

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

BRIDGE PREMIUM FINANCE, LLC (f/k/a
BERJAC OF COLORADO, LLC),
MICHAEL J. TURNOCK, and
WILLIAM P. SULLIVAN, II,

Defendants,

and

JANE K. TURNOCK,

Relief Defendant.

Civil Action No.
1:12-cv-02131 (JLK)

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S NOTICE OF MOTION,
MOTION AND MEMORANDUM IN SUPPORT OF ORDER FOR DISTRIBUTION OF
FAIR FUND AND PAYMENT OF FEES AND EXPENSES OF DISTRIBUTION AGENT**

NOTICE

PLEASE TAKE NOTICE, that based upon the accompanying Affidavit of Nashira McCoy ("Affidavit") in Support of the Securities and Exchange Commission's ("Commission") Motion for Distribution of Fair Fund executed on October 17, 2016, the Proposed Order submitted herewith, and all prior proceedings had herein, and pursuant to the Plan of Distribution approved by this Court on February 8, 2016 ("Distribution Plan"), Plaintiff Securities and Exchange Commission will move this Court, at a date and time to be determined by the Court, before the Honorable Judge John L. Kane, at the United States Courthouse for the District of

Colorado, Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, Colorado 80294-3589, for an order:

1. Directing the Commission to issue a check to the Distribution Agent, Gilardi & Co. LLC, (hereafter “Distribution Agent”) from funds held by the Commission under the case name designation “*BPF & Sullivan Distribution Fund*,” (“Fair Fund” or “Fund”);
2. Directing the Distribution Agent to:
 - a. Deposit these funds pursuant to Paragraph 38 of the Distribution Plan; and
 - b. Distribute these funds to Eligible Recipients in accordance with the terms of the Distribution Plan;
3. Approving payment of \$4,361.77 from the Fair Fund to Gilardi & Co. for fees and expenses incurred in administering the Fair Fund.

MOTION

In accordance with the Distribution Plan approved by this Court on February 8, 2016, the Commission respectfully requests that the Court enter an Order:

1. Directing the Commission to issue a check to the Distribution Agent, Gilardi & Co. LLC, (hereafter “Distribution Agent”) from funds held by the Commission under the case name designation “*BPF & Sullivan Distribution Fund*”;
2. Directing the Distribution Agent to:
 - a. Deposit these funds pursuant to Paragraph 38 of the Distribution Plan; and
 - b. Distribute these funds to Eligible Recipients pursuant to the final payee list in accordance with the terms of the Distribution Plan; and

3. Approving payment of \$4,361.77 from the Fair Fund to Gilardi & Co. for fees and expenses incurred in administering the Fair Fund.

MEMORANDUM

Procedural Background

On August 14, 2012, the Commission filed a complaint against Defendant Bridge Premium Finance, LLC (“BPF”), Defendant Michael J. Turnock, Defendant William P. Sullivan II, and Relief Defendant Jane K. Turnock (collectively, the “Defendants”). The Complaint alleged that no later than 1996 and continuing through approximately August 2012, Defendants solicited investors to buy notes in BPF’s purported business of insurance premium financing – making short-term loans to small businesses to enable them to pay their up-front annual commercial insurance premiums – telling those investors that the investment was “100% Protected” and that the business was doing well. Based on these misrepresentations, BPF raised more than \$15.7 million dollars from at least 120 investors in various states since 1998. In fact, BPF was a Ponzi scheme with most of the investors’ money going to make payments to other investors.

On March 11, 2013, the Commission obtained a final judgment as to BPF (Dkt. #64) and Turnock (Dkt. #65). The Court ordered that BPF was liable for disgorgement of \$6,289,306, representing profits gained as a result of the conduct alleged in the complaint, together with prejudgment interest thereon in the amount of \$15,723, jointly and severally with Turnock. BPF and Turnock were each also liable for a civil penalty in the amount of \$6,289,306.

The Commission has collected \$361,372 in disgorgement from Relief Defendant Jane Turnock and \$184,816 in disgorgement and \$4,690 in post-judgment interest from Bridge Premium Finance.

On August 22, 2014 the Court appointed Damasco & Associates LLP as the Tax Administrator (“Tax Administrator”) to execute all the tax reporting and filing requirements for the Distribution Fund (Dkt. #97). To date, the Court has approved payment of approximately \$8,266 related to taxes, fees, and expenses of the tax administrator (Dkts. #111, 114, 117, 120).

On April 24, 2015, the Commission obtained an amended final judgment against Sullivan (Dkt. #106). Sullivan was held liable for disgorgement of \$70,912.31, representing profits gained as a result of the conduct alleged in the complaint, together with prejudgment interest thereon in the amount of \$5,122.27, and a civil penalty in the amount of \$150,000.

On May 7, 2015, the Court appointed Gilardi & Co. LLC (“Gilardi”) as Distribution Agent (“Distribution Agent”), to assist in overseeing the administration and distribution of the Distribution Fund in coordination with Commission staff, pursuant to the terms of the Distribution Plan (“Distribution Plan”) (Dkt. #110).

On February 8, 2016, the Court approved the proposed Distribution Plan (Dkt. #123).

Disbursement of Fair Fund

Pursuant to the Distribution Plan, the Distribution Agent has prepared and submitted to the Commission staff a list of Eligible Recipients, the amount of the asserted claim of each Eligible Recipients, and the Approved Claim for each Eligible Recipients (the “Final Payee List”).¹ Each Eligible Recipient will receive a *pro rata* share of the *BPF & Sullivan Distribution Fund* available for distribution. The total amount to be distributed to Eligible Recipients amounts to approximately \$510,820. The Final Payee List and the Affidavit has been reviewed by the undersigned Commission Counsel who has no objections.

¹ The Final Payee List shall, upon request, be made available to the Court under seal.

Payment of Distribution Agent

For services performed on behalf of the Distribution Fund, the Distribution Agent has incurred fees and expenses totaling \$4,361.77. See Declaration of Nashira McCoy, dated October 17, 2016 (the “McCoy Declaration”), filed separately. The McCoy Declaration and invoice provided to staff have been reviewed by the undersigned Commission counsel who confirms that the services were provided and the fees are consistent with the terms of engagement.

WHEREFORE, for all the foregoing reasons, the Commission respectfully requests that this Court enter the proposed Order and grant such other relief as it deems just and proper.

Dated: October 21, 2016

Respectfully Submitted,

/s/ Michael Shueyee Lim
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