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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11
12 FEDERAL TRADE COMMISSION,
13 Plaintiff,
14 v.
15 ASCEND CAPVENTURES INC., et al.,
16 Defendants.

Case No. 2:24-CV-07660-SPG-JPR
**SECOND INTERIM REPORT AND
PETITION FOR INSTRUCTIONS OF
RECEIVER, STEPHEN J. DONELL**
[Proposed] Order submitted concurrently
herewith
Date: March 26, 2025
Time: 1:30 p.m.
Ctm: 5C
Judge Hon. Sherilyn Peace Garnett

19
20 **TO THIS HONORABLE COURT AND ALL INTERESTED PARTIES:**
21 **PLEASE TAKE NOTICE THAT** Stephen J. Donell (the "Receiver"), the
22 Court-appointed receiver for defendants Ascend Capventures Inc., Ascend Ecom
23 LLC, ACV, ACV Partners, Accelerated Ecommerce Ventures; Ascend Distribution
24 LLC (California), Ethix Capital, ACV Nexus, Ascend Ecommerce Inc., Ascend
25 Administration Inc., Ascend Ecom LLC, Ascend Distribution LLC (Texas), and
26 their collective dbas, subsidiaries, and affiliates, including Global Marketing
27 Development, Inc., Eaglemont Capital, Paradyme Capital Inc. and AC Ventures
28 Global Inc (collectively, the "Receivership Entities" or "Entities"), hereby submits

1 this *Second Interim Report and Petition for Instructions* (the "Report")¹ in order to
2 detail the tasks undertaken by the Receiver and his professionals for the period from
3 November 1, 2024 through January 31, 2025² (the "Reporting Period").

4 **I. PRELIMINARY STATEMENT.**

5 Pursuant to this Court's September 13, 2024 *Order on Plaintiff's Ex Parte*
6 *Application For (1) Temporary Restraining Order and Order to Show Cause Why a*
7 *Preliminary Injunction Should Not Issue; (2) Waiver of Notice Requirement;*
8 *(3) Appointment of a Temporary Receiver, Freezing of Assets; and other Equitable*
9 *Relief* (the "Initial Appointment Order") [ECF No. 30], as extended and reaffirmed
10 by this Court's December 3, 2024 Order Granting Stipulation for Court to Enter
11 Preliminary Injunction (the "Preliminary Injunction") [ECF No. 82], the Receiver
12 has been charged with, among other things, assuming control over the Receivership
13 Entities and their assets ("Receivership Assets" or "Assets"); taking those actions he
14 deems necessary or appropriate to administer the Entities and their Assets;
15 performing an analysis of the business and financial activities of the Entities;
16 preparing an accounting; and marshaling recoverable Receivership Assets for the
17 benefit of the receivership estate established by the Initial Appointment Order (the
18 "Estate") and its potential creditors.

19 As detailed below, and while the Receiver has made substantial progress in
20 many of these areas – including in continuing efforts to prevent ongoing harm to
21 allegedly defrauded consumers, further developing his accounting analysis of the
22 business and financial activities of a number of Receivership Entities, and obtaining
23 agreements intended and expected to result in the recovery of at least \$1 million in
24

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26 ¹ This Report is preliminary and based upon the limited information presently
available to the Receiver. It, and any conclusions presented herein, are subject to
change as additional information is obtained.

27 ² As necessary in order to ensure the Court and all interested parties remain as
current as possible, the Report also addresses certain developments occurring
28 during the period between the end of the Reporting Period and the filing of this
Report.

1 additional Assets for the benefit of the Estate and its creditors, pending Court orders
2 – his investigation and Asset recovery efforts are incomplete, and the Receiver
3 believes that additional Assets may yet be recoverable, provided that this Court
4 elects to and enters orders required to continue the receivership. Accordingly, the
5 conclusions presented in this Report should be viewed as preliminary, and may be
6 affected by the discovery and review of additional relevant information.

7 **II. GENERAL BACKGROUND.**

8 In addition to the documents referenced in his November 13, 2024 *First*
9 *Interim Report and Petition for Instructions* [ECF No. 77-1], the Receiver invites
10 the Court and all interested parties to review the following materials for a more
11 detailed summary of developments relevant to the receivership during the Reporting
12 Period:

- 13 • *First Interim Report and Petition for Instructions of Receiver, Stephen*
14 *J. Donell* (the "First Interim Report") [ECF No. 77, *et seq.*], filed on
15 November 13, 2024;
- 16 • *First Interim Application for Payment of Fees and Reimbursement of*
17 *Expenses of Receiver, Stephen J. Donell, and his Professionals* (the
18 "First Fee Application") [ECF No. 78, *et seq.*], filed on November 13,
19 2024);
- 20 • *Supplement to First Interim Report and Petition for Instructions of*
21 *Receiver, Stephen J. Donell* [ECF No. 80], filed on November 19, 2024
- 22 • *Preliminary Injunction* [ECF No. 82], entered on December 3, 2024;
- 23 • *Stipulation for Order: (1) Authorizing Turnover of Sales Proceeds by*
24 *Granite Escrow and Settlement Services; (2) Authorizing Receiver to*
25 *Manage, Market, and Sell Residential Real Properties; and*
26 *(3) Releasing Defendants' Claims to Proceeds Held or Recovered by*
27 *Receiver* (the "Turnover Stipulation") [ECF No. 85], filed on
28 December 20, 2024;

- 1 • *Request for Status Conference by Receiver, Stephen J. Donell* [ECF
2 No. 86], filed on January 27, 2025; and
- 3 • *Ex Parte Application of Receiver, Stephen J. Donell, for Order*
4 *Authorizing Rejection of Warehouse Lease and Abandonment of*
5 *Associated Warehouse Inventory* (the "Rejection and Abandonment
6 Application") [ECF Nos. 87, et seq.], filed on February 6, 2025.

7 As reflected in the above-identified pleadings and orders, the Receiver has
8 advocated for the entry of the Preliminary Injunction as a tool critical to the
9 administration of the receivership and the Estate, entered into an agreement with
10 defendants William Basta and Jeremy Leung regarding the turnover to the Receiver
11 of approximately \$300,000 in cash, along with two real properties located in Venice,
12 California, for administration and sale by the Receiver, and undertaken additional
13 visits to and evaluation of the inventory located at a shipping and receiving
14 warehouse (the "Warehouse") located in Grand Prairie, Texas, and used by the
15 Receivership Entities in the pre-receivership period. These efforts undertaken
16 during the Reporting Period, and more, were intended to recover available and
17 monetizable Assets for the benefit of the Estate and its creditors, and to streamline
18 the administration of the instant receivership, as detailed further below.

19 **III. SUMMARY OF RECEIVER'S ACTIVITIES AND EFFORTS.**

20 The following reflects a summary of the Receiver's activities and efforts
21 during the Reporting Period, including with respect to some matters occurring
22 shortly after the close of the Reporting Period:

23 **A. Notifications To Consumers And Efforts To Prevent Further**
24 **Harm.**

25 In addition to the efforts undertaken by the Receiver as described in the First
26 Interim Report, the Receiver expended significant effort during the Reporting Period
27 in attempting to mitigate further harm to Entity consumers. Specifically, the
28 Receiver was able to confirm that overseas personnel affiliated with the Entities in

1 the pre-receivership period have continued to solicit new or additional payments
2 from Entity consumers, claiming to represent the Entities in their post-receivership
3 form, and soliciting deposits to "new" or "moved" bank accounts, and in connection
4 with allegedly "new" e-commerce services allegedly offered by the Entities in the
5 post-receivership period. All such solicitations are fraudulent and intended to
6 deceive consumers, of course. In an effort to mitigate any potential harm arising
7 from these solicitations, the Receiver has issued multiple cease and desist letters,
8 enclosing copies of this Court's orders, to entities or individuals confirmed to be
9 engaged in fraudulent consumer solicitation. The Receiver and his staff have also
10 worked actively with consumers regarding such solicitations as they are received,
11 and has posted multiple urgent notices to his website for parties interested in this
12 matter, accessible at <https://fedreceiver.com/case/federal-trade-commission-v-ascend-capventures-inc-et-al/>.

14 In addition, during the Reporting Period, the Receiver was able to confirm
15 that one Entity consumer, Mr. W. McCrary, whose circumstance is addressed in
16 greater detail, below, had been financially harmed in an unusual and reversible way
17 by post-receivership solicitations for payment. In a nutshell, Mr. McCrary fell
18 victim to an apparently overseas-initiated payment scam in the post-receivership
19 period, but was instructed by the fraudsters to deposit his (substantial) payment into
20 an account already frozen pursuant to this Court's orders. When the fraudsters
21 discovered that they were unable to withdraw the funds Mr. McCrary had recently
22 wired, they attempted to convince him to "reverse" his wire transfer (an
23 impossibility) and, after he refused, appear to have moved on to other consumers.
24 Mr. McCrary's funds were not commingled with any other Entity or consumer
25 funds, and the frozen funds have since been turned over to the Receiver, who stands
26 ready to return them.

27 Additionally, the Receiver determined that certain pre-receivership Entity
28 consumers continued to encounter difficulty in closing down their accounts with the

1 Entities or with the e-commerce platforms hosting their online storefronts, or
2 continued to receive automated invoices for services never provided. The Receiver
3 transmitted formal requests to all identified hosting platforms that they cooperate
4 with consumers seeking to close or suspend their e-commerce storefronts, and has
5 worked actively with the Entities' pre-receivership invoicing service, Bill.com, to
6 ensure that it suspends its invoicing efforts. In the wake of Bill.com's apparent
7 suspension of most invoicing efforts, the Receiver learned that persons unknown
8 had commenced transmitting facsimile invoices intended to appear to be Bill.com
9 invoices to certain consumers, in an apparent effort to defraud them into making
10 unwarranted payments. The Receiver has posted an alert to his website advising
11 consumers of these fraudulent billing efforts.

12 **B. Document Recovery And Analysis.**

13 During the Reporting Period, and in addition to those subpoenas and other
14 document requests he had transmitted in prior periods, the Receiver issued at least
15 nineteen (19) subpoenas to entities suspected of possessing Entity documents and
16 materials, or information related to the operations of the Receivership Entities.
17 Responses to these subpoenas have begun to arrive, and the Receiver and his
18 forensic accountant, SL Biggs, are currently processing and reviewing the thousands
19 of pages of responsive documents that have recently been and continue to be
20 produced.

21 As reflected in the Receiver's First Interim Report, the Receiver's analysis has
22 confirmed that the Receivership Entities maintained an unusually large number of
23 bank accounts, which accounts were used both to receive consumer funds and to
24 transact with other Entity and non-Entity accounts. In addition, the Receiver's
25 analysis has confirmed that consumer funds were diverted, through a series of
26 entities (including entities now designated as Receivership Entities) to be used in the
27 purchase of real properties held by or in the name of defendants Basta and Leung,
28 and potentially non-party third parties as well. As addressed herein, the Receiver

1 has identified certain of these real properties as Receivership Assets, and has
2 secured defendants' consent to their turnover to the Receiver. The Receiver's
3 professionals continue to work diligently to identify additional potential
4 Receivership Assets and to confirm the Estate's interest in the identified Assets.

5 **C. Asset Identification And Asset Recovery.**

6 As reflected in the Receiver's First Interim Report, upon his appointment, the
7 Receiver provided notice of his appointment and the entry of this court's initial
8 appointment and asset freeze order to multiple banks and financial institutions,
9 requesting the turnover of any accounts maintained by, in the name of, or for the
10 benefit of the Receivership Entities. As of the end of the Reporting Period, the
11 funds recovered from by the Receiver total approximately \$300,000.00, not
12 including the funds wired by consumer W. McCrary to a frozen Entity account after
13 the commencement of the receivership.

14 1. Real Property Assets and the Turnover Stipulation.

15 In addition to Assets identified and marshaled from various Receivership
16 Entity accounts, the Receiver's investigation has identified several real properties
17 located in California and Florida which were purchased with funds traced to Entity
18 consumers, located at the following addresses:

- 19 • 2010 Linden Ave, Venice, California 90291;
- 20 • 2012 Linden Ave, Venice, California 90291;
- 21 • 25 Brooks Ave, APT 2, Venice, California 90291;
- 22 • 5604 7th St SE, Lakeland Florida 33812; and
- 23 • 2304 119th Steet, Largo, Florida 33778

24 The Receiver concluded, based on information reviewed to date, that any
25 equity held in at least the Venice, California properties (the "Venice Properties") is
26 an asset of the Estate and subject to turnover in accordance with the provisions of
27 this Court's orders, including the Preliminary Injunction. Accordingly, during the
28 Reporting Period, the Receiver shared portions of his financial analysis reflecting

1 the use of Entity funds diverted from consumers for use in the purchase of the
2 Venice Properties with counsel for defendants Basta and Leung, and for the plaintiff
3 Federal Trade Commission (the "FTC"), requesting that the parties stipulate that the
4 net proceeds (the "Linden Proceeds") resulting from defendants' post-receivership
5 sale of the real property located at 2012 Linden Avenue, Venice, California 90291
6 and currently held by Granite Escrow and Settlement Services, along with the
7 remaining Venice Properties, be turned over to the Receiver as Receivership Assets.
8 The Receiver is pleased to report that, as reflected in the Turnover Stipulation, the
9 parties have agreed to this request, and that the Receiver may market and sell the
10 remaining Venice Properties for the benefit of the Estate, and further that defendants
11 Basta and Leung shall be deemed to have released claims to any proceeds held or
12 recovered by the Receiver, including in connection with the Venice Properties.

13 The Turnover Stipulation was filed with this Court on December 20, 2024,
14 but, as of the date of this Report, no order on the Turnover Stipulation has been
15 entered. The Receiver may not recover possession of the Linden Proceeds or the
16 remaining Venice Properties, or secure the other relief provided for in the Turnover
17 Stipulation, until an order approving the stipulation is entered.

18 2. The Warehouse and the Rejection and Abandonment
19 Application.

20 As reflected in prior submissions to the Court, shortly after his appointment,
21 the Receiver was informed that the Receivership Entities may have been or were
22 conducting business at the a warehouse located at 910-904 Avenue N., Grand
23 Prairie, TX 75050 (the "Warehouse"). Upon learning of the Warehouse, the
24 Receiver promptly arranged to visit the Warehouse, in person, in order to determine
25 what, if any, Receivership Entity operations were conducted out of the Warehouse
26 and what, if any Receivership Entity inventory might be located at or stored at the
27 Warehouse, along with the potential monetary value of that inventory. During the
28 visit, the Receiver observed significant disorganization of inventory within the

1 Warehouse, with goods stacked indiscriminately and no discernible method for
2 distinguishing inventory belonging to the Receivership Entities (the "Receivership
3 Inventory") from inventory apparently belonging to other, non-receivership entities.
4 Unfortunately, the lack of organized storage or tracking records rendered it
5 impossible for the Receiver to determine ownership or assess the value of the
6 inventory on-site. This problem was compounded by confirmation from Mr. Nikita
7 Loktev, an employee of Walzon, LLC ("Walzon"), who appeared to run the day-to-
8 day operations of the Warehouse, and who confirmed to the Receiver that certain
9 shipping operations of the Receivership Entities had been carried out through the
10 Warehouse, but also that Walzon or other non-receivership entities were using the
11 Warehouse for their own operations. Initially, Mr. Loktev claimed that he could
12 distinguish the Receivership Inventory; however, he subsequently conceded to the
13 Receiver that distinguishing such inventory from other clients' property would be
14 nearly impossible, if not entirely so. At the time, the inventory appeared to consist
15 primarily of low-value household items.

16 During the Reporting Period, in early January 2025, the Receiver's local
17 Texas counsel visited the Warehouse and was able to access parts of the Warehouse
18 that had been inaccessible during the Receiver's initial visit. During this additional
19 visit, and in addition to confirming the presence of inventory with apparently *de*
20 *minimis* value (including the toiletries and other items discussed in the Receiver's
21 First Interim Report), the Receiver's local counsel was able to identify potentially
22 valuable inventory, including numerous mobile internet kits and children's
23 electronic vehicles, none of which had been visible or accessible during the
24 Receiver's initial visit to the Warehouse.

25 After consulting with an auction specialist regarding the prospective sale of
26 newly identified, apparent Receivership Inventory, the Receiver ultimately
27 concluded, in his reasonable business judgment, that a prospective sale or auction of
28 the Receivership Inventory was unlikely to result in a net monetary benefit to the

1 Estate, after accounting for, among other things: (1) the costs of continued
2 Warehouse lease payments to house the inventory during the sale process;
3 (2) utilities for the same period; (3) the auctioneer's estimate of the expense of
4 marketing and presenting the Receivership Inventory for sale; and (4) the
5 Auctioneer's fee. As a result, the Receiver filed the Rejection and Abandonment
6 Application on February 6, 2025, requesting an order from this Court authorizing
7 him to deem rejected the Warehouse lease as an executory contract, and to deem
8 abandoned an Receivership Inventory remaining at the Warehouse. As of the date
9 of this Report, the Court has not yet entered an order on the Rejection and
10 Abandonment Application.

11 3. Consumer W. McCrary's Post-Receivership Wire Transfer.

12 During the Reporting Period, the Receiver confirmed that, on or about
13 October 2, 2024 – after the entry of this Court's asset freeze and initial order
14 appointing the Receiver – Entity consumer W. McCrary was lulled by overseas
15 persons apparently affiliated with the Entities in the pre-receivership period into
16 wiring a payment of \$152,000.00 into an account already subject to the asset freeze
17 and maintained by a Receivership Entity. These funds were not commingled with
18 other Entity or consumer funds and remained frozen pursuant to the Court's order.

19 After the wire was completed and an unsuccessful attempt was made by those
20 in contact with Mr. McCrary to withdraw the funds in the face of the asset freeze, he
21 was directed to reverse the wire, whereupon he wisely refused and, initially,
22 contacted the FTC, who, in turn contacted the Receiver, precipitating the Receiver's
23 review of the issue and, recently, the turnover to the Receiver of the Navy Federal
24 account into which the funds were wired.

25 The Receiver has concluded that Mr. McCrary's circumstance is materially
26 distinct from that of other injured consumers – indeed, it is unique. Specifically,
27 Mr. McCrary wired funds, post-receivership, into a frozen receivership account into
28 which the funds arguably should not have been accepted. Those funds were not

1 commingled with other Entity or consumer funds, and the pre-receivership
2 fraudsters who solicited the wire ultimately proved unable to obtain the funds,
3 which have subsequently been turned over to the Receiver. As a consequence, in
4 the Receiver's view, these funds were and are not Receivership Assets, and are
5 subject to return to Mr. McCrary, which the Receiver will do upon the entry of an
6 order by this Court approving the recommendations set forth in this Report.

7 **D. Review And Analysis Of Receivership Entities Business And**
8 **Financial Activities.**

9 1. Analysis of Financial Documents and Other Records.

10 As of the date of this Report, the Receiver has served at least forty-four (44)
11 subpoenas on banks, financial institutions, escrow companies, title companies, web
12 hosting platforms, and other entities believed to be maintaining accounts or records
13 for, or on behalf of, or engaging in transactions with the Receivership Entities and
14 their principals and agents. While some productions remain outstanding, significant
15 productions have already been made. As reflected in the Receiver's prior
16 submissions, certain of these documents reflect significant diversions of millions of
17 dollars in Entity funds derived from consumers to the Entities' principals and agents,
18 or entities under their exclusive control, in a manner suggesting that the diversions:
19 (1) were unrelated to the Entities' claimed business purposes and operations; and
20 (2) unilaterally benefited the recipients of the transfers, with no corresponding
21 benefit to the Entities. The documents produced by various entities and individuals,
22 including the defendants, support the Receiver's preliminary conclusion that
23 significant amounts of Entity funds were diverted to the Entities' principals and
24 agents in a manner inconsistent with the ordinary customs and practices of a
25 commercial enterprise.

26 Based on the materials obtained and reviewed to date, the Receiver's
27 preliminary conclusion remains that, while the Entities appear to have engaged in
28 limited e-commerce activity in connection with certain customer accounts, they did

1 not operate a wholly legitimate commercial enterprise. This conclusion is further
2 bolstered by the fact that, in the post-receivership period, overseas personnel with
3 apparent access to consumer addresses and other contact information, have actively
4 sought to solicit new or additional payments from Entity consumers, falsely
5 representing to customers that the Entities continued to provide e-commerce
6 services in the post-receivership period notwithstanding the Receiver's appointment.

7 2. Efforts to Access Pre-Receivership Communication Platforms.

8 Indeed, as a result of the above-referenced consumer solicitations, the
9 Receiver has continued his efforts to obtain access to various business and
10 communication platforms used by the Entities, their principals, and employees,
11 which were apparently used to communicate internally and with consumers in the
12 pre-receivership period. These platforms include, without limitation, Slack, Gmail,
13 and HubSpot. Access to these platforms remains complicated by additional layers
14 of security, including two-factor authentication protocols, that appear to be tied to
15 individual accounts of pre-receivership Entity personnel to which the Receiver does
16 not have access. As a result of the defendants' stated inability to provide the
17 Receiver with access, the Receiver has issued direct demands to some
18 communications platforms to shut down the chat groups or other online meeting
19 places used to solicit post-receivership consumer payments, and remains engaged in
20 efforts both to terminate problematic communications channels as well as to alert
21 Entity customers to efforts by third parties to obtain payments via these channels
22 based on fraudulent representations.

23 **IV. RECOMMENDATIONS AND PETITION FOR FURTHER**
24 **INSTRUCTIONS.**

25 As noted above, during the Reporting Period, the Receiver made substantial
26 progress in his forensic accounting and Asset identification analysis. He also
27 successfully secured valuable agreements from defendants' Basta and Leung
28 regarding the turnover of Assets critical to funding the administration of the

1 receivership and, potentially, the development of a fund to make partial restitution to
2 injured consumers. Indeed, there may yet be additional Assets subject to turnover
3 which the Receiver may be able to recover and monetize for the benefit of the Estate
4 and its creditors, including injured consumers.

5 However, and while the Preliminary Injunction does confer certain powers
6 upon the Receiver, as an agent appointed by and answerable to this Court, there are
7 certain actions that the Receiver cannot take absent a specific Court order. *See SEC*
8 *v. Am. Principals Holding, Inc. (In re San Vicente Med. Partners Ltd.)*, 962 F.2d
9 1402, 1409 (9th Cir. 1992) (A receiver is "an officer of the court who manage[s]"
10 the receivership *res* exclusively "under the authority of the court[.]"). Among the
11 Receiver's actions that require Court approval are (a) paying himself and his
12 professionals³ (*see* Preliminary Injunction § XVIII) ("The Receiver shall file with
13 the Court and serve on the parties periodic requests for the payment of such
14 reasonable compensation."); (b) compelling the turnover of the Linden Proceeds;
15 (c) selling real property out of receivership (*see* 28 U.S.C. § 2001, *et seq.*;
16 *Huntington Nat'l Bank v. Najero, Inc.*, 2014 WL 5473054, *1 (E.D. Mich. Oct. 27,
17 2014) (while "the court cannot waive the requirements of § 2001(b), the requirement
18 can be waived by the parties"); and (d) any other act not specifically preapproved by
19 an existing Court order, such as the Preliminary Injunction. Put another way, as a
20 non-party neutral, the Receiver's requests for relief in this matter are not those of a
21 traditional litigant; they are those of an agent of the Court who requires Court
22 authority before taking the actions addressed in those requests. Accordingly, the
23

24 ³ As a matter of law, where "a receiver reasonably and diligently discharges his
25 duties, he is entitled to compensation." *Gaskill v. Gordon*, 27 F.3d 248, 253 (7th
26 Cir. 1994) (quoting *SEC v. Elliott*, 953 F.2d 1560, 1577 (11th Cir. 1992), *rev'd in*
27 *part on other grounds*, 998 F.2d 922 (11th Cir. 1993); *see also SEC v. Kirkland*,
28 2007 WL 470417, at *2 (M.D. Fla. Feb. 13, 2007) (recognizing that "[t]he
Receiver is entitled to compensation for work performed consistent with
appointment"); *SEC v. Byers*, 590 F.Supp.2d 637, 644 (S.D.N.Y. 2008) ("A
receiver appointed by a court who reasonably and diligently discharges his duties
is entitled to be fairly compensated for services rendered and expenses
incurred.")

1 Receiver respectfully requests that the Court act expeditiously to enter orders on the
2 First Interim Report, First Fee Application, Turnover Stipulation, and Rejection and
3 Abandonment Application, all of which are critical to the administration and
4 funding of the Estate.

5 Based on the information presented herein, and given the Receiver's ongoing
6 efforts, the Receiver believes that Assets – including money, the Venice Properties,
7 and perhaps other real properties – remain recoverable for the benefit of the Estate,
8 in an amount sufficient to both cover the cost of the continued administration of the
9 receivership and yield a surplus that could be used to make partial restitution to
10 injured consumers. In addition, the Receiver has grave concerns regarding
11 continued solicitations of Entity consumers, in direct violation of the Initial
12 Appointment Order, by persons affiliated with the Receivership Entities in the pre-
13 receivership period, and believes that the continued pendency of the receivership
14 until all available Receivership Assets are recovered and monetized, may mitigate
15 further customer harm. Accordingly, the Receiver recommends that the Court
16 authorize him to undertake the actions addressed herein, and to continue performing
17 his duties as established under the Preliminary Injunction and any subsequent order
18 that the Court may issue, for a further ninety (90) days, after the conclusion of
19 which the Receiver proposes to submit a *Third Interim Report and Petition for*
20 *Instructions* or other request for relief, reporting the status of his efforts and further
21 administrative recommendations regarding the pendency of the instant receivership.

22
23 Dated: February 21, 2025

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