

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	No. 09-CV-0063
v.	:	
	:	
JOSEPH S. FORTE and	:	
JOSEPH FORTE, L.P.,	:	
	:	
Defendants.	:	

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COMMODITY FUTURES TRADING	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	No. 09-CV-0064
v.	:	
	:	
JOSEPH S. FORTE,	:	
	:	
Defendant.	:	

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**UPDATE TO THE PRELIMINARY QUANTITATIVE CLAIMS REPORT OF MARION A. HECHT, RECEIVER FOR JOSEPH S. FORTE AND JOSEPH FORTE, L.P.**

The Receiver for Joseph S. Forte and Joseph Forte, L.P. submits this update to the Preliminary Quantitative Claims Report of Marion A. Hecht, Receiver for Joseph S. Forte and Joseph Forte, L.P., filed on August 15, 2012 (Dkt. No. 130 (2:09-cv-0063) and Dkt. No. 112 (2:09-cv-0064)), to advise the Court concerning developments since the filing of that Report.

**I. The Receiver Recommends Allowing the Quantitative Claims of the Seven Limited Partners Who Submitted Late Claims**

In the Quantitative Claims Report, the Receiver identified, by investor number, eight Limited Partners who had a positive account balance and therefore potentially had a claim against the Receivership Estate, but from whom the Receiver did not receive a claim form. Following the issuance of the Quantitative Claims Report, the Receiver again provided notice to these eight Limited Partners that if they wished to make a claim against the Receivership Estate, they had to submit a notice of dispute to the Receiver on or before September 14, 2012. The Receiver subsequently received notices of dispute and claim forms from seven of these eight Limited Partners. Each of these “late” claimants agrees with the Receiver’s calculations set forth on Exhibit 2 concerning the amount of their claims. Based on a review of the claim forms submitted and the Receiver’s communications with these Limited Partners regarding the reasons that their claim forms were not submitted by July 16, 2012, the Receiver recommends that these seven Limited Partners’ claims be allowed as priority 1 claims. The Limited Partners who submitted “late” claims are identified herein by investor number and their capital account balance as listed on Exhibit 2:

<b>Investor No.</b>	<b>Capital Account Balance on Exhibit 2</b>
1058	\$20,000
1071	\$325,000
1074	\$47,666
1075	\$114,000
1076	\$20,000
1092	\$30,000
1127	\$332,914

The Receiver has attached, as Exhibit A, a revised Claims Matrix reflecting these seven claims and has included the reference “U.I” (for Update section I) in the “Note re Claims” field to identify these “late” claims.<sup>1</sup>

Despite her best efforts, the Receiver has not received a notice of dispute or any other communication from Investor No. 1021, the only other Limited Partner with a positive capital account balance who has not submitted a claim form. Therefore, the Receiver recommends that no distribution be made to Investor No. 1021.

## **II. The Notices of Dispute Received From Limited Partners and Potential Claimants Contesting the Receiver’s Recommendations Set Forth in the Quantitative Claims Report**

Paragraph 10(b) of the Bar Date Order provides that any individual or entity who wished to dispute the Receiver’s recommendations about the extent, validity, or priority of its claim had 30 days from the date that the Quantitative Claims Report was mailed to them to submit a notice of dispute to the Receiver. The Receiver has received three notices of dispute on behalf of eighteen Limited Partners<sup>2</sup> and one notice of dispute on behalf of four potential claimants.<sup>3</sup>

The Receiver intends to seek to resolve the disputes with those individuals and entities who submitted notices of dispute. If the Receiver and the disputing claimant cannot reach a resolution of the dispute after a good faith effort, the dispute will be submitted to the Court for

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<sup>1</sup> In addition, the Receiver has filed the revised Claims Matrix with the names of Limited Partners under seal.

<sup>2</sup> Notices of Dispute were mailed on September 12, 2012 on behalf of Investor No. 1093; on September 13, 2012 on behalf of Investor Nos. 1112 and 1113; and on September 14, 2012 on behalf of Investor Nos. 1052, 1044, 1039.5, 1040, 1041, 1004, 1005, 1006, 1032.5, 1033, 1047, 1048, 1049, 1050, and 1051.

<sup>3</sup> A Notice of Dispute was mailed on September 13, 2012 on behalf of claimants Thomas Wilson, Kevin Ryan, Kim Morton, and Fronefield Crawford Jr., who were participants in Investor No. 1020, a “net winner” profit sharing plan.

resolution pursuant to the procedures set forth in paragraph 11 of the Bar Date Order.

Dated: September 27, 2012

Respectfully submitted,

s/ Arlene Fickler

Lawrence T. Hoyle, Jr.

Arlene Fickler

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**Counsel for Marion A. Hecht, as  
Receiver for Joseph S. Forte and Joseph Forte,  
L.P.**

**CERTIFICATE OF SERVICE**

I hereby certify that on this date, I caused a true and correct copy of the foregoing Update to the Preliminary Quantitative Claims Report of Marion A. Hecht, Receiver for Joseph S. Forte and Joseph Forte, L.P. to be filed electronically and to be made available for viewing and downloading from the ECF system of the United States District Court for the Eastern District of Pennsylvania. On this date, the Receiver also caused a copy of this report to be mailed, via first class mail, to each individual or entity who submitted a notice of dispute or, if represented by counsel, to their counsel. The Receiver will also post a copy of this report on the Receivership website, [www.fortereceivership.com](http://www.fortereceivership.com).

Dated: September 27, 2012

s/ John Timmer  
John Timmer

# **Exhibit A**

## **To Update to Preliminary Quantitative Claims Report**

### **Claimant Matrix**

Schedule of Claims Received

1	Last Name/Entity	First Name	Investor Number	Amount of Investor Claim	Agree with Exhibit 2?	Amount of Non-Investor Claim	Receiver Quantitative Recommendation as of 8/15/12	Notice of Dispute Received?	Receiver Quantitative Recommendation as of 9/27/12	Priority Level	Note re Claims <sup>1</sup>
1			1001	3,242,934	Yes		3,242,934	No	3,242,934	1	
2			1002	25,000	Yes		25,000	No	25,000	1	
3			1003	250,000	Yes		250,000	No	250,000	1	
4			1004	432,526	Yes		432,526	Yes; investor seeks to net accounts	432,526	1	II.B
5			1005	283,810	Yes		283,810	Yes; investor seeks to net accounts	283,810	1	II.B
6			1006	446,499	Yes		446,499	Yes; investor seeks to net accounts	446,499	1	II.B
7			1008	50,000	Yes		50,000	No	50,000	1	
8			1009	0	Yes		0	No	0	1	
9			1010	1,285,430	Yes		1,285,430	No	1,285,430	1	
10			1011	1,849,323	Yes		1,849,323	No	1,849,323	1	
11			1012	62,000	Yes		62,000	No	62,000	1	
12			1014	80,000	Yes		80,000	No	80,000	1	
13			1015	20,000	Yes		20,000	No	20,000	1	
14			1016	100,000	Yes		100,000	No	100,000	1	
15			1022	60,000	Yes		60,000	No	60,000	1	
16			1027	250,000	Yes		250,000	No	250,000	1	
17			1030	850,000	Yes		850,000	No	850,000	1	
18			1031	634,244	Yes		634,244	No	634,244	1	
19			1032.5	288,122	Yes		288,122	Yes; investor seeks to net accounts	288,122	1	II.B
20			1033	1,423,766	Yes		1,423,766	Yes; investor seeks to net accounts	1,423,766	1	II.B
21			1039.5	1,691,766	Yes		1,691,766	Yes; investor seeks to net accounts	1,691,766	1	II.B
22			1040	1,691,766	Yes		1,691,766	Yes; investor seeks to net accounts	1,691,766	1	II.B
23			1041	1,691,765	Yes		1,691,765	Yes; investor seeks to net accounts	1,691,765	1	II.B
24			1044	84,359	Yes		84,359	Yes; investor seeks to net accounts	84,359	1	II.B

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25		1047	24,258	Yes		24,258	Yes; investor seeks to net accounts	24,258	1	II.B
26		1048	49,685	Yes		49,685	Yes; investor seeks to net accounts	49,685	1	II.B
27		1049	48,267	Yes		48,267	Yes; investor seeks to net accounts	48,267	1	II.B
28		1050	46,162	Yes		46,162	Yes; investor seeks to net accounts	46,162	1	II.B
29		1051	448,221	Yes		448,221	Yes; investor seeks to net accounts	448,221	1	II.B
30		1052	3,198,488	Yes		3,198,488	Yes; investor seeks to net accounts	3,198,488	1	II.B
31		1055	150,000	Yes		150,000	No	150,000	1	
32		1056	1,020,000	Yes		1,020,000	No	1,020,000	1	
33		1057	195,000	No		301,500	No	301,500	1	II.C
34		1058	20,000	Yes		0	Yes; Receiver recommends allowing claim	20,000	1	U.I
35		1059	300,000	Yes		300,000	No	300,000	1	
36		1062	410,000	Yes		410,000	No	410,000	1	
37		1063	170,000	Yes		170,000	No	170,000	1	
38		1066	83,000	Yes		83,000	No	83,000	1	
39		1067	9,321	Yes		9,321	No	9,321	1	
40		1068	65,000	Yes		65,000	No	65,000	1	
41		1070	0	N/A		0	No	0	N/A	II.D
42		1071	325,000	Yes		0	Yes; Receiver recommends allowing claim	325,000	1	U.I
43		1072	50,000	Yes		50,000	No	50,000	1	
44		1074	47,666	Yes		0	Yes; Receiver recommends allowing claim	47,666	1	U.I
45		1075	114,000	Yes		0	Yes; Receiver recommends allowing claim	114,000	1	U.I



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46			1076	20,000	Yes		0	Yes; Receiver recommends allowing claim	20,000	1	U.I
47			1078	700,000	Yes		700,000	No	700,000	1	
48			1082	122,000	Yes		122,000	No	122,000	1	
49			1084	105,000	Yes		105,000	No	105,000	1	
50			1086	170,000	No		650,000	No	650,000	1	II.C
51			1087	2,767,562	Yes		2,767,562	No	2,767,562	1	
52			1088	45,000	No		44,056	No	44,056	1	II.C
53			1091	250,000	Yes		250,000	No	250,000	1	
54			1092	30,000	Yes			Yes; Receiver recommends allowing claim	30,000	1	U.I
55			1093	0	N/A		0	Yes; investor seeks to net accounts	0	N/A	II.B, II.D
56			1094	1,250,000	Yes		1,250,000	No	1,250,000	1	II.B
57			1095	133,000	Yes		133,000	No	133,000	1	
58			1096	940,940	Yes		940,940	No	940,940	1	
59			1099	0	N/A		0	No	0	N/A	II.D
60			1100	121,588	Yes		121,588	No	121,588	1	
61			1101	0	N/A		0	No	0	N/A	II.D
62			1104	11,000	Yes		11,000	No	11,000	1	
63			1105	6,000	Yes		6,000	No	6,000	1	
64			1106	177,411	Yes		177,411	No	177,411	1	
65			1107	175,388	Yes		175,388	No	175,388	1	
66			1108	401,731	Yes		401,731	No	401,731	1	
67			1110	490,000	No		490,000	No	490,000	1	II.C

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68(a)			1112	291,976 (in combination with Investor No. 1113)	No		370,000	Yes; investor seeks to net accounts	370,000	1	II.B, II.C
68(b)			1113	291,976 (in combination with Investor No. 1112)	No		0	Yes; investor seeks to net accounts	0	N/A	II.B, II.C, II.D
69			1115	130,108	Yes		130,108	No	130,108	1	
70			1116	180,000	Yes		180,000	No	180,000	1	
71			1122	500,000	Yes		500,000	No	500,000	1	
72			1123	24,000	Yes		24,000	No	24,000	1	
73			1124	76,000	Yes		76,000	No	76,000	1	
74			1125	200,000	Yes		200,000	No	200,000	1	
75			1126	100,000	Yes		100,000	No	100,000	1	
76			1127	332,914	Yes		0	Yes; Receiver recommends allowing claim	332,914	1	U.I
77			1128	15,000	Yes		15,000	No	15,000	1	
78			1129	130,000	Yes		130,000	No	130,000	1	
79			1130	40,000	Yes		40,000	No	40,000	1	
80	Aqua Cool		N/A			81.09	81.09	No	81.09	2	II.F.4
81	Crawford, Jr.	Fronefield	N/A			Contingent - see note	0	Yes; claimant disputes the receipt of "net winnings"	0	N/A	II.F.1
82	IRS		N/A			582,581.82	0	No	0	N/A	II.F.5
83	Lautman	Natalie	N/A			Contingent - see note	0	No	0	N/A	II.F.2
84	Lautman	Samuel	N/A			Contingent - see note	0	No	0	N/A	II.F.2
85	McCorkle	Michael N. & Donna M.	N/A			200,000	200,000	No	200,000	1	II.F.3
86	McManus	Joseph P.	N/A			225,000	225,000	No	225,000	1	II.F.3

**Schedule of Claims Received**

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87	Morton PECO Energy Company	Kim Denise	N/A			Contingent - see note	0	Yes; claimant disputes the receipt of "net winnings"	0	N/A	II.F.1
88			N/A			4,260.52	4,260.52	No		2	II.F.4
89		Allie R.	N/A			Contingent - see note	0	No	0	N/A	II.F.2
90		Corte R.	N/A			Contingent - see note	0	No	0	N/A	II.F.2
91		Remy R.	N/A			Contingent - see note	0	No	0	N/A	II.F.2
92		Lauren S.	N/A			Contingent - see note	0	No	0	N/A	II.F.2
93		Monica B.	N/A			Contingent - see note	0	No	0	N/A	II.F.2
94	Ryan	Kevin J.	N/A			Contingent - see note	0	Yes; claimant disputes the receipt of "net winnings"	0	N/A	II.F.1
95	US Naval Academy Foundation		N/A			Contingent - see note	0	No	0	N/A	II.F.2
96	Wilson	Thomas R.	N/A			Contingent - see note	0	Yes; claimant disputes the receipt of "net winnings"	0	N/A	II.F.1

1 The references in the "Note re: Claims" column are to the applicable section in the Receiver's Preliminary Quantitative Claims Report discussing the claim asserted.

These notes referencing the Receiver's Preliminary Quantitative Claims Report can be summarized as follows:

- II.B -- Limited Partners who attempted to aggregate their claims with other Limited Partners
- II.C -- Limited Partners who disagreed with the Receiver's calculations set forth on Exhibit 2
- II.D -- Claims filed by Limited Partners who did not lose money in the Partnership
- II.F.1 -- Claims filed by non-investors who contend that they lost money in a profit sharing plan which was a "net winner" Limited Partner
- II.F.2 -- Contingent claims filed by non-investor subsequent transferees
- II.F.3 -- Non-investor claims by non-investors for loans made to Joseph Forte in December 2008
- II.F.4 -- Non-investor claims by non-investor utility companies for amounts owed them by Joseph Forte
- II.F.5 -- Non-investor claim by the IRS
- U.1 -- Limited Partners who submitted claims after the claims bar date of July 16, 2012.