

## RECEIVERSHIP FOR HORIZON PRIVATE EQUITY, III, LLC

### FREQUENTLY ASKED QUESTIONS

#### **General Questions**

1. What is the status of Horizon?

Horizon Private Equity, III, LLC (“Horizon”) and its assets are under the control of a Receiver. All of Horizon’s prior trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys, and other agents, including John J. Woods, have been dismissed and have no control over Horizon or its assets.

2. Does this mean that Horizon is out of business?

Horizon is no longer an operating entity. The Receiver, and her professionals such as attorneys, accountants, and investigators, are tasked with identifying and gathering the assets that belong to Horizon and ultimately will liquidate those assets for the benefit of investors.

3. Will John Woods continue to be involved with Horizon?

No.

4. Will the defendants in the SEC’s case face criminal prosecution?

The United States Attorney’s Office will have to make that decision. The Receiver has no knowledge of and no role in that decision.

5. What is a Receivership?

A Receivership is a mechanism that gives the moving party – the S.E.C. in this case – the opportunity to have a court-appointed neutral party put in place to locate, receive, preserve, and liquidate assets. Ultimately the Receiver will determine the amounts owed to individual investors and will distribute available assets in accordance with a plan approved by the Court.

6. Why was a Receivership necessary?

The S.E.C. alleged in its Complaint that Horizon and John Woods made numerous and material misrepresentations and omissions to investors concerning the use of the funds that were invested in Horizon. The Receiver, and her professionals such as attorneys, accountants, and investigators, are tasked with identifying and gathering the assets that belong to Horizon and ultimately will liquidate those assets for the benefit of investors. A copy of the S.E.C.’s Complaint can be found on the Civil Docket page of this website and is also available by [clicking here](#).

7. For whom does the Receiver work?

The Receiver is an agent of the Court put in place to take legal possession of and protect the assets of the Receivership and ultimately liquidate those assets with Court oversight. Ultimately, the Receiver will make distributions to claimants under a Court approved process.

8. What is the Receivership Order?

The Receivership Order defines the scope of responsibility and authority for the Receiver to take possession and exclusive control over assets. A copy of the Receivership Order may be found on the Civil Docket page of this website and is also available by [clicking here](#).

9. Other than Horizon's assets, what other assets are under the control of the Receiver?

Other assets under the control of the Receiver are John J. Woods interests in the following entities: Livingston Asset Management Company d/b/a Southport Capital and its holding company, Livingston Southport Investors, LLC; Lakewood Ranch Risk Management LLC d/b/a Southport Capital Risk Management; and Chattanooga Professional Baseball, LLC. The Receiver is not actively managing these entities, but there are managers (other than John Woods) in place for day-to-day operations.

10. What will be done to recover the funds that were lost due to fraud?

The Receiver will sort out what assets Horizon has that can be liquidated and secure the return of as much investor money as possible. The Receivership Order grants broad powers to the Receiver, including the authority to gather, manage and liquidate receivership assets and to sue on behalf of the Receivership. If the Receiver discovers that a third party wrongfully received investor money, the Receiver will demand the return of those funds and, if necessary, file a lawsuit to secure the return of the money. It will take time for the Receiver to investigate and liquidate assets for the Receivership. Ultimately, the Receiver will recommend a plan for making distributions to investors.

11. Can the Receiver sell assets?

Yes, with court approval the Receiver can and will sell assets for the benefit of investors.

12. Where can I learn more about the Receivership and obtain periodic updates?

The Receiver will post new information on this website from time to time including key Court documents, Important Dates and Receiver Reports. Additionally, if you subscribe to this webpage (Subscribe button on Civil Docket page) you will get updates by email as additional information is posted to this website.

13. What are the fees associated with a Receiver and how are they paid?

As stated in the Receivership Order, the Receiver is paid from the funds of the Receivership but only upon approval by the Court. The Receiver also has been granted permission to retain other professionals, such as attorneys, accountants, and investigators, to assist in the process of identifying and gathering assets that belong to the entities in this Receivership, and otherwise in discharging the Receiver's duties. Those professionals are also paid from the funds in the Receivership, upon prior approval of the Court. The Receiver's compensation is capped in accordance with the S.E.C.'s billing instructions.

### **Investor Questions**

14. Will investors get their money back?

It is very unlikely that investors will get their entire principal investment back. But the Receiver will do everything possible to maximize what she is able to return to investors.

15. Will I continue to receive monthly statements on my account?

Horizon investors who have accounts with Provident Trust should contact Provident Trust with any questions about their accounts. The Receiver is not affiliated with Provident Trust.

16. Will investors still be able to access their account records?

Horizon investors who have accounts with Provident Trust should contact Provident Trust with any questions about records on their accounts. The Receiver is not affiliated with Provident Trust.

17. I invested with my retirement account and received notification from my custodian stating that they will no longer support custody of my Horizon investment.

The Receiver is not a financial or retirement advisor and cannot provide financial or legal advice to investors. Please contact your financial, legal, and/or other advisors with questions regarding the treatment of your retirement account for tax and other purposes.

18. What is the connection between the Receivership and the class action lawsuit I have heard about?

The Receiver is not a party to any class action lawsuit you may have heard about. Further, the Receivership Order enjoins interference with the Receiver's efforts to take control, possession, or management of assets of the Receivership and stays all legal proceedings affecting the Receivership.

19. Whom do I contact for additional information?

If you subscribe to this webpage (Subscribe button on Civil Docket page) you will receive emails when updates are made to this website. For additional information you may call this number 855-425-1954 or send an email to [horizonreceivership@grierlaw.com](mailto:horizonreceivership@grierlaw.com).

## **Receivership Claims**

20. I am an investor in Horizon, can I get my money back now?

The Court will eventually be asked to approve a claims process as the first step toward making distributions to investors. Meanwhile, the Receivership Order freezes all assets and funds of the Receivership until the Court authorizes otherwise.

21. When do I have to file a claim?

The Court has not yet set a deadline for claims. Once the Court has approved a claims process and sets a deadline for filing claims, all known investors will receive notice. Information about how and when to submit a claim will be posted on this website.

22. How do I file a claim?

Once the Court has approved a claims process, information as to how to submit a claim will be posted on this website. Investors will be asked to complete a claim form and attach documentation of their claims. You do not need to send any documentation to the Receiver at this time.

23. What documentation will I have to submit with my claim?

Investors should attach documentation as to the dates and amounts of their investments in Horizon and the dates and amounts of any funds received from Horizon, whether characterized as principal or interest.

24. How much of my investment will I get back?

It is too soon to determine how much investors will receive from the Receivership. The Receiver is working to protect the assets of the Receivership, but there is no way to predict at this early date how much will be returned to each investor or when this will happen.

25. Why is Provident Trust deducting fees from my account?

In the past, John Woods paid Provident Trust's fees with a Horizon credit card. The Receivership Estate cannot assume responsibility for fees charged to investors' accounts, however. Please contact Provident Trust for questions regarding any fees that have been deducted from your Provident Trust account. The Receiver is not affiliated with Provident Trust.

26. Can I write off my investment loss on my tax return?

The Receiver cannot give any investor tax advice. Please contact your tax professional with any questions.

27. What tax reporting will the Receiver make with respect to my investment?

The Receiver is authorized to retain an accountant who will determine what, if any, tax reporting will be made regarding the investments in Horizon.

### **Other Questions**

28. What is the status of claims against third parties?

The Receiver will be investigating claims and causes of action against third parties to determine what, if any, claims should be asserted against third parties.

29. Is the Receiver my lawyer?

No, the Receiver is an agent of the Court charged with effectuating the Court's orders. The Receiver will, however, be investigating potential claims or methods of recovery that she can pursue for the benefit of all investors in Horizon.

30. Should I hire a lawyer?

The Receiver cannot give you legal advice. As authorized by the Court, however, the Receiver will be investigating all potential claims or methods of recovery that she can pursue for the benefit of all investors in Horizon. You always have the right to hire or consult with your own lawyer if you chose to do so.

31. How long does the receivership process take ?

At this early stage of the proceedings, we cannot predict how long it will take to complete the process.