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 8 STEPHEN J. DONELL

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11
 12 SECURITIES AND EXCHANGE
 COMMISSION,

13 Plaintiff,

14 v.

15 ROBERT YANG, et al.,

16 Defendants,

17 YANROB'S MEDICAL, INC., et al.,

18 Relief Defendants.

Case No. 5:15-CV-02387-SVW (KKx)

DECLARATION OF RECEIVER,
 STEPHEN J. DONELL, IN SUPPORT
 OF MOTION FOR ORDER
 AUTHORIZING RECEIVER NOT TO
 PREPARE AND FILE PRE-
 RECEIVERSHIP TAX RETURNS

[Notice of Motion and Motion; and
 [Proposed] Order submitted concurrently
 herewith]

Date: April 17, 2017
 Time: 1:30 p.m.
 Ctrm: 10A
 Judge: Hon. Stephen V. Wilson

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DECLARATION OF STEPHEN J. DONELL

I, Stephen J. Donell, declare as follows:

1. I am the Court-appointed receiver for Defendants Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their respective subsidiaries and affiliates (collectively, the "Receivership Entities" or "Entities"). I have personal knowledge of the facts set forth in this Declaration and, if called as a witness, could and would testify competently to such facts under oath.

2. In the course of my investigation and analysis of the business and financial activities of the Receivership Entities, I and my tax accountant confirmed that, in some instances, the Entities did not comport themselves in accordance with standard business practices, including with respect to maintaining ordinary business records and filing appropriate tax returns. Among other things, I confirmed that, while the principal Receivership Entities (Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC) are registered with the California Secretary of State, none of these Entities ever obtained a Tax Information Number ("TIN") or filed state, federal, or municipal tax returns in the pre-receivership period.

3. Likewise, I and my tax accountant further confirmed that relief defendants HealthPro Capital Partners, LLC and Suncor Care, Inc. appear not to have maintained or prepared accounting records sufficient for tax return preparation purposes, and that neither is current on its state or federal, pre-receivership tax filing obligations.

4. As a result of the above-described circumstances, I have consulted with my tax accountant, SL Biggs, in order to obtain an estimate of the potential cost associated with preparing and filing appropriate pre-receivership returns for each of the Entities referenced in Paragraphs 2 and 3, above. Based on the information presently available, the cost of obtaining appropriate pre-receivership TINs (retroactively), developing or reconstructing business records in a form appropriate for tax return preparation, and preparing and submitting the returns, is expected to

1 range between \$25,000 and \$40,000, inclusive of Receiver, accountant, and attorney
2 time.

3 5. I believe, in my reasonable business judgment, that the cost identified
4 in Paragraph 4, above, reflects an inappropriate and unjustified burden upon the
5 Receivership Entities. Specifically, I do not believe that that the preparation and
6 submission of pre-receivership tax returns will yield any appreciable benefit to the
7 Receivership Entities, particularly if, as is likely as a result of the information
8 previously presented in my Forensic Accounting Report and Amended Forensic
9 Accounting Report, any reconstituted accounting records establish that the Entities
10 had no taxable income. Moreover, pre-receivership returns would appear to be
11 unnecessary here, given that the California Franchise Tax Board, the Internal
12 Revenue Service, and any appropriate municipal taxing entities will be permitted to
13 participate in the Court-approved claims process, and will have their claims for
14 payment, if any, adjudicated in that context.

15 6. In order to ensure that the California Franchise Tax Board, the Internal
16 Revenue Service, and any known municipal taxing entities are enabled to participate
17 in the Court-approved claims process, my office has notified each of these entities of
18 the claims process, and provided Court-approved claim forms for completion and
19 submission.

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

21 Executed on March 9, 2017, at Los Angeles, California.

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 Stephen J. Donell