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13 Attorneys for Receiver  
 14 STEPHEN J. DONELL

15 UNITED STATES DISTRICT COURT  
 16 CENTRAL DISTRICT OF CALIFORNIA

17 SECURITIES AND EXCHANGE  
 18 COMMISSION,

19 Plaintiff,

20 v.

21 ROBERT YANG; et al.,

22 Defendants.

23 and

24 YANROB'S MEDICAL, INC.; et al.,

25 Relief Defendants.

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

DECLARATION OF RECEIVER,  
 STEPHEN J. DONELL, IN SUPPORT  
 OF EX PARTE APPLICATION FOR  
 ORDER TO SHOW CAUSE WHY  
 CELTIC BANK SHOULD NOT BE  
 HELD IN CIVIL CONTEMPT

[Ex Parte Application; Declaration of  
 Joshua A. del Castillo; and [Proposed]  
 Order submitted concurrently herewith]

Ctrm: 6  
 Judge: Hon. Stephen V. Wilson

1 **DECLARATION OF STEPHEN J. DONELL**

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

3 1. I am the receiver appointed by this Court for Defendants Suncor  
4 Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their  
5 respective subsidiaries and affiliates (collectively, the "Receivership Entities"). I  
6 make this Declaration in support of my concurrently submitted *ex parte* Application  
7 for Order to Show Case (the "Application") and have personal knowledge of the  
8 facts set forth herein and, if called to testify, could testify competently thereto.

9 2. Shortly after my appointment as Receiver in this matter, I contacted  
10 Celtic Bank in connection with the receivership real property development project  
11 located at 7227 Oleander Avenue, Fontana, California 92336 and commonly known  
12 as the Fontana Project (the "Project"). I have confirmed that Celtic Bank is the  
13 construction lender for the Project, and that it has disbursed slightly more than \$3  
14 million secured by the Project. On or around December 14, 2015, and presumably  
15 in accordance with the requirements of the order by which I was appointed as  
16 Receiver (the "Appointment Order"), Celtic Bank provided me with a Certified  
17 Statement confirming, among other things, that it held just over \$2 million in  
18 receivership funds in two (2) separate deposit accounts, numbered 11900821 and  
19 13002962, respectively (collectively, the "Deposit Accounts"). A true and correct  
20 copy of the Certified Statement provided to me by Celtic Bank is attached hereto as

21 **Exhibit A.**

22 3. Among other things, the Appointment Order granted me with exclusive  
23 authority and control over the assets of the Receivership Entities ("Receivership  
24 Assets") and charged me with undertaking an analysis necessary to identify and  
25 recover available Receivership Assets. As part of this investigation, I and my staff  
26 (including my forensic accountants) reviewed and analyzed thousands of pages of  
27 records relevant to the business and financial activities of the Receivership Entities,  
28 including materials obtained from the Plaintiff Securities and Exchange

1 Commission, individual Defendants Robert Yang and Claudia Kano, and other third  
2 parties. After completing a review of the relevant records, I determined that the  
3 funds in the Deposit Accounts were deposited in the name of Relief Defendant  
4 HealthPro Capital Partners, LLC ("HealthPro"), and entity that I have determined is  
5 an affiliate of the Receivership Entities, and therefore a Receivership Entity itself. I  
6 further determined that the funds in the Deposit Accounts originated exclusively  
7 with two (2) sets of investors in Suncor Fontana, LLC and HealthPro, in connection  
8 with the Project.

9       4. As noted above, I commenced my discussions with Celtic Bank  
10 regarding the administration of the Project in mid-December 2015, shortly after my  
11 appointment as Receiver. During these discussions, I provided Celtic Bank  
12 personnel with a copy of the Appointment Order. While, at their inception, my  
13 discussions with Celtic Bank related in part to the condition and then ongoing  
14 construction of the Project, two (2) Celtic Bank construction loans for the Project,  
15 and outstanding contractor draw requests relating to the Loans, I also advised Celtic  
16 Bank that the \$2 million on deposit in the Deposit Accounts could be deemed to be a  
17 Receivership Asset and that, if so, the funds would have to be turned over to me in  
18 accordance with the Appointment Order. While I did not immediately request the  
19 turn-over of the funds on deposit in the Deposit Accounts, I did advise Celtic Bank  
20 that I would make a turn-over request at such time as I confirmed that the funds on  
21 deposit were derived from investors in and attributable to the Receivership Entities.

22       5. In or around late February, 2016, I completed my final review of the  
23 documents relating to the \$2 million on deposit with Celtic Bank, including bank  
24 statements, other financial information, and court documents, including a the  
25 transcript of a deposition of Defendant Yang in a San Bernardino Superior Court  
26 case styled Park v. Yang, et al., Case No. CIVDS1514417. This review led me to  
27 the inescapable conclusions that: (a) HealthPro is an affiliate of the Receivership  
28 Entities (and therefore a Receivership Entity itself); and (b) the \$2 million on

1 deposit with Celtic Bank was funded exclusively with investor funds, as follows:  
2 \$1 million from overseas investors who invested in Suncor Fontana, LLC and  
3 \$1 million from a San Bernardino-based investor who invested in HealthPro. I was  
4 able to account for the funds on deposit with Celtic Bank as follows:

- 5 • Investors located in China invested \$4,501,155 in the Project via  
6 deposits to an Orange Community Escrow account at City  
7 National Bank (the "CNB account"), and held for the benefit of  
8 the Project.
- 9 • A U.S.-based investor, the Shin Sook Park Trust ("Park"),  
10 invested \$1 million in exchange for a percentage interest in  
11 HealthPro (which was to manage the Project). Defendant Yang  
12 deposited Park's funds directly with Celtic Bank, into one of the  
13 Deposit Accounts.
- 14 • Of the more than \$4.5 million invested in the Project by China-  
15 based investors, \$1,500,000 was transferred from the CNB  
16 account to a Citizens Business Bank account (the "CBB  
17 account") in the name of Receivership Entity Suncor Fontana,  
18 LLC.
- 19 • Of the \$1,500,000 in investor funds held in the CBB account, \$1  
20 million was transferred to Celtic Bank, into one of the Deposit  
21 Accounts.

22 Accordingly, and as a consequence of the above accounting, I was able to  
23 confirm that the funds on deposit with Celtic Bank originated exclusively with  
24 investors and are directly attributable to the Receivership Entities. This accounting  
25 is further illustrated in a flow-chart in the concurrently submitted Application.

26 6. Based on recent correspondence and discussions with Celtic Bank and  
27 its counsel, I believe that, rather than turn over the funds in the Deposit Accounts as  
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1 required by the Appointment Order, Celtic Bank wishes to apply those funds to any  
2 losses it suffers in connection with the Loans.

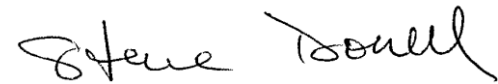
3 I declare under penalty of perjury that the foregoing is true and correct.

4 Executed on April 5, 2016, at Los Angeles, California.

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Stephen J. Donell

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# **EXHIBIT A**

Leslie K. Rinaldi (UT #11940)  
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Salt Lake City, Utah 84111  
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[lrinaldi@celticbank.com](mailto:lrinaldi@celticbank.com)

**General Counsel - Celtic Bank Corporation**

<b>UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA EASTERN DIVISION</b>	
<b>SECURITIES AND EXCHANGE COMMISSION,</b>  Plaintiff,  vs.  <b>ROBERT YANG, CLAUDIA KANO, SUNCOR FONTANA, LLC, SUNCOR HESPERIA, LLC, AND SUNCOR CARE LYNWOOD, LLC</b>  Defendants,  AND  <b>YANROB'S MEDICAL, INC., HEALTHPRO CAPITAL PARTNERS, LLC, SUNCOR CARE, INC.</b>  Relief Defendants.	Case No. 5:15-cv-02387-SVW (KKx)  <b>CERTIFIED STATEMENT OF CELTIC BANK</b>

Pursuant to the Preliminary Injunction, Order Appointing Receiver, Freezing Assets, and

Providing Other Ancillary Relief (the “Order”), entered by this court on December 11, 2015 (*Doc No. 18*), Celtic Bank Corporation (“Celtic Bank”) has been ordered to file a certified statement setting forth for each account held by Celtic Bank the balance held in that account or a description of the assets held in any account as of the close of business on the day Celtic Bank received notice of that Order.

Celtic Bank received notice of the Order on Friday, December 11, 2015. As of that date it held the following accounts and assets of Defendants:

Loan # 15009992  
Current Principal Balance: \$2,374,598.66  
Accrued Interest: \$2,732.42  
Amount Available: \$0.00

Loan # 15010079  
Current Principal Balance: \$485,593.54  
Accrued Interest: \$3,064.53  
Amount Available: \$1,980,660.12

Deposit Account # 13002962  
Current Balance: \$1,013,964.32  
Open date: 02-17-2012

Deposit Account # 11900821  
Current Balance: \$1,020,933.34  
Open date: 12-05-2012

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on December 14, 2015.

*Leslie Rinaldi*  
\_\_\_\_\_  
Leslie K. Rinaldi  
**General Counsel - Celtic Bank Corporation**



**PROOF OF SERVICE**

*Securities and Exchange Commission v. Robert Yang, Suncor Fontana, et al.*  
USDC, Central District of California – Case No. 5:15-cv-02387-SVW (KKx)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 515 S. Figueroa Street, 9th Floor, Los Angeles, California 90071-3398.

A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below:

**DECLARATION OF RECEIVER, STEPHEN J. DONELL, IN SUPPORT OF EX PARTE APPLICATION FOR ORDER TO SHOW CAUSE WHY CELTIC BANK SHOULD NOT BE HELD IN CIVIL CONTEMPT**

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – the above-described document will be served by the Court via NEF. On April 5, 2016, I reviewed the CM/ECF Mailing Info For A Case for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- **Zachary T. Carlyle**  
carlylez@sec.gov, kasperg@sec.gov, karpeli@sec.gov, blomgrene@sec.gov, pinkstonm@sec.gov, NesvigN@sec.gov
- **Stephen J. Donell**  
jdelcastillo@allenmatkins.com
- **Mark T. Hiraide**  
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- **Leslie J. Hughes**  
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- **David J. Van Havermaat**  
vanhavermaatd@sec.gov, larofiling@sec.gov, berryj@sec.vog, irwinma@sec.gov
- **Joshua Andrew del Castillo**  
jdelcastillo@allenmatkins.com

2. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL and EMAIL (indicate method for each person or entity served)**: On April 5, 2016, I served the following person(s) and/or entity(ies) in this case by placing a true and correct

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copy thereof in a sealed envelope(s) addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion for party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 (one) day after date of deposit for mailing in affidavit.

Eric Dean  
Straggas Dean LLP  
8911 Research Drive  
Irvine, CA 92618

**Via Overnight Mail and  
Email:  
eric.dean@straggasdean.com**

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **April 5, 2016** at Los Angeles, California.

*s/ Martha Diaz*  
\_\_\_\_\_  
Martha Diaz