

1 Michael F. Lynch, Esq.
2 Nevada Bar No. 8555
3 LYNCH LAW PRACTICE, PLLC
4 3613 S. Eastern Ave.
5 Las Vegas, Nevada 89169
6 702.684.6000
7 702.543.3279 (fax)
8 Michael@LynchLawPractice.com

9 *Attorney for the Receiver,*
10 *Robb Evans & Associates LLC*

11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 EDWIN YOSHIHIRO FUJINAGA and
18 MRI INTERNATIONAL, INC.,

19 Defendants,

20 and

21 CSA SERVICE CENTER, LLC
22 THE FACTORING COMPANY,
23 JUNE FUJINAGA, and
24 THE YUNJU TRUST,

25 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**NOTICE OF MOTION AND MOTION
FOR ORDER**

**(1) APPROVING AND
AUTHORIZING PAYMENT OF
RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FROM JULY 1, 2018
THROUGH DECEMBER 31, 2018;
AND**

**(2) GRANTING RELIEF FROM
LOCAL CIVIL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS**

26 **PLEASE TAKE NOTICE** that Robb Evans & Associates LLC (the
27 “Receiver”), pursuant to the Court’s Order Appointing a Full Equity Receiver to
28 Assume Control Over the Defendants’ Assets and Enforce the Final Judgment
(ECF No. 226) entered on May 15, 2015, hereby moves the Court for the following
relief:

1. An order approving and authorizing payment of receivership fees and
expenses incurred for the six-month period from July 1, 2018 through December

1 31, 2018 (the "Reporting Period"), including payment of the fees of the Receiver,
2 its deputies, agents, staff and professionals, and reimbursement of costs incurred
3 during the six (6) month Reporting Period,¹ in the total sum of \$97,056.35:²

4 a. The Receiver's fees, including those of its deputies, agents and
5 staff, in the amount of \$18,659.25,³ its expenses in the amount of
6 \$18,185.52, and business entity expenses in the amount of
7 \$11,911.40;

8 b. Expenses relating to the estate's real property in the amount of
9 \$37,048.71;

10 c. Lynch Law Practice, PLLC's fees in the amount of \$10,960.65
11 and its expenses in the amount of \$290.82;

12 2. An order deeming the foregoing notice of this Motion to be sufficient
13 under Local Civil Rule 66-5 based on the service of this Motion on all known non-
14 consumer creditors of the estate, but not the tens of thousands of potential
15 consumer creditors of the estate.

16 This Motion is made pursuant to Local Civil Rules 7-2 and 66-5, the
17 accompanying memorandum of points and authorities, the Notice of Filing
18 Amended Report of Receiver's Activities for the Reporting Period and its
19 attachment, on file herein at ECF No. 522; the Declarations of Brick Kane and
20 Michael Lynch filed contemporaneously herewith, and all attachments thereto, the
21 facts of this case, and all other pleadings and/or documentary evidence as may be
22 presented to the Court by the Receiver.

23
24 _____
25 ¹ The Court entered an order granting the Receiver's request for an order authorizing it to file bi-
26 annual reports and fee applications instead of quarterly reports and fee applications (ECF No.
27 495).

28 ² This sum is the amended (lowered) sum set forth in the Receiver's Notice of Amended
Receiver's Report. (ECF No. 522).

³ The amount of the Receiver's fees reflects the amended (lowered) amount set forth in the
Receiver's Notice of Amended Receiver's Report. (ECF No. 522).

MEMORANDUM OF POINTS AND AUTHORITIES

I. Introduction.

The Receiver was appointed in the above-captioned case by that certain Order Appointing an Equitable Receiver entered on February 23, 2015 (ECF No. 194), which order was superseded by that certain Order Appointing a Full Equitable Receiver to Assume Control over the Defendants’ Assets and Enforce the Final Judgment (the “Order Appointing Receiver”) (ECF No. 226).

The Receiver’s first interim application for fees was filed on July 16, 2015, which covered the period of February 23, 2015, through March 31, 2015, and was approved by order of this Court entered on August 10, 2015. (ECF Nos. 244, 258). The Receiver’s second interim application for fees and costs, which covered the period of April 1, 2015 through September 30, 2015, was approved by order of this Court entered on December 24, 2015 (ECF Nos. 284, 294). The Receiver’s third interim application for fees and costs, which covers the period October 1, 2015 through December 31, 2015, was approved by order of this Court on April 1, 2016 (ECF Nos. 313, 319). The Receiver’s fourth motion for approval of fees and costs, which covered the period of January 1, 2016 through March 31, 2016, was approved by order of this Court entered on June 22, 2016 (ECF Nos. 337, 344). The Receiver’s fifth motion for approval of fees and costs, which covered the period of April 1, 2016 through June 30, 2016, was approved by order of this Court entered on September 23, 2016 (ECF Nos. 352, 360). The Receiver’s sixth motion for approval of fees and costs, which covered the period of July 1, 2016 through September 30, 2016, was approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385). The Receiver’s seventh motion for approval of fees and costs, which covered the period of October 1, 2016 through December 31, 2016, was approved by order of this Court entered on May 15, 2017 (ECF Nos. 415, 421). The Receiver’s eighth motion for approval of fees and costs, which covered the period January 1, 2017 through March 31, 2017, was approved by order of this

1 Court entered on June 9, 2017 (ECF Nos. 423, 429). The Receiver's ninth motion
2 for approval of fees and costs, which covered the period April 1, 2017 through
3 June 30, 2017, was approved by order of this Court entered on September 5, 2017
4 (ECF Nos. 441, 448). The Receiver's tenth motion for approval of fees and costs,
5 which covered the period July 1, 2017 through September 30, 2017, was approved
6 by order of this Court entered on February 23, 2018 (ECF Nos. 461, 481). The
7 Receiver's eleventh application for fees and costs, which covered the period from
8 October 1, 2017 through December 31, 2017, was approved by order of this Court
9 entered on May 3, 2018 (ECF Nos. 483, 495). The Receiver's twelfth interim
10 application for approval of fees and costs and covers the period from January 1,
11 2018 through June 30, 2018. (ECF Nos. 501, 507).

12 This is the Receiver's thirteenth interim application for approval of fees and
13 costs and covers the entirety of the Reporting Period, the second half of 2018.

14 **II. Summary of Operations During the Reporting Period.**

15 The Receiver's activities during the Reporting Period are described in the
16 Receiver's Amended Report on file herein (ECF No. 522) (the "Receiver's
17 Report").

18 **III. Ongoing Administrative and Other Activities by the Receiver and its** 19 **Counsel.**

20 In addition to the activities summarized in the Receiver's Report, the
21 Receiver's deputies and staff respond to and cooperate with law enforcement
22 inquiries and activities as required. The Receiver's deputies and staff respond to
23 inquiries from creditors, prepare and reconcile the Receiver's accounting records
24 for the case, address tax issues concerning the estate, deal with banks and other
25 financial institutions which may have receivership funds or documentation for
26 accounts of Receivership Defendants and perform other similar administrative
27 tasks.

28

1 The Receiver's counsel prosecutes and defends various lien claims and
2 reviews and monitors Court filings in federal and state cases as they may pertain to
3 the interests of the estate, responds to inquiries received from creditors and others,
4 including taxing authorities, issues demand letters to protect and investigate assets
5 of the estate, files notices of pending actions to protect real estate assets if deemed
6 appropriate, and also performs numerous other tasks in advising the Receiver and
7 rendering services as the Receiver's counsel to protect the estate, pursue claim
8 enforcement, and advance the interests of the estate.

9 Numerous and varied issues arise in the supervision and administration of
10 the estate by the Receiver which are detailed in the billing records of the Receiver
11 and its counsel attached to the Declarations of Brick Kane and Michael Lynch filed
12 in support of this Motion. The Receiver performs regular accounting and bank
13 reconciliations for the receivership accounts and maintains and updates creditor
14 lists for the case and responds to the inquiries of known or putative creditors and
15 other parties.

16 **IV. The Fees and Expenses of the Receiver and Its Professionals Should Be**
17 **Approved.**

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

23 The obligations and expenses which the court creates in
24 its administration of the property are necessarily burdens
25 on the property taken possession of, and this, irrespective
26 of the question who may be the ultimate owner, or who
27 may have the preferred lien, or who may invoke the
28 receivership. The appointing court pledges its good faith
that all duly authorized obligations incurred during the
receivership shall be paid.

1 2 Clark, Ralph Ewing, A Treatise on the Law and Practice of Receivers § 637, p.
2 1052 (3rd ed. 1992) (internal citations omitted).

3 The Motion, and the declarations and the exhibits thereto submitted in
4 support hereof, establish that the Receiver, its deputies, staff and counsel rendered
5 extensive and complex services and obtained significant and beneficial results for
6 the receivership estate during the Reporting Period. *See Federal Trade*
7 *Commission v. Capital Acquisitions & Management Corp.*, 2005 U.S. Dist. LEXIS
8 18504 (N.D. Ill. August 26, 2005). The activities in the receivership by both the
9 Receiver and its counsel are wide-ranging and varied.

10 The Receiver is working towards wrapping up this receivership, which is a
11 substantial task given the Receiver is in control of and has obtained information
12 regarding scores of entities in numerous locations, protected and preserved records,
13 taken control of and liquidated assets, and obtained voluminous banking, financial
14 and business records from many various sources, as set forth in more detail in the
15 Receiver's Report. The billing rates charged in this case and reflected in the billing
16 records filed in support of this Motion, including the Receiver, the Receiver's
17 members, and its senior accounting staff, are discounted at 10% from the rates
18 charged in private sector cases as of the time of the Receiver's appointment.

19 The rates charged by counsel are also discounted by 10% from standard
20 hourly billing rates in place at the time of counsel's appointment. The Receiver
21 submits that its fees and costs, and those of its counsel, are reasonable considering
22 the services rendered and the results obtained and that the fees and expenses
23 requested should be awarded in their entirety.

24 **V. Notice of This Motion Is Sufficient Under the Circumstances and**
25 **Should Be Approved.**

26
27 Local Civil Rule 66-5 provides for service of notice of a hearing on various
28 motions by a receiver concerning the administration of the estate. That rule

1 provides for service of the notice of hearing on such motions on all creditors of the
2 receivership estate. No hearing has been set on this Motion and the provisions of
3 Local Civil Rule 66-5 do not specifically apply. Nevertheless, the Receiver will
4 serve the Motion on the parties, the affected lienholders, and on all known non-
5 consumer creditors of the estate and on known taxing authorities with a potential
6 claim in the receivership estate (“Notice Parties”), to provide them notice and an
7 opportunity to be heard concerning the Motion. As described more precisely
8 below, this notice is consistent with notices previously approved by the Court in
9 this case.

10 In this case, there are believed to be many potential consumer creditors who
11 may have claims against the receivership defendants arising out of the business
12 operations of the receivership defendants prior to the Receiver’s appointment,
13 although the precise number, identity and location of such consumer creditors have
14 not been determined by the Receiver. The Receiver has had discussions for counsel
15 representing many of the foreign investors and has been advised that the number of
16 consumer creditors is likely in the thousands. It is not realistically possible or
17 beneficial to the estate and its creditors for the Receiver to attempt to identify and
18 serve the potential consumer creditors with notice of this and other similar
19 administrative motions, and the expense and burden on the estate of attempting to
20 effectuate such service would drain the estate’s resources and cause undue
21 administrative expense.

22 Based on the foregoing, to the extent that Local Civil Rule 66-5 applies to
23 this motion, the Receiver seeks an order providing that the notice requirement of
24 that rule shall be deemed satisfied if notice of the filing of the motion is given by
25 serving copies of all motion papers on the parties to the action and by serving
26 copies on all known non-consumer creditors. The Receiver submits that such
27 service provides sufficient notice and an opportunity for hearing to the interested
28 parties and should be approved as adequate. This limited notice is consistent with

1 the notice approved by the court concerning prior fee motions. (*See e.g.*, ECF Nos.
2 421, 429, 448, 481, 495, 507).

3 There is ample authority for approval of the scope and method of notice as
4 set forth above. This Court, as a court of equity supervising the receivership estate,
5 may make appropriate administrative orders governing the receivership, including
6 limitations on and changes in notice and other procedures. *See* Fed. R. Civ. Proc.
7 5(a) and (c) (authorizing the court to modify service procedures when numerous
8 defendants are involved in litigation).

9 **VI. Conclusion.**

10 For the foregoing reasons, it is respectfully requested that the Court grant
11 relief as requested in the Motion in its entirety.

12 Dated May 9, 2019.

13 **LYNCH LAW PRACTICE, PLLC**

14 /s/ Michael F. Lynch

15 Nevada Bar No. 8555

16 3613 S. Eastern Ave.

17 Las Vegas, Nevada 89169

18 702.684.6000

19 702.543.3279 (fax)

20 Michael@LynchLawPractice.com

21 *Attorney for the Receiver,*

22 *Robb Evans & Associates LLC*

23
24
25
26
27
28

1 Michael F. Lynch, Esq.
Nevada Bar No. 8555
2 **LYNCH LAW PRACTICE, PLLC**
3613 S. Eastern Ave.
3 Las Vegas, Nevada 89169
702.684.6000
4 702.543.3279 (fax)
Michael@lynchlawpractice.com

5 *Attorney for the Receiver*
6 *Robb Evans & Associates LLC*

7
8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 vs.

13 EDWIN YOSHIHIRO FUJINAGA and
MRI INTERNATIONAL, INC.,

14 Defendants,

15 and

16 CSA SERVICE CENTER, LLC
THE FACTORING COMPANY,
17 JUNE FUJINAGA, and
18 THE YUNJU TRUST,

19 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**DECLARATION OF BRICK KANE IN
SUPPORT OF MOTION FOR ORDER**

**(1) APPROVING AND AUTHORIZING
PAYMENT OF RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FROM JULY 1, 2018
THROUGH DECEMBER 31, 2018;
AND**

**(2) GRANTING RELIEF FROM LOCAL
CIVIL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

20 I, Brick Kane, declare:

21 1. I am the president and chief operating officer of Robb Evans & Associates LLC,
22 the court-appointed equitable receiver (the "Receiver") in the above-entitled case. I am one of
23 the members of the Receiver primarily responsible for the supervision and administration of the
24 Receivership estate. If called upon to testify as to the facts set forth in this declaration, I could
25 and would testify competently thereto as the facts are personally known to me to be true or I
26 have gained knowledge of the facts through my supervision and administration of the
27 Receivership estate.

28 2. On January 27, 2015, the Clerk of Court entered judgment against Defendants

1 (ECF No. 189) (the “Judgment”) pursuant to the Court’s order granting summary judgment in
2 favor of plaintiff Securities and Exchange Commission (the “SEC”).

3 3. On February 23, 2015, the Court issued its Order Appointing an Equitable
4 Receiver (ECF No. 194) pursuant to which the Receiver was appointed as receiver for various
5 commercial properties and their rents and profits as more fully set forth therein.

6 4. On February 25, 2015, the Court issued its Rule 54(b) Certification (ECF No.
7 195) pursuant to which the judgment was made final as to the Defendants.¹

8 5. The Receiver’s duties and responsibilities were enlarged by that certain Order
9 Appointing a Full Equitable Receiver to Assume Control over the Defendants’ Assets and
10 Enforce the Final Judgment entered on May 15, 2015 (the “Order Appointing Receiver”) (ECF
11 No. 226). The Order Appointing Receiver supersedes the previous order, and without limitation,
12 directs Receiver to take and retain immediate possession, custody, and control of all assets
13 owned or controlled, directly or indirectly, by any of the Defendants in the SEC Receivership
14 Litigation. *Id.*

15 6. On July 16, 2015, the Receiver filed its first motion for approval and payment of
16 Receiver’s fees and expenses, which was approved by order of this Court entered on August 10,
17 2015 (ECF Nos. 244, 258).

18 7. On November 30, 2015, the Receiver filed its second motion for approval and
19 payment of Receiver’s fees and expenses, which was approved by order of this Court entered on
20 December 24, 2015 (ECF Nos. 284, 294).

21 8. On March 14, 2016, the Receiver filed its third motion for approval of fees and
22 costs, which covered the period of October 1, 2015 through December 31, 2015, which was
23 approved by order of this Court entered on April 1, 2016 (ECF Nos. 313, 319).

24
25 ¹ Subsequently, the Court entered Amended Final Judgment Against Relief Defendants June
26 Fujinaga and the Yunju Trust on March 14, 2016 (ECF No. 317) (the “Final Judgment”), which
27 provides: “This Final Judgment, and the assets and funds of June Fujinaga and The Yunju Trust
28 up to the amount of the Final Judgment [of \$2,333,382.18], are included in the Receivership
Estate established by the Court’s May 20, 2015 Order Appointing a Full Equitable Receiver
(ECF No. 226), and all of the provisions of that Order are incorporated by reference and
applicable herein.” ECF No. 317 at §§ A, F.

1 9. On May 31, 2016, the Receiver filed its fourth motion for approval of fees and
2 costs, which covered the period of January 1, 2016 through March 31, 2016, which was
3 approved by order of this Court entered on June 22, 2016 (ECF Nos. 337, 344).

4 10. On August 29, 2016, the Receiver filed its fifth motion for approval of fees and
5 costs, which covered the period of April 1, 2016 through June 30, 2016, which was approved by
6 order of this Court entered on September 23, 2016 (ECF Nos. 352, 360).

7 11. On December 21, 2016, the Receiver filed its sixth motion for approval of fees
8 and costs, which covered the period of July 1, 2016 through September 30, 2016, which was
9 approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385).

10 12. On April 28, 2017, the Receiver filed its seventh motion for approval of fees and
11 costs, which covered the period of October 1, 2016 through December 31, 2016, which was
12 approved by order of this Court entered on May 15, 2017 (ECF Nos. 415, 421).

13 13. On May 25, 2017, the Receiver filed its eighth motion for approval of fees and
14 costs, which covered the period of January 1, 2017 through March 31, 2017, which was
15 approved by order of this Court entered on June 9, 2017 (ECF Nos. 423, 429).

16 14. On August 14, 2017, the Receiver filed its ninth motion for approval of fees and
17 costs, which covered the period of April 1, 2017 through June 30, 2017, which was approved by
18 order of this Court entered on September 5, 2017 (ECF Nos. 441, 448).

19 15. On December 20, 2017, the Receiver filed its tenth motion for approval of fees
20 and costs, which covered the period of July 1, 2017 through September 30, 2017, (ECF No. 461),
21 which was approved by order of this Court entered on February 23, 2018 (ECF No. 481).

22 16. On February 28, 2018, the Receiver filed its eleventh motion for approval of fees
23 and costs, which covered the period from October 1, 2017 through December 31, 2017, (ECF
24 No. 483), which was approved by order of this Court entered on May 3, 2018 (ECF No. 495).

25 17. On October 12, 2018, the Receiver filed its twelfth motion for approval of fees
26 and costs, which covered the period from January 1, 2018 through June 30, 2018 (ECF No. 501),
27 which was approved by order of this Court entered on November 16, 2018 (ECF No. 507).

28

1 18. The Receiver filed its detailed Report of Receiver’s Activities from July 1, 2018
2 through December 31, 2018 (ECF No. 508), which Report was amended on May 9, 2019 by that
3 certain Notice of Filing Amended Report of Receiver's Activities from July 1, 2018 Through
4 December 31, 2018 (the “Receiver’s Report”). (ECF No. 522).

5 19. The term “Reporting Period” shall refer to the period from July 1, 2018 through
6 December 31, 2018.

7 20. This Declaration is made and submitted in support of the Receiver’s Motion for
8 Order (1) Approving and Authorizing Payment of Receiver's and Professionals' Fees and
9 Expenses from July 1, 2018 through December 31, 2018; and (2) Granting Relief from Local
10 Civil Rule 66-5 Pertaining to Notice to Creditors, filed contemporaneously herewith.

11 21. As a member of Robb Evans & Associates LLC, I am familiar with the methods
12 and procedures used by the Receiver and its staff and employees to record the time spent
13 rendering services to receivership estates over which the Receiver has been appointed. The
14 invoices attached hereto as **Exhibit “1”** are regularly prepared by the members, staff and
15 employees of the Receiver at or about the time of the services rendered and each of whom has a
16 business duty to accurately record the information regarding their services set forth in these
17 records. The records are reviewed by the Receiver’s accounting staff, summarized in the
18 Receiver’s financial summary included within the Receiver’s Report, and redacted only as the
19 Receiver has deemed necessary to preserve confidential, sensitive, tactical, strategic, attorney-
20 client privileged and/or attorney work-product information. Based upon my experience with
21 Robb Evans & Associates LLC, I believe the Receiver’s methods and procedures for recording
22 and accounting for time and services for the Receivership estates over which the Receiver has
23 been appointed are reliable and accurate.

24 22. The applicant has not entered into any agreement, written or oral, express or
25 implied, with any other person concerning the amount of compensation paid or to be paid from
26 the assets of the estate, or any sharing thereof.

27 ///

28 ///

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

23. I have carefully read, reviewed, and assisted in drafting the Receiver's Report of its activities during the Reporting Period, which report is incorporated herein by this reference, and I hereby affirm that the statements, figures, and calculations made therein are true, accurate, and correct to the best of my information, knowledge and belief.

I declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct.

Dated: *May 9, 2019*



Brick Kane
President and Chief Operating Officer of the
Receiver, Robb Evans & Associates LLC

1 Michael F. Lynch, Esq.
Nevada Bar No. 8555
2 **LYNCH LAW PRACTICE, PLLC**
3613 S. Eastern Ave.
3 Las Vegas, Nevada 89169
702.684.6000
4 702.543.3279 (fax)
Michael@lynchlawpractice.com

5 *Attorney for the Receiver*
6 *Robb Evans & Associates LLC*

7
8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 vs.

13 EDWIN YOSHIHIRO FUJINAGA and
MRI INTERNATIONAL, INC.,

14 Defendants,

15 and

16 CSA SERVICE CENTER, LLC
THE FACTORING COMPANY,
17 JUNE FUJINAGA, and
18 THE YUNJU TRUST,

19 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**DECLARATION OF MICHAEL LYNCH
IN SUPPORT OF MOTION FOR ORDER**

**(1) APPROVING AND AUTHORIZING
PAYMENT OF RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FROM JULY 1, 2018
THROUGH DECEMBER 31, 2018;
AND**

**(2) GRANTING RELIEF FROM LOCAL
CIVIL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

20 I, Michael F. Lynch, declare:

21 1. I am an attorney at law duly licensed and authorized to practice before all courts
22 in the State of Nevada, and before the Ninth Circuit Court of Appeals, and am the managing
23 member of Lynch Law Practice, PLLC ("Lynch Law"), court-appointed counsel for Robb Evans
24 & Associates LLC, the court-appointed equitable receiver (the "Receiver"). If called upon to
25 testify as to the facts set forth in this declaration, I could and would testify competently thereto as
26 the facts are personally known to me to be true.

27 2. On July 16, 2015, the Court appointed Lynch Law as counsel for the Receiver by
28 minute order (ECF No. 247), and the proposed Order Appointing Counsel for Receiver (ECF No.

1 250) which was approved by minute order of the Court entered on August 20, 2015 (the “Order
2 Appointing Counsel”). (ECF No. 261).

3 3. The Order Appointing Counsel provides that, upon the request of the Receiver,
4 the Receiver’s counsel shall provide legal assistance to the Receiver in connection with the
5 discharge of the Receiver’s duties and responsibilities pursuant to the Order Appointing
6 Receiver,¹ and directed the Receiver’s counsel to neither perform, nor seek compensation for,
7 any of the non-legal tasks enumerated in the Order Appointing Receiver.

8 4. The Order Appointing Counsel authorizes Lynch Law to provide legal assistance
9 in connection with the following:

- 10 a. Providing legal advice to the Receiver concerning the Order Appointing
11 Receiver, including the legal interpretation of any provisions contained therein, or any
12 other order or filing in this case concerning the Receiver;
- 13 b. Providing legal advice to the Receiver concerning the disposition or
14 possession of any assets subject to the Order Appointing Receiver, including records
15 containing personal, financial or medical information and controlled substances;
- 16 c. Providing legal advice and representation in connection with obtaining
17 cooperation, compliance or assistance from the Defendants or any other entities claiming
18 to have an interest in the assets subject to the Order Appointing Receiver;
- 19 d. Providing legal advice and representation in connection with any civil or
20 criminal actions in which one or more of the Defendants is a party, but not including
21 *Takiguchi v. MRI International, Inc.*, Case No. 2:13-cv-1183 (D. Nev.);
- 22 e. Providing legal advice and representation in connection with any legal
23 claims made against the Defendants or any assets subject to the Order Appointing
24 Receiver; and
- 25 f. Providing legal advice and representation in connection with any civil or
26 other actions in which the Receiver is a party, including any legal actions instituted by the

27
28 ¹ The “Order Appointing Receiver” means the Order Appointing a Full Equitable Receiver to Assume Control over the Defendants’ Assets and Enforce the Final Judgment entered on May 15, 2015. (ECF No. 226).

1 Receiver pursuant to the Order Appointing Receiver, such as levying on assets, filing
2 collection actions or filing fraudulent transfer actions, and any legal filings requiring the
3 assistance of counsel.

4 5. The Order Appointing Counsel further provides that the compensation of Lynch
5 Law shall be fixed at \$310.50 per hour, which rate reflects a 10% discount on Lynch Law's
6 regular rate.

7 6. This Declaration is made and submitted in support of the Receiver's Motion for
8 Order (1) Approving and Authorizing Payment of Receiver's and Professionals' Fees and
9 Expenses from July 1, 2018 Through December 31, 2018; and (2) Granting Relief from Local
10 Civil Rule 66-5 Pertaining to Notice to Creditors (the "Motion") filed contemporaneously
11 herewith.

12 7. The Motion seeks, among other relief, approval and authorization for payment of
13 receivership fees, costs, and expenses for the six-month period from July 1, 2018 through
14 December 31, 2018 (the "Reporting Period").

15 8. Lynch Law has acted as sole counsel for the Receiver since the Order Appointing
16 Counsel was entered. Lynch Law and the Receiver have coordinated their efforts to ensure that
17 the Receiver's and Lynch Law's responsibilities for work were strictly maintained to prevent
18 duplication of efforts.

19 9. Attached hereto as **Exhibit "1"**, are true and correct copies of Lynch Law's
20 invoices for fees and costs during the Reporting Period. The detailed descriptions of work done
21 on these invoices have been redacted where appropriate to preserve descriptions containing
22 confidential, sensitive, tactical, strategic, and attorney/client privileged and/or attorney work-
23 product information.

24 10. I personally enter time and/or personally verify billable time and cost entries in
25 the Lynch Law software at or about the time the billable time and costs are incurred. The
26 invoices attached hereto are prepared from computerized time and expense records prepared in
27 the ordinary course of business that accurately record the time actually spent and the expenses
28 actually incurred. The time records are entered into Lynch Law's time-keeping and billing

1 software that generates invoices reviewed by Michael Lynch. Based upon my experience and
2 personal involvement in this process, I believe that Lynch Law's methods and procedures for
3 recording and accounting for time and services for its clients are reliable and accurate.

4 11. During the Reporting Period, Lynch Law assisted the Receiver with its operations
5 described in its latest Receiver's report.

6 12. Without duplication of efforts, during the Reporting Period, Lynch Law has
7 conducted ongoing and updated assets searches pertaining to various Defendants and Relief
8 Defendants based upon additional or updated information available to the estate. It has
9 conducted updated and additional discovery concerning the funds held in an account under the
10 name of One Stop Pharmacy, a putative debtor of relief defendant EBJ&F, and has had
11 numerous communications in an attempt to negotiate a settlement with One Stop Pharmacy and
12 its principle Helen Tang, while evaluating One Stop Pharmacy's claim it carries significant
13 liability for potential outstanding tax liabilities that One Stop claims was caused by Defendant
14 Ed Fujinaga.

15 13. Lynch Law made significant efforts to clear title exceptions to the Solvang
16 Property, and had extensive coordination with multiple title companies and underwriters
17 regarding the same, as the evaluation of title exceptions appearing on the Solvang preliminary
18 title reports, has engaged in extensive negotiations with a potential buyer for the Solvang
19 property concerning various exceptions, environmental concerns, HOA concerns, and numerous
20 other issues raised by the potential buyer, and have evaluated the Conditions Covenants and
21 Restrictions recorded against the Solvang Property in consideration of the potential buyers stated
22 concerns regarding control of the HOA.

23 14. Lynch Law continues to: monitor the Court filings in this case and in the related
24 litigation as they pertain to the interests of the estate; respond to inquiries received from creditors
25 and others; investigate assets of the estate; file notices of pending actions to protect real estate
26 assets if deemed appropriate; and perform numerous other tasks in advising the Receiver and
27 rendering services as Receiver's counsel to protect the estate, pursue claim enforcement, and
28 advance the interests of the estate.

1 15. The fees incurred by Lynch Law during the six-month Reporting Period are
2 \$10,960.65, which fees were actually and necessarily incurred in its representation of the
3 Receiver. Lynch Law also incurred \$290.82 in costs during the Reporting Period, which costs
4 consist primarily of copying, postage, and service fees.

5 16. Michael Lynch has been practicing law in Nevada since 2003 and has been lead
6 counsel in over 50 receiverships in the Eighth Judicial District Court of Nevada, which
7 receiverships include obtaining Court approval of multiple sales of commercial real estate by
8 receivers and the successful consummation of those sales. Michael Lynch has successfully tried
9 numerous civil litigation cases, as well as by formal arbitration proceedings. Michael Lynch has
10 also been involved in approximately 120 bankruptcy proceedings and approximately 20 cases in
11 the United States District Court, District of Nevada. Mr. Lynch has tried cases in Clark County
12 Justice Court, Clark County District Court, the United States Bankruptcy Court, and in the
13 United States District Court. As of the date of this Declaration, Lynch Law is currently serving
14 as counsel in 3 federal equity receiverships and 4 federal equity monitor cases in this United
15 States District Court.

16 17. I believe my firm's rates and the amounts billed for Lynch Law's services
17 rendered during the Reporting Period are reasonable and appropriate based on the nature of the
18 services rendered, the quality and amount of services provided, the complexity of the issues
19 involved and other factors under the circumstances, including the results obtained.

20 18. The applicant has not entered into any agreement, written or oral, express or
21 implied, with any other person concerning the amount of compensation paid or to be paid from
22 the assets of the estate, or any sharing thereof.

23 I declare under penalty of perjury under the law of the State of Nevada that the foregoing
24 is true and correct.

25 Dated May 9, 2019.

26 /s/ Michael F. Lynch
27 Managing Member of
28 Lynch Law Practice, PLLC