

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

SECURITIES EXCHANGE COMMISSION)

Plaintiff,)

vs.)

DAVID TANNER, et al.,)

Civil Action No.: 05-4057-RDR

Defendants,)

and)

MARGARET F. SPENCER, et al.,)

Relief Defendants.)

RECEIVER’S ELEVENTH STATUS REPORT TO THE COURT

Receiver, Larry E. Cook, reports to the Court as directed, respectfully stating:

I. INTRODUCTION

1. The United States Securities and Exchange Commission (the “Commission”) initiated this securities fraud enforcement action on May 4, 2005. At the request of the Commission and based upon a preliminary showing of securities fraud, the Court issued a Temporary Restraining Order, ordered an asset freeze, and appointed Larry E. Cook as Receiver.

II. RECEIVER’S ACTIVITY SINCE THE TENTH STATUS REPORT

A. Nevada Properties

2. As detailed in prior status reports, the Receiver has recovered two undeveloped tracts of land in the Dayton, Nevada purchased with investor funds in the name of World Plaza Corporation. The Receiver has had these properties listed with a Nevada real estate agent for nearly two years. The Receiver has accepted an offer to

purchase the property at 217 Carnoustie Court for \$170,000. The transaction is scheduled to close on March 7, 2008

B. IPTS and Anglo Far East Bullion

3. On July 9, 2007, the Receiver obtained judgment against IPTS for the return of approximately US\$ 1.4 million in investor funds frozen at VEF Banka. On July 20, 2007, the Receiver obtained a Stipulated Order for the return of approximately US\$ 80,000 in investor funds frozen at Krajbanka in Riga, Latvia. The Receiver is continuing to coordinate with the Commission's OIA and the US Departments of Justice and State to obtain an "unfreeze" of these accounts through a Mutual Legal Assistance Treaty between the US and Latvia. Once that is complete, the Receiver will work with Latvian counsel to obtain recognition of the Turnover Orders by the Riga Urban District Court and ultimately, the repatriation of these funds.

C. St. Maarten Bank Records

4. The Receiver met with the Chief Prosecutor's Office and the Dutch Federal Police in St. Maarten, Netherlands Antilles to negotiate access to bank account records maintained by Scott Klion a/k/a David Tanner a/k/a James Tucker at St. Maarten banks. The Receiver also conducted interviews in St. Maarten concerning Klion's activities while living there. Klion has fled St. Maarten and is now reportedly living on another island in the Caribbean.

D. St. Maarten Claim Filed

5. The Receiver has retained Jeroen Veen, Lexwell Attorneys in St. Maarten to assist in possible recovery actions in St. Maarten. On January 4, 2008 a claim was filed in St. Maarten Court against Rosemary Noll for the return of \$100,000. The Receiver has

found payments totaling \$550,000 from CEC funds to Noll. After receiving a demand for information from Veen, Noll filed an answer through her attorneys accounting for the return of \$450,000 to Klion's accounts. Noll has refused the Receiver's demands to return the remaining \$100,000 to the receivership resulting in the lawsuit. The Receiver is evaluating other recovery actions in St. Maarten.

E. Additional Bank Accounts Analyzed

6. The Receiver has recently received and analyzed bank account records for seven additional accounts at VEF Bank in Latvia. The records were obtained with the assistance of the SEC Office of International Affairs. These accounts received significant transfers of funds from other accounts at VEF Bank holding investor funds. The Receiver has identified additional accounts in Latvia and has requested these records.

7. The Receiver continues to examine bank records to identify individuals and entities that have received significant funds from accounts holding CEC investor funds. The Receiver has conducted depositions and reviewed records to determine the purpose of these transfers and evaluate demands for recovery.

F. Claim Distributions

8. The Receiver has made two distributions totaling \$5.2 million to claimants. Considerable time and effort have been devoted to locating claimants, many with foreign addresses, who have moved since filing their claims and did not advise the Receiver of their new addresses. Consequently, the Receiver is pleased to report that only a small portion, approximately \$24,000 in claim checks have not been delivered and cashed.

9. The Receiver does not anticipate a third distribution until the Latvian funds referenced in paragraph 3, *supra* are repatriated. Currently, the Receiver's repatriation of the Latvian funds is pending action by the Latvian Prosecutor General's Office and the Riga Urban District Court.

III. RECEIVER'S INTENDED COURSE OF ACTION

10. Because defendant David Tanner/James Tucker/Scott Klion has refused to provide the accounting ordered by the Court, the Receiver must continue the costly and time consuming effort required to locate and subpoena the numerous CEC related bank and electronic currency accounts within and outside the U.S. and reconstruct the source and disposition of funds. Although the Receiver has examined thousands of pages to date, this represents a small portion of the total records the Receiver anticipates reviewing in order to determine the current location of additional CEC investor funds.

11. The Receiver remains committed to recovering the balance of funds Seaforth Meridian, Limited owes the receivership estate and the repatriation of the approximately \$1.4 million in investor funds held in IPTS, Inc.'s account at VEF Banka and \$80,000 held in Anglo Far East Bullion Corporation's account at Krajbanka.

12. The Receiver's forensic examination of the CEC related financial records to date has identified individuals who have received large sums of investor money under questionable circumstances. The Receiver will continue to evaluate recovery actions against these individuals.

13. The Receiver is continuing his investigation into additional transfers of CEC investor funds into US and foreign institutions and will evaluate appropriate recovery actions for these transfers.

14. The Receiver will continue to keep investors apprised of the status of his efforts via his website.

15. This Eleventh Status Report has been reviewed by counsel for the Commission who concurs with its contents.

Dated: March 3, 2008

Respectfully submitted,

LATHROP & GAGE L.C.

By: /s/ Brian M. Holland

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CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of March, 2008 I electronically filed the foregoing, with the Clerk of the Court for the District of Kansas, Topeka Division, by using the CM/ECF system which will send a notice of electronic filing to the following CM/ECF participants:

J. Kevin Edmundson, SEC

/s/ Brian M. Holland

An attorney for Larry E, Cook,
Receiver