UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, - against - STEVEN BYERS, JOSEPH SHERESHEVSKY, WEXTRUST CAPITAL, LLC, WEXTRUST EQUITY PARTNERS, LLC, WEXTRUST DEVELOPMENT GROUP, LLC, WEXTRUST SECURITIES, LLC, and AXELA HOSPITALITY, LLC, Defendants, - and - ELKA SHERESHEVSKY, Relief Defendant.	No. 08 Civ. 7104 (DC) ECF Case

TWELFTH INTERIM REPORT OF RECEIVER

TIMOTHY J. COLEMAN
Receiver for Wextrust Entities

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Timothy J. Coleman, Receiver for the Wextrust Entities and Affiliates ("Receiver"), respectfully submits this Twelfth Interim Report, pursuant to the Court's Order Appointing Temporary Receiver, dated August 11, 2008, as amended by order dated September 11, 2008 (the "Receiver Order") (Dkt. No. 36.)

Today, total receivership cash is $19.3 million. In the past six months, the Receiver has continued to carry out the work mandated by the Receiver Order while minimizing costs. He has: sold two properties for a $520,000 cash benefit to the estate (Executive Plaza and First Highland); received $7.9 million in cash settlements from Wextrust's former law firms; reached an agreement with the IRS for it to subordinate $405,000 in its claims to investors; reached settlements with a secured lender and the Defendants' families for a $180,000 cash benefit to the estate related to the Defendants' personal residences; relinquished three properties that no longer had any benefit to the estate (Shallowford, Wilma Rudolph, and Interstate Park); and otherwise managed and marketed the receivership assets, which continue to produce a positive net cash flow.

The Receiver has made substantial steps towards a further distribution to investors. The Receiver has prepared tax returns that will be submitted to the Internal Revenue Service ("IRS") shortly. The Receiver expects that, if the IRS approves the deductions and positions taken in the returns, the IRS and the Receiver will enter into a closing agreement, and the receivership's outstanding tax liability will have been resolved. The Receiver will then petition the Court to approve a distribution to investors on an expedited basis.

This Twelfth Interim Report describes the Receiver's work since August 11, 2012. Section I summarizes the status of the liquidation of Wextrust assets. Section II reports on the prospect of a future interim distribution to investors. Section III provides an overview of the Receiver's management of the Wextrust Entities and Affiliates. Section IV reports on the current financial condition of the receivership estate and its administrative costs. Section V discusses the status of Wextrust-related litigation.

I. LIQUIDATION OF WEXTRUST ASSETS

Since the inception of the receivership, the Receiver has sold 20 properties, resulting in $68.8 million in gross proceeds. From those sales, $55.1 million went to repay secured creditors, the estate benefited from the forgiveness of $7.3 million in secured debt owed by the estate, and the estate received $7.4 million in net cash. Additionally, the three Axela-owned hotels were relinquished, as were 18 other properties as to which there was no expectation of a net cash recovery for the estate. The relinquishments allowed secured creditors to obtain the collateral for $180.7 million of debt, and released the estate from those obligations. Sale of other receivership assets, settlements with third parties, and other recoveries have created a $13 million cash benefit to the estate for victims.

Today, the Wextrust portfolio consists primarily of seven commercial properties. The properties are projected to generate $4.8 million in net operating income for the year ending December 2013 and result in $1.5 million of net cash flow from operations. The properties are managed by three full-time employees who are overseen by a restructuring firm, Badger Real Estate Advisors, LLC ("Badger").

In the past six months, the Receiver has continued efforts to liquidate the remaining U.S. assets in the receivership estate per the Court's plan of distribution order entered on July 23, 2009 (the "Distribution Order") (Dkt. No. 428). The U.S. assets currently consist of (1) commercial real estate properties, which account for most of the remaining estate; (2) high yield loan portfolios; and (3) the former personal residence of Defendant Steven Byers.

The remaining seven commercial real estate assets are located in Mississippi, Tennessee, and Wisconsin. The Receiver has continued to oversee the management and marketing of these properties with his real estate advisors. The Receiver plans to sell or relinquish the remaining properties in the year ahead.

The Receiver has also continued efforts to maximize the value of the commercial properties by making improvements, renewing profitable leases, and negotiating new leases. Specifically, the Receiver has negotiated 13 new and renewal leases on properties over the past six months. The Receiver estimates that these leases will produce revenues of approximately $3.8 million over the life of the leases, thereby enhancing the value of the properties and the expected proceeds of their liquidation. Repairs and improvements on the remaining properties have been minimized.

To reduce the ongoing expense of managing multiple properties, the Receiver is negotiating with lenders and tax authorities. The Receiver negotiated an agreement with the lender on the Executive Plaza property that gave the receivership time to sell the property for more than $1 million, resulting in a $420,000 benefit for the estate. In addition, the Receiver has negotiated settlements allowing two secured creditors to obtain the collateral relating to $28 million of debt and releasing the estate from any further obligation. The Receiver is currently working to renegotiate loans with two additional secured lenders. In the past six months, several property tax appeals to state agencies have been successfully resolved, resulting in savings of over $17,000 between 2012 and 2013.

Finally, the Receiver made progress with respect to the residential real estate assets formerly owned by Defendants Byers and Shereshevsky. These residences were heavily leveraged and, based on market conditions and projected maintenance costs, had no significant value to the receivership estate. On December 20, the Court approved the Receiver’s agreement with a secured lender on five former Shereshevsky properties. The agreement will result in a cash payment to the receivership estate of at least $125,000. The Court also approved settlements with Shereshevsky family members in relation to two former Shereshevsky properties for an additional $55,000 cash recovery to the estate. The Receiver is finalizing negotiations pertaining to the sale of Defendant Byers' former personal residence in Oakbrook, Illinois with the mortgage lender on the property.

II. DISTRIBUTION TO THE WEXTRUST VICTIMS

As previously reported, the Receiver has verified and recognized the claims of Wextrust victims totaling $238 million among 1,221 equity investors and 100 unsecured creditors. The Court approved a first interim distribution of approximately $5 million in December 2010. A.B. Data, which was hired to manage the logistics of the distribution, was unable to deliver 12 checks totaling $37,006.93, which remain unclaimed. The Receiver encourages victims to provide any updated contact information. **New contact details are as follows: 1-800-985-4155 or wextrustreceiver@abdata.com.**

The Receiver expects to make a second distribution to Wextrust investors within the next interim period. The amount will depend on the results of the receivership's tax liability.

During the twelfth interim period, the Court approved a stipulation and order submitted by the Receiver and the IRS that governs the treatment of Wextrust's pre- and post-receivership tax liabilities (See Dkt. No. 851.) According to the stipulation and order, the IRS has agreed to subordinate its claim to $405,187.44 in pre-receivership tax liabilities to allow this sum to be paid to the Wextrust investor-victims. The IRS declined to subordinate its claim to $64,412.66 in pre-receivership tax penalties. The IRS has also demanded that the Receiver file federal tax returns as a Qualified Settlement Fund ("QSF") for post-receivership tax years. However, the IRS has agreed to consider allowing certain deductions and other adjustments in order to alleviate the tax burden on the estate and the victims.

On December 10, 2012 the Court approved the Receiver's appointment of Lattimore, Black, Morgan, and Cain, PC ("LBMC") to prepare the receivership's tax returns. (See Dkt. No. 846.) The draft returns have been completed and the Receiver's tax counsel is conducting a final review. The draft returns will be submitted to a special IRS Examination team shortly. The IRS will then review the draft returns and propose a closing agreement to provide formal approval of agreed-upon deductions and positions. With the finalization of the closing agreement with the IRS, the receivership's outstanding tax liabilities will be resolved, and the Receiver will immediately cause a second distribution to be made to investors. The receivership estate will be required to file tax returns for tax years 2012 and 2013 in the future.

III. ESTATE MANAGEMENT OPERATIONS

Since inception of the receivership, the Wextrust properties have generated $71.1 million in lease income and approximately $19.7 million in net cash flow to the receivership estate. (*See* Table 5 below.) The Receiver has executed 71 new leases and 182 lease renewals, representing $39.4 million in aggregate rental revenue. The overall percentage of leases renewed represents a renewal rate of approximately 70 percent.

A. U.S. Real Estate Operations

As directed by the Court, the Receiver took control of all Wextrust real estate assets, which now consist primarily of commercial properties. In the six months ending February 11, 2013, the Receiver collected approximately $4.7 million in rent (*see* Table 2 below). As discussed in Section I above, the Receiver has negotiated 13 new and renewal leases on properties during this period.

The Receiver incurs minimal expenses related to the condominiums that were developed and sold at the 47 Dean Street property located in Brooklyn. The units were sold last year for more than $12 million, with net proceeds to the estate of approximately $4.2 million. As developer, the receivership has certain obligations to meet with the newly constructed building. Those obligations will end this year.

B. **High Yield Loans**

The Receiver has initiated a closer review of the prospects for recovery from the 11 remaining Wextrust high yield loans, all of which are in default and worth less than the amount Wextrust had contributed. Three of the loans were made directly by Wextrust, two of which were for residential real estate holdings and a third was a construction loan that was never fully funded. These three direct loans have a total Wextrust exposure of $1.7 million, though the underlying collateral is much less than that. During the last six months, the Receiver entered into a settlement agreement with an additional direct borrower on a residential loan in return for a cash payment of $70,000, which brought total recovery on that loan to $135,000, and extinguished the loan.

The receivership's interest in the eight other high yield loans is through two joint ventures in which Wextrust has a minority interest. The first joint venture, with Stillwater Capital Partners, Inc., contains two loans with a Wextrust exposure of $470,000. One of those loans involves a bankrupt hotel and the other involves vacant land. The second joint venture, with Blackport Investment Group LLC, involves six loans with a Wextrust exposure of $1.7 million. The Receiver is seeking to liquidate the Wextrust positions in these loans prompty.

IV. **FINANCIAL CONDITION OF THE WEXTRUST ENTITIES AND AFFILIATES**

As in previous reports, Deloitte has assisted in compiling financial information from the financial systems and books and records of the Wextrust Entities and Affiliates. Those financial records reflect the book value of the principal real estate assets, as recorded in the company's books and records, but not necessarily in accordance with generally accepted accounting principles. As shown in Table 1, the total book value of the remaining Wextrust real estate portfolio is approximately $24.8 million. This value is based on the accounting records and other information maintained by Wextrust and its accountants, and does not represent current market value. Moreover, as discussed in previous reports, these properties were purchased at the height of the commercial real estate market and are heavily leveraged by secured debt. The Receiver contemplates that most of the proceeds of the sales of these properties will be used to repay such debt, pursuant to the Court's Distribution Order.

Table 1: Book Value of Wextrust Real Estate Assets

Wextrust Capital, LLC, et al.
Net Book Value (1) (2)
as of November 30, 2012

	Axela (3)	WEP (4)	WDG (5)	Consolidated
Property				
Building / Land	-	99,216,987	-	99,216,987
Loan Payable on Property	-	77,865,740	-	77,865,740
Net Book Value (6)	$ -	$ 21,351,246	$ -	$ 21,351,246
Capitalized Costs:				
Tenant Improvements	-	1,472,378	-	1,472,378
Capital Improvements	-	1,966,080	-	1,966,080
Total Capitalized Costs	$ -	$ 3,438,458	$ -	$ 3,438,458
Net Book Value (6)	**$ -**	**$ 24,789,704**	**$ -**	**$ 24,789,704**

(1) - Where possible, net book values were obtained from accounting information as of November 30, 2011 provided by Wextrust. However, the cost of the building and the balance of the loan payable on the property were not always recorded in the accounting system. To the extent available, these amounts were obtained from other internal sources as of the most recent date available. In some cases, loan payable amounts include accrued interest and late fees assessed by the lender.
(2) - The amounts shown do not include properties that were sold or where the relinquishment process was initiated or had been relinquished as of November 30, 2012.
(3) - As of August 31, 2009, the United States District Court for the Southern District of New York had entered orders permitting the relinquishment of all hotel properties.
(4) - Commerce Center Holdings, a TIC property, is included at 100% even though the Wextrust interest is less (35%). The balance excludes: <1> property owned by First Highland, LLC that was sold in August 2012.
(5) - All condominium units developed by 47 Dean Street have been sold.
(6) - There may be other payable amounts due upon sale of property, including property taxes, etc.

For the six months ending November 30, 2012, Wextrust had a positive net cash flow of $8.7 million. Total receipts were $13.6 million against $4.9 million in expenses authorized by the Receiver to preserve the status quo of the Wextrust enterprise, as shown in Table 2 below. The vast majority of those expenses were paid in connection with operating the WEP real estate portfolio. As of January 31, 2013 Wextrust had more than $19.3 million in cash in approximately 25 U.S. bank accounts at five financial institutions.

Table 2: Receipts and Disbursements

Wextrust Capital, LLC, et al.
Consolidated Cash Receipts and Disbursements - Rounded (1) (2)
from 06/01/2012 through 11/30/2012

RECEIPTS	**Wextrust Capital, LLC and Affiliates**		**Commodity Funds**	**Wextrust Equity Partners, LLC and Affiliates**	**PAM**	**Wexford Development Group, LLC and Affiliates**	**Axela Hospitality, LLC and Affiliates**	**TOTAL**
Tenant Receipts **(3)**	-		-	5,400,000	-	-	-	5,400,000
Sale of Receivership Assets **(4)**	100,000		-	-	-	-	-	100,000
Construction Draws	-		-	-	-	-	-	-
Other Receipts **(5)**	7,920,000		-	210,000	-	-	-	8,130,000
TOTAL RECEIPTS	**8,020,000**		**-**	**5,610,000**	**-**	**-**	**-**	**13,630,000**
DISBURSEMENTS								
Capital Expenditures, Tenant Improvements & Leasing Commissions	-		-	280,000	-	-	-	280,000
Insurance	-		-	70,000	-	-	-	70,000
Loan Payments	-		-	2,230,000	-	-	-	2,230,000
Management Fees	-		-	300,000	-	-	-	300,000
Ordinary Course Expenses	21,000		-	1,100,000	-	-	-	1,121,000
Labor Costs	61,000		-	380,000	-	-	-	441,000
Professional Expenses - Non-Receiver **(6)**	2,000		-	55,000	-	-	-	57,000
Taxes	13,000		-	390,000	-	-	-	403,000
Other	-		-	-	-	-	-	-
TOTAL DISBURSEMENTS	**97,000**		**-**	**4,805,000**	**-**	**-**	**-**	**4,902,000**
NET CASH GENERATION / (BURN)	**7,923,000**		**-**	**805,000**	**-**	**-**	**-**	**$ 8,728,000**

(1) - The receipts and disbursements in this analysis are cash transactions that are grouped by the entities that initiated the transaction, however, in some cases the cash transactions were executed on behalf of other Wextrust entities. The cash transactions have been categorized by type based on information contained within the books and records of the Wextrust Entities. The sources of cash receipts and disbursements data were a combination of general ledgers and bank transaction data. Not all bank accounts or general ledgers were included in this analysis; entities with no or insignificant transaction activity during the period presented may not have been included.
(2) - This analysis was prepared on a cash basis, therefore the timing of receipts and disbursements are different than what may be contained in accrual based financial reports. For example, receipts may not be matched to related disbursements, or vice versa. In addition, some disbursements included in this analysis had not cleared the bank as of November 30, 2012.
(3) - Approximately $240,000 was collected, in addition to monthly rent, from tenants for property taxes and insurance.
(4) - The $100,000 in Sale of Receivership Assets represent the Wextrust's share of net proceeds from the sale of property owned by First Highland, LLC.
(5) - The $8,130,000 in Other Receipts is mainly comprised of: <1> $7,900,000 in settlements with third parties and <2> $210,000 in property management fees.
(6) - Receivership professional expenses are not included in this analysis. The payment of Professional Expenses - Non-Receiver represent fees relating to the marketing of properties for sale, etc.

Deloitte has also assisted in the preparation of a cash forecast for three three-month periods through August 31, 2013 as shown in Table 3. The net cash flow is projected at $1,128,817. The three month period ending February 28, 2013 shows a comparatively lower net cash flow because of property taxes and insurance payments, which are paid during the period but funded in part by the monthly and annual collections of tenants' fees.

Table 3: Wextrust Cash Forecast

Base Cash Flow Projections for Wextrust Capital, LLC and Affiliates, et al. for the Nine Months Ending August 31, 2013 (1) (2)

	WexTrust Capital, LLC, et al. for the 3 - Months Ending February 28, 2013		WexTrust Capital, LLC, et al. for the 3 - Months Ending May 31, 2013	WexTrust Capital, LLC, et al. for the 3 - Months Ending August 31, 2013	Total	
Total Effective Income	$ 2,500,593		$ 1,691,466	$ 1,691,946	$ 5,884,005	(3)
Total Operating Expenses	1,271,043		326,017	331,023	1,928,083	
Net Operating Income	1,229,550		1,365,449	1,360,923	3,955,922	
Non Operating Expenses:						
Debt Service - Interest (Including Swap Payments)	768,049		572,415	572,415	1,912,879	
Debt Service - Principal	238,941		238,941	238,941	716,823	
Capital Expenditures (4)	12,100		-	-	12,100	(5)
Tenant Improvements & Lease Commissions	21,000		-	-	21,000	
Reserves	12,941		5,625	5,625	24,191	
Other Non-Operating Expenses	39,789		50,160	50,163	140,112	
Total Non-Operating Expenses	1,092,820		867,141	867,144	2,827,105	
Net Cash Flow (6)	$ 136,730	(7)	$ 498,308	$ 493,779	$ 1,128,817	

(1) - Does not include any distributions under the Plan of Distribution. As of August 31, 2009, the United States District Court for the Southern District of New York approved orders to relinquish all hotel properties.
(2) - Amounts exclude Commerce Center Holdings, which is a TIC property where Wextrust interest is 35%. The cash projections include the expected cash activity for properties that are currently in sale negotiations but do not include the expected net sale proceeds. For information on the expected sale of Receivership assets, please refer to Section I.A.
Cash forecasts exclude operating activity for the following properties held by: <a> Interstate Park Holdings, LLC starting February 2013, <b> Shallowford Holdings, LLC starting January 2013 and <c> Wilma Rudolph Holdings, LLC starting January 2013. These properties are currently in the foreclosure process and all activity at the property will be the responsibility of the bank / mortgage company.
(3) - Amount includes approx. $420,000 and $120,000 in tenant rent receipts from approx. 14 tenants who are assumed to renew their leases and approx. 3 tenants who are assumed to remain on a month-to-month lease, respectively.
(4) - Net of escrow draws available for capital expenditures.
(5) - In order to better manage cash flow on a per-property basis, Capital Expenditures projects are evaluated on an as-needed basis. Due to that methodology, a minimal amount of Capital Expenditures are projected unless there is a known, necessary repair or replacement imminent.
(6) - Does not include Receivership related professional fees.
(7) - The net cash flow projected for the 3 months ended February 28, 2013 includes projected payments of 2012 property taxes and insurance in February of 2013 totaling approximately $740,000. This payment is funded in part by the monthly and annual collections of CAM fees from tenants.

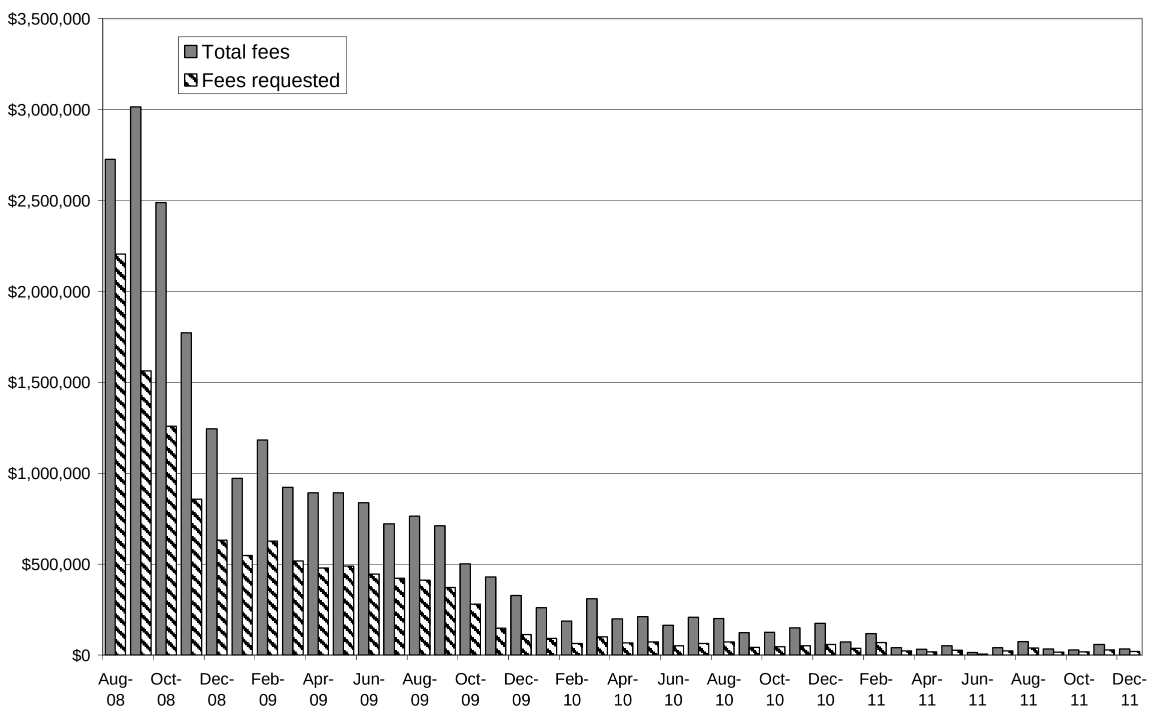
The above analysis does not include expenses associated with the administration of the receivership, the largest component of which is professional legal fees. These include fees due to the Receiver and receivership counsel, Freshfields Bruckhaus Deringer US LLP ("Freshfields") (since March 2010) and to a minimal extent, Arent Fox LLP (since June 2010). Dewey & LeBoeuf LLP ("D&L"), which is now defunct, has not provided services to the Receiver since December 2010. The Court approved the fee application of Badger for $365,521 during the last six month period.

For all professionals, Wextrust has incurred and paid $16,794,226.35 in professional fees as of January 31, 2013 as follows: Freshfields, $419,063.05; Arent Fox, $33,216.50; D&L, $9,423,211.76; Deloitte, $4,291,938; Hilco, $940,500; Receiver, $418,250; various South

African professionals, $338,553; Badger, $745,521; and other professionals, $183,973. Legal fees during the twelfth interim period were an estimated $170,000 and Deloitte's fees were an estimated $50,000.

The level of professional administrative costs have been a concern of the Receiver, the Court, and investors. The Court has required professionals to hold back more than $4.3 million in fees until the end of the case. In addition, various professionals have applied discounts and write-offs of more than $14.8 million as a reflection of the public service nature of their engagement. As shown in Chart 1, fees have declined precipitously and remained low as the Receiver completed the tasks required by the Receiver Order and successfully defended the numerous appeals of the Court's orders – for example, more than 95 percent of fees incurred and paid to date occurred during the first 17 months of the receivership (through December 2009).

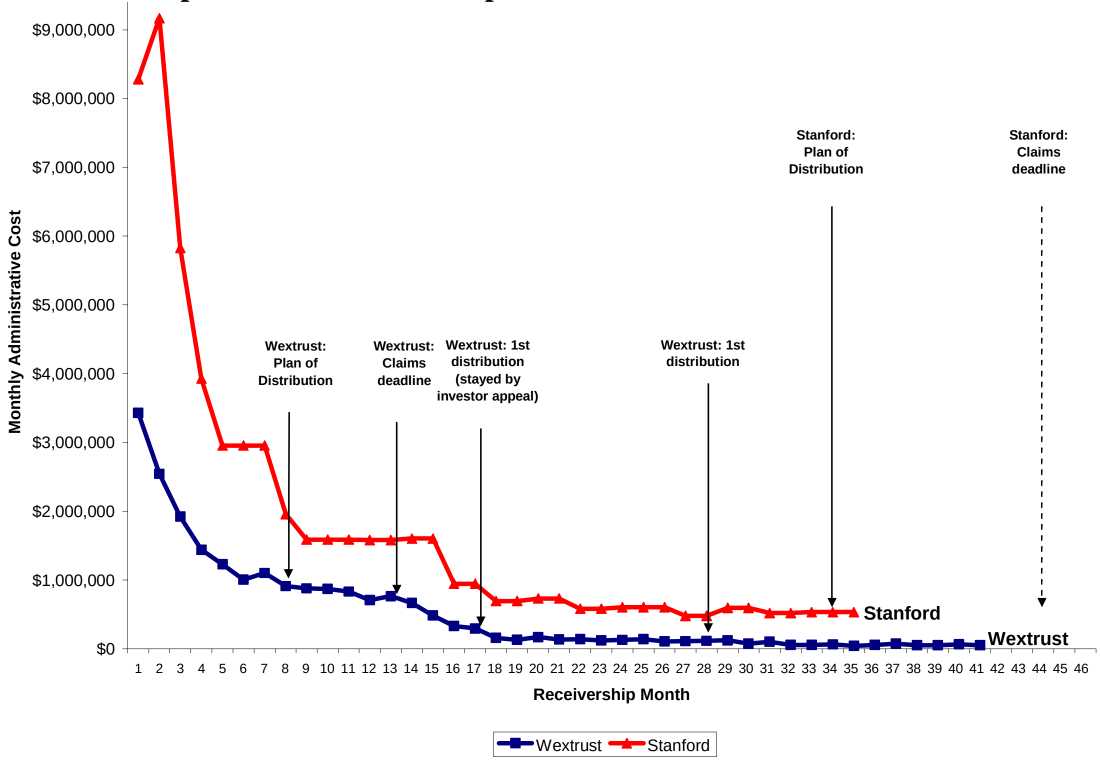
Chart 1: Administrative Costs[1]



[1] This chart includes fees for all professionals submitting applications to the Court; "fees incurred" represents total fees at standard rates not including any discounts, holdbacks, or fee arrangements; prior interim reports included only fees of D&L and Deloitte as requested, as such they did not reflect the full value of receivership savings.

The decline in administrative costs of the receivership is consistent with the progression observed in other receiverships. While it is impossible to compare any two receiverships given the unique factual and legal complexities of each, the Stanford receivership is similar to the Wextrust receivership in a number of ways – each involved massive frauds across multiple states and countries; each had numerous assets in the United States and abroad, including hundreds of bank accounts and real estate holdings; and each receiver employed a large international law firm to carry out his multi-jurisdictional duties. *See SEC v. Stanford Int'l Bank, Ltd., et al.*, No. 09-CV-0298, (N.D. Tex. filed Feb. 17, 2009). As shown in Chart 2, legal fees fell rapidly as the Receiver accomplished the numerous immediate and short term tasks required by the Receiver Order. The Receiver also acted with comparative speed to prepare and conclude a plan of distribution and to make an initial distribution.

Chart 2: Comparison of Receivership Administrative Costs and Receiver Actions[2]



[2] Data taken from publicly filed documents in each case (all cost data through December 2011). Fees for partial months prorated to a full month equivalent. Where costs had been aggregated costs across multiple months, an average monthly cost was used.

In October 2012, Jerry B. Klein and Associates ("JKBA"), an accounting firm hired by D&L, submitted a fee application for $360,000 for work performed in 2008 and 2009. The SEC and Receiver have opposed the fees. In February 2013, JKBA requested a hearing on the matter.

The Receiver has also calculated total receipts and disbursements since the start of the receivership on August 11, 2008. Total receipts were approximately $95.9 million while total disbursements were approximately $74.3 million, not including the administrative costs described above.

Table 5: Receipts and Disbursements (Since Receivership Start)

Wextrust Capital, LLC, et al.
Consolidated Cash Receipts and Disbursements - Rounded (1) (2) (3)
from 08/08/11 through 11/30/2012

RECEIPTS	Wextrust Capital, LLC and Affiliates	Commodity Funds	Wextrust Equity Partners, LLC and Affiliates	PAM	Wexford Development Group, LLC and Affiliates	Axela Hospitality, LLC and Affiliates	TOTAL
Tenant Receipts	-	-	71,100,000	-	-	-	71,100,000
Sale of Receivership Assets	4,470,000	-	2,970,000	-	600,000	-	8,040,000
Construction Draws	70,000	-	-	-	4,220,000	-	4,290,000
Other Receipts	9,290,000	230,000	2,590,000	-	100,000	240,000	12,450,000
TOTAL RECEIPTS	**13,830,000**	**230,000**	**76,660,000**	**-**	**4,920,000**	**240,000**	**95,880,000**
DISBURSEMENTS							
Capital Expenditures, Tenant Improvements & Leasing Commissions	-	60,000	5,030,000	-	4,310,000	110,000	9,510,000
Insurance	28,000	2,000	1,007,000	-	89,000	4,000	1,130,000
Loan Payments	150,000	20,000	28,970,000	-	360,000	60,000	29,560,000
Management Fees	-	-	3,260,000	-	-	-	3,260,000
Ordinary Course Expenses	450,000	120,000	14,430,000	-	120,000	310,000	15,430,000
Labor Costs	1,075,000	554,000	4,372,000	93,000	296,000	202,000	6,592,000
Professional Expenses - Non-Receiver **(4)**	230,000	240,000	310,000	-	10,000	-	790,000
Taxes	100,000	10,000	7,430,000	-	50,000	-	7,590,000
Other	-	110,000	-	-	380,000	-	490,000
TOTAL DISBURSEMENTS	**2,033,000**	**1,116,000**	**64,809,000**	**93,000**	**5,615,000**	**686,000**	**74,352,000**
NET CASH GENERATION / (BURN)	**11,797,000**	**(886,000)**	**11,851,000**	**(93,000)**	**(695,000)**	**(446,000)**	**$ 21,528,000**

(1) - The receipts and disbursements in this analysis are cash transactions that are grouped by the entities that initiated the transaction, however, in some cases the cash transactions were executed on behalf of other Wextrust entities. The cash transactions have been categorized by type based on information contained within the books and records of the Wextrust Entities. The sources of cash receipts and disbursements data were a combination of general ledgers and bank transaction data. Not all bank accounts or general ledgers were included in this analysis; entities with no or insignificant transaction activity during the period presented may not have been included.
(2) - This analysis was prepared on a cash basis, therefore the timing of receipts and disbursements are different than what may be contained in accrual based financial reports. For example, receipts may not be matched to related disbursements, or vice versa. In addition, some disbursements included in this analysis had not cleared the bank as of November 30, 2012.
(3) - The disbursements in this analysis do not include Receivership professional expenses and distributions to investors.
(4) - Receivership professional expenses are not included in this analysis. The payment of Professional Expenses - Non-Receiver represent fees relating to the marketing of properties for sale, etc.

V. INVESTIGATIONS AND LITIGATION

A. Claims Against Third Parties

During this period, former Wextrust law firms paid the receivership $7.9 million in cash per the settlement agreements negotiated by the Receiver and approved by the Court on June 29, 2012. (*See* Dkt. Nos. 818, 819.) The Court also approved settlements with Defendant Joseph Shereshevsky's family members and the lender on five properties owned by the Shereshevskys, which will result in cash payments of at least $180,000 to the receivership estate during the next interim period. (See Dkt. Nos. 855, 866.) Finally, in December 2012, the Receiver identified $16,000 held in a law firm escrow fund and had those funds transferred to the receivership estate.

B. Ancillary Litigation

In November 2012, a secured lender on three receivership properties filed a motion with the Court requested that it lift the stay and allow the lender to take control of the properties, which would have denied any relief for investors from those properties. (Dkt. No. 839.) The Receiver negotiated an agreement with the lender that allowed the receivership time to sell one of the properties, Executive Plaza for more than $1 million, resulting in a $420,000 benefit for the estate. (*See* Dkt. No. 852.) The Receiver relinquished the two other properties consistent with the strategy outlined to the Court at the June 2012 hearing as the debt on those properties exceeded any possible sales price.

As directed by the Receiver Order, the Receiver and his advisors are periodically required to participate in ancillary litigation that may impact receivership assets and interests. During the past six months, counsel for the Receiver continued to monitor ongoing cases in both state and federal bankruptcy courts that implicate receivership property interests. They will continue to do so, in consultation with the SEC, to preserve and protect the receivership estate's rights. For example, during this interim period the Receiver communicated with opposing counsel and monitored *Moyler et al v. Wextrust Capital, LLC et al.*, No. 3:12-cv-00525 (E.D.V.A.), a case which named Wextrust as a defendant. On January 8, 2013, the complaint against Wextrust was dismissed.

VI. INVESTOR COMMUNICATIONS

On October 11, 2012, the Receiver held a virtual "town hall" teleconference for investors to ask questions and hear directly from him. A summary of the call was posted on the receivership website, www.wextrustreceiver.com, including the questions asked and answers given. Given the positive response from the first town hall teleconference, the Receiver intends to conduct another one before the next distribution.

Investor inquiries continue to be handled in the first instances by A.B. Data, which the Receiver engaged in 2010 to handle investor communications and the logistics of distributions to investors. The Receiver's counsel provides support to the A.B. Data professionals who interface directly with investors. Where A.B. Data is unable to handle a question, it is forwarded to Receiver's counsel.

Last year, the Receiver established a new telephone number and email address for Wextrust investor inquiries and communications. The new number is **1-800-985-4155**. The new email address is: **wextrustreceiver@abdata.com**.

VII. CONCLUSION

The Receiver continues to implement the directives of the Receiver Order by managing the receivership estate, liquidating the real estate assets at the greatest return possible, and accomplishing further distributions to victims. The Receiver will continue to report on the financial condition of the receivership estate on a periodic basis, and will continue to take steps to inform investors and other interested parties of significant developments.

* * *

Dated: Washington, DC
February 11, 2013

Respectfully submitted,

Timothy J. Coleman
Receiver for Wextrust Entities

s/ Jonathan W. Ware___________
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on **February 11, 2013** I directed the service of a true and correct copy of the foregoing **TWELFTH INTERIM REPORT OF RECEIVER** upon the following individuals in the manner indicated below:

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