

# EXHIBIT 3

**BURTON W. WIAND, COURT-APPOINTED RECEIVER  
FOR QUEST ENERGY MANAGEMENT GROUP, INC.**

June 14, 2019

Ruth P. Artisuk  
1920 Dawn Point  
Davis, IL 61019

Re: Quest Receivership  
Claimant Name: Ruth and Alexander Artisuk  
Claim Number: 17

Dear Ms. Artisuk:

**Notification of Receiver's Determination Of Objection**

I am writing to you as the Court-appointed Receiver in the above matter. On March 15, 2019, the Court entered an order granting my Motion to (1) Approve Determinations and Priority of Claims, (2) Pool Receivership Assets and Liabilities, (3) Approve Plan of Distribution, and (4) Establish Objection Procedure (the "**Order**"). Pursuant to the Order, claimants had until April 19, 2019 to submit an objection to my determination of their respective claims, claim priority, or plan of distribution. On April 8, 2019, I received an objection from you regarding the above claim. I have carefully reviewed your objection and pertinent documents and, as discussed in more detail below, have determined that your objection should be overruled.

The above claim, Claim Number 17, has been allowed in part as a Class 3 Investor Claim for the allowed amount of \$42,492.53. You did not object to the allowed amount of this claim, but asserted that the claim was improperly designated as a Class 3 claim. You stated that you "have a senior secured investment and should be moved to Class 2." In support of your position, you reference a "report" sent to you by the Honorable United States District Court Judge Covington, docket number 1385 on March 15, 2019, and docket number 1388 on March 27, 2019. Docket 1385 is an endorsed order from the Court which states:

The Court has received a letter from Ruth Artisuk regarding her and her husband's investment in Quest Energy Management Group, Inc. In her letter, she requests a call with this Court to discuss her treatment as a senior secured lender. The Court is sympathetic to the needs of Mrs. Artisuk and her husband but is constrained by the judicial code of conduct from speaking with her over the phone about this case. The Court is also not authorized to grant her any relief without the filing of a formal motion. Nonetheless, the Clerk is directed to file Mrs. Artisuk's letter and accompanying attachments on the record of this case. The Clerk is also directed to send a copy of this Order to Mrs. Artisuk at the following address: 1920 Dawn Point, Davis, Illinois 61019. After the Clerk files Mrs. Artisuk's letter on the record, the Receiver is directed to proceed accordingly as if the letter had been filed in accordance with the Receiver's objection procedure approved by the Court.

Endorsed Order, March 15, 2019 (Doc. 1385). Document 1388 is also an endorsed order,<sup>1</sup> but does not reference your claim or provide any support for why this claim should be treated as a secured claim.

In the September 14, 2018 letter from you to the Honorable Judge Richard A. Lazzara referenced by Judge Covington you also asserted that you are a senior secured lender but did not provide any evidence of your secured interest. You attached the subscription documents for your Quest investment. The subscription document you provided is for the “Offering of Seventy (70) Senior Preferred Notes with a Conversion Option” at \$50,000 per note. This is not a secured note.<sup>2</sup> As part of its scheme, Quest regularly misrepresented to investors that their investments would receive higher priority over other investments. As is evident from the title of the subscription documents alone, Quest contemplated that at least 70 investors would be offered this “preferred note.” The Receiver has not found any evidence that any purported “secured” or “preferred” interests provided to investors were valid. Rather, in order to entice investors to invest in Quest, Quest fraudulently misrepresented the nature of and potential return for investments. There is no evidence that any investments made by general investors were treated differently by Quest. All investor funds appear to have been commingled and treated as one pool in typical Ponzi scheme fashion. While I am sympathetic to your situation along with that of other victim investors, your claim is not secured, and it is fair and equitable to treat your claim in the same manner as the other similarly situated claimants in Class 3. Courts routinely hold that treating similarly situated parties alike in claims processes is fair and equitable. *See S.E.C. v. Elliott*, 953 F. 2d 1556, 1566 (11th Cir. 1992); *United States v. Petters*, 2011 WL 281031, \*7 (D. Minn. 2011). There is no requirement, however, that all claimants be treated in the same manner; rather, fairness only requires that similarly situated claimants should be treated alike. *See, e.g., S.E.C. v. Byers*, 637 F. Supp. 2d 166, 184 (S.D.N.Y. 2009) (“The Receiver’s proposal to treat differently

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<sup>1</sup> This endorsed order states as follows:

In its previous motion, the Receiver included a Local Rule 3.01(g) certification, which stated the Securities & Exchange Commissioner (SEC) had no objection to the relief sought. (Doc. # [1383] at 49). Now, an entity with a secured claim essentially objects to the Receiver’s motion and states the Receiver’s certification omitted the creditors. (Doc. # [1387]). The Receiver and the SEC are therefore directed to file a joint response addressing the arguments raised in First National Bank of Albany’s Motion to Alter Judgment. In particular, the Receiver and the SEC should address the right of those with secured claims like First National Bank of Albany to respond/object to the Receiver’s motion. Additionally, they should clarify why the certification in the Receiver’s previous motion only included information regarding the SEC. Their joint response is due by April 3, 2019.

Endorsed Order, March 27, 2019 (Doc. 1388).

<sup>2</sup> In an abundance of caution, I authorized an independent search to determine if you perfected any purported security interest related to your Quest investment. No evidence of a perfected security interest was found.

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those involved in the fraudulent scheme when distributions are being made is eminently reasonable and is supported by caselaw.”); *Quilling v. Trade Partners, Inc.*, 2006 WL 3694629, \*1 (W.D. Mich. 2006) (distinguishing between fraud victims and general creditors). In the end, “[a]n equitable plan is not necessarily a plan that everyone will like.” *S.E.C. v. Credit Bancorp*, 2000 WL 1752979, \*29 (S.D.N.Y. 2000). Indeed, “when funds are limited, hard choices must be made.” *Byers*, 637 F. Supp. 2d at 176 (quoting *Official Comm. of Unsecured Creditors of WorldCom, Inc. v. S.E.C.*, 467 F.3d 73, 84 (2d Cir. 2006)).

As set forth in the Order, if you wish to maintain your objection, you must serve me with a written response to this Notification on or before **July 15, 2019**. Your written response must clearly state whether you maintain the objection or accept my further determination of the claim as set forth in this Notification. Your response must be served on me, Burton W. Wiand, as Receiver c/o Maya M. Lockwood, Esq., Wiand Guerra King P.A., 5505 West Gray Street, Tampa, FL 33609, and should not be filed with the Court. Proper service may be accomplished by sending your written response by one of the following means: (1) U.S. mail to the above address; (2) hand delivery to the above individual at the above address; (3) facsimile to the above address at (813) 347-5198; or (4) overnight or other express delivery to the above address. Service by mail is completed upon mailing, service by facsimile is completed upon transmission, and service by hand delivery is completed upon receipt of delivery. **Failure to properly and timely serve a written response to this Notification will be deemed as an acceptance of my determination as set forth above.**

If you choose to maintain your objection, I will file with the Court: (1) my further determination of your claim with any supporting documents or statements I consider are appropriate, if any; and (2) the unresolved objection, with any supporting statements and documentation you serve on me. The Court may make a final determination based on the submissions identified above or may set the matter for hearing and, following the hearing, make a final determination. You will have the burden to prove that your position should prevail. I will provide you notice of the hearing if the Court sets a hearing on your particular objection.

If you have any questions, please feel free to call or email Mary Gura at (813) 347-5121 or [mgura@wiandlaw.com](mailto:mgura@wiandlaw.com).

Sincerely yours,



Burton W. Wiand  
as Court-Appointed Receiver

MML/meg