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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 Defendant,

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

24 Relief Defendants.

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

**FIFTH INTERIM APPLICATION
 FOR PAYMENT OF FEES AND
 REIMBURSEMENT OF EXPENSES
 OF RECEIVER AND HIS
 PROFESSIONALS**

[Notice of Application; Memorandum of
 Points and Authorities; Declaration of
 Stephen J. Donell; and [Proposed] Order
 submitted concurrently herewith]

Date: January 29, 2018
 Time: 1:30 p.m.
 Ctrm: 10A
 Judge: Hon. Stephen V. Wilson

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1 **I. INTRODUCTION.**

2 Stephen J. Donell, (the "Receiver") the court-appointed permanent receiver
3 for Defendants Suncor Fontana, LLC, Suncor Hesperia, LLC, Suncor Care
4 Lynwood, LLC ("Defendants"), and their respective subsidiaries and affiliates
5 (collectively, the "Receivership Entities" or "Entities"), along with his counsel of
6 record, Allen Matkins, hereby submit this Fifth Interim Application for Payment of
7 Fees and Reimbursement of Expenses (the "Application"). This Application is the
8 fifth interim application for reimbursement of fees and expenses submitted by the
9 Receiver and his Professionals, and covers the period of January 1, 2017 to March
10 31, 2017 (the "Application Period").

11 **II. GENERAL SUMMARY.**

12 As reflected in his previous submissions to this Court, during the Application
13 Period, the Receiver, with assistance from counsel, made substantial progress in
14 satisfaction of his duties as identified in the Court's December 11, 2015 Preliminary
15 Injunction, Order Appointing Receiver, Freezing Assets, and Providing for Other
16 Ancillary Relief ("Appointment Order"). The specific actions undertaken to date by
17 the Receiver and his Professionals since the Receiver's appointment are as identified
18 in the Receiver's First Quarterly Status Report, Second Quarterly Status Report,
19 Third Quarterly Status Report, and his Fourth Quarterly Status Report. Among
20 other things, and by way of short summary, however, the Receiver has:

- 21 • Continued to administer the estates of the Receivership Entities
22 (collectively, the "Estate");
- 23 • Confirmed the amount and location of additional cash assets potentially
24 available for recovery and subject to the turnover requirements of the
25 Appointment Order;
- 26 • Negotiated and entered into a tentative settlement (later approved by
27 this Court; see Dkt. No. 170) with the Metropolitan Water District of
28 Southern California (the "MWD") in connection with \$250,000 in

- 1 funds paid by the Receivership Entities in the pre-receivership period in
2 a failed real estate transaction;
- 3 • Negotiated with prospective buyers regarding the Entities' remaining
4 real estate assets, which sales the Receiver anticipates submitting for
5 Court approval shortly; notably, the real property and improvement
6 located at 3599 Norton Avenue, Lynwood, California 90262 (the
7 "Lynwood Project") (See Dkt. No. 182);
 - 8 • Developed a claims and distribution process and sought, and secured,
9 Court approval;
 - 10 • Completed the preparation of his Fourth Quarterly Status Report (Dkt
11 No. 174);
 - 12 • Continued to monitor and participate in all pending state court litigation
13 matters affecting or relating to the Receivership Entities and maintained
14 the status quo in each matter; and
 - 15 • Continued to communicate with investors (and counsel for investors) in
16 the Receivership Entities regarding the status of the receivership, issues
17 relating to investor immigration petitions, and registration for updates
18 and information via the Receiver's website.

19 During the Application Period, and as detailed herein, the Receiver and his
20 staff spent approximately 153.30 hours working on behalf of the Receivership
21 Entities, at an aggregate, weighted-average hourly billing rate of \$289.93. The
22 Receiver's fees sought and the average hourly billing rate represent significant
23 savings to the Estate due in substantial part to the discount the Receiver has applied
24 to all time on this matter, and the efficient utilization of his team's expertise and
25 experience. Given the amount and nature of the work completed by the Receiver
26 and his staff, the Receiver respectfully submits that the fees and expenses incurred
27 and addressed herein are appropriate and, accordingly, requests that the Court enter
28 an order approving the fees and expenses incurred and authorizing payment of 90%

1 (\$40,002.03) of the fees, on an interim basis, and 100% of expenses incurred
2 (\$417.46), from the funds of the Receivership Entities.

3 Additionally, during the Application Period, Allen Matkins spent
4 approximately 168.80 hours working on behalf of the Receiver, at an aggregate,
5 weighted-average hourly billing rate of \$515.37. The amount of attorneys' fees
6 sought by Allen Matkins and its weighted-average hourly billing rate represent
7 significant savings to the Estate due to the efficiencies created by Allen Matkins'
8 commitment to staffing each task with a core team of attorneys that have extensive
9 experience and expertise in federal equity receiverships. Through this Application,
10 Allen Matkins seeks approval and payment of 80% of the fees and 100% expenses
11 incurred during the Application (\$69,595.76 and \$359.68, respectively).

12 **III. OVERVIEW OF THE RECEIVERSHIP CASE.**

13 The Court and interested parties are invited to review the materials identified
14 in the Receiver's prior interim reports for a general summary of the facts underlying
15 the above-captions action and the activities of the Receiver and his Professionals to
16 date, and more specifically, the following materials relevant to the Receiver's
17 administration of the Estate during this Application Period:

- 18 • Motion of Receiver, Stephen J. Donell, for Order Approving Settlement
19 Agreement with Metropolitan Water District of California, filed on
20 February 16, 2017 (Dkt. No. 159), and approved by this Court on
21 March 16, 2017 (Dkt. No. 170).
- 22 • Motion of Receiver, Stephen J. Donell, for Order Authorizing Receiver
23 Not to Prepare and File Pre-Receivership Tax Returns, filed on March
24 13, 2017 (Dkt. No. 165), and approved by this Court on April 11, 2017
25 (Dkt. No. 171).
- 26 • Fourth Quarterly Status Report of Receiver, filed on May 25, 2017 (Dkt
27 No. 174).

28

- 1 • Notice of Submission and Motion for Approval of Fourth Interim Fee
2 Applications for Payment of Fees and Reimbursement of Expenses of
3 the Receiver and His Professionals, filed on June 6, 2017 (Dkt. No.
4 176), and approved by this Court on June 22, 2017 (Dkt. No. 181).
- 5 • Notice of Motion and Motion of Receiver for Order Approving: (1)
6 Sale of Lynwood Project; (2) Overbid Procedures; and (3) Real Estate
7 Broker's Commission, filed on August 7, 2017 (Dkt. No. 182).

8 **IV. SERVICES RENDERED BY RECEIVER DURING THE**
9 **APPLICATION PERIOD.**

10 During the Application Period, the Receiver and his staff undertook
11 substantial additional efforts to investigate and recover receivership assets, develop
12 and implement claims and distribution plans, and otherwise administer the Estate.
13 Significant progress has been made, and the Receiver's efforts continue. The
14 Receiver's previously submitted Initial Report of Receiver (the "Initial Report")
15 (Dkt. No. 20), First Quarterly Status Report (the "First Interim Report") (Dkt. No.
16 53), Second Quarterly Status Report (the "Second Interim Report") (Dkt. No. 129),
17 Third Quarterly Status Report (the "Third Interim Report") (Dkt. No. 150), and
18 Fourth Quarterly Status Report (the "Fourth Interim Report") (Dkt. No. 174)
19 summarize the Receiver's efforts and conclusions in substantial detail. The Receiver
20 invites the Court and all interested parties to review those documents in conjunction
21 with the present Application.

22 A true and correct copy of all of the Receiver's invoices for the Application
23 Period are attached to his concurrently-filed declaration. (Declaration of Stephen J.
24 Donell in support of the Application ["Donell Decl."], ¶ 4, Ex. A.) In his reasonable
25 business judgment, the Receiver believes the hourly rates that he and his internal
26 professionals charged were appropriate, given the requirements of the receivership,
27 that every effort was made to have tasks completed at the lowest possible billing
28 rate, and that the total fees for which he seeks approval are fair and reasonable.

1 (Donell Decl., ¶¶ 3, 4.) The Receiver has also prepared a Standardized Fund
2 Accounting Report for the Estate of the Receivership Entities in accordance with the
3 Plaintiff Securities and Exchange Commission's billing requirements, summarizing
4 the Receiver's collections, disbursements, and financial activities on behalf of the
5 Receivership Entities and the Estate. (Donell Decl., ¶ 5, Ex. B.)

6 Below, the Receiver addresses the key efforts undertaken and issues
7 addressed during the Application Period, and provides a detailed summary of the
8 services provided and time spent by the Receiver and his staff, during the
9 Application Period. As reflected below, the Receiver has categorized his efforts by
10 project, property and/or Receivership Entity:

11 **A. Suncor Fontana, LLC | 7227 Oleander Avenue.**

12 The Receivership Entity Suncor Fontana, LLC is associated with the property
13 located at 7227 Oleander Avenue, Fontana, California (the "Fontana Project"). As
14 detailed in the Initial Report, the First Interim Report, Second Interim Report, Third
15 Interim Report, and Fourth Interim Report, the Fontana Project is a partially
16 constructed sub-acute / skilled nursing facility, which at the time of the Receiver's
17 appointment, appeared to be approximately 45% complete.

18 The Receiver confirmed that the amount of secured debt on the Project,
19 combined with the face value of existing and anticipated claims against the Project
20 by trade creditors and others, meant that the Project was substantially "underwater"
21 and represented a net liability to the Estate. Accordingly, the Receiver sought and
22 secured permission from the Court to abandon the Fontana Project (Dkt. Nos. 115,
23 133.) This Project has since been abandoned, with Court permission. During the
24 Application Period, the Receiver and his staff continued to reconcile bank accounts
25 associated with the Fontana Project and address other outstanding financial issues
26 concerning the property.

27 During the Application Period, the Receiver and his staff devoted a total of
28 4.40 hours to the Fontana Project, incurring \$1,195.80 in fees and \$0 in expenses.

1 **B. Suncor Hesperia LLC/17577-17579 Sultana Street.**

2 Receivership Entity Suncor Hesperia, LLC is associated with the property
3 located at 17577-17579 Sultana Street, Hesperia, California ("Hesperia Project").
4 As detailed in the Initial Report, the First Interim Report, the Second Interim Report,
5 the Third Interim Report, and the Fourth Interim Report, the Hesperia Project is
6 undeveloped land, and was apparently intended to be developed as a sub-acute case /
7 skilled nursing facility.

8 While the Receiver has confirmed that development and construction plans
9 for the Hesperia Project were prepared in the pre-receivership period, and that the
10 grading and excavation at the site seems to have been undertaken in accordance with
11 those plans, and as noted in prior submissions to the Court, the Project appears not
12 to have been properly entitled or awarded all requisite permits for its contemplated
13 development. The Receiver concluded that the Project was substantially
14 underwater; that is, worth less than the amount of secured (and securable) claims
15 against it, and was under threat of foreclosure.¹ The Receiver moved for authority
16 to abandon the Project on June 30, 2016 (Dkt. No. 109). The Court entered its
17 Order granting the Receiver's motion on August 8, 2016 (Dkt. No. 134). This
18 Project has since been abandoned. During the Application Period, the Receiver and
19 his staff continued to update the title insurance policy for the Project, reconcile bank
20 accounts associated with the Project, and follow up on issues arising from and
21 connection with the abandonment of the Project.

22 During the Application Period, the Receiver and his staff devoted a total of
23 5.80 hours to the Hesperia Project, incurring \$1,696.00 in fees and \$0 in expenses.

24 **C. Suncor Lynwood, LLC/3598 Martin Luther King, Jr. Blvd.**

25 Suncor Lynwood, LLC is associated with the property located at 3598 Martin
26

27 ¹ Specifically, the aggregate of confirmed secured and unsecured debt on the
28 Project, coupled with the fact that the Receiver's real property broker did not
generate even a single purchase offer for the Project, has led the Receiver to
conclude that the Project is "underwater."

1 Luther King, Jr. Blvd, Lynwood, California ("Lynwood Project"). As detailed in the
2 Initial Report, the First Interim Report, Second Interim Report, the Third Interim
3 Report, and the Fourth Interim Report, the Lynwood Project is a vacant structure
4 previously used as a skilled nursing facility and apparently intended to be re-
5 developed as a sub-acute care / skilled nursing facility.

6 During the Application Period, the Receiver obtained a broker's opinion of
7 value ("BOV") that suggested the Lynwood Project could be worth \$1.5 million, and
8 perhaps as much as \$ 2 million. Thereafter, the Receiver dedicated substantial time
9 and effort to finalizing a disposition plan for the Lynwood Project, and soliciting
10 and managing multiple viable offers to purchase the property. On July 8, 2017, the
11 Receiver submitted a request for Court approval for sale of the Lynwood Project.
12 (Dkt. No. 183.) The Court later approved the sale of the Lynwood Project, on
13 September 14, 2017. (Dkt. No. 188.)

14 During the Application Period, the Receiver and his staff devoted a total of
15 34.60 hours to the Lynwood Project, incurring \$10,857.60 in fees and \$0 in
16 expenses.

17 **D. The Mentone Property/11201 Opal Avenue.**

18 As detailed in the Initial Report, the First Interim Report, the Second Interim
19 Report, the Third Interim Report, and the Fourth Interim Report, the real property
20 located at 11202 Opal Ave., Mentone, California ("Mentone Property") is presently
21 comprised of unproductive orchard land, but sits at the center of a series of parcels
22 of real property immediately adjacent to the City of Redlands.

23 As the Receiver previously reported, he has confirmed that approximately
24 \$500,000 in funds raised from investors in the Lynwood Project were diverted for
25 the purchase of the Mentone Property. During the Application Period, the Receiver
26 reviewed a pre-receivership purchase and sale agreement ("PSA"), which suggested
27 that Defendants intended to market and develop the Mentone Property as a site for
28 27 single-family homes, and undertook to determine whether such a plan was still

1 viable and economically beneficial for the Estate. Ultimately, the Receiver
2 determined that this PSA, if performed, would subject the Estate to a number of
3 onerous requirements, and costs in excess of \$500,000, with no guarantee of sale.

4 Accordingly, the Receiver secured permission from the Court to abandon the
5 PSA (Dkt. No. 132).

6 Since then, the Receiver has aggressively and actively marketed the Mentone
7 Property. As of the date of this Application, the Receiver has received a number of
8 offers for the property, all of which were at or in excess of \$1 million.
9 Unfortunately, as the diligence process with respect to the property continued, the
10 Receiver and his prospective buyers learned of a number of previously undisclosed
11 facts affecting the value of the property, including a pending general plan
12 amendment that would restrict its development and an easement that might render
13 approximately 30% of the property unsuitable for development. As a consequence,
14 some of the prospective buyers withdrew their offers, while other substantially
15 reduced them. The Receiver will provide additional information on these issues in a
16 later submission to the Court. At present, he is working to do what he can to
17 maximize the value of the property for sale. There are no significant outstanding
18 liens or other payments due in connection with the Mentone Property, meaning that
19 the overwhelming bulk of any eventual purchase price will be paid directly to the
20 Estate.²

21 During the Application Period, the Receiver and his staff devoted a total of
22 16.90 hours to the Mentone Property, incurring \$5,482.30 in fees and \$0 in
23 expenses.

24

25

26 ² The pre-receivership, anticipated buyer of the Mentone Property advanced
27 \$150,000 to the Entities, secured by deed of trust. As reflected in the Receiver's
28 Forensic Accounting and Amended Forensic Accounting Reports, these funds
were not expended in the manner required by the PSA. After the abandonment
of the contract with the pre-receivership buyer, the Receiver satisfied the deed of
trust, eliminating what appears to be the only substantial cloud on title in
connection with the Mentone Property.

1 **E. Yanrob's Medical, Inc./406 Vanderbilt Way.**

2 The real property located at 406 Vanderbilt Way, San Bernardino, California
3 (the "Vanderbilt Property") is the principal place of business of Relief Defendant
4 Yanrob's Medical, Inc. ("Yanrob"), and the location of Defendant Yang's medical
5 practice.

6 As reflected in the Receiver's prior submissions to the Court, Yanrob's status
7 as a prospective Receivership Entity was ambiguous from the inception of this
8 matter, largely due to the fact that, while Yanrob received more than \$1 million in
9 funds derived from investors, its business and financial activities appeared to be
10 otherwise unrelated to the conduct in issue in the Commission's Complaint. In
11 determining whether, or to what extent, the Vanderbilt Property should be
12 considered an asset of the Receivership Entities, the Receiver therefore had to weigh
13 both Yanrob's role in the unlawful conduct in issue here, as well as the potential
14 benefit to the Receivership Entities of deeming the Vanderbilt Property to be a
15 receivership asset.

16 Ultimately, the Receiver determined that the value of the Vanderbilt Property
17 was roughly equal to that of an outstanding debt owed to GBC Bank and secured by
18 the property. As a consequence, the Receiver entered into detailed negotiations with
19 Yanrob, GBC Bank, and others, to formalize the Receiver's abandonment of the
20 Vanderbilt Property, and to enable Yanrob to sell the Vanderbilt Property to an
21 arms-length buyer, via a transaction that resulted in the return of \$400,000 to the
22 Receiver for the benefit of the Entities (Dkt Nos. 136, 137). The sale has since been
23 consummated and GBC Bank has released \$400,000 in cash to the Receiver. During
24 the Application Period, the Receiver and his staff also reconciled bank accounts
25 concerning the Vanderbilt Property and attended to other administrative tasks.

26 During the Application Period, the Receiver and his staff devoted a total of
27 2.90 hours to the Vanderbilt Property, incurring \$682.50 in fees and \$0 in expenses.

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1 **F. General Receivership Work.**

2 During the Application Period, the Receiver also engaged in numerous
3 general or administrative efforts on behalf of the Receivership Entities, collectively,
4 in order to maintain the cumulative value of the Estate, coordinate with the
5 Commission and Defendants' counsel, and fulfill his reporting and other obligations.

6 During the Application Period, the Receiver undertook additional efforts to
7 locate any other recoverable assets, including with potential individuals in improper
8 receipt of funds. The Receiver also performed work on listing agreements relating
9 to various Projects, and performed general accounting work relating to cash
10 turnovers and vendor services required in order to administer the Estate.
11 Additionally, the Receiver developed a proposed claims process on November 29,
12 2016 (Dkt No. 148), which the Court granted in its entirety on December 22, 2016
13 (Dkt No. 149).

14 During the Application Period, the Receiver further reviewed and finalized
15 the Fourth Interim Report, addressed inquiries from potential investors and their
16 authorized agents, coordinated with counsel in connection with scheduled hearings
17 and other Court deadlines, monitored related pending actions in San Bernardino
18 Superior Court, maintained and updated his website relating to this receivership, and
19 worked with vendors relating to payments and any related vendor issues.

20 During the Application Period, the Receiver and his staff devoted a total of
21 88.70 hours to General Receivership work, incurring \$24,532.50 in fees and \$417.46
22 in expenses.

23 **V. SERVICES PERFORMED BY ALLEN MATKINS DURING THE**
24 **APPLICATION PERIOD.**

25 The order approving the Receiver's engagement of Allen Matkins was entered
26 on March 8, 2016³ (See Dkt. No. 46.). The Receiver selected Allen Matkins as his
27

28 ³ The Appointment Order, entered December 11, 2015, had previously authorized
the Receiver to engage counsel. Allen Matkins was engaged at that time, but was

1 general counsel because of the firm's extensive experience and expertise in federal
2 equity receiverships, as well as bankruptcy and litigation matters. Allen Matkins
3 has served as counsel to federal equity receivers in dozens of cases, has represented
4 a variety of entities in bankruptcy matters, and has significant substantive
5 experience in related areas such as corporate and securities laws, real estate, and
6 other matters.

7 During the Application Period, Allen Matkins staffed each task as efficiently
8 as possible, using a team of core attorneys, with the assistance of specialized
9 expertise as necessary. As the Court may recall, Allen Matkins agreed to discount
10 its ordinary billing rates by 10% and to not adjust its billing rates for attorneys
11 staffed on this matter until January 2017, despite the fact that the firm's rates
12 ordinarily adjust in July of each year.

13 Detailed descriptions of the services rendered by Allen Matkins are reflected
14 in **Exhibit A**, attached hereto. Biographical information of the Allen Matkins
15 attorneys who have rendered significant services to the Receiver during the
16 Application Period are attached as **Exhibit B**. During the Application Period, Allen
17 Matkins recorded its time in the following categories:⁴

- 18 1. General Receivership;
- 19 2. Asset Recovery and Administration;
- 20 3. Investigation/Reporting;
- 21 4. Investor Communications;
- 22 5. Sale of Assets/Disposition;
- 23 6. Pending Litigation; and

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25
26 formally approved as the Receiver's counsel on March 8, 2016 pursuant to the
27 Court's Order in Aid of Receivership.

28 ⁴ While every effort is made to be consistent and accurate in the allocation of
activities to the various categories, certain activities may lend themselves to more
than one category, or may simply be difficult to categorize. Nevertheless,
Exhibit A reflects the actual time spent on any given activity and contains an
accurate description of the services provided.

1 7. Claims.

2 1. General Receivership.

3 Services in the "General Receivership" category relate to assisting the
 4 Receiver with the administration of the Estate. During the Application Period, Allen
 5 Matkins attorneys assisted the Receiver in reviewing administrative filings, orders,
 6 and deadlines, and advising the Receiver relating to these and other administrative
 7 issues. Allen Matkins also assisted the Receiver in addressing tax issues arising
 8 from the pre-receivership period, including preparing and filing the Receiver's
 9 Motion for Order Authorizing Receiver Not To Prepare and File Pre-Receivership
 10 Tax Returns (Dkt. No. 165). Finally, Allen Matkins communicated extensively with
 11 counsel for Defendants and other interested parties regarding the administration of
 12 the receivership case and related matters.

13 The following Allen Matkins attorneys billed time to this matter during the
 14 Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
D. Zaro	Partner	\$702.00	0.30	\$210.60
J. del Castillo	Partner	\$526.50	27.70	\$14,584.05
TOTAL:			28.0	\$14,794.65
Average Hourly Rate		\$528.38		
Total Expenses				\$81.78

21 2. Asset Recovery and Administration.

22 Services in the "Asset Recovery and Administration" category relate directly
 23 to the Receiver's efforts to identify, secure, and recover assets of the receivership
 24 ("Receivership Assets" or "Assets"). During the Application Period, these efforts
 25 focused primarily on aiding the Receiver with substantive settlement negotiations
 26 with the Metropolitan Water District of Southern California ("MWD"). With the
 27 assistance of Allen Matkins, the Receiver confirmed that the Entities released
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1 \$250,000 to the MWD in connection with a failed, off the books, real estate
2 purchase transaction, which transfer was characterized as the payment of liquidated
3 damages to the MWD. Allen Matkins, on behalf of the Receiver, made demands
4 upon the MWD for the return of these funds, which the Receiver maintained
5 included Receivership Assets fraudulently transferred to the MWD and subject to
6 disgorgement in accordance with the requirements of the Appointment Order. Allen
7 Matkins and the MWD engaged in detailed negotiations and arrived at a proposed
8 settlement whereby the MWD agreed to return to the Receiver the amount of
9 \$124,999.00 for the benefit of the Estate. On March 16, 2017, on motion by the
10 Receiver, the Court entered an order approving the settlement and the funds have
11 since been returned to the Receiver (Dkt. No. 170).

12 Additionally, Allen Matkins assisted the Receiver in his continuing
13 investigation of the conduct of the Receivership Entities' finder, Mason Investments,
14 LLC ("Mason") and its China-based affiliate, and the funds paid to Mason from
15 investor principal, in the form of commissions undisclosed to investors and
16 administrative fees. While the Receiver had initially been led to believe that all of
17 these funds had been expended or otherwise rendered unrecoverable, he later
18 confirmed, through Allen Matkins, that some funds derived from Entity investors
19 had remained in the United States, and had been treated as frozen, in accordance
20 with the terms of the Appointment Order. Allen Matkins, on behalf of the Receiver,
21 initially made a demand for the turnover of these funds, and later worked with
22 Mason and the Commission to recover these funds.

23 Allen Matkins also conducted an analysis of potential additional asset
24 recovery strategies for the Receiver.

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1 The following Allen Matkins attorneys billed time to this matter during the
 2 Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
J. del Castillo	Partner	\$526.50	27.70	\$14,584.05
A. Engstrom	Associate	\$283.50	0.3	\$85.05
TOTAL:			28.0	\$14,669.10
Average Hourly Rate		\$523.90		

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 9 3. Investigation/Reporting.

10 Services in the "Investigation/Reporting" category relate to the Receiver's
 11 efforts to investigate the nature and location of Receivership Assets, along with the
 12 business and financial activities of the Entities, and his preparation of reports to the
 13 Court. Allen Matkins continued to assist the Receiver in connection with the
 14 identification, recovery, and review of documents relating to the Receivership
 15 Entities and their business and financial activities, and with the compilation and
 16 presentation of conclusions derived from these materials to the Court.

17 During the Application Period, Allen Matkins spent significant time working
 18 with the Receiver to compile, prepare, and file the Fourth Quarterly Status Report,
 19 as well as consulting with the Commission and other interested parties, and Receiver
 20 with regard to the Receiver's reporting and investigation efforts. Finally, Allen
 21 Matkins spent considerable time undertaking an analysis of tax issues arising out of
 22 the pre-receivership period and provided advice to the Receiver regarding strategies
 23 for resolving these issues.

24 ///
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1 The following Allen Matkins attorneys and staff billed time to this matter
 2 during the Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
D. Zaro	Partner	\$702.00	0.50	\$351.00
J. del Castillo	Partner	\$526.50	4.30	\$2,263.95
TOTAL:			4.80	\$2,614.95
Average Hourly Rate		\$544.78		

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9 **4. Investor Communications.**

10 The time billed to this matter reflects Allen Matkins' assistance to the
 11 Receiver in connection with communications with Entity investors and Allen
 12 Matkins' direct discussions with investors and investor representatives at the
 13 Receiver's behest. During the Application Period, Allen Matkins continued to assist
 14 the Receiver in managing correspondence with investors and counsel for investors
 15 regarding the status of the receivership.

16 The following Allen Matkins attorney billed time to this matter during the
 17 Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
J. del Castillo	Partner	\$526.50	4.60	\$2,421.90
TOTAL:			4.60	\$2,421.90
Average Hourly Rate		\$526.50		

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23 **5. Sale of Assets/Disposition.**

24 This category consists of expenses incurred in connection with the analysis of
 25 issues relating to the potential and actual disposition of Receivership Assets, with
 26 particular attention to the anticipated sale of the Lynwood Project and the Mentone
 27 Property
 28

1 Allen Matkins assisted the Receiver with the drafting and review of PSAs and
 2 letters of intent ("LOIs"), marketing and sale efforts, and attending to other asset
 3 disposition matters in connection with these properties. Allen Matkins also
 4 provided the Receiver with general real estate disposition advice. As of the date of
 5 this Application, the sale of the Lynwood Project has been approved by the Court.
 6 (Dkt. No. 188.)

7 The following Allen Matkins attorneys and staff billed time to this matter
 8 during the Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
D. Zaro	Partner	\$702.00	3.10	\$2,176.20
T. McGinity	Partner	\$440.00	4.70	\$2,068.00
G. McDonnell	Partner	\$702.00	0.20	\$140.40
J. del Castillo	Partner	\$526.50	50.60	\$26,640.90
K. Pollock	Sr. Associate	\$481.50	21.90	\$10,544.85
M. Zonne	Associate	\$337.50	0.10	\$33.75
A. Reynoso	Associate	\$306.00	1.60	\$489.60
TOTAL:			82.20	\$42,093.70
Average Hourly Rate		\$512.09		
Total Expenses				\$63.00

21 6. Pending Litigation.

22 Services provided in the "Pending Litigation" category during the Application
 23 Period include the detailed analysis and management of all pre-receivership actions
 24 pending against the Receivership Entities, attendance at hearings and status
 25 conferences in connection with each of those actions, and the preparation of
 26 materials necessary to provide status updates when requested by the individual state
 27 courts.

28

1 The following Allen Matkins attorneys and staff billed time to this matter
 2 during the Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
J. del Castillo	Partner	\$526.50	3.80	\$2,000.70
M. Zonne	Associate	\$337.50	5.30	\$1,788.75
TOTAL:			9.10	\$3,789.45
Average Hourly Rate		\$416.42		
Total Expenses				\$214.90

9
 10 7. Claims.

11 Services provided in the "Claims" category during the Application period
 12 reflect Allen Matkins' assistance to the Receiver in connection with developing his
 13 anticipated claims and distribution process, moving for an order establishing
 14 summary claims procedures, setting a claims bar date, and approving the Receiver's
 15 proposed claim form, whereby investors and other creditors of the Entities will be
 16 able to register their claims for repayment against the Receivership Entities, and
 17 have those claims processed by the Receiver and his staff, resulting in a
 18 recommendation by the Receiver to the Court for the treatment of each claim. Allen
 19 Matkins prepared and filed the Receiver's motion to approve proposed claims
 20 process on November 29, 2016 (Dkt. No. 148). The Court granted this motion on
 21 December 22, 2016, in its entirety (Dkt. No. 149). On or around January 13, 2017,
 22 and in accordance with the Court-approved process, the Receiver published notice
 23 of the claims process and set a claims bar date for March 15, 2017 (Dkt. No. 158).
 24 Claims are now being processed and the Receiver expects submitting his proposed
 25 recommendations for treatment of claims and distributions to the Court shortly.

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1 The following Allen Matkins attorneys and staff billed time to this matter
 2 during the Application Period:

<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
D. Zaro	Partner	\$702.00	1.80	\$1,263.60
J. del Castillo	Partner	\$526.50	9.90	\$5,212.35
M. Zonne	Associate	\$337.50	0.40	\$135.00
TOTAL:			12.10	\$6,610.95
Average Hourly Rate		\$546.36		

10 **VI. THE FEES AND EXPENSES ARE REASONABLE AND SHOULD BE**
 11 **ALLOWED.**

12 Allen Matkins and the Receiver respectfully submit that the fees and expenses
 13 that were incurred during the Application Period were fair, reasonable, and
 14 necessary, and significantly benefitted the estate of the Receivership Entities.
 15 Accordingly, Allen Matkins and the Receiver request that this Court approve the
 16 fees and expenses incurred, and authorize the interim payments requested herein.

17 Specifically, the billing rates of Allen Matkins personnel are comparable to
 18 those charged in the community on similarly complex matters. Further, the billing
 19 statements of Allen Matkins and the Receiver were submitted to the Commission for
 20 review prior to the filing of this Application. The Commission has indicated it will
 21 not oppose the Application. Moreover, and as noted above, Allen Matkins seeks
 22 payment of \$69,595.76 in fees, or 80% of the fees incurred during the Application
 23 Period, in recognition of the fact that its work in assisting the Receiver is ongoing.
 24 Payment of the remaining 20% of its fees will be deferred to the submission of the
 25 Receiver's and his professionals' final fee applications, and Allen Matkins will
 26 request payment of the 20% holdback at the conclusion of the receivership.

27 Further, the Receiver seeks payment of \$40,002.03 in fees, or 90% of the fees
 28 incurred during the Application Period, in recognition of the fact that his work is

1 ongoing. Payment of the remaining 10% of his fees will be deferred to the
2 submission of his and his professionals' final fee applications, and the Receiver will
3 request payment of the 10% holdback at the conclusion of the receivership.

4 **VII. CONCLUSION.**

5 Accordingly, the Receiver and Allen Matkins respectfully request that the
6 Court enter an order:

7 1. Approving the Receiver's fees in the amount of \$44,446.70, and his
8 expenses in the amount of \$417.46;

9 2. Authorizing the Receiver to pay, on an interim basis, 90% (\$40,002.03)
10 of the fees, on an interim basis, plus 100% of expenses incurred (\$417.46), from the
11 funds of the Receivership Entities;

12 3. Approving Allen Matkins' fees in the amount of \$86,994.70, and its
13 expenses in the amount of \$359.68; and

14 4. Authorizing the Receiver to pay Allen Matkins 80% of its fees
15 incurred (\$63,419.76), on an interim basis, plus 100% of its expenses (\$359.68,)
16 from the funds of the Receivership Entities.

17
18 Dated: December 19, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
DAVID R. ZARO
JOSHUA A. DEL CASTILLO
MELISSA K. ZONNE

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20
21 By: /s/ Joshua A. del Castillo

JOSHUA A. DEL CASTILLO
Attorneys for Receiver
STEPHEN J. DONELL

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 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

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

FIFTH INTERIM APPLICATION FOR PAYMENTS OF FEES AND REIMBURSEMENT OF EXPENSES OF RECEIVER AND HIS PROFESSIONALS

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 **December 19, 2017**, 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**
mth@msk.com,kjue@phlcorplaw.com,
hitabashi@phlcorplaw.com,eganous@phlcorplaw.com
- **Leslie J. Hughes**
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- **George D. Straggas**
George.straggas@straggasdean.com;sarah.borghese@straggasdean.com,
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- **David J. Van Havermaat**
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- **Joshua Andrew del Castillo**
jdelcastillo@allenmatkins.com

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- **David R Zaro**
dzaro@allenmatkins.com

2. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):** On **December 19, 2017**, I served the following person(s) and/or entity(ies) in this case by placing a true and correct 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. Or, I deposited in a box or other facility regularly maintained by FedEx, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelopes or packages designated by the express service carrier, addressed as indicated above on the above-mentioned date, with fees for overnight delivery paid or provided for.

Franchise Tax Board (FTB)
P.O. Box 2952
Sacramento, CA 95812-2952

Via U.S. Mail

Internal Revenue Service
880 Front Street
San Diego, CA 92101-8869

Via U.S. Mail

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 **December 19, 2017** at Los Angeles, California.

/s/ Martha Diaz
Martha Diaz