

September 5, 2017

**RE: *SEC v. Forte*, No. 10-cv-0063-PD (E.D. Pa.) and
CFTC v. Forte, No. 10-cv-0064-PD (E.D. Pa.)**

Dear Claimant:

Enclosed is a copy of the Motion to Approve Third Interim Distribution that Receiver's counsel filed with the Court today. This motion seeks the Court's approval to distribute, or reserve for subsequent distribution, approximately \$2,800,000.00. The amount to be distributed or reserved for each claimant was calculated in accordance with the methodology previously approved by the Court in the Bar Date Order.

Should you disagree with the relief requested in this motion, the deadline for filing a response, under the Court's rules, is September 19, 2017.

Please do not hesitate to contact me should you have any questions. My phone number is (571) 227-9613 and my email is marion.hecht@claconnect.com. As a reminder, we maintain a public website at www.fortereceivership.com.

Sincerely,

Joseph Forte, L.P. Receivership



Marion A. Hecht, CPA, CFF, CFE, CIRA, MBA
Principal, Fraud & Forensic Investigations
Receivership & Litigation
571.227.9613
marion.hecht@claconnect.com

Enclosure

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

-----	:	
SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	CIVIL ACTION NO. 09-CV-0063-PD
	:	
JOSEPH S. FORTE and	:	
JOSEPH FORTE, L.P.,	:	
	:	
Defendants.	:	
-----	:	
	:	
COMMODITY FUTURES TRADING	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	CIVIL ACTION NO. 09-CV-0064-PD
	:	
JOSEPH S. FORTE	:	
	:	
Defendants.	:	
-----	:	

ORDER

AND NOW, this _____ day of _____, 2017, upon consideration of the motion of Marion A. Hecht, as Receiver for Joseph Forte, L.P., for an Order to Approve a Third Interim Distribution, it is hereby ORDERED that:

1. The motion is GRANTED;

2. A total of \$2,858,303.22 shall be distributed to the following 61 claimants whose claims the Receiver has recommended for qualitative approval as Category (iii) claims in the following amounts:

INVESTOR NUMBER	AMOUNT OF THIRD INTERIM DISTRIBUTION
<i>1001.0</i>	<i>\$ 371,031.57</i>
<i>1002.0</i>	<i>\$ 2,862.02</i>
<i>1003.0</i>	<i>\$ 28,620.14</i>
<i>1004.0</i>	<i>\$ 32,919.55</i>
<i>1005.0</i>	<i>\$ 34,178.57</i>
<i>1006.0</i>	<i>\$ 34,326.98</i>
<i>1008.0</i>	<i>\$ 5,724.03</i>
<i>1010.0</i>	<i>\$ 147,156.76</i>
<i>1011.0</i>	<i>\$ 211,647.21</i>
<i>1012.0</i>	<i>\$ 4,718.82</i>
<i>1014.0</i>	<i>\$ 9,158.45</i>
<i>1015.0</i>	<i>\$ 1,522.20</i>
<i>1016.0</i>	<i>\$ 11,448.06</i>
<i>1027.0</i>	<i>\$ 28,620.14</i>
<i>1030.0</i>	<i>\$ 97,308.49</i>
<i>1031.0</i>	<i>\$ 48,272.31</i>
<i>1032.5</i>	<i>\$ 21,928.97</i>
<i>1033.0</i>	<i>\$ 162,993.56</i>
<i>1039.5</i>	<i>\$ 193,674.35</i>
<i>1040.0</i>	<i>\$ 193,674.35</i>
<i>1041.0</i>	<i>\$ 193,674.24</i>
<i>1047.0</i>	<i>\$ 2,770.82</i>
<i>1048.0</i>	<i>\$ 5,687.97</i>
<i>1049.0</i>	<i>\$ 5,525.64</i>
<i>1050.0</i>	<i>\$ 5,347.00</i>
<i>1055.0</i>	<i>\$ 17,172.08</i>
<i>1056.0</i>	<i>\$ 116,770.18</i>
<i>1058.0</i>	<i>\$ 2,289.61</i>
<i>1062.0</i>	<i>\$ 31,205.10</i>
<i>1063.0</i>	<i>\$ 12,938.70</i>
<i>1071.0</i>	<i>\$ 37,206.19</i>

INVESTOR NUMBER	AMOUNT OF THIRD INTERIM DISTRIBUTION
<i>1072.0</i>	<i>\$ 5,724.03</i>
<i>1074.0</i>	<i>\$ 5,470.22</i>
<i>1075.0</i>	<i>\$ 13,050.79</i>
<i>1076.0</i>	<i>\$ 1,522.20</i>
<i>1078.0</i>	<i>\$ 80,136.40</i>
<i>1084.0</i>	<i>\$ 12,020.46</i>
<i>1086.0</i>	<i>\$ 12,938.70</i>
<i>1088.0</i>	<i>\$ 3,353.10</i>
<i>1091.0</i>	<i>\$ 28,620.14</i>
<i>1092.0</i>	<i>\$ 3,434.42</i>
<i>1094.0</i>	<i>\$ 143,100.71</i>
<i>1096.0</i>	<i>\$ 113,527.60</i>
<i>1104.0</i>	<i>\$ 1,051.70</i>
<i>1105.0</i>	<i>\$ 686.88</i>
<i>1106.0</i>	<i>\$ 21,586.79</i>
<i>1107.0</i>	<i>\$ 21,265.30</i>
<i>1108.0</i>	<i>\$ 30,575.75</i>
<i>1110.0</i>	<i>\$ 37,293.90</i>
<i>1112.0</i>	<i>\$ 28,160.70</i>
<i>1115.0</i>	<i>\$ 14,894.84</i>
<i>1122.0</i>	<i>\$ 57,240.29</i>
<i>1123.0</i>	<i>\$ 2,747.54</i>
<i>1124.0</i>	<i>\$ 5,784.36</i>
<i>1125.0</i>	<i>\$ 22,896.11</i>
<i>1126.0</i>	<i>\$ 11,448.06</i>
<i>1127.0</i>	<i>\$ 47,707.99</i>
<i>1128.0</i>	<i>\$ 1,141.65</i>
<i>1129.0</i>	<i>\$ 9,894.30</i>
<i>Michael N. & Donna M. McCorkle</i>	<i>\$ 22,896.11</i>
<i>Joseph P. McManus</i>	<i>\$ 25,758.13</i>

This distribution, when completed by the Receiver, will bring to approximately eight million dollars (\$8,000,000.00) the funds distributed or deemed distributed to the allowed claimants thus far during the pendency of this Receivership.

3. In accordance with the Court's Order of July 6, 2015 (Dkt. #209 of 09-cv-0063; Dkt. #186 of 09-cv-0064), all of the funds being held in the Deferred Claim Reserve, other than the \$12,020.99 previously allocated to Investor #1022, have been reallocated among the above-listed claimants as part of this distribution. That \$12,020.99 shall continue to be held in the Deferred Claim Reserve for allocation among approved claimants.

4. In accordance with the Consent Order of March 30, 2017 (Dkt. # 235 of 09-cv-0063; Dkt. # 213 of 09-cv-0064; Dkt. # 26 of 15-cv-6756), Investors Nos. 1066, 1067, 1068 and 1087 are not participating in this distribution as the funds being distributed derive exclusively from the Settlement described in that Order. Nothing herein precludes those Investors participating in subsequent distributions from the Receivership Estate, including the \$12,020.99 held in the Deferred Claim Reserve, consistent with the terms of that March 30, 2017, Consent Order.

5. Nothing in this Order is intended to or shall modify the terms, conditions, requirements, or provisions of the Bar Date Order.

BY THE COURT:

Paul S. Diamond, J.

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

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	CIVIL ACTION NO. 09-CV-0063-PD
	:	
JOSEPH S. FORTE and JOSEPH FORTE, L.P.,	:	
	:	
Defendants.	:	
	:	
	:	
	:	
COMMODITY FUTURES TRADING COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	CIVIL ACTION NO. 09-CV-0064-PD
	:	
JOSEPH S. FORTE	:	
	:	
Defendants.	:	
	:	

RECEIVER’S MOTION TO APPROVE THIRD INTERIM DISTRIBUTION

Marion A. Hecht (the “Receiver”), as the Court-appointed Receiver for Joseph Forte, L.P. (the “Partnership”), by and through her counsel, Schnader Harrison Segal & Lewis LLP, hereby moves the Court for an Order to Approve a Third Interim Distribution. Specifically, the Receiver proposes now to distribute \$2,858,303.22 – \$1,806,683.93 of the funds currently held in the Deferred Claim Reserve pursuant to the July 6, 2015, Order approving the Second Interim Distribution (Dkt. #209 of 09-cv-0063; Dkt. #186 of 09-cv-0064) and more than \$1 million in cash recovered since the Second

Interim Distribution. If the Court approves this proposed distribution, a total of approximately \$8,000,000.00 will have been distributed or deemed to have been distributed to claimants during the course of this Receivership. Upon receipt of the proposed distribution, each of the 61 claimants participating in this distribution will have received, or will be deemed to have received, either during the operation of the Partnership or during the pendency of this Receivership no less than 31.483% of their investments into the Partnership. In support thereof, the Receiver avers as follows:

PROCEDURAL BACKGROUND

1. These actions arise out of a Ponzi scheme operated by Joseph S. Forte (“Forte”) from 1995 through 2008 through which Forte defrauded investors in Joseph Forte, L.P. (“the Partnership”) out of over \$34 million.
2. The Securities and Exchange Commission (“SEC”) and Commodities Futures Trading Commission (“CFTC”) commenced these actions by filing Complaints on January 7, 2009.
3. On March 30, 2009, this Court entered an Order (the “Appointment Order”) appointing Marion A. Hecht as Receiver for Defendants to oversee the recovery and liquidation of Forte’s and the Partnership’s assets and the distribution of recovered assets to investors in the Partnership (Dkt. # 26 of 09-cv-0063; Dkt. # 24 of 09-cv-0064).
4. The Appointment Order instituted an equity receivership to oversee and administer Forte’s and the Partnership’s assets and maximize returns to the victims of the fraudulent scheme.

5. This Court asserted its jurisdiction over the assets of Forte and the Partnership through the Appointment Order and vested the Receiver with the power to dispose of Receivership Assets and to administer the Receivership Estate on behalf of the Court and in the interest of the victims of the Ponzi scheme.

6. Section X(T) of the Appointment Order provides that the Receiver shall “[p]repare and submit to the Court, the SEC, the CFTC, and the Defendants a Plan of Distribution providing for interim and/or final distributions with respect to the Receivership Assets and, as ordered, any other assets collected in this matter or any related matter for approval by the Court.”

BAR DATE ORDER AND ITS IMPLEMENTATION

7. On May 16, 2012, the Court entered the Order Setting a Claims Bar Date, Establishing Claims Resolution Procedures, and Approving Distribution Methodology (the “Bar Date Order”) (Dkt. # 123 of 09-cv-0063; Dkt. # 105 of 09-cv-0064). That Order effected the following:

- a) established July 16, 2012, as the Bar Date for claims against the Receivership Estate;
- b) approved the Receiver’s proposed procedures for the evaluation of both quantitative and qualitative aspects of claims against the Estate; and
- c) approved a hybrid distribution methodology for the allocation of Receivership Estate assets to claimants under which 50% of the assets available for distribution would be distributed according to

the Rising Tide methodology, and then the remaining 50% of the assets would be distributed according to the Net Investment methodology.

8. The Receiver received a total of 96 claim forms. A total of 79 claims were received from Limited Partners (one of which was submitted on behalf of two limited partners) and 17 claims were received from other claimants.

9. Having analyzed those claims, on September 27, 2012, the Receiver recommended that the claims be divided into 77 priority 1 claims¹ totaling \$34,592,576, two priority 2 claims² totaling \$4,341.61, and 18 disallowed claims. (Dkt. No. 133 in 09-cv-0063).

10. As discussed more fully below, since September 27, 2012, in connection with certain settlements of the Receiver's claims against investors who were net winners, certain claimants have agreed to withdraw or reduce their claims by a total of \$5,469,156, reducing the total value of priority 1 claims to \$29,123,420 and reducing the number of priority 1 claims to 65.

11. The Receiver has recommended that the remaining 65 priority 1 claimants be categorized, in accordance with Paragraph 10(e) of the Bar Date Order, as Category

¹ Claimants designated as priority 1 are individuals or entities whom the Receiver recognizes as having claims against Joseph Forte, L.P. either because they were Limited Partners or, in the case of Michael and Donna McCorkle and Joseph McManus, because they are individuals who loaned money to Joseph Forte which was deposited into the Joseph Forte L.P. bank account and was used to satisfy Limited Partner redemption requests.

² Claimants designated as priority 2 are individuals or entities who made claims against Joseph Forte personally for money that he allegedly owed to them. The Receiver has recommend that the Receivership Estate pay claims designated as priority 2 only if there are funds remaining after all priority 1 claims have been paid in full. Based on the recovery to date, it is unlikely that there will be any distribution to priority 2 claimants.

(iii) claimants who are entitled to participate in the distribution of funds recovered by the Receiver.

FIRST AND SECOND INTERIM DISTRIBUTIONS

12. On January 17, 2014, the Receiver filed a motion seeking approval for a partial interim distribution (the “First Interim Distribution Motion”) (Dkt. # 178 of 09-cv-0063; Dkt. # 157 of 09-cv-0064).

13. On February 5, 2014, the Court granted that motion, authorizing an initial interim distribution in the amount of approximately \$1,500,000, representing approximately 62% of the total cash then in the Receivership’s bank accounts. (Dkt. # 184 of 09-cv-0063; Dkt. # 163 of 09-cv-0064).

14. Pursuant to that Order, on February 14, 2014, the Receiver distributed \$859,416.45 to 49 claimants whose claims the Receiver had recommended for qualitative approval as Category (iii) claims.³

15. Pursuant to that same Order, the Receiver initially reserved \$637,601.30 for potential future distribution to 26 claimants whose claims were not recommended for distribution as of the time that the Receiver filed the First Interim Distribution Motion.

³ As a result of a rounding error in the computer program used by the Receiver to prepare the data incorporated into the order submitted to the Court in connection with her Motion To Approve Interim Distribution, the Motion sought approval to distribute \$859,416.46 even though the individual distributions requested to be approved (and in fact approved) by the Court totaled \$859,416.45. Throughout this Motion, we refer to the \$859,416.45 actually distributed.

16. On May 15, 2015, the Receiver filed a motion seeking approval for a second partial interim distribution (the “Second Interim Distribution Motion”) (Dkt. # 209 of 09-cv-0063; Dkt. # 186 of 09-cv-0064).

17. On July 6, 2015, the Court granted that motion, authorizing an additional interim distribution in the amount of approximately \$4,000,000, representing approximately 78% of the total cash then in the Receivership’s bank accounts. (Dkt. # 214 of 09-cv-0063; Dkt. # 191 of 09-cv-0064).

18. Pursuant to that July 6, 2015, Order, on July 14, 2015, the Receiver distributed \$2,295,968.29 to the 50 claimants whose claims the Receiver had recommended for qualitative approval as Category (iii) claims.

19. Pursuant to that same Order, the Receiver increased the reserve to \$2,338,146 for potential future distribution to 19 claimants whose claims were not recommended for distribution as of the time that the Receiver filed her Second Interim Distribution Motion. As explained in the Second Interim Distribution Motion, after the filing of the First Interim Distribution Motion, the number of claimants whose claims were “reserved” had been reduced by seven to nineteen.

20. Paragraph 4 of that same Order provides as follows with respect to the funds held in the Deferred Claim Reserve:

“The funds held as part of the Deferred Claim Reserve shall only be subject to the claims of the Deferred Claimants. Upon disallowance of all or part of any Deferred Claimant’s claim, the appropriate amount reserved by the Receiver for such Deferred Claimant shall no longer be held in the Deferred Claim Reserve for that Claimant but shall continue to be held in the Reserve for subsequent reallocation among the remaining claimants as

part of any subsequent distribution.”

DEVELOPMENTS SINCE THE SECOND INTERIM DISTRIBUTION

21. Since the Court entered its Order of July 6, 2015, approving the Second Interim Distribution Motion, the Receiver has recovered \$3,164,986.87 in cash as a result of settlements entered into before and after the Order.⁴

22. As of July 31, 2017, the date of the financial report attached hereto as Exhibit 1, net of expenses and Court-approved distributions paid by the Receiver, the Receivership Estate had a total of \$5,764,742.63 cash assets in the Receivership’s bank accounts. This total includes the \$1,818,704.92 held in the Deferred Claim Reserve.

23. Two of the settlements negotiated by the Receiver contain provisions that relate to the 19 disputed claimants for whom the Deferred Claim Reserve was established.

24. One settlement, in Civil Action No. 10-7440, resulted in the withdrawal of the claim of Investor # 1022, releasing \$12,020.99 from the Deferred Claim Reserve for redistribution among the remaining claimants as part of this proposed Third Interim Distribution.

25. The second settlement in Civil Action No. 15-cv-6756, hereafter referred to as the “Investor Families Settlement,” was a complex agreement documented in the

⁴These recoveries include recoveries from Investor No. 1020 (\$26,500), Investor No. 1120 (\$54,823.00), Investor No. 1025 (\$10,000), Investor No. 1090 (\$5,000), MF Global (\$140,000), the Irwin Bankruptcy (\$378,663.87) and the Family Investors (\$2,550,000).

Consent Order approved by the Court on March 30, 2017 (Dkt. # 235 of 09-cv-0063; Dkt. # 213 of 09-cv-0064; Dkt. # 26 of 15-cv-6756), pursuant to which:

- a. Certain settling investors paid \$2,550,000 in cash to the Receiver (*see id.* at ¶1a);
- b. The claims of Investors #1044, 1051, and 1052, which collectively total \$3,731,068 (representing more than 10% of the total priority 1 claims submitted), were withdrawn and those claimants agreed that they shall not receive any distribution from the Receivership Estate (*see id.* at ¶2). The effect of the withdrawal of these claims was to release \$339,900.29 held in the Deferred Claim Reserve for redistribution among the remaining claimants as part of this proposed Third Interim Distribution;
- c. Investors Nos. 1004, 1005, 1006, 1032.5, 1033, 1039.5, 1040, 1041, 1047, 1048, 1049, and 1050 released their exclusive claims to the \$1,466,783.64 then being held in the Deferred Claim Reserve (*see id.* at ¶1b). The claims of these investors were approved so that they may share in any subsequent distribution(s) of the Receivership Estate; however, these claimants are deemed to have received the first and second distributions from the Receivership Estate in determining the subsequent distribution(s) to which they are entitled (*see id.* at ¶ 3);

- d. The \$519,441.08 then being held in the Deferred Claim Reserve for Investors Nos. 1066, 1067, and 1087 was distributed to them (*see id.* at ¶ 5); and
- e. Investors Nos. 1066, 1067, 1068 and 1087 agreed to release their claims to participate in any subsequent distributions of the \$4,356,683.93 recovered by the Receiver pursuant to the Investor Families Settlement (*see id.* at ¶6).

26. As a result of these settlements, there are now 65 approved priority 1 claimants.

27. As a result of these settlements, all of the disputed claims for which the Deferred Claim Reserve was initially created have been resolved. Attached hereto as Exhibit 2 is a chart showing the effect on the Deferred Claim Reserve of the above-described settlements. As discussed more fully below, and in accordance with paragraph 4 of the Court's order of July 6, 2015 (quoted in paragraph 20 above), the Receiver proposes that (i) \$1,806,683.93 of the Deferred Claim Reserve released as a result of the Investor Families Settlement be distributed now and (ii) the \$12,020.99 previously held in reserve for Investor #1044 continue to be held in a Deferred Claim Reserve (as explained in paragraph 34 below).

28. With the consummation of these settlements, only one of the Receiver's claims remained in litigation (Civil Action No. 15-cv-2553). The Court recently resolved that claim by granting in part and denying in part the Receiver's motion for summary judgment.

29. With the resolution of that claim, the Receiver is now in a position to seek this Court's approval of the steps to wind up the Receivership Estate. Those steps will include filing a final tax return for the Estate and seeking a determination from the Internal Revenue Service that the Receivership Estate's qualified settlement fund federal tax returns have been properly filed and that the IRS has no claims against the Receivership Estate or the Receiver. Although the Receiver has filed the necessary IRS Forms 4810 for the tax returns heretofore filed by the Receiver, she must file a final tax return before she can file the associated Form 4810. As it can take as long as 12 to 18 months to obtain such an IRS determination, the Receiver now seeks to distribute approximately half of the funds in the Receivership Estate.

30. If approved by the Court, the distribution proposed in this Motion would leave approximately \$2.9 million in the Receiver's bank accounts. In conjunction with any funds hereafter recovered by the Receiver and interest earned on the Receiver's investment of these funds, funds remaining in the Receiver's bank accounts after the proposed interim distribution would be used, in accordance with paragraph 14 of the Bar Date Order, for a final distribution to approved claimants, and to the extent approved by the Court, payment to the Receiver and her professionals for fees and costs in connection with the administration of the windup up procedures as well as for fees held back on prior fee applications. While the extent of future recoveries is at present unknown, the amount not proposed to be distributed at this time is slightly more than the sum of the amounts to be requested in the anticipated Tenth Fee Petition (which, in accordance with the Appointment Order is currently being reviewed by counsel for the SEC and CFTC), the amounts held back on prior fee petitions filed by the Receiver and her professionals, and

the amounts of fees and costs expected to be incurred in connection with the windup of the Estate.

31. The Receiver anticipates a fourth and final distribution upon the termination of the Estate, the size of which will depend on (i) the amount of any additional funds recovered as a result of additional distributions from the Irwin Estate, the recovery on the judgment recently entered in Civil Action No. 15-cv-2553, and the sale of the unpaid judgments obtained by the Receiver, (ii) the extent of the work required to be performed by the Receiver and her professionals in winding up the Estate; and (iii) the size of any final fee award that the Court may determine should be paid to the Receiver and her professionals for their work on this Receivership.

PROPOSED THIRD INTERIM DISTRIBUTION

32. The Receiver proposes now to make a third interim distribution. With the inclusion of the Deferred Claim Reserve and approximately \$1.04 million in cash, the Receiver is proposing a distribution which, if approved by the Court, would bring to approximately \$7,999,912.68 the funds distributed or deemed distributed to the allowed claimants thus far during the pendency of this Receivership. Specifically, the total funds distributed in this Receivership would be calculated as follows:

Distribution pursuant to First Distribution Order	\$ 859,416.45
Distribution pursuant to Second Distribution Order	\$2,295,968.29
Distribution pursuant to March 30, 2017 Consent Order	
Investors 1066, 1067, and 1087	\$ 519,441.08
Family Investors' Deemed Distribution (non-cash)	\$1,466,783.64
Deferred Claim Reserve	\$1,806,683.93
Additional Cash for Proposed Third Distribution	<u>\$1,051,619.29</u>
	<u>\$7,999,912.68</u>

33. The proposed distribution of \$2,858,303.22, if approved by the Court, would represent approximately 50% of the total cash currently in the Receivership's bank accounts (including all but \$12,020.99 of the funds in the Deferred Claim Reserve.

34. In light of the agreement of Investors Nos. 1066, 1067, 1068 and 1087 not to participate in the distribution of any funds recovered in the Families Investors' Settlement, the Receiver has determined that those Investors should not participate in this Third Distribution which is composed of funds recovered in that settlement. Specifically, \$1,806,683.93 held in the Deferred Claim Reserve is available for re-distribution pursuant to the terms of the Consent Order documenting the Families Investors' Settlement. In addition, while other funds have been recovered since the Second Interim Distribution, the \$1,051,619.29 in new funds being distributed represents less than half of the funds recovered by the Receiver pursuant to her settlement with the Family Investors. In order to eliminate any dispute about the non-participation of Investors Nos. 1066, 1067, 1068 and 1087 in this Third Interim Distribution, the Receiver has concluded that she will continue to maintain in the Deferred Claim Reserve the \$12,020.99 previously held in reserve for Investor #1044. The Receiver recommends that these Investors not participate in this proposed Third Interim Distribution, with the understanding that these Investors will not be precluded from participating in subsequent distributions from the Receivership Estate, consistent with the terms of the March 30, 2017, Consent Order.

35. Although Investors Nos. 1066, 1067, 1068 and 1087 are not participating in this Third Interim Distribution, in calculating the amounts now to be distributed, the amounts previously distributed to these Investors pursuant to the First and Second

Interim Distribution Orders is taken into account in allocating the funds to be distributed among other claimants in this proposed Third Interim Distribution.

36. In accordance with the Bar Date Order, the Receiver has calculated how much would be distributed among the other 61 priority 1 claimants if this motion is granted.

37. Although the Bar Date Order authorizes interim distributions, it did not specifically address how the hybrid methodology approved by the Court is to be applied when there are multiple distributions. Accordingly, the Receiver represented in the First Interim Distribution Motion that, in order to effectuate the partial distribution without having any claimant receive in the end more or less than he or she would have received had there been only one distribution, the Receiver would calculate future distributions as follows:

- a. In the calculation of the “**Rising Tide**” portion of any future distribution after the first interim distribution, the Receiver will determine future distributions without reference to any amounts distributed under the “Net Investment” portion of the first (or subsequent) interim distribution(s).
- b. In the calculation of the “**Net Investment**” portion of any future distribution after the first interim distribution, the Receiver will determine future distributions to assure that the aggregate of the first interim and future “Net Investment” distributions received by each claimant represents the same total “Net Investment” percentage

distribution based on a claim amount that is reduced by both the first interim and future distributions under the “Rising Tide” portion of the distribution methodology.

See First Interim Distribution Motion at ¶ 27.

38. In light of these representations to the Court in the First Interim Distribution Motion, when the Receiver filed her Second Interim Distribution Motion, she calculated the amounts to be distributed so that no claimant would receive more or less than he or she would have received had there been only one distribution. Therefore, in the Second Interim Distribution Motion, the amounts were calculated as if the Receiver were then distributing \$5,500,000.00, representing the aggregate of the approximately \$1,500,000 distributed pursuant to the First Interim Distribution Motion and the approximately \$4,000,000 that the Receiver then proposed to distribute.⁵ Specifically, the amounts were calculated by (a) first, calculating how 50% of the aggregate of \$5,500,000.00, or approximately \$2,750,000, should be distributed in accordance with the “Rising Tide” methodology; and (b) second, calculating how the remaining 50% of the aggregate of \$5,500,000.00, should be distributed in accordance with the “Net Investment” methodology, using each investor’s adjusted claim amount reduced by the aggregated Rising Tide distribution to allocate the remaining assets according to dollar amount lost. The Receiver then reduced the amount thus calculated as the share of each

⁵ This approach to the calculation of the amounts to be distributed or reserved resulted in a re-distribution to the remaining claimants of the funds reserved pursuant to the Order approving the First Interim Distribution Motion for the seven Disputed Claimants who withdrew their claims between the filing of the First and Second Interim Distribution Motions.

claimant using the aggregated numbers by the amount that the claimant received pursuant to the Court's February 5, 2014, Order granting the First Interim Distribution Motion.

39. In this Third Interim Distribution Motion, the Receiver has calculated the amounts to be distributed in the same way:

- a. The Receiver determined how much each claimant would receive if approximately \$8 million were now being distributed to the approved claimants.
- b. First, the Receiver calculated how 50% of the aggregate of \$8 million, or approximately \$4 million, should be distributed in accordance with the "Rising Tide" methodology.
- c. Second, the Receiver calculated how the remaining 50% of the aggregate of approximately \$4 million, should be distributed in accordance with the "Net Investment" methodology, using each investor's adjusted claim amount reduced by the aggregated Rising Tide distribution to allocate the remaining assets according to dollar amount lost.
- d. The Receiver then reduced the amount thus calculated as the share of each claimant using the aggregated numbers by the amount that the claimant received or is deemed to have received pursuant to the First and Second Interim Distributions.

The results of these calculations are shown in Exhibit 3 to this motion.

40. As set forth in Exhibit 3, pursuant to this approach, if the Court approves this third interim distribution,

- a. Under the “**Rising Tide**” portion of the calculation, each of the 61 approved claimants participating in this distribution who received less than 17.726% of their investments in the Partnership during the operation of the Partnership, would receive, as a result of the combined first, second and proposed third interim distributions, an amount sufficient for them to recover at least that percentage of their Partnership investment. See column C.2 on Exhibit 3.
- b. Under the “**Net Investment**” methodology, each of the 61 approved claimants participating in this distribution would receive, as a result of the combined first, second and proposed third interim distributions, an amount equal to 16.721% of the amount the investor lost, using each investor’s adjusted claim amount reduced by the aggregated Rising Tide distribution. See column F on Exhibit 3.
- c. Of the approximately \$8 million (\$7,999,912.68) distributed or deemed distributed over the life of this Receivership (see column G on Exhibit 3), a total of \$3,999,949.65 would be distributed or deemed distributed under the Rising Tide methodology (see column C on Exhibit 3) and \$3,999,963.03 under the Net Investment Methodology (see column E on Exhibit 3). In light of prior distributions and deemed distributions of \$5,141,609.46 (see column I on Exhibit 3), a total of

\$2,858,303.22 (see column J on Exhibit 3) would now be distributed to the 61 claimants participating in this proposed Third Interim Distribution.

41. Exhibit 3 reflects the amounts to be distributed from the proposed third distribution to the 61 participating approved claimants. Those amounts consist of Rising Tide and Net Investment calculations as appropriate and total \$2,858,303.22.

42. As set forth in column H on Exhibit 3, if the Court approves this proposed distribution, the 61 participating approved claimants would receive, depending on how much of their initial capital investment they had received during the operation of the Forte Partnership, between 16.721% and 31.483% of their claims from the approximately \$8 million distributed or deemed distributed over the course of the Receivership. Put differently, upon receipt of the proposed distribution, each of these 61 claimants would have received either during the operation of the Partnership or during the pendency of this Receivership no less than 31.483% of their investments into the Partnership.

43. The Receiver respectfully requests that the Court approve the distribution of \$2,858,303.22 to the 61 identified claimants in the amounts shown on Exhibit 3.

NOW THEREFORE, the Receiver respectfully requests this Honorable Court to grant this motion and approve a third interim distribution of approximately \$2,858,303.22 to the 61 identified claimants in the amounts shown on Exhibit 3.

Dated: September 5, 2017

Respectfully submitted,

s/ Arlene Fickler

Lawrence T. Hoyle, Jr.

Arlene Fickler

Samuel W. Silver

Schnader Harrison Segal & Lewis LLP

1600 Market Street, Suite 3600

Philadelphia, Pennsylvania 19103

Telephone (215) 751-2000

Facsimile (215) 751-2205

Attorneys for Marion A. Hecht, Receiver

CERTIFICATE OF SERVICE

I hereby certify that on this date, I caused a true and correct copy of the foregoing Receiver's Motion To Approve Third Interim Distribution, to be filed electronically and made available for viewing and downloading from the ECF system of the United States District Court for the Eastern District of Pennsylvania. The Receiver will also post a copy of the motion and related documents on the Receivership website, www.fortereceivership.com.

The following counsel were served through the ECF system and through electronic mail:

Jennifer Barry, Esquire
United States Securities and Exchange
Commission
701 Market Street, Suite 2000
Philadelphia, PA 19106
barryj@sec.gov

Luke B. Marsh, Esquire
U.S. Commodity Futures Trading
Commission
Division of Enforcement
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
lmars@cftc.gov

In addition, all persons who submitted a claim in accordance with the Court's Bar Date Order were served via electronic mail in care of their attorneys or, if unrepresented, at their electronic addresses; those persons for whom the Receiver does not have email addresses were served via first class mail at their last known address.

Dated: September 5, 2017

s/ John R. Timmer
John R. Timmer

EXHIBIT 1

EXHIBIT 1 to 3rd Distribution
Joseph Forte, LP and Joseph S. Forte Receivership
Cash Basis Fund Accounting Report
Case Nos: 09-CV-0063 and 0064
Reporting Period: 03/30/2009 to 7/31/2017

FUND ACCOUNTING			Changes Since 16th Receiver's Report SFAR Dated 1/31/2017
Beginning Balance (As of 03/30/2009):	\$	-	
Cash and Securities Transferred to Receiver:			
Citizens Bank	89,140.82		-
MF Global	6,267.54	95,408.36	-
	<u> </u>		
Interest/Dividend Income:			
Old Dominion National Bank Interest (Account Opened 7/14/17)	6.51		6.51
Eagle Bank Money Market Interest and ICS Account Interest (thru Eagle Bank)	53,012.17		5,101.92
Presidential Bank interest	2,238.88		-
Diversified Private Equity Inv II, LP (dividend)	6,516.63		-
Diversified Private Equity Inv, LP (dividend)	614.08		-
Plenum Capital Management, LP (dividend)	266.17	62,654.44	-
	<u> </u>		
Personal Asset Recoveries:			
<i>Investments (personal):</i>			
American Funds Forte 401K early distribution	125,619.20		-
Sale of Personal Investment (DPEI I & II)	70,000.00		-
Sale of Personal Investment (Knight, Nova Plex Plenum, Probaris)	12,000.00		-
Sale of Personal Investment (PPB Advisors)	7,000.00		-
Sale of Personal Investment (Yaupon)	55,000.00	269,619.20	-
	<u> </u>		
<i>Charitable Donations:</i>			
Augustinian Friars (return of contribution)	5,000.00		-
Cardinal O'Hara High School (return of contribution)	325,749.00		-
Craig Williams for Congress (return of contribution)	6,900.00		-
Evanfest (return of contribution)	3,500.00		-
Hill top Prep (return of Gift)	154,992.00		-
Malvern Prep (return of contribution)	700,000.00		-
Marine Corps Scholarship Foundation (return of contribution)	10,500.00		-
Monsignor Bonner High School (return of contribution)	163,600.00		-
PowerLift (return of deposit to charity)	10,000.00		-
Republican National Committee (return of gift)	1,350.00		-
St. Anastasia (return of contribution)	100,000.00	1,481,591.00	-
	<u> </u>		
<i>Gifts:</i>			
Charlie Cannon (return of gift)	3,800.00		-
George Long (return of gift)	2,000.00		-
Gilbert Nassib (return of gift)	12,500.00		-
Joe Devlin (return of loan)	15,019.49		-
Lisa Saddler (return of gift)	4,000.00	37,319.49	-
	<u> </u>		
<i>Real Property:</i>			
Sale of 55th Street house	105,253.00		-
Sale of Sounds Ave	397,500.00		-
Sale of Fawn Hill Lane	33,581.21	536,334.21	-
	<u> </u>		
<i>Personal Property:</i>			
Barry S Slossberg Inc (sale of Forte vehicles)	42,375.00		-
Barry S Slossberg Inc (sale of jewelry)	9,378.75		-
Barry S Slossberg Inc (sale of personal property)	28,935.35		-
Dana Forte (purchase of household items)	700.00		-
Guardian Life Insurance proceeds	26,499.49		-
MF Global (mentee Jim Boudwin account)	2,371.53	110,260.12	-
	<u> </u>		
Total Asset Recoveries Before Investor Recovery		\$ 2,593,186.82	

EXHIBIT 1 to 3rd Distribution
Joseph Forte, LP and Joseph S. Forte Receivership
Cash Basis Fund Accounting Report
Case Nos: 09-CV-0063 and 0064
Reporting Period: 03/30/2009 to 7/31/2017

Forte LP Asset Recoveries (Continued)		
Balance Carried Forward:	\$ 2,593,186.82	
Investor Recoveries:		
Investor 1059.5 [plus additional Litigation Recovery below as to Settlement of \$1,151,655.80 and also the Bankruptcy Court proceeds]	757,615.00	-
Investor 1102.0 (includes interest of \$30,453)	550,000.00	-
Investor 1029.0 (includes interest of \$5,000)	427,206.00	-
Investor 1093.0	330,000.00	-
Investor 1018.0	325,000.00	-
Investor 1113.0 (includes interest of \$46,518)	325,000.00	-
Investor 1099.0 (includes interest of \$7,298)	285,003.00	-
Investor 1103.0	272,433.00	-
Investor 1098.0 (includes interest of \$4,000)	203,373.00	-
Investor 1080.0	200,000.00	-
Investor 1017.0 (includes interest of \$8,000)	183,207.00	-
Investor 1073.0	122,424.00	-
Investor 1026.0	95,467.00	-
Investor 1119.0 (includes interest of \$4,380)	92,000.00	-
Investor 1060.0, 1082.0, 1095.0, and 1116.0	90,600.00	-
Investor 1131.0 (includes interest of \$2,045)	49,000.00	-
Investor 1101.0	41,017.00	-
Investor 1070.0 (includes interest of \$3,500)	55,000.00	-
Investor R01	30,000.00	-
Investor 1020.0	51,000.00	-
Investor 1111.0	23,305.00	-
Investor 1121.0	19,315.00	-
Investor 1097.0	14,439.00	-
Investor 1120.0	54,823.00	-
Investor 1025.0	10,000.00	-
Investor 1090.0	5,000.00	-
Investor Families Settlement per Order 3/30/17 (Civil Action No. 15-cv-6756) totaling \$2,550,000.00 applied to net winnings of \$2,432,957.00 for 11 investors below together with interest of \$117,043.00		
Investor #1032	1,639,499.00	1,639,499.00
Investor #1077	400,000.00	400,000.00
Investor #1054	110,262.00	110,262.00
Investor #1043	97,260.00	97,260.00
Investor #1045	66,660.00	66,660.00
Investor #1042	54,638.00	54,638.00
Investor #1046	35,078.00	35,078.00
Investor #1037	9,430.00	9,430.00
Investor #1038	7,460.00	7,460.00
Investor #1038	6,930.00	6,930.00
Investor #1036	5,740.00	5,740.00
Interest recovered	<u>117,043.00</u>	117,043.00
TOTAL Investor Families Settlement per Order 3/30/17	<u>2,550,000.00</u>	
Total Investor Recoveries		7,162,227.00
Litigation Recovery		
Ryan Settlement	100,000.00	-
MF Global Settlement	237,500.00	-
Irwin Settlement of \$1,151,655.80 (less recovery of net winnings of \$757,615 re investor number 1059.5) plus recovery from the Bankruptcy Court	2,159,610.69	
Total Litigation Recoveries		2,497,110.69
Total Funds Available Before Expenses	\$ 12,252,524.51	2,555,108.43

EXHIBIT 1 to 3rd Distribution
Joseph Forte, LP and Joseph S. Forte Receivership
Cash Basis Fund Accounting Report
Case Nos: 09-CV-0063 and 0064
Reporting Period: 03/30/2009 to 7/31/2017

Decreases in Fund Balance:		\$ -	
Disbursements to Receiver and Counsel (Professional Fees and Expenses)	2,682,025.30		183,831.62
Section 754 notices	2,847.00		-
Website	19,290.50		512.00
Registered Agent	1,873.60		-
Due Diligence Investigator	2,340.00		-
Expert Witness Fees	49,382.50		-
Family Investor Mediation Expenses	9,640.64		-
Publication	5,361.73		-
Property Search	150.00		-
Bond - U.S.D.C.	500.00		-
Appraiser	225.00		-
Tax Services	31,943.25		6,500.00
	2,805,579.52		
Bank Fees (net)		279.02	-
Personal Asset Upkeep and Protection Expenses:			
55th Street	2,443.57		-
76 Briarwood Rd	500.00		-
Fawn Hill Lane	3,175.10		-
Administrative - regarding insurance recovery	78.00		-
	6,196.67		
Distributions			
First Interim Distribution - Investors	834,290.11		-
First Interim Distribution - Other Claimants	25,126.34		-
Second Interim Distribution - Investors	2,235,945.97		-
Second Interim Distribution - Other Claimants	60,022.32		-
Distributions per 3/30/17 Order (Civil Action No. 15-cv-6756) (Investor #1066 \$7,561.30; investor #1067 \$849.14; investor #1087 \$511,030.64)	519,441.08		519,441.08
		3,674,825.82	710,284.70
Total Disbursements for Receivership Operations		\$ 6,486,881.03	
Ending Balance of Fund - Net Assets (as of 7/31/2017) [\$12,252,524.51 - 6,486,881.03]		\$ 5,765,643.48	
<p><i>Note: Prior Escrow of \$2,338,146 held in reserve (the "Deferred Claim Reserve") pursuant to an Order of the Court dated 07/06/15 has been reduced per 3/30/17 Court Order in the amount of \$519,441.08 as indicated above under Distributions per 3/30/17 Order. The Receiver has recommend distribution of \$1,806,683.93 of the remaining reserve together with additional funds in a 3rd interim distribution. If the proposed 3rd interim distribution is approved by the Court, the sum of \$12,020.99 will remain in the "Deferred Claim Reserve."</i></p>			
Eagle Bank Balance (as of 7/31/017)		\$ 246,553.69	
Less Outstanding Checks (as of 7/31/2017)		\$ -	
Insured Cash Sweep (ICS) account with Promontory Interfinancial Network, LLC through Eagle Bank (as of 7/31/2017)		\$ 5,509,083.28	
Old Dominion National Bank Balance as of (7/31/17)		\$ 10,006.51	
		\$ 5,765,643.48	

EXHIBIT 2

INVESTOR NUMBER	(A) RESERVED FOR DEFERRED RESERVE CLAIM PENDING DISPUTE RESOLUTION	(B) PAID PER 3-30-17 ORDER	(C) RELEASED INVESTOR CLAIMS INCLUDING RESERVED AMOUNTS (Note 1)	(D) NON-CASH RESERVE "DEEMED PAID" PER 3-30-17 ORDER
1004.0	\$39,403.12			\$39,403.12
1005.0	\$27,328.41			\$27,328.41
1006.0	\$41,087.74			\$41,087.74
1022.0	\$12,020.99		12,020.99	
1032.5	\$26,247.91			\$26,247.91
1033.0	\$285,251.20			\$285,251.2
1039.5	\$338,944.94			\$338,944.94
1040.0	\$338,944.94			\$338,944.94
1041.0	\$338,944.74			\$338,944.74
1044.0	\$7,685.10		\$7,685.10	
1047.0	\$4,266.74			\$4,266.74
1048.0	\$9,954.38			\$9,954.38
1049.0	\$9,670.28			\$9,670.28
1050.0	\$6,739.24			\$6,739.24
1051.0	\$40,832.93		\$40,832.93	
1052.0	\$291,382.26		\$291,382.26	
1066.0	\$7,561.30	\$7,561.30		
1067.0	\$849.14	\$849.14		
1087.0	\$511,030.64	\$511,030.64		
Total	\$2,338,146	\$519,441.08	\$351,921.28	\$1,466,783.64
Reserve to be allocated = 1,818,704.92 (Column A-B)				
Note 1: Page 9 of the 3-30-17 Order included the reserve amounts for three investors who waived all interest in their investor accounts (#1044, 1051, and 1052). In addition investor #1022 waived its interest earlier.				

EXHIBIT 3

Exhibit 3 to Receiver's Motion to Approve Third Interim Distribution
JOSEPH FORTE LP
CALCULATION OF PROPOSED THIRD INTERIM DISTRIBUTION FOR ALL INVESTORS

Investor ID No.	Total Capital Additions	Total Capital Distributions	Receiver Adjustments and Settlements	A Amount of Allowed Claim	B Pre-Receivership Percent Withdrawn	C Rising Tide			D=A-C Net Investment			E=G/A Proposed Third Distribution				
						C.1 Aggregate Pre- Receivership Return Plus Rising Tide First, Second & Proposed Third Distribution	C.2=C.1-B Aggregate Receiver Only Rising Tide First, Second, and Proposed Third Distribution	C.3=C.1-B Aggregate Receiver Only Rising Tide First, Second, and Proposed Third Distribution	D=A-C Claim Amount for Calculation of Net Investment Aggregate First, Second & Proposed Third Distribution	E=D*F Aggregate Net Investment First, Second & Proposed Third Distribution	F Aggregate First, Second & Proposed Third Net Investment % To Be Paid	G=C+E Aggregate First, Second & Proposed Third Distribution	H=G/A Aggregate % Return by Receiver Based on Amount of Allowed Claim	I Amount of Prior Distributions (Actual and Deemed) for Rising Tide & Net Investment	J=G-I Amount of Proposed Third Distribution for Rising Tide & Net Investment	K=A-G Investor Balance After First, Second & Proposed Third Distributions
1001.0	3,250,000	(7,066)	0	3,242,934	0.22%	567,791.84	17.726%	17.509%	2,675,142.16	\$ 447,310.52	16.721%	1,015,102.36	31.302%	644,070.79	371,031.57	2,227,831.64
1002.0	25,000	0	0	25,000	0.00%	4,431.50	17.726%	17.726%	20,568.50	\$ 3,439.26	16.721%	7,870.76	31.483%	5,008.74	2,862.02	17,129.24
1003.0	250,000	0	0	250,000	0.00%	44,315.00	17.726%	17.726%	205,685.00	\$ 34,392.59	16.721%	78,707.59	31.483%	50,087.45	28,620.14	171,292.41
1004.0	2,793,526	(2,361,000)	0	432,526	84.52%	-	84.517%	-	432,526.00	\$ 72,322.67	16.721%	72,322.67	16.721%	39,403.12	32,919.55	360,203.33
1005.0	315,091	(31,281)	(4,519.00)	279,291	11.36%	17,779.67	17.726%	6.366%	261,511.33	\$ 43,727.31	16.721%	61,506.98	22.023%	27,328.41	34,178.57	217,784.02
1006.0	581,999	(135,500)	4,519.00	451,018	22.51%	-	22.510%	-	451,018.00	\$ 75,414.72	16.721%	75,414.72	16.721%	41,087.74	34,326.98	375,603.28
1008.0	50,000	0	0	50,000	0.00%	8,863.00	17.726%	17.726%	41,137.00	\$ 6,878.52	16.721%	15,741.52	31.483%	10,017.49	5,724.03	34,258.48
1010.0	1,285,430	0	0	1,285,430	0.00%	227,855.32	17.726%	17.726%	1,057,574.68	\$ 176,837.06	16.721%	404,692.38	31.483%	257,535.62	147,156.76	880,737.62
1011.0	1,851,319	(1,996)	0	1,849,323	0.11%	325,817.15	17.726%	17.618%	1,523,505.85	\$ 254,745.41	16.721%	580,562.56	31.393%	368,915.35	211,647.21	1,268,760.44
1012.0	120,000	(58,000)	0	62,000	48.33%	-	48.333%	-	62,000.00	\$ 10,367.02	16.721%	10,367.02	16.721%	5,648.20	4,718.82	51,632.98
1014.0	80,000	0	0	80,000	0.00%	14,180.80	17.726%	17.726%	65,819.20	\$ 11,005.63	16.721%	25,186.43	31.483%	16,027.98	9,158.45	54,813.57
1015.0	120,000	(100,000)	0	20,000	83.33%	-	83.333%	-	20,000.00	\$ 3,344.20	16.721%	3,344.20	16.721%	1,822.00	1,522.20	16,655.80
1016.0	100,000	0	0	100,000	0.00%	17,726.00	17.726%	17.726%	82,274.00	\$ 13,757.04	16.721%	31,483.04	31.483%	20,034.98	11,448.06	68,516.96
1027.0	250,000	0	0	250,000	0.00%	44,315.00	17.726%	17.726%	205,685.00	\$ 34,392.59	16.721%	78,707.59	31.483%	50,087.45	28,620.14	171,292.41
1030.0	850,000	0	0	850,000	0.00%	150,671.00	17.726%	17.726%	699,329.00	\$ 116,934.80	16.721%	267,605.80	31.483%	170,297.31	97,308.49	582,394.20
1031.0	800,000	(165,756)	0	634,244	20.72%	-	20.720%	-	634,244.00	\$ 106,051.94	16.721%	106,051.94	16.721%	57,779.63	48,272.31	528,192.06
1032.5	4,450,573	(4,162,451)	0	288,122	93.53%	-	93.526%	-	288,122.00	\$ 48,176.88	16.721%	48,176.88	16.721%	26,247.91	21,928.97	239,945.12
1033.0	1,423,766	0	0	1,423,766	0.00%	252,376.76	17.726%	17.726%	1,171,389.24	\$ 195,867.99	16.721%	448,244.76	31.483%	285,251.20	162,993.56	975,521.24
1039.5	1,691,766	0	0	1,691,766	0.00%	299,882.44	17.726%	17.726%	1,391,883.56	\$ 232,736.85	16.721%	532,619.29	31.483%	338,944.94	193,674.35	1,159,146.71
1040.0	1,691,766	0	0	1,691,766	0.00%	299,882.44	17.726%	17.726%	1,391,883.56	\$ 232,736.85	16.721%	532,619.29	31.483%	338,944.94	193,674.35	1,159,146.71
1041.0	1,691,765	0	0	1,691,765	0.00%	299,882.26	17.726%	17.726%	1,391,882.74	\$ 232,736.71	16.721%	532,618.98	31.483%	338,944.74	193,674.24	1,159,146.02
1047.0	25,000	(742)	0	24,258	2.97%	3,580.00	17.726%	14.758%	20,678.00	\$ 3,457.57	16.721%	7,037.56	29.011%	4,266.74	2,770.82	17,220.44
1048.0	49,685	0	0	49,685	0.00%	8,807.16	17.726%	17.726%	40,877.84	\$ 6,835.18	16.721%	15,642.35	31.483%	9,954.38	5,687.97	34,042.65
1049.0	48,267	0	0	48,267	0.00%	8,555.81	17.726%	17.726%	39,711.19	\$ 6,640.11	16.721%	15,195.92	31.483%	9,670.28	5,525.64	33,071.08
1050.0	49,300	(3,138)	0	46,162	6.37%	5,244.41	17.726%	11.361%	40,917.59	\$ 6,841.83	16.721%	12,086.24	26.182%	6,739.24	5,347.00	34,075.76
1055.0	150,000	0	0	150,000	0.00%	26,589.00	17.726%	17.726%	123,411.00	\$ 20,635.55	16.721%	47,224.55	31.483%	30,052.47	17,172.08	102,775.45
1056.0	1,020,000	0	0	1,020,000	0.00%	180,805.20	17.726%	17.726%	839,194.80	\$ 140,321.76	16.721%	321,126.96	31.483%	204,356.78	116,770.18	698,873.04
1058.0	20,000	0	0	20,000	0.00%	3,545.20	17.726%	17.726%	16,454.80	\$ 2,751.41	16.721%	6,296.61	31.483%	4,007.00	2,289.61	13,703.39
1062.0	585,000	(175,000)	0	410,000	29.91%	-	29.915%	-	410,000.00	\$ 68,556.10	16.721%	68,556.10	16.721%	37,351.00	31,205.10	341,443.90
1063.0	283,000	(113,000)	0	170,000	39.93%	-	39.929%	-	170,000.00	\$ 28,425.70	16.721%	28,425.70	16.721%	15,487.00	12,938.70	141,574.30
1071.0	325,000	0	0	325,000	0.00%	57,609.50	17.726%	17.726%	267,390.50	\$ 44,710.37	16.721%	102,319.87	31.483%	65,113.68	37,206.19	222,680.13
1072.0	50,000	0	0	50,000	0.00%	8,863.00	17.726%	17.726%	41,137.00	\$ 6,878.52	16.721%	15,741.52	31.483%	10,017.49	5,724.03	34,258.48
1074.0	50,000	(2,334)	0	47,666	4.67%	6,224.23	17.726%	13.058%	41,441.77	\$ 6,929.48	16.721%	13,153.71	27.596%	7,683.49	5,470.22	34,512.29
1075.0	114,000	0	0	114,000	0.00%	20,207.64	17.726%	17.726%	93,792.36	\$ 15,683.02	16.721%	35,890.66	31.483%	22,839.87	13,050.79	78,109.34
1076.0	483,000	(463,000)	0	20,000	95.86%	-	95.859%	-	20,000.00	\$ 3,344.20	16.721%	3,344.20	16.721%	1,822.00	1,522.20	16,655.80
1078.0	700,000	0	0	700,000	0.00%	124,082.00	17.726%	17.726%	575,918.00	\$ 96,299.25	16.721%	220,381.25	31.483%	140,244.85	80,136.40	479,618.75
1084.0	105,000	0	0	105,000	0.00%	18,612.30	17.726%	17.726%	86,387.70	\$ 14,444.89	16.721%	33,057.19	31.483%	21,036.73	12,020.46	71,942.81
1086.0	750,000	(100,000)	(480,000.00)	170,000	37.04%	-	37.037%	-	170,000.00	\$ 28,425.70	16.721%	28,425.70	16.721%	15,487.00	12,938.70	141,574.30
1088.0	295,000	(251,474)	530	44,056	85.07%	-	85.066%	-	44,056.00	\$ 7,366.60	16.721%	7,366.60	16.721%	4,013.50	3,353.10	36,689.40
1091.0	250,000	0	0	250,000	0.00%	44,315.00	17.726%	17.726%	205,685.00	\$ 34,392.59	16.721%	78,707.59	31.483%	50,087.45	28,620.14	171,292.41
1092.0	30,000	0	0	30,000	0.00%	5,317.80	17.726%	17.726%	24,682.20	\$ 4,127.11	16.721%	9,444.91	31.483%	6,010.49	3,434.42	20,555.09
1094.0	1,250,000	0	0	1,250,000	0.00%	221,575.00	17.726%	17.726%	1,028,425.00	\$ 171,962.94	16.721%	393,537.94	31.483%	250,437.23	143,100.71	856,462.06
1096.0	1,049,915	(108,975)	0	940,940	10.38%	69,126.99	17.726%	7.347%	871,813.01	\$ 145,775.85	16.721%	214,902.84	22.839%	101,375.24	113,527.60	726,037.16
1094.0	13,000	(2,000)	0	11,000	15.38%	257.55	17.726%	2.341%	10,742.45	\$ 1,796.24	16.721%	2,053.80	18.671%	1,002.10	1,051.70	8,946.20
1105.0	6,000	(10,000)	10,000	6,000	0.00%	1,063.56	17.726%	17.726%	4,936.44	\$ 825.42	16.721%	1,888.98	31.483%	1,202.10	686.88	4,111.02
1106.0	199,300	(21,889)	0	177,411	10.98%	11,962.93	17.726%	6.743%	165,448.07	\$ 27,664.57	16.721%	39,627.50	22.337%	18,040.71	21,586.79	137,783.50
1107.0	200,000	(24,612)	0	175,388	12.31%	9,506.03	17.726%	5.420%	165,881.97	\$ 27,737.12	16.721%	37,243.15	21.235%	15,977.85	21,265.30	138,144.85
1108.0	566,731	(165,000)	0	401,731	29.11%	-	29.114%	-	401,731.00	\$ 67,173.44	16.721%	67,173.44	16.721%	36,597.69	30,575.75	334,557.56
1110.0	750,000	(264,940)	4,940	490,000	34.67%	-	34.667%	-	490,000.00	\$ 81,932.90	16.721%	81,932.90	16.721%	44,639.00	37,293.90	408,067.10
1112.0	467,000	(97,000)	0	370,000	20.77%	-	20.771%	-	370,000.00	\$ 61,867.70	16.721%	61,867.70	16.721%	33,707.00	28,160.70	308,132.30
1115.0	130,108	0	0	130,108	0.00%	23,062.94	17.726%	17.726%	107,045.06	\$ 17,899.00	16.721%	40,961.95	31.483%	26,067.11	14,894.84	89,146.05
1122.0	500,000	0	0	500,000	0.00%	88,630.00	17.726%	17.726%	411,370.00	\$ 68,785.18	16.721%	157,415.18	31.483%	100,174.89	57,240.29	342,584.82

Exhibit 3 to Receiver's Motion to Approve Third Interim Distribution
JOSEPH FORTE LP
CALCULATION OF PROPOSED THIRD INTERIM DISTRIBUTION FOR ALL INVESTORS

Investor ID No.	Total Capital Additions	Total Capital Distributions	Receiver Adjustments and Settlements	A Amount of Allowed Claim	B Pre-Receivership Percent Withdrawn	Rising Tide			Net Investment			Proposed Third Distribution				
						C Aggregate	C.1 Aggregate	C.2=C.1-B Aggregate	D=A-C Claim Amount for Calculation	E=D*F Aggregate	F Aggregate	G=C+E Aggregate	H=G/A Aggregate % Return	I Amount of	J=G-I Amount of	K=A-G Investor
						Rising Tide First, Second & Proposed Third Distribution	Pre-Receivership Return Plus Rising Tide First, Second & Proposed Third Distribution % Principal Returned	Receiver Only Rising Tide First, Second, and Proposed Third Distribution % Principal Returned	of Net Investment Aggregate First, Second & Proposed Third Distribution	Net Investment First, Second & Proposed Third Distribution	First, Second & Proposed Third Net Investment % To Be Paid	First, Second & Proposed Third Distribution	H= G/A Based on Amount of Allowed Claim	I Prior Distributions (Actual and Deemed) for Rising Tide & Net Investment	J= G-I Proposed Third Distribution for Rising Tide & Net Investment	K= A-G Balance After First, Second & Proposed Third Distributions
1123.0	24,000	0	0	24,000	0.00%	4,254.24	17.726%	17.726%	19,745.76	\$ 3,301.69	16.721%	7,555.93	31.483%	4,808.39	2,747.54	16,444.07
1124.0	160,000	(84,000)	0	76,000	52.50%	-	52.500%		76,000.00	\$ 12,707.96	16.721%	12,707.96	16.721%	6,923.60	5,784.36	63,292.04
1125.0	200,000	0	0	200,000	0.00%	35,452.00	17.726%	17.726%	164,548.00	\$ 27,514.07	16.721%	62,966.07	31.483%	40,069.96	22,896.11	137,033.93
1126.0	100,000	0	0	100,000	0.00%	17,726.00	17.726%	17.726%	82,274.00	\$ 13,757.04	16.721%	31,483.04	31.483%	20,034.98	11,448.06	68,516.96
1127.0	332,914	(12,000)	12,000	332,914	0.00%	59,012.34	17.726%	17.726%	273,901.66	\$ 45,799.10	16.721%	104,811.43	31.483%	57,103.44	47,707.99	228,102.57
1128.0	25,000	(10,000)	0	15,000	40.00%	-	40.000%		15,000.00	\$ 2,508.15	16.721%	2,508.15	16.721%	1,366.50	1,141.65	12,491.85
1129.0	200,000	(70,000)	0	130,000	35.00%	-	35.000%		130,000.00	\$ 21,737.30	16.721%	21,737.30	16.721%	11,843.00	9,894.30	108,262.70
Michael N. & Joseph P. McManus	225,000	0	0	200,000	0.00%	35,452.00		17.726%	164,548.00	\$ 27,514.07	16.721%	62,966.07	31.483%	40,069.96	22,896.11	137,033.93
Non-Participating Investors		0	-		0.00%	39,883.50		17.726%	185,116.50	\$ 30,953.33	16.721%	70,836.83	31.483%	45,078.70	25,758.13	154,163.17
1066.0	300,000	(217,000)		83,000					83,000	\$ 7,561.30						
		0			72.33%	-	72.333%	0.000%			9.110%	7,561.30	9.110%	7,561.30	-	75,438.70
1067.0	870,667	(861,346)	0	9,321	98.93%	-	98.929%	0.000%	9,321	\$ 849.14	9.110%	849.14	9.110%	849.14	-	8,471.86
1068.0	142,000	(77,000)	0	65,000	54.23%	-	54.225%	0.000%	65,000	\$ 5,921.50	9.110%	5,921.50	9.110%	5,921.50	-	59,078.50
1087.0	2,821,898	(54,336)	0	2,767,562	1.93%	\$284,856.14	12.020%	10.090%	2,482,706	\$ 226,174.50	9.110%	511,030.64	18.465%	511,030.64	-	2,256,531.36
TOTALS				<u>29,123,420</u>		<u>3,999,949.65</u>			<u>\$ 25,123,470.35</u>	<u>\$ 3,999,963.03</u>		<u>\$ 7,999,912.68</u>		<u>5,141,609.46</u>	<u>2,858,303.22</u>	<u>21,123,507.32</u>