

**STATE OF NEW MEXICO
COUNTY OF BERNALILLO
SECOND JUDICIAL DISTRICT COURT**

**FINANCIAL INSTITUTIONS DIVISION,
Petitioner,**

v.

**NO. D-202-CV-2017-03838
HON. NAN NASH**

**DESERT STATE LIFE MANAGEMENT,
PAUL A. DONISTHORPE,
SPECTRUM CAPITAL MARKETS, LLC,
CORAZON CATTLE,
CORAZON-PITCHFORD, LLC,
PAUL A. DONISTHORPE, LLC, AKA PAD, LLC,**

Respondents.

RECEIVER'S DECEMBER, 2017, MONTHLY REPORT

COMES NOW, Christopher Moya, court-appointed Receiver for Desert State Life Management (DSLML) and Acting Director of the Financial Institutions Division (FID) of the New Mexico Regulation and Licensing Department, by and through the FID's attorney of record, Kevin A. Graham, and provides the Court with the following Receiver's December, 2017, Monthly Report.

STATUS OF ACCOUNTS

1. **Charles Schwab Accounts:** The Receiver continues to work to obtain full access and control over the electronic financial accounts of DSLML held with Charles Schwab. Multiple communications have taken place between the Receiver, assigned staff members from the FID, and representatives of Charles Schwab. As of the date of the filing of this December, 2017, Monthly Report, the Receiver has still not gained full access and control over the accounts held at

Charles Schwab, but it is believed that process will be completed within the next thirty (30) days.

2. Funds: The Receiver is in control of the following bank accounts and funds in the name of DSLM and account balances as of November 30, 2017, stand at the following amounts:

DSLM Accounts with New Mexico Bank and Trust:

(1)	“Operations” account:	XXXX190	\$ 0.00
(2)	“Sweep” account:	XXXX041	\$ 0.00
(3)	“Pooled Savings” account:	XXXX119	\$23,800.23
(4)	“Trust Cash” account:	XXXX127	\$52,196.28
(5)	“Recovery” account:	XXXX309	\$13,428.23
(6)	“Trust Checks” account:	XXXX116	\$ 5,210.21

3. Examination of Records and Accounts:

Staff from the FID are working to complete the organization of the voluminous paper records maintained by DSLM, and now in the possession of the Receiver/FID. Those records continue to be reviewed and organized by the FID staff. Efforts to organize the DSLM corporate records and verify data have led to numerous determinations that certain vital records are missing from the DSLM files and/or that records containing incorrect and intentionally falsified records were created.

The FID’s staff working on this project continue to be focused on producing verifiable accountings for each individual trust account and other client accounts that can be provided to the individual trust beneficiaries and/or conservatorship clients detailing the current balances in their respective accounts

and the amount of total loss individually suffered. Providing this documentation to the individuals determined to have suffered losses under the operation of DSLM in recent years should provide the ability for those individuals to file appropriate insurance claims as well as to pursue all appropriate claims through the courts. Another continuing focus of the Receiver/FID has been to make certain that any incoming funds to the accounts of DSLM are properly tracked and credited to the individual trust and/or conservatorship accounts to which those funds properly belong.

4. Conservatorships and Trust Clients: The Receiver is working to have new conservators appointed for all clients of DSLM for whom DSLM had been appointed conservator. [Receiver currently believes there to be a total of six (6) individuals for whom DSLM is on record as conservator, with two (2) of those individuals believed to be deceased.] The Receiver also continues to work to move all trusts currently under the trusteeship of DSLM over to new, permanent trustees. At this time, by necessity, the Receiver is serving in the temporary capacity as trustee for sixty-three (63) trust accounts, as the Personal Representative for one (1) individual, and there are seven (7) accounts for which DSLM's role (and thus, the Receiver's role) is still undetermined based on the transactions in those individual's names. The Receiver has engaged in direct efforts to reclaim funds identified as having been unlawfully taken from the company and/or clients of the company.

5. Federal Criminal Prosecution: The Receiver is working in coordination with the United States Attorney's Office for the District of New Mexico to obtain

restitution orders in the federal criminal case against Paul A. Donisthorpe. In the federal criminal case, Case No. 2017-3311 JB in the United States District Court for the District of New Mexico, Donisthorpe plead guilty on November 27, 2017, to two (2) felony charges and stipulated to having stolen over \$4.8 million dollars. Donisthorpe's plea also contained a stipulation to the forfeiture of parcels of real property to be utilized for the purpose of obtaining restitution funds for the victims of Donisthorpe's crimes. The Receiver will continue to work with the U.S. Attorney's Office in efforts to recover funds through the criminal restitution process for the clients of DSLM.

On behalf of the Receiver, Christopher Moya, the foregoing is respectfully submitted by:



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CERTIFICATE OF SERVICE:

The undersigned hereby certifies that a true and correct copy of the foregoing pleading was delivered by electronic mail and/or U.S. Mail, postage prepaid, addressed to each of the following:

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