

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

COADUM ADVISORS, INC. :
MANSELL CAPITAL PARTNERS III, LLC :
JAMES A. JEFFERY :
THOMAS S. REPKE :
COADUM CAPITAL FUND 1, LLC :
COADUM CAPITAL FUND II, LP :
COADUM CAPITAL FUND III, LP and :
MANSELL ACQUISITION COMPANY, LP, :

Defendants. :

CIVIL ACTION FILE
NO.

1:08-CV-00011-ODE

RECEIVER'S FIRST INTERIM REPORT

Pat Huddleston II, the Receiver appointed by this Court by Order dated January 3, 2008 (the "*Order*"), files this First Interim Report to describe his investigation thus far and to detail his progress toward completing the tasks assigned by the Court.

Procedural and Factual Background

1. On January 3, 2008 the U.S. Securities and Exchange Commission (“SEC”) filed an application for a temporary restraining order and other equitable relief, alleging that Thomas S. Repke (“Repke”) and James A. Jeffery (“Jeffery”), through Coadum Advisors, Inc. (“Coadum”) and Mansell Capital Partners III, LLC (“MCP3”), fraudulently raised approximately \$30 million from investors who purchased interests in Coadum Capital Fund 1, LLC (“Coadum 1”), Coadum Capital Fund II, LP (“Coadum 2”), Coadum Capital Fund III, LP (“Coadum 3”), and Mansell Acquisition Company, LP (“MAC”).
2. On the same day, this Court granted that application and entered an Order freezing assets, prohibiting the destruction of documents, and granting other relief.
3. On January 23, 2008 the defendants consented to the entry of a permanent injunction, leaving the issues of disgorgement and civil penalties for later determination. On January 25, 2008 this Court entered judgment against defendants, and allowed Defendants Repke and Jeffery to access \$4,000 per month from their frozen assets.
4. In the January 3, 2008 Order imposing a temporary restraining order, the Court appointed Pat Huddleston II of The Huddleston Law Firm as Receiver.

The Investigation Thus Far

5. At 9 a.m. on January 4, 2008 the Receiver arrived at Coadum's offices in Salt Lake City to take control of the premises and begin his work.
6. The Receiver has attached as Exhibits 1A through 1G photographs of Coadum's Salt Lake City office.
7. Also on January 4, 2008 the Receiver spoke to counsel in the SEC's Office of International Affairs to begin tracking down and retrieving investor funds that had been sent overseas. The Receiver will describe below what he has learned about those funds.
8. Upon arriving at the Coadum offices, the Receiver found a well-appointed office with four employees and Repke working there. After arranging for Repke's departure, the Receiver interviewed the employees about the ongoing operations, gave instructions to the employees, did an initial inventory of the office, and arranged to have the locks changed that evening.
9. Working from Coadum's offices, the Receiver identified bank accounts, and served the Order on recipients of investor funds as quickly as those recipients were identified.

10. The Receiver visited the branches of Zions Bank and Wells Fargo Bank that Coadum used and served a copy of the Order on the branch managers.

11. Joined by an Investor's Watchdog investigator and the Receiver's IT expert, the three worked in the Coadum offices that weekend to secure the information contained on all Coadum computers and computer servers, to continue identifying assets and forwarding copies of the Order, to arrange to close down the office, and to press the investigation forward.

12. The Receiver boxed up the entire contents of Repke's office and other files that appeared to relate to the transfer of investor funds and shipped them overnight to the Receiver's office.

13. Given that the four remaining Coadum employees were familiar with the company's records and activities, the Receiver chose to retain those employees for two weeks and to put them to work gathering information for the Receiver and arranging to close the office.

14. The Receiver determined that retaining those employees to advance the investigation would allow the Receiver to make more progress at lower cost than dismissing the employees immediately and having the Receiver's staff search for information that was at the employees' fingertips.

15. Over those two weeks the employees were able to ship records and provide information that was extremely helpful in getting the investigation off to a productive start at a fraction of the cost of having the Receiver's staff perform the same duties.

16. The Receiver returned to the Coadum offices on January 15, 2008 to close down the offices and ship the remaining records to the Receiver's office. He terminated the four employees with two weeks severance in exchange for their agreement to continue to make themselves available for tasks associated with the Receiver's investigation and the closing of the offices, thus alleviating the need for the Receiver to spend money on additional trips to Salt Lake City.

17. The Receiver contracted with one of the former employees to handle remaining tasks as they were identified, including coordinating with the landlord and the auction company chosen by the Receiver. This arrangement allowed the Receiver to avoid the cost of additional trips to Salt Lake City.

18. Coadum represented to investors that it had other offices in suburban Minneapolis, Atlanta, and Belleville, Ontario (Canada).

19. The Receiver spent a day in Belleville, Ontario investigating Coadum there. The Receiver identified the office at which the defendants represented they did business from Canada.

20. The Receiver has attached as Exhibits 2A through 2B photographs of the building identified in company records as Coadum's Canadian office.

21. The Receiver asked for access to that office, at which point the defendants denied having an office in Canada and denied the Receiver access to the office.

22. The Receiver has spoken to Canadian counsel about petitioning the Canadian courts to recognize the Receiver's authority, and working with the provincial securities authorities to effect the relief contemplated by this Court's Order. The Receiver is prepared to act in Canada on short notice should further investigation reveal that doing so would result in a net benefit to investors.

23. The Receiver spent a day in Wayzata, Minnesota and viewed the office that Coadum represented to be its Minnesota office. Coadum's vice president of marketing, Ross Haugen ("Haugen"), occupied that office.

24. The Receiver has attached as Exhibits 3A through 3B photographs of Coadum's Wayzata, Minnesota office, which is a single room in a small office building catering to small businesses.

25. While several documents--including Haugen's business card--show that the address in Wayzata is a Coadum office, Coadum's name does not appear on the signage.

26. The name of Haugen's company, Capital Growth Advisors, Inc. ("CGA"), appears on the office signage. The Receiver's investigation has revealed payments from Coadum to CGA of more than \$500,000.

27. Haugen's counsel refused to allow production of Coadum records located in that office, asserting Haugen's Fifth Amendment privilege.

28. The Receiver's investigation includes investigation of whether Haugen and other Coadum salespeople improperly received investor funds.

29. The Receiver has requested all Coadum-related records from the Atlanta Coadum office, which is also the office of Attorney Melanie Mayer.

The Offerings

30. At the Receiver's request, Repke made himself available by telephone for an interview with the Receiver and his team. Repke has cooperated with follow up requests for information.

31. Through counsel, Jeffery has responded to questions put to him by the Receiver.

32. Repke and Jeffery offered and/or sold five separate investments—Coadum 1, Coadum 2, Coadum 3, MCP3, and MAC.

33. Repke and Jeffery commingled money invested in the various offerings, which makes it difficult to establish a clear delineation between the money invested by investors in one offering and the money invested by investors in another.

34. The defendants typically accepted investor funds into accounts in the name of the specific offering, but then transferred those funds to what they called an “escrow account.”

35. Until September 2006, Coadum used a company headquartered in Taylor Michigan—Emerald Title Company—as escrow agent. Investor funds were wired into the Emerald Title account and later out to other investments.

36. After September 2006, Coadum used the real estate trust account of an Atlanta attorney named Melanie Mayer (“Mayer”) as the escrow account. Mayer’s account was at RBC Centura Bank in Atlanta.

37. The defendants “borrowed” more than \$1 million from the Mayer escrow account to make distributions to investors and for other unauthorized purposes.

38. From December 2006 to the date of the freeze, Coadum also maintained a third account in the name of a company called CFO Escrow Services, whose only purpose appears to have been to hold investor funds pending their transfer out to other investments.

39. The Receiver continues to gather investor records which will bring the amounts invested in each offering into sharper focus.

40. Beginning in January 2006 Repke and Jeffery, through Coadum, sold interests in Coadum 1, telling investors that they would receive returns of 2.5% to 8% monthly.

41. They made the same representations in the subsequent offerings.

42. In Coadum 1 (and all the subsequent offerings) the defendants represented that the investors' funds would never be put at risk.

43. Based on the investigation thus far, the Receiver believes that the defendants raised at least \$1,000,000 through the Coadum 1 offering.

44. In May 2006 the Alberta Securities Commission issued a cease-and-desist order against Coadum, Repke, Jeffery, and several individuals who sold Coadum 1.

45. Rather than halt their sale of securities, the defendants formed Coadum 2, allowed investors to roll Coadum 1 funds into Coadum 2, and continued selling

investments unabated. Coadum sold interests in Coadum 2 from July 2006 to July 2007.

46. While the commingling of Coadum 1 and Coadum 2 funds makes it more difficult to determine the amount invested in Coadum 2, based on the investigation thus far the Receiver believes that the defendants raised at least \$20 million through the Coadum 2 offering.

47. In December 2007, the Alberta Securities Division amended its cease-and-desist order to include allegations regarding Coadum 2.

48. In April 2007, Repke and Jeffery formed Coadum 3 and began selling interests in that offering.

49. Based on the investigation thus far, the Receiver believes that the defendants raised approximately \$7 million through the Coadum 3 offering.

50. In August 2007, MCP3 began raising investor funds by soliciting sales of MAC and by selling interests in MCP3 directly.

51. The Receiver's investigation reveals that the defendants used money raised through MCP3 to make the domestic investments outlined in paragraphs 93 through 126 below, transferring money directly from MCP3's account to the various recipients.

52. Based on the investigation thus far, the Receiver believes that the defendants raised at least \$2.4 million through MCP3.

53. While the complaint refers to investments in MAC, the Receiver has found no information thus far reflecting actual investments in MAC.

54. The Receiver has found only a single bank account (at Wells Fargo) in the name of MAC. That account was opened in October 2007, never received investor funds, and never had a balance higher than \$81.

55. While the defendants were attempting to sell investments in MAC, the SEC's prompt action prevented that offering from getting off the ground.

56. Significantly, Repke has confirmed that all moneys used to fund any of the Coadum bank accounts, including accounts in the name of CFO Escrow and CFO Financial, came exclusively from Coadum and MCP3 investors. There were no other sources of deposit into any of those accounts.

The Coadum Sales Force

57. The Receiver's investigation reveals that Coadum employed a professional sales team to sell interests in its various offerings.

58. In November 2006 Haugen attended the Las Vegas Capital Convention, at which he made a presentation about Coadum 2.

59. Documents obtained in the investigation thus far show commissions paid to those salespeople of at least \$800,000.

60. The Receiver continues to investigate the terms under which those commissions were paid, and anticipates seeking return of those amounts.

False Account Statements

61. At the Coadum offices, the Receiver found customer files that include monthly statements prepared by Coadum and sent to investors.

62. These account statements represent that the investor to whom they were sent was receiving a positive return on the investment.

63. According to the Coadum employee chiefly responsible for preparing those statements, she asked Repke for the records needed to calculate and verify the profits to be reported on the account statements.

64. This employee reports that Repke never produced those records. Instead he told her what growth rate to show on each statement.

65. All of the monthly statements reviewed by the Receiver and his staff show monthly growth.

66. Some of the investors received monthly distributions from Coadum, believing that those distributions were profits.

67. Other investors “rolled over” the supposed profits, believing that leaving “profits” in the investment would increase the value of their account and provide more principal on which they expected to earn additional profits.

68. For the investors who “rolled over” their “profits,” subsequent account statements show a monthly return calculated on the supposedly increased account value.

69. Many of the investors invested all of their retirement savings into the Coadum investments.

70. Many of the investors relied upon the monthly distributions to fund their monthly living expenses, believing that the investments were guaranteed against loss as represented.

The Overseas Investments

71. Repke and Jeffery used money invested in Coadum 1, Coadum 2, and Coadum 3 to invest in two overseas investments, both of which were created by an entity called Exodus Equities, Inc. (“Exodus”).

72. Exodus is headquartered in Malta and is operated by Keith Roberts-Sampson Bristol who goes by the name “Kip.”

73. The Receiver has demanded that Exodus return the investor funds received from the Coadum entities.

Exodus Platinum Genesis Fund

74. The investigation thus far reveals that Coadum transferred a total of \$4 million to Exodus for investment in Exodus Platinum Genesis Fund (“EPG”) – a purported hedge fund to be headquartered in Bermuda.

75. In November 2006 Coadum requested and received a return of \$1 million from EPG which Coadum needed in order to make the monthly distributions that they had promised investors.

76. That refund left a total of \$3 million invested in EPG.

77. Through counsel, EPG has represented that the net \$3 million invested in that fund was never traded and that it is all still in a Credit Suisse account in Geneva, Switzerland. EPG has represented that it is prepared to wire that \$3 million to the Receiver.

Soleil Group Holdings

78. Approximately another \$17 million in investor money went to Exodus for the purchase of what Exodus called “Pre-REIT bonds” issued by a company called Soleil Group Holdings.

79. In July 2007 Coadum requested and received a return of \$1 million of that amount and used it to pay promised distributions to investors, leaving a net investment of approximately \$16 million.

80. The Receiver has found--on Coadum computers--electronic versions of Soleil bond certificates in the amount of \$15,500,000.

81. Unlike the investments in EPG, Exodus claims that Soleil spent some portion of the amounts invested in preparation for the REIT for which Coadum’s investment supposedly provided the start-up capital.

82. Soleil has offered to return the \$16 million to the Receiver through an arrangement that involves the conversion of the bonds into debentures and payment of the value of those debentures five months after that conversion. The Receiver has not accepted that offer.

83. Exodus claims that EPG and Soleil are legitimate, that the investments in those companies were for legitimate purposes, and that the investments would have generated (but had not yet generated) profits.

84. The Receiver has not yet gathered enough evidence to prove either the truth or falsity of those claims. Additional investigation, though, will yield that evidence.

The Freeze

85. The Receiver has worked closely with the SEC's Office of International Affairs to gain information about investor funds held overseas.

86. Through that office the Receiver has learned that Swiss criminal authorities have frozen EPG and Soleil's accounts at Credit Suisse in connection with an investigation which may be unrelated to this case.

87. The Receiver continues to work to get information on the number of accounts, the balances, and the likely length of the current freeze.

88. The Receiver has asked Exodus for an accounting of how EPG and Soleil used the investor funds transferred to Malta and Switzerland.

89. Exodus responded to the Receiver's initial request by saying that a formal accounting would cost money that Exodus does not have as a result of the freeze imposed by Swiss officials.

90. The Receiver responded by asking Exodus to consent to the Receiver's request that Credit Suisse produce to the SEC all account records for the accounts holding investor money. Exodus has thus far refused to consent to the production of those records.

91. While Exodus has claimed its legitimacy, pledged its cooperation, and stated its intent to refund all investor funds, it has not yet consented to allow the Receiver access to the information necessary to even a preliminary accounting of investor funds.

92. The Receiver continues to work through the SEC's Office of International Affairs to secure the information necessary to continue the pursuit of investor money overseas.

The Domestic Investments

93. Apart from the investments in the overseas entities, the defendants, using mostly money invested by Coadum 3 and MCP3 investors, transferred investor funds to various domestic entities and individuals, as detailed below.

To Lift a Nation

94. In April 2007 the defendants contracted with a sculptor to complete an 18-foot-high memorial to the firefighters who died on 9/11. That monument now stands on the grounds of the National Emergency Training Center in Emmitsburg, Maryland.

95. An article describing the monument and including photographs of it is attached hereto as Exhibit 4. The Court can see more photographs of the monument on the web at www.emergencymanagement.org/LiftANation.html.

96. The contract for the creation of the monument calls for the monument to be donated to the National Fallen Firefighters Foundation (“NFFF”) in the spring of 2008.

97. According to Repke, Coadum hoped to reap a tax deduction from the donation of the monument to offset the enormous profits he expected the Coadum companies’ investments to produce.

98. The Receiver has put both the sculptor and the NFFF on notice of his claims, and both have agreed to extend the donation date to allow the Receiver to explore various options for maximizing the recovery to the Receivership.

Jack's Cash

99. Jeffery and Repke own a separate business called Jack's Cash, a payday loan company that operates in Canada.

100. The Coadum entities invested approximately \$413,000 in Jack's Cash for a one-third interest in the company.

101. The Receiver has received a tentative offer to purchase that interest for \$325,000, which the Receiver expects to present for Court approval.

Associated Bottling

102. Since 2006 the defendants have invested over \$600,000 in a business called Associated Bottling, a company that creates and labels plastic bottles. The company is headquartered in Aliso Viejo, California.

103. The Receiver has put the owner of that business on notice of the source of the funds that were invested in Associated Bottling and will work to recover the investor funds transferred to that business.

Coakley Business Class

104. Since 2006 the defendants invested more than \$380,000 in a business called Coakley Business Class, a private company that sells women's luggage. That business is owned and operated by Repke's sister, Mary Repke.

105. The Receiver has put the company on notice of the Receiver's claim and will pursue return of the money invested in that business.

TRAC Indemnity

106. According to Repke, Coadum invested at least \$300,000 in TRAC Indemnity Company, a Southern California company that was forming an insurance company to be headquartered in the Cayman Islands.

107. The Receiver has put the owner of the business on notice of the Receivership's claim and will pursue return of investor funds.

Utah Water Shares

108. In December 2007, MCP3 bought 14 shares of Midway Irrigation Company stock for \$910,000. In consideration for MCP3's release of claims in connection with a separate investment, MCP3 received a \$200,000 credit toward the purchase price, paid a \$50,000 down payment, and executed a promissory note for \$660,000. MCP3 did not make the first payment on that note, which was due in January of 2008.

109. The Receiver has put the holder of that note on notice of the "stay" provisions of the Order and will work to recover the investor's interest in those

shares of stock, which are thought to be worth in excess of \$200,000 above the balance due on the promissory note.

Idaho Real Estate

110. In September 2007, Acquisitions Capital International, a Coadum company, contracted to purchase two parcels of land in Driggs, Idaho. The defendants used MCP3 funds to pay a total of \$148,000 in earnest money to the sellers.

Acquisitions Capital did not contribute to the earnest money payments.

111. The Receiver has demanded return of MCP3's money, and will file suit if necessary to recover it.

Westland Securities

112. The defendants invested at least \$60,000 in a business called Westland Securities. Westland is a registered broker-dealer. The Receiver has learned that the defendants intend to abandon that business.

113. The Receiver has demanded return of the balance of the Westland bank account and will follow up to determine what additional assets can be recovered from Westland.

Pittsburgh Condominiums

114. In March 2007, two Coadum-related parties negotiated to buy condominiums in an “adaptive re-use” project in Pittsburgh, Pennsylvania, making reservation deposits of \$5,000 each and paying 5% down payments of \$24,700 and \$33,450, respectively, for the right to purchase the condos upon completion.

115. The Receiver has put the developer and real estate agent on notice of his claim and will work to secure return of the investor funds.

Emerald Title

116. Emerald Title was the escrow agent for Coadum 1 until September 2006.

117. According to Repke, Coadum made a \$100,000 loan to Rodger Rowley (“Rowley”) -- the principal of Emerald Title.

118. Repke says that Rowley paid back \$20,000 of that loan, and Coadum seized his \$38,000 investment in Coadum as further repayment. The Receiver has put Rowley on notice of the Receiver’s claim and is working to recover those funds.

Millstream

119. Millstream Business Advisors is a company formed by Repke. According to Repke, Millstream is a personal services company through which he received his compensation from the Coadum entities.

120. The investigation so far reveals payments to Millstream of \$371,386. The Receiver has demanded an accounting of the money paid to Millstream and requested relevant bank records.

Insarch

121. Insarch Group, Ltd. and Insarch Group USA, LLC (collectively “Insarch”) are companies formed by Jeffery. According to Repke, Insarch is a personal services company similar to Millstream, through which Jeffery received his compensation from the Coadum entities.

122. The investigation so far reveals payments to Insarch of \$520,534. The Receiver has demanded an accounting of the money paid to Insarch and requested relevant bank records.

Mercedis

123. Mercedis Canada, Ltd. (“Mercedis”) is a Canadian corporation formed by Jeffery. Although Repke says that he can think of no reason why Mercedis would

receive money from the Coadum entities, the Receiver's investigation shows that Coadum forwarded \$454,790 to Mercedis between December 2006 and October 2007.

124. The Receiver has demanded an accounting of the investor money sent to Mercedis and production of Mercedis's bank records.

Other Investments

125. The Receiver's investigation continues to reveal names of individuals and entities that may be indebted to the Receivership. The Receiver and his staff are working quickly to identify additional uses of investor funds and to seek return of those funds. In his next interim report, the Receiver will update the Court on additional investments identified.

Assets

126. In addition to the investments identified above, the Receiver has identified the following assets:

a. The Receiver has discovered investor funds deposited in Wells Fargo Bank, Bank of America, and Zions Bank, in addition to the investor funds held in Melanie Mayer's escrow account at RBC Centura.

b. The Receiver has recovered \$1,262,468.90 in investor funds held in accounts at Wells Fargo Bank, \$63,015.12 in investor funds held in accounts at Zions Bank, \$153,960.45 held in accounts at Bank of America, and \$849,543.29 held in the Mayer escrow account as of the date of the freeze. The Receiver is holding those funds in an interest bearing Receivership account at Bank of North Georgia.

c. The Receiver has identified a \$760,770.18 certificate of deposit purchased from Wells Fargo Bank with investor funds. The Receiver is pursuing return of those funds.

d. On Saturday, February 23, 2008, the Receiver held a public auction at the Coadum offices in Salt Lake City to raise funds from the sale of Coadum's office furnishings, and to clear the office for a new tenant so as to terminate Coadum's obligation on a lease set to expire in 2011. The landlord has agreed to terminate the lease, without penalty. The auction raised \$49,093.71. The report of the auction is attached hereto as Exhibit 5. The Receiver obtained bids from three separate auction companies and negotiated the auction company's commission down from 10% to 5%.

e. In 2006, Coadum 1 filed suit against individuals and entities that allegedly defrauded Coadum 1 out of \$1 million in connection with a prime bank scam. Coadum Capital Fund 1, LLC v. LOBO International, A.G., et al., Cause Number 2006-76967 (District Court of Harris County, Texas, 165th Judicial Circuit). The Receiver has taken over prosecution of that case. Repke is cooperating with discovery responses.

Liabilities

127. To date, the Receiver has identified the following liabilities:

a. The Receiver has paid the final payroll and payroll tax obligations for Coadum's employees and foresees no further liabilities from employee claims;

b. The Receiver has not yet quantified any tax liabilities. The investigation thus far suggests that Coadum supplied K-1's to investors for tax year 2006 showing profits that the business (and therefore the investors) did not actually receive;

c. According to Repke, MCP3 is a guarantor on the lease of a commercial building occupied by Associated Bottling. The monthly rent is \$65,000.

d. As referenced above, in connection with its purchase of the Midway Irrigation Company shares, Coadum executed a \$660,000 promissory note.

e. The Receiver and his team are working quickly and efficiently, applying a strict cost/benefit analysis to each project in order to preserve Receivership funds. The Receiver has retained Michael Bishop of Smiley, Bishop, and Porter as counsel. The Receiver has hired Investor's Watchdog, LLC--a private investor protection company wholly owned by the Receiver--to perform the accounting, bookkeeping, investigative, and administrative work necessary to the Receiver's completion of his tasks. Investor's Watchdog employs a forensic accountant, a Chartered Financial Analyst, and an information technology expert. The Receiver's ownership of that business allows the Receiver to keep a tight rein on the work done and ensure that no investor money is spent unnecessarily. The work will consume many months, and the Receiver cannot yet estimate the total cost of the work required of the Receiver and his team. The Receiver will submit his detailed invoice, and those of the professionals he has retained, approximately every sixty days.

128. The Receiver is working to reduce the above mentioned liabilities in a way that best serves the interest of the investors.

Investor Records

129. The Receiver has retrieved all customer records from Coadum's Salt Lake City office, and has copied the remainder from the company's computer servers.

130. The Receiver is entering all customer information into a database, and will use that database in sending claim forms to investors and validating all claims received.

131. The Receiver will keep those records secure until the case is concluded at which time he will either (a) return them to the customers or (b) destroy them.

Investor Communications

132. The Receiver has set up numerous avenues for investor communication.

a. The Receiver has created a dedicated secure link from his website through which investors can e-mail contact information to the Receiver. Most investors have done so already. The address for that link is www.huddlestonfirm.com/huddleston/coadum/index.cfm.

b. The Receiver has posted the SEC's complaint, the Court's Order appointing a Receiver, and the Court's Order entering judgment against the defendants on that site. The Receiver has posted this Report there and will post all subsequent pleadings on the site as well.

c. The Receiver has created a separate voice mailbox on his law firm's phone system, and several investors have left helpful information in that box already.

d. The Receiver and his staff have spoken to dozens of Coadum investors so far, and continue to field calls and answer investor questions. In addition, the Receiver has encouraged investors to email their questions to the Receiver. The Receiver has gathered the most frequently asked questions and answered those questions in an FAQ section of the website.

Additional Progress

133. The Receiver has seized hundreds of thousands of pages of documents. His team is reviewing those documents and sorting them by the asset, person, and/or entity to which they refer.

134. At this stage of the investigation, each day of investigation brings to light new leads to potential assets.

135. The Receiver and his team are working quickly to identify and secure those assets.

Third Party Litigation

136. The Receiver has identified (and will continue to identify) individuals and entities who wrongfully received substantial investor funds from the defendants.

137. The Receiver will evaluate each such claim and the likely recovery compared to the estimated cost to pursue such an action before filing suit.

138. While the Receiver filed notice of his appointment in seven judicial districts (including districts in Connecticut, Utah, Arizona, Texas, New York, Michigan, and California) within 10 days of his appointment pursuant to (28 U.S.C. § 754), reappointment may be necessary to allow the Receiver to file notices of appointment in additional judicial districts for the purpose of pursuing third party actions in those jurisdictions.

139. Following the filing of this report, counsel for the Receiver will file a motion seeking reappointment of the Receiver by this Court under the same terms and granting the same authority as the original Order of Appointment.

140. Once reappointed, the Receiver will file the requisite statutory notice of appointment in the relevant districts.

Current Status

141. The Receiver has made substantial progress on many of the tasks assigned by the Court.

142. In addition to the tasks identified above, the Receiver's staff is preparing a claim form and claims procedure for the Court's approval. The Receiver will submit those proposals with his next interim report.

143. The Receiver expects to file his next interim report in approximately 60 days.

Respectfully submitted this 29th day of February, 2008.

THE HUDDLESTON LAW FIRM

/s/ Pat Huddleston, II
Pat Huddleston, II
Receiver

707 Whitlock Avenue, Suite B21
Marietta, GA 30064
770-919-8003
770-874-0888 (fax)
ph2@huddlestonfirm.com

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	CIVIL ACTION FILE
COADUM ADVISORS, INC.	:	NO.
MANSELL CAPITAL PARTNERS III, LLC	:	
JAMES A. JEFFERY	:	1:08-CV-00011-ODE
THOMAS S. REPKE	:	
COADUM CAPITAL FUND 1, LLC	:	
COADUM CAPITAL FUND II, LP	:	
COADUM CAPITAL FUND III, LP and	:	
MANSELL ACQUISITION COMPANY, LP,	:	
	:	
Defendants.	:	

CERTIFICATE OF SERVICE

This certifies that I have this day served a copy of the foregoing *Receiver's First Interim Report* via the CM/ECF electronic filing system upon the following:

Michael Bishop, Esq.
Smiley Bishop & Porter, LLP
1050 Crown Pointe Parkway, Ste. 1250
Atlanta, GA 30338

Robert S. Wolf, Esq.
Gersten Savage LLP
600 Lexington Avenue , 9th Floor
New York, NY 10022 06880

Jennifer D. Odom, Esq.
William Scott Sorrels, Esq.
Powell Goldstein LLP
Suite 1400
One Atlantic Center, 14th Floor
1201 West Peachtree St., N.W.
Atlanta, GA 30309-3488

Jerry Gruenbaum, Esq.
SEC Attorneys, LLC
Bank of America Building
980 Post Road East , 2nd Floor
Westport, CT 06880

W. Bruce Maloy, Esq.
Maloy & Jenkins
75 Fourteenth Street, N.W.
2500 The Grand
Atlanta, GA 30309

William P. Hicks, Esq.
Securities & Exchange
Commission
3475 Lenox Road, N.E.
Suite 1000
Atlanta, GA 30326-1232

Edward G. Sullivan, Esq.
Securities & Exchange Commission
3475 Lenox Road, N.E.
Suite 1000
Atlanta, GA 30326-1232

This 29th day of February, 2008.

s/ Pat Huddleston II
Georgia Bar No. 373984
Receiver

THE HUDDLESTON LAW FIRM
707 Whitlock Avenue, Suite B21
Marietta, Georgia 30064
(770) 919-8003
(770) 874-088 – facsimile
ph2@huddlestonfirm.com