

ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
Longboat Global Funds Management, LLC, et al.

11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

Commodity Futures Trading Commission v. Longboat Global Funds Management, LLC
CASE No. 05-CV-2142 PJH

**Notice of Motion and Motion of Temporary Receiver for Order Approving
Payment of Administrative Fees and Expenses Incurred for the Period
November 1, 2006 Through April 30, 2007; Memorandum of Points and
Authorities; Declaration of Kenton Johnson; and Proposed Order**

Filed May 23, 2007

1 Linda J. Candler, CA Bar No. 181805
Linda_candler@robbevans.com
2 ROBB EVANS AND ASSOCIATES LLC
11450 Sheldon Street
3 Sun Valley, CA 91352
Tel: (818)768-8100
4 Fax: (818) 768-8802

5 Attorney for Robb Evans & Associates LLC
6 Temporary Receiver

7
8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10
11 COMMODITY FUTURES TRADING
COMMISSION,

12 Plaintiff,

13 v.

14 ROBERT JOSEPH BEASLEY AND
15 LONGBOAT GLOBAL FUNDS
MANAGEMENT, LLC,

16 Defendants.

CASE NO. 05-CV-2142-PJH

NOTICE OF MOTION AND
MOTION OF TEMPORARY
RECEIVER FOR ORDER
APPROVING PAYMENT OF
ADMINISTRATIVE FEES AND
EXPENSES INCURRED FOR THE
PERIOD NOVEMBER 1, 2006
THROUGH APRIL 30, 2007;
MEMORANDUM OF POINTS &
AUTHORITIES; DECLARATION OF
KENTON JOHNSON AND
PROPOSED ORDER

Date: June 27, 2007

Time: 9:00 a.m.

Place: Courtroom 3, 17th Floor
450 Golden Gate Ave.
San Francisco, CA 94102
(Hon. Phyllis J. Hamilton)

[ORAL ARGUMENT NOT REQUIRED]

24
25 TO THE HONORABLE PHYLLIS J. HAMILTON, UNITED STATES
26 DISTRICT COURT JUDGE, AND TO ALL PARTIES AND THEIR ATTORNEYS
27 OF RECORD:

28 PLEASE TAKE NOTICE that on June 27, 2007, at 9:00 a.m. in Courtroom 3 of

1 located at 450 Golden Gate Avenue, 17th Floor, San Francisco, California 94102, Robb
2 Evans & Associates LLC, Temporary Receiver in the above-captioned case, will present its
3 Motion for an Order approving payment of administrative fees and expenses incurred for
4 the period November 1, 2006 through April 30, 2007 (“Motion”).

5 The Temporary Receiver’s Motion is based on this Notice of Motion, the
6 Memorandum of Points and Authorities; the Declaration of Kenton Johnson annexed
7 hereto, and the Court’s records and pleadings on file in this action, and all other evidence,
8 both oral and documentary, as may be presented at the time of hearing.

9 The Temporary Receiver’s Motion will request an Order from the Court approving
10 the payment of the administrative fees of the Temporary Receiver and its staff of
11 \$15,396.80 expenses of \$7,438.66 and legal fees and costs of \$119,448.61 for the period
12 November 1, 2006 through April 30, 2007.

13 PLEASE TAKE FURTHER NOTICE that this Motion is made pursuant to Local
14 Rule 66-3, and is based upon this Notice of Motion, Motion, the accompanying
15 Memorandum of Points and Authorities, and the Declaration of Kenton Johnson, and
16 upon such other pleadings and oral and documentary evidence as may be presented at or
17 before the time of the hearing on the Motion.

18 Any person or entity opposing this Motion must timely file with the Court and
19 serve upon the Temporary Receiver, whose name and address appear in the upper left-
20 hand corner of the first page of this Motion, a written opposition which complies in all
21 respects with the rules of this Court. Failure to timely file an opposition may be deemed
22 by the Court to be consent to the granting of the Temporary Receiver’s Motion.

23 PLEASE TAKE FURTHER NOTICE that this Motion is posted on the
24 Temporary Receiver’s website at <http://www.robbevans.com/html/longboat.html>, where
25 it may be reviewed in its entirety. A copy of this Motion will be provided to any interested
26 party upon receipt of a request therefore which may be directed to: Robb Evans &
27 Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352
28 telephone: (818) 768-8100, facsimile: (818) 768-8802.

1 PLEASE TAKE FURTHER NOTICE that, if no party objects to the Motion, the
2 Temporary Receiver is willing for the Court to consider it without oral argument.

3

4 Dated: May 23, 2007

ROBB EVANS & ASSOCIATES LLC

5

6

By: *Linda Candler*
LINDA CANDLER
COUNSEL TO THE TEMPORARY
RECEIVER

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

I.

INTRODUCTION

1
2
3
4 On August 19, 2005, Robb Evans & Associates LLC (“REA” or “Temporary
5 Receiver”) was appointed as Temporary Receiver in the within action pursuant to a
6 “Consent Order of Preliminary Injunction and Other Equitable Relief” (“Order”).
7 Pursuant to the terms of the Order, REA was appointed as Temporary Receiver for
8 Defendant Longboat Global Funds Management, LLC (“Longboat”) and any affiliates or
9 subsidiaries solely with respect to matters involving Piranha Capital, L.P. (“Piranha”), and
10 all of the funds, properties, premises, accounts and other assets directly or indirectly
11 owned, beneficially or otherwise, by them with the full powers of an equity Receiver,
12 except as limited by the terms of the Order.

13 This action was commenced on May 25, 2005 by the Commodity Futures Trading
14 Commission (“CFTC”) against the Defendants. The CFTC’s Complaint alleges that the
15 Defendants committed fraud by misrepresenting the condition and status of certain
16 investments held by Piranha, a commodity pool that Defendants operated, and failed to
17 disclose Defendant Beasley’s (Beasley) personal financial interest in those investments, in
18 violation of certain provisions of the Commodity Exchange Act (7 United States Code).

19
20 **Prior Request for Approval of Fees and Expenses**

21 This is the third request for approval of fees and expenses of the Temporary
22 Receiver and its staff. The first request, for the period August 19, 2005 through
23 September 30, 2005, was approved by this Court on November 29, 2005. The second
24 request was for the period October 1, 2005 through October 31, 2006. This third request
25 relates primarily to fees incurred in identifying those entities that received loans, including
26 Branford Partners LLC, (“Branford”) an entity in bankruptcy that received millions of
27 dollars from Piranha Capital, L.P. This asset held by Branford Partners, LLC, a former
28 landfill site in Los Angeles, is being sold as part of a Chapter 11 reorganization plan filed
by the Debtor. As set out in the attached declaration of Kenton Johnson, the Temporary

1 Receiver has filed a claim in the Bankruptcy proceedings for payment of funds loaned to
2 Pinnacle West LLC, the former Manager of Branford, and Plutus Alternative Strategies,
3 the 99% owner of Branford, and Sunquest Development, the former business name of
4 Branford. Real property in Montana is also listed for sale and the Temporary Receiver
5 continues its efforts to collect funds loaned by Piranha Capital LP to Beasley and Lewis
6 and Clark, LLC for the purchase of the properties in Montana. As set out in the
7 Temporary Receiver's Third Report of Assets, filed November 30, 2006, the Temporary
8 Receiver has also taken custody and control of \$1,000,000 previously held by Pershing
9 Securities that was the subject of an attachment order issued by the Circuit Court of Cook
10 County, Illinois. The case was removed to federal court, and the US District Court for the
11 Northern District of Illinois granted the Temporary Receiver's Motion to Vacate the
12 Attachment Order on October 20, 2006. The funds were transferred to the Temporary
13 Receiver on November 2, 2006 and the Temporary Receiver has placed those funds in a
14 segregated account pending a resolution by this Court of the priority of investor claims.
15 The Temporary Receiver intends to submit a Motion for Approval of a Claims
16 Distribution Procedure as soon as additional assets are liquidated and additional funds are
17 recovered. The Temporary Receiver's efforts in this regard are set out more fully in the
18 Temporary Receiver's Fourth Report, filed concurrently herewith.

19 **II.**

20 **TEMPORARY RECEIVER'S FEES AND EXPENSES FOR THE PERIOD**
21 **NOVEMBER 1, 2006 THROUGH APRIL 30, 2007**

22 The Temporary Receiver seeks approval and authority for payment of the fees and
23 expenses of the Temporary Receiver and its staff for the period November 1, 2006
24 through April 30, 2007. The fees and expenses for which approval is requested are set
25 forth in the summary entitled "Fund Balance and Administrative Expenses" attached
26 hereto as Exhibit "1". The fees and costs of the Temporary Receiver are then itemized by
27 the Temporary Receiver's fees of \$7,791.00 (Exhibit "2" hereto), Senior Staff fees of
28 \$2,810.00 (Exhibit "3" hereto), and legal fees of \$117,959.00 (Exhibit "4" hereto).

1 As set forth in detail in Exhibits "1" through "4" hereto, including out-of-pocket
2 expenses as itemized on Exhibit "1," the Temporary Receiver has incurred \$142,284.07 in
3 fees and expenses for the period November 1, 2006 through April 30, 2007. As of the
4 date of filing this Motion, the sum of \$1,720,649.08 exists in the Receivership Estate.
5 After payment of the fees and expenses set out in this application, the sum of
6 \$1,526,721.46 will remain in the receivership estate. This is including the \$1,000,000
7 transferred from Pershing deposit that is held in a separate account. The Temporary
8 Receiver believes that the claim in the Branford bankruptcy has a value of at least \$2
9 million as a secured claim (based on an investment through Plutus to acquire a first lien
10 position) and that the unsecured claims against Pinnacle and Sunquest total at least \$12
11 million. In addition, the proposed settlement with Beasley is in the amount of \$5 million.

12 **Overview of Services Performed by the Temporary Receiver and its Staff**

13 During the period November 1, 2006 through April 30, 2007, the Temporary
14 Receiver and its staff engaged in ongoing administrative activities relating to the
15 Receivership Estate, including the following:

16 1. The Temporary Receiver and its staff spent numerous hours identifying the
17 assets of the Receivership Estate to determine the value and the best means of liquidation
18 of the assets of the Receivership Estate in order to maximize the return for investors and
19 creditors. This effort is ongoing, and required subpoenas, depositions, witness interviews,
20 meetings, and review of thousands of documents to identify disbursements from Piranha
21 Capital and Longboat Global Funds and the recipients of funds transferred by the
22 Receivership entities.

23 2. The Temporary Receiver obtained an Order for Relief from Stay in the
24 bankruptcy proceedings filed by Branford, and took depositions and Bankruptcy Rule
25 2004 examinations of Jonathan Brake, Mark Boucher, and Bert Fornaciari. The
26 Temporary Receiver also subpoenaed documents from Branford and Pinnacle West to
27 determine how funds transferred to those entities were disbursed.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

by them, from the assets now held by, or in the possession or control of, or which may be received by Longboat. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

Local Civil Rule 66-3 states as follows:

All motions for fees for services rendered in connection with a receivership must set forth in reasonable detail the nature of the services. The motion must include as an exhibit an itemized record of time spent and services rendered and will be heard in open Court.

Local Rule Civil 66-6(e) directs the Receiver to give notice to all interested parties, in accordance with Local Rule 7-2, of the time and place of hearings on motions for fees of the Receiver or of any attorney, accountant or investigator, the notice to state the services performed and the fee requested.

IV.
CONCLUSION

WHEREFORE, the Temporary Receiver prays that this Court enter an Order as follows:

1. Approving and confirming the administrative fees and expenses of the Temporary Receiver and its staff for the period November 1, 2006 through April 30, 2007, as more particularly set forth herein; and
2. For such other and further relief as the Court may deem just and proper.

Dated: May 23, 2007.

ROBB EVANS & ASSOCIATES LLC

By: Linda Candler
LINDA CANDLER
COUNSEL

DECLARATION OF KENTON JOHNSON

I, KENTON JOHNSON declare as follows:

1. I am an Executive Vice President at Robb Evans & Associates LLC, the duly appointed, qualified and acting Temporary Receiver in the within action. I have reviewed the foregoing Motion and know the contents thereof, and the same is true of my own knowledge, except as to those matters, which are stated upon information or belief, and as to those matters, I believe them to be true.

2. Two previous requests for approval of fees and expenses of the Temporary Receiver and its staff have been submitted and approved by this Court.

3. By this Motion, the Temporary Receiver seeks an Order approving and authorizing payment of administrative fees of the Temporary Receiver and its staff of \$15,396.80 expenses of \$7,438.66, and legal fees and costs of \$119,448.61 for the period November 1, 2006 through April 30, 2007.

4. Attached hereto as Exhibit "1" is an accounting entitled "Fund Balance and Administrative Expenses. Attached hereto as Exhibit "2" is an itemization of the Temporary Receiver's fees of \$1,791.00. Attached hereto as Exhibit "3" is an itemization of Senior Staff fees of \$2,810.00. Attached hereto as Exhibit "4" is an itemization of legal fees for investigation of \$117,959.00. As set forth in detail in Exhibits "1" through "4" hereto, including out-of-pocket expenses as itemized on Exhibit "1," the Temporary Receiver has incurred \$142,284.07 in fees and expenses for the period November 1, 2006 through April 30, 2007.

5. During the period November 1, 2006 through April 30, 2007, the Temporary Receiver and its staff engaged in ongoing administrative activities relating to the Receivership Estate, including the following:

A. The Temporary Receiver and its staff spent numerous hours identifying the assets of the Receivership Estate to determine the value and the best means of liquidation of the assets of the Receivership Estate in order to maximize the return for investors and creditors. This effort is

1 ongoing, and required subpoenas, depositions, witness interviews, meetings,
2 and review of thousands of documents to identify disbursements from
3 Piranha Capital and Longboat Global Funds and the recipients of funds
4 transferred by the Receivership entities.

5 B. The Temporary Receiver's accountants and financial analysts have
6 reviewed, and are continuing to review, bank records and accounting records
7 for Piranha Capital, LP, Longboat Global Funds, and entities and individuals
8 who received funds from the Receivership entities. This has been time-
9 consuming and expensive, due to the co-mingling of investor funds in
10 various accounts, and the lack of record keeping by Piranha Capital LP and
11 Longboat Global Funds.

12 C. Counsel to the Temporary Receiver took the deposition of Beasley on
13 January 25, 2007. Other than the real estate identified by the Temporary
14 Receiver, Beasley did not identify any additional assets with any significant
15 value and stated he was borrowing money from family members to pay his
16 living expenses.

17 D. The Temporary Receiver obtained an Order for Relief from Stay in
18 the bankruptcy proceedings filed by Branford, and took depositions and
19 Bankruptcy Rule 2004 examinations of Jonathan Brake, Mark Boucher, and
20 Bert Fornaciari. The Temporary Receiver also subpoenaed documents from
21 Branford and Pinnacle West to determine how funds transferred to those
22 entities were disbursed.

23 E. Outside Counsel was retained to represent the Receiver in the
24 Branford bankruptcy proceedings. As set out in the Temporary Receiver's
25 Third Report, Branford owns real property located at 12450 Branford Street,
26 Los Angeles, California. The property was acquired by Sunquest
27 Development LLC, which transferred ownership to a new entity, Sunquest
28 Development II, which subsequently changed its name to Branford Partners

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LLC. There are many other claims against Sunquest, Sunquest II, and Branford, and the Temporary Receiver and outside counsel have been required to review voluminous documents to identify pending claims and to trace the investments of Piranha Capital in this project.

6. In light of the extent of the work performed during this period, I believe that the fees and costs of the Temporary Receiver and its staff are reasonable and should be approved and authorized for payment. As of the date of filing this Motion, the sum of \$1,720,649.08 exists in the Receivership Estate. After payment of the fees and expenses set out in this application, the sum of \$1,526,721.46 will remain in the receivership estate. This is including the \$1,000,000.00 transferred from Pershing deposit that is held in a separate account. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 22nd day of May 2007, at Sun Valley, California.


KENTON JOHNSON

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

ROBERT JOSEPH BEASLEY AND
LONGBOAT GLOBAL FUNDS
MANAGEMENT, LLC,

Defendants.

CASE NO. 05-CV-2142-PJH

[Proposed] ORDER APPROVING
PAYMENT OF TEMPORARY
RECEIVER'S ADMINISTRATIVE
FEES AND EXPENSES INCURRED
FOR THE PERIOD NOVEMBER 1,
2006 THROUGH APRIL 30, 2007

Date: June 27, 2007
Time: 9:00 a.m.
Place: Courtroom 3, 17th Floor
450 Golden Gate Ave.
San Francisco, CA 94102
(Hon. Phyllis J. Hamilton)

The Motion of Robb Evans & Associates LLC, Temporary Receiver in the above-captioned case, for an Order approving payment of administrative fees and expenses incurred for the period November 1, 2006 through April 30, 2007 ("Motion") came on regularly for hearing on June 27, 2007 in Courtroom 3 of the above-referenced Court, the Honorable Phyllis J. Hamilton, United States District Judge, presiding. Parties appeared as reflected in the Court's record.

The Court, having reviewed the Motion and all papers filed in support thereof, and good cause being shown therefore, rules as follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS HEREBY ORDERED:

1. The Motion shall be and is hereby granted in its entirety.

2. The payment of the fees and expenses of the Temporary Receiver and its staff for the period November 1, 2006 through April 30, 2007, as more particularly set forth in the Motion, is hereby approved.

Dated: _____

PHYLLIS J. HAMILTON.
United States District Judge

EXHIBIT 1

Robb Evans & Associates LLC, Temporary Receiver of Longboat Global Funds Management LLC, et al.
Funds Balance and Administrative Expenses by Month
 From Inception (August 19, 2005) to April 30, 2007

	Previously Reported and Approved	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	11/1/06-4/30/07	TOTAL
Funds Transferred from Piranha	106,301.80	1,019,885.53	0.00	0.00	0.00	0.00	0.00	1,019,885.53	1,126,187.33
Interest Income		2,593.02	2,777.87	2,785.42	2,522.71	2,799.85	2,716.89	16,195.76	16,195.76
Sale of 200 Acre Property	250,000.00	0.00	519,355.02	0.00	0.00	0.00	0.00	519,355.02	769,355.02
Settlement-Sterling note	28,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,000.00
Total Funds	384,301.80	1,022,478.55	522,132.89	2,785.42	2,522.71	2,799.85	2,716.89	1,555,436.31	1,939,738.11
Expense Fees									
Receiver's Fees	22,057.50	3,120.00	1,005.00	1,905.00	555.00	621.00	585.00	7,791.00	29,848.50
Senior Staff	39,033.00	1,261.00	288.00	338.00	39.00	13.00	871.00	2,810.00	41,843.00
Investigation Staff	1,860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,860.00
Support Staff	7,999.57	1,863.69	1,247.55	483.30	164.06	625.78	411.42	4,795.80	12,795.37
Total Fees	70,950.07	6,244.69	2,540.55	2,726.30	738.06	1,259.78	1,867.42	15,396.80	86,346.87
Other Expenses									
Professional Services	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
Out of Pocket	2,192.60	842.25	0.00	872.90	0.00	0.00	756.29	2,471.44	4,664.04
Occupancy & Equipment	2,619.90	1,039.06	41.71	463.10	177.57	79.90	419.38	2,220.72	4,840.62
Supplies & Telephone	498.80	77.92	175.64	618.83	14.94	28.34	26.82	942.49	1,441.29
Postage & Messenger Service	1,153.52	55.84	278.78	87.11	48.22	25.73	3.78	499.46	1,652.98
Appraisal/Survey	13,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,200.00
Asset/credit searches	550.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	550.84
Reproduction/Copying	0.00	0.00	0.00	0.00	0.00	439.65	0.00	439.65	439.65
Tax	554.00	0.00	0.00	0.00	195.50	0.00	0.00	195.50	749.50
Miscellaneous Expenses	723.00	0.00	95.30	574.10	0.00	0.00	0.00	669.40	1,392.40
Total Other Expenses	26,492.66	2,015.07	591.43	2,616.04	436.23	573.62	1,206.27	7,438.66	33,931.32
Legal Fees & Costs									
L. Candler	81,945.00	6,165.00	2,812.50	8,910.00	3,082.50	5,962.50	14,580.00	41,512.50	123,457.50
Lawrence, Kamin, Saunders & Uhlenhop LLC	20,986.99	264.65	441.44	3,995.74	6,595.70	686.92	0.00	11,984.45	32,971.44
Frاندzel Robins Bloom & Csato, LC	67,368.84	5,799.99	0.00	9,482.55	7,313.91	5,223.40	36,642.20	64,462.05	131,830.89
Legal costs	2,989.02	0.00	0.00	0.00	1,267.75	0.00	221.86	1,489.61	4,478.63
Legal Fees & Costs	173,289.85	12,229.64	3,253.94	22,388.29	18,259.86	11,872.82	51,444.06	119,448.61	292,738.46
Total Expense	270,732.58	20,489.40	6,385.92	27,730.63	19,454.15	13,706.22	54,517.75	142,284.07	413,016.65
Fund Balance	113,569.22	1,001,989.15	515,746.97	(24,945.21)	(16,931.44)	(10,906.37)	(51,800.86)	1,413,152.24	1,526,721.46

EXHIBIT

EXHIBIT 2

Robb Evans & Associates LLC
Temporary Receiver of Longboat Global Funds Management, LLC et al.
Receiver's Fees
November 1, 2006 to April 30, 2007

Name	Rate	Hours	Amount
R. Evans	260	0.60	156.00
B. Kane	225	5.20	1,170.00
A. Jen	150	11.80	1,770.00
K. Johnson	150	31.30	4,695.00
Total		48.90	7,791.00

EXHIBIT 3

Robb Evans & Associates LLC
Temporary Receiver of Longboat Global Funds Management, LLC et al.
Senior Staff Fees
November 1, 2006 to April 30, 2007

Name	Rate	Hours	Amount
E. Lanna	126	13.10	1,653.00
L. Lee	130	8.90	1,157.00
Total		22.00	2,810.00

EXHIBIT 4

Robb Evans & Associates LLC
Temporary Receiver of Longboat Global Funds Management, LLC et al.
Legal Staff Fees
November 1, 2006 to April 30, 2007

Name	Rate	Hours	Amount
Linda Candler	225	184.50	41,512.50
Total		184.50	41,512.50

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 11450 Sheldon Street, Sun Valley, CA 91352.

On May 23, 2007, I served the foregoing document described as (1) NOTICE OF MOTION AND MOTION OF TEMPORARY RECEIVER FOR ORDER APPROVING PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES INCURRED FOR THE PERIOD NOVEMBER 1, 2006 THROUGH APRIL 30, 2007; MEMORANDUM OF POINTS & AUTHORITIES; DECLARATION OF KENTON JOHNSON; (2) (Proposed) ORDER APPROVING PAYMENT OF TEMPORARY RECEIVER'S FEES AND EXPENSES INCURRED FOR THE PERIOD NOVEMBER 1, 2006 THROUGH APRIL 30, 2007 (3) EXHIBITS 1 THROUGH 4 AND (4) PROOF OF SERVICE on the interested parties in this action by electronic mail addressed as follows:

Allison Lurton, Esq. Gretchen L. Lowe, esq. Karen Kenmotsu, Esq. Commodity Futures Trading Commission 1155 21 st Street, NW Washington, DC 20581 alurton@cftc.gov	Robert Christie, Esq. Henderson & Lyman 175 West Jackson, Suite 240 Chicago, IL 60604 rchristie@henderson-lyman.com
Robert S. Lawrence, Esq. Collette, Erickson Farmer & O'Neill LLP 235 Pine Street, Suite 1300 San Francisco, CA 94104 rlawrence@collette.com	

(BY MAIL) I caused such envelope to be deposited in the mail at Sun Valley, California. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Sun Valley, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

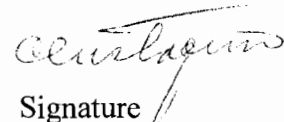
(BY EMAIL DELIVERY) I caused said documents to be emailed to the addressee(s) as listed above.

(BY FEDERAL EXPRESS) I caused an envelope to be hand-delivered to a representative of FEDEX at Sun Valley, California; whereupon said envelope is to be delivered by hand to a representative of the addressee on the next business day. I am readily familiar with the firm's practice of collection and processing correspondence for delivery with FEDEX for overnight delivery by next business day.

Executed on May 23, 2007, at Sun Valley, California.

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Cherrie Eustaquio
 Printed Name


 Signature