1 2 3 4 5 6 7 8	DAVID R. ZARO (BAR NO. 124334) JOSHUA A. DEL CASTILLO (BAR NO MELISSA K. ZONNE (BAR NO. 30158) ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS LLP 865 South Figueroa Street, Suite 2800 Los Angeles, California 90017-2543 Phone: (213) 622-5555 Fax: (213) 620-8816 E-Mail: dzaro@allenmatkins.com	. 239015)		
9	UNITED STATES DISTRICT COURT			
10	CENTRAL DISTRICT OF CALIFORNIA			
11				
12	SECURITIES AND EXCHANGE	Case No. 5:15-CV-02387-SVW (KKx)		
13	COMMISSION,	DECLARATION OF RECEIVER, STEPHEN J. DONELL, IN SUPPORT		
14	Plaintiff,	OF THE FIFTH INTERIM		
15	V.	APPLICATION FOR PAYMENT OF FEES AND REIMBURSEMENT OF		
16	DODEDT WANCE of all	EXPENSES OF RECEIVER AND HIS PROFESSIONALS		
17	ROBERT YANG; et al.,	[Notice of Application for Payment of		
18	Defendants.	Fees and Reimbursement of Expenses; Fifth Interim Application of Receiver and His Professionals; Memorandum of		
19	and	Points and Authorities; and [Proposed] Order submitted concurrently herewith]		
20	anu	Date: January 29, 2018		
21	YANROB'S MEDICAL, INC.; et al.,	Time: 1:30 p.m. Ctrm: 10A		
22	Relief Defendants.	Judge: Hon. Stephen V. Wilson		
23	Trener Berendants.			
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Gamble		Case No. 5:15-CV-02387-SVW (KKx)		

LAW OFFICES
Allen Matkins Leck Gamble
Mallory & Natsis LLP

1089407.02/LA

Case No. 5:15-CV-02387-SVW (KKx) DECLARATION OF STEPHEN DONELL IN SUPPORT OF FEE APPLICATION **DECLARATION OF STEPHEN J. DONELL** 

I, Stephen J. Donell, declare as follows:

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- 1. I am the receiver appointed by this Court 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 make this Declaration in support of the concurrently filed application for payment of fees and reimbursement of expenses (the "Application") of myself, and Allen Matkins Leck Gamble Mallory & Natsis LLP, my counsel of record. I have personal knowledge of the facts set forth herein and, if called to testify, could testify competently thereto.
- 2. As reflected in my Initial Report of Receiver (Dkt. No. 20), in my First Quarterly Status Report (Dkt. No. 53), my Second Quarterly Status Report (Dkt. No. 129), my Third Quarterly Status Report (Dkt. No. 150), and my Fourth Quarterly Status Report (Dkt. No. 174) since my appointment as Receiver I have, among many other things:
  - Continued to administer the estates of the Receivership Entities (collectively, the "Estate");
  - Confirmed the amount and location of millions in cash assets
    potentially available for recovery and subject to turn-over requirements
    of the Appointment Order;
  - Negotiated and entered into a tentative settlement (later approved by the Court, see Dkt. No. 170) with the Metropolitan Water District of Southern California (the "MWD") in connection with \$250,000 in funds paid by the Receivership Entities in the pre-receivership period in a failed real estate transaction;
  - Secured the turn-over of \$2 million of the above-referenced cash deposits from Celtic Bank Corporation ("Celtic Bank"), the rights to such funds which have recently been resolved by stipulation and order;

- Continued to develop and undertake a marketing and disposition plan
  in connection with each of the real properties implicated in this matter,
  including via the engagement of real property brokers and the
  commencement of marketing efforts for all saleable properties;
- Coordinated with Celtic Bank and with GBC International Bank regarding the abandonment of two of the real properties implicated in this matter;
- Identified two real properties determined to be "underwater," and subject to immediate abandonment, and prepared and filed a motion for authority to complete an abandonment of those properties, ultimately resulting in the Court-approved abandonment of these properties during Application Period;
- Negotiated with prospective buyers regarding the Entities' remaining real estate assets, which sales the Receiver anticipates submitting for Court approval shortly; namely, the real property and improvement located at 3599 Norton Avenue, Lynwood, California 90262 (See Dkt. No. 182);
- Developed a claims process, filed a motion seeking Court approval of the proposed claims process and secured such approval;
- Prepared and submitted a Fourth Quarterly Status Report;
- Continued to monitor and participate in all pending state court litigation matters affecting or relating to the Receivership Entities, and maintained the status quo in such matters; and
- Communicated with investors (and counsel for investors) in the Receivership Entities regarding the status of the receivership, issues relating to investor immigration petitions, and registration via the my receivership website.

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3. I have reviewed the Application, and I believe the fee and expense requests therein to be fair and reasonable, and an accurate representation of the work performed for the benefit of the Receivership Entities. I have likewise determined that the Estate has actually benefited from the services rendered. 4 4. True and correct copies of all of my firm's invoices for services 5 rendered from January 1, 2017 through March 31, 2017 (the "Application Period"), 6 7 are attached hereto as **Exhibit A**. In my business judgment, I believe the hourly 8 rates that I and my internal professionals charged were appropriate, given the requirements of the receivership, that every effort was made to have tasks completed 9 at the lowest possible billing rate, and that the total fees and expenses for which 10 approval and payment are sought are fair and reasonable. 11 In accordance with the Security and Exchange Commission's billing 12 5. procedures, I have prepared a Standardized Final Accounting Report for the estate 13 14 of the Receivership Entities a true and correct copy of which is attached hereto as Exhibit B. 15 6. As of this date, and after the Court-approved payment of \$1.6 million 16 to a secured creditor of the Receivership Entities, I presently hold approximately 17 \$5.9 million for the benefit of the Receivership Entities, not including the \$2 million 18 19 turned over by Celtic Bank, which I am holding separately, pending an adjudication 20 of the parties rights in those funds. I declare under penalty of perjury under the laws of the State of California 21 that the foregoing is true and correct. 22 Executed on December 19, 2017, at Los Angeles, California. 23 24 25 Etere Boull 26 Stephen J. Donell

LAW OFFICES Allen Matkins Leck Gamble Mallory & Natsis LLP

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## **EXHIBIT B**

Case 5:15-cv-02387-SVW-KK Document 211-1 Filed 12/19/17 Page 101 of 101 Page ID Standardized Fund Accounting Report for Suncor Receivership Estate- Cash Basis

Receivership; Civil Court Docket No. 5:15-cv-02387-SVW (KKx)

Reporting Period 10/1/17-10/31/17

ounting:	Detail	Subtotal	Grand Total
Beginning Balance:	2 0 (a	o di di cica.	0.4
			6,060,540.6
Increases in Fund Balance:			
Business Income			
Cash and Securities			
Interest/Dividend Income	345.98		
Business Asset Liquidation	1,540,080.29		
Personal Asset Liquidation			
Third-Party Litigation Income  Missellaneous, Funds Turned Over by Coltic Book	-		
Miscellaneous- Funds Turned Over by Celtic Bank Total Funds Available:	-		7,600,966.
Total Fullus Avallable.			7,000,900.
Decreases in Fund Balance:			
Disbursements to Investors			-
Disbursements for Receivership Operations			
Disbursements to Receiver or Other Professionals	1,120.00		
Business Asset Expenses	10,195.02		
Personal Asset Expenses			
Investment Expenses	120.00		
Third-Party Litigation Expenses			
1. Attorney Fees	-		
2. Litigation Expenses  Total Third-Party Litigation Expenses	-	_	
Tax Administrator Fees and Bonds	-		
Federal and State Tax Payments	-		
Total Disbursements for Receivership Operations			11,435.
Disbursements for Distribution Expenses Paid by the Fund:			
Distribution Plan Development Expenses:			
1. Fees:			
Fund Administrator	-		
Independent Distribution Consultant (IDC)	-		
Distribution Agent	-		
Consultants	-		
Legal Advisers	-		
Tax Advisers	-		
Administrative Expenses     Miscellaneous	-		
3. Miscellaneous  Total Plan Development Expenses	-	_	
Distribution Plan Implementation Expenses:			
1. Fees:			
Fund Administrator	-		
Independent Distribution Consultant (IDC)	-		
Distribution Agent	-		
Consultants	-		
Legal Advisers	-		
Tax Advisers	-		
<ul><li>2. Administrative Expenses</li><li>3. Investor Identification:</li></ul>	-		
Notice/Publishing Approved Plan	_		
Claimant Identification	_		
Claims Processing	-		
Web Site Maintenance/Call Center	-		
4. Fund Administrator Bond	-		
5. Miscellaneous	-		
6. Federal Account for Investor Restitution	-		
(FAIR) Reporting Expenses			
Total Plan Implementation Expenses  Total Dishursements for Distribution Expenses Paid by the Fu	ınd	-	
Total Disbursements for Distribution Expenses Paid by the Fu	ui iu		-
Disbursements to Court/Other:			
Investment Expenses/Court Registry Investment			
System (CRIS) Fees	-		
Federal Tax Payments	-		
Total Disbursements to Court/Other:			
Total Funds Disbursed:			11,435.
			7,589,531.

Note:	Receiver:
The total amount of the ending balance in this report, the receiver is holding	By:
restricted funds of \$2,011,971.85 in reference to the turn over of funds from Celtic Bank	. (Signature)
	Stephen J. Donell
	(Printed Name)
	Date:

1 PROOF OF SERVICE Securities and Exchange Commission v. Robert Yang, Suncor Fontana, et al. 2 USDC, Central District of California - Case No. 5:15-cv-02387-SVW (KKx) 3 I am employed in the County of Los Angeles, State of California. I am over 4 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. 5 6 A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below: 7 DECLARATION OF RECEIVER, STEPHEN J. DONELL, IN SUPPORT 8 OF FIFTH INTERIM APPLICATION FOR PAYMENTS OF FEES AND 9 REIMBURSEMENT OF EXPENSES OF RECEIVER AND HIS **PROFESSIONALS** 10 TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC 11 1. FILING ("NEF") – the above-described document will be served by the Court 12 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 13 Electronic Mail Notice List to receive NEF transmission at the email 14 address(es) indicated below: 15 • Zachary T. Carlyle carlylez@sec.gov,kasperg@sec.gov,karpeli@sec.gov, 16 blomgrene@sec.gov,pinkstonm@sec.gov,NesvigN@sec.gov 17 • Stephen J. Donell idelcastillo@allenmatkins.com 18 Mark T. Hiraide 19 mth@msk.com,kjue@phlcorplaw.com, 20 hitabashi@phlcorplaw.com,eganous@phlcorplaw.com Leslie J. Hughes 21 hughes LJ@sec.gov, kasperg@sec.gov, pinkstonm@sec.gov,22 nesvign@sec.gov George D. Straggas 23 George.straggas@straggasdean.com;sarah.borghese@straggasdean.com, 24 eric.dean@straggasdean.com 25 David J. Van Havermaat vanhavermaatd@sec.gov,larofiling@sec.gov,berryj@sec.vog, 26 irwinma@sec.gov 27 Joshua Andrew del Castillo jdelcastillo@allenmatkins.com 28

1 David R Zaro dzaro@allenmatkins.com 2 3 SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for 2. 4 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 5 copy thereof in a sealed envelope(s) addressed as indicated below. I am readily 6 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 7 that same day in the ordinary course of business. I am aware that on motion 8 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 9 affidavit. Or, I deposited in a box or other facility regularly maintained by 10 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 11 envelopes or packages designated by the express service carrier, addressed as 12 indicated above on the above-mentioned date, with fees for overnight delivery paid or provided for. 13 Franchise Tax Board (FTB) Via U.S. Mail 14 P.O. Box 2952 15 Sacramento, CA 95812-2952 Internal Revenue Service Via U.S. Mail 16 880 Front Street 17 San Diego, CA 92101-8869 18 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 19 laws of the United States of America that the foregoing is true and correct. Executed 20 on **December 19, 2017** at Los Angeles, California. 21 22 /s/Martha Diaz Martha Diaz 23 24 25 26 27 28

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