

IN THE UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
	§	
<i>Plaintiff,</i>	§	
	§	
vs.	§	
	§	CIVIL ACTION NO. 4:22-CV-03359
MAURICIO CHAVEZ, GIORGIO	§	
BENVENUTO and CryptoFX, LLC,	§	JUDGE ANDREW S. HANEN
	§	
<i>Defendants.</i>	§	
	§	
CBT Group, LLC,	§	
	§	
<i>Relief Defendant.</i>	§	

RECEIVER’S SECOND INTERIM STATUS REPORT

John Lewis, Jr. (“Receiver”), the court-appointed Receiver for Mauricio Chavez (“Chavez”), Giorgio Benvenuto (“Benvenuto”), CryptoFX, LLC (“CryptoFX”) and CBT Group, LLC (“CBT”), pursuant to the Order Appointing Receiver (“Receivership Order”) (Doc. No. 11) files his Second Interim Status Report (“Report”), showing the Court as follows:

I. INTRODUCTION

1. The Receiver filed his First Interim Report (“FIR”) on November 28, 2022 (Doc. 33). This Second Interim Status Report is being submitted in accordance with the Receivership Order ¶ 52-53. The FIR and all eleven exhibits thereto are available for all investors on the Receiver’s website. This Report covers the period between November 28, 2022 (the filing of the “FIR”) to December 31, 2022.

2. This Report is based upon the continued investigation conducted by the Receiver and his team, which has included witness depositions and interviews, forensic analysis of financial

records, including crypto currency records, review of CryptoFX documents maintained by the Defendants and obtained from investors, employees, sales agents, and third parties, site inspection, communications with investors, monitoring of media coverage of this case, and motion practice.

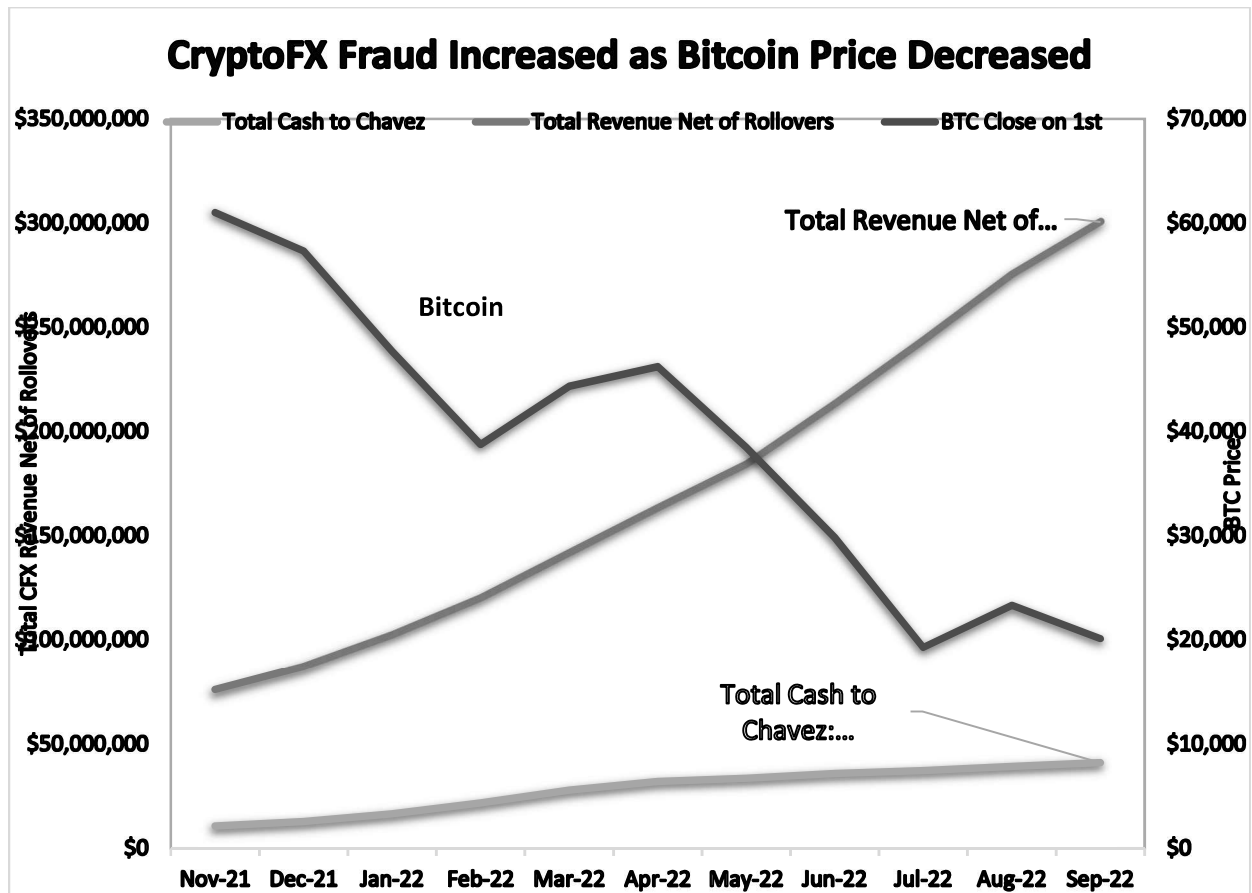
3. The Report includes (a) a general summary of the work done since the FIR by the Receiver and his team; (b) cash on hand and estimated accrued expenses; (c) schedule of receipts and disbursements; (d) description of all known receivership property; (e) description of liquidated and unliquidated claims; (f) list of all known creditors; and (g) Receiver's proposed plan for administering the Receivership.

4. The Receiver will provide further quarterly reports as provided for in the Receivership Order. *Id.* at ¶¶ 52-53.

II. SUMMARY OF RECEIVERSHIP OPERATIONS

5. During the period covered by this Report, the Receiver and his team continued to analyze CryptoFX business documents (both paper and electronically stored) and documents produced by CryptoFX employees, sales agents, and third parties.

6. The Receiver has uncovered forensic evidence indicating that the Defendants have defrauded over 40,000 victims in excess of \$300 million. Specifically, a review of the CryptoFX accounting records identified as Monthly and Daily Revenue Reports for the time period of January 1, 2021 to September 28, 2022 shows that CryptoFX raised \$300,445,728 in total funds less rollovers and that Chavez received \$41,034,014. *See* Analysis by Gregory Hays, attached as Exhibit A, ¶¶ 5 – 9 and the following chart.



7. The Receiver has not been able to account for the \$41 million in cash delivered to Chavez, and Chavez has failed and refused to cooperate in producing computer hardware, electronically stored information, passwords to company devices, credentials to enterprise data management solutions utilized by CryptoFX, including Salesforce and Microsoft 365 among others.

8. Since the filing of the FIR, the Receiver’s team deposed several CryptoFX sales agents, employees, Chavez’s wife (“Vargas”) and Chavez’s reported “girlfriend” (“Gonzalez”). In addition, the Receiver’s team conducted interviews with additional sales agents and investors and collected CryptoFX business documents in their possession.

9. The Receiver continued to issue third-party subpoenas for the collection of documents and information to additional financial institutions, crypto currency platforms, professionals retained by the Defendants, internet services, Salesforce, and other fact witnesses.

10. Of note, CryptoFX used Salesforce, a customer management platform, to record investor data. The Receiver's team is working directly with Salesforce to access and retrieve this information in the absence of any cooperation from Chavez. The Receiver views this information as critical to determine the sales commission paid and establish investors' claims against the receivership estate.

11. Additionally, the Receiver has issued subpoenas for the deposition of key CryptoFX employees.

12. In addition to some of the devices seized from the CryptoFX offices, the Receiver has imaged cellphones of two CryptoFX sales agents or sponsors and Defendant Benvenuto's laptop. A list of the computers the Receiver has was included as Exhibit C to the FIR. (Doc. No. 33).

13. The Receiver also served subpoenas with requests for documents and information to Vargas and Gonzalez and requested turnover of Receivership assets from them. Each has produced documents, but neither has turned over any receivership assets. Both Vargas and Gonzalez appear to be in possession of Receivership assets, including real estate and automobiles.

14. The Receiver avers that the commissions and bonuses paid to all sales agents/sponsors/leaders were unlawfully obtained from investors by means of artifice and fraud. Therefore, sales commissions and bonuses paid to sponsors should be turned over to the Receiver. The Receiver has identified approximately 100 key sales agents for CryptoFX, located primarily in Texas, Illinois, Louisiana, California, and Florida. The Receiver is in the process of sending

demand letters to them requesting an accounting of all monies received from CryptoFX in the form of commissions, bonuses, and Ponzi payments, the completion of W9 form, return of all CryptoFX documents as well as return of all CryptoFX assets, including cash in their possession. *See* Sample demand letter, attached as Exhibit B. Additional demand letters will be sent in the coming weeks as more sales agents and/or sponsors are identified in the CryptoFX records.

15. On December 27, 2022, the Receiver filed a Motion to Show Cause why Defendant Mauricio Chavez should not be held in civil contempt for failing to comply with this Court's September 29, 2022 Receivership Order (Doc. No. 27). Chavez filed his Response on January 17, 2023 (Doc. 45); and the Receiver filed his Reply in support of the Motion on January 27, 2023 (Doc. No. 49). This issue is fully briefed and ready for the Court's determination.

16. On January 5, 2023, the Receiver, together with undersigned counsel, counsel for Chavez, and Webster Auctions, a professional appraiser/auctioneer retained by Receiver, inspected Chavez's residence. An inventory of the items found at his residence is being prepared by the appraiser.

17. The Receivership Order provides for reasonable attorney's fees for the Defendants. However, reasonable attorney fees to Defendants presumed that Chavez would cooperate with the Receivership estate in carrying out the Receiver's duties. Chavez has not done so. Chavez's counsel is requesting \$62,205 in fees and \$6,050 for expenses for five weeks of work. Chavez's counsel sent correspondence to the Court requesting a pre-motion conference regarding the fees and expenses incurred in his representation of Chavez. Receiver's opposition that Chavez's defense should be paid with investor funds will be submitted to the Court by Friday February 3, 2023.

18. Additionally, Chavez, through counsel, served discovery requests on the Receiver requesting access to all CryptoFX records in the Receiver's possession as well as records received in response to third-party subpoenas. The Receiver is considering Chavez's requests and working on a reasonable document sharing agreement that is not unduly burdensome on the estate and that also safeguards personally identifiable information ("PII") as well as confidential information attributable to investors/victims. Receiver also needs to ensure that information regarding Chavez and CryptoFX provided to the Receivership team confidentially by investors/victims/whistleblowers is kept in confidence as not to expose cooperating witnesses from reprisal.

19. Chavez has also made a request for an allowance for reasonable monthly living expenses. The amount requested by Chavez is unreasonably high, particularly given the millions of unaccounted for funds that the Receivership team has traced back to Chavez in the months between his first SEC deposition in March 2022 and the entry of the Receivership Order on September 29, 2022. Chavez has provided no supporting documentation for his allowance request and has also failed to turn over a substantial amount of cash that surveillance photos show that Chavez removed from Blalock into the late hours of the evening before the Receiver's appointment. The Receiver will address this issue with the Court in his response to Mr. Flack's letter regarding attorney's fees.

20. Pursuant to the Receivership Order ¶ 56, the Receiver employed BlockTrace, LLC to serve as the Receiver's cryptocurrency consultants in this matter. The Court granted Receiver's Motion to Employ BlockTrace on January 6, 2023. (Doc. No. 43). BlockTrace has conducted an analysis of the available crypto currency records and has only verified six crypto trading accounts. Those accounts have 468 crypto transactions totaling \$7 million despite CryptoFX receiving over

\$300 million from investors for investment in cryptocurrencies. The net trading profits from 2020 to 2022 were only \$2.6 million. The Receiver's team has not identified any records reporting these trading profits to the IRS or investors. The Receiver has determined over \$300 million was invested into CryptoFX, and Chavez was paying 10% to 20% bonuses and commissions to sales agents/sponsors/"leaders." Chavez's crypto trading certainly did not support the commissions or the 15% a month profits/returns being paid/promised to investors.

21. Additionally, pursuant to the Receivership Order at ¶ 7(f), the Receiver employed Michael Poutous Auto Sales to assist with the evaluation and sale of automobiles. One car (Mercedes) is currently listed for sale.¹ The Receiver has also employed Appraisal MC to provide independent appraisals of real estate Receivership property. Further, the Receiver has employed Webster Auction Palace to assist with the appraisal and sale of Receivership personal property.

22. The Receiver and his team have continued to maintain and regularly update the Receiver's website (<http://cryptofxreceiver.com/>) with new court filings, media coverage, and other information pertinent to this case. The information is provided in both English and Spanish. In addition, the website provides answers to frequently asked questions and access to the complete court docket with no PACER charges. The Receiver and his team are also working with KCC to optimize the website with key words for easier Google search by "investors" and others.

23. The Receiver's team also continues to monitor the Receiver's email and phone number, both of which are posted on the Receiver's website, for "investors"/victims to contact the Receiver and his team. As of the filing of this Report, the Receiver's team has received approximately 1,285 calls and 1,068 emails from investors.

¹ See <https://www.poutousautosales.com/details.php?vehicle=420612>.

24. Public awareness of this case continues to grow. The Receiver's team continues to monitor the media coverage of this case, and links to news articles discussing this case have been posted on the Receiver's website as well. Currently, there are fourteen links to news articles and TV stories on the Receiver's website.

25. Additional work performed by the Receiver and his team since the filing of the FIR includes:

- a. File with the Internal Revenue Service ("IRS") extensions of the deadline to submit W2 and 1099 forms for CryptoFX and CBT employees and contractors;
- b. Registration of the Receivership Order in the Central District of California;
- c. Conducting public records searches and related due diligence to affiliated parties, entities, and other potential relief defendants;
- d. Coordinate valuation and sale of Receivership personal property.

26. As a result of these and other activities, the Receiver and his team believe that they have gained a good understanding of the facts and issues that will be most critical to the effective administration of this Receivership, many of which are set forth in the FIR (Doc. No. 33) and this Report.

III. CASH ON HAND AND ESTIMATED ACCRUED ADMINISTRATIVE EXPENSES

27. As of December 31, 2022, the Receivership Estate has the following cash on hand: The Receivership Estate has \$3,762,529.64 deposited in four trust accounts named for each of the Defendants. These funds were received by (i) taking possession of cash located at the Defendants' office located at 1124 Blalock, Houston, Texas 77055 (\$53,345.56); (ii) taking possession of cash in two safes located at the Defendants' office (\$392,765.37); (iii) taking possession of First Community Credit Union bank accounts owned by Benvenuto (\$451,448.14); (iv) taking possession of Bank of America bank accounts owned by Benvenuto (\$21,325.14); (v) taking

possession of a Simmons bank account owned by Benvenuto (\$80,763.55); (vi) taking possession of a Simmons bank account owned by CBT (\$247,916.46); (vii) taking possession of a Regions bank account owned by Chavez (\$781.62); (viii) proceeds from liquidating Coinbase, Inc. account (\$982,924.31); (ix) proceeds from liquidating Blockchain.com account (\$1,161,140.95); (x) taking possession of the balance of a retainer from Burford Perry LLC (\$155,631.00); (xx) and taking possession of the balance of retainers from Gerger Hennessy & Martin LLP (\$214,487.50).

28. Other Assets: In addition to the cash on hand listed above, the Receiver has on hand the following assets. *See also* List of Receivership Liquidated and Unliquidated Assets, attached as Exhibit C; Inventory of items collected from Blalock office and estimated resale value, attached as Exhibit D.

Asset	Estimated Amount/Value
2021 Mercedes-Benz GLE AMG	\$60,000
Various Laptops and desktop computers	\$5,000
Real Property: 28 Lawrence Marshall, Dr. Hempstead TX	\$70,000
Real Property: Hogan Lane, Hempstead, TX	\$70,000
Real Property: Mack Washington, Hempstead, TX	\$1,150,000
Bitcoin (BTC)	\$14,031.12
Tether (USDT)	\$62,923.86
Solana (SOL)	0.10

29. It is the Receiver's plan to prudently market real estate and other assets of the Receivership for the highest prices obtainable. The Receiver plans to file a motion with the Court requesting prior approval of any real estate sales. *See* Receiver's Liquidation Plan. (Doc. No. 47). At this preliminary stage, the Receiver is continuing his investigation to locate additional assets of the Receivership Estate and will develop a distribution plan, subject to the Court's approval.

30. As of the filing of this Report, the Receivership Estate has incurred administrative expenses in the amount of \$65,987.76 as a result of his efforts to marshal and preserve the assets

of the Receivership. Most of these expenses were advanced by SHB. *See* Table describing administrative expenses incurred by the Receivership between September 29, 2022 and December 31, 2022, attached as Exhibit E.

31. The Receiver and the professionals working with him are well aware that the fees and expenses associated with the administration of the Receivership are paid from the assets of the Receivership Estate. The goal of all involved professionals is to conclude this Receivership as quickly and efficiently as can be reasonably accomplished thereby maximizing recovery to victims.

32. As of December 31, 2022, the unbilled professional fees incurred are \$89,722.50 John Lewis, Jr.; \$279,771.52 Shook, Hardy & Bacon L.L.P.; \$769.00 Pugh Accardo, LLC; and \$134,980.54 Hays Financial Consulting, LLC.

33. As provided for in the Receivership Order, the Receiver and the professionals working with him will apply to the Court for approval to pay professional fees and expenses. Pursuant to paragraphs 57-62 of the Receivership Order, on January 25, 2023, the Receiver submitted his first certified fee application to counsel for the SEC. The Receiver will file a detailed fee application in accordance with the Receivership Order as soon as the application is approved by the SEC.

34. Receiver advises that administration of the estate is expensive because there has been no cooperation from Chavez and the on-going activities in violation of the Order. *See* Motion to Show Cause and Reply in support. (Doc. Nos. 39, 49).

IV. SCHEDULE OF RECEIPTS AND DISBURSEMENTS

35. As of the filing of this Report, no disbursements to “investors”/victims or creditors have taken place. For a more detailed description of Receivership receipts, *see supra*, Section III, ¶¶ 27.

V. DESCRIPTION OF ALL KNOWN RECEIVERSHIP PROPERTY

36. At this preliminary stage, the Receiver estimates a total of \$ 9,442,726 in known liquidated and unliquidated Receivership assets. For a more detailed description of currently known Receivership property and corresponding approximate value, *see supra*, Section III, ¶¶ 27 – 28.

37. It is the Receiver’s plan to prudently market and sell the real estate and other assets of the Receivership for the highest prices obtainable. All sales of real estate must be approved by the Court, following a motion to the Court and hearing if necessary. *See* Receiver’s Liquidation Plan (Doc. No. 47).

38. The Receiver and his team’s investigation is continuing; however, the investigation shows additional Receivership property held by third parties. The Receiver plans to seek a turnover of all of these assets and also move for the expansion of the Receivership Order to include other persons and/or entities known to hold Receivership assets.

39. Depending on the equity in each of the properties, appropriate action will be taken to either sell, hold, donate, or abandon properties in order to maximize the return of cash to the estate. It is too early to tell at this time what price the assets will sell for, the relative costs associated with the sales, or the potential recovery benefit to the Receivership estate.

VI. DESCRIPTION OF LIQUIDATED AND UNLIQUIDATED CLAIMS

40. This Ponzi scheme was primarily an all-cash scheme, and it is going to require significant resources to unravel the claims of the Receivership estate. A review of the available records indicates that 90% of the investments in available records were in cash.

41. The Receiver will have substantial claims for bonuses and commissions for a large number of third parties and will have to evaluate collectability from these parties. The Receiver team continues to research additional claims against third parties.

VII. LIST OF ALL KNOWN CREDITORS

42. At this preliminary stage, the only known commercial creditor is BZO Custom Wheels, LLC, the landlord of the CryptoFX's offices on Blalock ("Landlord"). Landlord has an unliquidated claim for approximately \$20,239.18 against the Receivership estate, which includes rent and utility bills. The Receiver and his team negotiated the sale of certain Receivership personal property at Blalock to set off Landlord's claim, bringing the final settlement amount to \$17,209.18. The Receiver's team also negotiated and the Landlord agreed to terminate the lease on October 31, 2022, although the Receiver vacated the premises of the Blalock office on December 7, 2022. *See* Settlement Agreement with BZO Wheels, attached as Exhibit F.

43. The Receiver is not aware of other commercial creditors at this stage.

VIII. RECEIVER'S PROPOSED PLAN FOR ADMINISTERING THE RECEIVERSHIP

44. The Receiver recommends the continuation of the Receivership.

45. The Receiver's key focus for the next 90 days will be on the following tasks:

- Review documents collected from CryptoFX employees, sponsors, and other third parties
- Retrieve data and documents from Salesforce
- Determine other third parties who may possess relevant information and/or documents and serve additional freeze letters and subpoena such records and witness testimony, including from CryptoFX former employee and/or agents

- Trace funds to locate additional assets
- Determine commissions paid and if those will be pursued
- Determine the Net Winners
- Develop electronic claim form for investors
- Establish claims verification process
- Continue working with realtors and appraisers to sell the real properties
- Determine resale value of personal property and the appropriate method of sale in order to maximize the benefit to the Receivership estate
- Continue communications with sales agents and “investors” and/or their counsel
- Depose or interview CryptoFX and CBT employees and sales agents
- File motions for turnover of Receivership assets

46. In addition, the Receiver and his counsel will determine whether there are claims against third parties that could result in meaningful recovery to the Receivership Estate.

47. The Receiver also intends to file a motion to expand the Receivership estate to include entities that hold Receivership assets and/or funds.

48. Further, the Receiver and his team will continue to conduct a factual and legal analysis of issues that could affect whether tracing should be applied to certain investments. Based on the information and documents reviewed to date with estimated 40,000 investors and over \$300 million in investments, with 90% of that in cash, and some payments in cryptocurrency, a complete tracing of investments may not possible and/or practicable.

49. In addition to analyzing the sources and uses of cash, the Receiver and his team will continue to analyze transactions through the Defendants’ cryptocurrency and bank accounts. The Receiver is in possession of transaction reports from Coinbase and Blockchain.com, which appear to be the primary platforms used to invest in cryptocurrencies, as well as the Defendants’ bank account records.

50. To date, the Receiver has not located a set of books and records that tracked CryptoFX’s cash, banking, investments and investor activity. Instead, the transactions are scattered among various reports, which must be analyzed by the Receiver’s team and compiled to

complete the Receiver's analysis. If the Receiver is unable to locate a set of books or transaction ledgers, the funds tracing analysis may be a lengthy manual process.

51. Additionally, as already reported in the FIR and Receiver's Motion to Show Cause, Chavez and persons associated with him continued to operate by soliciting investments and promising payments to investors after the entry of the Receivership Order. *See* Motion for Show Cause at 6-8, and Reply in Support of the Motion at 3. (Doc. Nos. 39, 49).

52. At this early stage, it is difficult to predict how long it will take for the Receiver to complete his work. As the Receivership moves forward, the Receiver and his team will continue their efforts to most efficiently recover and realize the value of assets for the benefit of the Receivership Estate.

Respectfully submitted, this January 31, 2023.

SHOOK, HARDY & BACON L.L.P.

By: /s/ Sonila Themeli
Sonila Themeli
Texas Bar No. 24073588
S.D. Tex. Bar No. 2828237
600 Travis Street, Suite 3400
Houston, TX 77002
Telephone: 713.227.8008
Facsimile: 713.227.9508
sthemeli@shb.com

Caroline M. Gieser
(admitted *pro hac vice*)
1230 Peachtree Street, NE, Suite 1200
Atlanta, GA 30309
Telephone: 470.867.6000
mcgieser@shb.com

Counsel for Court-appointed Receiver

CERTIFICATE OF SERVICE

I hereby certify that on this the 31st day of January, 2023, the above and foregoing document was filed electronically through the CM/ECF system, which sent notification of such filing to all known counsel of record, addressed as follows:

Matthew J. Gulde
UNITED STATES SECURITIES
AND EXCHANGE COMMISSION
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, TX 76102
Telephone: 817.978.1410
Facsimile: 817.978.4927
guldem@sec.gov

Attorney for Plaintiff

Paul D. Flack
PRATT & FLACK, LLP
4306 Yoakum Blvd., Suite 500
Houston, TX 77006
Telephone: 713.705.3087
pflack@prattflack.com

Counsel for Defendant Mauricio Chavez

Dan L. Cogdell
Jones, Walker L.L.P.
811 Main Street, Suite 2900
Houston, TX 77002
Telephone: 713.437.1869
Facsimile: 713.437.1810
dcogdell@joneswalker.com

*Attorney for Defendant,
Giorgio Benvenuto*

/s/ Sonila Themeli
Sonila Themeli

Exhibit A

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MAURICIO CHAVEZ, GIORGIO
BENVENUTO and CryptoFX, LLC,

Defendants.

CBT Group, LLC,

Relief Defendant.

§
§
§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 4:22-CV-03359

JUDGE ANDREW S. HANEN

GRAPH OF CRYPTOFX FUNDS RAISED AND CASH TO CHAVEZ

Personally appeared before the undersigned notary public, duly authorized to administer oaths, S. Gregory Hays, who being duly sworn, deposes and states the following under oath:

1. My name is S. Gregory Hays. I am over 21 years of age, of sound mind, and otherwise competent to give this affidavit based on my personal knowledge.

2. I am the managing principal of Hays Financial Consulting, LLC (“HFC”), which was employed by the court-appointed Receiver, John Lewis, Jr. (the “Receiver”) as Financial Consultants and Accountants. Our role is to assist the Receiver with financial analysis and forensic accounting, and a court order allowing this employment was entered on December 1, 2022. (Doc. Nos. 31 and 37).

3. The Receiver employed Shook, Hardy & Bacon LLP (“SHB”) as counsel to the Receiver. Collectively, the Receiver, HFC, and SHB are referred to as the “Receiver Team”.

4. The Receiver Team inspected the offices of CryptoFX and arranged to have all the paper records scanned and stored in Relativity, a database and document review program.

5. I searched the CryptoFX files in Relativity and identified the revenue reports (the “Revenue Reports”) of cash transaction activity for CryptoFX for the time January, 2021 to September 28, 2022 (the last day these Revenue Reports were available). For the first quarter of 2021 I could only find monthly revenue reports. Starting in April 2021, I located Daily Reports and organized in chronological order and input in an Excel database. These Revenue Reports are the primary type of accounting records for CryptoFX the Receiver Team has located to date.

6. The Daily Reports list “Total Revenue” in the top, left column by day. It is my understanding that this figure represents the total of investment contracts that were entered into for the day. This same column includes “Rollovers,” which I understand to be investment contracts that are renewed and where no cash changed hands.

7. I summarized the activity on these Monthly and Daily Revenue Reports for the time from January 1, 2021 to September 28, 2022.

8. From my review of Daily Reports in prior months, cash delivered to Mauricio Chavez (“Chavex”) is often described as follows: “Entrega¹ Mauricio;” “Entrega Cash Mauricio;” or sometimes just “Entrega Cash.” It is my understanding that all of these references indicate the cash that was delivered to o Chavez. Furthermore, the Daily Report for 9/22/22 includes a footnote “\$127,000.00 LO TOMO MAURICIO” in Spanish which I understand in English means that \$127,000 was delivered to Chavez.

¹ “Entrega” is Spanish for “delivery.” *See* <https://www.collinsdictionary.com/us/dictionary/spanish-english/entrega> (last accessed Dec. 22, 2022).

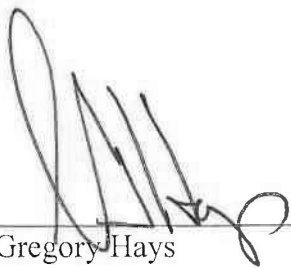
9. I prepared a graph on the data for total funds raised less rollovers that totals \$300,445,728. I also summarized the total cash delivered to Chavez and that total is \$41,034,014.

10. I reviewed the price of Bitcon (“BTC”) and took the opening price on the first of every month for BTC.

11. I then plotted all this data in the chart included as “Exhibit A”.

12. I focused on the time period from November 1, 2021 to September 28, 2022 to demonstrate that the CryptoFX fraud increased as the price of BTC declined. The chart also indicates the total cash delivered to Chavez. The Receiver has not been able to account or the \$41 million in cash delivered to Chavez.

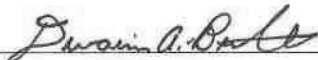
FURTHER AFFIANT SAYETH NOT.



S. Gregory Hays

Sworn to and Subscribed before me

This 25th Day of January, 2023


Notary Public
My Commission Expires: 3-14-2026



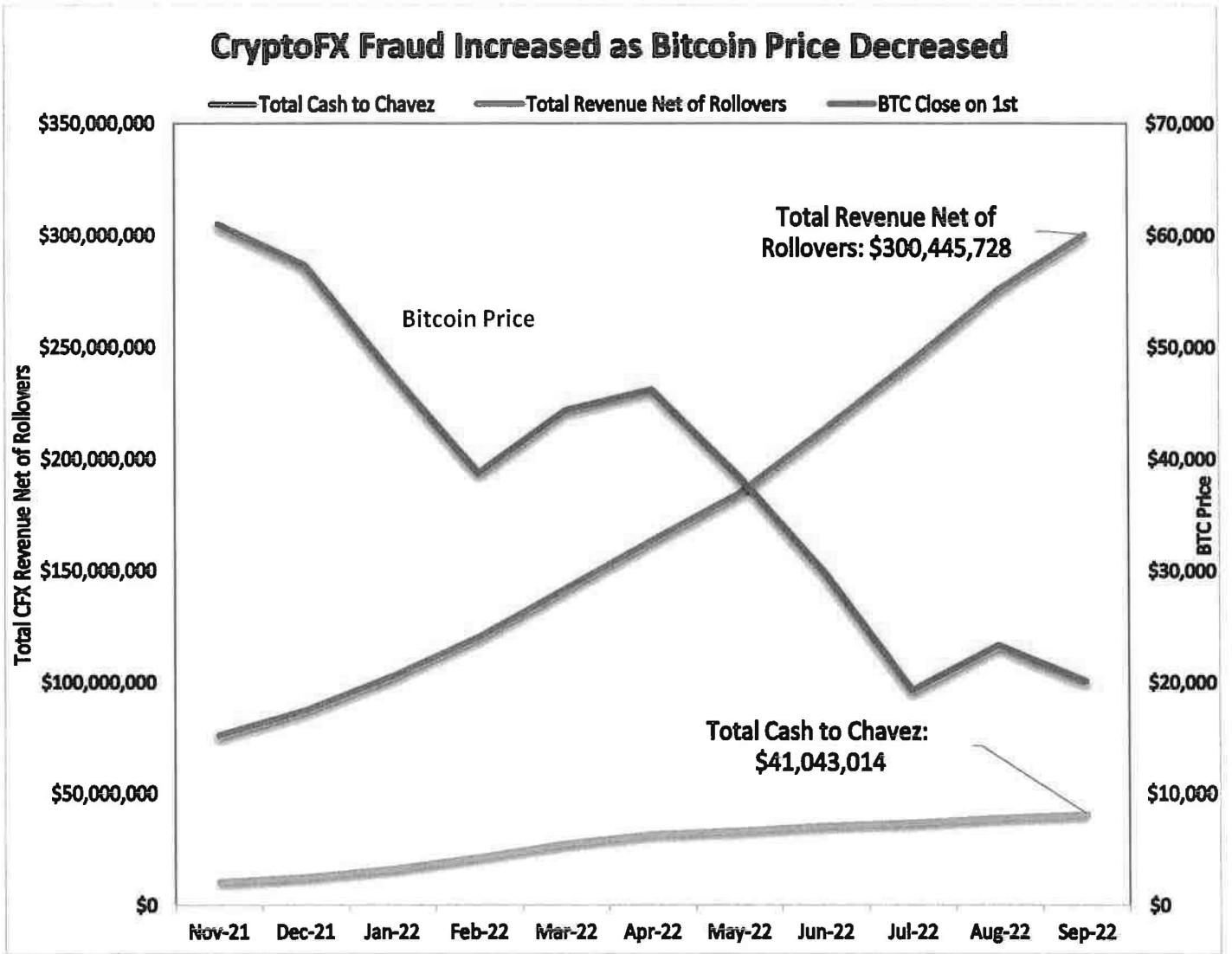


Exhibit B



**Via First Class US Mail and
Certified Mail/Return Receipt Requested**

To: CFX Sponsor
1900 5th Ave.
Houston, TX 12345
Email:

Sonila Themeli
Senior Counsel

JPMorgan Chase Tower
600 Travis St., Suite 3400
Houston, Texas 77002
t 713.227.8008
d 713.546.5656
f 713.227.9508
sthemeli@shb.com

RE: ***Securities and Exchange Commission v. Mauricio Chavez,
Giorgio Benvenuto, CryptoFX, LLC, and CBT Group, LLC,***
CaseNo. 4:22-CV-03359, United States District Court for the
Southern District of Texas, Houston Division

Dear Mr. xxxxx:

This firm represents John Lewis, Jr., who has been appointed by the United States District Court for the Southern District of Texas, Houston Division as the Receiver for Mauricio Chavez and Giorgio Benvenuto, individually, and for CryptoFX, LLC, and CBT Group, LLC (collectively “Defendants”). Enclosed please see a copy of the Order Appointing Receiver (“Receivership Order”).

The “Receivership Estate” includes all of the Defendants’ assets. Mr. Lewis was appointed to serve in such a capacity pending further order by the Honorable Judge Andrew Hanen, United States District Judge, in the above-referenced action commenced by the Securities and Exchange Commission against Mauricio Chavez and Giorgio Benvenuto, individually, and CryptoFX, LLC, and CBT Group, LLC.

Pursuant to the Receivership Order, all assets of the Receivership Estate are frozen, with the Receiver being the only party authorized to administer those assets. Moreover, the Receivership Order grants the Receiver various powers, including, but not limited to, the authority to take control of any assets in the possession of or in the direct and indirect control of the Receivership Defendants.

Furthermore, Paragraph 7 (I) of the Receivership Order provides the Receiver authority: “To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver.”

The Receiver filed his First Interim Report on November 28, 2022 and a copy of that report and all Exhibits is included on the Receiver's Website at www.cryptofxreceiver.com. The report is available in English and in Spanish. Also available on the web site is a link to all documents filed with the United States District Court in this case. I encourage you to review these documents.

January 31, 2023
Page 2

The Receiver stated in the First Interim Report: "In Receiver's view, there appears to be no meaningful lawful or legitimate business conducted by Defendants herein, either before this action commenced or during the pendency of this Receivership. Defendants' activities and operations bear the indicia of a Ponzi scheme, whereby 'investors'/victims, many of whom are fearful of coming forward due to concerns regarding their immigration status, were lured to invest in crypto currency and to participate in crypto 'academies.' Many have reported promises of outsized investment returns and incentives for recruiting other 'investors.' This apparent fraud continues unabated."

Based on the Receivership Order, the Receiver is entitled to an accounting from each marketing or sales person, who are commonly referred to as a "Sponsor" or "Leaders" in CryptoFX records. Additionally, the Receiver may pursue recovery of these payments since the investment program was fraudulent and all commissions and bonuses paid to "Sponsors" and "Leaders" were from a fraudulent investment offering. As noted in the Receiver's First Interim Report, there was only minimal trading of cryptocurrency, and essentially all commissions, sponsor payments, and profits paid to investors were derived from new investors' funds.

Accordingly, the Receiver avers the commissions and bonuses paid to all sales agents/sponsors/leaders were unlawfully obtained from investors by means of artifice and fraud. The Receiver currently understands that CryptoFX paid commissions of 7% for first or primary Sponsor and 3% for second Sponsor, which was paid upon an investment. Further, additional bonuses were paid to "Sponsors" or "Leaders" under various programs, including programs such as Elite Bonus and Double Bonus ("Elite Bono" and "Doble Bono"). The Receiver continues to investigate all payments to "Sponsors" or "Leaders" by cash, check or cryptocurrency.

While the Receiver's investigation is on-going, **the Receiver demands that you:**

(1) provide an accounting of all commissions and bonuses paid to you by CryptoFX as a sales agent, sponsor or "Leader";

(2) provide a completed W-9 form so the Receiver can report to the Internal Revenue Service all commissions and bonuses paid by CryptoFX to you;

(3) turn over to the Receiver all commissions and bonuses paid to you by CryptoFX;

(4) provide an accounting of all profits or returns made by you on any investments or contract you had with CryptoFX; and;

(5) turn over to the Receiver all CryptoFX records or documents, whether in paper or electronic form, in your possession and/or control.

January 31, 2023
Page 3

The Receiver is preparing an analysis of how much money was **actually paid** to each Sponsor or Leader. Based upon the records currently available to him, the Receiver does not have complete information. Accordingly, the Receiver requires this information from you before reporting to the IRS. It is therefore important that you provide accurate information on the amounts paid to you. **Please provide me with your accounting, a completed W-9 form, and the return of all commissions and bonuses by January 30, 2023.**

Please note that Paragraph 29 of the Receivership Order provides that: “The Receiver shall promptly notify the Court and SEC counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.” **Accordingly, please respond by January 30, 2023 from the date of this letter to avoid the Receiver reporting to the Court your non-compliance with the Order.** You can contact me at the email address listed above and/or by US Postal service.

The Receivership Order also provides that any person, who receives notice of the Receivership Order is restrained and enjoined from: (1) interfering directly or indirectly with the Receiver’s efforts to take control, possession, or management of any Receivership Property; (2) hindering, obstructing or otherwise interfering with the Receiver in the performance of his duties; (3) and dissipating or otherwise diminishing the value of any Receivership Property. *See* Receivership Order at 11, Section VII, ¶ 27.

The Receiver does not waive any additional claims against you, and as his investigation continues, the Receiver may demand the return of any profits earned from the fraudulent investment offering. After completing his analysis, the Receiver may seek to have these funds returned as well.

SHOOK
HARDY & BACON

If you have questions or believe that you have information that would facilitate the Receiver's performance of his duties under the Order, please contact me at the number or email indicated above.

Thank you for your assistance and cooperation in this matter.

January 31, 2023
Page 4

Sincerely,

Sonila Themeli
Counsel for Receiver John Lewis, Jr.

Enclosures

Exhibit C

SEC v. CryptoFX LLC et al

Asset	Description	Value
<u>Liquidated Assets</u>		
Cash	Cash located at 1124 Blalock	\$53,346
Cash in Safe	Recovered from two safes at Blalock	\$392,765
First Community Credit Union	Closed Benvenuto bank account	\$407,042
First Community Credit Union	Closed Benvenuto bank account	\$44,406
Bank of America	Closed Benvenuto bank account	\$16,825
Bank of America	Closed Benvenuto bank account	\$4,500
Simmons Bank	Closed Benvenuto bank account	\$80,764
Simmons Bank	Closed CBT bank account	\$247,916
Regions Bank	Closed Chavez bank account	\$782
Coinbase, Inc.	Proceeds from liquidation of crypto account	\$982,924
Blockchain.com	Proceeds from liquidation of crypto account	\$1,161,141
Burford Perry LLC	Balance of retainer	\$155,631
Gerger Hennessy & Martin LLP	Balance of retainer	\$214,488
		\$3,762,530
<u>Unliquidated Assets</u>		
Cash		
Cash (In Possession of Defendants)	Surveillance images show removal of cash from office	Unknown
Bank Accounts		
First Community Credit Union	Benvenuto Holdings frozen account	\$109,077
First Community Credit Union	Benvenuto Holdings frozen account	\$1,625
Regions Bank	Two frozen related entity bank accounts	\$61,045
Investment / Crypto Accounts		
Bittrex (Crypto Exchange)	Minimal balance	\$6
Gemini Trust Company LLC	Minimal balance	\$11
Exodus Wallet	Bitcoin, Tether & Solana. Receiver in control of acct	\$76,955
Digital Assets		
Cold Storage Crypto	Four non-custodial accounts at Blockchain.com	Unknown
Cold Storage Crypto	Receiver possesses Ledger Nano drive	Unknown
79 Proton LLC	Receiver investigating value of NFTs	Unknown
Escrow Deposits / Retainers		
Jones Walker Retainer	Turned over to the Receiver on 1/6/2023.	\$102,229
Vehicles		
2021 Lexus ES350 F Sport	Transferred to related entity	\$50,000
2022 BMW X6 M501	In Chavez's possession. Lien appears to exceed value.	\$0
2021 Mercedes-Benz GLE AMG	Recovered by Receiver. Listed for sale.	\$60,000
2020 Jeep Gladiator	In Benvenuto's possession.	\$30,000

SEC v. CryptoFX LLC et al

Asset	Description	Value
Personal Property		
Chavez jewelry & personal property	Receiver's appraiser determining value	Unknown
Benvenuto personal property	Minimal value. In possession of Mr. Benvenuto	\$0
CFX furniture and fixtures	Removed from 1124 Blalock to be sold	\$10,000
Computers	At Receiver's office. Will be preserved.	\$5,000
Real Properties		
28 Lawrence Marshall Dr, Hempstead, TX	Listed for sale by Receiver	\$70,000
Hogan Lane, Hempstead	Listed for sale by Receiver	\$70,000
Mack Washington, Hempstead, TX	CBT purchased for \$2.05 million. Appraised at \$1.15 million	\$1,150,000
Receiver Pursuing Recovery Property Addresses Redacted	Fort Bend County, TX	\$750,000
	Fort Bend County, TX	\$731,000
	Fort Bend County, TX	\$630,000
	Fort Bend County, TX	\$400,000
	Fort Bend County, TX	\$423,000
Other		
Hair News Color n Cuts	Investment/purchase by Defendants	Unknown
Causes of Action		
Investor winner clawback claims	Receiver investigating	Unknown
Commissions and bonuses paid	Receiver investigating	Unknown
Receiver Investigating Recoveries Redacted	Transfers to related company	\$950,249
	Transfers	Unknown
	Transfers	Unknown
	Investment/fraudulent transfer	Unknown
	Investment/fraudulent transfer	Unknown
		\$5,680,197
Liquidated Plus Unliquidated Assets		\$9,442,726

Exhibit D

Category	Description
Televisions	
	QTY 5 - Samsung TV – 75”
	QTY 4 - LG TV’s – 75”
	QTY 2 - Samsung TV – 55”
Computer Monitors	
	Samsung Computer Monitor (Security System) – 28”
	LG Monitor – 29”
	HP Monitor – 27”
	HP Gaming Monitor – 25x Nvidia G Sync – 25”
	Aopen Fire Legend Gaming Monitor – 25”
	LG Monitor Ultrawide – 29”
	QTY 4 - LG Monitor Ultrawide – 32”
	QTY 2 - Aopen Fire Legend Gaming Monitor – 27”
	Dell Monitor – 22”
	LG Monitor – 32”
Desktop Printers	
	QTY 3 - HP Printer M404n
	QTY 3 - HP Multifunction Printer M428fdw
	QTY 3 - HP Printer M283fdw
	Epson Printer ET 4760
	HP Printer 8035e
Keyboards & Mice	
	QTY 3 - White HP keyboard
	QTY 6 - Black HP keyboard
	QTY 2 - White HP keyboard & mouse
	Black, white and orange keyboard
	Apple black keyboard
	Apple white keyboard
Other miscellaneous items	
	Large Louis Vuiton Kirigami Pochette (1 of 3 pieces only)
	YSL Tiny Cassandre Bill Clip Wallet In Shiny Leather (appears new)
	QTY 2 - Tech LED display (unsure if working)
	QTY 3 - Power UPS Back Up Battery
	QTY 2 - Primo water dispenser
	QTY 9 - Cash counting machines (various models)
	QTY 5 - Cash/gun box (empty and without keys)
	QTY 2 - Lasko fan
	QTY 2 - Utilitech fan
	QTY 7 - Various Personal Desk Fans
	QTY 2 - EV Speakers on stands (no power cords)

	QTY 4 - Logitech H390 headset (new in package)
	5-drawer metal file cabinet (without key)
	Xbox mini refrigerator
	Small desktop scanner
	NightHawk Router
	AKG Microphone
	Meauro 1080P Projector
	Blue ice chest
	Server/network switch equipment
	Full size LG refrigerator
	Black Bose speaker (without power or USB)
	Metal detector wand
	Microphone
	Octabella 1500 W 3-light LED Softbox Kit for Photos
	Red canvas wagon
	Off-white metal and glass cabinet
	Bulk office supplies; masks; Clorox wipes; paperclips; rubber bands; Kleenex; folders; envelopes, printer toner; calculators; hole punch, etc.
Total	

Exhibit E

Disbursements

Date	Description	Amount
Expense Code: NONE		
12/15/22	Reimbursement from Nichole E Forrest , refund fr court reporter	(\$49.50)
	Subtotal for NONE	(\$49.50)

Expense Code: E102

10/13/22	Imaging Services - Print Black and White documents (5 @ 0.12)	\$0.60
10/13/22	Imaging Services - Print Color Document (10 @ 0.50)	5.00
10/13/22	Imaging Services - Print Color Document (8 @ 0.50)	4.00
10/13/22	Imaging Services - Print Black and White documents (2 @ 0.12)	0.24
10/13/22	Imaging Services - Print Color Document (10 @ 0.50)	5.00
10/13/22	Imaging Services - Print Black and White documents (9 @ 0.12)	1.08
10/14/22	Imaging Services - Print Black and White documents (4 @ 0.12)	0.48
10/14/22	Imaging Services - Print Color Document (12 @ 0.50)	6.00
10/26/22	Imaging Services - Print Black and White documents (1,547 @ 0.12)	185.64
10/28/22	Imaging Services - Print Color Document (6 @ 0.50)	3.00
10/31/22	Imaging Services - Black and White Copies (1,158 @ 0.12)	138.96
11/15/22	Imaging Services - Print Black and White documents (7 @ 0.12)	0.84
11/15/22	Imaging Services - Print Color Document (42 @ 0.50)	21.00
11/15/22	Imaging Services - Print Color Document (13 @ 0.50)	6.50
11/15/22	Imaging Services - Print Black and White documents (6 @ 0.12)	0.72
11/22/22	Imaging Services - Print Color Document (10 @ 0.50)	5.00
11/22/22	Imaging Services - Print Black and White documents (68 @ 0.12)	8.16
11/29/22	Imaging Services - Print Black and White documents (250 @ 0.12)	30.00
12/06/22	Imaging Services - Print Black and White documents (278 @ 0.12)	33.36
12/06/22	Imaging Services - Print Black and White documents (193 @ 0.12)	23.16
12/08/22	Imaging Services - Black and White Copies (3,643 @ 0.12)	437.16
12/13/22	Imaging Services - Print Black and White documents (110 @ 0.12)	13.20
12/14/22	Imaging Services - Print Color Document (75 @ 0.50)	37.50
12/15/22	Imaging Services - Print Color Document (93 @ 0.50)	46.50
12/15/22	Imaging Services - Scan Paper Documents (718 @ 0.10)	71.80
12/15/22	Imaging Services - Print Black and White documents (441 @ 0.12)	52.92
12/16/22	Imaging Services - Scan Paper Documents (307 @ 0.10)	30.70
12/21/22	PayPal, Inc., Copies, Fee for documents produced in response to Subpoena.	48.00
12/21/22	Imaging Services - Scan Paper Documents (963@ .10)	96.30
12/28/22	Imaging Services - Scan Paper Documents (12@ .10)	1.20
12/28/22	Imaging Services - Color Copies (12@ .50)	6.00
12/28/22	Imaging Services - Color Copies (16@ .50)	8.00
12/30/22	Imaging Services - Print Black and White documents (36 @ 0.12)	4.32
	Subtotal for E102	\$1,332.34

Expense Code: E106

10/19/22	Lexis Legal Research	\$84.15
----------	----------------------	---------

10/19/22	Lexis Legal Research	1,178.10
10/19/22	Lexis Legal Research	45.05
10/19/22	Lexis Legal Research	80.75
10/26/22	Lexis Legal Research	84.15
10/31/22	Pacer	0.10
10/31/22	Accurint	66.28
11/06/22	Westlaw	17.03
11/30/22	Accurint	34.93
12/01/22	Westlaw	35.21
12/15/22	Westlaw	42.57
12/22/22	Westlaw	17.03
12/27/22	Westlaw	25.54
12/28/2022	Westlaw	165.49
12/29/2022	Westlaw	17.03
12/31/2022	Accurint	129.94
Subtotal for E106		\$2,023.35

Expense Code: E107

10/06/22	Special Postage	\$10.13
10/13/22	Special Postage	11.75
10/13/22	Special Postage	11.75
10/13/22	Special Postage	11.75
10/19/22	Special Postage	0.57
10/19/22	Special Postage	0.57
10/19/22	Special Postage	0.57
10/19/22	Special Postage	11.75
10/19/22	Special Postage	11.75
10/19/22	Special Postage	11.75
10/24/22	Delivery	21.10
10/26/22	Special Postage	12.35
10/26/22	Special Postage	2.50
10/26/22	Special Postage	0.96
10/26/22	Special Postage	11.75
10/26/22	Special Postage	11.75
10/26/22	Special Postage	0.96
10/26/22	Special Postage	14.00
10/26/22	Special Postage	14.00
10/27/22	Special Postage	11.75
10/27/22	Special Postage	0.96
10/31/22	Delivery	26.17
11/4/22	Delivery	19.73
11/9/22	Delivery	16.84
11/9/22	Special Postage	13.25
11/15/22	Special Postage	8.93
11/15/22	Special Postage	8.93

11/15/22	Special Postage	8.93
11/15/22	Special Postage	8.93
11/15/22	Special Postage	8.93
11/15/22	Special Postage	8.21
11/15/22	Special Postage	9.17
11/15/22	Special Postage	8.45
11/15/22	Special Postage	8.45
11/15/22	Special Postage	1.20
11/15/22	Special Postage	1.20
11/22/22	Delivery	29.01
12/2/22	Delivery	21.48
Subtotal for E107		\$392.23

Expense Code: E110

10/21/2022	Caroline Gieser, Fuel, SEC Receivership - Houston, TX, 10/03/22	\$29.45
Subtotal for E110		\$29.45

Expense Code: E111

10/21/22	Caroline Gieser, Breakfast, SEC Receivership - Houston, TX, 09/30/22	\$5.59
10/21/22	Caroline Gieser, Lunch, SEC Receivership - Houston, TX, 09/30/22	10.18
10/21/22	Caroline Gieser, Dinner, SEC Receivership - Houston, TX, 09/30/22	3.55
10/21/22	Caroline Gieser, Lunch, SEC Receivership - Houston, TX, 10/01/22	19.25
10/21/22	Caroline Gieser, Lunch, SEC Receivership - Houston, TX, 10/02/22	29.22
10/21/22	Caroline Gieser, Breakfast, SEC Receivership - Houston, TX, 10/03/22	9.20
10/21/22	Caroline Gieser, Dinner, SEC Receivership - Houston, TX, 10/03/22	23.54
Subtotal for E111		\$100.53

Expense Code: E112

10/13/22	Fort Bend County Clerk, Court Filing Fees, Recording Notice of Interest in Property located at 2030 Green Haven Ct., Missouri City, TX 774593872.	\$20.00
10/13/22	Fort Bend County Clerk, Court Filing Fees, Recording fee for property located at 24923 Tidmor Lane, Richmond, TX 77406	20.00
10/13/22	Fort Bend County Clerk, Court Filing Fees, Recording fee regarding property located at 9302 Knollwood Lane, Missouri City, TX 77459.5196.	20.00
10/13/22	Fort Bend County Clerk, Court Filing Fees, Recording fee for property located at 26602 Polaris Rise Lane, Richmond, TX 77406.	20.00

10/13/22	Fort Bend County Clerk, Court Filing Fees, Recording fee for property located at 27915 Round Moon Lane, Katy, TX 77494	20.00
10/18/22	Waller County Clerk, Court Filing Fees, Recording fee for property located in Waller County - Hogan Lane, Hempstead, TX 77445.	20.00
10/18/22	Waller County Clerk, Court Filing Fees, Recording fee for Notice of Interest in Real Property re: 28 Lawrence Marshall Dr., Hempstead, TX 77445	20.00
10/18/22	Waller County Clerk, Court Filing Fees, Recording fee for Notice of Interest in Real Property - Mack Washington, Hempstead, TX 77445.	20.00
10/28/22	U.S. District Clerk, Court Filing Fees, Filing Fee for Notice of Filing Miscellaneous Action: Registration of Appointment of Receiver.	49.00
12/02/22	Commerce Bank, Court Filing Fees, Pay.gov filing	49.00
12/02/22	Commerce Bank, Court Filing Fees, Fee to Open Case	49.00
12/23/22	Commerce Bank, Translation, Website FAQ translation	85.00
12/30/22	Commerce Bank, Court Filing Fees, eFiling	49.00
	Subtotal for E112	\$441.00

Expense Code: E113

12/07/22	Veritext 20-3132569, Service of Subpoena, on Gabriel Torres, 11/22/2022	\$200.00
12/07/22	Veritext 20-3132569, Service of Subpoena, Service of Subpoena on Teresa Torres.	203.50
	Subtotal for E113	\$403.50

Expense Code: E115

10/27/22	Nichole Forrest, Depositions/Transcripts, Fee for providing original and one copy of September 29, 2022 Preliminary Injunction hearing.	\$218.45
12/23/22	Gradillas Court Reporters, Depositions/Transcripts, Oral Deposition of Angelica Vargas.	371.50
	Subtotal for E115	\$589.95

Expense Code: E118

12/30/2022	Gulfstream Legal Group LLC, Litigation Support Vendor, Electronic and forensic data collection from devices related to Securities and Exchange Commission (MceSECA€C1) filed a complaint against Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT Group LLC. Houston, TX.	\$20,825.00
12/30/22	Gulfstream Legal Group LLC, Litigation Support Vendor, Scanning of all documents retrieved related to Securities and Exchange Commission (MceSECA€C1) filed a complaint against Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT	30,658.44

Group LLC, in addition to Relativity set-up, licensing and management. Houston, TX.

Subtotal for E118 **\$51,483.44**

Expense Code: E123

12/12/22 Appraisal MC LLC, Professional Services, Appraisal of Waller County, TX properties. \$4,695.00

Subtotal for E123 **\$4,695.00**

Expense Code: E124

10/21/22 Valerie Muniz Hayes, Commercial cleaning services of building at 1124 Blalock in connection with SEC v. Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT Group, LLC. 1124 Blalock, Houston, TX, 10/09/22 \$1,872.36

11/29/22 Commerce Bank, Translation, Translation and Interpretation 85.00

11/29/22 Commerce Bank, Supplies, Key Copy for Landlord 8.64

11/29/22 Commerce Bank, Photographs, Camera Memory Card for SEC Case. 43.29

11/29/22 Commerce Bank, Supplies, Key Copy for 1124 Blalock. 10.81

11/29/22 Commerce Bank, Reference Materials, Fed Ex - Laminating Signage for Mauricio Chavez, et al. 5.39

11/29/22 Commerce Bank, Reference Materials, Fed Ex (2) - Laminating Signage for Mauricio Chavez, et al. 5.39

11/29/22 Commerce Bank, Reference Materials, Office Depot - Packing boxes for 1124 Blalock. 44.10

12/20/22 Valerie Muniz Hayes, Obtain title history documents from Texas Department of Motor Vehicles for vehicles registered to Mauricio Chavez; Houston, TX, 12/12/22 17.25

12/23/22 Commerce Bank, Facilities, Forced opening of small safe at 1124 Blalock 1,200.00

12/23/22 Commerce Bank, Facilities, Forced opening of large safe at 1124 Blalock 1,500.00

Subtotal for E124 **\$4,792.23**

Total Disbursements **66,233.52**

Exhibit F

SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (“Agreement”) is entered into by and among or on behalf of the following:

BZO Custom Wheels, LLC (referred to as “Landlord”), and

John Lewis, Jr., as and only as Court-appointed Receiver for Mauricio Chavez and Giorgio Benvenuto, individually, and CryptoFX, LLC and CBT Group, LLC, in the matter *S.E.C. v. Chavez et al*, Cause No. 4:22-cv-3359, in the United States District Court for the Southern District of Texas, Houston Division (referred to as “Receiver”).

Landlord and Receiver, collectively referred to as “the Parties,” agree to the following, to be effective as set forth below.

I. RECITALS

1.1 WHEREAS, on September 1, 2021, Landlord and CBT Group, LLC (“CBT”) entered into a lease agreement (“Lease”) for the leasing of certain office space located at 1124 Blalock Rd., Houston, TX 77055 (“Leased Property”);

1.2 WHEREAS, the Lease commenced on September 1, 2021 and had a termination date of September 30, 2025;

1.3 WHEREAS, CBT’s monthly obligations under the Lease were ten thousand US dollars (\$10,000) and thirty five percent (35%) of the entire building’s electric bill;

1.4 WHEREAS, on September 19, 2022, the Securities and Exchange Commission filed an action in the United States District Court for the Southern District of Texas, Houston Division, Cause No. 4:22-cv-3359 styled *Securities and Exchange Commission, Plaintiff v. Mauricio Chavez, Giorgio Benvenuto, CryptoFX, Defendants and CBT Group, LLC Relief Defendant* (the “Action”);

1.5 WHEREAS, on September 29, 2022, upon motion of the SEC, the Court issued an Order Appointing Receiver (“Receivership Order”), which appointed John Lewis, Jr. Receiver for all the Defendants in the Action (“Receivership Estate”);

1.6 WHEREAS, the Receivership Order provides, in pertinent part that the Receiver has “all powers, authorities, rights and privileges heretofore possessed by the [former] officers, directors, managers” . . . and that Chavez, Benvenuto or any for officers, managers, advisors, or other agents of CryptoFX, CBT or any affiliated entities are “hereby dismissed” and shall have “no authority” and are hereby “suspended;” and that the “Receiver shall assume and control the operation of the Receivership Defendants . . .” and Receivership Estates;

Landlord’s Initials TS
Receiver’s Initials ST

1.7 WHEREAS, Landlord and Receiver agree that, as of the date of the signing of this Agreement, the amount due under the Lease is twenty thousand two hundred and forty five U.S. dollars and 18 cents (\$20,239.18);

1.8 WHEREAS, Landlord and Receiver agree on the reasonable value of Receivership Estate personal property as these are listed in Exhibit A and for a total amount of \$3,030;

1.9 WHEREAS, Landlord and Receiver terminated the Lease on October 31, 2022 and desire to effect a full, complete, final and binding settlement and compromise of all disputes and claims arising from or related to the Lease;

1.10 WHEREAS, Landlord and Receiver agree that the reasonable value of the items listed in Exhibit A will be used to offset the amounts due to Landlord under the Lease;

1.11 WHEREAS, Receiver agrees to vacate the premises of the Leased Property and return possession of the same to Landlord on December 6, 2022;

1.12 WHEREAS, Landlord agrees cooperate in the turnover of any personal property owned by former employees of CBT or CryptoFX for a period of 60 days after the execution of this Agreement;

1.13 WHEREAS, Landlord and Receiver have agreed to settle and resolve completely and finally all matters between them relating to and/or arising out of the Lease; and

1.14 NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which each of the Parties acknowledges, the Landlord and Receiver hereby agree as follows.

II. RELEASE

2.1 In exchange for good and valuable consideration, together with the other terms and conditions set forth herein, upon Landlord's receipt of the Agreement Amount, Landlord hereby releases and completely discharges Receiver and his attorneys, employees, or agents, as well as CBT Group and any affiliated entities and/or persons of all monies owed to Landlord.

III. WARRANTIES AND REPRESENTATIONS

3.1 The Parties represent and warrant that they are authorized to execute this Agreement, that any person executing this Agreement in a representative capacity is duly authorized to do so, and that the terms, conditions and provisions of this Agreement shall be construed only according to their fair import and shall not be construed for or against any Party hereto.

3.2 Landlord and Receiver each represents and warrants that it is not relying on any statement or representation made by the other party, or by any agent for the other party, that is not herein expressed. Each of the Parties is relying on its own judgment in executing this Agreement. The Parties each represent that, as of the date of this Agreement: (a) each of the Parties is fully informed about the contents of this Agreement and has done all investigation necessary prior to its

execution; (b) no threat, promise, or representation of any kind has been made to induce the Parties to enter into this Agreement, except as expressly stated in this Agreement; (c) each of the Parties is not relying on any statement, promise, or representation to enter into this Agreement, except as expressly stated in this Agreement; (d) each of the Parties has been represented by counsel of that Party's choosing in connection with the negotiation of this Agreement; and (e) the person executing this Agreement on behalf of each of the Parties is fully competent and authorized to execute this Agreement on behalf of such Party and its affiliates.

3.3 Receiver has no specific knowledge and makes no representations concerning the condition of the Leased Property. Landlord understands that possession of the Leased Property is being returned to Landlord "AS IS."

IV. SETTLEMENT CONSIDERATION

4.1 Upon execution of this Agreement and in consideration for this Agreement and the obligations of and release by Landlord, together with the other terms and conditions set forth herein, Receiver agrees to deliver payment as outlined in this Section IV of this Agreement.

4.2 The payment made to Landlord in consideration for this Agreement, the settlement, release, and other terms and conditions set forth herein, shall be the total sum of **\$17,209.18** (herein the "Agreement Amount") to be paid by Receiver by check. Payment shall be made within ten (10) days after this Agreement is executed by Landlord and returned to counsel for Receiver.

V. ATTORNEYS' FEES AND COSTS

5.1 Each Party shall bear their own attorneys' fees and costs.

VI. ADDITIONAL TERMS

6.1 Notwithstanding anything to the contrary in the above release provision or elsewhere, nothing in the Agreement is intended to or may be read to release, waive, or relinquish any obligations, rights or claims under or arising from this Agreement, all of which are specifically preserved and are not released, waived, or relinquished.

6.2 Severability. If any portion (word, clause, phrase, sentence, paragraph, or section) of this Agreement or the application thereof to any person, entity or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such portion to persons or entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected hereby, and such portion shall be considered independent and severable from the Agreement, and this Agreement shall be enforced as if such portion did not exist.

6.3 Entire Agreement. This Agreement supersedes any and all prior oral and written agreements and understandings, and constitutes the entire agreement and understanding between the Parties and relating to the subject matter hereof and all matters not expressly included have been intentionally excluded. No representation, warranty, condition, understanding, or agreement of any kind, with respect to the subject matter of this Agreement, shall be relied upon by the Parties except those contained herein. This Agreement may not be amended or modified except by a

subsequent agreement signed by all of the Parties.

6.4 Interpretation. The headings within this Agreement are purely for convenience and are not to be used as an aid in interpretation. Moreover, the Parties agree that the terms of this Agreement are the product of negotiation between the Parties and their counsel, and any uncertainty or ambiguity about the terms shall not be interpreted against any one party and in favor of the other.

6.5 Cooperation. The Parties agree to cooperate fully and execute any and all supplementary or additional documents and to take all additional actions that may be necessary or appropriate to give full effect to the terms and conditions of this Agreement.

6.6 Jointly Drafted. All Parties and their respective counsel mutually contributed to the preparation of, and have had the opportunity to review and revise, this Agreement. Accordingly, no provision of this Agreement shall be construed against any party because that party, or his or its own counsel, drafted the provision.

6.7 Further Documents. From time to time, as requested, the Parties agree that they will execute and deliver such other and further documents and instruments evidencing and pertaining to the agreements contemplated hereby as may be reasonably necessary to evidence or effect the terms of this Agreement.


6.8 Choice of Law. This Agreement shall be governed in all respects, including its validity, interpretation and effect, and construed by and in accordance with all applicable federal laws, the Federal Rules of Civil Procedure, and any applicable laws of the State of Texas. The Parties agree that in the event of any dispute concerning this Agreement, all claims arising out of such a dispute will be brought only before the United States District Court, Southern District of Texas, Houston Division, Civil Action No. 4:22-cv-03359.

6.9 Effective Date and Counterparts. This Agreement is effective as of the latest signature date on this Agreement. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. A facsimile, photocopy, or e-mail copy of this Agreement, bearing the respective signatures, shall be enforceable as originals.

[SIGNATURE PAGES FOLLOW—REST OF PAGE INTENTIONALLY BLANK]

SIGNED this 07 day of December, 2022.

LANDLORD
BZO Custom Wheels, LLC


By: 

Daniel Sun, Administrator
1119 Adkins Road, Houston Texas 77055

SIGNED this 09 day of December, 2022.

John Lewis, Jr.

In his capacity as Court-Appointed Receiver in the matter *S.E.C. v. Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT Group, LLC*, Civil Action No. 4:22-cv-3359, United States District Court, Southern District of Texas, Houston Division

By: 

Sonila Themeli, counsel for Receiver
Shook, Hardy & Bacon LLP
600 Travis St, Suite 3400
Houston, TX 77002

Landlord's Initials TS
Receiver's Initials ST