

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 14-80468-CV-MIDDLEBROOKS/BRANNON

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JCS ENTERPRISES, INC. d/b/a JCS
ENTERPRISES SERVICES, INC., T.B.T.I., INC.,
JOSEPH SIGNORE, and PAUL L. SCHUMACK, II,

Defendants.

SUPPLEMENT TO FIFTH REPORT OF RECEIVER JAMES D. SALLAH, ESQ.

I, James D. Sallah, Esq., not individually, but solely in my capacity as the Court-appointed receiver (the “Receiver”) for JCS Enterprises Inc., d/b/a JCS Enterprises Services Inc. (“JCS”), T.B.T.I., Inc. (“TBTI”), My Gee Bo, Inc. (“Gee Bo”), JOLA Enterprise Inc. (“JOLA”), and PSCS Holdings, LLC (“PSCS”), their affiliates, subsidiaries, successors, and assigns (collectively, the “Receivership Entities” or “Estate”) submit this Supplement to my Fifth Report regarding the present status of the Estate (“Fifth Report”).

IMPORTANT – PLEASE READ CAREFULLY

THE STATEMENTS CONTAINED IN THIS REPORT ARE BASED ON MY INVESTIGATION CONDUCTED IN THE TIME ELAPSING FROM THE RECEIVERSHIP'S ESTABLISHMENT. I HAVE COMPILED THIS REPORT BASED ON BOTH MY AND MY PROFESSIONALS': (1) REVIEW OF TENS OF THOUSANDS OF PAGES OF DOCUMENTS, INCLUDING EXTENSIVE FINANCIAL RECORDS; AND (2) INTERVIEWS WITH NUMEROUS INDIVIDUALS, INCLUDING EMPLOYEES, ACCOUNTANTS, LEGAL PROFESSIONALS, VENDORS, INVESTORS, FINANCIAL INSTITUTIONS, AND OTHER RELATED PERSONS. THE FACTS AND CONCLUSIONS HEREIN MAY BE SUBJECT TO CHANGE AS MY INVESTIGATION PROGRESSES DURING THE COURSE OF THE RECEIVERSHIP. OTHER THAN THE AMOUNTS CONTAINED IN THE BANKS AND/OR BROKERAGE INSTITUTIONS, THE VALUE OF MOST OTHER ASSETS HAS YET TO BE DETERMINED DEFINITELY. AS ADDITIONAL INFORMATION IS DISCOVERED, I INTEND TO FILE ADDITIONAL REPORTS FROM TIME TO TIME.

IN WRITING THIS REPORT, I HAVE ATTEMPTED TO BALANCE THE IMPORTANCE OF FULL AND FAIR DISCLOSURE OF MATERIAL INFORMATION WITH THE CONCERNS OF THE UNDERLYING BUSINESSES AND ASSETS INFORMATION REMAINING CONFIDENTIAL FOR COMPETITIVE REASONS. TO THAT END, I HAVE OPTED, IN MOST CASES, TO DISCLOSE A SIGNIFICANT AMOUNT OF FINANCIAL INFORMATION AND CAUTION ANY INDIVIDUALS OR ENTITIES WHO INTENTIONALLY MISREPRESENT THE INFORMATION CONTAINED HEREIN IN AN EFFORT TO DISPARAGE THE RECEIVERSHIP ENTITIES, OR SEEK TO USE IT UNFAIRLY TO GAIN A COMPETITIVE ADVANTAGE, THAT ANY SUCH ACTION MAY HAVE SIGNIFICANT LEGAL CONSEQUENCES.

FINALLY, TO THE EXTENT THAT THE RECEIVERSHIP ENTITIES ARE ENGAGED IN LITIGATION OR ARE EXPLORING POTENTIAL LAWSUITS AGAINST INDIVIDUAL OR ENTITIES, I HAVE NOT SET FORTH ALL OF THE INFORMATION SURROUNDING THESE LAWSUITS OR POTENTIAL LAWSUITS SO AS NOT TO DISCLOSE PRIVILEGED, WORK-PRODUCT INFORMATION, OR LITIGATION STRATEGY.

THE CLAIMS PROCESS

This is to update the Court and supplement Section VII, “The Claims Process,” of my Fifth Report dated January 11, 2017 (DE 370-1) (“Fifth Report”). In my Fifth Report, I explained that I am continuing to work to complete and file a motion asking the Court to pool the assets among the various Receivership Entities and approve a claims process and plan of distribution, among other things (“Claims Motion”). While in my Fifth Report I stated that I felt confident that I would be filing the Claims Motion by no later than February 28, 2017, I currently believe it is in Estate’s best interest if I wait until the end of March 2017 to do so.

To explain, I am hopeful that by the end of March 2017, I will have further increased the total amount of cash in the Receivership Estate for a future, initial distribution approved by the Court. My professionals and I have been working diligently on the Claims Motion, which remains one of my highest priorities. If additional monies are not deposited into the Estate prior to the end of March 2017, I will proceed with filing the Claims Motion at that time.

Executed on this 28th day of February, 2017.

Respectfully submitted,

/s/ James D. Sallah

James D. Sallah, Esq.,
Not individually, but solely in my capacity as
Receiver of JCS Enterprises, Inc. d/b/a JCS
Enterprises Services, Inc., T.B.T.I., Inc., JOLA
Enterprise, Inc., PSCS Holdings, LLC, and My Gee
Bo, Inc.