
**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

U.S. COMMODITY FUTURES
TRADING COMMISSION,
Plaintiff,

v.

Case No. 09-cv-3332 (MJD/FLN)

TREVOR COOK et al.,
Defendants,

R.J. ZAYED,
Receiver.

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,
Plaintiff,

v.

Case No. 09-cv-3333 (MJD/FLN)

TREVOR G. COOK, et al.,
Defendants,

R.J. ZAYED,
Receiver.

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,
Plaintiff,

v.

Case No. 11-cv-574 (MJD/FLN)

JASON BO-ALAN BECKMAN, et al.,
Defendants,

R.J. ZAYED,
Receiver.

**ORDER APPROVING SETTLEMENT AGREEMENT WITH
FINRA CLAIMANTS AND RELEASING FROM ESCROW THE
WESTERN SETTLEMENT AMOUNT**

THIS MATTER came before the Court upon the Receiver's Motion to approve the settlement with Dale Woodbeck, Ann Woodbeck, David Dent, Justin Bussler, Laura Owen, Ronald Bisson, Sr., Anne E. Quiggle, Susan R. Gorman and Evangeline M. Olson, individually and as Trustees on behalf of the Arthur W. Quiggle Family Trust, and Charlotte Olson, individually and as Trustee on behalf of the Charlotte J. Olson Family Trust and the Charlotte J. Olson Charitable Remainder Trust (collectively, the "FINRA Claimants"), to release the Western Settlement Amount (defined below) from escrow with such funds to be allocated between the Receiver and FINRA Claimants as described below. The Settlement Agreement that is the subject of this Order, which resolves the outstanding dispute between the Receiver and the FINRA Claimants as to the Western Settlement Amount, is filed at *SEC v. Cook et al.*, 09-cv-3333, Docket No. 954, Exhibit A, *CFTC v. Cook et al.*, 09-cv-3332, Docket No. 918, Exhibit A, and *SEC v. Beckman et al.*, 11-cv-574, Docket No. 283, Exhibit A.

A. R.J. Zayed (hereafter "Receiver") was appointed by this Court as Receiver for the estates of Trevor G. Cook ("Cook"), Patrick J. Kiley ("Kiley"), Jason Bo-Alan Beckman ("Beckman"), The Oxford Private Client Group, LLC ("PCG"), Oxford Global Advisors, LLC ("OGA"), Oxford Global Partners, LLC ("OGP"), and various other entities controlled by them (the "Receivership Entities"), in the cases of *SEC v. Cook, et al.*, No. 09-cv-3333 (D. Minn.), and *CFTC v. Cook, et al.*, No. 09-cv-3332 (D. Minn.), and *SEC v. Beckman, et al.*, No. 11-cv-574 (D. Minn.). *Order Appointing Receiver*, No. 09-cv-3333, Doc. 13 (D. Minn. Nov. 23, 2009); Ex Parte

Statutory Restraining Order, No. 09-cv-3332, Doc. 21 (D. Minn. Nov. 23, 2009); *Second Amended Order Appointing Receiver*, No. 09-cv-3333, Doc. 68 (D. Minn. Dec. 11, 2009); *Order Continuing Appointment of the Temporary Receiver*, No. 09-cv-3332, Doc. 96 (D. Minn. Dec. 11, 2009); *Order Appointing Receiver*, No. 11-cv-574, Doc. 10 (D. Minn. Mar. 8, 2011) (collectively “Receivership Orders”).

B. The Receiver asserted that several of the Receivership Entities, including PCG, OGA, and OGP, had legally cognizable claims against Western International Securities, Inc. (“Western”) and NRP Financial, Inc. (“NRP”) arising out of acts and/or omissions in providing substantial assistance to Beckman in his proliferation and operation of the Ponzi scheme.

C. The FINRA Claimants pursued and settled claims through FINRA arbitrations against NRP, Western, and Beckman before the Receiver pursued his own claims against NRP and Western. The FINRA Claimants obtained from NRP \$2,900,000 (“NRP Settlement Amount”).¹ The FINRA Claimants obtained from Western \$495,500 (“Western Settlement Amount”). The Western Settlement Amount is currently being held in escrow by the law firm of Lindquist & Vennum.

D. Because the Receiver asserted that the FINRA Claimants were not permitted under the Receivership Orders to pursue and settle their own claims against Western, NRP and Beckman ahead of the Receiver pursuing his own claims, he filed a motion to enjoin the FINRA Claimants from taking possession of the settlement

¹ The NRP Settlement Amount, along with the distribution of those funds, was resolved in a prior Court Order. *Order Approving Partial Settlement with FINRA Claimants, Releasing Certain Funds from Escrow and Approving Third Interim Distribution*, No. 11-cv-574, Doc. 264 (D. Minn. Feb. 24, 2012).

proceeds, including the Western Settlement Amount (*i.e.*, the \$495,500 of escrowed funds). *See Motion to Enjoin Distribution of Settlement Proceeds to the FINRA Claimants*, No. 09-cv-3332, Doc. 731 (April 29, 2011); No. 09-cv-3333, Doc. 774 (April 29, 2011); No. 11-cv-0574, Doc. 65 (April 29, 2011).

E. Although the FINRA Claimants dispute the Receiver's position and have opposed his motion, *see Opposition to Receiver's Motion to Enjoin Distribution of Settlement Proceeds to the FINRA Claimants*, No. 11-cv-0574, Doc. 76 (May 13, 2011); No. 09-cv-3332, Doc. 755 (May 13, 2011); No. 09-cv-3333, Doc. 796 (May 13, 2011), they have agreed to enter into a Settlement Agreement to resolve the parties' dispute as to the Western Settlement Amount.

Based on the Agreement between the parties and all of the files and documents in these cases, the Court being duly advised on the premises, **HEREBY ORDERS AS FOLLOWS:**

1. The Court approves the Settlement Agreement between the Receiver and the FINRA Claimants that is filed at *SEC v. Cook et al.*, 09-cv-3333, Docket No. 954, Exhibit A, *CFTC v. Cook et al.*, 09-cv-3332, Docket No. 918, Exhibit A, and *SEC v. Beckman et al.*, 11-cv-574, Docket No. 283, Exhibit A, which resolves the outstanding dispute between the Receiver and the FINRA Claimants as to the Western Settlement Amount.

2. The Western Settlement Amount shall be released from escrow for allocation as expressed in Paragraph 3(a) of the Settlement Agreement filed at *SEC v. Cook et al.*, 09-cv-3333, Docket No. 954, Exhibit A, *CFTC v. Cook et al.*, 09-cv-3332, Docket No. 918, Exhibit A, and *SEC v. Beckman et al.*, 11-cv-574, Docket No. 283, Exhibit A.

3. The FINRA Claimants may pursue an insurance claim against Everest Indemnity Insurance Company (“Everest”) and any proceeds obtained shall be distributed as expressed in Paragraph 3(b) of the Settlement Agreement filed at *SEC v. Cook et al.*, 09-cv-3333, Docket No. 954, Exhibit A, *CFTC v. Cook et al.*, 09-cv-3332, Docket No. 918, Exhibit A, and *SEC v. Beckman et al.*, 11-cv-574, Docket No. 283, Exhibit A.

4. The FINRA Claimants, and each of their agents, successors, assigns (if any), attorneys, insurers, agents, heirs, and estates, are hereby barred from any claims as set forth in Paragraph 4 of the Settlement Agreement.

5. The Receiver, on his own behalf, and on behalf of the Receivership Entities and any and all of their agents, advisors, employees, successors, personal representatives, and assigns (if any), and each of them hereby barred from any claims as set forth in Paragraph 5 of the Settlement Agreement.

SO ORDERED.

Dated: April 12, 2012.

s/ Michael J. Davis
The Honorable Michael J. Davis
CHIEF JUDGE
UNITED STATES DISTRICT COURT