

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA
3 Northern Division

4 SECURITIES AND EXCHANGE
5 COMMISSION,

6 Plaintiff,

7 v.

8 DAVID B. KAPLAN, ESQ.,
9 SYNCHRONIZED ORGANIZATIONAL
10 SOLUTIONS, LLC,
11 SYNCHRONIZED ORGANIZATIONAL
12 SOLUTIONS INTERNATIONAL, LTD.,
13 and MANNA INTERNATIONAL
14 ENTERPRISES, INC.,

15 Defendants,

16 and

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18 LISA M. KAPLAN,
19 THE WATER-WALKING
20 FOUNDATION, INC., and
21 MANNA INVESTMENTS, LLC,

22 Relief Defendants.
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Case No. 3:16-cv-00270-MMD-VPC

Honorable Miranda M. Du

**ORDER APPOINTING DISTRIBUTION
AGENT, AUTHORIZING PAYMENT OF
ADMINISTRATIVE FEES AND EXPENSES,
AND SETTING DEADLINES TO FILE A
PROPOSED PLAN OF DISTRIBUTION
AND MOTION FOR AN ORDER TO
DISBURSE**

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1 The Court, having reviewed the Motion of Plaintiff Securities and Exchange Commission
2 (the “SEC” or “Commission”) for an Order appointing Rust Consulting (“Rust”) as distribution
3 agent and authorizing payment of Rust’s administrative fees and expenses from the distribution
4 fund established in this matter without further Court Order, and having reviewed the distribution
5 timeline proposed by the SEC during the hearing held on May 9, 2024, and for good cause shown,
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7 **IT IS HEREBY ORDERED** that:

8 1. The Motion is **GRANTED**;

9 2. Rust is appointed to serve as Distribution Agent (the “Distribution Agent”) for the
10 distribution fund to assist in overseeing the administration and the distribution of the fund in
11 coordination with the Commission staff, pursuant to the distribution plan (the “Plan”) to be
12 approved by this Court;

13 3. Rust shall perform services in accordance with the pricing schedule and cost
14 proposal submitted by the Distribution Agent to the Commission. Such services may include, but
15 are not limited to, developing a Plan, determining the identities of injured investors and the amounts
16 lost, establishing a claims process to evaluate and verify claims, fielding inquiries from investors
17 and managing the ultimate distribution of the distribution fund;

18 4. Rust shall coordinate with the Court-appointed Tax Administrator, Miller Kaplan
19 Arase LLP (the “Tax Administrator”), to ensure that the distribution fund, a Qualified Settlement
20 Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code, and regulated regulations, 26
21 C.F.R. §§ 1.468B-1 through 5, complies with all related legal and regulatory requirements,
22 including but not limited to, satisfying any reporting or withholding requirements imposed on
23 distribution from the QSF;
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1 5. Rust shall invoice all administrative fees and expenses incurred in the administration
2 and distribution of the distribution fund to the Commission for review and approval by the
3 Commission. Any unresolved objections to an invoiced amount will be referred to the Court;

4 6. Within forty-five (45) days of the Court's approval of the Plan, Rust will provide a
5 status report, and thereafter, will provide additional reports within thirty (30) days after the end of
6 every quarter. Moreover, once the distribution fund has been transferred to an escrow account
7 opened by Rust as Distribution Agent, Rust will include with its quarterly status reports a quarterly
8 accounting report in a format to be provided by the Commission. The status report and quarterly
9 accounting report will inform the Court and the Commission of the activities and status of the
10 distribution fund during the relevant period and will specify, at a minimum (a) the location of the
11 account(s) comprising the distribution fund; and (b) an interim accounting of all monies in the
12 distribution fund as of the most recent month-end, including the value of the account(s), all monies
13 earned or received into the account(s), funds distributed to harmed investors under the Court
14 approved Plan, and any monies expended from the distribution fund, including fees, expenses, and
15 taxes incurred by, or imposed on, the distribution fund;

16 7. Upon completing its duties as Distribution Agent, Rust, working with the Tax
17 Administrator, will prepare a final report and final accounting for filing with the Court, in a format
18 to be provided by the Commission;

19 8. Rust may be removed *sua sponte* at any time by the Court or upon motion of the
20 Commission and replaced with a successor. In the event Rust decides to resign, it will first give
21 written notice to the Court and to Commission staff of such intention, and the resignation, if
22 permitted, will not be effective until the Court appoints a successor;

23 9. The Distribution Agent will be entitled to charge reasonable fees and related
24 expenses incurred in the performance of its duties, in accordance with the cost proposal submitted
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1 to the Commission staff. The Commission is authorized to approve and arrange payment of the fees
2 and expenses of the Distribution Agent directly from the distribution fund without further order of
3 this Court. The Distribution Agent will submit invoices of all fees and expenses incurred in
4 connection with its duties to the Commission staff for review and, as appropriate, payment. All
5 payments will be reflected in the final accounting referenced herein;
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7 10. The Court will retain exclusive jurisdiction over the distribution, including, but not
8 limited to, claims against the Distribution Agent asserting liability for violation of any duty imposed
9 by the Plan or other Court order;

10 11. The SEC shall file the Motion to Approve the Plan of Distribution and related
11 Proposed Plan of Distribution by July 31, 2024; and

12 12. The SEC shall file the Motion for an Order to Disburse the Distribution Fund by
13 December 2, 2024.
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16 IT IS SO ORDERED.

17 DATED: May 10, 2024



18 _____
19 The Honorable Miranda M. Du, Chief Judge
20 United States District Court
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1 **CERTIFICATE OF SERVICES**

2 I hereby certify that on May 9, 2024, I caused to be filed a true and correct copy of
3 Plaintiff Securities and Commission’s [Proposed] Order Appointing Distribution Agent through the
4 Court’s Electronic Court Filing System (or CM/ECF System), which automatically sent an email
notification of such filing to the parties of record.

5 DATED: May 9, 2024

/s/ Adriene Mixon
Adriene Mixon

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