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9 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC

11 UNITED STATES DISTRICT COURT
12 DISTRICT OF NEVADA

13 FEDERAL TRADE COMMISSION,
14
Plaintiff,
15
v.
16 AWS, LLC, et al.,
17
Defendants.

Case No. 2:18-cv-00442-JCM-BNW

**NOTICE OF MOTION AND MOTION FOR
ORDER APPROVING FINAL REPORT
AND ACCOUNTING; FINAL REQUEST
FOR APPROVAL AND PAYMENT OF
RECEIVER’S AND PROFESSIONALS’
FEES AND COSTS FROM MAY 1, 2018
THROUGH CLOSING; FOR DISCHARGE
AND EXONERATION OF BOND AND
RELATED RELIEF; AND GRANTING
RELIEF FROM LOCAL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT
THEREOF**

1 **PLEASE TAKE NOTICE** that Robb Evans & Associates LLC (“Receiver”), originally
2 appointed as the Temporary Receiver pursuant to the Court’s Temporary Restraining Order filed
3 March 14, 2018 (ECF No. 28) and the Stipulated Temporary Restraining Order as to Defendants
4 Adams Consulting, LLC, Global Marketing Services L.L.C., and Jeffery A. Gomez filed April 18,
5 2018 (ECF No. 57), and thereafter named Receiver pursuant to the Stipulated Order for
6 Permanent Injunction and Monetary Judgment as to Defendants AWS, LLC, FBA Distributors,
7 LLC, FBA Stores, LLC, Info Pros, LLC, Info Solutions, LLC, Online Auction Learning Center,
8 Inc. (Mass Corp.), Online Auction Learning Center Inc. (Nev. Corp.), Christopher F. Bowser,
9 Adam S. Bowser and Jody L. Marshall (ECF No. 80) (“AWS Judgment”) and the Stipulated
10 Order for Permanent Injunction and Monetary Judgment as to Defendants Adams Consulting,
11 LLC, Global Marketing Services L.L.C., and Jeffrey A. Gomez (ECF No. 107) (“Adams
12 Consulting Judgment”) (collectively, the AWS Judgment and Adams Consulting Judgment are
13 referred to as the “Stipulated Judgments”) hereby moves the Court for an order for the following
14 relief:

15 1. Approving the Receiver’s Final Report, which is a part of the Memorandum of
16 Points and Authorities submitted in support of this Motion, and approving the Receiver’s Final
17 Accounting, which is attached to the accompanying declaration of Brick Kane (“Kane
18 Declaration”) as Exhibit 1, served and filed concurrently herewith;

19 2. Authorizing and approving the Receiver’s wind up of the receivership estate
20 pursuant to the Stipulated Judgments;

21 3. Approving and confirming all actions and activities taken by or on behalf of the
22 Receiver and all proposed actions to be taken, and all payments made by the Receiver and all
23 proposed payments to be made in connection with the administration of the receivership estate;

24 4. Approving and authorizing for payment the receivership fees and costs incurred
25 for the period from May 1, 2018 through the closing of the receivership estate (“Final Expense
26 Period”), including payment of the fees of the Receiver, the Receiver’s members, staff and
27 professionals, and reimbursement of costs, comprised of: (a) Receiver’s fees, including the
28 Receiver’s members and staff, of \$71,113.05 and Receiver’s costs of \$20,311.67, for the period

1 from May 1, 2018 through August 31, 2019, plus estimated Receiver's fees of \$16,243.50 and
2 costs of \$27,071.04, for the period from September 1, 2019 through closing of the estate, for total
3 fees of \$87,356.55 and costs of \$47,382.71, **for a total of \$134,739.26 for the Receiver;** (b) legal
4 fees of the Receiver's lead counsel, Barnes & Thornburg LLP ("Barnes & Thornburg") of
5 \$114,372.97 and costs of \$3,215.28, for the period from May 1, 2018 through August 31, 2019,
6 plus estimated legal fees of \$28,000.00 and costs of \$2,000.00, for the period from September 1,
7 2019 through closing of the estate, for total fees of \$142,372.97 and costs of \$5,215.28, **for a**
8 **total of 147,588.25 for Barnes & Thornburg;** (c) legal fees of the Receiver's local counsel,
9 Lynch Law Practice, PLLC ("Lynch") of \$20,275.65 and costs of \$527.60, for the period from
10 May 1, 2018 through August 31, 2019, plus estimated legal fees of \$3,062.10, for the period from
11 September 1, 2019 through closing of the estate, for total fees of 23,337.75 and costs of \$527.60,
12 **for a total of \$23,865.35 for Lynch;** and (d) legal fees of the Receiver's special litigation
13 counsel Diamond McCarthy LLP ("Diamond") of \$22,448.10 and costs of \$81.72 for the period
14 from September 1, 2018 through July 31, 2019, **for a total of \$22,529.82 for Diamond,** all as set
15 forth in the Final Accounting, Exhibit 1 to the Kane Declaration, in addition to *de minimis*
16 amounts incurred above the estimated amounts to be paid without further notice, hearing or Court
17 order. Actual amounts incurred which are less than the amounts set forth herein shall be
18 distributed as set forth in the following paragraph 5;

19 5. After the payment of administrative expenses, authorizing the Receiver to
20 distribute the remaining assets of the receivership estate held by the Receiver, estimated to be
21 approximately \$7,139,698.84, to the Federal Trade Commission ("FTC") or its designated agent,
22 in accordance with Section VII of the Adams Consulting Judgment;

23 6. Authorizing the Receiver to destroy all records of the Receivership Entities, as
24 defined in the Memorandum of Points and Authorities, in the Receiver's possession, custody or
25 control within 30 days after the Receiver serves written notice on the FTC of the Receiver's
26 intention to destroy such records, unless the FTC requests possession of the records or another
27 government agency issues a subpoena for such records, in which case the Receiver is authorized
28 to turn over the records to the FTC or to the government agency which issued the subpoena;

1 7. Effective upon the completion of the administration of the receivership estate as
2 described in the Final Report and the distribution of the remaining funds in the Receiver's
3 possession and custody to the FTC or its agent, for an order (a) providing that neither the
4 Receiver nor any agent, employee, member, officer, independent contractor, attorney, accountant
5 or representative of the Receiver shall have any liability to any person or entity for any action
6 taken or not taken in connection with carrying out the Receiver's administration of the
7 receivership estate, and the exercise of any powers, duties and responsibilities in connection
8 therewith; and (b) directing that the Receiver, its agents, employees, members, officers,
9 independent contractors, attorneys, accountants and representatives are discharged, released from
10 all claims and liabilities arising out of and/or pertaining to the receivership, and relieved of all
11 duties and responsibilities pertaining to the receivership;

12 8. Exonerating the bond posted by the Receiver in this case, effective upon
13 completion of the administration of the receivership estate and distribution of the remaining funds
14 in the Receiver's possession and custody to the FTC or its agent;

15 9. Deeming notice of this Motion to be sufficient based on the service of notice of
16 filing of this Motion on all parties and all known non-consumer creditors of the estate and service
17 of this Motion and all supporting papers on all parties, but not serving the thousands of potential
18 consumer creditors of the estate; and

19 10. Granting such additional relief in connection with the wind up and closing of the
20 receivership estate as the Court may determine to be just and proper under the circumstances.

21 **PLEASE TAKE FURTHER NOTICE** that pursuant to Section VII.B of the Adams
22 Consulting Judgment, any objections to paying any assets of the Corporate Defendants to satisfy
23 the Receiver's costs and expenses and the monetary judgment set forth in the Adams Consulting
24 Judgment must be submitted to the Court and served by mail upon the Receiver and the parties
25 within 28 days of the mailing of this Motion.

26 **PLEASE TAKE FURTHER NOTICE** that this Motion, with all supporting pleadings
27 and evidence, except for voluminous billing records, will be posted on the Receiver's website at
28 robbevans.com.

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PLEASE TAKE FURTHER NOTICE that you may request a copy of this Motion, with all supporting pleadings and evidence, including the billing records, by emailing the Receiver at fba@robbevans.com.

Dated: October 29, 2018

Respectfully submitted,

MICHAEL F. LYNCH
LYNCH LAW PRACTICE, PLLC

GARY OWEN CARIS
BARNES & THORNBURG LLP

By: /s/ Gary Owen Caris
GARY OWEN CARIS

Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 This lawsuit was commenced by the Federal Trade Commission (“FTC”) on March 12,
4 2018 with a Complaint for Permanent Injunction and Other Equitable Relief (ECF No. 1) against
5 AWS, LLC (“AWS”), FBA Distributors, LLC (“FBA Distributors”), FBA Stores, LLC (“FBA
6 Stores”), Info Pros, LLC (“Info Pros”), Online Auction Learning Center, Inc., a Massachusetts
7 corporation, Online Auction Learning Center, Inc., a Nevada corporation (both Online Auction
8 Learning Center, Inc. entities referred to as “Online Auction”), Christopher Bowser (“C.
9 Bowser”), Adam Bowser (“A. Bowser”) and Jody Marshall (“Marshall”). (AWS, FBA
10 Distributors, FBA Stores, Info Pros and Online Auction, and each of their subsidiaries, affiliates,
11 successors and assigns, are referred to herein as the “Corporate Defendants.”) Robb Evans &
12 Associates LLC became Temporary Receiver pursuant to the Temporary Restraining Order
13 (“TRO”) filed March 14, 2018 (ECF No. 28) over the Corporate Defendants and “any other entity
14 that the Temporary Receiver determines is controlled or owned by any Defendant and (1)
15 conducted any business related to Defendants’ advertising, marketing, distributing, promoting, or
16 selling of business opportunities, (2) commingled or pooled Assets with any Defendant, or (3)
17 otherwise participated in the transfer of Assets stemming from the advertising, marketing,
18 distributing, promoting, or selling of business opportunities.” (TRO, p. 6, Definition J) The
19 Corporate Defendants and entities described in Definition J were deemed to be the “Receivership
20 Entities” under the TRO.

21 Thereafter, the FTC filed an Amended Complaint for Permanent Injunction and Other
22 Equitable Relief on April 10, 2018 (ECF No. 50), adding new defendants Adams Consulting,
23 LLC (“Adams Consulting”), Global Marketing Services L.L.C (“Global Marketing”), Info
24 Solutions, LLC (“Info Solutions”) and Jeffery Gomez (“Gomez”). On April 18, 2018, the Court
25 entered a Stipulated Temporary Restraining Order as to Defendants Adams Consulting, LLC,
26 Global Marketing Services L.L.C, and Jeffery A. Gomez (“Stipulated TRO”) (ECF No. 57),
27 adding as new receivership entities Adams Consulting and Global Marketing, along with each of
28 their subsidiaries, affiliates, successors and assigns, and further defining the new receivership

1 entities to include entities the Receiver determines is controlled or owned by any Defendant and
2 conducts business related to Defendants' business opportunities enterprise, commingles or pools
3 assets with any Defendant, or transfers assets stemming from Defendants' business opportunity
4 enterprise, using the same definition found in the original TRO (Stipulated TRO, p. 7, Definition
5 J) ("Gomez Receivership Entities").¹ (Hereinafter, unless there is a need to differentiate between
6 them, all receivership entities, whether named entities or unnamed entities in the underlying
7 lawsuit and whether receivership entities as a result of the original TRO, Stipulated TRO or
8 Stipulated Judgments, will be referred to as the "Receivership Entities.")

9 Both the TRO and Stipulated TRO were extended from time to time pursuant to stipulated
10 orders, while the Plaintiff and Defendants discussed settlement. (See ECF Nos. 37, 49, 63, 66)
11 Eventually, settlements were reached with all of the defendants pursuant to the two Stipulated
12 Judgments. The Receiver became permanent equity receiver over AWS, FBA Distributors, FBA
13 Stores, Info Pros, Info Solutions, and Online Auction pursuant to the AWS Judgment. Under the
14 AWS Judgment, a monetary judgment of \$102,481,596 was entered against the stipulating
15 defendants. (AWS Judgment, Section III.A) The Receiver was responsible for taking into its
16 possession 32 different categories of assets, selling the unliquidated assets and holding the assets
17 and the proceeds from the sale of the unliquidated assets for future transfer in accordance with
18 further instructions from the Court. (AWS Judgment, Section III. D and E.)

19 Thereafter, the Receiver was named permanent equity receiver over Adams Consulting,
20 LLC and Global Marketing Services, L.L.C. pursuant to the Adams Consulting Judgment. Under
21 the Adams Consulting Judgment, a monetary judgment was entered in the amount of \$63,546,961
22 against the stipulating defendants. (Adams Consulting Judgment, Section III.A) The Receiver was
23 responsible for taking into its possession eight different categories of assets, selling the
24 unliquidated assets and holding the assets and the proceeds from the sale of the unliquidated
25 assets for future transfer in accordance with further instructions from the Court. (Adams
26

27 ¹ Based on the Receiver's investigation, prior to the entry of the Stipulated TRO, it determined that there
28 were a number of additional Receivership Entities pursuant to the terms of the TRO, including Global
Marketing, because among other things, Global Marketing had been a one-third owner in FBA Stores.

1 Consulting Judgment, Section III. G and H.) The Adams Consulting Judgment further provided
2 that no later than 180 days from the date of the entry of the judgment, or April 8, 2019, the
3 Receiver was to file and serve on the parties a Final Report to the Court detailing the steps taken
4 to dissolve the receivership estate, including a final accounting of the estate's finances and a
5 description of what other actions, if any, must be taken to wind up the receivership. No later than
6 14 days after submission of the Final Report, the Receiver was to file an application for final
7 payment of compensation and expenses. After completion of the wind up of the receivership
8 estate, and payment of administrative fees and costs, all remaining funds are to be turned over to
9 the Federal Trade Commission ("FTC") or its designated agent to reduce the monetary judgment.
10 (Adams Consulting Judgment, Section VII. A, C and D.) The Receiver twice sought to extend
11 the deadline by which it was file its Final Report, final application and motion to wind up the
12 receivership estate, first to October 8, 2019 and then to October 31, 2019 (ECF Nos. 113 and
13 131). Both of these requests were granted by the Court (ECF Nos. 116 and 133).

14 Under Section VII.B of the Adams Consulting Judgment, the Final Report is to be sent to
15 all known creditors of Adams Consulting and Global Marketing, with a notice stating that any
16 objections to paying any assets of those entities to satisfy the Receiver's costs and expenses and
17 the monetary judgment set out in the Adams Consulting Judgment must be submitted to the Court
18 and served by mail upon the Receiver and the parties within 28 days of the mailing of the Final
19 Report. (Adams Consulting Judgment, Section VII.B) Under Section VII.C of the Adams
20 Consulting Judgment, the Receiver is required to file an application for payment of compensation
21 and expenses within 14 days of the mailing of the Final Report. Absent a valid objection, the
22 Court is to issue an order directing that the Receiver pay the reasonable costs and expenses of
23 administering the receivership, including compensation of the Receiver and its professionals, and
24 pay all remaining funds to the Plaintiff or its designated agent to reduce the monetary judgment to
25 be used for equitable relief, including consumer redress. (Adams Consulting Judgment, Sections
26 VII.D and III.Q)

1 This Motion represents the Receiver’s compliance with the duties to wind up the
2 receivership estate described in the Adams Consulting Stipulated Judgment. It includes, at
3 Section II, a Final Report, a final financial accounting attached to the Kane Declaration at Exhibit
4 1, a detailed request for the approval and authorization for payment of the receivership fees and
5 costs incurred for the period from May 1, 2018 through the closing of the receivership estate
6 (“Final Expense Period”), and a request to pay all remaining sums on hand in the receivership
7 estate, estimated to be \$7,139,698.84, to the Plaintiff or its designated agent.

8 The Receiver filed its Report of Receiver’s Activities From March 16, 2018 Through
9 April 19, 2018 (ECF No. 58) (“Receiver’s Report”). As described in the Receiver’s Report, the
10 Receivership Entities generated revenue from consumers of at least \$113 million from January
11 2014 to March 2018, with over one-half of the gross revenue generated in 2017, by advertising,
12 marketing, distributing and selling online business opportunities to consumers.

13 The Receiver brought its initial (and only other) request for payment of fees and costs on
14 May 30, 2018 (ECF No. 74), which covered the period from the inception of the receivership
15 estate through April 30, 2018 (“Initial Fee Motion”). The Initial Fee Motion was granted in full.

16 In the following section, the Receiver issues its Final Report, which will highlight the
17 work performed during the Final Expense Period. This work predominantly consists of winding
18 up the activities of the Receivership Entities, obtaining possession and control of the assets of the
19 Receivership Entities, and complying with the terms of the Stipulated Judgments. The Final
20 Expense Period for the most part tracks the post-judgment period of this case: the AWS Judgment
21 had been reached in principal and executed by the settling defendants under that judgment in late
22 April 2018 and the Adams Consulting Judgment had been reached in principal and executed by
23 the settling defendants under that judgment by early June 2018.

1 **II. FINAL REPORT**

2 A. Completion of Work as to Leased Premises

3 Early on during the Final Expense Period, the Receiver continued to take steps to wind up
4 the Receivership Entities' business operations at three different locations, in Weymouth,
5 Massachusetts, Logandale, Nevada and Lindon, Utah. In conjunction with counsel for the
6 Receiver, steps were taken to vacate these premises. The Receiver's counsel finalized a Court-
7 approved stipulation to vacate this real property and reject real property leases for these locations
8 and two other locations, in Las Vegas and Upland, California. (ECF Nos. 64 and 67). Barnes &
9 Thornburg communicated with landlords and their counsel in connection with the vacating of
10 these various properties and rejection of the lease agreements. The Receiver oversaw a Court-
11 approved auction sale of inventory and office equipment from the Weymouth location, resulting
12 in \$20,941.89 being generated for the receivership estate. The Receiver catalogued personal
13 property in the Weymouth warehouse and continued to coordinate the return of consumer
14 products that did not belong to the Receivership Entities. Before vacating the various premises,
15 the Receiver took possession and control of computers and paper and electronic documentation.

16 B. Resolution of Disputes With Credit Card Merchant Processors

17 As noted above, most of the Final Expense Period tracked the period of time that the
18 Receiver was tasked with carrying out the duties under the Stipulated Judgments. Under the
19 AWS Judgment, the Receiver was responsible for taking into possession 32 different categories
20 of assets. Under the Adams Consulting Judgment, the Receiver was responsible for taking into
21 possession eight different categories of assets. In order to comply with the Stipulated Judgments,
22 the Receiver continued to communicate with and serve financial institutions with the Stipulated
23 Judgments and demand the turnover of funds as required under the Stipulated Judgments.

24 Most of the assets described in the Stipulated Judgments constituted various bank
25 accounts and funds held in credit card merchant processing reserve accounts. The Receiver was in
26 communication with numerous financial institutions, merchant processors and merchant
27 processing banks in an effort to take possession of the funds subject to the Stipulated Judgments,
28 to the extent these funds had not been previously brought into the receivership estate. The

1 Receiver's counsel engaged in extensive discussions and negotiations with credit card merchant
2 processors and credit card merchant processing banks which had processed credit card
3 transactions for various of the Receivership Entities. Funds held in reserve accounts were
4 typically used by credit card processors to cover credit card chargebacks by consumers. Many of
5 these processors contended that they owned the reserve funds which were to be turned over under
6 the Stipulated Judgments or else held perfected security interests in the funds which were superior
7 to the interests of the Receiver, in addition to raising a variety of other legal challenges to the
8 Receiver's position. The FTC and Receiver disputed the positions taken by the merchant
9 processors and processing banks, in part based on the theory that the funds were fraudulently
10 taken from consumers and should be held in constructive trust by the merchant processors and the
11 processing banks for the consumers' benefit. The Receiver's counsel discussed legal theories and
12 litigation and settlement strategies with counsel for the FTC in preparation for discussions with
13 the various merchant processors and merchant processing banks that contested the Receiver's
14 control over the various reserve account funds subject to the Stipulated Judgments. The
15 Receiver's counsel extensively analyzed relevant case law and statutory law to develop
16 arguments to counter the claims of merchant processors. Extended negotiations and settlement
17 discussions were held by the Receiver, through its counsel, and by the Plaintiffs with at least four
18 merchant processors. With the substantial assistance of the FTC, the Receiver was able to resolve
19 all disputes with merchant processors and merchant processing banks without the need for
20 litigation. The Receiver's counsel prepared or revised three settlement agreements and one letter
21 agreement with merchant processors. All disputes with the Receivership Entities' principal credit
22 card merchant processors and merchant processing banks were resolved whereby at least 50% of
23 the funds in dispute were turned over to the Receiver and retained by the Receiver for the benefit
24 of the receivership estate. Over \$5.5 million was collected from the principal credit card
25 merchant processors during the Final Expense Period without the need for any discovery or
26 litigation to be instituted, which drastically minimized the Receiver's legal expenses for the
27 benefit of the receivership estate.

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1 C. Settlement With Bank of America

2 Bank of America (the “Bank”) turned over approximately \$1.3 million from an account in
3 the name of Global Marketing in May 2018 in addition to turning over funds in excess of
4 \$430,000 from several other accounts in the name of other Receivership Entities at the outset of
5 the receivership. However, the Bank asserted claims in excess of \$1.5 million against the
6 receivership estate, including claims based on an alleged security interest in the funds in the
7 accounts which it turned over to the estate based on the TRO and Stipulated TRO. The Bank
8 brought a complaint in intervention seeking the return of these funds. Because of a conflict,
9 Barnes & Thornburg could not handle the dispute with the Bank. The Receiver retained Diamond
10 to principally handle the dispute, with the assistance of the Lynch firm. In connection with this
11 dispute, the Receiver analyzed and traced the Bank’s loan proceeds. Without the need for
12 extensive litigation, the Receiver was able to successfully resolve the dispute whereby the
13 Receiver returned and allowed the Bank to retain \$250,000 in full satisfaction of its claims. This
14 enabled the Receiver to retain the vast majority of funds turned over to the Receiver by the Bank,
15 in excess of \$1,485,000.

16 D. Litigation with the State of Washington

17 Prior to the inception of the FTC Action and this receivership, the State of Washington
18 (“Washington”) brought a lawsuit against C. Bowser, A. Bowser, AWS, FBA Distributors and
19 FBA Stores. Washington pursued the litigation aggressively, which required the Receiver and its
20 lawyers to spend time addressing the litigation and making certain that Washington’s litigation
21 did not adversely affect the receivership estate or consumers at large. The Receiver and its
22 counsel had to address a broad document production request from Washington, which required
23 numerous communications with counsel for Washington, as well as counsel for the FTC. The
24 Receiver was able to eventually reach a stipulated judgment with Washington in November 2018
25 on behalf of the three defendants which were Receivership Entities that only provided for
26 injunctive relief and which did not, in any way, adversely affect the receivership estate. The
27 judgment essentially tracked the injunctive relief which had already been entered in the FTC
28 Action under the Stipulated Judgments. This obviated the need for the Receiver to spend further

1 time and incur further expense in responding to Washington's discovery requests or otherwise
2 addressing the litigation.

3 E. Additional Services Rendered by the Receiver During the Final Expense Period

4 In addition to the Receiver's involvement in the various matters described above, the
5 Receiver performed a variety of regular and ongoing operational duties and addressed numerous
6 issues and problems during the Final Expense Period. It communicated regularly with consumers
7 both telephonically and in writing. The Receiver communicated with the FTC over various
8 matters, including the FTC's document requests, merchant reserve account issues and the disputes
9 with credit card merchant payment processors. The Receiver also communicated with the
10 Defendants concerning several issues, including payables, the Receivership Entities' QuickBooks
11 and Google Files, and the Defendants' asset freeze. The Receiver also addressed issues
12 regarding pre-receivership unpaid payroll and oversaw the funding of priority payroll payments.
13 Along with the Receiver's counsel, it addressed the 401(k) account in the name of Online Auction
14 and steps to wind up the account. The Receiver also prepared the financial report which
15 accompanied the Receiver's initial fee request. It continued to review the Receivership Entities'
16 Customer Relationship Management ("CRM") database to assist the FTC in addressing potential
17 consumer redress issues. Throughout the Final Expense Period, it continued to maintain and
18 reconcile the accounting and banking records of the receivership estate, including the preparation
19 of a detailed final accounting which is attached as Exhibit 1 to the Kane Declaration.

20 F. Additional Services Rendered by Receiver's Counsel During the Final Expense
21 Period

22 In addition to the Receiver's counsel's services described above, the Receiver's lead
23 counsel, Barnes & Thornburg, performed a variety of tasks during the Final Expense Period. At
24 the FTC's request, it addressed settlement issues relevant to the Adams Consulting Judgment.
25 This included communications with the FTC over the terms of the Adams Consulting Judgment.
26 Barnes & Thornburg also communicated regularly with the FTC concerning the credit card
27 payment processor disputes and negotiations described above. It also discussed attorney-client
28 privilege issues with the FTC. Barnes & Thornburg also had extensive communications with

1 several attorneys, including pre-receivership counsel for the Receivership Entities who held pre-
 2 receivership trust accounts; lawyers involved in pre-receivership litigation on behalf of and
 3 against the Receivership Entities, including counsel for Amazon; and counsel for a personal
 4 property lessor. Barnes & Thornburg also prepared the successful Initial Fee Motion.

5 G. Remaining Actions to be Taken to Wind Up the Receivership Estate

6 Upon Court approval of this Motion, there are a limited number of additional actions to be
 7 taken to wind up the receivership. The Receiver will work with its accountant, Squar Milner
 8 LLP, to file at least two final federal tax returns and one final state tax return for 2019. In
 9 addition, in conjunction with Barnes & Thornburg, it will take the remaining steps necessary to
 10 wind up the 401(k) account in the name of Online Auction. This includes preparing and filing
 11 Forms 5500 for several years that had not been previously filed pre-receivership, applying for
 12 relief from penalties as a result of the late filing of these Forms 5500, completing distributions to
 13 plan participants and preparing and filing a final Form 5500 for 2019.

14 In addition, as part of this Motion, the Receiver seeks an order authorizing it to destroy the
 15 records of the Receivership Entities unless requested by the FTC or subpoenaed by another
 16 governmental agency. Finally, the Receiver will pay all remaining sums in the receivership estate
 17 to the Plaintiff or its designated agent, in accordance with Section VII.D of the Adams Consulting
 18 Judgment, following the payment of the fees and costs of the Receiver and its professionals as
 19 sought herein. As set forth in the final accounting attached as Exhibit 1 to the Kane Declaration,
 20 the Receiver estimates that \$7,139,698.84 will be turned over to the FTC or its designated agent.

21 **III. SUMMARY OF THE FEES AND COSTS OF THE RECEIVER AND ITS**
 22 **PROFESSIONALS DURING THE FINAL EXPENSE PERIOD**

23 The Receiver seeks payment of the Receiver's fees and costs summarized in the final
 24 accounting attached as Exhibit 1 to the Kane Declaration, and set forth in the detailed billing
 25 records of the Receiver, attached collectively to the Kane Declaration as Exhibit 2.² During the
 26

27 ² As explained in the Declaration of Gary Owen Caris ("Caris Declaration"), the bills have been redacted
 28 where appropriate to preserve confidential, sensitive, tactical, strategic, attorney-client privileged and/or
 work-product information.

1 Final Expense Period through August 31, 2019, the Receiver has incurred fees for the Receiver
2 and its members and staff of \$71,113.05. The Receiver's costs during the Final Expense Period
3 through August 31, 2019 total \$20,311.67 and are itemized in the final accounting. During the
4 "Estimate to Close" period from September 1, 2019 through closing of the receivership estate, the
5 Receiver estimates total fees for the Receiver and its members and staff of \$16,243.50 to prepare
6 the final accounting, assist counsel with this wind up motion, assist counsel regarding the wind up
7 of the Online Auction 401(k) Plan, oversee tax return preparation and perform all miscellaneous
8 other tasks needed to close the estate. The Receiver also estimates costs during this final period
9 of \$27,071.04, primarily comprised of \$7,000.00 estimated for the Receiver's tax accountants for
10 the preparation of the two final federal tax returns and one final state tax return for the
11 Receivership Entities and potentially another \$17,000.00 for the wind up of the Online Auction
12 401(k) in the event the Receiver needs to retain an independent fiduciary for compliance and
13 wind up services. Therefore, the total sought by the Receiver during the Final Expense Period are
14 fees of \$87,356.55 and costs of \$47,382.71. As part of the wind up order, the Receiver seeks
15 permission to pay *de minimis* amounts in excess of the estimates to close without further notice,
16 hearing or Court order. Conversely, if less than the estimated amount is incurred, the Receiver
17 will turn over the excess to the Plaintiff or its agent.

18 The Receiver also seeks approval of its counsel's fees and expenses summarized in the
19 final accounting, Exhibit 1 to the Kane Declaration, and set forth in the detailed billing records of
20 (a) Barnes & Thornburg, attached collectively as Exhibit 1 to the Caris Declaration; (b) Lynch,
21 attached collectively as Exhibit 2 to the Caris Declaration; and (c) Diamond, attached collectively
22 as Exhibit 3 to the Caris Declaration.

23 During the Final Expense Period through August 31, 2019, the Receiver incurred fees to
24 Barnes & Thornburg of \$114,372.97 and costs of \$3,215.28. During the Estimate to Close period
25 from September 1, 2019 through closing of the receivership estate, Barnes & Thornburg estimates
26 fees of \$28,000.00, primarily comprised of preparing the pleadings comprising this final wind up
27 motion and any appearance on the motion, along with services in winding up the Online Auction
28 401(k) plan, and finalizing settlement with one credit card merchant processor. Barnes &

1 Thornburg also estimates costs during this final period of \$2,000.00, primarily consisting of the
2 costs incurred in mailing notice of the filing of this motion to creditors of the receivership estate.
3 Therefore, the total sought by Barnes & Thornburg during the Final Expense Period are fees of
4 \$142,372.97 and costs of \$5,215.28.

5 During the Final Expense Period through August 31, 2019, the Receiver incurred fees to
6 its local counsel, Lynch, of \$20,275.65 and costs of \$527.60. During the Estimate to Close period
7 from September 1, 2019 through closing of the receivership estate, Lynch estimates fees of
8 \$3,062.10, primarily in assisting Barnes & Thornburg in finalizing and filing this wind up motion.
9 The total sought by Lynch during the Final Expense Period are fees of \$23,337.75 and costs of
10 \$527.60.

11 During the Final Expense Period, the Receiver incurred fees to its special litigation
12 counsel, Diamond, of \$22,448.10 and costs of \$81.72 for the period from September 1, 2018
13 through July 31, 2019.

14 As with the Receiver's fees and costs, the Receiver seeks permission to pay *de minimis*
15 amounts incurred by its lawyers in excess of the estimates to close without further notice, hearing
16 or Court order and, if less than the estimated amount is incurred, the Receiver will turn over the
17 excess to the Plaintiff or its agent.

18 **IV. THE FEES AND COSTS OF THE RECEIVER AND ITS COUNSEL ARE**
19 **REASONABLE AND SHOULD BE PAID AS REQUESTED**

20 It is a fundamental tenet of receivership law that expenses of administration incurred by
21 the receiver, including those of the receiver, his counsel and others employed by him, constitute
22 priority expenses for which compensation should be paid from the assets of the receivership. As
23 explained in the leading treatise *Clark on Receivers*:

24 The obligations and expenses which the court creates in its
25 administration of the property are necessarily burdens on the
26 property taken possession of, and this, irrespective of the question
27 who may be the ultimate owner, or who may have the preferred
28 lien, or who may invoke the receivership. The appointing court

1 pledges its good faith that all duly authorized obligations incurred
2 during the receivership shall be paid.

3 2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p. 1052 (3rd ed.
4 Rev. 1992).

5 The Receiver is an officer of the Court charged with a myriad of duties under the Court's
6 Stipulated Judgments. Because of the nature of the administrative and other services required in
7 receiverships, the benefit a receiver confers on receivership property cannot be determined based
8 solely on the increase or decrease in the value of property in the receiver's possession. As the
9 Court explained in *Securities and Exchange Commission v. Elliott*, 953 F. 2d 1560, 1577 (11th
10 Cir. 1992):

11 [I]t is sometimes difficult to ascertain what type of benefits a
12 receiver has bestowed on receivership property [A] benefit to
13 a secured party may take more subtle forms than a bare increase in
14 monetary value. Even though a receiver may not have increased, or
15 prevented a decrease in, the value of the collateral, if a receiver
16 reasonably and diligently discharges his duties, he is entitled to
17 compensation. [Citations omitted.]

18 *Securities and Exchange Commission v. Elliott*, 953 F. 2d at 1577.

19 The Court has broad discretion in determining the reasonableness of fees to be awarded a
20 receiver. *See In re San Vicente Medical Partners Ltd.*, 962 F. 2d 1402, 1409-1410 (9th Cir. 1992).
21 The Court may evaluate the time and effort expended by the Receiver with respect to specific
22 projects and aspects of the administration of the estate, and may look to a number of different
23 factors under the case law in approving receiver's and counsel's fees. *In re San Vicente Medical*
24 *Partners Ltd.*, 962 F. 2d at 1409-1410.

25 The Receiver and its professionals have discharged various duties during the Final
26 Expense Period in order to comply with the obligations of the Stipulated Judgments. This motion
27 establishes that the Receiver, its members, staff and professionals rendered reasonable and
28 necessary services for the receivership estate during the Final Expense Period that were extremely

1 reasonable and highly beneficial to the estate. *See Federal Trade Commission v. Capital*
2 *Acquisitions & Management Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005).
3 During the Final Expense Period, the Receiver collected \$7,548,344.40 while the Receiver and its
4 professionals will have billed fees and costs of only 4.4% of that amount during the same period,
5 based on the amounts incurred and estimated to be incurred through closing. In light of the
6 services rendered and excellent results achieved, the Receiver respectfully requests that the
7 requested fees and costs should be awarded in their entirety. As noted above, net of all of the
8 requested fees and costs, the Receiver will still have an estimated \$7,139,698.84 on hand for
9 turnover to the Plaintiff pursuant to the terms of the Adams Consulting Judgment.

10 **V. THE CLOSING OF THE ESTATE SHOULD BE APPROVED AS REQUESTED**

11 The Receiver's request to wind up the receivership estate is consistent with various
12 provisions of the Adams Consulting Judgment. This Motion contains a Final Report and a final
13 financial accounting is attached to the Kane Declaration as Exhibit 1. This Motion and
14 supporting papers have been served on the parties. Notice of the Motion has been served on all of
15 the non-consumer creditors of the receivership estate. The turnover of net funds to the Plaintiffs
16 is required by Section VII.D of the Adams Consulting Judgment. The related relief sought in
17 connection with the wind up of the receivership estate, including the approval of all actions by or
18 on behalf of the Receiver, the destruction of records, discharge of the Receiver and exoneration of
19 its bond, are all ordinary and customary in connection with the wind up of a receivership and
20 within the Court's broad supervisory authority over federal equity receiverships. *See Securities*
21 *and Exchange Commission v. Hardy*, 803 F. 2d 1034 (9th Cir. 1986).

22 **VI. NOTICE OF THIS MOTION IS REASONABLE UNDER THE**
23 **CIRCUMSTANCES AND SHOULD BE APPROVED**

24 The Adams Consulting Judgment provides that the Receiver mail copies of the Final
25 Report to all known creditors of the Receivership Defendants subject to that judgment with a
26 notice stating that any objections to paying any assets of the settling Defendants to satisfy the
27 Receiver's costs and expenses and the monetary judgment set forth in the Adams Consulting
28 Judgment must be submitted to the Court and served by mail upon the Receiver and the parties

1 within 28 days of the mailing of the Final Report. Additionally, Local Civil Rule 66-5 provides
2 for service of notice of the hearing on various motions by a receiver concerning the
3 administration of the estate. That rule provides for service of the notice of hearing on such
4 motions on all creditors of the receivership estate. No hearing has been set on this Motion and the
5 provisions of Local Civil Rule 66-5 do not specifically apply. The Receiver has served a notice
6 of filing of the motion on the parties and on all known non-consumer creditors of the estate to
7 provide them notice and an opportunity to be heard concerning the motion.

8 However, in this case, there are believed to be an extremely large number of potential
9 consumer creditors who may have claims against the Receivership Entities arising out of the
10 business operations of the Receivership Entities prior to the Receiver's appointment, although the
11 precise number, identity and location of such consumer creditors have not been determined by the
12 Receiver at this time. Given the Receiver's determination that more than \$113 million in revenue
13 was generated by the Receivership Entities, and given that there are more than 300,000 consumer
14 names in the CRM, the number of potential consumer creditors is likely in the tens of thousands.
15 It is not realistically possible or beneficial to the estate and its creditors for the Receiver to
16 attempt to identify and serve the potential consumer creditors with notice of this motion, and the
17 expense and burden on the estate of attempting to effectuate such service would drain the estate's
18 resources and cause undue administrative expense.

19 Based on the foregoing, the Receiver seeks an order providing that the notice set out in the
20 Adams Consulting Judgment shall be deemed satisfied by serving copies of all motion papers on
21 the parties to this action and by serving notice of the filing of this motion on the parties and all
22 known non-consumer creditors, who will not be paid, consistent with the Adams Consulting
23 Judgment. As additional notice, the Receiver will post the motion and supporting papers, without
24 time records attached, on the Receiver's website at robbevans.com where the Receiver
25 conspicuously posts pertinent Court filings and other documents for this case. The Receiver will
26 also provide all moving papers upon request.

27 Such service provides sufficient notice to the interested parties and should be approved.
28 The Court has authority, as a court of equity supervising a federal equity receivership, to issue

1 such an administrative order approving this form of notice. *See* F.R. Civ. P. 5(a) and (c)
 2 (authorizing the Court to modify service procedures when numerous defendants are involved in
 3 litigation). This is analogous to equitable bankruptcy proceedings involving large numbers of
 4 creditors, where orders are routinely issued limiting notice in large cases, see *In re First Alliance*
 5 *Mortgage Co.*, 269 B.R. 428, 442 (C.D. Cal. 2001) (referencing in *dicta* in the Court’s recitation
 6 of facts the bankruptcy court’s order limiting notice issued in that case); 11 U.S.C. §102(1)(a)
 7 (defining the phrase “after notice and a hearing” to mean “after such notice as is appropriate in
 8 the particular circumstances, and such opportunity for hearing as is appropriate in the particular
 9 circumstances”); 11 U.S.C. §105(a) and (d) (granting broad equitable powers to the court to issue
 10 orders “necessary or appropriate to carry out the provisions” of Title 11 including “prescribing
 11 such limitations and conditions as the court deems appropriate to ensure the case is handled
 12 expeditiously and economically”); and F. R. Bankr. P. 2002(m) (authorizing the court to enter
 13 “orders designating the matters in respect to which, the entity to whom, and the form and manner
 14 in which notices shall be sent except as otherwise provided by these rules”).

15 **VII. CONCLUSION**

16 Based on the Notice of Filing, Notice of Motion and Motion, this supporting
 17 Memorandum of Points and Authorities, Kane Declaration, Caris Declaration, and supporting
 18 exhibits, it is respectfully requested that the Court grant this Motion in its entirety.

19 Dated: October 29, 2019

Respectfully submitted,

20
 21 MICHAEL F. LYNCH
 LYNCH LAW PRACTICE, PLLC

22 GARY OWEN CARIS
 23 BARNES & THORNBURG LLP

24 By: /s/ Gary Owen Caris
 GARY OWEN CARIS

25
 26 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC

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9 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC

11 UNITED STATES DISTRICT COURT
12 DISTRICT OF NEVADA

13 FEDERAL TRADE COMMISSION,
14 Plaintiff,

15 v.

16 AWS, LLC, et al.,
17 Defendants.

Case No. 2:18-cv-00442-JCM-BNW

**DECLARATION OF BRICK KANE IN
SUPPORT OF MOTION FOR ORDER
APPROVING FINAL REPORT AND
ACCOUNTING; FINAL REQUEST FOR
APPROVAL AND PAYMENT OF
RECEIVER’S AND PROFESSIONALS’
FEES AND COSTS FROM MAY 1, 2018
THROUGH CLOSING; FOR DISCHARGE
AND EXONERATION OF BOND AND
RELATED RELIEF; AND GRANTING
RELIEF FROM LOCAL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS**

24 I, Brick Kane, declare:

25 1. I am the President of Robb Evans & Associates LLC (“Receiver”). This lawsuit
26 was commenced by the Federal Trade Commission (“FTC”) on March 12, 2018 with a Complaint
27 for Permanent Injunction and Other Equitable Relief against AWS, LLC (“AWS”), FBA
28

1 Distributors, LLC (“FBA Distributors”), FBA Stores, LLC (“FBA Stores”), Info Pros, LLC
2 (“Info Pros”), Online Auction Learning Center, Inc., a Massachusetts corporation, Online Auction
3 Learning Center, Inc., a Nevada corporation (both Online Auction Learning Center, Inc. entities
4 referred to as “Online Auction”), Christopher Bowser (“C. Bowser”), Adam Bowser (“A.
5 Bowser”) and Jody Marshall (“Marshall”). (AWS, FBA Distributors, FBA Stores, Info Pros and
6 Online Auction, and each of their subsidiaries, affiliates, successors and assigns, are referred to
7 herein as the “Corporate Defendants.”) Robb Evans & Associates LLC became Temporary
8 Receiver pursuant to the Temporary Restraining Order (“TRO”) filed March 14, 2018 over the
9 Corporate Defendants and “any other entity that the Temporary Receiver determines is controlled
10 or owned by any Defendant and (1) conducted any business related to Defendants’ advertising,
11 marketing, distributing, promoting, or selling of business opportunities, (2) commingled or
12 pooled Assets with any Defendant, or (3) otherwise participated in the transfer of Assets
13 stemming from the advertising, marketing, distributing, promoting, or selling of business
14 opportunities.” (TRO, p. 6, Definition J) The Corporate Defendants and entities described in
15 Definition J were deemed to be the “Receivership Entities” under the TRO. Thereafter, the FTC
16 filed an Amended Complaint for Permanent Injunction and Other Equitable Relief on April 10,
17 2018, adding new defendants Adams Consulting, LLC (“Adams Consulting”), Global Marketing
18 Services L.L.C (“Global Marketing”), Info Solutions, LLC (“Info Solutions”) and Jeffery Gomez
19 (“Gomez”). On April 18, 2018, the Court entered a Stipulated Temporary Restraining Order as to
20 Defendants Adams Consulting, LLC, Global Marketing Services L.L.C, and Jeffery A. Gomez
21 (“Stipulated TRO”), adding as new receivership entities Adams Consulting and Global
22 Marketing, along with each of their subsidiaries, affiliates, successors and assigns, and further
23 defining the new receivership entities to include entities the Receiver determines is controlled or
24 owned by any Defendant and conducts business related to Defendants’ business opportunities
25 enterprise, commingles or pools assets with any Defendant, or transfers assets stemming from
26 Defendants’ business opportunity enterprise, using the same definition found in the original TRO
27 (Stipulated TRO, p. 7, Definition J) (“Gomez Receivership Entities”). Based on the Receiver’s
28 investigation, prior to the entry of the Stipulated TRO, it determined that there were a number of

1 additional Receivership Entities pursuant to the terms of the TRO, including Global Marketing,
2 because among other things, Global Marketing had been a one-third owner in FBA Stores.
3 (Hereinafter, unless there is a need to differentiate between them, all receivership entities,
4 whether named entities or unnamed entities in the underlying lawsuit and whether receivership
5 entities as a result of the original TRO, Stipulated TRO or Stipulated Judgments, as defined
6 below, will be referred to as the “Receivership Entities.”)

7 2. The Receiver became permanent equity receiver over AWS, FBA Distributors,
8 FBA Stores, Info Pros, Info Solutions, and Online Auction pursuant to the Stipulated Order for
9 Permanent Injunction and Monetary Judgment as to Defendants AWS, LLC, FBA Distributors,
10 LLC, FBA Stores, LLC, Info Pros, LLC Info Solutions, LLC, Online Auction Learning Center,
11 Inc. (Mass. Corp.), Online Auction Learning Center, Inc. (Nev.Corp.), Christopher F. Bowser,
12 Adam S. Bowser and Jody L. Marshall (“AWS Judgment”). Under the AWS Judgment, a
13 monetary judgment of \$102,481,596 was entered against the stipulating defendants. The
14 Receiver was responsible for taking into its possession 32 different categories of assets, selling
15 the unliquidated assets and holding the assets and the proceeds from the sale of the unliquidated
16 assets for future transfer in accordance with further instructions from the Court.

17 3. Thereafter, the Receiver was named permanent equity receiver over Adams
18 Consulting, LLC and Global Marketing Services, L.L.C. pursuant to the Stipulated Order for
19 Permanent Injunction and Monetary Judgment as to Defendants Adams Consulting, LLC, Global
20 Marketing Services L.L.C., and Jeffrey A. Gomez (“Adams Consulting Judgment”). (The AWS
21 Judgment and Adam Consulting Judgment are referred to collectively as the “Stipulated
22 Judgments.”) Under the Adams Consulting Judgment, a monetary judgment was entered in the
23 amount of \$63,546,961 against the stipulating defendants. The Receiver was responsible for
24 taking into its possession eight different categories of assets, selling the unliquidated assets and
25 holding the assets and the proceeds from the sale of the unliquidated assets for future transfer in
26 accordance with further instructions from the Court. The Adams Consulting Judgment further
27 provided that no later than 180 days from the date of the entry of the judgment, or April 8, 2019,
28 the Receiver was to file and serve on the parties a Final Report to the Court detailing the steps

1 taken to dissolve the receivership estate, including a final accounting of the estate's finances and
2 a description of what other actions, if any, must be taken to wind up the receivership. No later
3 than 14 days after submission of the Final Report, the Receiver was to file an application for final
4 payment of compensation and expenses. After completion of the wind up of the receivership
5 estate, and payment of administrative fees and costs, all remaining funds are to be turned over to
6 the Federal Trade Commission ("FTC") or its designated agent to reduce the monetary judgment.
7 The Receiver twice sought to extend the deadline by which it was file its Final Report, final
8 application and motion to wind up the receivership estate, first to October 8, 2019 and then to
9 October 31, 2019. Both of these requests were granted by the Court.

10 4. I have been one of the members of Robb Evans & Associates LLC primarily
11 responsible for the supervision, management and administration of the receivership estate, the
12 Receiver's taking possession and control of the business and operations of the Receivership
13 Entities, the review and investigation of the business and operations of the Receivership Entities,
14 and the Receiver's exercise of the other powers and duties set forth in the TRO, Stipulated TRO
15 and Stipulated Judgments. I participated in taking possession and control of the headquarters for
16 the Receivership Entities in Weymouth, Massachusetts. I have been involved in the Receiver's
17 review and detailed analysis of the Receivership Entities' financial records and other business
18 records and files. I was personally involved in the preparation and review of the Report of
19 Receiver's Activities for the Period From March 16, 2018 Through April 19, 2018 ("Receiver's
20 Report") filed April 20, 2018. I have also been personally involved in discharging the duties of
21 the Receiver set forth in the Stipulated Judgments and in supervising other members and staff of
22 Robb Evans & Associates in discharging the duties of the Receiver set forth in the Stipulated
23 Judgments. I have personal knowledge of the matters set forth in this declaration, and if I were
24 called upon to testify as to these matters I could and would competently testify thereto based on
25 my personal knowledge.

26 5. The Receiver's Final Report is a part of the Memorandum of Points and
27 Authorities filed in support of the Receiver's wind up motion. The Receiver's final financial
28 accounting is the Receivership Administrative Expenses and Fund Balance spreadsheet ("Final

1 Accounting”) attached hereto as Exhibit 1.

2 6. The Receiver seeks payment of the Receiver’s fees and costs summarized in the
3 Final Accounting, Exhibit 1 hereto, covering the period from May 1, 2018 through the closing of
4 the receivership estate (“Final Expense Period”). The detailed billing records of the Receiver for
5 the sixteen-month period from May 1, 2018 through August 31, 2019 are attached collectively
6 hereto as Exhibit 2. During the Final Expense Period through August 31, 2019, the Receiver has
7 incurred fees for the Receiver and its members and staff of \$71,113.05. The Receiver’s costs
8 during the Final Expense Period through August 31, 2019 total \$20,311.67 and are itemized in the
9 Final Accounting. During the “Estimate to Close” period from September 1, 2019 through
10 closing of the receivership estate, the Receiver estimates total fees for the Receiver and its
11 members and staff of \$16,243.50 to prepare the Final Accounting, assist counsel with this wind
12 up motion, assist counsel regarding the wind up of the 401(k) Plan in the name of Online Auction,
13 oversee tax return preparation and perform all miscellaneous other tasks needed to close the
14 estate. The Receiver also estimates costs during this final period of \$27,071.04, primarily
15 comprised of \$7,000.00 estimated for the Receiver’s tax accountants for the preparation of one
16 final state tax return and two final federal tax returns for the Receivership Entities and potentially
17 another \$17,000.00 for Online Auction 401(k) wind up expenses in the event the Receiver needs
18 to retain an independent fiduciary for compliance and wind up services.

19 7. During the Final Expense Period, the Receiver’s work predominantly consisted of
20 winding up the activities of the Receivership Entities, obtaining possession and control of the
21 assets of the Receivership Entities, and complying with the terms of the Stipulated Judgments.
22 The Final Expense Period for the most part tracks the post-judgment period of this case: the AWS
23 Judgment had been reached in principal and executed by the settling defendants under that
24 judgment in late April 2018 and the Adams Consulting Judgment had been reached in principal
25 and executed by the settling defendants under that judgment by early June 2018.

26 8. Early on during the Final Expense Period, the Receiver continued to take steps to
27 wind up the Receivership Entities’ business operations at three different locations, in Weymouth,
28 Massachusetts, Logandale, Nevada and Lindon, Utah. In conjunction with counsel for the

1 Receiver, steps were taken to vacate these premises. The Receiver's counsel finalized a Court-
2 approved stipulation to vacate this real property and reject real property leases for these locations
3 and two other locations, in Las Vegas and Upland, California. The Receiver oversaw a Court-
4 approved auction sale of inventory and office equipment from the Weymouth location, resulting
5 in \$20,941.89 being generated for the receivership estate. The Receiver catalogued personal
6 property in the Weymouth warehouse and continued to coordinate the return of consumer
7 products that did not belong to the Receivership Entities. Before vacating the various premises,
8 the Receiver took possession and control of computers and paper and electronic documentation.

9 9. Under the AWS Judgment, the Receiver was responsible for taking into possession
10 32 different categories of assets. Under the Adams Consulting Judgment, the Receiver was
11 responsible for taking into possession eight different categories of assets. In order to comply with
12 the Stipulated Judgments, the Receiver continued to communicate with and serve financial
13 institutions with the Stipulated Judgments and demand the turnover of funds as required under the
14 Stipulated Judgments. Most of the assets described in the Stipulated Judgments constituted
15 various bank accounts and funds held in credit card merchant processing reserve accounts. The
16 Receiver was in communication with numerous financial institutions, merchant processors and
17 merchant processing banks in an effort to take possession of the funds subject to the Stipulated
18 Judgments, to the extent these funds had not been previously brought into the receivership estate.
19 As more particularly described in the Declaration of Gary Owen Caris ("Caris Declaration"), the
20 Receiver's counsel engaged in extensive discussions and negotiations with credit card merchant
21 processors and credit card merchant processing banks which had processed credit card
22 transactions for various of the Receivership Entities. Funds held in reserve accounts were
23 typically used by credit card processors to cover credit card chargebacks by consumers. Many of
24 these processors raised legal challenges to the Receiver's claim to the funds held in merchant
25 processing reserve accounts. The FTC and Receiver disputed the positions taken by the merchant
26 processors and processing banks. The Receiver's counsel discussed legal theories and litigation
27 and settlement strategies with counsel for the FTC in preparation for discussions with the various
28 merchant processors and merchant processing banks that contested the Receiver's control over

1 the various reserve account funds subject to the Stipulated Judgments. Extended negotiations and
2 settlement discussions were held by the Receiver, through its counsel, and by the Plaintiffs with at
3 least four merchant processors. With the substantial assistance of the FTC, the Receiver was able
4 to resolve all disputes with merchant processors and merchant processing banks without the need
5 for litigation. All disputes with the Receivership Entities' principal credit card merchant
6 processors and merchant processing banks were resolved whereby at least 50% of the funds in
7 dispute were turned over to the Receiver and retained by the Receiver for the benefit of the
8 receivership estate. Over \$5.5 million was collected from the principal credit card merchant
9 processors during the Final Expense Period without the need for any discovery or litigation to be
10 instituted, which drastically minimized the Receiver's legal expenses for the benefit of the
11 receivership estate.

12 10. Bank of America (the "Bank") turned over approximately \$1.3 million from an
13 account in the name of Global Marketing in May 2018 in addition to turning over funds in excess
14 of \$430,000 from several other accounts in the name of other Receivership Entities at the outset
15 of the receivership. However, the Bank asserted claims in excess of \$1.5 million against the
16 receivership estate, including claims based on an alleged security interest in the funds in the
17 accounts which it turned over to the estate based on the TRO and Stipulated TRO. The Bank
18 brought a complaint in intervention seeking the return of these funds. Because of a conflict,
19 Barnes & Thornburg could not handle the dispute with the Bank. The Receiver retained Diamond
20 to principally handle the dispute, with the assistance of the Lynch firm. In connection with this
21 dispute, the Receiver analyzed and traced the Bank's loan proceeds. Without the need for
22 extensive litigation, the Receiver was able to successfully resolve the dispute whereby the
23 Receiver returned and allowed the Bank to retain \$250,000 in full satisfaction of its claims. This
24 enabled the Receiver to retain the vast majority of funds turned over to the Receiver by the Bank,
25 in excess of \$1,485,000.

26 11. Prior to the inception of the FTC Action and this receivership, the State of
27 Washington ("Washington") brought a lawsuit against C. Bowser, A. Bowser, AWS, FBA
28 Distributors and FBA Stores. Washington pursued the litigation aggressively, which required the

1 Receiver and its lawyers to spend time addressing the litigation and making certain that
2 Washington's litigation did not adversely affect the receivership estate or consumers at large.
3 The Receiver addressed a broad document production request from Washington, which required
4 numerous communications with counsel for Washington. Through counsel, the Receiver was
5 able to eventually reach a stipulated judgment with Washington in November 2018 on behalf of
6 the three defendants which were Receivership Entities, that only provided for injunctive relief and
7 which did not, in any way, adversely affect the receivership estate. This eliminated the need for
8 the Receiver to spend further time and incur further expense in responding to Washington's
9 discovery requests or otherwise addressing the litigation.

10 12. The Receiver also performed a variety of regular and ongoing operational duties
11 and addressed numerous issues and problems during the Final Expense Period. It communicated
12 regularly with consumers both telephonically and in writing. The Receiver communicated with
13 the FTC over various matters, including the FTC's document requests, merchant reserve account
14 issues and the disputes with credit card merchant payment processors. The Receiver also
15 communicated with the Defendants concerning several issues, including payables, the
16 Receivership Entities' QuickBooks and Google Files, and the Defendants' asset freeze. The
17 Receiver addressed various issues regarding pre-receivership unpaid payroll and oversaw the
18 funding of priority payroll payments. Along with the Receiver's counsel, it addressed the Online
19 Auction 401(k) account and steps to wind up the account. The Receiver also prepared the
20 financial report which accompanied the Receiver's initial fee request. It continued to review the
21 Receivership Entities' Customer Relationship Management ("CRM") database to assist the FTC
22 in addressing potential consumer redress issues. Throughout the Final Expense Period, it
23 continued to maintain and reconcile the accounting and banking records of the receivership estate,
24 including the preparation of a detailed Final Accounting which is attached hereto as Exhibit 1.

25 13. Upon Court approval of the wind up Motion, there are a limited number of
26 additional actions to be taken to wind up the receivership. The Receiver will work with its
27 accountant, Squar Milner LLP, to file two final federal tax returns and one final state tax return.
28 In addition, in conjunction with Barnes & Thornburg, it will take the remaining steps necessary to

1 wind up the 401(k) account in the name of Online Auction. This includes preparing and filing
2 Forms 5500 for several years that had not been previously filed pre-receivership, applying for
3 relief from penalties as a result of the late filing of these Forms 5500, completing distributions to
4 plan participants and preparing and filing a final Form 5500 for 2019.

5 14. In my opinion, during the Final Expense Period, the Receiver, its members, staff
6 and professionals rendered reasonable and necessary services for the receivership estate that were
7 extremely reasonable and highly beneficial to the estate. During the Final Expense Period, the
8 Receiver collected \$7,548,344.40 while the Receiver and its professionals will have billed fees
9 and costs of only 4.4% of that amount during the same period, based on the amounts incurred and
10 estimated to be incurred through closing.

11 15. In accordance with the Adams Consulting Judgment, following the payment of the
12 fees and costs of the Receiver and its professionals, the Receiver proposes to pay all remaining
13 sums in the receivership estate to the Plaintiff or its designated agent to be used for consumer
14 redress. As set forth in the Financial Summary attached hereto as Exhibit 1, the Receiver
15 estimates that \$7,139,698.84 will be turned over to the FTC or its designated agent.

16 16. The billing rates charged by the Receiver in this case reflected in the billing
17 records attached hereto for the Receiver, the Receiver's members and staff are discounted by 10%
18 from the rates charged by the Receiver's firm in private sector cases as of 2018. The Receiver did
19 not raise its rates during the receivership case.

20 17. As a member of Robb Evans & Associates LLC, I am familiar with the methods
21 and procedures used by the Receiver and its staff and employees to record the time spent
22 rendering services to receivership estates over which Robb Evans & Associates LLC have been
23 appointed. The billing records collectively attached hereto as Exhibit 2 are regularly prepared by
24 members, staff and employees of the Receiver at or about the time of the services rendered and
25 each of whom has a business duty to accurately record the information regarding their services set
26 forth in these records. The records are reviewed by the Receiver's accounting staff or me and
27 summarized in the Final Accounting, Exhibit 1 hereto. As explained in the Caris Declaration, the
28 Receiver's time records and the records of its professionals have been redacted where appropriate

1 to preserve descriptions containing confidential, tactical, strategic, attorney-client privileged
2 and/or work-product information. Based upon my experience with Robb Evans & Associates
3 LLC, I believe the Receiver's methods and procedures for recording and accounting for time and
4 services for the receivership estates over which Robb Evans & Associates LLC have been
5 appointed are reliable and accurate.

6 18. Pursuant to the Adams Consulting Judgment, the Receiver is serving all parties
7 with the wind up motion and supporting papers and is serving notice of the filing of the motion on
8 the parties and all known non-consumer creditors of the estate. However, in this case, there may
9 be tens of thousands of potential consumer creditors who may have claims against the
10 Receivership Entities given that more than \$113 million in revenue was generated by the
11 Receivership Entities, and given that there are more than 300,000 consumer names in the CRM.
12 It is not realistically possible or beneficial to the estate and its creditors for the Receiver to serve
13 all such potential consumer creditors with notice of this Motion. The expense and burden on the
14 estate of attempting to effectuate service on these consumers would drain the estate's resources
15 and cause undue administrative expense. Based on the foregoing, the Receiver seeks an order
16 providing that the notice requirement set out in the Adams Consulting Judgment shall be deemed
17 satisfied by serving copies of all motion papers on the parties to this action and serving notice of
18 the filing of this motion on all known non-consumer creditors, who will not be paid. As
19 additional notice, the Receiver will post the Motion and supporting papers, without time records
20 attached, on the Receiver's website at robbevans.com where the Receiver conspicuously posts
21 pertinent Court filings and other documents for this case. It will also supply a motion, with all
22 supporting papers, upon request.

23 I declare under penalty of perjury that the foregoing is true and correct and that this
24 declaration was executed on October 29, 2019 at Sun Valley, California.

25
26 
27 BRICK KANE

28 15337008v1

EXHIBIT 1

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Previously Reported and Approved	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
Corporate Funds Collected										
Auction Profit Builders LLC										
Rockland Trust Bank *1538	24,367.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Auction Profit Builders LLC	24,367.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elearn Services LLC										
Bank of America *1867	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Elearn Services LLC	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
EMWW, LLC										
Bank of America *8299	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Washington Federal Bank *58182	0.00	0.00	95.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total EMWW, LLC	0.00	0.00	95.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
FBA Distributors LLC										
Stripe Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America *5349	25,052.78	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Total FBA Distributors LLC	25,052.78	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
FBA Stores LLC dba AWS										
Evo Payments *4353	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Synovus Bank/Qualpay	0.00	0.00	0.00	0.00	0.00	2,601,106.85	0.00	0.00	0.00	0.00
Bank of America *2607	0.00	0.00	0.00	31.02	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America *3425	59,153.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	12.00	0.00
Bank of America *6155	285,567.54	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
EMS *40179	0.00	0.00	0.00	532,316.53	0.00	0.00	0.00	0.00	0.00	0.00
Paypal *13735	0.00	0.00	0.00	0.00	3,906.19	0.00	0.00	0.00	0.00	0.00
Total FBA Stores LLC dba AWS	344,720.54	0.00	0.00	532,547.55	3,906.19	2,601,106.85	0.00	0.00	12.00	0.00
Finn Rich Wireless LLC										
Bank of America *2342	0.00	0.00	0.00	1,535.51	0.00	0.00	0.00	0.00	0.00	0.00
Rockland Trust Bank *6468	0.00	0.00	0.00	60,645.76	0.00	0.00	0.00	0.00	0.00	0.00
Total Finn Rich Wireless LLC	0.00	0.00	0.00	62,181.27	0.00	0.00	0.00	0.00	0.00	0.00
Global Marketing Services LLC										
Bank of America *5758	0.00	1,305,422.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Global Marketing Services LLC	0.00	1,305,422.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Previously Reported and Approved	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
Info Pros LLC dba Online Seller										
Global Payments, Inc. *3060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America *1812	34,913.81	0.00	0.00	18,660.77	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America *6059	395.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
JP Morgan Chase *93922	10,925.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paypal *34079	0.00	0.00	0.00	0.00	231,861.08	0.00	0.00	0.00	0.00	0.00
Washington Federal Bank *59156	0.00	0.00	2,048.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Info Pros LLC dba Online Seller	46,233.81	0.00	2,148.52	18,760.77	231,861.08	0.00	0.00	0.00	0.00	0.00
Info Solutions LLC										
Paypal *40073	0.00	0.00	0.00	0.00	82.00	0.00	0.00	0.00	0.00	0.00
Info Solutions LLC - Other	0.00	0.00	0.00	10,139.06	0.00	0.00	0.00	0.00	0.00	0.00
Total Info Solutions LLC	0.00	0.00	0.00	10,139.06	82.00	0.00	0.00	0.00	0.00	0.00
Online Auction Learning Inc.										
EMS Event Acct *70908	0.00	0.00	44,658.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EVO Payments Int'l *7280	0.00	0.00	25,040.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EVO Payment Int'l *7498	0.00	0.00	40,653.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paypal *81083	0.00	0.00	0.00	0.00	8,563.69	0.00	0.00	0.00	0.00	0.00
Paypal *88564	0.00	0.00	0.00	0.00	225,943.81	0.00	0.00	0.00	0.00	0.00
Rockland Trust Bank *1323	200,814.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rockland Trust Bank *2412	3,887.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Online Auction Learning Inc.	204,701.74	0.00	110,352.40	0.00	234,507.50	0.00	0.00	0.00	0.00	0.00
Plaza Townhomes LLC										
JPMorgan Chase *3929	0.00	0.00	83,563.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Plaza Townhomes LLC	0.00	0.00	83,563.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surf Cellular Express LLC										
Rockland Trust Bank *7031	0.00	0.00	0.00	787.11	0.00	0.00	0.00	0.00	0.00	0.00
Total Surf Cellular Express LLC	0.00	0.00	0.00	787.11	0.00	0.00	0.00	0.00	0.00	0.00
Vmerica Inc										
Bank of America *5607	0.00	0.00	0.00	5,123.58	0.00	0.00	0.00	0.00	0.00	0.00
Total Vmerica Inc	0.00	0.00	0.00	5,123.58	0.00	0.00	0.00	0.00	0.00	0.00
Total Corporate Funds Collected	645,076.43	1,305,422.77	196,159.81	629,839.34	470,356.77	2,601,106.85	0.00	0.00	12.00	0.00

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Previously Reported and Approved	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
Other Collections										
Interest Income	0.00	0.00	38.77	335.30	390.17	572.75	1,179.75	1,072.74	1,108.74	1,108.97
Payroll Tax Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Inventory & Office Equipment	0.00	0.00	0.00	20,941.89	0.00	0.00	0.00	0.00	0.00	0.00
Vendor Refunds	0.00	0.00	0.00	67.50	0.00	1,516.44	0.00	0.00	0.00	0.00
Total Other Collections	0.00	0.00	38.77	21,344.69	390.17	2,089.19	1,179.75	1,072.74	1,108.74	1,108.97
Total Funds Collected	645,076.43	1,305,422.77	196,198.58	651,184.03	470,746.94	2,603,196.04	1,179.75	1,072.74	1,120.74	1,108.97
Expenses										
Business Expenses										
Alarm & Security	0.00	136.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of America Settlement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Death & Disability Policy Premiums	2,501.90	0.00	0.00	0.00	0.00	(339.50)	0.00	0.00	0.00	0.00
Dental Insurance Premiums	3,852.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Document Reproduction	328.92	0.00	0.00	30.54	0.00	0.00	0.00	0.00	0.00	0.00
Electricity	2,105.95	0.00	731.50	665.96	0.00	0.00	0.00	0.00	0.00	0.00
Health Insurance Premiums	19,736.69	13,744.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MA Office Rent	12,000.00	11,786.00	11,786.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Moving and Vacating Expenses	0.00	391.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Supplies	0.00	707.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Expenses	727.91	31,416.84	4,576.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Processing Fees	1,293.02	1,696.32	2,087.05	1,099.36	1,772.05	2,065.44	0.00	0.00	0.00	0.00
Payroll Taxes	12,269.16	2,094.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Programming/Development Svcs	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Telephone & Internet	0.00	0.00	395.26	3,190.02	0.00	0.00	1,368.45	0.00	0.00	0.00
UT Office Rent	8,594.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker Compensation Premiums	1,158.89	1,007.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Business Expenses	64,569.80	62,981.27	25,675.94	4,985.88	1,772.05	1,725.94	1,368.45	0.00	0.00	0.00
Receiver Fees & Costs										
Receiver Fees										
B. Kane	41,176.80	2,838.60	923.40	923.40	1,231.20	889.20	239.40	410.40	273.60	273.60
S. Krishnan	9,028.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
K. Johnson	8,139.60	273.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Miller	14,466.60	6,224.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Previously Reported and	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
A. Jen	Approved	28,488.60	3,762.00	3,830.40	3,078.00	1,983.60	102.60	684.00	273.60	444.60
Total Receiver		101,300.40	13,098.60	4,753.80	4,001.40	3,214.80	991.80	923.40	684.00	718.20
Accounting & Senior Staff										
W. Russell		2,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F. Jen		33,466.50	301.50	783.90	241.20	60.30	0.00	633.15	0.00	0.00
T. Chung		60,420.60	1,447.20	60.30	904.50	0.00	512.55	572.85	0.00	0.00
C. Callahan		10,665.00	1,845.00	405.00	900.00	585.00	225.00	675.00	67.50	0.00
E. Roop		3,942.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. DeCius		7,533.00	4,033.80	1,421.55	571.05	923.40	376.65	1,093.50	449.55	170.10
J. Dabbin		2,381.40	275.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Owings		1,395.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J. Tyson		6,030.00	6,630.00	4,920.00	0.00	0.00	0.00	0.00	0.00	0.00
S. Nasman		1,440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accounting & Senior Staff		129,523.50	14,532.90	7,590.75	2,616.75	1,568.70	1,114.20	2,974.50	517.05	170.10
Support Staff		1,542.00	390.00	462.00	75.00	90.00	69.00	3.00	21.00	15.00
Total Receiver Fees		232,365.90	28,021.50	12,806.55	6,693.15	4,873.50	2,175.00	3,900.90	1,222.05	903.30
Receiver Costs										
Tax Return Preparation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
401K wind up Expenses		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Fees		0.00	0.00	24.30	(24.30)	0.00	0.00	0.00	0.00	0.00
Data Recovery Costs		2,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Email Hosting Fees		0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigative Search Costs		629.89	0.00	208.50	0.00	0.00	0.00	0.00	0.00	0.00
Locksmith Services		660.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Moving Supply Expenses		0.00	57.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage & Delivery		210.26	453.44	285.29	4,094.06	17.33	6.68	9.89	9.94	0.00
Receiver's Bond Premium		200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Records Storage		0.00	595.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00
Records Destruction		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel Expenses		11,585.52	815.49	0.00	741.49	0.00	0.00	0.00	0.00	0.00
Website Support		758.56	217.36	102.03	0.00	0.00	0.00	26.62	0.00	0.00
Total Receiver Costs		16,594.65	2,188.83	970.12	5,161.25	367.33	356.68	386.51	359.94	350.00
Legal Fees & Costs										

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
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 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Previously Reported and	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
Barnes & Thornburg LLP										
Legal Fees	58,100.40	15,787.20	4,786.20	6,817.20	8,463.15	16,673.50	23,835.15	10,575.65	1,912.80	3,049.80
Legal Costs	320.96	908.50	81.30	0.00	546.11	0.00	1,568.68	35.30	0.00	0.00
Total Barnes & Thornburg LLP	<u>58,421.36</u>	<u>16,695.70</u>	<u>4,867.50</u>	<u>6,817.20</u>	<u>9,009.26</u>	<u>16,673.50</u>	<u>25,403.83</u>	<u>10,610.95</u>	<u>1,912.80</u>	<u>3,049.80</u>
Diamond McCarthy LLP										
Legal Fees	0.00	0.00	0.00	0.00	0.00	2,185.20	2,423.70	6,474.15	2,784.60	1,178.10
Legal Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.94	0.00	4.10
Total Diamond McCarthy LLP	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,185.20</u>	<u>2,423.70</u>	<u>6,485.09</u>	<u>2,784.60</u>	<u>1,182.20</u>
Lynch Law Practice PLLP										
Legal Fees	3,726.00	4,036.50	248.40	6,116.85	3,446.55	2,732.40	1,925.10	465.75	31.05	0.00
Legal Costs	812.07	0.00	0.00	0.00	0.00	27.60	500.00	0.00	0.00	0.00
Total Lynch Law Practice PLLP	<u>4,538.07</u>	<u>4,036.50</u>	<u>248.40</u>	<u>6,116.85</u>	<u>3,446.55</u>	<u>2,760.00</u>	<u>2,425.10</u>	<u>465.75</u>	<u>31.05</u>	<u>0.00</u>
Total Legal Fees & Costs	<u>62,959.43</u>	<u>20,732.20</u>	<u>5,115.90</u>	<u>12,934.05</u>	<u>12,455.81</u>	<u>21,618.70</u>	<u>30,252.63</u>	<u>17,561.79</u>	<u>4,728.45</u>	<u>4,232.00</u>
Total Receiver Fees & Costs	<u>311,919.98</u>	<u>50,942.53</u>	<u>18,892.57</u>	<u>24,788.45</u>	<u>17,696.64</u>	<u>24,150.38</u>	<u>34,540.04</u>	<u>19,143.78</u>	<u>5,981.75</u>	<u>8,109.68</u>
Total Expenses	<u>376,489.78</u>	<u>113,923.80</u>	<u>44,568.51</u>	<u>29,774.33</u>	<u>19,468.69</u>	<u>25,876.32</u>	<u>35,908.49</u>	<u>19,143.78</u>	<u>5,981.75</u>	<u>8,109.68</u>
Net Transactions		<u>1,191,498.97</u>	<u>151,630.07</u>	<u>621,409.70</u>	<u>451,278.25</u>	<u>2,577,319.72</u>	<u>(34,728.74)</u>	<u>(18,071.04)</u>	<u>(4,861.01)</u>	<u>(7,000.71)</u>
Fund Balance	<u>268,586.65</u>									

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	5/1/18~ 8/31/19	Estimate to Close	TOTAL
Corporate Funds Collected										
Auction Profit Builders LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,367.56
Rockland Trust Bank *1538	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,367.56
Total Auction Profit Builders LLC										
Elearn Services LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	100.00
Bank of America *1867	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	100.00
Total Elearn Services LLC										
EMWW, LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	100.00
Bank of America *8299	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.00	0.00	95.00
Washington Federal Bank *58182	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.00	0.00	195.00
Total EMWW, LLC										
FBA Distributors LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110,000.00	110,000.00
Stripe Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	25,152.78
Bank of America *5349	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	135,152.78
Total FBA Distributors LLC										
FBA Stores LLC dba AWS	0.00	0.00	2,624,942.69	0.00	0.00	0.00	0.00	2,624,942.69	0.00	2,624,942.69
Evo Payments *4353	0.00	0.00	0.00	0.00	(915,862.00)	0.00	0.00	1,685,244.85	0.00	1,685,244.85
Synovus Bank/Qualpay	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.02	0.00	31.02
Bank of America *2607	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112.00	0.00	59,265.00
Bank of America *3425	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	285,667.54
Bank of America *6155	0.00	0.00	0.00	0.00	0.00	0.00	0.00	532,316.53	0.00	532,316.53
EMS *40179	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,906.19	0.00	3,906.19
Paypal *13735	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,846,653.28	0.00	5,191,373.82
Total FBA Stores LLC dba AWS										
Finn Rich Wireless LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,535.51	0.00	1,535.51
Bank of America *2342	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,645.76	0.00	60,645.76
Rockland Trust Bank *6468	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,181.27	0.00	62,181.27
Total Finn Rich Wireless LLC										
Global Marketing Services LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,305,422.77	0.00	1,305,422.77
Bank of America *5758	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,305,422.77	0.00	1,305,422.77
Total Global Marketing Services LLC										

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	5/1/18~ 8/31/19	Estimate to Close	TOTAL
Info Pros LLC dba Online Seller										
Global Payments, Inc. *3060	0.00	0.00	0.00	363,000.00	0.00	0.00	0.00	363,000.00	0.00	363,000.00
Bank of America *1812	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,660.77	0.00	53,574.58
Bank of America *6059	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	495.00
JP Morgan Chase *93922	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	11,025.00
Paypal *34079	0.00	0.00	0.00	0.00	0.00	0.00	0.00	231,861.08	0.00	231,861.08
Washington Federal Bank *59156	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,048.52	0.00	2,048.52
Total Info Pros LLC dba Online Seller	0.00	0.00	0.00	363,000.00	0.00	0.00	0.00	615,770.37	0.00	662,004.18
Info Solutions LLC										
Paypal *40073	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82.00	0.00	82.00
Info Solutions LLC - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,139.06	0.00	10,139.06
Total Info Solutions LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,221.06	0.00	10,221.06
Online Auction Learning Inc.										
EMS Event Acct *70908	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44,658.55	0.00	44,658.55
EVO Payments Int'l *7280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,040.65	0.00	25,040.65
EVO Payment Int'l *7498	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,653.20	0.00	40,653.20
Paypal *81083	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,563.69	0.00	8,563.69
Paypal *88564	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225,943.81	0.00	225,943.81
Rockland Trust Bank *1323	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200,814.11
Rockland Trust Bank *2412	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,887.63
Total Online Auction Learning Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	344,859.90	0.00	549,561.64
Plaza Townhomes LLC										
JP Morgan Chase *3929	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,563.89	0.00	83,563.89
Total Plaza Townhomes LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,563.89	0.00	83,563.89
Surf Cellular Express LLC										
Rockland Trust Bank *7031	0.00	0.00	0.00	0.00	0.00	0.00	0.00	787.11	0.00	787.11
Total Surf Cellular Express LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	787.11	0.00	787.11
Ymerica Inc										
Bank of America *5607	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,123.58	0.00	5,123.58
Total Ymerica Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,123.58	0.00	5,123.58
Total Corporate Funds Collected	0.00	0.00	2,624,942.69	363,000.00	(915,862.00)	0.00	0.00	7,274,978.23	110,000.00	8,030,054.66

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	5/1/18~ 8/31/19	Estimate to Close	TOTAL
Other Collections										
Interest Income	1,001.85	1,037.85	1,433.09	1,732.85	1,480.42	1,648.24	1,498.76	15,640.25	1,549.02	17,189.27
Payroll Tax Refunds	0.00	0.00	0.00	123,646.85	0.00	0.00	0.00	123,646.85	0.00	123,646.85
Sale of Inventory & Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,941.89	0.00	20,941.89
Vendor Refunds	0.00	0.00	0.00	0.00	0.00	4.22	0.00	1,588.16	0.00	1,588.16
Total Other Collections	<u>1,001.85</u>	<u>1,037.85</u>	<u>1,433.09</u>	<u>125,379.70</u>	<u>1,480.42</u>	<u>1,652.46</u>	<u>1,498.76</u>	<u>161,817.15</u>	<u>1,549.02</u>	<u>163,366.17</u>
Total Funds Collected	1,001.85	1,037.85	2,626,375.78	488,379.70	(914,381.58)	1,652.46	1,498.76	7,436,795.38	111,549.02	8,193,420.83
Expenses										
Business Expenses										
Alarm & Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136.42	0.00	136.42
Bank of America Settlement	0.00	0.00	0.00	0.00	250,000.00	0.00	0.00	250,000.00	0.00	250,000.00
Death & Disability Policy Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(339.50)	0.00	2,162.40
Dental Insurance Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,852.73
Document Reproduction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.54	0.00	359.46
Electricity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,397.46	0.00	3,503.41
Health Insurance Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,744.39	0.00	33,481.08
MA Office Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,572.00	0.00	35,572.00
Moving and Vacating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	391.03	0.00	391.03
Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	707.53	0.00	707.53
Payroll Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,992.97	0.00	36,720.88
Payroll Processing Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,720.22	0.00	10,013.24
Payroll Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,094.96	0.00	14,364.12
Programming/Development Svcs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,100.00	0.00	6,100.00
Telephone & Internet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,953.73	0.00	4,953.73
UT Office Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,594.63
Worker Compensation Premiums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,007.78	0.00	2,166.67
Total Business Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>348,509.53</u>	<u>0.00</u>	<u>413,079.33</u>
Receiver Fees & Costs										
Receiver Fees										
B. Kane	0.00	376.20	136.80	615.60	171.00	68.40	136.80	9,507.60	3,078.00	53,762.40
S. Krishnan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,028.80
K. Johnson	0.00	0.00	0.00	0.00	0.00	0.00	0.00	273.60	0.00	8,413.20
V. Miller	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,224.40	0.00	20,691.00

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 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	5/1/18~ 8/31/19	Estimate to Close	TOTAL
A. Jen	68.40	171.00	68.40	205.20	136.80	34.20	136.80	16,450.20	6,156.00	51,094.80
Total Receiver	68.40	547.20	205.20	820.80	307.80	102.60	273.60	32,455.80	9,234.00	142,990.20
Accounting & Senior Staff										
W. Russell	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,250.00
F. Jen	0.00	211.05	60.30	90.45	90.45	60.30	271.35	3,075.30	904.50	37,446.30
T. Chung	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,497.40	0.00	63,918.00
C. Callahan	270.00	0.00	202.50	180.00	45.00	180.00	67.50	6,210.00	3,375.00	20,250.00
E. Roop	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,942.00
C. DeCius	376.65	546.75	473.85	461.70	206.55	97.20	765.45	12,648.15	2,430.00	22,611.15
J. Daddin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	275.40	0.00	2,656.80
B. Owings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,395.00
J. Tyson	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,550.00	0.00	17,580.00
S. Nasman	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,440.00
Total Accounting & Senior Staff	646.65	757.80	736.65	732.15	342.00	337.50	1,104.30	37,256.25	6,709.50	173,489.25
Support Staff	36.00	24.00	0.00	45.00	0.00	12.00	6.00	1,401.00	300.00	3,243.00
Total Receiver Fees	751.05	1,329.00	941.85	1,597.95	649.80	452.10	1,383.90	71,113.05	16,243.50	319,722.45
Receiver Costs										
Tax Return Preparation	0.00	0.00	0.00	0.00	0.00	0.00	6,840.50	6,840.50	7,000.00	13,840.50
401K wind up Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,000.00	17,000.00
Bank Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Data Recovery Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,550.00
Email Hosting Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	50.00
Investigative Search Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208.50	0.00	838.39
Locksmith Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	660.42
Moving Supply Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.54	0.00	57.54
Postage & Delivery	42.71	17.16	42.71	0.00	54.10	3.88	7.10	5,160.52	150.00	5,520.78
Receiver's Bond Premium	200.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	0.00	400.00
Records Storage	350.00	350.00	350.00	350.00	350.00	350.00	370.00	5,865.00	1,850.00	7,715.00
Records Destruction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	893.60	893.60
Travel Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,556.98	0.00	13,142.50
Website Support	0.00	0.00	26.62	0.00	0.00	0.00	0.00	372.63	177.44	1,308.63
Total Receiver Costs	592.71	367.16	419.33	350.00	404.10	353.88	7,217.60	20,311.67	27,071.04	63,977.36
Legal Fees & Costs										

**Robb Evans & Associates LLC, Receiver of AWS, LLC et al.
 Receivership Administrative Expenses and Fund Balance
 From Inception (March 14, 2018) to August 31, 2019 and Estimate to Close**

	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	5/1/18~ 8/31/19	Estimate to Close	TOTAL
Barnes & Thornburg LLP										
Legal Fees	1,042.30	2,631.20	3,878.20	4,011.02	3,122.80	1,298.40	6,488.40	114,372.97	28,000.00	200,473.37
Legal Costs	12.34	0.00	0.00	24.90	21.20	0.00	16.95	3,215.28	2,000.00	5,536.24
Total Barnes & Thornburg LLP	1,054.64	2,631.20	3,878.20	4,035.92	3,144.00	1,298.40	6,505.35	117,588.25	30,000.00	206,009.61
Diamond McCarthy LLP										
Legal Fees	0.00	0.00	535.50	4,980.15	1,726.05	160.65	0.00	22,448.10	0.00	22,448.10
Legal Costs	0.00	0.00	0.00	66.18	0.50	0.00	0.00	81.72	0.00	81.72
Total Diamond McCarthy LLP	0.00	0.00	535.50	5,046.33	1,726.55	160.65	0.00	22,529.82	0.00	22,529.82
Lynch Law Practice PLLP										
Legal Fees	0.00	683.10	434.70	0.00	62.10	93.15	0.00	20,275.65	3,062.10	27,063.75
Legal Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	527.60	0.00	1,339.67
Total Lynch Law Practice PLLP	0.00	683.10	434.70	0.00	62.10	93.15	0.00	20,803.25	3,062.10	28,403.42
Total Legal Fees & Costs	1,054.64	3,314.30	4,848.40	9,082.25	4,932.65	1,552.20	6,505.35	160,921.32	33,062.10	256,942.85
Total Receiver Fees & Costs	2,398.40	5,010.46	6,209.58	11,030.20	5,986.55	2,358.18	15,106.85	252,346.04	76,376.64	640,642.66
Total Expenses	2,398.40	5,010.46	6,209.58	11,030.20	255,986.55	2,358.18	15,106.85	600,855.57	76,376.64	1,053,721.99
Net Transactions	(1,396.55)	(3,972.61)	2,620,166.20	477,349.50	(1,170,368.13)	(705.72)	(13,608.09)	6,835,939.81	35,172.38	7,139,698.84
Fund Balance										
										<u>7,139,698.84</u>

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15 Attorneys for Temporary Receiver
16 **ROBB EVANS & ASSOCIATES LLC**

17 UNITED STATES DISTRICT COURT
18 DISTRICT OF NEVADA

19 FEDERAL TRADE COMMISSION,
20
21 Plaintiff,

22 v.

23 AWS, LLC, et al.,
24
25 Defendants.

Case No. 2:18-cv-00442-JCM-BNW

**DECLARATION OF GARY OWEN CARIS
IN SUPPORT OF MOTION FOR ORDER
APPROVING FINAL REPORT AND
ACCOUNTING; FINAL REQUEST FOR
APPROVAL AND PAYMENT OF
RECEIVER’S AND PROFESSIONALS’
FEES AND EXPENSES FROM MAY 1, 2018
THROUGH CLOSING; FOR DISCHARGE
AND EXONERATION OF BOND AND
RELATED RELIEF; AND GRANTING
RELIEF FROM LOCAL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS**

26 I, Gary Owen Caris, declare:

27 1. I am an attorney at law duly licensed to practice before all courts of the State of
28 California and the United States District Court for the Central District of California and I am a
partner in the firm of Barnes & Thornburg LLP (“Barnes & Thornburg”). I have been admitted to
appear *pro hac vice* in this action. Since the inception of the receivership estate, I have been the

1 attorney primarily responsible for representing the Receiver, Robb Evans & Associates LLC
2 (“Receiver”), in this matter and I am its lead counsel. I have personal knowledge of the matters
3 set forth in this declaration, and if I were called upon to testify as to these matters I could and
4 would competently testify thereto.

5 2. Attached collectively hereto as Exhibit 1 are copies of the billing records for the
6 attorneys and paralegals at Barnes & Thornburg who performed work on this matter during the
7 sixteen-month period from May 1, 2018 through August 31, 2019. During this period, the
8 Receiver has incurred attorneys’ fees to Barnes & Thornburg of \$114,372.97 and costs of
9 \$3,215.28. Attached collectively hereto as Exhibit 2 are copies of the billing records for local
10 counsel Lynch Law Practice, PLLC (“Lynch”) on this matter during the period from May 1, 2018
11 through August 31, 2019. During this period, the Receiver has incurred attorneys’ fees to Lynch
12 of \$20,275.65 and costs of \$527.60. Attached collectively hereto as Exhibit 3 are copies of the
13 billing records for the Receiver’s special litigation counsel Diamond McCarthy LLP (“Diamond”)
14 which was brought in to handle the dispute with Bank of America in light of my firm’s conflict.
15 During the period from September 1, 2018 through July 31, 2019, the Receiver has incurred
16 attorneys’ fees to Diamond of \$22,448.10 and costs of \$81.72. All of the billing records itemize
17 and detail the hours spent and the work performed by those attorneys and paralegals rendering
18 services on this matter. The time records attached hereto as Exhibit 1, as well as the time records
19 for the Receiver, its members and staff, have been redacted by me where appropriate to preserve
20 descriptions containing confidential, sensitive, tactical, strategic, attorney-client privileged and/or
21 work-product information. Members of Lynch and Diamond redacted the time records attached
22 hereto as Exhibits 2 and 3, respectively, for the same purposes.

23 3. For the period from September 1, 2019 through, closing I estimate that the
24 Receiver will incur fees of \$28,000.00 to Barnes & Thornburg, primarily for preparing the
25 pleadings comprising the final wind up motion and any appearance on the motion, along with
26 services in winding up the 401(k) plan in the name of Online Auction, and finalizing settlement
27 with one credit card merchant processor. I estimate costs of \$2,000.00 during this period,
28 primarily consisting of the costs incurred in mailing notice of filing of the motion to creditors of

1 the receivership estate.

2 4. Barnes & Thornburg performed a variety of services during the Final Expense
3 Period, as more particularly set forth in the detailed billing records, Exhibit 1 hereto, and the Final
4 Report which is made a part of the Memorandum of Points and Authorities in support of the wind
5 up Motion. The principal work performed by Barnes & Thornburg was to assist the Receiver in
6 implementing the terms of the Stipulated Judgments. (The terms “Final Expense Period” and
7 “Stipulated Judgments,” as well as other capitalized terms set forth in this Declaration, have the
8 meanings ascribed to them in the Motion which this Declaration supports.)

9 5. Barnes & Thornburg finalized a Court-approved stipulation to vacate the
10 Receivership Entities’ leased real property in Weymouth, Massachusetts, Logandale, Nevada and
11 Lindon, Utah, and to reject real property leases for these locations and two other locations, in Las
12 Vegas and Upland, California. Barnes & Thornburg communicated with landlords and their
13 counsel in connection with the vacating of these various properties and rejection of the lease
14 agreements.

15 6. I engaged in extensive discussions and negotiations with credit card merchant
16 processors and credit card merchant processing banks which had processed credit card
17 transactions for the various Receivership Entities regarding funds held in reserve accounts. The
18 accounts are typically used by credit card processors to cover credit card chargebacks by
19 consumers. Many of these processors contended that they owned the reserve account funds
20 which were to be turned over under the Stipulated Judgments or else held perfected security
21 interests in the funds which were superior to the interests of the Receiver, in addition to raising a
22 variety of other legal challenges to the Receiver’s position. The FTC and Receiver disputed the
23 positions taken by the merchant processors and processing banks, in part based on the theory that
24 the funds were fraudulently taken from consumers and should be held in constructive trust by the
25 merchant processors and the processing banks for the consumers’ benefit. I discussed legal
26 theories and litigation and settlement strategies with counsel for the FTC in preparation for
27 discussions with the various merchant processors and merchant processing banks that contested
28 the Receiver’s control over the various reserve account funds subject to the Stipulated Judgments.

1 My firm extensively analyzed relevant case law and statutory law to develop arguments to
2 counter the claims of merchant processors. Often in conjunction with the FTC, I participated in
3 extended negotiations and settlement discussions with at least four merchant processors. With the
4 substantial assistance of the FTC, the Receiver was able to resolve all disputes with merchant
5 processors and merchant processing banks without the need for litigation. I prepared or revised
6 three settlement agreements and one letter agreement with various merchant processors. All
7 disputes with the Receivership Entities' principal credit card merchant processors and merchant
8 processing banks were resolved whereby at least 50% of the funds in dispute were turned over to
9 the Receiver and retained by the Receiver for the benefit of the receivership estate. Over \$5.5
10 million was collected from the principal credit card merchant processors during the Final Expense
11 Period without the need for any discovery or litigation to be instituted.

12 7. Bank of America turned over approximately \$1.3 million from an account in the
13 name of Global Marketing in May 2018 in addition to turning over funds in excess of \$430,000
14 from several other accounts in the name of other Receivership Entities at the outset of the
15 receivership. However, the Bank asserted claims in excess of \$1.5 million against the
16 receivership estate, including claims based on an alleged security interest in the funds in the
17 accounts which it turned over to the estate based on the TRO and Stipulated TRO. The Bank
18 brought a complaint in intervention seeking the return of these funds. Because of a conflict,
19 Barnes & Thornburg could not handle the dispute with the Bank. The Receiver retained Diamond
20 to handle the dispute with the Bank, with the assistance of the Lynch firm. Without the need for
21 extensive litigation, the dispute was resolved with the Bank pursuant to which the Receiver
22 returned and allowed the Bank to retain \$250,000 in full satisfaction of its claims. This enabled
23 the Receiver to retain the vast majority of funds turned over to the Receiver by the Bank, in
24 excess of \$1,485,000.

25 8. Prior to the inception of the FTC Action and this receivership, the State of
26 Washington ("Washington") brought a lawsuit against C. Bowser, A. Bowser, AWS, FBA
27 Distributors and FBA Stores. Washington pursued the litigation aggressively, which required the
28 Receiver and my firm to spend time addressing the litigation and making certain that

1 Washington's litigation did not adversely affect the receivership estate or consumers at large.
2 The Receiver and Barnes & Thornburg addressed a broad document production request from
3 Washington, which required numerous communications with counsel for Washington, as well as
4 counsel for the FTC. I negotiated the terms of a stipulated judgment with Washington in
5 November 2018 on behalf of the three defendants which were Receivership Entities that only
6 provided for injunctive relief and which did not, in any way, adversely affect the receivership
7 estate. The judgment essentially tracked the injunctive relief which had already been entered in
8 the FTC Action under the Stipulated Judgments. This obviated the need for the Receiver to spend
9 further time and incur further expense in responding to Washington's discovery requests or
10 otherwise addressing the litigation.

11 9. In addition to the Receiver's counsel's services described above, Barnes &
12 Thornburg performed a variety of tasks during the Final Expense Period. At the FTC's request, it
13 addressed settlement issues relevant to the Adams Consulting Judgment. This included
14 communications with the FTC over the terms of the Adams Consulting Judgment. Barnes &
15 Thornburg also communicated regularly with the FTC concerning the credit card payment
16 processor disputes and negotiations described above. It also discussed attorney-client privilege
17 issues with the FTC. Barnes & Thornburg also had extensive communications with several
18 attorneys, including pre-receivership counsel for the Receivership Entities who held pre-
19 receivership trust accounts; lawyers involved in pre-receivership litigation on behalf of and
20 against the Receivership Entities, including counsel for Amazon; and counsel for a personal
21 property lessor. Barnes & Thornburg also prepared the successful fee motion which approved the
22 payment of fees and costs incurred during the initial expense period from the inception of the
23 receivership estate through April 30, 2018. Lynch continued to assist my firm throughout this
24 period as local counsel, assisting with all of our Court filings and ensuring that the filings were in
25 accordance with local practice and procedure. Lynch also assisted Diamond in addressing the
26 Bank of America dispute.

27 10. Barnes & Thornburg will be continuing to take steps to wind up the 401(k)
28 account in the name of Online Auction, with the assistance of the Receiver. This includes

1 preparing and filing Forms 5500 for several years that had not been previously filed pre-
2 receivership, applying for relief from penalties as a result of the late filing of these Forms 5500,
3 overseeing the completion of distributions to plan participants and preparing and filing a final
4 Form 5500 for 2019.

5 11. As a partner at Barnes & Thornburg, I am familiar with the methods and
6 procedures used to create, record and maintain billing records for the clients of the firm. The
7 billing summaries attached hereto as Exhibit 1 are prepared from computerized time records
8 prepared contemporaneously with the services rendered by each attorney and paralegal billing
9 time to the matter. These computerized records are prepared in the ordinary course of business by
10 the attorneys and paralegals employed by the firm who have a business duty to accurately record
11 their time spent and services rendered on the matters on which they perform work. The time
12 records are transferred into computerized billing programs that generate monthly invoices under
13 the supervision of the accounting department of the firm. Based upon my experience with Barnes
14 & Thornburg, I believe the methods and procedures for recording and accounting for time and
15 services for the clients of Barnes & Thornburg are reliable and accurate. As a former partner of
16 the Diamond firm, I know that the Diamond firm uses similar methods and procedures for
17 recording and accounting for time and its bills are reliable and accurate. Michael Lynch is a sole
18 practitioner with the Lynch firm. He advises me that he bills and records time
19 contemporaneously, which is then placed into a computerized time program and that his billings
20 are reliable and accurate.

21 12. The fees charged by Barnes & Thornburg, Lynch and Diamond on this matter
22 reflect a 10% discount off of the standard hourly billing rates charged by the firms in 2018 for
23 lawyers and paralegals who worked on this matter.

24 13. I have more than 39 years' experience as a business and commercial litigator and
25 also have extensive experience as a bankruptcy attorney representing creditors in Chapter 11 and
26 Chapter 7 bankruptcy cases. For more than eighteen years, I have also specialized in representing
27 receivers in federal equity receiverships. I believe the rates and the amounts incurred by the
28 Receiver to its counsel for the services rendered during the period covered by the motion are

1 reasonable and appropriate based on the nature of the services rendered, the quality and amount
2 of services provided, the complexity of the issues involved, the results obtained, and other factors
3 under the circumstances.

4 I declare under penalty of perjury that the foregoing is true and correct and that this
5 declaration was executed on October 29, 2019 at Los Angeles, California.

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8 GARY OWEN CARIS

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