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 Robb Evans

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 10 UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION  
 11

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

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

18 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 1, 2011 THROUGH  
 APRIL 30, 2011 (FOURTH  
 REPORTING PERIOD);**

**MEMORANDUM OF POINTS AND  
 AUTHORITIES; DECLARATIONS  
 OF ROBB EVANS AND CRAIG A.  
 WELIN IN SUPPORT THEREOF**

Date: August 8, 2011  
 Time: 9:00 a.m.  
 Place: Courtroom 850

FRANZEL ROBINS BLOOM & CSATO, L.C.  
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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 August 8, 2011, commencing at 9:00 a.m.,  
4 or soon thereafter as the parties may be heard in Courtroom 850 of the above-  
5 entitled Court located at 255 East Temple Street, Los Angeles, CA 90012, Robb  
6 Evans ("Special Master") will and hereby does move the Court for an order  
7 approving and authorizing payment of \$32,226.37 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 1, 2011 through April 30,  
10 2011 ("Fourth Reporting Period"), in the sum of \$28,455.03; and (2) the fees and  
11 costs of the Special Master's counsel, Frandzel Robins Bloom & Csato, L.C.  
12 ("FRBC"), in the sum of \$3,771.34 for the Fourth 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.  
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6 DATED: June 21, 2011 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, 2010 Order.

This Motion seeks approval of payment of the Special Master's administrative expenses for the period February 1, 2011 through April 30, 2011 ("Fourth 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 \$32,226.37 for the Fourth Reporting Period, comprised of the Special Master's fees and costs, and the fees of his accounting personnel and staff in the sum of \$28,455.03; and (2) the fees and expenses of his counsel, FRBC, during the Fourth Reporting Period, which totaled the sum of \$3,771.34 (collectively, "the Fees and Costs"). The Fees and

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1 Costs of the Special Master incurred during the Fourth Reporting Period are detailed  
2 in the Administrative Fees and Costs report ("Fourth Report") prepared by the  
3 Special Master's office, attached as Exhibit 1 to the accompanying Declaration of  
4 Robb Evans (the "Evans Declaration"), as well as in the invoices attached as  
5 Exhibit 2 to the Evans Declaration and as Exhibit 3 to the Declaration of Craig A.  
6 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, 2010 and September 3, 2010 Orders  
20 pertaining to service on the respective parties and submits that the Motion and  
21 accompanying Evans and Welin Declarations comply with directives in the Order  
22 concerning the description of services for which payment is requested.  
23 Accordingly, the Special Master seeks an order authorizing and approving payment  
24 of the Fees and Expenses of the Special Master incurred during the Fourth  
25 Reporting Period.

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II.

SUMMARY

A. Special Master's Activities During The Fourth 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 Fourth 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 and maintained all appropriate databases to further the reconciliation process concerning claimed pecuniary losses by the victims, had numerous conversations with the victims, and continued the reconciliation process.

The fees and expenses of FRBC are attached as Exhibit 3 to the Welin Declaration. In general, during the Fourth Reporting Period, FRBC was primarily involved in the preparation of documentation necessary for the Special Master to continue his duties under the Orders and the filing of motions therefor.

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 Fourth 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: June 21, 2011

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**

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

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

3. The administrative fees, costs and expenses for which approval is requested is specified in the summary which the Special Master's office has prepared entitled "Special Master Administrative Fees and Expenses from Inception (February 11, 2010) to April 30, 2011" ("Fourth Report"), a true and correct copy of which is attached hereto as Exhibit 1. This Motion seeks approval of payment of the Special Master's administrative expenses for the period February 1, 2011 to April 30, 2011 ("Fourth Reporting Period"), including payment of the fees and expenses of the Special Master, as well as REA accounting personnel and staff and FRBC.

4. The Special Master's administrative fees and costs for the Fourth Reporting Period totaled \$32,226.37 and are comprised of fees in the sum of \$28,105.70, costs in the sum of \$349.33 and fees and costs for FRBC during the Fourth Reporting Period totaling \$3,771.34. Collectively attached hereto as

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1 Exhibit 2 are true and correct copies of invoices which set forth itemized  
2 descriptions of professional services rendered by me, as the Special Master, and  
3 REA accounting personnel and staff.

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

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

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

1 Orders pertaining to service on the respective parties and have submitted detailed  
2 invoices setting forth the nature of the services for which payment is requested as  
3 required by the Court's Order, and will submit a proposed order complying with  
4 directives concerning the payment of any amounts approved by the Court.

5 I declare under penalty of perjury under the laws of the State of California  
6 that the foregoing is true and correct and that this declaration was executed on  
7 June <sup>17</sup>~~20~~, 2011 at <sup>Beverly Hills</sup>~~Sun Valley~~, California, for the signature of 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 1, 2011 through April 30, 2011 ("Fourth 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 Fourth Reporting Period total \$3,771.34.

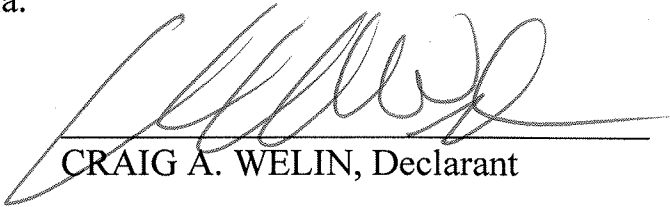
3. As described in greater detail in the billing summaries (Exhibit 3 hereto) during the Fourth Reporting Period, our office among other things, prepared documentation necessary for the Special Master to continue his duties under the Orders.

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 have a business duty to accurately record their time spent and services rendered on the matters in which they performed work. The time records are transferred into a

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1 computerized billing program which generates monthly invoices under the  
2 supervision of FRBC's accounting department. Based on my experience with  
3 FRBC, I believe FRBC's method's and procedures for recording and accounting for  
4 time and services for its clients are reliable and accurate.

5 I declare under penalty of perjury under the laws of the State of California  
6 that the foregoing is true and correct and that this declaration was executed on  
7 June 17, 2011 at Los Angeles, California.

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10 CRAIG A. WELIN, Declarant

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# **EXHIBIT 1**

Robb Evans, Special Master of Best Diamond Funding Corp  
#2071**Special Master Administrative Fees and Expenses**

From Inception (February 11, 2010) to April 30, 2011

	<u>Previously Reported</u>	<u>Feb 11</u>	<u>Mar 11</u>	<u>Apr 11</u>	<u>2/1/11~ 4/30/11</u>	<u>TOTAL</u>
<b>Special Master Administrative Fees &amp; Expenses</b>						
<b>Special Master's Fees</b>						
<b>Special Master</b>						
R. Evans	1,105.00	0.00	0.00	0.00	0.00	1,105.00
<b>Total Special Master</b>	<u>1,105.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,105.00</u>
<b>Claims Administration Staff</b>						
B. Kane	4,000.00	75.00	0.00	0.00	75.00	4,075.00
K. Johnson	100.00	0.00	0.00	0.00	0.00	100.00
C. Callahan	61,640.00	5,260.00	8,720.00	2,960.00	16,940.00	78,580.00
L. Lee	177,160.00	3,720.00	2,140.00	1,840.00	7,700.00	184,860.00
J. Dadbin	535.00	0.00	0.00	0.00	0.00	535.00
A. Johnson	4,325.00	0.00	0.00	0.00	0.00	4,325.00
<b>Total Claims Administration Staff</b>	<u>247,760.00</u>	<u>9,055.00</u>	<u>10,860.00</u>	<u>4,800.00</u>	<u>24,715.00</u>	<u>272,475.00</u>
<b>Accounting Staff</b>						
A. Jen	1,140.00	740.00	120.00	0.00	860.00	2,000.00
F. Jen	0.00	0.00	0.00	100.00	100.00	100.00
P. Chung	440.00	0.00	0.00	0.00	0.00	440.00
N. Wolf	525.00	35.00	70.00	5.00	110.00	635.00
<b>Total Accounting Staff</b>	<u>2,105.00</u>	<u>775.00</u>	<u>190.00</u>	<u>105.00</u>	<u>1,070.00</u>	<u>3,175.00</u>
<b>IT Management Staff</b>						
E. Roop	12,705.00	0.00	0.00	0.00	0.00	12,705.00
K. Chapin	1,574.78	0.00	0.00	0.00	0.00	1,574.78
<b>Total IT Management Staff</b>	<u>14,279.78</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,279.78</u>

Robb Evans, Special Master of Best Diamond Funding Corp  
#2072**Special Master Administrative Fees and Expenses**

From Inception (February 11, 2010) to April 30, 2011

	<u>Previously Reported</u>	<u>Feb 11</u>	<u>Mar 11</u>	<u>Apr 11</u>	<u>2/1/11~ 4/30/11</u>	<u>TOTAL</u>
<b>Support Staff</b>	11,856.10	882.30	832.70	605.70	2,320.70	14,176.80
<b>Total Special Master's Fees</b>	<u>277,105.88</u>	<u>10,712.30</u>	<u>11,882.70</u>	<u>5,510.70</u>	<u>28,105.70</u>	<u>305,211.58</u>
<b>Special Master's Costs</b>						
<b>Asset/Credit Searches</b>	417.25	3.83	28.95	0.00	32.78	450.03
<b>Supplies/Telephone</b>	653.68	75.61	39.32	26.06	140.99	794.67
<b>Postage/Delivery</b>	2,419.21	74.39	77.56	23.61	175.56	2,594.77
<b>Translation Services</b>	2,158.77	0.00	0.00	0.00	0.00	2,158.77
<b>Travel Expense</b>	52.20	0.00	0.00	0.00	0.00	52.20
<b>Total Special Master's Costs</b>	<u>5,701.11</u>	<u>153.83</u>	<u>145.83</u>	<u>49.67</u>	<u>349.33</u>	<u>6,050.44</u>
<b>Legal Fees &amp; Costs</b>						
<b>Frandzel Robins Bloom</b>						
<b>Legal Fees</b>	18,901.50	591.50	2,558.00	422.00	3,571.50	22,473.00
<b>Legal Costs</b>	824.03	53.34	126.00	20.50	199.84	1,023.87
<b>Total Frandzel Robins Bloom</b>	<u>19,725.53</u>	<u>644.84</u>	<u>2,684.00</u>	<u>442.50</u>	<u>3,771.34</u>	<u>23,496.87</u>
<b>Total Legal Fees &amp; Costs</b>	<u>19,725.53</u>	<u>644.84</u>	<u>2,684.00</u>	<u>442.50</u>	<u>3,771.34</u>	<u>23,496.87</u>
<b>Total Special Master Administrative Fees &amp; Expenses</b>	<u><u>302,532.52</u></u>	<u><u>11,510.97</u></u>	<u><u>14,712.53</u></u>	<u><u>6,002.87</u></u>	<u><u>32,226.37</u></u>	<u><u>334,758.89</u></u>