

1 JOSHUA A. DEL CASTILLO (BAR NO. 239015)
E-Mail: jdelcastillo@allenmatkins.com
2 MATTHEW D. PHAM (BAR NO. 287704)
E-Mail: mpham@allenmatkins.com
3 ALPHAMORLAI L. KEBEH (BAR NO. 336798)
E-Mail: mkebeh@allenmatkins.com
4 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
5 865 South Figueroa Street, Suite 2800
Los Angeles, California 90017-2543
6 Phone: (213) 622-5555
Fax: (213) 620-8816

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
**SUPPLEMENTAL SUBMISSION IN
SUPPORT OF SECOND
SUPPLEMENTAL REPORT OF
RECEIVER, STEPHEN J. DONELL
RE: REAL PROPERTIES SUBJECT
TO TURNOVER ORDER**
[Notice of Report submitted concurrently
herewith]
NO HEARING REQUESTED
Ctrm: 5C
Judge Hon. Sherilyn Peace Garnett

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

1 Global Inc (collectively, the "Receivership Entities"), hereby submits the following
2 supplement to his *Second Supplemental Report and Petition for Instructions Re:*
3 *Real Properties Subject to Turnover Order* (the "Second Supplemental Report")
4 [ECF No. 120, et seq.]:

5 The purpose of this supplement is to further update the Court and interested
6 parties regarding two real properties that defendants William Basta and Jeremy
7 Leung (collectively, "Defendants") stipulated to turn over to the Receiver, which
8 properties the Receiver has endeavored to monetize for the benefit of the
9 Receivership Entities' estate (the "Estate") and its creditors. As detailed below, the
10 Receiver has undertaken substantial efforts to address these issues and has achieved
11 measurable success, including successfully monetizing one of the two properties,
12 resulting in a six-figure recovery for the benefit of the Estate. However, he has
13 reluctantly made the business judgment determination that the second of the two
14 properties cannot be successfully monetized for the benefit of the Estate and that it
15 is therefore subject to abandonment pursuant to Section IV(D) of the Court's
16 August 11, 2025 *Order Granting Stipulation for Court Order Entering Permanent*
17 *Injunction and Monetary Judgment as to Ascend Capventures Inc., Ascend*
18 *Ecommerce, Inc., Ascend Administration, Inc., Ascend Ecom LLC, Ascend*
19 *Distribution LLC, William Michael Basta, and Jeremy Kenneth Leung* (the "Final
20 Judgment") [ECF No. 117].

21 With respect to that property, the Receiver reports as follows:

22 **A. Status of the Receiver's Real Property Assets.**

23 As detailed in the Receiver's *Supplemental Report and Petition for*
24 *Instructions of Receiver, Stephen J. Donell Re: Real Properties Subject to Turnover*
25 *Order* (ECF No. 100-1) (the "Real Property Report") and *Third Interim Report and*
26 *Petition for Instructions* (ECF No. 113-1) (the "Third Interim Report"), the Receiver
27 identified and effectuated the turnover of two (2) real properties purchased by
28 individual defendants William Basta and Jeremy Leung (collectively, "Defendants")

1 with funds traced to Receivership Entity consumers, both of which remained in the
2 Receiver's control as of the filing of the Real Property Report: (i) 2010 Linden
3 Avenue, Venice, California 90291 ("Linden 2") and (ii) 25 Brooks Avenue, Unit 2,
4 Venice, California 90291 ("Brooks").¹

5 1. Successful Disposition of the Brooks Property.

6 As reflected in the Second Supplemental Report, after the Receiver
7 successfully negotiated a payoff discount of \$100,000 with the Brooks property's
8 secured lender, he was able to complete the sale of the Property, as authorized by
9 the Court, recovering approximately \$165,000 in net proceeds for the benefit of the
10 Estate.

11 2. Contemplated Abandonment of the Linden 2 Property.

12 As reflected in the Second Supplemental Report, the Receiver has continued
13 to administer the Linden 2 property in an effort to monetize it for the benefit of the
14 Estate. In large part, the success of his sale efforts hinged – as they did with the
15 Brooks property – on whether the secured lender for the property would agree to a
16 discounted payoff. Unfortunately, after many weeks of negotiation with the lender,
17 and an in-person site visit by lender personnel to review the property and validate
18 the Receiver's concerns regarding its condition (as previously reported, the property
19 is in significant disrepair and likely requires substantial remediation before it can be
20 successfully sold), the lender recently advised the Receiver that it would not agree to
21 a discounted payoff. As a consequence, in the Receiver's reasonable business
22 judgment, the property now represents a net liability to the Estate, as its present
23 market value is likely less than the outstanding amount of the debt it secures.

24 In addition, the City of Los Angeles has issued a demand and cure notice in
25 connection with improvements to the Linden 2 property undertaken by its former,
26 unlawful tenant, Berlin Lu. Based on the contents of the notice, and the Receiver's
27

28 ¹ The net proceeds from a post-receivership sale by Defendants of a third real property were also turned over to the Receiver pursuant to the Turnover Order.

1 review of the construction undertaken at the property, the Receiver believes that
2 none of the improvements undertaken by Mr. Lu were permitted. Ensuring that
3 such improvements can be brought into code compliance such that retroactive
4 permits may be obtained will impose an additional and potentially significant cost
5 and delay upon the Estate, which it can ill afford.

6 As a consequence of the above, and despite his months-long and diligent
7 efforts to maximize the value of the Linden 2 property for the benefit of the Estate,
8 the Receiver has reluctantly concluded, in his reasonable business judgment, that the
9 Linden 2 property cannot be successfully sold for a net benefit to the Estate.
10 Accordingly, and pursuant to his authority under Section IV(D) of the Final
11 Judgment, the Receiver anticipates, contemporaneously with the filing of this
12 supplement, abandoning the Linden 2 property back to defendants Basta and Leung.

13 **B. The Receiver's Next Steps.**

14 The Linden 2 property was the only remaining asset Estate asset left to
15 administer. Having concluded that the property cannot be sold for a net benefit to
16 the Estate, and should be abandoned in accordance with the provisions of the Final
17 Judgment, the Receiver recommends that the instant receivership be wound-down
18 and closed, and the Receiver discharged and released from his service.

19 To that end, and as soon as practicable, the Receiver will prepare and submit
20 to this Court: (1) his final report and accounting; (2) his and his professionals' final
21 applications for payment of fees and reimbursement of expenses; and (3) a formal
22 motion to wind-down and close the instant receivership, and discharge and release
23 the Receiver. Based on the information presently available to the Receiver, he does
24 not anticipate that any surplus remaining after the payment of final fee and expense
25 applications, and any ancillary administrative expenses, will justify the cost and
26 delay associated with a formal, Receiver-administered claims process. Accordingly,
27 at present, he anticipates recommending to the Court that he be authorized to remit
28 any such surplus to the plaintiff Federal Trade Commission.

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Dated: November 25, 2025

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
JOSHUA A. DEL CASTILLO
MATTHEW D. PHAM
ALPHAMORLAI L. KEBEH

By: /s/ Alphamorlai L. Kebeh
ALPHAMORLAI L. KEBEH
Attorneys for Receiver
STEPHEN J. DONELL