

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION**

In re: MASTER LENDING GROUP, LLC, Debtor.	§ § § § §	Chapter 7 Case No. 23-40569-EJC
--	-----------------------	--

MOTION TO ESTABLISH PONZI SCHEME DETERMINATION

COMES NOW, Chapter 7 Trustee, Tiffany E. Caron (“**Trustee**”) in the above-captioned bankruptcy case filed by Master Lending Group, LLC (“**MLG**”), by and through her undersigned counsel of record, and hereby files this Motion to Establish Ponzi Scheme Determination (the “**Ponzi Presumption**”). In support of this Motion, movant respectfully states as follows:

1. MLG filed a Voluntary Petition for relief under Chapter 7 of the United States Code on July 6, 2023 (Doc No. 1).
2. On July 7, 2023, the Court issued the Notice of Chapter 7 Bankruptcy Case appointing Tiffany E. Caron as Trustee and setting the date for the Section 341 Meeting of Creditors for August 9, 2023 at 2:00 PM (Doc No. 7).
3. Gregory Hirsch (“**Mr. Hirsch**”) was the 100% owner of Master Lending Group, LLC (“**Master Lending Group**” or “**MLG**”).
4. On August 3, 2023, Mr. Hirsch passed away.
5. The Trustee engaged Forensic Accountants and Financial Consultants, KapilaMukamal, LLC (“**KapilaMukamal**”) to review and analyze the financial records of MLG, Mr. Hirsch and other entities owned by Mr. Hirsch.

6. Soneet Kapila (“**Mr. Kapila**”) is a partner in KapilaMukamal, LLC, a Certified Public Accountant, a member of the Chapter 7 Panel of Trustees in the Southern District of Georgia, and Immediate Past President of the American Bankruptcy Institute.
7. Mr. Kapila is employed as a professional in this case by Order Appointing Accountants and Forensic Advisors entered on March 18, 2024 at Doc No. 247.
8. Mr. Kapila has significant experience in Ponzi scheme and investor fraud cases. *Soneet Kapila Resume attached as Exhibit A.*
9. Mr. Kapila and his firm have analyzed the Debtor’s records and documents provided by the Trustee with regard to MLG.
10. Mr. Kapila has prepared an Expert Report (to be filed separately) detailing his opinion that MLG was operating as a Ponzi scheme, having met the elements and/or tests applied by Courts to establish the Ponzi Presumption in case precedent.

LAW AND ARGUMENT

PONZI SCHEME

This is a case which has already been before the Court for various hearings many times. Twenty years ago, a CPA named Gregory Hirsch formed MLG and he was the sole member for the duration of the existence of the LLC. There are no books and records from those early years and very little thereafter which, of course, is the hallmark of a Ponzi scheme.

Throughout the history of MLG many investments in or by MLG were completely undocumented, the hallmark of a Ponzi scheme. It is not the proper procedure of any legitimate investment firm to have no documentation of its investments, particularly when the principal is a CPA. The investments made in MLG were, hopelessly, intertwined and commingled with other Gregory Hirsch companies and himself -- another hallmark of a Ponzi scheme. Very little money was kept in MLG. When it was time for a distribution, the money would be transferred into MLG's

accounts from Mr. Hirsch or one of his entities for the purpose of making that distribution only and to perpetuate the fraud which, again, was the hallmark of a Ponzi scheme. There was no investment activity of any kind by MLG in the five years prior to this bankruptcy petition date – another hallmark of a Ponzi scheme. The money from investors during that time period did not, therefore, go into any investment, a hallmark of a Ponzi scheme. Mr. Hirsch spent rather lavishly for his family on vacations, clothing, sporting events, and things of that nature which, again, is the hallmark of a Ponzi scheme. He did have certain other sources of income. He was principal of an accounting firm and he had some real estate investments. Greg Hirsch died about three and a half weeks after the bankruptcy petition date.

Ponzi schemes are not new; however, since the global economic meltdown of 2008, many schemes have had light shown on them. Eisenberg, Honorable Dorothy T. and Quesenberry, Nicholas W. (2014) "*Ponzi Schemes In Bankruptcy*," *Touro Law Review*: Vol. 30: No. 3, Article 3. These schemes have been perpetrated by people who appear to be knowledgeable, even recognized professionals and substantial business men or women. *Id.* The same is true in this case. Gregory Hirsch, the principal of MLG, was a Certified Public Accountant, seemingly successful businessman and formerly well-regarded member of his community. When Ponzi schemes inevitably fail, they often end up in bankruptcy. *Id.* Due in part to the inherently-fraudulent nature of a Ponzi scheme, a bankruptcy trustee is aided by certain evidentiary presumptions that ease his/her burden of proof in claw-back litigation. *Id.*

I. The Ponzi Presumption

a. Claim Objections

A Ponzi scheme by definition does not primarily generate legitimate profits, as it pays returns to early investors primarily from funds received from new investors, meaning there is little

to no actual business activity producing revenue; therefore, no one can "profit" from a Ponzi scheme. The Trustee intends to file objections to claims which include claims for profit (interest) over and above the principal amount of the investments. In order for the Trustee to object to claims on this basis, the Trustee must have the Ponzi Presumption established by the Court.

b. Avoidance Actions

“[A] Ponzi finding would establish the transferor’s intent to defraud, and it would establish the insolvency of the Debtor.” *Pergament v. Torac Realty, LLC (In re Diamond Financial Co, Inc.)*, Case No. AP 21-8101-reg (E.D. NY 2024)(citing *In re Bernard L. Madoff Inv. Sec. LLC*, 458 B.R. 87, 104, 110 n. 15 (Bankr. S.D.N.Y. 2011). 11 U.S.C. §548 authorizes a trustee, debtor, or other appropriate party to avoid actual and constructive fraudulent transfers that occurred prepetition. In order to prove an actual fraudulent transfer, the trustee must show that the debtor made the transfer “with actual intent to hinder, delay or defraud any entity to which the debtor was or became...indebted.” 11 U.S.C. §548(a)(1)(A). In order to prove that a transfer was a constructive fraudulent transfer, the moving party may instead show that the debtor did not receive reasonably equivalent value and was insolvent at the time of the transfer. See, 11 U.S.C. §548(a)(1)(B).

Plaintiffs asserting actual fraudulent transfer claims often rely on certain badges of fraud, but intent can still be hard to prove. In addition, these claims must often meet a heightened pleading standard pursuant to Federal Rule of Civil Procedure Rule 9(b). There is, however, an alternative way to prove intent. Courts around the country have found, if a trustee proves that the debtor operated a Ponzi scheme, that is sufficient to prove the debtor’s intent to defraud creditors.

In the *EPD Investment* decision, the Ninth Circuit reaffirmed that (as a matter of law) upon finding the existence of a borrower’s Ponzi scheme, its payments are presumed to be intentionally

fraudulent transfers (the so-called “Ponzi scheme presumption”). 114 F.4th 1148 (9th Cir. 2024). The Ninth Circuit described this presumption as both “long-standing” and “irrebuttable”, not requiring any findings related to fraudulent intent or bad faith by either the borrower or the payee. *Id.* at 1152 & 1157. As a matter of law, it allows the court to infer the Ponzi scheme perpetrator’s actual intent to hinder, delay or defraud creditors with respect to seemingly all payments made during the existence of the scheme. See, e.g., *Johnson v. Neilson (In re Slatkin)*, 525 F.2d 805, 814 (9th Cir. 2008). Good faith is not a defense. 114 F.4th 1148 (9th Cir. 2024).

c. Theft Loss and Amended Tax Returns

In reaction to the terrible losses suffered by the victims of Bernie Madoff, in what is widely considered to be the largest Ponzi scheme in history, the IRS enacted special tax rules which make it easier for Ponzi scheme victims to deduct their losses from their income taxes. In general, under these IRS rules, an investor in a Ponzi scheme may deduct their losses as theft losses, as opposed capital losses from an investment (capital losses are capped at \$3,000 per year). (I.R.C. § 165 (2024)).¹ The IRS rules allow investors in a Ponzi scheme to calculate a deduction for a theft loss in the year of the Ponzi determination. In the alternative, investors are also permitted to amend prior year tax returns, to the extent allowed by IRS rules, based on the Ponzi determination.

II. HALLMARKS OF A PONZI SCHEME

In *EPD Investment*, the Ninth Circuit embraced a definition of “Ponzi scheme” that contains “two essential elements: (1) the funneling of money from new investors to pay old investors, and (2) no legitimate profit-making business opportunity exists for investors.” 114 F.4th 1148, 1159 (9th Cir. 2024). Both are objective factors. *Id.*

¹ The Trustee and her counsel are not Certified Public Accountants. Any tax information contained herein is based on information and belief. Investors should consult with their own tax professional(s) about their individual tax situations. No tax information contained herein shall be construed as accounting and or tax law advice.

Courts have also applied a four-factor test: “1) deposits were made by investors; 2) the Debtor conducted little or no legitimate business operations as represented to investors; 3) the purported business operation of the Debtor produced little or no profits or earnings; and 4) the source of payments to investors was from cash infused by new investors.” See *Inv. Prot. Corp.*, 603 B.R. 682, 689 (Bankr. S.D.N.Y.).

Others have identified badges that weigh in favor of finding a Ponzi scheme, including (1) the absence of any legitimate business connected to the investment program; (2) the unrealistic promises of low risk and high returns; (3) commingling investor money; (4) the use of agents and brokers paid high commissions to perpetuate the scheme; (5) misuse of investor funds; (6) the payment of excessively large fees to the perpetrator; and (7) the use of false financial statements. See Hague, *supra*, at 868. Each approach requires the factfinder to assess whether a Ponzi scheme exists by examining the objective characteristics of the scheme itself. *In re EPD Inv. Co., LLC*, 114 F.4th 1148, 1152 & 1157 (9th Cir. 2024).

A. DEPOSITS WERE MADE BY INVESTORS

One hundred claims have been filed in this case, almost all by investors who or which claim to have deposited money with MLG in return for a Promissory Note signed by Gregory Hirsch, on behalf of MLG, agreeing to repay the principal amount, on demand, along with unconditional monthly interest payments of 10-12% per year in perpetuity. The claimants can be classified generally as friends, neighbors, clients and fellow congregation members of Gregory Hirsch. In general, this type of Ponzi scheme is referred to as an “affinity fraud” due to the nature of the relationship (business client and/or religious) between the perpetrator and the investor. Here we have a rare double “affinity fraud” as many of the claimants were both clients of Mr. Hirsch’s accounting firm and fellow members of his religious congregation.

B. DEBTOR CONDUCTED LITTLE OR NO LEGITIMATE BUSINESS OPERATIONS AS REPRESENTED TO INVESTORS

The Expert Report prepared by KapilaMukamal, LLC, shows that, going back to at least 2018, until the Petition Date, the Debtor engaged in no business operations at all, and very little for several years preceding 2018.

C. THE BUSINESS OPERATION PRODUCED LITTLE OR NO PROFITS

Master Lending Group, LLC has never been profitable. MLG promised returns to investors ranging from 10-12% while lending out money for substantially less (if at all), not only leaving no room for profit but also consistently ensuring that it operated at a loss. In addition, Gregory Hirsch used money taken personally from MLG and funneled it through and commingled it with the accounts of other businesses solely owned by him to fund his luxurious lifestyle, leaving MLG, at all relevant times, insolvent.

D. THE SOURCE OF PAYMENTS TO INVESTORS WAS FROM CASH INFUSED BY NEW INVESTORS

Going back to at least 2018, until the Petition Date, aside from accepting and/or soliciting new investor funds to pay old investor interest payments and redemptions, MLG had no revenue at all, and very little for several years preceding 2018. Although MLG was able to continue to pay old investors from new investor funds for years, more recently, the scheme ceased to attract new investors and collapsed. Between October, 2022 and February, 2023, Mr. Hirsch was forced to sell \$15 million dollars in term life insurance policies to a life insurance settlement company in order to continue to fund his fraud and prevent detection until his death.

“Whether an individual or entity makes a loan or purchases equity, it can be characterized as an “investor” in the context of a Ponzi scheme.” *Pergament v. Torac Realty, LLC (In re Diamond Financial Co, Inc.)*, *supra* (citing *Inv'r Protec. Corp. v. Bernard L. Madoff Inv. Sec. LLC*,

528 F. Supp. 3d 219, 238 (S.D.N.Y. 2021), aff'd sub nom. *Picard Tr. for SIPA Liquidation of Bernard L. Madoff Inv. Sec. LLC v. JABA Assoc. LP*, 49 F.4th 170 (2d Cir. 2022) (finding that the defendants were “investors” regardless of whether they were creditors or equity investors, where the defendants expected a high rate of return which return was obtained by the use of fraud).

E. OTHER HALLMARKS OF A PONZI SCHEME

Although the tests above have been used by Courts to make the Ponzi scheme determination, those factors are not exclusive. The following factors are also considered hallmarks of a Ponzi scheme:

- a) There were virtually no books and records. The only reason a CPA does not maintain books and records is because he does not want there to be any books and records. No legitimate business is run this way.
- b) Misuse of investor funds for non-investment purposes: Mr. Hirsch diverted funds from MLG to himself and other companies solely owned by him for non-MLG related purposes.
- c) Unusually high or unrealistic rate of return with little to no risk: MLG promised investors, on average, 10-12% guaranteed, unconditional, annual returns on their investments, in perpetuity. This is well above regular market rates, particularly for a guaranteed return in perpetuity.
- d) Existing investors reinvest: Ponzi schemes can survive by convincing existing investors to reinvest their money which can be seen in the claims filed in this case.
- e) Representing that the loans/investments would be secured by collateral but not collateralizing any of them. Here, many claimants were promised a collateral assignment of life insurance. Not a single claimant actually received such.

f) Insider transactions. Mr. Hirsch traded MLG assets in exchange for property transferred to his personal name. Repeatedly referenced in this case, 8 18th Place, Tybee Island, GA 31328 (the “Tybee Property”) was transferred to Mr. Hirsch through a series of fraudulent transactions including a friendly foreclosure on the Tybee Property and forgiveness of an MLG note and security interest in an unrelated investment for which MLG received no consideration whatsoever, costing MLG almost \$1.2 million, so that Greg Hirsch could obtain personal ownership of the Tybee Property.

PONZI PRESUMPTION

Notwithstanding which test the Court applies, the result is essentially the same: the term “Ponzi scheme” applies to “any sort of inherently fraudulent arrangement under which the debtor-transferor must utilize after-acquired investment funds to pay off previous investors in order to forestall disclosure of the fraud.” *Sec. Inv. Prot. Corp.*, 603 B.R. 682, 689 (Bankr. S.D.N.Y.) (citing *Manhattan Inv. Fund*, 397 B.R. at 12; *accord Gowan v. Amaranth Advisors L.L.C. (In re Dreier LLP)*, Adv. Proc. Nos. 10-03493, 10-05447 (SMB), 2014 WL 47774, at 9 (Bankr. S.D.N.Y. Jan. 3, 2014); *Bayou Superfund, LLC v. WAM Long/Short Fund II, L.P. (In re Bayou Grp., LLC)*, 362 B.R. 624, 633 (Bankr. S.D.N.Y. 2007).

Allegations of a Ponzi scheme provide to a trustee the ability to plead or prove insolvency for the purposes of a constructive fraudulent conveyance claim. See *In re DBSI, Inc.*, 447 B.R. 243, 248 (Bankr. D. Del. 2012). The reasoning is that because a Ponzi scheme relies on constant infusions of new cash in order to satisfy existing obligations, a Ponzi scheme can never be solvent.

Notably, the presumption may also be applied to other fraudulent schemes similar to Ponzi schemes (“Ponzi-like schemes”). See, e.g., *In re Equip. Acquisition Res., Inc.*, 2012 WL 4755028,

at *6 (Bankr. N.D. Ill. Sept. 28, 2012) (“[Debtor’s] leasing and financing transactions were a “Ponzi-like” scheme and, as such, establish [debtor’s] actual fraudulent intent.”).

In the very recent case of *iCap Enterprises, Inc.*, Bankruptcy Judge Whitman L. Holt of the Eastern District of Washington, as part of the confirmation of a Chapter 11 Plan, and prior to any criminal proceedings, made the determination that the Debtor had been operating a Ponzi scheme. *iCap Enterprises, Inc.*, Case No. 23-01243 (Bankr. E.D. Wash). In *iCap*, the plan proponents sought Ponzi findings to benefit from the Ponzi scheme presumption when seeking to unwind prepetition transactions. Furthermore, the plan proponents noted that the Ponzi scheme finding would allow victims to take advantage of special rules enacted by the Internal Revenue Service.²

“The presence of a legitimate business will not defeat the finding of a Ponzi scheme.” *Id.* (citing *Sec. Inv'r Protec. Corp. v. Bernard L. Madoff Inv. Sec. LLC*, 528 F. Supp. 3d at 240 (‘even if part of [the debtor] engaged in legitimate business, it is common for a business to run a legitimate business alongside a Ponzi scheme, and the presence of a legitimate business alongside a Ponzi scheme does not undermine the Ponzi scheme presumption’); *Gillman v. Geis (In re Twin Peaks Fin. Serv., Inc.)*, 516 B.R. 651, 655 (Bankr. D. Utah 2014) (‘The fact that an investment scheme may have some legitimate business operations is not determinative’).

CONCLUSION

As in *iCap Enterprises, Inc.*, *supra*, and *Pergament v. Torac Realty, LLC (In re Diamond Financial Co, Inc.)*, *supra*, this case presents a distinction that is not always present in Ponzi schemes. “Unlike the well-chronicled Madoff case and other noteworthy Ponzi schemes where

² The Trustee and her counsel are not Certified Public Accountants. Any tax information contained herein is based on information and belief. Investors should consult with their own tax professional(s) about their individual tax situations. No tax information contained herein shall be construed as accounting and or tax law advice.

there is some form of allocation or a conviction confirming the existence of the scheme, that is not the case here.” *Id.*³

The Trustee files this Motion asking the Court to make a determination that MLG operated as a Ponzi scheme. The Trustee has submitted substantial uncontradicted evidence to the Court indicating that MLG operated as a classical Ponzi scheme. The evidence detailed above, in the Expert Report and to be presented to the Court during an evidentiary hearing on this matter, demonstrate, and the Bankruptcy Court should find, that: (i) Gregory Hirsch operated MLG as a Ponzi scheme; (ii) the Ponzi scheme involved the use of funds provided by new investors to MLG to make payments to already-existing investors; and (iii) MLG did not operate as a legitimate profit-making business. See *In re EPD Inv. Co.*, 114 F.4th 1148, 1162–63 (9th Cir. 2024).

WHEREFORE, Chapter 7 Trustee, Tiffany E. Caron, respectfully requests that the Court grant this Motion and enter the order submitted herewith establishing the Ponzi Presumption in this case, and for any other relief deemed just and proper under the circumstances.

This 4th day of February, 2025.

/s/ Tiffany E. Caron
Tiffany E. Caron
Attorney for Chapter 7 Trustee

TIFFANY E. CARON, ESQ.
GA BAR NO. 745089
CHAPTER 7 TRUSTEE
P.O. BOX 711
WEST PALM BEACH, FL 33402
404-647-4917
TIFFANY.CARON@HOTMAIL.COM

³ Greg Hirsch was incapacitated and then died before this could occur in the subject case.

Soneet R. Kapila, CPA, CIRA, CFE, CFF

kapila@kapilamukamal.com



Soneet R. Kapila, of East Indian origin, born in Kenya, Africa, is a founding partner of *KapilaMukamal, LLP*. For over 25 years, he has concentrated his efforts in the areas of consulting in insolvency, fiduciary and creditors' right matters. Recognized for his acumen as a "business man", he has been appointed in Federal District Court, Bankruptcy Court and Florida State Court and served in the roles of Chief Restructuring Officer, S.E.C. Corporate Monitor, Examiner, Chapter 11 Trustee of Operating Businesses, Liquidating Trustee and Receiver. among others.

Professional Experience

Mr. Kapila's practice is focused on restructuring, creditors' rights, bankruptcy, fiduciary matters and financial transactions litigation. He represents other bankruptcy trustees, debtors and both secured and unsecured creditors in and out of bankruptcy court. He also regularly advises clients about insolvency and implications involved in business transactions and the operation of distressed businesses. As a Trustee plaintiff, Mr. Kapila has managed complex litigation in significant cases.

As a fiduciary, he has advised and represented debtors and creditors' committees in formulating, analyzing and negotiating plans of reorganization. Recognized as a expert in fraudulent conveyance, Ponzi schemes and insolvency issues, Mr. Kapila has provided expert testimony and extensive litigation support services to law firms involving complex insolvency issues and commercial damages. He is a sitting trustee on the panel of U.S. Bankruptcy Trustees (Southern District of Florida) and has served in numerous matters in both the Southern and Middle Districts of Florida.

He has conducted numerous forensic and fraud investigations and has worked with the Securities and Exchange Commission (SEC), Federal Trade Commission (FTC), Federal Bureau of Investigation (FBI) and the United States Attorney's Office.

ROLES

Bankruptcy Trustee—Chapter 7, 11 & Subchapter V
Liquidating Trustee / Plan Administrator
Chief Restructuring Officer
Corporate Monitor / Examiner
Receiver / Assignee

AREAS OF EXPERTISE

Bankruptcy and Insolvency
Creditors Rights
Restructuring
Financial Transactions Litigation
Complex Commercial Litigation

EDUCATION / QUALIFICATIONS

Certified Public Accountant (CPA) - Florida
Certified Insolvency and Restructuring Advisor (CIRA)
Certified Fraud Examiner (CFE)
Certified in Financial Forensics (CFF)
Certified in Bankruptcy Mediation—Training
—St. John's University (2014)
MBA, Cranfield School of Management Studies, England
Institute of Chartered Accountants in England and Wales

ACCOMPLISHMENTS

- * **President, American Bankruptcy Institute-2023**
- * **Fellow, American College of Bankruptcy-2013**
- * **Association of Insolvency and Restructuring Advisors**
Distinguished Fellow—Class of 2022
- * **Top CPAs and Litigation Support Professionals,**
South Florida Legal Guide—multiple years
- * **Power Leaders in Law and Accounting –**
South Florida Business Journal – 2014, 2015
- * **Best Trustee – Daily Business Review's Best of 2012**
- * **Key Partners Award Honoree –**
South Florida Business Journal – 2010
- * **Bronze Medal Award – 3rd highest score,**
Examination of the Association of Insolvency
And Restructuring Advisors—1996

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Association of Insolvency & Restructuring Advisors
Association of Certified Fraud Examiners
American Bankruptcy Institute
National Association of Bankruptcy Trustees
National Association of Federal Equity Receivers



REPRESENTATIVE MATTERS

Laser Spine Institute, et al	Assignee
Global Asset Rental, LLC	CRO, Liquidating Trustee
FF Fund I, LLC	CRO, Liquidating Trustee
City of Detroit, Michigan	Financial Advisors to Fee Examiner
SMF Energy Corporation	CRO, Liquidating Trustee
Fontainebleau Las Vegas, LLC	Chapter 7 Trustee
Universal Health Care Group, LLC / American Managed Care, Inc.	Chapter 11 / Liquidating Trustee
Simply Fashion Stores, LLC	Chief Restructuring Officer
Spear & Jackson, Inc	Corporate Monitor – SEC Appointment
Miami Neurological Institute, LLC	Chapter 11/Chapter7 Trustee
Louis J. Pearlman / TransContinental Airlines, et al –	Chapter 11 Trustee / Liquidating Trustee
Levitt Homes	Chief Administrator
Planet Hollywood International, Inc	Examiner
Banco Latino International	Financial Consultants to Official Committee of Unsecured Creditors
Southeast Bank Corp	Financial Advisors to Chapter 7 Trustee
SEC v. Christopher Freeman Brogdon	Corporate Monitor - SEC Appointment

PUBLICATIONS

“New Receivership Act Streamlines Receiver’s Role for Lenders, Other Stakeholders” - Daily Business Review (Sept. 2020)

“Eye of the Evaluator—The Role of Contingent Liabilities in an Insolvency Analysis” - American Bankruptcy Institute Journal— (April, 2018)

“Best Practices in the Treasury Functions of a Chapter 7 Trustee’s Office” – American Bankruptcy Trustee Journal (NABT) (Fall, 2015)

“Fraud and Forensics: Piercing Through The Deception In A Commercial Fraud Case” – American Bankruptcy Institute – 2015

“Ponzi Schemes: Fiduciaries May Be The Saving Grace”, ABI Journal (2014)

“A Health Care Fraud and Bankruptcy Primer”, Southern District of Florida Bankruptcy Bar Association Journal (2014)

“Hidden Resources in a Small Business”

SPEAKING ENGAGEMENTS

American Bankruptcy Institute
American Bar Association
American College of Bankruptcy
Association of Insolvency & Restructuring Advisors
Bankruptcy Bar Association for the Southern District of Florida
Central Florida Bankruptcy law Association
Florida Bankruptcy Bar
Florida Institute of Certified Public Accountants
Florida International University, School of Law
National Association of Bankruptcy Trustees
National Bankruptcy Conference
National Business Institute
National Conference of Bankruptcy Judges
New York Law School
St. Thomas University Law School
Stetson College of Law, Insolvency Symposium – Germany
Southeastern Bankruptcy Law Institute
Turnaround Management Association
University of Miami, School of Law

CIVIC, VOLUNTEER AND PHILANTHROPIC

- Past and Present

The Kapila Family Foundation - Director

American Bankruptcy Institute -

President—2023-2024
President Elect—2022-2023
Management Committee — 2021—2023
Treasurer—2020—2022
Finance Committee—2016-2020
Member of the Executive Committee—2019
Member of Board of Directors - 2016
Southeast Regional Conference:
Co-Chair of Advisory Board, 2016
Advisory Board, - 2012-2017 and Co-Chair 2015
Caribbean Insolvency Symposium -
Advisory Board—2010-2014 and Co-Chair 2015

Association of Insolvency and Restructuring Advisors -

Board of Directors
Past Chairman and Past President

The Florida Bar, Member, Grievances Committee

Hialeah-Miami Springs, NW Dade Chamber of Commerce -
Board of Directors

Kapila/Mukamal

CPAs, Forensic and Insolvency Advisors

1000 S. Federal Highway, Suite 200

Fort Lauderdale, FL 33316

954-761-1011

www.kapilamukamal.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION**

In re: §
MASTER LENDING GROUP, LLC, § **Chapter 7**
§ **Case No. 23-40569-EJC**
§
Debtor. §

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that I have served the persons named below by sending a copy of the foregoing Motion by electronic service or by regular U.S. Mail to the address indicated, in envelopes bearing adequate postage:

Office of the U. S. Trustee
33 Bull Street, Suite 400
Savannah, GA 31401

And

All Creditors and Parties in Interest receiving notice through the Court's CM/ECF Filing System

This 4th day of February, 2025.

/s/ Tiffany E. Caron
Tiffany E. Caron
Attorney for Chapter 7 Trustee

TIFFANY E. CARON, ESQ.
GA BAR NO. 745089
CHAPTER 7 TRUSTEE
P.O. BOX 711
WEST PALM BEACH, FL 33402
404-647-4917
TIFFANY.CARON@HOTMAIL.COM

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION**

In re: MASTER LENDING GROUP, LLC, Debtor.	§ § § § §	Chapter 7 Case No. 23-40569-EJC
--	-----------------------	--

ORDER ON MOTION TO ESTABLISH PONZI SCHEME DETERMINATION

Chapter 7 Trustee, Tiffany E. Caron (“**Trustee**”), having filed a Motion to Establish Ponzi Scheme Determination (the “**Motion**”), proper notice having been given, a hearing having been held and it appearing that such motion should be granted; it is therefore,

ORDERED, ADJUDGED, and DECREED that the Motion filed by the Trustee is granted.

The entry of this Order constitutes a Ponzi Presumption, in that:

- (i) Gregory Hirsch operated MLG as a Ponzi scheme;
- (ii) the Ponzi scheme involved the use of funds provided by new investors to MLG to make payments to already-existing investors; and

(iii) MLG did not operate as a legitimate profit-making business.

END OF DOCUMENT

PREPARED BY:

/s/ Tiffany E. Caron
Tiffany E. Caron
GA Bar No. 745089
P.O. Box 711
West Palm Beach, FL 33402
404-647-4917
TIFFANY.CARON@HOTMAIL.COM
Attorney for Chapter 7 Trustee