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By E-Filing

The Honorable J. Travis Laster
Vice Chancellor
Delaware Court of Chancery
500 North King Street, 11th Floor
Wilmington, DE 19801

Re: *B.E. Capital Management LP v. Fund.com Inc.*
C.A. No. 12843-VCL

Dear Vice Chancellor Laster:

This firm represents Thomas Braziel, the receiver appointed in the above case. Please accept this letter as a further status update in this matter.

By order dated October 17, 2018, the Court granted the receiver's motion to discontinue liquidation pursuant to 8 Del. C. § 301 on the condition that the receiver "bring the corporation in compliance with the Division of Corporations of the State of Delaware." (D.I. 74 at 2.) As previously reported, towards that end, the receiver, over the past year, has taken the following steps:

1. Researched and ascertained from the IRS that the Company has never filed or paid taxes;

2. Recreated, at best as possible, the historical books and records of the Company for the pre-receivership period (2007-2017) by marshaling both physical and electronic documents provided by the previous sole director and executive David Berke, as well as extensive demand letters to obtain information from prior service providers and other connected parties to the Company;
3. Created an extensive memorandum summarizing the company's the pre- and post-receivership activities (the memorandum being a requirement for an accounting firm to even contemplate providing regulatory services on behalf of the company and the receiver);
4. Sought the engagement of a tax and accounting firm, and worked extensively with a tax and accounting firm to generate 12 years of past returns; and
5. Engaged a transfer agent to clean up and update the outstanding share count books and records with the transfer agent.

Since the filing of the Receiver's October 31, 2019, status report, the Receiver has taken these additional steps:

1. The Company's federal taxes for the years 2012 through 2018 were finalized, signed, and submitted to the IRS on December 20, 2019.
2. On January 2, 2020, the Receiver submitted a revised 2012 franchise tax to the Delaware Division of Corporations, along with a copy of the Company's 2012 federal tax return. The Delaware Division of Corporations, in September 2019, had rejected the Company's franchise taxes because it had no 2012 federal tax return for reference.
3. The Company made a demand on American-Swiss Capital, Inc., for the recovery of a certificate of deposit the Company had on file. That certificate of deposit has proven to be unrecoverable and the Receiver does not expect any recovery from the demand.

However, the Receiver hopes to write off the face amount of the certificate of deposit as a net operating loss.

Once the Delaware Division of Corporations accepts the Company's 2012 franchise tax, the Receiver will pay outstanding franchise taxes through 2018 to bring the Company current, file a certificate of revival, and obtain a certificate of good standing of the Company. At that point, the receivership may be terminated pursuant to the Court's October 17, 2018, order.

If Your Honor has any questions or concerns, I am available at the convenience of the Court.

Respectfully,

/s/ Julia Klein

Julia B. Klein (DE #5198)

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