah State Court, alleging \$1,036,591.91 in principal and \$273,366.70 in accrued interest was due and payable. 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 Court<sup>1</sup> 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 1<sup>st</sup> \$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 1<sup>st</sup> mortgage. 36-month term at \$1,698.24 per month<sup>2</sup>

On or around May 30, 2022, the buyer again defaulted in his obligations and on June 7, 2022, again filed for bankruptcy. The Receiver challenged this filing, and the bankruptcy was dismissed July 6, 2022.

The buyer again filed for bankruptcy in August of 2022. On May 8, 2023, the case was dismissed. During this final bankruptcy, the buyers kept their payments current.

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<sup>1</sup> See Petition and Order # 47

<sup>2</sup> Closing costs of \$8,433.

Presently, the Buyer has been challenged in keeping payments current. The current monthly is \$1,500.00

## 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 action which closed in November 2018 with no distribution.

**C) Federal and State Tax Recoveries:** The Forfeiture Order resulted in the forfeiture of the Trust Res to the State in 2008. The Receiver filed amended returns for 2014 and 2015. This 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.<sup>3</sup> On June 7, 2018, the Court approved an additional \$24,972 distribution<sup>4</sup> for a total court approved distribution of \$1,024,972.

On January 17, 2023<sup>5</sup>, the Court approved a second distribution for an additional \$400,000. We are currently withholding \$93,287 pending additional the receipt of additional documents from certain victims/victim representatives.

We have continued to adjust our victim listing. The current listing is as follows:

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

**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.

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<sup>3</sup> Order Re: Petition 27

<sup>4</sup> Order Re: Petition 35

<sup>5</sup> Order Re: Petition 62



**9) Financial Statements as of June 30<sup>th</sup>, 2024:**

- a) The Receivership Cash Flow ending June 30, 2024, is attached as **Exhibit B**.
- c) The Balance Sheet can be found at **Exhibit C**.

**Contact with Victims:** During 2021 the Receiver initiated an address confirmation exercise with all Victims and again in 2022. We attempted to locate new addresses and/or contact relatives for all confirmations returned by the USPS.

The results of our confirmation activities is as follows:

<b>Total Confirmations Mailed</b>	<b>Confirmations Received</b>	<b>No Responses Received</b>	<b>Affidavits Needed</b>	<b>Requests for \$ to be Escheated</b>
788	664	109	11	4

**10) Closing the Receivership:** The note received as part of the sale of the Tubac property will be paid off in June 2025 and the DeGuzman settlement should be satisfied by 2032, provided no further extensions. Unless the Receiver can find a buyer to purchase the DeGuzman receivable at a fair value, it is likely that the receivership will not be in a position to close until the later of the above dates.

Projected cash flow remains positive through 2029. See **Exhibit D**. Positive cash flow projections will enhance the Victims' final distribution. We will reassess strategy following mortgage payoff in 2025.

## EXHIBIT A

**Mango Trust Receivership  
Fees Paid to Professionals  
May 2014 to June 30, 2024**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Grand Total</b>
FitzGibbons and Company	97,913	136,581	190,988	107,266	24,447	19,214	14,974	62,627	17,110	34,615	43,037	748,770
Guttilia 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	-								92,078
Gilardi	-	5,000	17,697	-								22,697
Carpenter, Hazelwood, Delgado, Bolen, PC	-	55,000	-	-								55,000
Wood Balmforth LLC	-	-	-	-	4,645							4,645
Quinn Emanuel Orguha						150	150	717				1,017
												-
<b>Total</b>	<b>162,799</b>	<b>278,792</b>	<b>306,581</b>	<b>139,452</b>	<b>47,284</b>	<b>50,149</b>	<b>37,755</b>	<b>71,400</b>	<b>22,464</b>	<b>41,946</b>	<b>46,110</b>	<b>1,204,732</b>

## EXHIBIT B

Mango Trust in Receivership  
Cash Receipts and Disbursements Inception to Date  
June 30, 2024

	2014 (a)	2015	2016	2017	2018	2019	2020	2021	2022	2023	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	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	127,169
Mortgage Interest									2,075	1,455	1,969	5,499
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	105,000
Cash on Sale of Property									9,067			9,067
Mortgage Note payment									9,812	8,734	18,410	36,956
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	3,160,838
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	2,399
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	-	15,203
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)	5,173
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	183,243
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	347,028
Receiver Fees	97,913	136,581	190,990	107,266	24,444	19,214	14,973	62,626	17,110	34,616	43,037	748,770
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	2,960,258
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)	200,580
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	239,267

(a) May 24, 2014 Incepting

## EXHIBIT C

**Mango Trust in Receivership**  
**Balance Sheet**  
**Unaudited**

**30-Jun-24**

**Assets**

Cash	239,266
Tubac Mortgage	18,043
DeGuzman Receivable	145,000
<b>Total Assets</b>	<b>402,309</b>

**Liabilites**

Accrued Payables	4,691
Due to L. Unkefer	16,447
<b>Total Liabilities</b>	<b>21,138</b>

<b>Net Worth</b>	<b>381,171</b>
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## EXHIBIT D



**Mango Trust**  
**Projected Cash Flow**  
**7-1-24 to End**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Beginning Cash</b>	<b>239,266</b>	<b>255,166</b>	<b>273,596</b>	<b>284,749</b>	<b>296,181</b>	<b>307,899</b>
<b>Receipts</b>						
Buyer	9,000	18,000	18,000	18,000	18,000	9,000
Mortgage	11,888	8,491	-	-	-	-
Other	-	-	-	-	-	-
<b>Total Receipts</b>	<b>20,888</b>	<b>26,491</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>9,000</b>
<b>Disbursements</b>						
Reciever	2,970	5,940	5,940	5,940	5,940	5,940
Legal	1,500	3,000	3,000	3,000	3,000	3,000
Commission	2,089	2,649	1,800	1,800	1,800	900
Other	1,500	3,000	3,000	3,000	3,000	3,000
<b>Total Disbursements</b>	<b>8,059</b>	<b>14,589</b>	<b>13,740</b>	<b>13,740</b>	<b>13,740</b>	<b>12,840</b>
<b>Net Cash Flow</b>	<b>12,829</b>	<b>11,902</b>	<b>4,260</b>	<b>4,260</b>	<b>4,260</b>	<b>(3,840)</b>
<b>Ending Cash</b>	<b>252,095</b>	<b>267,068</b>	<b>277,856</b>	<b>289,009</b>	<b>300,441</b>	<b>304,059</b>
Investment Income	3,071	6,528	6,893	7,172	7,458	7,649
<b>Cash Grand Total</b>	<b>255,166</b>	<b>273,596</b>	<b>284,749</b>	<b>296,181</b>	<b>307,899</b>	<b>311,709</b>
<b>Change</b>	<b>15,900</b>	<b>18,430</b>	<b>11,153</b>	<b>11,432</b>	<b>11,718</b>	<b>3,809</b>
<b>Cumulative Change</b>	<b>15,900</b>	<b>34,330</b>	<b>45,483</b>	<b>56,915</b>	<b>68,633</b>	<b>72,442</b>

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Attorneys for the Receiver

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12 BURCH & CRACCHIOLO, P.A.

13 /s/ Ryan W. Anderson

14 Ryan W. Anderson

15 Attorneys for the Receiver  
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