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Attorneys for Receiver
THOMAS HEBRANK

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PACIFIC WEST CAPITAL GROUP, INC.; ANDREW B CALHOUN IV; PWCG TRUST; BRENDA CHRISTINE BARRY; BAK WEST, INC.; ANDREW B CALHOUN JR.; ERIC CHRISTOPHER CANNON; CENTURY POINT, LLC; MICHAEL WAYNE DOTTA; and CALEB AUSTIN MOODY (dba SKY STONE),

Defendants.

Case No. 2:15-cv-02563 AB (ASx)

RECEIVER'S THIRTY-FIFTH INTERIM REPORT AND RECOMMENDATIONS

Ctrm.: 7B
Judge: Hon. André Birotte Jr.

Thomas C. Hebrank ("Receiver"), the Court-appointed permanent receiver for PWCG Trust pursuant to the Judgment as to Defendant PWCG Trust ("Appointment Order") (Dkt. No. 145), hereby submits this Thirty-Fifth Interim Report and Recommendations. This report covers the Receiver's activities during the third quarter of 2026.

I. EXECUTIVE SUMMARY

Pursuant to the powers, authority, and directives contained in the Appointment Order, the Receiver has continued his work to preserve and protect the assets of PWCG Trust, including its life insurance policies ("Policies") and cash reserves. Pursuant to the Court's orders, the Receiver has pooled the cash reserves and, with assistance from Longevity, formerly known as ITM Twentyfirst ("21st"), has continued to manage the portfolio of Policies, make all required premium payments to keep the Policies in force, and tracked and collected death benefits from Policy maturities. The Receiver has also been able to make three further interim distributions to claimants in 2026 in the total amount of $30 million due to additional policy maturities.

II. SUMMARY OF THE RECEIVER'S WORK AND POLICIES

A. The Status of the Policies.

The portfolio of Policies currently contains a total of 27 active Policies with death benefits totaling approximately $46.1 million. In 2021, the Receiver was able to issue an initial round of interim distribution checks in the aggregate amount of $37 million to investors with allowed claims.[1] This interim distribution reduced the total allowed investor net loss claims in the receivership from approximately $106 million to approximately $69 million.

[1] The Receiver believes the fact that certain policies matured earlier than projected, making borrowing unnecessary and a first interim distribution possible earlier than expected, was due primarily to the COVID-19 pandemic.

The Receiver continues to closely monitor the performance of the portfolio, including periodic evaluations of whether it is best to hold or sell the remaining Policies. In 2025, the Receiver obtained an updated valuation, including updated medical records and life expectancy reports ("LE Reports") on each of the insureds from 21st. The data obtained indicates that the recovery for investors will be substantially greater if the Receiver continues to hold the Policies until maturity, as opposed to selling them in the near term. The LE Reports and projections indicated that the total net recovery from the portfolio (after all Policies have matured, less the cost of premiums, but excluding administrative expenses and taxes) would be approximately $58 million. That would mean that, factoring in the prior distribution noted above and the funds distributed from the Mills Potoczak settlement, that the net recovery from the remaining portfolio may be close to sufficient to pay investor net loss claims in full, although it is projected to take until 2033 (or possibly beyond) to achieve that result.

As part of the updated valuation, the Receiver also reexamined whether a sale of the portfolio of Policies may be advisable in lieu of holding them until maturity. According to the updated valuation from 21st, the portfolios current valuation, based on a 15% internal rate of return or net present value would be approximately $30 million, after payment of a 2% sales commission. This is substantially lower than the projected $58 million net recovery if all Policies are held until their projected maturity dates.

During the last few weeks of 2025 and the first few weeks of 2026, six Policies matured, which resulted in the receivership receiving a little over $12.4 million in death benefits. The Receiver adjusted and reevaluated the cash flow projection to account for these earlier than anticipated maturities and was able

to make a third interim distribution[2] in the total amount of $9 million pursuant to the Court-approved Distribution Plan. Then in March 2026, additional Policies matured, which resulted in the receivership receiving $14.45 million in death benefits. The Receiver again adjusted and reevaluated the cash flow projection to account for these earlier than anticipated maturities and was able to make a fourth interim distribution in the total amount of $12 million in July 2026. Due to additional Policy maturities, the Receiver made an additional $9 million interim distribution to investors in October 2026, bringing the total amount distributed in 2026 to $30 million. For the duration of the receivership, $75.3 million in interim distributions have been made to investors, out of $106 million in total investor claims.

Pursuant to the Court-approved Distribution Plan, the Receiver will make further rounds of interim distributions to investors with allowed claims at such times as when, as a result of Policy maturities, cash has accumulated in the receivership estate to allow the Receiver to safely make such distributions.

B. Investor Communications

The Receiver has established a dedicated web page on his website which is being used to provide case information, regular updates, and answers to frequently asked questions to investors and creditors. The Internet address for the webpage is as follows: http://www.ethreeadvisors.com/cases/pwcg/. The Receiver mailed a letter to all investors in the week following his appointment to inform them of the receivership and direct them to the website to obtain further notices and updates. The Receiver has posted the Appointment Order and other filings relating to the receivership on the webpage and will continue to update it with relevant filings and orders of the Court. Investors and creditors can sign up at the webpage to receive

[2] The first interim distribution being the $37 million distributed in 2021 and the second being the $8.25 million distributed in 2023-2024 as part of the settlement with Mills Potoczak & Company.

monthly email updates about the case. To ensure receipt of future notices, investors and creditors should promptly contact the Receiver's office at pwcg@ethreeadvisors.com if their contact information changes and provide their new contact information.

III. SUMMARY OF RECEIPTS AND DISBURSEMENTS

The following table reflects a summary of the receipts and disbursements for the receivership estate from July 1, 2026, through September 30, 2026:

Balance as of 7/1/26	$17,690,995
Policy Maturities	$9,207,589
Interest & Misc. Income	$11,572
Disbursements to Receiver/Professionals	($46,740)
Policy Premium Pmts & Business Asset Expenses	($1,020,309)
Federal & State Taxes	($0)
Investor Distributions	($11,551,674)
Ending Balance as of 9/30/26	$14,291,433

In addition, the Standardized Fund Accounting Report for the receivership estate for the corresponding time period of July 1, 2026, through September 30, 2026, is attached hereto as Exhibit A.

IV. RECOMMENDATIONS

The Receiver's efforts to maximize recoveries for the receivership estate are ongoing. The Receiver and his professionals make the following recommendations.

A. Life Expectancy and Cash Flow Analysis

The Receiver, with the assistance of 21st, will continue to monitor the portfolio and evaluate the benefits of holding versus selling the Policies.

B. Provide Reports to the Court on a Quarterly Basis

The Receiver will continue to provide reports to the Court on a quarterly basis, as well as seeking Court approval of fees and costs on a quarterly basis.

C. Future Distributions

As discussed above, the Receiver will continue to closely monitor the performance of the portfolio and, pursuant to the Court-approved Distribution Plan, will make further rounds of interim distributions to investors with allowed claims at such times as when, as a result of Policy maturities, cash has accumulated in the receivership estate such that the Receiver can safely make such distributions.

Dated: November 20, 2026

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP

By: */s/ Edward G. Fates*
EDWARD G. FATES
Attorneys for Receiver
THOMAS HEBRANK

EXHIBIT A

Thomas C. Hebrank, Receiver
E3 Advisors
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(619) 567-7223

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL - RECEIVERSHIP FUND

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
v.
PACIFIC WEST CAPITAL GROUP, INC.; ANDREW B CALHOUN IV; PWCG TRUST; et al, Defendants

Case No. 2:15-cv-02563 FMO (FFMx)

REPORTING PERIOD 07/01/26 TO 09/30/26

STANDARDIZED FUND ACCOUNTING REPORT for PWCG Trust - Cash Basis
Case No. 2:15-cv-02563 FMO (FFMx)
Reporting Period 07/01/26 to 09/30/26

FUND ACCOUNTING (See instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/26):	17,690,995		17,690,995
	Increases in Fund Balance:			
Line 2	Business Income			-
Line 3	Policy Maturities	9,207,589		9,207,589
Line 4	Interest/Dividend Income	10,631		10,631
Line 5	Business Asset Liquidation	-		-
Line 6	Personal Asset Liquidation	-		-
Line 7	Third-Party Litigation Income			-
Line 8	Misc - Insurance & Prop Tax Refunds	941		941
	Total Funds Available (Lines 1 - 8):	**26,910,156**		**26,910,156**
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors	(11,551,674)		(11,551,674)
Line 10	Disbursements to Receivership Operations			
Line 10a	*Disbursement to Receiver or Other Professionals*	(56,681)		(56,681)
Line 10b	*Business Asset Expenses*	(1,010,368)		(1,010,368)
Line 10c	*Personal Asset Expenses*	-		-
Line 10d	*Investment Expenses*	-		-
Line 10e	*Third-Party Litigation Expenses*	-		-
	1. Attorney Fees	-		-
	2. Litigation Expenses	-		-
	Total Third-Party Litigation Expenses	-		-
Line 10f	*Tax Administrator Fees and Bonds*	-		-
Line 10g	*Federal and State Tax Payments*	-		-
	Total Disbursements for Receivership Operations	-		**(1,067,049)**
Line 11	**Disbursements for Distribution Expenses Paid by the Fund:**			
Line 11a	*Distribution Plan Development Expenses:*			
	1. Fees:			
	Fund Administrator	-		-
	Independent Distribution Consultant (IDC)	-		-
	Distribution Agent	-		-
	Consultants	-		-
	Legal Advisors	-		-
	Tax Advisors	-		-
	2. Administrative Expenses	-		-
	3. Miscellaneous	-		-
	Total Plan Developmental Expenses			-
Line 11b	*Distribution Plan Implementation Expenses:*			
	1. Fees:			
	Fund Administrator	-		-
	IDC	-		-
	Distribution Agent	-		-
	Consultants	-		-
	Legal Advisors	-		-
	Tax Advisors	-		-
	2. Administrative Expenses	-		-
	3. Investor Identification:			
	Notice/Publishing Approved Plan	-		-
	Claimant Identification	-		-
	Claims Processing	-		-
	Web Site Maintenance/Call Center	-		-
	4. Fund Administrator Bond	-		-
	5. Miscellaneous	-		-
	6. Federal Account for Investor Restitution (FAIR) Reports Expenses	-		-
	Total Plan Implementation Expenses			-
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	**Disbursements to Court/Other:**			
Line 12a	*Investment Expenses/Court Registry Investment System (CRIS) Fees*	-		-
Line 12b	*Federal Tax Payments*	-		-
	Total Disbursement to Court/Other:			-
	Total Funds Disbursed (Lines 9 - 11):			**(12,618,723)**
Line 13	**Ending Balance (As of 09/30/26):**			**14,291,433**

STANDARDIZED FUND ACCOUNTING REPORT for PWCG Trust - Cash Basis
Case No. 2:15-cv-02563 FMO (FFMx)
Reporting Period 07/01/26 to 09/30/26

Line 14	**Ending Balance of Fund - Net Assets:**			
Line 14a	*Cash & Cash Equivalents*			14,291,433
Line 14b	*Investments*			-
Line 14c	*Other Assets or Uncleared Funds*			-
	Total Ending Balance of Fund - Net Assets			14,291,433

OTHER SUPPLEMENTAL INFORMATION:				
	Report of Items NOT to be Paid by the Fund:	**Detail**	**Subtotal**	**Grand Total**
Line 15	**Disbursement for Plan Administration Expenses Not Paid by the Fund:**			
Line 15a	*Plan Development Expenses Not Paid by the Fund:*			
	1. Fees:			
	Fund Administrator	-		-
	IDC	-		-
	Distribution Agent	-		-
	Consultants	-		-
	Legal Advisors	-		-
	Tax Advisors	-		-
	2. Administrative Expenses	-		-
	3. Miscellaneous	-		-
	Total Plan Developmental Expenses Not Paid by the Fund			-
Line 15b	*Plan Implementation Expenses Not Paid by the Fund*			
	1. Fees:			
	Fund Administrator	-		-
	IDC	-		-
	Distribution Agent	-		-
	Consultants	-		-
	Legal Advisors	-		-
	Tax Advisors	-		-
	2. Administrative Expenses	-		-
	3. Investor Identification			
	Notice/Publishing Approved Plan	-		-
	Claimant Identification	-		-
	Claims Processing	-		-
	Web Site Maintenance/Call Center	-		-
	4. Fund Administrator Bond	-		-
	5. Miscellaneous	-		-
	6. FAIR Reporting Expenses	-		-
	Total Plan Implementation Expenses Not Paid by the Fund			-
Line 15c	*Tax Administrator Fees & Bonds Not Paid by the Fund*			-
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	**Disbursements to Court/Other Not Paid by the Fund:**			
Line 16a	*Investment Expenses/CRIS Fees*	-		-
Line 16b	*Federal Tax Payments*	-		-
	Total Disbursement to Court/Other Not Paid by the Fund:			-
Line 17	**DC & State Tax Payments**	-		-

Line 18	**No. of Claims:**	
Line 18a	*# of Claims Received This Reporting Period*	1,548
Line 18b	*# of Claims Received Since Inception of Fund*	1,548
Line 19	**No. of Claimants/Investors:**	
Line 19a	*# of Claimants/Investors Paid this Reporting Period*	1,548
Line 19b	*# of Claimants/Investors Paid Since Inception of Fund*	1,548

Receiver:

By: Thomas C Hebrand

Thomas C. Hebrank
Court-Appointed Receiver

Date: 11/5/26

PWCG Trust
Quarterly Operating Report - Financial Summaries

	RR#30 06/30/25	RR#31 09/30/25	RR#32 12/31/25	RR#33 03/31/26	RR#34 06/30/26	RR#35 09/30/26
Beginning Cash	6,400,666	6,353,183	4,558,743	4,722,159	7,157,184	17,690,995
Receipts						
Policy Maturities	2,013,315	-	1,914,609	10,565,814	14,529,278	9,207,589
Investor Recoveries	-	-	-	-	-	-
Interest Income	16,995	27,246	6,558	10,098	4,408	10,631
Miscellaneous - Other	5,735	-	24,295	19	113	941
Policy Sales	-	-	-	-	-	-
Total Receipts	2,036,046	27,246	1,945,462	10,575,931	14,533,799	9,219,161
Disbursements						
Disbursements to Receiver/Professionals	(10,485)	(35,317)	-	(38,105)	(33,094)	(46,740)
Disbursements to Portfolio Manager				(11,709)	(9,811)	(9,941)
Business Asset Expenses	(1,748,856)	(1,786,370)	(1,782,046)	(1,592,791)	(1,671,291)	(1,010,368)
Investor Distributions				(6,498,301)	(2,228,387)	(11,551,674)
Litigation Expenses	-	-	-	-	-	-
Net Business Asset Expenses	(1,759,341)	(1,821,687)	(1,782,046)	(8,140,906)	(3,942,583)	(12,618,723)
Federal and State Tax Payments/Refunds	(324,187)				(57,404)	
Total Disbursements	(2,083,528)	(1,821,687)	(1,782,046)	(8,140,906)	(3,999,987)	(12,618,723)
Ending Cash	6,353,183	4,558,743	4,722,159	7,157,184	17,690,995	14,291,433
Bank Statements						
Checking	63,262	101,575	93,016	50,391	42,310	74,711
PWCG Trust #1	1,198,495	713,521	753,954	3,724,354	4,624,894	8,728,096
PWCG Trust #2	1,728,844	353,873	478,885	591,502	456,516	4,462,547
CD	3,082,188	3,109,215	3,115,610	-	-	-
CBB						
Western Alliance	280,394	280,559	280,694	2,790,937	12,567,275	1,026,079
	6,353,183	4,558,742	4,722,159	7,157,184	17,690,995	14,291,433