

news release

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U.S. District Court Appoints Stephen J. Donell, CCIM, CPM As Receiver in Advanced Money Management, Inc., Case

LOS ANGELES, Calif. (October 26, 2010) – The U.S. District Court, Southern District of California, has appointed Stephen J. Donell as receiver in the Securities and Exchange Commission’s case against Moises Pacheco, Advanced Money Management, Inc., and Business Development and Consulting Co.

The case involves a Securities and Exchange Commission allegation that a Chula Vista, California resident and two entities he controls were operating a Ponzi-like scheme through five hedge funds. The SEC alleges that Moises Pacheco, Advanced Money Management, Inc. (AMM), and Business Development & Consulting Co. (BD&C) raised \$14.7 million from more than 200 investors over a 3½-year period, acting as investment advisers to the five self-described hedge funds -- AP Premium Value Funds I through IV and Capital Partnership Group.

According to the SEC’s complaint, Pacheco told investors that he had developed a lucrative investment strategy involving the purchase and sale of covered call options, and that the hedge funds exclusively relied upon this strategy to generate trading profits ranging from 30 percent to 48 percent per year. In reality, Pacheco did not generate the returns he claimed to have made, and instead used investor principal to pay purported returns until the scheme collapsed.

According to the SEC’s complaint, filed in U.S. District Court for the Southern District of California, the hedge funds generated trading profits of only about \$367,000, but paid investors purported returns of more than \$9.7 million.

The SEC alleges that the defendants thus operated a Ponzi-like scheme and further misused investor principal by transferring their money to Pacheco, entities under his control, or numerous third parties for reasons having nothing to do with the purported trading. The SEC alleges that Pacheco claimed that the hedge funds had generated returns ranging from 2.5 to 4 percent per month during their existence, and continued to claim that they generated returns in that range until January 2008, when he reduced the returns to 1.25 percent per month.

Pacheco told fund investors that the reduction was due to deteriorating economic conditions. Most fund investors live in the Chula Vista, California area, and know either Pacheco, one of his friends or family members, or another investor. The SEC alleges that Pacheco made no effort to determine whether the hedge fund investors were accredited or sophisticated, and did not provide investors with financial statements.

Neither Pacheco nor his entities have ever been registered with the SEC.

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About Mr. Donell

Since 1990, Mr. Donell has administered and/or been appointed as a federal and state court receiver in more than 400 cases in California, Arizona, and Nevada. Many of these cases involved sub-standard real properties in Los Angeles, Orange and San Diego County that required substantial rehabilitation due to deferred maintenance and major health and safety issues. Mr. Donell has extensive experience in residential and commercial real estate, asset and business liquidations, oil and gas partnerships, post judgment enforcement actions, as well as other types of receivership appointments. Mr. Donell has also administered and/or been appointed in federal court as the receiver in numerous United States Securities and Exchange Commission and other government enforcement actions involving business fraud both in California and in Nevada. These cases involve over 20,000 investors and \$750 million of invested funds.

About FedReceiver.com

With decades of experience in the administration of receivership cases involving real estate and businesses cases, FedReceiver is the single source of service for distressed assets, businesses, entertainment and government enforcement cases. With extensive experience in matters ranging from income property to complex litigation involving Ponzi schemes, construction completion and partnership dissolution, our team of professionals is uniquely qualified to provide highly specialized solutions to even the most challenging receivership case.

