

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA
Miami Division

Case Number: 07-20320-CIV-MORENO

In Re: THE MATTER OF MONIES ON
DEPOSIT IN ACCOUNTS AT STEARNS
BANK NATIONAL ASSOCIATION,

**ORDER GRANTING MOTION FOR DISBURSEMENT
OF INTERPLED FUNDS TO RECEIVER**

THIS CAUSE came before the Court upon Securities and Exchange Commission and Receiver's Joint Motion for Disbursement of Interpled Funds to Receiver (**D.E. No. 66**), filed on **April 10, 2007**.

THE COURT has considered the motion, response, reply, sur-reply and the pertinent portions of the record, and being otherwise fully advised in the premises, it is

ADJUDGED that the motion is **GRANTED**.

I. BACKGROUND

On December 2, 2005, the Court ordered a Final Judgment of Permanent Injunction against Joel Steinger and Kensington Management, Inc. ("Kensington") in SEC v. Mutual Benefits Corp., Case No. 04-60573-CIV-MORENO, ordering them to pay \$9.5 million in disgorgement, prejudgment interest, and civil penalties. On December 5, 2005, the Court ordered a Final Judgment of Permanent Injunction against Leslie Steinger and Twin Groves Management ("Twin Groves") in the amount of \$9.5 million. Joel Steinger and Kensington had \$5,816,681 and Leslie Steinger and Twin Groves had \$1,265,414.83 on deposit at Stearns Bank. Subsequent to these final judgments,

Joel Steinger's wife, Diana Steinger, who had filed for divorce, obtained a Florida state court order prohibiting Joel Steinger from dissipating marital assets. This did not pertain to the assets of Leslie Steinger and Twin Groves.

Stearns Bank interpled the \$7,091,704 held in both Joel and Leslie Steinger's accounts in Minnesota state court. The Commission removed to federal court and was granted a venue transfer to this Court on February 22, 2007. The Clerk of the Court for the Southern District of Florida received \$7,200,514.95 from the U.S. District Court of Minnesota on March 13, 2007. The Commission and Receiver move to disburse these funds to satisfy the Final Judgments and distribute to the defrauded investors.

II. ANALYSIS

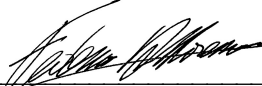
Diana Steinger filed a Non-Party Response to Joel Steinger's Motion to Stay their divorce proceeding in Mutual Benefits in December of 2005 (D.E. No. 1505.) Ms. Steinger's counsel admitted to the Court at a December 13, 2005 hearing that the state court freeze order had no bearing on the Commission's Final Judgment against Joel Steinger. (Hr'g Trans. 18:14-25.) Moreover, Diana Steinger filed a Response in Opposition to the Commission and Receiver's Motion for the Court to turn over Joel and Leslie Steinger's bank accounts in Mutual Benefits. (D.E. No. 1597.) After holding a hearing on Ms. Steinger's claims, the Court issued an Order Directing Turnover of Accounts of Defendants Joel Steinger, Leslie Steinger, and the companies at issue on February 24, 2006 (D.E. No. 1617.) The Turnover Order directs the transfer of money into the Court Registry from the accounts at issue in this case.

The Court holds that the Stearns Bank registry funds shall be used to help satisfy the

judgments against Joel and Leslie Steinger in Mutual Benefits. Therefore, Joel Steinger's interpled funds totaling \$5,816,681 shall be released to the Receiver as partial satisfaction of the final judgment against him. Furthermore, the funds from Leslie Steinger's Twin Groves account totaling \$1,265,414 shall also be released to the Receiver as partial satisfaction of the Final Judgment against Leslie Steinger. In sum, the total amount of money held the Court's Registry from the accounts in question shall be released to the receiver. Further, it is

ADJUDGED that this case is **CLOSED** and all pending motions are **DENIED** as moot.

DONE AND ORDERED in Chambers at Miami, Florida, this 9 day of January, 2008.



FEDERICO A. MORENO
UNITED STATES DISTRICT JUDGE

Copies provided to:

Counsel of Record