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6 Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC
7

8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

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11 SECURITIES AND EXCHANGE
COMMISSION,
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13 Plaintiff,
14 v.
15 FINBAR SECURITIES CORP., and
ROBERT TRINGHAM,
16 Defendants.

CASE NO. CV 09-2325 ODW (VBKx)

**NOTICE OF MOTION AND
MOTION BY RECEIVER FOR
ORDER APPROVING AND
AUTHORIZING PAYMENT OF
RECEIVERSHIP EXPENSES
FROM INCEPTION THROUGH
JANUARY 31, 2010;
MEMORANDUM OF POINTS AND
AUTHORITIES AND
DECLARATION OF GARY OWEN
CARIS IN SUPPORT THEREOF**

**[DECLARATION OF BRICK KANE
FILED CONCURRENTLY
HEREWITH]**

DATE: August 16, 2010
TIME: 1:30 p.m.
PLACE: Courtroom 11

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23 PLEASE TAKE NOTICE that on August 16, 2010 at 1:30 p.m. in Courtroom
24 11 of the above-referenced Court, located at 312 North Spring Street, Los Angeles,
25 California, Robb Evans & Associates LLC as Permanent Receiver (“Receiver”) for
26 Defendant Finbar Securities Corp. (“Finbar”) and its subsidiaries and affiliates, will
27 move the Court for an Order Approving and authorizing payment of receivership
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1 expenses incurred for the ten-month period from inception of the receivership estate
2 through January 31, 2010 (“Initial Expense Period”), comprised of the fees and
3 expenses of the Receiver, the Receiver’s deputies, agents, and staff of \$99,622.23
4 and legal fees and expenses of \$26,764.95 incurred by the Receiver’s counsel, for a
5 total of \$126,387.18.

6 PLEASE TAKE FURTHER NOTICE that this motion is made pursuant to
7 Local Rule 66-7(f), and is based upon this notice of motion and motion, the
8 accompanying memorandum of points and authorities and declarations of Brick
9 Kane and Gary Owen Caris, upon the pleadings, records and files of this case of
10 which the Receiver requests the Court take judicial notice, the separate notice of
11 hearing served concurrently herewith, and upon all other further pleadings, oral and
12 documentary evidence and argument of counsel as may be presented by the
13 Receiver at or before the time of the hearing on the motion.

14 PLEASE TAKE FURTHER NOTICE that a copy of this motion, exclusive
15 of voluminous exhibits, is posted on the Receiver’s website at
16 <http://www.robbevans.com/html/finbar.html> where it may be reviewed in its
17 entirety. Copies of this motion will be provided to any interested party upon receipt
18 of a written request which may be sent to: Robb Evans & Associates LLC, Attn:
19 Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352-1121; Facsimile:
20 (818) 768-8802.

21 Dated: July 16, 2010

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

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24 By: /s/ Gary Owen Caris
25 Gary Owen Caris
26 Attorneys for Permanent Receiver,
27 ROBB EVANS & ASSOCIATES
28 LLC

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

On April 3, 2009, the Securities and Exchange Commission (“SEC”) commenced this action against Robert Tringham (“Tringham”) and Finbar Securities Corp. (“Finbar”) (collectively “Defendants”) who allegedly violated antifraud provisions of federal securities laws. The SEC alleged that the Tringham fraudulently raised at least \$6.4 million from at least four investors through Finbar, an unregistered broker-dealer. Despite representations to investors to the contrary, Finbar has never been registered with the SEC as a broker-dealer. Defendants allegedly represented that Finbar offered and sold debt instruments and high yield risk-free investment opportunities by using investors’ funds as collateral for Finbar to make profitable trades. Finbar allegedly promised one investor returns of 30% per year. Finbar maintained account statements for investors which showed large balances in the investors’ accounts; however, Defendants allegedly failed to honor investors’ requests to withdraw the funds from the accounts. On February 26, 2010, Tringham was convicted of federal fraud and tax evasion in a separate criminal proceeding.

A. Appointment of Receiver

The Court issued its Amended Temporary Restraining Order and Orders: (1) Freezing Assets; (2) Appointing A Temporary Receiver; (3) Prohibiting the Destruction of Documents; (4) Granting Expedited Discovery; and (5) Requiring Accounting; and Order to Show Cause re Preliminary Injunction and Appointment of a Permanent Receiver (“Temporary Restraining Order”) in the above-referenced action (“SEC Action”) on April 3, 2009. Pursuant to Section VI of the Temporary Restraining Order, an asset freeze on all assets of Finbar and Tringham was imposed. In addition, pursuant to Section VIII of the Temporary Restraining Order, the Receiver was appointed as Temporary Receiver of Finbar and its subsidiaries

1 and affiliates (“Finbar” or “Receivership Defendant”), with full powers of an equity
2 receiver, including but not limited to full power over all assets of Finbar, and the
3 Receiver was authorized, empowered and directed to have access to and to collect
4 and take custody, control, possession and charge of all funds and assets of Finbar.

5 On April 13, 2009, the Court issued its Preliminary Injunction and Orders:
6 (1) Freezing Assets; (2) Appointing A Permanent Receiver; (3) Requiring
7 Accounting; (4) Prohibiting the Destruction of Documents; and (5) Expediting
8 Discovery (“Preliminary Injunction”) in the SEC Action. Pursuant to Section VI of
9 the Preliminary Injunction, the asset freeze previously imposed upon Finbar and
10 Tringham remained in full force and effect. Additionally, pursuant to Section VIII
11 of the Preliminary Injunction, the Receiver was made Permanent Receiver of Finbar
12 and its subsidiaries and affiliates, with full powers of an equity receiver, and the
13 Receiver remained authorized, empowered and directed to have access to and
14 collect and take custody, control, possession and charge of all funds and assets of
15 Finbar.

16 No answer or other response has been filed in the SEC Action by either
17 Tringham or Finbar. Default was entered against Tringham on May 21, 2009. A
18 Judgment of Permanent Injunction was entered against Finbar on June 12, 2009.

19 **B. Fee Motion**

20 By this motion, the Receiver seeks a Court order approving and authorizing
21 the payment of fees and expenses of the Receiver, the Receiver’s staff, and the
22 Receiver’s counsel for the ten-month period from inception of the receivership on
23 April 3, 2009 through January 31, 2010 (“Initial Expense Period”) in the total sum
24 of \$126,387.18. The Receiver’s fees and costs for which approval is requested in
25 this motion are set forth in the summary entitled “Receivership Administration
26 Expense by Month and Fund Balance” (“Financial Summary”) attached to the
27 supporting Declaration of Brick Kane as Exhibit 1. The services rendered by the
28 Receiver and its counsel during the Initial Expense Period are described in more

1 detail hereafter and in the billing records attached to the Declarations of Brick Kane
2 and Gary Owen Caris in support of this motion.

3 **II.**

4 **SUMMARY OF THE RECEIVER’S ACTIVITIES DURING**
5 **THE INITIAL EXPENSE PERIOD**

6 During the Initial Expense Period, the primary activities of the Receiver and
7 its counsel have focused on the Receiver gaining possession and control of the
8 business and records of the Receivership Defendant, evaluating those records and
9 the Receivership Defendant’s business activities and analyzing the Receivership
10 Defendant’s financial situation and reconstruction of the financial transactions of
11 the entity. In addition, the Receiver has liquidated personal property assets of the
12 Receivership Defendant pursuant to stipulation and with the approval of the Court.
13 In addition, the Receiver has addressed administrative issues regarding the
14 Receivership Estate.

15 **A. Physical Custody, Control and Possession**

16 Pursuant to the Temporary Restraining Order, and continuing under the
17 Preliminary Injunction, the Receiver took custody, control and possession of the
18 Receivership Defendant’s premises at 100 N. Barranca Street, West Covina
19 California, along with all paper documents and electronic data. After recovering
20 these records, the Receiver took measures to ensure that the records were secured.
21 In addition, the Receiver took control of the Receivership Defendant’s mail through
22 the U.S. Postal Service.

23 **B. Analysis and Investigation of the Structure of the Receivership**
24 **Defendant**

25 After taking possession of the business premises and records, the Receiver
26 conducted an investigation to determine the ownership and management structure
27 of the Receivership Defendant. The Receiver interviewed Tringham in an effort to
28 ascertain details concerning the Receivership Entity’s assets and amounts owed to

1 investors and other relevant information. In addition, the Receiver's staff
2 reconstructed the Receivership Defendant's bank accounts. The reconstruction of
3 the bank accounts was time-consuming as there were numerous bank accounts
4 located across the globe. The Receiver reviewed and analyzed business and
5 financial records, electronic and physical accounting records, bank account
6 information and records, income and expense records and receipts, transfers of
7 funds to and from the Receivership Defendant, emails, mail, and other documents.

8 **C. Receivership Defendant's Assets and Liquidation of Personal Property**

9 The Receiver performed asset searches and interviewed Tringham to
10 determine the extent of the Receivership Defendant's assets. The Receiver
11 determined that the Receivership Defendant had limited assets which included less
12 than \$20,000 worth of office equipment and three automobiles. The Receiver and
13 Tringham entered into a stipulation to sell the office equipment and entered into a
14 stipulation to sell the three automobiles at auction. The sale of the office equipment
15 and the three cars generated approximately \$80,000 for the benefit of the
16 receivership estate.

17 In addition, the Receiver determined that Tringham's girlfriend, Hui Wang
18 received \$10,000 in cash from the Receivership Defendant, which was
19 subsequently transferred to her mother in China. Tringham also purchased a BMW
20 automobile and an engagement ring (worth approximately \$40,000) for Hui Wang
21 using the Receivership Defendant's funds and transferred other receivership funds
22 to her. Hui Wang filed Chapter 7 bankruptcy and listed the BMW, engagement
23 ring and \$10,000 cash listed on her bankruptcy schedules. The Receiver has filed
24 proofs of claim related to the BMW, engagement ring and \$10,000 cash transfer as
25 well as other sums transferred to Hui Wang by the Receivership Defendant in Hui
26 Wang's bankruptcy case.

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1 **D. Receiver's Other Administrative Services**

2 During the Initial Expense Period, the Receiver has performed other
3 administrative services in connection with the administration of the receivership
4 estate. The Receiver has notified financial institutions of the receivership and
5 served copies of the Temporary Restraining Order and Preliminary Injunction on
6 the financial institutions where receivership assets may be located. The Receiver
7 also continued to address administrative issues regarding the receivership estate,
8 including responding to investors' written and telephone inquiries, communicating
9 with the SEC, performing bank reconciliations and maintaining accounting records.

10 **E. Activities of Receiver's Counsel**

11 During the Initial Expense Period, the Receiver's counsel assisted the
12 Receiver in analyzing various issues concerning the appointment of the Receiver,
13 including analyzing the Temporary Restraining Order and Preliminary Injunction.
14 The Receiver's counsel attended the Preliminary Injunction hearing. In addition,
15 the Receiver's counsel prepared for and attended two full days of Tringham's
16 deposition. The Receiver's counsel also prepared and filed the stipulation
17 authorizing the Receiver's sale of office furniture and certain vehicles.

18 The Receiver became aware that Byrne & Nixon LLP, attorneys who had
19 represented Tringham at various times and possibly the Receivership Defendant,
20 were holding \$89,324.93 in its trust account for the benefit of Tringham. The
21 Receiver's counsel negotiated with Byrne & Nixon to turn over to the receivership
22 estate the \$89,324.93 held in the trust account. The Receiver's counsel prepared a
23 stipulation to turnover the funds held in the trust account. The funds were turned
24 over to the Receiver in October 2009.

25 Further, the Receiver's counsel analyzed the Chapter 7 bankruptcy filing of
26 Hui Wang, Tringham's girlfriend. The Receiver's counsel filed proofs of claim in
27 the bankruptcy case concerning the BMW, \$40,000 engagement ring and \$10,000
28 transferred to Hui Wang's mother in China that Hui Wang listed on her bankruptcy

1 schedules as well as other funds transferred by the Receivership Defendant to Hui
2 Wang. The Receiver’s counsel continues to monitor the bankruptcy case and the
3 status of the Receiver’s claims.

4 In addition, Tringham, Finbar and Hui Wang were sued in California state
5 court by a Receivership Defendant investor, Juergen Votteler (“Votteler”). Votteler
6 obtained a judgment against Finbar, Tringham and Hui Wang. Tringham and Hui
7 Wang have appealed the judgments against them. The Receiver decided not to
8 pursue an appeal of the judgment against Finbar. As a result, Finbar is no longer
9 involved in the Votteler action. The Receiver’s counsel is still monitoring the
10 appeals and the outcome of the Votteler lawsuit.

11 The Receiver submits that its fees and costs and those of its staff are
12 reasonable and should be approved and authorized for payment in their entirety.
13 The Receiver deferred filing a motion for approval of its fees and expenses because
14 of the Receiver’s belief that a settlement of the SEC Action was imminent. Given
15 that settlement has not occurred and that the claims against Hui Wang in her
16 Chapter 7 bankruptcy case have not yet been determined and funds distributed from
17 that estate, the Receiver files this motion.

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III.
CONCLUSION

For the foregoing reasons, the Receiver respectfully requests that the Court grant this motion and issue an order approving and authorizing for payment the fees and costs of the Receiver and its staff incurred for the ten-month period from inception of the receivership estate April 3, 2009 through January 31, 2010.

Dated: July 16, 2010

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

By: /s/ Gary Owen Caris
Gary Owen Caris
Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES
LLC

DECLARATION OF GARY OWEN CARIS

I, Gary Owen Caris, declare:

1. I am an attorney at law duly licensed to practice before all courts of the State of California and the United States District Court of the Central District of California. I am lead counsel for the Permanent Receiver Robb Evans & Associates LLC in connection with this matter. I have personal knowledge of the matters set forth in this declaration, and if I were called upon to testify I could and would competently testify thereto.

2. Attached hereto as Exhibit 1 is a billing summary reflecting the services rendered, time spent and costs incurred by McKenna Long & Aldridge LLP (the "McKenna Firm") pertaining to this matter for the period from April 3, 2009 through January 31, 2010 (the "Initial Expense Period"). The time records, as well as the time records for the Receiver and its staff, have been redacted by my firm where appropriate to preserve descriptions containing confidential, tactical, strategic, attorney-client privileged and/or attorney work-product information. Attorneys' fees incurred by my firm during this time period total \$26,236.31 and costs of \$528.64 for total legal fees and costs of \$26,764.95.

3. During the Initial Expense Period, I assisted the Receiver in analyzing various issues concerning the appointment of the Receiver, including analyzing the Temporary Restraining Order and Preliminary Injunction. I attended the Preliminary Injunction hearing with the Receiver's Deputy. In addition, I prepared for and attended two full days of Tringham's deposition. My firm prepared and filed the stipulation authorizing the Receiver's sale of office furniture and certain vehicles.

4. The Receiver became aware that Byrne & Nixon LLP, attorneys who had represented Tringham at various times and possibly the Receivership Defendant, were holding \$89,324.93 in its trust account for the benefit of Tringham. I negotiated with Byrne & Nixon LLP to turn over to the receivership

1 estate the \$89,324.93 held in the trust account. I prepared a stipulation to turnover
2 the funds held in the trust account. The funds were turned over to the Receiver in
3 October 2009.

4 5. My office analyzed the Chapter 7 bankruptcy filing of Hui Wang,
5 Tringham's girlfriend. My office filed proofs of claim in the bankruptcy case
6 concerning the BMW, \$40,000 engagement ring and \$10,000 transferred to Hui
7 Wang's mother in China that Hui Wang listed on her bankruptcy schedules as well
8 as other funds transferred to Hui Wang by the Receivership Defendant. My office
9 continues to monitor the bankruptcy case and the status of the Receiver's claims.

10 6. Tringham, Finbar and Hui Wang were sued in California state court by
11 a Receivership Defendant investor, Juergen Votteler ("Votteler"). Votteler
12 obtained a judgment against Finbar, Tringham and Hui Wang. Tringham and Hui
13 Wang have appealed the judgments against them, however, the Receiver decided
14 not to pursue an appeal of the judgment against Finbar. As a result, Finbar is no
15 longer involved in the Votteler action. Despite not being involved in the appeal,
16 my office continues to monitor the appeals and the outcome of the Votteler lawsuit.

17 7. I am a partner in the McKenna Firm and am familiar with the methods
18 and procedures used to create, record and maintain billing records for the firm's
19 clients. The billing summaries attached hereto as Exhibit 1 are prepared from
20 computerized time records prepared contemporaneously with the services rendered
21 by each attorney and paralegal billing time to this matter. These computerized
22 records are prepared in the ordinary course of business by the attorneys and
23 paralegals employed by the firm who have a business duty to accurately record their
24 time spent and services rendered on the matters on which they perform work. The
25 time records are transferred into a computerized billing program that generates
26 monthly invoices under the supervision of the firm's accounting department. Based
27 upon my experience with the firm, I believe the McKenna Firm's methods and
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1 procedures for recording and accounting for time and services for its clients are
2 reliable and accurate.

3 8. I have more than 30 years' experience as a business and commercial
4 litigator and also have extensive experience as a bankruptcy attorney representing
5 creditors in Chapter 11 and Chapter 7 bankruptcy cases. For eleven years I have
6 also specialized in representing receivers in federal equity receiverships. I am
7 familiar with the billing rates and practices of firms in the Los Angeles area
8 providing comparable services, and I believe my firm's rates and the amount
9 incurred by the Receiver for the services rendered during the Initial Expense Period
10 are reasonable and appropriate based on the nature of the services rendered, the
11 quality and amount of services provided, the complexity of the issues involved and
12 other factors under the circumstances, including the results obtained.

13 I declare under penalty of perjury that the foregoing is true and correct and
14 that this declaration was executed on this 16th day of July 2010 at Los Angeles,
15 California.

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17 /s/ Gary Owen Caris
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GARY OWEN CARIS

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Telephone: (213) 688-1000
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6 Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC
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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10
11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 v.

14 FINBAR SECURITIES CORP., and
15 ROBERT TRINGHAM,

16 Defendants.
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CASE NO. CV 09-2325 ODW (VBKx)

**DECLARATION OF BRICK KANE
IN SUPPORT OF THE
RECEIVER'S MOTION BY
RECEIVER FOR ORDER
APPROVING AND AUTHORIZING
PAYMENT OF RECEIVERSHIP
EXPENSES FROM INCEPTION
THROUGH JANUARY 31, 2010**

DATE: August 16, 2010
TIME: 1:30 p.m.
PLACE: Courtroom 11

DECLARATION OF BRICK KANE

I, Brick Kane, declare:

1. I am a Deputy to the Receiver Robb Evans, and am a principal in Robb Evans & Associates LLC. I have personal knowledge of the matters set forth in this declaration or have gained knowledge of these matters based upon my supervision of other members and staff of Robb Evans & Associates LLC involved in the day to day management of this receivership estate. If called upon to testify as to these matters, I could and would competently testify based upon my personal knowledge.

2. The Receiver was originally appointed as temporary receiver pursuant to this Court's Amended Temporary Restraining Order and Orders: (1) Freezing Assets; (2) Appointing A Temporary Receiver; (3) Prohibiting the Destruction of Documents; (4) Granting Expedited Discovery; and (5) Requiring Accounting; and Order to Show Cause re Preliminary Injunction and Appointment of a Permanent Receiver ("Temporary Restraining Order") in the above-referenced action ("SEC Action") issued on April 3, 2009. Pursuant to Section VI of the Temporary Restraining Order, an asset freeze on all assets of Finbar Securities Corp. and Defendant Robert Tringham ("Tringham") was imposed. In addition, pursuant to Section VIII of the Temporary Restraining Order, the Receiver was appointed as Temporary Receiver of Finbar Securities Corp., and its subsidiaries and affiliates ("Finbar" or "Receivership Defendant"), with full powers of an equity receiver, including but not limited to full power over all assets of Finbar, and the Receiver was authorized, empowered and directed to have access to and to collect and take custody, control, possession and charge of all funds and assets of Finbar.

3. On April 13, 2009, the Court issued its Preliminary Injunction and Orders: (1) Freezing Assets; (2) Appointing A Permanent Receiver; (3) Requiring Accounting; (4) Prohibiting the Destruction of Documents; and (5) Expediting Discovery ("Preliminary Injunction") in the SEC Action. Pursuant to Section VI of the Preliminary Injunction, the asset freeze previously imposed upon Finbar and

1 Tringham remained in full force and effect. Additionally, pursuant to Section VIII
2 of the Preliminary Injunction, the Receiver was made Permanent Receiver of Finbar
3 and its subsidiaries and affiliates, with full powers of an equity receiver, and the
4 Receiver remained authorized, empowered and directed to have access to and
5 collect and take custody, control, possession and charge of all funds and assets of
6 Finbar.

7 4. No answer or other response has been filed in the SEC Action by
8 either Tringham or Finbar. Default was entered against Tringham on May 21,
9 2009. A Judgment of Permanent Injunction was entered against Finbar on June 12,
10 2009.

11 5. By this motion, the Receiver seeks a Court order approving and
12 authorizing the payment of fees and expenses of the Receiver, the Receiver's staff,
13 and the Receiver's counsel for the ten-month period from inception of the
14 receivership on April 3, 2009 through January 31, 2010 ("Initial Expense Period")
15 in the total sum of \$126,387.18. The Receiver's fees and costs for which approval
16 is requested in this motion are set forth in the summary entitled "Receivership
17 Administration Expense by Month and Fund Balance" ("Financial Summary"). A
18 true and correct copy of the Financial Summary is attached hereto as Exhibit 1.
19 The fees and costs are further detailed in Exhibits 2 through 11, attached hereto,
20 redacted where appropriate to preserve the attorney-client and attorney-work
21 product privileges and other sensitive information the disclosure of which might
22 adversely affect the receivership estate. Specifically, the Receiver's fees for April
23 2009 are set forth in Exhibit 2, the Receiver's fees for May 2009 are set forth in
24 Exhibit 3, the Receiver's fees for June 2009 are set forth in Exhibit 4, the
25 Receiver's fees for July 2009 are set forth in Exhibit 5, the Receiver's fees for
26 August 2009 are set forth in Exhibit 6, the Receiver's fees for September 2009 are
27 set forth in Exhibit 7, the Receiver's fees for October 2009 are set forth in Exhibit
28 8, the Receiver's fees for November 2009 are set forth in Exhibit 9, the Receiver's

1 fees for December 2009 are set forth in Exhibit 10 and the Receiver's fees for
2 January 2010 are set forth in Exhibit 11. The Financial Summary, Exhibit 1 hereto,
3 identifies the categories of receivership fees and expenses incurred during the
4 period for which approval and payment is sought. The fees and expenses of the
5 Receiver's outside counsel, McKenna Long & Aldridge LLP ("McKenna Firm")
6 are attached to the Declaration of Gary Owen Caris filed in support of the
7 Receiver's motion. As set forth in detail in Exhibits 2 through 11 hereto and in the
8 exhibit attached to the Caris Declaration, the Receiver has incurred \$126,387.18 in
9 fees and expenses for the Initial Expense Period, comprised of Receiver's fees and
10 expenses of \$99,622.23 and legal fees and costs of \$26,764.95.

11 6. During the Initial Expense Period, the primary activities of the
12 Receiver and its counsel have focused on the Receiver gaining possession and
13 control of the business and records of the Receivership Defendant, evaluating those
14 records and the Receivership Defendant's business activities and analyzing the
15 Receivership Defendant's financial situation and reconstruction of the financial
16 transactions of the entity. In addition, the Receiver has liquidated personal property
17 assets of the Receivership Defendant pursuant to stipulation and with the approval
18 of the Court. In addition, the Receiver has addressed administrative issues
19 regarding the Receivership Estate.

20 7. Pursuant to the Temporary Restraining Order, and continuing under
21 the Preliminary Injunction, the Receiver took custody, control and possession of the
22 Receivership Defendant's premises at 100 N. Barranca Street, West Covina
23 California, along with all paper documents and electronic data. After recovering
24 these records, the Receiver took measures to ensure that the records were secured.
25 In addition, the Receiver took control of the Receivership Defendant's mail through
26 the U.S. Postal Service.

27 8. After taking possession of the business premises and records, the
28 Receiver conducted an investigation to determine the ownership and management

1 structure of the Receivership Defendant. The Receiver interviewed Tringham in an
2 effort to ascertain details concerning the Receivership Entity's assets and amounts
3 owed to investors and other relevant information. In addition, the Receiver's staff
4 reconstructed the Receivership Defendant's bank accounts. The reconstruction of
5 the bank accounts was time-consuming as there were numerous bank accounts
6 located across the globe. The Receiver reviewed and analyzed business and
7 financial records, electronic and physical accounting records, bank account
8 information and records, income and expense records and receipts, transfers of
9 funds to and from the Receivership Defendant, emails, mail, and other documents.

10 9. The Receiver performed asset searches and interviewed Tringham to
11 determine the extent of the Receivership Defendant's assets. The Receiver
12 determined that the Receivership Defendant had limited assets which included less
13 than \$20,000 worth of office equipment and three automobiles. The Receiver and
14 Tringham entered into a stipulation to sell the office equipment and entered into a
15 stipulation to sell the three automobiles at auction. The sale of the office equipment
16 and the three cars generated approximately \$80,000 for the benefit of the
17 receivership estate.

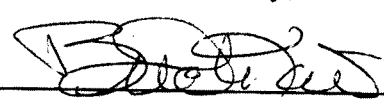
18 10. In addition, the Receiver determined that Tringham's girlfriend, Hui
19 Wang received \$10,000 in cash from the Receivership Defendant, which was
20 subsequently transferred to her mother in China. Tringham also purchased a BMW
21 automobile and an engagement ring (worth approximately \$40,000) for Hui Wang
22 using the Receivership Defendant's funds. Hui Wang filed Chapter 7 bankruptcy
23 and listed the BMW, engagement ring and \$10,000 cash listed on her bankruptcy
24 schedules. The Receiver has filed proofs of claim related to the BMW, engagement
25 ring and \$10,000 cash transfer as well as additional sums transferred to Hui Wang
26 by the Receivership Defendant in Hui Wang's bankruptcy case.

27 11. During the Initial Expense Period, the Receiver has performed other
28 administrative services in connection with the administration of the receivership

1 estate. The Receiver notified financial institutions of the receivership and served
2 copies of the Temporary Restraining Order and Preliminary Injunction on the
3 financial institutions where receivership assets may be located. The Receiver also
4 continued to address administrative issues regarding the receivership estate,
5 including responding to investors' written and telephone inquiries, communicating
6 with the SEC, performing bank reconciliations and maintaining accounting records.

7 12. As a member of Robb Evans & Associates LLC, I am familiar with the
8 methods and procedures used by the Receiver and its staff and employees to record
9 the time spent rendering services to receivership estates over which the Receiver
10 has been appointed. The records attached hereto as Exhibits 2 through 11 are
11 regularly prepared by the members, staff and employees of the Receiver at or about
12 the time of the services rendered and each of whom has a business duty to
13 accurately record the information regarding their services set forth in these records.
14 The records are reviewed by the Receiver's accounting staff and summarized in the
15 Financial Summary, attached hereto as Exhibit 1. Based upon my experience with
16 Robb Evans & Associates LLC, I believe the Receiver's methods and procedures
17 for recording and accounting for time and services for the receivership estates over
18 which Robb Evans and Robb Evans & Associates LLC have been appointed are
19 reliable and accurate.

20 I declare under penalty of perjury that the foregoing is true and correct and
21 that this declaration was executed on June 14, 2010 at Sun Valley, California.

22 *July*


23
24 BRICK KANE