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5 Attorneys for Special Master  
6 Robb Evans

7  
8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION

10  
11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 \$6,874,561.25 IN FUNDS FROM SIX  
WELLS FARGO BANK ACCOUNTS,  
15 \$1,147,051.51 IN FUNDS FROM SIX  
BANK OF AMERICA BANK  
16 ACCOUNTS, \$3,978,403.00 U.S.  
CURRENCY, et al.,

17 Defendants.  
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CASE NO. CV 09-2398 RGK (RZx)

[Hon. District Court Judge  
R. Gary Klausner]

**NOTICE OF MOTION AND  
MOTION FOR ORDER  
APPROVING AND AUTHORIZING  
PAYMENT OF SPECIAL  
MASTER'S AND  
PROFESSIONALS' FEES AND  
EXPENSES FOR THE PERIOD  
FEBRUARY 11, 2010 THROUGH  
AUGUST 31, 2010;  
MEMORANDUM OF POINTS AND  
AUTHORITIES; DECLARATIONS  
OF ROBB EVANS AND CRAIG A.  
WELIN IN SUPPORT THEREOF**

Date: December 6, 2010  
Time: 9:00 a.m.  
Place: Courtroom 850

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1 TO: THE HONORABLE R. GARY KLAUSNER, UNITED STATES  
2 DISTRICT COURT JUDGE, AND ALL PARTIES OF INTEREST:

3 PLEASE TAKE NOTICE that on December 6, 2010, commencing at  
4 9:00 a.m., or soon thereafter as the parties may be heard in Courtroom 850 of the  
5 above-entitled Court located at 255 East Temple Street, Los Angeles, CA 90012,  
6 Robb Evans ("Special Master") will and hereby does move the Court for an order  
7 approving and authorizing payment of \$125,146.74 from the Defendant Assets (as  
8 hereinafter defined) for: (1) the fees and expenses of the Special Master and his  
9 accounting personnel and staff for the period of February 11, 2010 through  
10 August 31, 2010 ("First Reporting Period"), in the sum of \$114,615.86; and (2) the  
11 fees and costs of the Special Master's counsel, Frandzel Robins Bloom & Csato,  
12 L.C. ("FRBC"), in the sum of \$10,530.88 for the First Reporting Period.

13 PLEASE TAKE FURTHER NOTICE that this Motion is made in accordance  
14 with the Court's Orders dated February 11, 2010, March 18, 2010, July 13, 2010 and  
15 September 3, 2010 (collectively, the "Orders"), pursuant to which the Special  
16 Master was appointed and thereafter authorized to employ accounting personnel and  
17 staff of Robb Evans & Associates LLC ("REA") and FRBC to assist him in  
18 performing his duties as the Special Master. The Orders require, among other  
19 things, the Special Master to submit periodic requests for payment of reasonable  
20 compensation and actual out-of-pocket expenses. This Motion is based upon this  
21 Notice of Motion and Motion, the accompanying Memorandum of Points and  
22 Authorities, and the Declarations of Robb Evans and Craig A. Welin, upon the  
23 pleadings, records and files of this case of which the Special Master requests the  
24 Court to take judicial notice, and upon all other further pleadings, oral and  
25 documentary evidence and arguments of counsel as may be presented by the Special  
26 Master at or before the time of the hearing on the Motion.

27 PLEASE TAKE FURTHER NOTICE that a copy of this Motion, exclusive of  
28 voluminous exhibits, is posted on the Special Master's website at

1 http://www.robbevans.com where it may be reviewed in its entirety. Copies of this  
2 Motion will be provided to any interested party upon receipt of a written request  
3 which may be sent to: Robb Evans & Associates LLC, 11450 Sheldon Street, Sun  
4 Valley, CA 91352-1121; Telephone (818) 768-8100; Facsimile: (818) 768-8802.  
5

6 DATED: November 1, 2010 FRANDZEL ROBINS BLOOM & CSATO, L.C.  
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8 By: /s/ Craig A. Welin  
9 CRAIG A. WELIN  
10 Attorneys For Special Master, Robb Evans  
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**MEMORANDUM OF POINTS AND AUTHORITIES**

**I.**

**INTRODUCTION**

This action was commenced on April 7, 2009, by the United States of America ("Government") against the seized assets consisting of approximately \$12 million in funds from various bank accounts, as well as U.S. currency and several items of personal property ("Defendant Assets"). The Government's complaint alleges that the FBI seized the Defendant Assets from, among other things, Milton Retana, Best Diamond Funding Corp., and associated companies (collectively, "BDF"), due to a massive Ponzi scheme perpetrated by BDF involving more than 2,300 victims whom the Government believes lost more than \$30 million in real estate schemes targeted at Spanish-language speakers.

The Special Master was appointed on February 11, 2010, to perform a neutral analysis of the victims' claims for pecuniary losses in comparison with financial records and BDF's internal records already in the Government's possession, and to calculate the individualized loss amounts for each victim in an effort to facilitate settlement of the claims. On March 18, 2010 and July 13, 2010, the Court authorized the Special Master to employ REA accounting personnel and staff and FRBC to assist the Special Master with his duties as set forth in the February 11<sup>th</sup> Order.

This Motion seeks approval of payment of the Special Master's administrative expenses for the period February 11, 2010 through August 31, 2010 ("First Reporting Period"), including payment of: (1) the fees and expenses of the Special Master and his accounting personnel and staff, which totaled the sum of \$114,615.86 for the First Reporting Period, comprised of the Special Master's fees and the fees of his accounting personnel and staff in the sum of \$113,911.40, and costs in the sum of \$704.46, and (2) the fees and expenses of his counsel, FRBC, during the First Reporting Period, which totaled the sum of \$10,530.88 (collectively,

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1 "the Fees and Costs"). The Fees and Costs of the Special Master incurred during the  
2 First Reporting Period are detailed in the Administrative Fees and Costs report  
3 ("First Report") prepared by the Special Master's office, attached as Exhibit 1 to the  
4 accompanying Declaration of Robb Evans (the "Evans Declaration"), as well as in  
5 the invoices attached as Exhibit 2 to the Evans Declaration and as Exhibit 3 to the  
6 Declaration of Craig A. Welin ("Welin Declaration").

7 Pursuant to the Court's February 11, 2010 Order, all applications for payment  
8 by the Special Master are to be filed with the Court and served on the Government  
9 and on any persons who have filed a claim pursuant to the Rule G(5)(a)(i) of the  
10 Supplemental Rules for Certain Admiralty and Maritime Claims and Asset  
11 Forfeiture Actions, Federal Rules of Civil Procedure, and is to set forth in  
12 reasonable detail the nature of the services for which payment is requested. The  
13 application must also be noticed for hearing on the next Monday that is at least 10  
14 calendar days after the date the application is filed, with the proposed order directing  
15 the United States Marshal service the pay the amount ordered by the Court from the  
16 Defendant Assets (as defined above). Further, in accordance with the Court's  
17 September 3, 2010 Order, authorizing limited notice on the claimants of the seized  
18 assets, as set forth in the attached proof of service, the Special Master has complied  
19 with the provisions of the February 11<sup>th</sup> and September 3<sup>rd</sup> Orders pertaining to  
20 service on the respective parties and submits that the Motion and accompanying  
21 Evans and Welin Declarations comply with directives in the Order concerning the  
22 description of services for which payment is requested. Accordingly, the Special  
23 Master seeks an order authorizing and approving payment of the Fees and Expenses  
24 of the Special Master incurred during the First Reporting Period.

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II.

SUMMARY

A. Special Master's Activities During The First Reporting Period.

The activities undertaken by the Special Master and the REA personnel since his appointment on February 11, 2010, are specifically described in the invoices of the Special Master and his personnel attached as Exhibit 2 to the Evans Declaration. In general, during the First Reporting Period, the Special Master and REA personnel, among other things, met with the Government to discuss the case and related issues, received financial information prepared by the Government and created all appropriate databases to begin the reconciliation process concerning claimed pecuniary losses by the victims, had numerous conversations with the victims, and began the reconciliation process.

The fees and expenses of FRBC are attached as Exhibit 3 to the Welin Declaration. In general, during the First Reporting Period, FRBC was primarily involved in the preparation of the *ex parte* application on behalf of the Special Master to employ REA and preparation of additional documentation necessary for the Special Master to commence his duties under the Orders.

III.

CONCLUSION

Based on the foregoing, the Special Master respectfully requests that this Court grant this Motion and issue an order: (1) approving and authorizing payment of the fees and costs of the Special Master, REA accounting personnel and staff, and FRBC incurred during the First Reporting Period in their entirety based upon the Court's findings that they are reasonable and should be approved for payment; and

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1 (2) directing the United States Marshals Service to forthwith pay the sums approved  
2 by the Court from the Defendant Assets.

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DATED: November 1, 2010      FRANDZEL ROBINS BLOOM & CSATO, L.C.

By: /s/ Craig A. Welin  
CRAIG A. WELIN  
Attorneys For Special Master, Robb Evans

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**DECLARATION OF ROBB EVANS**

1  
2 1. I am a principal and the founder of Robb Evans & Associates LLC  
3 ("REA"), and am the Special Master appointed by this Court to oversee the claims  
4 process and facilitate the distribution of the approximately \$12 million of Defendant  
5 Assets to victims of a fraud scheme with respect to a massive Ponzi scheme  
6 involving more than 2,300 victims whom the Government believes lost more than  
7 \$30 million in real estate schemes targeted at Spanish-language speakers. If called  
8 upon to testify as to the facts set forth in this declaration, I could and would testify  
9 competently thereto as the facts are true and within my personal knowledge.

10 2. I was appointed as the Special Master in this matter by this Court's  
11 Order dated February 11, 2010. On March 18, 2010, this Court issued an order  
12 authorizing me to employ REA accounting personnel and staff to assist me in  
13 complying with the duties and responsibilities of the Special Master and the  
14 administration and accounting analysis to be conducted regarding the seized assets  
15 in accordance with this Court's February 11, 2010 order.

16 3. The administrative fees, costs and expenses for which approval is  
17 requested is specified in the summary which the Special Master's office has  
18 prepared entitled "Administrative Fees and Costs from Inception (February 11,  
19 2010) to August 31, 2010 ("First Report"), a true and correct copy of which is  
20 attached hereto as Exhibit 1. This Motion seeks approval of payment of the Special  
21 Master's administrative expenses for the period February 11, 2010 to August 31,  
22 2010 ("First Reporting Period"), including payment of the fees and expenses of the  
23 Special Master, as well as REA accounting personnel and staff and FRBC.

24 4. The Special Master's administrative fees and costs for the First  
25 Reporting Period totaled \$125,146.74 and are comprised of fees in the sum of  
26 \$113,911.40, costs in the sum of \$704.46, and fees and costs for FRBC during the  
27 First Reporting Period totaling \$10,530.88. Collectively attached hereto as Exhibit 2  
28 are true and correct copies of invoices which set forth itemized descriptions of

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1 professional services rendered by me, as the Special Master, and REA accounting  
2 personnel and staff.

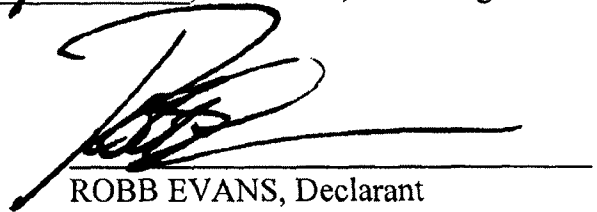
3 5. In summary, the services rendered by myself and REA accounting  
4 personnel and staff include a meeting with the Government to discuss the case and  
5 related issues, reviewing financial information prepared by the Government and  
6 creating all appropriate databases to begin the reconciliation process concerning  
7 claimed pecuniary losses by the victims, numerous conversations with the victims,  
8 and the commencement of the reconciliation process.

9 6. I respectfully request that the Court approve the total administrative  
10 expenses and costs, and submit that in light of the work performed during the First  
11 Reporting Period as itemized in the invoices, the total fees and costs incurred,  
12 including those of REA accounting personnel and staff and FRBC, are reasonable,  
13 and should be approved and authorized for payment in their entirety.

14 7. Paragraph 16 of this Court's February 11, 2010 Order requires, among  
15 other things, that all applications for payment are to be filed with the Court and  
16 served on the Government and on any person who has then filed a claim pursuant to  
17 Rule G(5)(a)(i) (Supplemental Rules for Certain Admiralty and Maritime Claims  
18 and Asset Forfeiture Actions, Federal Rules of Civil Procedure) and shall set forth in  
19 reasonable detail the nature of the services for which payment is requested. The  
20 Court's Order further provides that the application shall be noticed for hearing on the  
21 next Monday that is at least 10 calendar days after the date the application is filed,  
22 and that a proposed order will direct the United States Marshals Service to pay the  
23 amount ordered by the Court from the Defendant Assets. Further, in accordance  
24 with the Court's September 3, 2010 Order, authorizing limited notice on the  
25 claimants of the seized assets, as set forth in the attached proof of service, I have  
26 complied with the provisions of the February 11<sup>th</sup> and September 3<sup>rd</sup> Orders  
27 pertaining to service on the respective parties and have submitted detailed invoices  
28 setting forth the nature of the services for which payment is requested as required by

1 the Court's Order, and will submit a proposed order complying with directives  
2 concerning the payment of any amounts approved by the Court.

3  
4 I declare under penalty of perjury under the laws of the State of California  
5 that the foregoing is true and correct and that this declaration was executed on  
6 October 13, 2010 at Sun Valley, California, for the signature of  
7 Robb Evans.

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10 ROBB EVANS, Declarant

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**DECLARATION OF CRAIG A. WELIN**

I, Craig A. Welin, declare:

1. I am an attorney at law duly licensed before this Court and all Courts of the State of California, and am a shareholder of the firm of Frandzel Robins Bloom & Csato, L.C. ("FRBC"), attorneys for Robb Evans, the Special Master in this matter. I am one of the attorneys primarily responsible for the representation of the Special Master. I have personal knowledge of the matters specified in this declaration, and could and would competently testify thereto, if called upon to do so.

2. Attached hereto as Exhibit 3 are FRBC's invoices and billings summaries reflecting the services rendered, time spent and costs incurred by FRBC pertaining to this matter for the period February 11, 2010 through August 31, 2010 ("First Reporting Period"), with the descriptions redacted where appropriate to preserve the attorney-client privilege and attorney work product privileges or to otherwise protect the Special Master from inappropriate disclosures. Copies of unredacted invoices are submitted directly to the Court. Attorneys' fees and costs incurred by FRBC during the First Reporting Period total \$10,530.88.

3. As described in greater detail in the billing summaries (Exhibit 3 hereto) during the First Reporting Period, our office among other things, prepared the *ex parte* application for the Special Master to employ REA accounting personnel and staff to assist the Special Master in the performance of his duties as required by the Court's Order. We also prepared additional documentation necessary for the Special Master to commence his duties under the Orders.


4. I am familiar with the methods and procedures used to create, record and maintain billing records for FRBC's clients. The billing summaries attached collectively hereto as Exhibit 3 are prepared from computerized time records prepared contemporaneously with the services rendered by each attorney and paralegal billing time to this matter. These computerized records are prepared in the ordinary course of business by the attorneys and paralegals employed by FRBC who

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1 have a business duty to accurately record their time spent and services rendered on  
2 the matters in which they performed work. The time records are transferred into a  
3 computerized billing program which generates monthly invoices under the  
4 supervision of FRBC's accounting department. Based on my experience with  
5 FRBC, I believe FRBC's method's and procedures for recording and accounting for  
6 time and services for its clients are reliable and accurate.

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I declare under penalty of perjury under the laws of the State of California  
that the foregoing is true and correct and that this declaration was executed on  
October 15, 2010 at Los Angeles, California.

  
CRAIG A. WELIN, Declarant

# **EXHIBIT 1**

Robb Evans, Special Master of Best Diamond Funding et al.  
 Administrative Fees and Costs  
 From Inception (February 11, 2010) to August 31, 2010

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	TOTAL
<b>Special Masters Fees &amp; Expenses</b>								
Special Master's Fees								
Special Master								
R. Evans	617.50	0.00	0.00	0.00	0.00	162.50	97.50	877.50
Total Special Master	617.50	0.00	0.00	0.00	0.00	162.50	97.50	877.50
Claims Administration Staff								
B. Kane	650.00	75.00	0.00	50.00	550.00	275.00	75.00	1,675.00
C. Callahan	1,000.00	1,120.00	800.00	320.00	700.00	1,500.00	2,640.00	8,080.00
L. Lee	2,920.00	9,860.00	12,680.00	16,080.00	21,140.00	17,180.00	17,540.00	97,400.00
Total Claims Administration Staff	4,570.00	11,055.00	13,480.00	16,450.00	22,390.00	18,955.00	20,255.00	107,155.00
Accounting Staff								
A. Jen	20.00	20.00	160.00	60.00	40.00	160.00	0.00	460.00
N. Wolf	0.00	55.00	40.00	0.00	15.00	25.00	30.00	165.00
Total Accounting Staff	20.00	75.00	200.00	60.00	55.00	185.00	30.00	625.00
IT Management Staff								
K. Chapin	146.39	159.70	0.00	79.85	0.00	0.00	155.26	541.20
E. Roop	0.00	3,150.00	0.00	0.00	0.00	0.00	980.00	4,130.00
Total IT Management Staff	146.39	3,309.70	0.00	79.85	0.00	0.00	1,135.26	4,671.20
Support Staff								
Total Special Master's Fees	85.50	72.00	53.70	103.50	67.50	54.00	146.50	582.70
Total Special Master's Fees	5,439.39	14,511.70	13,733.70	16,693.35	22,512.50	19,356.50	21,664.26	113,911.40
Special Master's Costs								
Supplies/Telephone	21.67	0.00	0.00	0.00	0.00	0.00	0.00	21.67
Postage/Delivery	18.11	0.00	7.00	0.00	0.00	0.00	45.68	70.79
Translation Services	0.00	567.80	0.00	0.00	0.00	0.00	0.00	567.80
Travel expense	29.20	0.00	0.00	0.00	15.00	0.00	0.00	44.20
Total Special Master's Costs	68.98	567.80	7.00	0.00	15.00	0.00	45.68	704.46
Legal Fees & Costs								
Frاندzel Robins Bloom								
Fees	0.00	3,816.00	233.50	1,555.00	75.00	2,337.50	2,256.50	10,273.50
Costs	0.00	25.06	24.29	30.25	0.00	95.03	82.75	257.38
Total Frاندzel Robins Bloom	0.00	3,841.06	257.79	1,585.25	75.00	2,432.53	2,339.25	10,530.88
Total Legal Fees & Costs	0.00	3,841.06	257.79	1,585.25	75.00	2,432.53	2,339.25	10,530.88
<b>Total Special Masters Fees &amp; Expenses</b>	<b>5,508.37</b>	<b>18,920.56</b>	<b>13,998.49</b>	<b>18,278.60</b>	<b>22,602.50</b>	<b>21,789.03</b>	<b>24,049.19</b>	<b>125,146.74</b>