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7 Attorneys for Receiver
8 STEPHEN J. DONELL

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

**DECLARATION OF STEPHEN J.
DONELL IN SUPPORT OF
AMENDED FIRST INTERIM
APPLICATION FOR PAYMENT OF
FEES OF RECEIVER, STEPHEN J.
DONELL, AND HIS
PROFESSIONALS**

[Application for Payment of Fees;
Memorandum of Points and Authorities;
Declaration of Joshua A. del Castillo;
Declaration of Brian J. Landau;
Declaration of Alan R. Rosenberg;
Declaration of Frances A. Smith; and
[Proposed] Order submitted concurrently
herewith]

Date: April 23, 2025
Time: 1:30 pm
Ctm: 5C
Judge Hon. Sherilyn Peace Garnett

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

3 1. I submit this Declaration in support of my concurrently submitted
4 *Amended First Interim Application for Payment of Fees of Receiver, Stephen J.*
5 *Donell, and his Professionals* (the "Application"). I have personal knowledge of the
6 facts set forth in this Declaration and, if called as a witness, could and would testify
7 competently to such facts, under oath.

8 2. I am the Court-appointed receiver (the "Receiver") in the above-
9 captioned action, having been appointed as the receiver by this Court's
10 September 13, 2024 *Order on Plaintiff's Ex Parte Application For (1) Temporary*
11 *Restraining Order and Order to Show Cause Why a Preliminary Injunction Should*
12 *Not Issue; (2) Waiver of Notice Requirement; (3) Appointment of a Temporary*
13 *Receiver, Freezing of Assets; and other Equitable Relief* (the "Initial Appointment
14 Order") [ECF No. 30], as reaffirmed by its December 34, 2024 *Order Granting*
15 *Stipulation for Court to Enter Preliminary Injunction* (the "Preliminary Injunction")
16 [ECF No. 82].

17 3. As reflected in the Application, I and my professionals request approval
18 of and authorization to pay fees only, this Court already having approved expenses
19 for the relevant application period.

20 4. I am familiar with the prevailing rates charged by receivers and their
21 professionals in federal receivership matters pending in the United States District
22 Courts for the various Districts of California. Having reviewed the Application, I
23 am confident, based on my knowledge, experience, skills, and training, that the rates
24 charged by my staff, as well as those of my professionals are consistent with rates
25 commonly charged in federal receivership matters of this complexity. Notably,
26 many of these rates include discounts appropriate for the nature of the services being
27 provided in connection with the above-entitled receivership. By way of example, in
28 accordance with my ordinary custom and practice in federal equity receiverships, I

1 have applied a discount of 10% to all hourly billing rates charged by myself and all
2 other timekeepers on my staff.

3 5. I am the President of FedReceiver, Inc., a dedicated receiverships
4 practice providing receivership, fiduciary, and expert services throughout California
5 and the United States. I have been active in the receivership field since 1990, and
6 have served as a federal or state court receiver in over 900 distinct matters,
7 including numerous enforcement actions brought by the U.S. Securities and
8 Exchange Commission and the Federal Trade Commission. In addition, I am a past
9 President of the National Association of Federal Equity Receivers ("NAFER"), a
10 leading association comprised of professionals working in the areas of receivership,
11 insolvency, bankruptcy, restructuring, and asset recovery. I am the past President of
12 the Los Angeles / Orange County chapter of the California Receivers Forum – the
13 largest state receiver trade organization in the country – and currently serve on its
14 California Board of Directors. I am also a regular presenter and author on
15 receivership issues, and have served, among other things, as a receiverships keynote
16 speaker or presenter at multiple NAFER, CCIM Institute, California Receivers'
17 Forum, California Bankruptcy Forum, and California State Bar events. I have also
18 served as an expert witness in matters involving the conduct of court-appointed
19 receivers. A true and correct copy of my short-form biography is attached hereto as
20 Exhibit A.

21 6. In my capacity as Receiver, and in accordance with the provisions of
22 the Initial Appointment Order and Preliminary Injunction, I have been vested with
23 the authority to engage professionals to assist in my administration of the
24 receivership estate established in the above-entitled action (the "Estate"). In
25 selecting my lead receivership counsel, Allen Matkins Leck Gamble Mallory &
26 Natsis LLP ("Allen Matkins"), my forensic accountant, SL Biggs, a division of
27 Singer Lewak ("SL Biggs"), my local Florida counsel, Markowitz Ringel Trusty &
28 Hartog, PA ("MRT"), and my local Texas counsel, Ross Smith & Binford, PC –

1 now Ross & Smith, PC ("RSB"), I endeavored to select professionals whose
2 experience and expertise I was personally familiar with, or whom I determined
3 enjoy exceptional reputations in their respective practice and geographic areas. In
4 addition, I endeavored to retain professionals whose skill sets I believed were
5 appropriate to the anticipated complexity of the instant receivership.

6 7. I have used Allen Matkins as lead receivership counsel on various of
7 my receivership engagements for nearly eighteen (18) years, based on the national
8 prominence of its federal equity receiverships practice, and on my personal
9 experience having received consistently high-quality service from the firm in other
10 receivership matters. Likewise, I have used SL Biggs as my forensic accountants
11 for approximately twenty-five (25) years, in hundreds of federal and state court
12 matters. While I have not previously worked with the MRTH or RSB firms, prior to
13 engaging them, I engaged in a diligent search for qualified local counsel, ultimately
14 selecting MRTH and RSB based on reliable referral sources and their experience
15 representing receivers and similar fiduciaries.

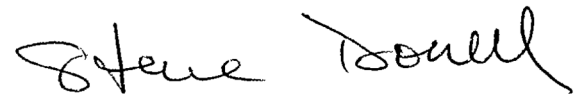
16 8. I have reviewed the Application and believe, in my reasonable business
17 judgment, that the fees requested therein are fair and reasonable and reflect an
18 accurate representation of the work performed by Allen Matkins, SL Biggs, MRTH,
19 RSB, and myself and my staff. I likewise believe that the Estate has benefited from
20 the services addressed in the Fee Application.

21 9. As of March 10, 2025, I have recovered over \$800,000, in cash, for the
22 benefit of the Estate and its creditors, including approximately \$400,000 recently
23 turned over to me by Granite Escrow and Settlement Services in response to this
24 Court's February 24, 2025 *Order Granting Stipulation: (1) Authorizing Turnover of*
25 *Sales Proceeds by Granite Escrow and Settlement Services; (2) Authorizing*
26 *Receiver to Manage, Market, and Sell Residential Real Properties; and*
27 *(3) Releasing Defendants' Claims to Proceeds Held or Recovered by Receiver* (the
28 "Turnover Order") [ECF No. 92]. Pursuant to the Turnover Order, two real

1 properties located in Venice, California, have also been turned over to me. Based
2 on presently available information, I anticipate the aggregate net value of those
3 properties to be approximately \$1 million, and I have already begun recovery and
4 marketing efforts in connection therewith. As a result and in the aggregate, and
5 given the estimated value of the aforementioned real properties, I have recovered
6 approximately \$1.8 million in value for the benefit of the Estate and its creditors.

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

8 Executed on March 13, 2025, at Los Angeles, California.

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12 Stephen J. Donell
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EXHIBIT A



Stephen J. Donell, CCIM, CPM[®], ARM[®], RCFE

President, FedReceiver[®], Inc.

President, Jalmar Properties, Inc. AMO

President, Donell Expert Services, Inc.

Steve.Donell@FedReceiver.com

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Los Angeles, CA 90025

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Experience/Expertise

- Equity Receiver
- Rents, Issues and Profits Receiver
- Commercial and Residential Real Estate
- Judgment Enforcement Actions
- Gas Stations / C-Store / Car Wash
- Restaurants
- Hospitality
- Entertainment
- Condo/Single Family Residential Construction Completion
- Partition Referee
- Provisional Manager
- Provisional Director
- Residential Care Facilities for the Elderly (RCFE)
- Health and Safety Compliance Issues Involving Sub-Standard Real Estate
- Code Enforcement Actions
- Government Enforcement Receiverships
- Partnership/Business/Marital Dissolution
- Residential Development
- Leasing and Brokerage
- Expert Witness
- Asset Liquidation
- Commercial and Residential Owners Associations
- Property Management
- Dissolution Manager

Background

Stephen J. Donell, CPM[®], CCIM, ARM[®] has been active in various fields of real estate since 1984. Since that time, Mr. Donell has been involved in the acquisition, development, marketing, and management of properties primarily located in the western United States. Property types include office, retail, industrial, multi-family, hotel, motel, mobile home parks, self-storage, land, single family, and condominiums.

Since 1990, Mr. Donell has administered and/or been appointed as a federal and state court receiver in over 900 cases in both state and federal court. He has extensive experience involving asset and business liquidations and operations, gas stations, restaurants, residential, retail and commercial real estate. In addition, Mr. Donell has administered cases involving commercial and residential owners' associations, post judgment enforcement actions, marital dissolution cases, single family and condominium construction completion/entitlements, accounts receivable collections, collateral seizure cases, including medical practices and coin laundry facilities, truck stops, parking operations, skilled nursing facilities and/or Residential Care Facilities for the Elderly (RCFE), intermediate care facilities, entertainment, ATM, EB-5,



equipment rental, apparel and other types of business receivership appointments. Mr. Donell has also administered and/or been appointed in federal court as receiver in United States Securities and Exchange Commission, Federal Trade Commission, and other government enforcement actions. These cases have involved over 25,000 investors/consumers and invested funds totaling more than \$750 million and involve the recovery of assets in multiple foreign jurisdictions. Mr. Donell has also served as court appointed dissolution manager, provisional director, provisional manager and distribution agent. Mr. Donell is an industry leader serving as an equity receiver, where he is appointed as receiver over the receivership entity itself.

Mr. Donell is the President of Jalmar Properties, Inc. AMO®, a real estate investment and property management company experienced in the acquisition, development and management of office, retail, industrial, single-family and multi-family properties, including duplexes up to apartments with hundreds of units. The company was formed in 1985 and has provided management services to owners of properties worth billions of dollars. Jalmar Properties, Inc. AMO® is licensed as a Real Estate Broker in California, Arizona and Nevada, and the company was awarded the designation of AMO® Company of the Year in 2005 by the Los Angeles/Orange County Chapter of the Institute of Real Estate Management (IREM®). Jalmar has extensive experience in commercial tenant improvement work, sub-standard housing, rehabilitation, CAM charge analysis and code enforcement compliance including mold, lead-based paint and asbestos remediation. Mr. Donell is also President of FedReceiver®, Inc., which employs four receivers.

Mr. Donell is President of Donell Expert Services, Inc. and he serves as an expert witness for both plaintiffs and defendants in cases related to premises liability, habitability, lease and receivership standard of care disputes. He has served as an expert in matters including but not limited to slip and fall, parking lots, habitability, mold, roaches/bedbugs, asbestos, site-line obstruction, lead-based paint, sub-standard housing allegations, the criminal acts of third parties, real estate partnership fiduciary duty and overall standard of care issues related to the ownership, operation and management of residential and commercial real estate. He also serves as an expert in matters involving the duties and obligations of court appointed receivers and HOA's.

Education/Training

San Diego State University - Real Estate Major

Numerous advanced level classes through the Institute of Real Estate Management (IREM®) and the CCIM Institute
Water Damage Restoration Basic Course-HAR-BRO, Inc.- Los Angeles, CA November 17, 2011

Securities Enforcement Program (Los Angeles Bar Association) - Los Angeles, CA February 16, 2012

New Law from the Madoff Case and Tips to Avoid the Next Ponzi Scheme (Beverly Hills Bar Association) - Los Angeles, CA March 26, 2012

Special Assets Management Association Annual Conference - Ojai, CA May 14, 2014 - May 16, 2014

EPA Certified Renovator Course: Lead Safety for Renovation, Repair and Painting - Los Angeles, CA October 30, 2014, October 30, 2023

Mold Awareness Seminar: An Introduction to the Principals of Inspecting, Sampling, Abating and Managing Moisture Intrusion/Mold Issues - Loma Linda, CA December 12, 2014

AIR CRE Contracts Seminar, Lease Contracts - Torrance, CA September 26, 2017

Lead and Other Hazards Awareness Training Class IREM Webinar - July 15, 2021



Back to the Basics: Controlling Cockroach Infestations: National Pest Management Association Webinar - August 1, 2021
 Cockroaches and Termites: Biology, Behavior and Control: National Pest Management Association Webinar - August 1, 2021
 NPMA Bed Bugs Basics: National Pest Management Association Webinar - August 1, 2021
 Using Pyrethroids Responsibly in California for Better Pest Management: National Pest Management Association Webinar - August 1, 2021
 Contractors State License Schools Mold Remediation Course – December 2, 2023

Qualifications, Licenses & Designations

- State of California
 - Real Estate Broker License No. 01295754
 - Dept. of Social Services RCFE Administrator Certification
 - State Bar of California MCLE Approved Provider - *Receivership University 101 2013-2016*
- CCIM Institute
 - Certified Commercial Investment Member (CCIM)
- Institute of Real Estate Management (IREM®)
 - Certified Property Manager (CPM®)
 - Accredited Residential Manager (ARM®)
 - Accredited Management Organization (AMO®)
- California Contractors State Licensing Services
 - Mold Inspection and Remediation Certification
- Environmental Protection Agency
 - Certified Lead Abatement Renovator
Certificate # R-I-73358-23-00833

Speaking Engagements

Fiduciary Education Forum Webinar Presenter: So, you want to take title to Real Estate! Be advised: Premises Liability/Habitability Education 101 – December 7, 2023
 California Bankruptcy Forum Conference Panelist: “Ante Up! The Rise of Receiverships” - May 10, 2023
 Los Angeles Bankruptcy Forum (LABF) Alternatives to Filing for Bankruptcy Relief Panelist - April 25, 2023
 CCIM Greater Los Angeles Chapter Real Estate Receivership Webinar Keynote Speaker - March 16, 2023
 California Association of Judgment Professionals (CAJP) 2022 Conference - Panelist/Presenter: Judgment Receiverships - October 8, 2022
 CCIM Institute/The Ward Center for Real Estate Studies Instructor “Real Estate Receiverships” - 2022/2023 Webinar Series
 National Association of Federal Equity Receivers (NAFER) - Panelist: “So, You Want To Be A Receiver?” - July 13, 2022
 National Association of Federal Equity Receivers (NAFER) - Panelist: 2020 Annual Conference “Receiver Training Camp: The First Days” - October 8, 2020
 California Receivers Forum (CRF) - Panelist: “Receiverships in the Time of COVID-19: Navigating Real Estate, Retail, and Restaurant Receiverships in These Uncertain Times” - September 26, 2020
 Association of Certified Fraud Examiners - Panelist: “The Looming Insolvency Pandemic: A Guide for Fraud Examiners” - September 23, 2020
 CCIM, Greater Los Angeles, Speaker, Real Estate Lunch & Learn: Receiverships - Beverly Hills, CA September 9, 2019
 Special Asset Managers Association, Panelist, Federal Equity Receivers: EB-5 Frauds - Ojai, CA June 7, 2018



California Probate Referees Association, Presenter, *Receivership and Property Management Fundamentals: Troubled Assets/Valuation Issues* - Los Angeles, CA April 28, 2018

California Receivers Forum, Panelist, *Federal Equity Receivers: Government Enforcement Cases*, Los Angeles, CA April 26, 2018

California Association of Judgment Professionals, Presenter, *Using Court Appointed Receivers to Collect Your Judgment* - Costa Mesa, CA, October 2017

National Association of Federal Equity Receivers, Panelist, Receiver Training Camp: *Scores of Tips from the Federal Equity Receiver Playbook* - Washington DC, October 13, 2016

Archer Norris, PLC, Presenter, *Receivership University: From the Basics to Advanced Study* - Los Angeles, CA, March 27, 2014

Valensi Rose, PLC, Presenter, *Receivership University: From the Basics to Advanced Study* - Los Angeles, CA, October 31, 2013

Loyola V Complex Case Symposium, Panelist, *Ponzi Schemes* - Irvine, CA, January 19, 2013

California Receiver's Forum, Speaker, *All Eyes On Me* - Los Angeles, CA, October 25, 2012

East West Bank, Speaker, *Ponzi Schemes: Are You or Your Clients at Risk?* - Los Angeles, CA, October 22, 2012

Venable LLP, Presenter, *Receivership University: From the Basics to Advanced Study* - Los Angeles, CA, October 17, 2012

Continuing Education of the Bar, Presenter, *Real Estate Receiverships* - Los Angeles, CA, September 21, 2012

First California Bank, Presenter, *Receivership University: From the Basics to Advanced Study* - Torrance, CA, August 29, 2012

Ervin Cohen & Jessup LLP, Presenter, *Receivership University: From the Basics to Advanced Study* - Los Angeles, CA, July 30, 2012

Hill Farrer & Burrill LLP, Presenter, *Receivership University: From the Basics to Advanced Study* - Los Angeles, CA, July 17, 2012

Allen Matkins LLP, Presenter, *Receivership University: From the Basics to Advanced Study* - Orange County, CA, June 11, 2012

Michelman & Robinson, Presenter, *Receivership University: From the Basics to Advanced Study* - Orange County, CA, June 4, 2012

The Commercial REO Brokers Association (CREOBA) Weekly Webinar, Speaker - Webinar, February 17, 2012

Beverly Hills/Greater Los Angeles Association of Realtors, Speaker, *Receivership University: from the basics to advanced study* - Beverly Hills, CA September 28, 2011

Information Management Network Forum on Real Estate, Panel Member - Los Angeles, September 26, 2011

Strafford Publications, Inc., Presenter, *Receiverships in Distressed Commercial Real Estate* - Webinar, June 30, 2011

Center Bank, Speaker, *Receivership 101* - Los Angeles, CA, June 23, 2011

Real Estate Investment Properties, Guest Lecturer, *UCLA Receivership Basics* - Los Angeles, CA, June 1, 2011

Hana Financial, Inc., Speaker, *Understanding Receiverships* - Los Angeles, CA, April 4, 2011

California Receivers Forum, Speaker, Loyola IV, *Receivership Law & Practice* - Los Angeles, CA, January 20, 2011

The Los Angeles Commercial Distressed Asset and REO Summit, Speaker, *Receivership Basics* - Los Angeles, CA, November 10, 2010

California Receivers Forum, Fall Educational Series, *SEC Receiverships 101* - Los Angeles, CA, October 27, 2010

CCIM Web Conference, *Receiverships 101* - Webinar, June 9, 2010

California Bankruptcy Forum, 22nd Annual Insolvency Conference, Panelist, *Rents and Profits Receiverships: Commercial & Multi-Unit Residential Properties* - Monterey, CA, May 22, 2010



Distressed Commercial Real Estate Summit West Conference, Panelist, *Maximizing Value in Distressed Assets Through Receivers* - Los Angeles, CA, May 14, 2010

UCLA, Lecture, *Receivership Fundamentals* - Los Angeles, CA, May 13, 2010

Publications

Spring 2022 - CIRE Magazine, *The Ins and Outs of Receiverships: Receiverships offer promising avenues for commercial real estate professionals to assist lenders with distressed assets*

February 21, 2019 - Reviving the Financially Distressed Business, *Receivership Chapter*

January 2013 - Scotsman Guide Commercial Edition, *For Sale by Receiver*

September/October 2012 - Commercial Investment Real Estate, *Out of Gas: Many Factors Drive Fueling Station Owners to Default*

May 29, 2012 - Convenience Store News, *Solutions for C-store Owners and Operators Facing Loan Default*

Spring 2012/ Issue 42 - Receivership News, *Sales by Rents and Profits Receivers: A Discussion of the Practice and Governing Law*

September/October 2010 - CIRE Magazine, *Receivership 101*

November 2009 - Scotsman Guide Commercial Edition, *A Good Receiver Can be Your New BFF*

Affiliations ~ Past & Present

- Apartment Association of Greater Inland Empire
- Arizona Multi-Family Housing Association
- Beverly Hills Greater Los Angeles Association of Realtors
- Building Owners and Managers Association
- California Apartment Association
- California Association of Judgment Professionals
- California Receivers Forum - Los Angeles/Orange County Chapter
 - Education Forum Panelist
 - Co-President 2010 - 2013
 - State/ Chapter Board of Directors 2001-2013; 2020-2023
- CCIM Institute
 - Greater Los Angeles Chapter Board of Directors
 - Events Chair 2009-2011
 - Scholarship Chair 2017- Present
- International Association of Restructuring, Insolvency & Bankruptcy Professionals
- Institute of Real Estate Management (IREM®)
- International Association for Asset Recovery
- Los Angeles Apartment Owners Association
- Los Angeles Bankruptcy Forum
- National Apartment Association
- National Association of Federal Equity Receivers
 - President 2012-2014
- National Association of Realtors®
- Special Assets Managers Association