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8 STEPHEN J. DONELL

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

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12 FEDERAL TRADE COMMISSION,

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14 Plaintiff,

15
16 v.

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18 ASCEND CAPVENTURES INC., et al.,

19
20 Defendants.

Case No. 2:24-CV-07660-SPG-JPR

DECLARATION OF STEPHEN J. DONELL IN SUPPORT OF MOTION FOR ORDER: (1) APPROVING FINAL REPORT AND ACCOUNTING; (2) AUTHORIZING PAYMENT OF FINAL FEE APPLICATION OF RECEIVER AND PROFESSIONALS; (3) ESTABLISHING RESERVE FOR CLOSING RECEIVERSHIP; (4) AUTHORIZING TRANSFER OF RECEIVERSHIP ASSETS TO PLAINTIFF FEDERAL TRADE COMMISSION; (5) AUTHORIZING ABANDONMENT OR DESTRUCTION OF RECORDS; AND (6) CLOSING RECEIVERSHIP AND DISCHARGING AND RELEASING RECEIVER

[Notice of Motion and Motion; Memorandum of Points and Authorities; Final Report and Accounting; Final Fee Application; and [Proposed] Order submitted concurrently herewith]

Date: February 25, 2026
Time: 1:30 p.m.
Ctrm: 5C
Judge Hon. Sherilyn Peace Garnett

1 I, Stephen J. Donell, declare as follows:

2 1. I am the Court-appointed receiver (the "Receiver") in the above-
3 captioned action for defendants Ascend Capventures Inc., Ascend Ecom LLC, ACV,
4 ACV Partners, Accelerated Ecommerce Ventures; Ascend Distribution LLC
5 (California), Ethix Capital, ACV Nexus, Ascend Ecommerce Inc., Ascend
6 Administration Inc., Ascend Distribution LLC (Texas), and their collective dbas,
7 subsidiaries, and affiliates, including Global Marketing Development, Inc.,
8 Eaglemont Capital, Paradyme Capital Inc., and AC Ventures Global Inc.
9 (collectively, the "Receivership Entities" or "Entities").

10 2. I submit this Declaration in support of my concurrently submitted
11 *Motion of Receiver, Stephen J. Donell, for Order: (1) Approving Final Report and*
12 *Accounting; (2) Authorizing Payment of Final Fee Application of Receiver and*
13 *Professionals; (3) Establishing Reserve for Closing Receivership; (4) Authorizing*
14 *Transfer of Receivership Assets to Plaintiff Federal Trade Commission;*
15 *(5) Authorizing Abandonment or Destruction of Records; and (6) Closing*
16 *Receivership and Discharging and Releasing Receiver* (the "Wind-Down Motion").
17 I have personal knowledge of the facts set forth in this Declaration and, if called as a
18 witness, could and would testify competently to such facts, under oath.

19 3. Since my appointment, I have administered the estate of the
20 Receivership Entities (the "Estate" or "Receivership Estate") in accordance with this
21 Court's September 13, 2024 *Order on Plaintiff's Ex Parte Application For*
22 *(1) Temporary Restraining Order and Order to Show Cause Why a Preliminary*
23 *Injunction Should Not Issue; (2) Waiver of Notice Requirement; (3) Appointment of*
24 *a Temporary Receiver, Freezing of Assets; and Other Equitable Relief* (the "Initial
25 Appointment Order") [ECF No. 30], as reaffirmed by the Court's December 3, 2024
26 *Order Granting Stipulation for Court to Enter Preliminary Injunction* (the
27 "Preliminary Injunction") [ECF No. 82]. Among other things, I have expended all
28 efforts I believed were necessary, in my reasonable business judgment, to:

1 (a) recover, review, and analyze the Entities' business records and documents;
2 (b) assemble an accounting of the Receivership Entities' financial activities and
3 condition; (c) assume control and authority over the Entities' assets (the
4 "Receivership Assets" or "Assets"); (d) investigate, locate, and recover Receivership
5 Assets, including Assets unlawfully diverted to or for the benefit of third parties;
6 (e) marshal and monetize available Receivership Assets to maximize their value for
7 the benefit and administration of the Estate; (f) engage with allegedly injured
8 consumers and mitigate future harm arising from or in connection with the
9 operations of the Receivership Entities; and (g) provide the Court with periodic
10 reports regarding my efforts and the status of the receivership.

11 4. Over the course of the receivership, in compliance with this Court's
12 directive, and among other things, I have:

- 13 • Completed an exhaustive document discovery process, resulting in the
14 recovery of tens of thousands of pages of documents, and undertaking a
15 review of such documents in order to complete an appropriate analysis
16 and accounting;
- 17 • Based on my analysis of the aforementioned materials, substantially
18 confirmed some of the FTC's allegations regarding the alleged
19 consumer fraud operated through the Entities, and determined that the
20 Entities could not continue as a viable going concern;
- 21 • Mitigated consumer harm and prevented improper consumer
22 solicitations from third parties apparently associated with the Individual
23 Defendants (as defined in the Preliminary Injunction) or the
24 Receivership Entities;
- 25 • Identified and designated multiple additional Receivership Entities;
- 26 • Secured the turnover of two real properties, one of which was sold
27 pursuant to an order of the Court, which resulted in net proceeds of
28 approximately \$165,000 for the benefit of the Estate; and

- Prepared to remit at least \$50,000, reflecting the Assets recovered, after the deduction of all administrative fees and expenses, to the plaintiff Federal Trade Commission (the "FTC") in accordance with whatever instructions they provide.

5 5. As noted in the Wind-Down Motion, I have concluded, in my
6 reasonable business judgment, that, having completed the above, I have exhausted
7 all appropriate and reasonable efforts to recover and monetize those Estate Assets
8 which could justifiably be pursued, and that the costs of any further Asset recovery
9 efforts are likely to exceed the value of any Assets recovered. Having made this
10 determination, and believing that my duties and responsibilities under the Initial
11 Appointment Order and the Preliminary Injunction have been satisfied, I
12 respectfully recommend that the receivership be wound down and terminated, and
13 that I be discharged and released, upon my completion of the closing tasks identified
14 in the Wind-Down Motion.

15 6. My *Final Report And Accounting of Receiver, Stephen J. Donell* (the
16 "Final Report") is submitted concurrently herewith. The Final Report summarizes
17 my actions and the actions of my counsel, Allen Matkins Leck Gamble Mallory &
18 Natsis LLP ("Allen Matkins") during the pendency of this receivership case. By
19 way of example, the Final Report provides descriptions of my document analysis,
20 accounting, Asset recovery, harm mitigation, and reporting efforts.

21 7. The *Final Application for Payment of Fees and Reimbursement of*
22 *Expenses of Receiver, Stephen J. Donell, and his Professionals* (the "Final Fee
23 Application") is submitted concurrently herewith. In my reasonable business
24 judgment, and after reviewing the invoices attached to the Final Fee Application and
25 the work performed, I believe that the hourly rates charged were appropriate, given
26 the requirements of the instant receivership, that every effort was made to have tasks
27 completed at the lowest possible billing rate, and that the total fees incurred in this
28 matter are fair and reasonable and reflect an accurate representation of the work

1 performed by Allen Matkins, SLBiggs, RS (as collectively defined in the Fee
2 Application), and myself and my staff. Notably, many of these rates include
3 discounts appropriate for the nature of the services being provided in connection
4 with the above-entitled receivership. By way of example, in accordance with my
5 ordinary custom and practice in federal equity receiverships, I have applied a
6 discount of 10% to all hourly billing rates charged by myself and all other
7 timekeepers on my staff. Additionally I, Allen Matkins, SLBiggs, and RS have
8 agreed to an additional 5% discount to the fees requested in the Final Fee
9 Application, arrived at in coordination with and at the behest of the FTC. I likewise
10 believe, in my experience and reasonable business judgment, that the Estate has
11 benefited from its receipt of the services described in the Final Fee Application.

12 8. I am the President of FedReceiver, Inc., a dedicated receiverships
13 practice providing receivership, fiduciary, and expert services throughout California
14 and the United States. I have been active in the receivership field since 1990, and
15 have served as a federal or state court receiver in over 900 distinct matters,
16 including numerous enforcement actions brought by the U.S. Securities and
17 Exchange Commission and the Federal Trade Commission. In addition, I am a past
18 President of the National Association of Federal Equity Receivers ("NAFER"), a
19 leading association comprised of professionals working in the areas of receivership,
20 insolvency, bankruptcy, restructuring, and asset recovery. I am the past President of
21 the Los Angeles / Orange County chapter of the California Receivers Forum – the
22 largest state receiver trade organization in the country – and currently serve on its
23 California Board of Directors. I am also a regular presenter and author on
24 receivership issues, and have served, among other things, as a receiverships keynote
25 speaker or presenter at multiple NAFER, CCIM Institute, California Receivers'
26 Forum, California Bankruptcy Forum, and California State Bar events. I have also
27 served as an expert witness in matters involving the conduct of court-appointed
28 receivers.

1 9. I am familiar with the prevailing rates charged by receivers and their
2 professionals in federal receivership matters pending in the United States District
3 Courts for the various Districts of California. Having reviewed the Fee Application,
4 I am confident, based on my knowledge, experience, skills, and training, that the
5 rates charged by my staff, as well as those of my professionals are consistent with
6 rates commonly charged in federal receivership matters of this complexity. In
7 selecting Allen Matkins, SLBiggs, and RS, I endeavored to select professionals
8 whose experience and expertise I was personally familiar with, or whom I
9 determined enjoy exceptional reputations in their respective practice and geographic
10 areas. In addition, I endeavored to retain professionals whose skill sets I believed
11 were appropriate to the anticipated complexity of the instant receivership.

12 10. I have used Allen Matkins as lead receivership counsel on various of
13 my receivership engagements for nearly eighteen (18) years, based on the national
14 prominence of its federal equity receiverships practice, and on my personal
15 experience having received consistently high-quality service from the firm in other
16 receivership matters. Likewise, I have used SLBiggs as my forensic accountants for
17 approximately twenty-five (25) years, in hundreds of federal and state court matters.
18 While I have not previously worked with the RS firm, prior to engaging it, I
19 engaged in a diligent search for qualified local counsel, ultimately selecting RS
20 based on reliable referral sources and their experience representing receivers and
21 similar fiduciaries.

22 11. As stated above, and as reflected in my Final Report, I anticipate
23 remitting at least \$50,000 to the FTC in accordance with whatever turnover
24 instructions they may provide.

25 12. As noted in the Wind-Down Motion, I request authorization to set aside
26 and establish a reserve of \$13,000 from the Estate's Assets, for the payment of
27 administrative fees and expenses that I expect will be incurred by myself, Allen
28 Matkins, and SLBiggs during the period running from December 1, 2025 through

1 the termination of this receivership. Any funds remaining from this reserve will be
2 remitted to the FTC.

3 13. I am in possession of certain records obtained during my administration
4 of the Estate, many of which are maintained in paper form. Many of these
5 documents contain personal financial information, or other sensitive information.
6 Accordingly, I propose that, within ninety-one (91) days after the entry of an order
7 approving the Wind-Down Motion, I be authorized to destroy any such documents
8 containing private information, and to abandon or destroy all other such documents
9 in my possession relating to the Receivership Entities and the present receivership.

10 14. Should the Court grant the Wind-Down Motion, I will submit a
11 declaration to the Court certifying the completion of all closing tasks described in
12 the Final Report, when such tasks are completed (the "Final Declaration"). I
13 respectfully request that the Court discharge and release me, and that the
14 receivership be deemed terminated, without further Court order, upon my
15 submission of the Final Declaration.

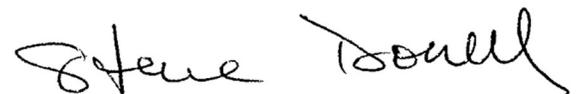
16 I declare under penalty of perjury that the foregoing is true and correct.

17 Executed on January 27, 2026, at Los Angeles, California.

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Stephen J. Donell

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