

**ROBB EVANS OF  
ROBB EVANS & ASSOCIATES LLC  
Receiver of I Works, Inc., et al. and  
the Assets of Jeremy Johnson**

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**Federal Trade Commission v. Jeremy Johnson, I Works, Inc., et al.  
CASE No. 2:10-CV-02203-RLH-GWF**

**Notice of Motion and Motion for Order:**

- (1) Approving and Authorizing Payment of Receiver's and Professionals' Fees and Expenses from June 1, 2012 Through December 31, 2012;  
and**
- (2) Granting Relief from Local Rule 66-5 Pertaining to Notice to Creditors**

**Memorandum of Points and Authorities in Support Thereof  
Declaration of Gary Owen Caris in Support Thereof  
Declaration of Brick Kane in Support Thereof**

**Filed February 26, 2013**

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11 **ROBB EVANS OF ROBB EVANS & ASSOCIATES**  
12 **LLC**

13 **UNITED STATES DISTRICT COURT**

14 **DISTRICT OF NEVADA**

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 JEREMY JOHNSON, individually, as officer  
20 of Defendants I Works, Inc., etc., et al.,

21 Defendants.  
22  
23

Case No. 2:10-CV-02203-MMD-GWF

**NOTICE OF MOTION AND MOTION  
FOR ORDER (1) APPROVING AND  
AUTHORIZING PAYMENT OF  
RECEIVER'S AND PROFESSIONALS'  
FEES AND EXPENSES FROM JUNE 1,  
2012 THROUGH DECEMBER 31, 2012;  
AND (2) GRANTING RELIEF FROM  
LOCAL RULE 66-5 PERTAINING TO  
NOTICE TO CREDITORS;  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT THEREOF**

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1 PLEASE TAKE NOTICE that Robb Evans of Robb Evans & Associates LLC  
2 (“Receiver”), the Receiver pursuant to the Court’s Preliminary Injunction Order issued February  
3 10, 2011, hereby moves the Court for an order for the following relief:

4 1. An order approving and authorizing payment of receivership fees and expenses  
5 incurred for the seven-month period from June 1, 2012 through December 31, 2012 (“Expense  
6 Period”), including payment of the fees of the Receiver, the Receiver’s deputies, agents, staff and  
7 professionals, and reimbursement of costs incurred during the Expense Period in the total sum of  
8 \$919,539.39. The fees of the Receiver, his deputies, agents and staff total \$307,303.47 and the  
9 Receiver’s expenses total \$58,732.94 during the Expense Period. The Receiver’s legal fees and  
10 expenses total \$553,502.98 during the Expense Period, including fees and expenses incurred to  
11 the Receiver’s lead counsel McKenna Long & Aldridge LLP in the sum of \$551,243.80, fees and  
12 expenses of the Receiver’s local counsel in Nevada, Kolesar & Leatham, Chtd., in the sum of  
13 \$2,205.86, and fees and expenses of the Receiver’s special litigation counsel in Utah, Hatch,  
14 James and Dodge in the amount of \$53.32; and

15 2. An order deeming notice of this Motion to be sufficient under Local Civil Rule 66-  
16 5 based on the service of the notice of the filing of this Motion and the Motion on all parties and  
17 service of the notice of the filing of the Motion on all known non-consumer creditors of the estate  
18 concurrent with the filing of this Motion with the Court, but not the tens of thousands of potential  
19 consumer creditors of the estate.

20 This Motion is made pursuant to Local Civil Rules 7-2 and 66-5 and is based upon this  
21 notice of motion and motion, the separate notice of filing of the Motion served concurrently  
22 herewith, the accompanying memorandum of points and authorities and the Declarations of Brick  
23 Kane and Gary Owen Caris in support hereof, the separate Appendix of Exhibits filed  
24 concurrently herewith in support hereof, any reply, upon the pleadings, files and records of the  
25 Court in this case of which the Receiver requests the Court take judicial notice, including without  
26 limitation the Report of Temporary Receiver’s Activities filed February 8, 2011 (Doc. No. 127)  
27 and the Report of Receiver’s Financial Reconstruction dated January 31, 2012 and four volumes  
28

1 of supporting Appendices filed on February 3, 2012 (Doc. Nos. 464, 465-468) and upon all other  
2 pleadings and documentary evidence as may be presented to the Court by the Receiver.

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4 Dated: February 12, 2013

Respectfully submitted,

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RANDOLPH L. HOWARD  
KOLESAR & LEATHAM, CHTD.

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MCKENNA LONG & ALDRIDGE LLP  
GARY OWEN CARIS  
LESLEY ANNE HAWES

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By: /s/ Gary Owen Caris

11

Gary Owen Caris  
Lesley Anne Hawes

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Attorneys for Receiver  
**ROBB EVANS OF ROBB EVANS &  
ASSOCIATES LLC**

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**TABLE OF CONTENTS**

	<b>Page</b>
I. INTRODUCTION .....	4
A. Receiver’s First Report .....	4
B. Report of Receiver’s Financial Reconstruction .....	5
C. Complex Corporate Web, Inexplicable Business Transactions, and Motion to Clarify .....	6
D. Recoveries of Over \$1.13 Million During Expense Period .....	7
E. Numerous Court Filings .....	8
II. SUMMARY OF RECEIVER’S AND PROFESSIONALS’ SERVICES AND ACTIVITIES DURING THE EXPENSE PERIOD .....	9
A. Asset Analysis, Administration and Sales .....	10
B. Subpoenas and Records Investigation.....	12
C. Completion of Briefing of Motion to Clarify.....	14
D. Multiple Lawsuits Filed by Receiver .....	14
E. Court Filings, Motions, Responses and Court Appearances.....	15
F. Pokerstars Litigation .....	17
G. Ongoing Administrative and Other Activities by the Receiver and Counsel .....	18
H. Costs.....	19
III. THE FEES AND EXPENSES OF THE RECEIVER AND HIS PROFESSIONALS SHOULD BE APPROVED.....	19
IV. NOTICE OF THIS MOTION IS SUFFICIENT UNDER THE CIRCUMSTANCES AND SHOULD BE APPROVED .....	21
V. CONCLUSION .....	22

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2  
3  
4  
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**TABLE OF AUTHORITIES**

**Page(s)**

**CASES**

*Federal Trade Commission v. Capital Acquisitions & Management Corp.*,  
2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005) ..... 20

*In re First Alliance Mortgage Co.*,  
269 B.R. 428 (C.D. Cal. 2001)..... 22

**STATUTES**

United States Code, Title 11

    § 102(1)(A)..... 22

    § 105(a) ..... 22

    § 105(d) ..... 22

**RULES**

Federal Rules of Bankruptcy Procedure

    Rule 2002(m) ..... 22

Federal Rules of Civil Procedure

    Rule 5(a)..... 22

    Rule 5(c)..... 22

    Rule 45 ..... 13

Local Civil Rules

    Rule 66-5 ..... 21

    Rule 66-10 ..... 22

**OTHER AUTHORITIES**

2 Clark, Ralph Ewing, A Treatise on the Law and Practice of Receivers  
    § 637 (3<sup>rd</sup> ed. 1992) ..... 19

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 On January 13, 2011, the Receiver was appointed Temporary Receiver over I Works, Inc.  
4 (“I Works”), numerous other Corporate Defendants as defined in the Temporary Restraining  
5 Order and over the assets of defendant Jeremy Johnson (collectively the “Receivership  
6 Defendants”). Pursuant to the Preliminary Injunction Order entered February 10, 2011  
7 (“Preliminary Injunction”), the Receiver has been appointed permanent receiver over the  
8 Receivership Defendants.

9 The Receiver has filed three prior fee motions which in the aggregate cover the period  
10 from the inception of the receivership through May 31, 2012. The prior fee motions have been  
11 granted as requested, except that the Receiver’s counsel modified its prior fee motion to reduce  
12 the fees sought by the Receiver’s lead counsel, McKenna Long & Aldridge LLP, by \$2,000. This  
13 is the Receiver’s fourth motion for approval and payment of fees and expenses, covering a seven-  
14 month period from June 1, 2012 through December 31, 2012.

15 A. Receiver’s First Report

16 On February 8, 2011, the Receiver filed his Report of Temporary Receiver’s Activities for  
17 the period of January 13, 2011 through February 4, 2011 (“Receiver’s First Report”) as  
18 Document 127. The Receiver’s First Report prepared within less than one month of the  
19 Receiver’s initial appointment describes the 61 named corporate Receivership Defendants, the  
20 assets of Jeremy Johnson and numerous subsidiaries, affiliates and fictitious business entities  
21 related to the corporate defendants and Jeremy Johnson (“Johnson”). The Receiver’s First Report  
22 includes certain preliminary analyses of the pre-receivership financial transactions of the  
23 Receivership Defendants, including the assets and funds of Johnson obtained from the corporate  
24 Receivership Defendants, and concluded that approximately \$50.4 million was transferred from  
25 the corporate Receivership Defendants to or for the benefit of Johnson and used to fund, for  
26 example, his purchase of numerous aircraft through Zibby Flight Service, LLC, his purchase and  
27 improvement of numerous real properties through Zibby, LLC, and for many other purposes. The  
28 Receiver at that time had identified a total of 115 entities, including the 61 named corporate

1 Receivership Defendants and more than 50 other entities that appeared to be related or affiliated  
2 with the Receivership Defendants. At the time of the Receiver's First Report, the Receiver had  
3 not yet issued any records subpoenas, and his asset investigation and analysis of financial  
4 transactions of Jeremy Johnson and his related and affiliated entities was in its incipient stages.

5 As of the filing of the initial fee motion, the Receiver's investigation had begun to  
6 uncover numerous entities in addition to the 61 named corporate Receivership Defendants, the  
7 entities identified on the Johnson financial statements submitted to plaintiff Federal Trade  
8 Commission ("FTC"), and other entities and potential Receivership Defendants that were being  
9 evaluated by the Receiver. The number of entities being investigated by the Receiver at the time  
10 of the first fee motion had been expanded to more than 132 entities and at that time the Receiver  
11 had received and was analyzing more than 65,000 pages of records, including records from the  
12 Receivership Defendants' bank accounts, documents produced under records subpoenas and  
13 documents from other sources. Since that time, the number of entities has expanded  
14 exponentially as the Receivership Defendants and close friends, family members and business  
15 associates of defendant Jeremy Johnson continue to assist the Receivership Defendants in  
16 withholding, concealing, liquidating and transferring property that properly belongs in the  
17 receivership estate.

18 B. Report of Receiver's Financial Reconstruction

19 On February 3, 2012, after almost one year of investigation, the Receiver filed with the  
20 Court his Report of Receiver's Financial Reconstruction dated January 31, 2012 ("Second  
21 Report") (Doc. No. 464) and four volumes of supporting appendices of exhibits (Doc. Nos. 465-  
22 468). The Second Report describes an additional \$51.4 million in funds and assets representing  
23 processing revenues from the Receivership Defendants I Works, Inc. and Elite Debit, Inc. that the  
24 Receiver demonstrated were improperly transferred to at least five entities under the nominal  
25 ownership or control of Todd Vowell and Jason Vowell (individually and collectively the  
26 "Vowells"), including Triple Seven LLC, formerly Triple Seven LP, Powder Monkeys, LLC,  
27 Mastery Merchant, LLC, Cerberus Management, LLC and Flying High Enterprises, LLC (the  
28 "Processors"). As the Second Report further explains, the Processors as well as numerous other



1 entities nominally owned or controlled by the Vowells received, and were used to purchase,  
2 conceal and transfer, assets of the Receivership Defendants, including assets of Johnson. The  
3 Receiver's First and Second Reports, together with additional documents and information  
4 obtained through the Receiver's ongoing investigation into the location and status of receivership  
5 assets, were the foundation for the Receiver's Motion to Clarify filed on May 30, 2012, discussed  
6 below.

7 C. Complex Corporate Web, Inexplicable Business Transactions, and Motion to  
8 Clarify

9 This receivership involves an extremely complex web of corporate and other entities and  
10 is exceptionally complicated from an accounting standpoint. As of the date of the Second Report,  
11 the Receiver's investigation included eleven full-day depositions of third party witnesses,  
12 including five individuals associated with the former SunFirst Bank, as well as two lengthy  
13 witness interviews of third parties,<sup>1</sup> and an extensive analysis of more than 265 bank accounts and  
14 other records from 35 financial institutions and 25 other businesses. Many of the third party  
15 witnesses who were deposed invoked their Fifth Amendment privilege against self-incrimination  
16 and refused to answer at least some of the questions posed by the Receiver's counsel during their  
17 examinations, although many witnesses answered an extensive amount of questions. Other  
18 defendants and third party witnesses whom the Receiver has attempted to depose have informed  
19 the Receiver that they are under criminal investigation and have advised the Receiver they would  
20 not respond to substantive questions if deposed or would not attend the deposition at all.

21 Throughout the case, the Receiver has made demands for turnover of bank records and  
22 other documents for all Receivership Defendants to at least 30 financial institutions and through  
23 counsel has issued over 250 records subpoenas, including approximately 21 subpoenas issued  
24 during the current Expense Period. Those subpoenas and document demands, along with  
25 discovery provided by the parties to the FTC, have now produced a total of approximately  
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27  
28 <sup>1</sup> To protect the Receiver's ongoing investigation, the Receiver has not identified in this motion  
or the billing statements, which have been redacted, the names of these witnesses.

1 400,000 pages<sup>2</sup> or more of records to be analyzed by the Receiver, his deputies, his forensic  
2 accounting staff and his counsel since the case commenced.

3 The Receiver's investigatory activities, with the assistance of counsel, culminated in the  
4 Receiver's filing of a Motion to Clarify the entities and individuals whose assets constitute  
5 Receivership Property under the Preliminary Injunction on May 30, 2012. *See* Motion to Clarify  
6 and supporting pleadings and exhibits, Doc. Nos. 580-584. The Motion to Clarify builds on the  
7 evidence submitted to the Court in the Receiver's First and Second Reports, and includes new  
8 evidence of unusual and unexplained transfers of title to assets, ongoing formation of new  
9 entities, and sales of precious metals which may constitute additional Receivership Property. The  
10 Motion to Clarify has now been fully briefed by all interested parties. During the current expense  
11 period, the Receiver resolved the disputed issues raised in that motion pertaining to John Hafen  
12 and the three entities with which he was associated (Lilhaf Holdings, LLC, Tiburon Enterprises,  
13 LLC and Lilhaf Properties, LLC) pursuant to a Court-approved settlement, discussed in more  
14 detail below.

15 D. Recoveries of Over \$1.13 Million During Expense Period

16 The receivership estate is also complex because of the large number and varied nature of  
17 the assets subject to the Receiver's administration. During this expense period, the Receiver  
18 continued to administer and then sold a trailer park, sold multiple aircraft, recovered over  
19 \$200,000 in reserve funds held at a financial institution and concluded a settlement with a third  
20 party (John Hafen) to return receivership assets to the estate. The Receiver has also continued to  
21 address and brief the issues concerning his Motion to Clarify and deal with the estate's claims  
22 arising out of the Sole Group, LLC/Arvin Lee Black fraudulent activities which caused a  
23 substantial loss of receivership funds. The services rendered by the Receiver and counsel thus  
24 included the administration, recovery, marketing, sale or other disposition of numerous different  
25 assets which collectively generated receipts for the estate of over \$1,133,484.44 during this

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<sup>2</sup> The records consist of approximately 80-85 boxes of documents received from financial institutions and other third parties, with each box containing approximately 5,000 pages.

1 expense period. These receipts bring total funds collected from the inception of the case through  
2 December 31, 2012 to \$8,067,289.64.

3 In addition to the cash on hand in the estate, the Receiver has a number of valuable  
4 receivership assets that are being marketed and have yet to be liquidated, settlements currently  
5 being negotiated with third parties and additional Receivership Defendants' accounts yet to be  
6 turned over. The Receiver also has pending litigation against Jeremy Johnson's parents, Kerry  
7 and Barbara Johnson, for recovery of assets for the estate. All of these non-cash assets of the  
8 receivership estate have a conservative aggregate value of several million dollars.

9 E. Numerous Court Filings

10 In the seven months covered by the Expense Period, the Receiver has filed several  
11 motions, with all requests for substantive relief granted by the Court. Many of the Receiver's  
12 several motions for substantive relief filed during this Expense Period, which are described in  
13 further detail below, requested multiple items of relief to promote judicial efficiency and  
14 minimize expense for the receivership estate. The Receiver also prepared and filed numerous  
15 other procedural pleadings, including eight stipulations extending response deadlines to parties  
16 opposing the Receiver's Motion to Clarify, and several other procedural requests for relief in  
17 connection with the completion of briefing of the Receiver's Motion to Clarify. The Receiver  
18 also filed a complaint for recovery of assets against Kerry Johnson and Barbara Johnson and  
19 prepared and filed pleadings in response to motions by other parties.

20 The Receiver's investigation is still continuing, and the Receiver is still actively marketing  
21 certain real properties and other assets of the estate, including two aircraft, a houseboat, and  
22 various real estate assets. The Receiver continues to receive banking and other financial records  
23 that provide additional, essential detail to understand the large and complex network of  
24 companies and transactions comprising both the \$50.4 million in funds paid to or for the benefit  
25 of Johnson from the Receivership Defendants' assets described in the Receiver's First Report and  
26 to uncover at least \$181 million in additional gross processing revenue, of which \$51.4 million in  
27 net processing revenue funds were discussed at length in the Second Report. The services  
28 rendered by the Receiver, his deputies, staff and counsel during this Expense Period have been

1 extensive, necessary and appropriate under the circumstances. The services have preserved and  
2 realized significant value for the estate's assets. The services have also resulted in the completion  
3 of the briefing of the Motion to Clarify which, if granted, is expected to bring millions of dollars  
4 of additional assets within the scope of the Preliminary Injunction under the control of the Court  
5 and the Receiver's supervision for the benefit of potential injured parties.

6 **II. SUMMARY OF RECEIVER'S AND PROFESSIONALS' SERVICES AND**  
7 **ACTIVITIES DURING THE EXPENSE PERIOD**

8 This motion is the Receiver's fourth motion for approval and payment of receivership fees  
9 and expenses and covers the period from June 1, 2012 through December 31, 2012 ("Expense  
10 Period"). The fees and expenses for which the Receiver seeks approval, and the services rendered  
11 by the Receiver and his counsel during this Expense Period, are summarized hereafter and  
12 described in detail in the billing records attached to the supporting Declarations of Brick Kane  
13 and Gary Owen Caris.

14 The Receiver seeks payment of the Receiver's fees and expenses summarized in the  
15 Administrative Expenses and Fund Balance spreadsheet ("Financial Summary") attached as  
16 Exhibit 1 to the Declaration of Brick Kane in support of this Motion and detailed in the billing  
17 summaries set forth in the separate Appendix of Exhibits as Exhibits 2 through 8. During the  
18 Expense Period, the Receiver has incurred fees for the Receiver and his deputies of \$45,133.80,  
19 Senior Staff fees of \$249,819.60, Information Technology fees of \$886.77 and Support Staff fees  
20 of \$11,463.30, for total Receiver fees of \$307,303.47 for the period. The Receiver has incurred  
21 Receiver's expenses of \$58,732.94, including primarily the sum of \$48,401.46 for tax return  
22 preparation for the large number of Corporate Defendants subject to the receivership.

23 The Receiver has incurred fees and expenses for the services of the Receiver's attorneys,  
24 including the Receiver's lead counsel, McKenna Long & Aldridge LLP ("McKenna Firm"), and  
25 the Receiver's local counsel, Kolesar & Leatham Chtd. ("Kolesar Firm"). During the current  
26 Expense Period, the Receiver specifically has incurred attorneys' fees of \$516,751.20 and costs of  
27 \$34,492.60 to the McKenna Firm, legal fees of \$712.50 and costs of \$1,493.36 to the Kolesar  
28 Firm, and legal fees of \$52.00 and costs of \$1.32 to the Receiver's special litigation counsel in

1 Utah, Hatch, James and Dodge (“Hatch Firm”) for total legal fees and costs in this period of  
2 \$553,502.98. The redacted billing records describing the services of the McKenna Firm, the  
3 Kolesar Firm and the Hatch Firm are attached as Exhibits 9 through 17 to the separate Appendix  
4 of Exhibits filed in support of this motion.

5 The redacted invoices for both the Receiver and his counsel provide detailed, itemized  
6 descriptions of the extensive services rendered during the Expense Period and to achieve the more  
7 than \$8 million in recoveries obtained for the estate to date. The key activities during the  
8 Expense Period and services of the Receiver and counsel are summarized below.

9 A. Asset Analysis, Administration and Sales

10 Pursuant to the Sale Authorization Order issued on August 26, 2011 (Doc. No. 288), the  
11 Receiver listed for sale the real properties, aircraft and two houseboats subject to that order.  
12 During this Expense Period, the Receiver closed the sale of two parcels of raw land in  
13 Washington County, Utah (the “103 Acres”), pursuant to a sale approved in the preceding  
14 expense period. The sale resulted in recoveries of \$138,875.02 for the estate. The 103 Acres are  
15 subject to liens in favor of the former SunFirst Bank, now in receivership under the control of the  
16 Federal Deposit Insurance Corporation, and the properties were sold free and clear of the disputed  
17 SunFirst lien, with the lien attaching to the proceeds of sale but subject to the Receiver’s claims  
18 and objections regarding the validity, priority and extent of the SunFirst lien. The SunFirst lien  
19 secured a loan to I Works, Inc. (“I Works”) in the original principal sum of \$1.1 million which  
20 was transferred to Cache Valley Bank after SunFirst was placed in receivership. As discussed  
21 below, the Receiver reached a proposed settlement with Cache Valley Bank regarding the amount  
22 and treatment of its claim under that loan during this Expense Period.

23 With Court approval, the Receiver also sold a trailer park in Mendon, Utah that the  
24 Receiver had administered during the case. The sale closed in September 2012 and generated net  
25 proceeds for the estate of \$230,682.37. The Receiver also sold two aircraft during the Expense  
26 Period. The net proceeds of sale from the two aircraft totaled \$452,690.00. The Receiver also  
27 obtained Court approval to sell another real property located at 575 East 30 North, Ephraim, Utah

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1 during this Expense Period. The sale closed on January 2, 2013, shortly after the conclusion of  
2 the Expense Period, and resulted in net proceeds of \$72,102 being obtained by the estate.

3 The Receiver also liquidated multiple aircraft during the current Expense Period. The  
4 Receiver concluded sales of two helicopters, a 2008 Robinson helicopter (N41286) and a 2005  
5 Robinson helicopter (N321WT) and a fixed wing aircraft, a Piper Navajo (N300WA). The  
6 Receiver was also granted authority to market a 2005 Robinson R44 helicopter (N74367) that was  
7 recovered by the Receiver from the Dominican Republic pursuant to an order compelling Jeremy  
8 Johnson to turn over that aircraft to the Receiver. The Receiver is continuing to market that  
9 helicopter as well as the Piper Malibu Mirage authorized to be sold under the Sale Authorization  
10 Order. Certain of the approved sales of the aircraft during this period required the Receiver to  
11 provide notice and an opportunity for overbidding by third parties to maximize value. The  
12 Receiver's counsel prepared the overbid notices, and the Receiver supervised the sales and the  
13 closing of the transactions.

14 The Receiver obtained Court approval to abandon one of the two houseboats, the PEPS I  
15 which was encumbered by a lien in favor of Town and Country Bank. The Receiver still has  
16 listed for sale the other houseboat, which is unencumbered.

17 The Receiver also completed the sale of a Subaru Forrester authorized to be sold during a  
18 prior period. The Receiver has also continued to address administrative issues concerning a real  
19 estate asset of the estate in Rockville, Utah on which a single family residence burned down. The  
20 Receiver has continued to address insurance issues concerning the property and the options  
21 available to the estate for the disposition of the property.

22 During this period, the Receiver continued to monitor and recover funds from financial  
23 institutions holding funds frozen by service by the Receiver of the Temporary Restraining Order  
24 and/or Preliminary Injunction through ongoing turnover demands. The Receiver recovered  
25 additional funds from accounts of the Corporate Defendants at Discover Financial Services  
26 totaling \$202,363.04 during this Expense Period.

27 The Receiver took over management of the Mendon trailer park in or about July 2011  
28 prior to selling it in September 2012. The Receiver obtained additional revenues from that asset

1 of \$12,085.00 during the Expense Period, bringing total gross rental receipts from the trailer park  
2 to over \$43,000 since the Receiver began its administration of that asset, until it was sold.

3 The Receiver's asset investigation and analysis has also included an analysis of numerous  
4 real properties which the Receiver has concluded, based on his forensic accounting, the  
5 Receiver's Second Report and subsequent investigation, constitute receivership property. The  
6 Receiver has caused notices of pendency of action to be recorded on several properties to protect  
7 the estate's interests.

8 B. Subpoenas and Records Investigation

9 The Receiver, through counsel, has conducted four depositions during this Expense  
10 Period. The Receiver deposed Brett Andreasen, the principal of Mountain Financial, LLC, one of  
11 the entities subject to the Receiver's Motion to Clarify. The Receiver also deposed two  
12 representatives of McArthur Jewelers, Thomas Kraft and Thomas McArthur. McArthur Jewelers  
13 participated in the purchase and liquidation of millions of dollars in precious metals that have  
14 been investigated by the Receiver and that the Receiver believes constituted assets of the  
15 receivership estate. Some of the information developed from the deposition of Brett Andreasen  
16 has already been presented to the Court. *See* Doc. No. 758 (Decl. of Gary Owen Caris in  
17 Opposition to Vowells' Motion to Lift Stay). The Receiver also deposed David Smith, the  
18 principal of an entity known as Billy's Ltd. LLC which asserts that it lent \$700,000 to Lift Off  
19 Financial LLC secured by two single family residences and two parcels of vacant land on Woods  
20 View Circle in St. George, Utah, including the residence of Jason Vowell. Lift Off Financial  
21 LLC and the assets of Jason Vowell are included in the Receiver's Motion to Clarify, and the  
22 Receiver has asserted that Billy's Ltd. LLC is stayed from conducting a foreclosure sale of its  
23 deeds of trust on those properties under the Preliminary Injunction based on the estate's interest in  
24 those properties. The Receiver and Billy's Ltd. LLC are currently attempting to negotiate a  
25 consensual resolution of their disputes.

26 The Receiver has continued his investigation of receivership property and the estate  
27 through additional records subpoenas issued during this period. The Receiver, through counsel,  
28 has issued 21 records subpoenas during the Expense Period to financial institutions, precious

1 metals dealers, aircraft title companies, securities brokers, and real property title companies,  
2 among others. Issuance of the subpoenas requires investigation of the entities to be subpoenaed  
3 to obtain agents for service of process and obtaining locations for local production to comply with  
4 the provisions of F.R. Civ. P. 45. The documentation and processing of the subpoenas, cover  
5 letters, instructions, and follow up, including the supplemental records requests discussed below,  
6 are handled primarily by a paralegal at the McKenna Firm with supervision and direction by  
7 counsel and the staff and employees at the Receiver's office.

8 To try to avoid overproduction of potentially irrelevant or unnecessary records, the  
9 Receiver's subpoenas, cover letters and instructions request copies of account opening documents  
10 and statements from financial institutions for the responsive accounts. Based on the analysis of  
11 those records and instructions from the Receiver's accounting staff, the Receiver's counsel then  
12 submits supplemental records requests for specific transactions identified through the initial  
13 production. Obtaining the records responsive to the subpoenas has required ongoing follow up  
14 with the financial institutions, responding to inquiries from the subpoenaed entities, and  
15 maintaining detailed records of contacts with the subpoenaed entities to confirm the status of  
16 production and information on the persons involved in the production.

17 The Receiver's investigation, analysis and review of financial records, escrow and title  
18 records and numerous other documents obtained through subpoena have continued since the  
19 Second Report was filed as reflected in the billing summaries filed in support of this Motion. The  
20 records obtained are extensive and require meticulous review to identify, trace and monitor the  
21 transfers of receivership assets.

22 The Receiver's counsel received requests from two groups of third parties whose records  
23 were subpoenaed seeking a confidentiality agreement. The third parties did not object to the  
24 production of their records to the Receiver in their entirety pursuant to the subpoenas but  
25 requested notice and certain limitations on public disclosure of their account records. The  
26 Receiver's counsel negotiated and entered into two separate confidentiality agreements with those  
27 groups of third parties.

28



1 C. Completion of Briefing of Motion to Clarify

2 The Receiver filed his Motion to Clarify on May 30, 2012. During the ensuing two  
3 months, the Receiver agreed to multiple extensions of the deadline for responses to the Motion to  
4 Clarify, preparing and filing eight separate stipulations as well as a response to a motion to extend  
5 the deadline for filing made by defendant Jeremy Johnson. The Receiver sought and obtained  
6 Court approval to file a single, consolidated reply to the oppositions by August 13, 2012 and to  
7 file a brief longer than the 25-page maximum. The Receiver filed extensive reply papers on  
8 August 13, 2012 to all oppositions other than the opposition of John Hafen (“Hafen”) and his  
9 related companies based on settlement negotiations entered into by the Receiver with those  
10 parties. The Receiver’s settlement negotiations with Hafen resulted in a settlement agreement  
11 that was filed with the Court and approved based on the Receiver’s motion filed in November  
12 2012. The Hafen settlement provided for a cash payment of \$65,000 paid to the estate during this  
13 Expense Period and for Hafen to be interviewed by the Receiver and his counsel. The interview  
14 was conducted after the end of the Expense Period.

15 D. Multiple Lawsuits Filed by Receiver

16 As noted above, in June 2012, the Receiver filed a complaint against Jeremy Johnson’s  
17 parents, Kerry Johnson and Barbara Johnson, for recovery of receivership assets fraudulently  
18 transferred prior to the receivership (Case No. 2:12-cv-01053-MMD-VCF). Kerry and Barbara  
19 Johnson filed a motion to dismiss the complaint which the Receiver opposed, and on February 11,  
20 2013, the Court denied their dismissal motion.

21 The Receiver also filed suit against numerous third parties arising out of a fraudulent  
22 scheme perpetrated by Sole Group, LLC (“Sole Group”) and Arvin Lee Black, Jr. (“Black”) by  
23 which millions of dollars in receivership assets were transferred to Black and Sole Group,  
24 initiating Case No. 2:12-cv-01860-RCJ-PAL. The Receiver met and conferred with numerous  
25 third parties who had filed suit against Black and Sole Group and others who also were asserting  
26 claims against them arising out of that investment scheme based on the estate’s contention that  
27 the stay of actions provisions of the Preliminary Injunction precluded litigation of those claims in  
28 light of the receivership estate’s competing interests and claims against Sole Group and Black.

1 The Receiver and almost all of those third parties, other than the Vowells and certain Vowell-  
2 related entities, entered into a stipulation which was filed with the Court on August 16, 2012  
3 (Doc. No. 683) (“Sole Group Stipulation”) and approved by an order of the Court entered on  
4 August 21, 2012 (Doc. No. 686). The Sole Group Stipulation provided for suit to be filed by the  
5 Receiver and for the parties to have their competing claims resolved by the Court concerning the  
6 respective rights of the receivership estate and those other parties in the Sole Group/Black assets  
7 recovered by the Receiver. The Receiver filed a separate, related motion to stay the Vowells and  
8 certain Vowell-related entities from pursuing certain counterclaims against Sole Group and Black  
9 to prevent interference with the estate’s rights and interests, which was granted (Doc. Nos. 719  
10 and 722). The Vowells and certain of their related entities then moved to vacate the Court’s order  
11 granting the stay of the counterclaims, to which the Receiver responded. *See* Doc. Nos. 743, 758.

12 E. Court Filings, Motions, Responses and Court Appearances

13 During this Expense Period, the Receiver’s counsel filed a total of seven motions seeking  
14 substantive relief, most of which were lengthy, detailed and sought multiple items of relief.  
15 During this period, the Receiver filed two motions for approval of settlements and three motions  
16 for approval of sales of assets of the receivership estate as well as a motion for approval of the  
17 Receiver’s fees and expenses. The sale motions, which were granted, authorized the Receiver to  
18 sell multiple aircraft and two real properties with aggregate net proceeds for the estate of over  
19 \$750,000, including the proceeds of the Ephraim property sale which closed in January 2013.  
20 The motion for approval of the Hafen settlement was granted and resulted in a recovery of  
21 \$65,000 for the estate as well as the Receiver obtaining information important to his ongoing  
22 asset investigation.

23 The other motion for approval of a settlement filed by the Receiver is the motion for  
24 approval of the settlement with Cache Valley Bank. The Cache Valley Bank settlement motion  
25 was filed on November 29, 2012. No opposition to that motion was filed, and the parties are  
26 awaiting entry of the order approving the settlement. Cache Valley Bank previously filed an  
27 opposition to the Receiver’s motion to approve the sale of the aircraft with registration number  
28 N321WT. The Receiver’s settlement with Cache Valley Bank resulted in the withdrawal of the

1 Bank's opposition to that sale and an agreement for the payment of a fixed sum to the Bank of  
2 \$1,098,340.05 in satisfaction of its claim under a loan in the original principal sum of \$1.1  
3 million made by SunFirst Bank to I Works. Under the settlement, Cache Valley Bank agreed to  
4 waive over \$300,000 in claimed accrued interest, in addition to attorneys' fees and other charges  
5 that may have been recoverable under the loan documents. Cache Valley Bank acquired that loan  
6 after SunFirst's closure. Upon approval of the settlement by the Court, the Receiver will turn  
7 over to Cache Valley the net proceeds of sale of the five parcels of raw land in Washington  
8 County and the two aircraft sold by the Receiver with liens to attach to the proceeds. After  
9 turnover of those net sale proceeds totaling approximately \$790,000, the receivership estate will  
10 owe Cache Valley Bank the approximate sum of \$308,000 which is to be paid from the proceeds  
11 of sale of the Piper Malibu Mirage fixed wing aircraft, an aircraft that has been appraised at  
12 approximately \$889,000.

13 The sales of assets have required the Receiver and his counsel to work together on the  
14 documentation of the sale agreements, review the purchase and sale contracts, review preliminary  
15 title reports, address title issues and address the appropriate terms and conditions of the sales  
16 which vary depending on the circumstances of the sale, the nature of the asset, and time  
17 constraints that may affect the sale. The sales also require discussions, negotiation and  
18 coordination by the Receiver and/or his counsel with the buyer or the buyer's attorney or sales  
19 agent as well as any broker for the estate, as applicable.

20 The Receiver through counsel appeared in person at two hearings during this Expense  
21 Period. The first hearing conducted in July 2012 was a status conference. Counsel for the  
22 Receiver also appeared at a hearing conducted in September 2012 on a motion to sell real  
23 property and to authorize the Receiver to abandon the PEPS I houseboat, which was granted.

24 The Receiver also filed a procedural motion and a number of stipulations in connection  
25 with the completion of the briefing of the Motion to Clarify, as set forth above, and in connection  
26 with the Cache Valley Bank opposition to the Receiver's third omnibus sale motion in order to  
27 provide the parties additional time to resolve their differences regarding the treatment of Cache  
28

1 Valley Bank's claim. The Receiver's fee motion filed during this period covering the expense  
2 period of February 1, 2012 through May 31, 2012 was also granted.

3 F. Pokerstars Litigation

4 The Receiver and counsel have also continued to address the receivership estate's claim to  
5 approximately \$13.5 million in funds from processing by Triple Seven, Powder Monkeys and  
6 Mastery Merchant plus additional sums in two domestic bank accounts held in the name of Triple  
7 Seven and Kombi Capital LP, two entities subject to the Motion to Clarify, and an overseas  
8 account in Andorra held in the name of Triple Seven, Inc. that is pending in the civil asset  
9 forfeiture litigation in the United States District Court for the Southern District of New York.  
10 Specifically, certain of the Corporate Defendants performed payment processing for certain  
11 entities associated with the online poker companies Pokerstars and Full Tilt, using SunFirst as the  
12 merchant processing bank. The United States has filed a criminal indictment in the Southern  
13 District of New York in the case *United States of America v. Scheinberg*, Case No. S3 10 Cr. 336  
14 (LAK) ("New York Criminal Action"), naming as defendants a former SunFirst officer, John  
15 Campos, along with at least one of Jeremy Johnson's close business associates. There is  
16 approximately \$13.5 million in processing revenues originally held at SunFirst, and now by the  
17 FDIC as its successor. The New York Criminal Action commenced, and those funds were  
18 subsequently frozen by a separate restraining order issued in the civil forfeiture action related to  
19 the New York Criminal Action.

20 The Receiver filed an answer and a verified claim to the funds in the civil forfeiture action  
21 to preserve the estate's claims to those funds through the McKenna Firm's New York office. At a  
22 status conference held in May 2012 which the Receiver attended through an attorney in the  
23 McKenna Firm's New York office, dates and deadlines for discovery and motions were set in  
24 connection with the civil forfeiture action. The Receiver's counsel prepared and served discovery  
25 for records on the United States and certain third parties, including the Federal Deposit Insurance  
26 Corporation ("FDIC") which is the custodian of various records of SunFirst.

27 In addition, the Receiver filed a response to a motion to strike the estate's claim in the  
28 civil forfeiture action. The Receiver also obtained authorization to file a surrepley. That motion is

1 under submission. The United States subsequently filed a Second Amended Complaint in the  
2 civil forfeiture action which the Receiver's counsel analyzed. The United States and the  
3 Receiver's counsel have participated in settlement negotiations to try to resolve the parties  
4 competing claims to the \$13.5 million in dispute.

5 G. Ongoing Administrative and Other Activities by the Receiver and Counsel

6 The Receiver's services and those of his counsel include numerous other administrative  
7 and legal activities during this Expense Period. The Receiver's deputies and staff respond to and  
8 cooperate with law enforcement inquiries and activities as required under the Preliminary  
9 Injunction. The Receiver's deputies and staff respond to inquiries from creditors, prepare and  
10 reconcile the Receiver's accounting records for the case, address tax issues concerning the estate,  
11 deal with banks and other financial institutions which may have receivership funds or  
12 documentation for accounts of Receivership Defendants and perform other similar administrative  
13 tasks. The Receiver's counsel reviews and monitors the Court filings in the case and in the  
14 related New York Criminal Action and civil forfeiture action as they may pertain to the interests  
15 of the estate, responds to inquiries received from creditors and others, including taxing  
16 authorities, files notices of pending actions to protect real estate assets if deemed appropriate, and  
17 also performs numerous other tasks in advising the Receiver and rendering services as Receiver's  
18 counsel to protect the estate, pursue claim enforcement, negotiate with various persons and  
19 entities that are the subject of potential claims by the Receiver, enforce the Preliminary Injunction  
20 and otherwise advance the interests of the estate.

21 Numerous and varied issues arise in the supervision and administration of the estate by the  
22 Receiver which are detailed in the billing records of the Receiver and counsel filed in support of  
23 this Motion. The Receiver performs regular accounting and bank reconciliations for the  
24 receivership accounts and through counsel provides copies of the monthly bank statements to the  
25 parties pursuant to the Preliminary Injunction. The Receiver maintains and updates creditor lists  
26 for the case and responds to creditor and other inquiries.

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1 H. Costs

2 The primary costs incurred by the Receiver during this seven-month Expense Period  
 3 concern the preparation and filing of tax returns for the receivership entities, as reflected in the  
 4 Financial Summary attached as Exhibit 1 to the Declaration of Brick Kane in support of this  
 5 Motion. The costs incurred by the McKenna Firm consist primarily of costs incurred for the  
 6 transcripts of the depositions of Brett Andreasen and the two representatives of McArthur  
 7 Jewelers, process server fees for service of the approximate 21 records subpoenas during this  
 8 Expense Period, costs incurred to third parties for the costs for production of the thousands of  
 9 pages of records produced by financial institutions, escrow and title companies and other  
 10 businesses during this period, and travel expenses for the Receiver's counsel to appear at the  
 11 hearings on July 23, 2012 and September 10, 2012. These expenses are out-of-pocket expenses  
 12 incurred by the McKenna Firm to third parties and passed through to the Receiver without mark  
 13 up or modification.

14 **III. THE FEES AND EXPENSES OF THE RECEIVER AND HIS PROFESSIONALS**  
 15 **SHOULD BE APPROVED**

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

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

27 2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p. 1052 (3<sup>rd</sup> ed.  
 28 1992).

1           The Motion establishes that the Receiver, his deputies, staff and counsel rendered  
2 extensive and complex services and obtained significant and beneficial results for the receivership  
3 estate during the Expense Period. *See Federal Trade Commission v. Capital Acquisitions &*  
4 *Management Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). The activities in  
5 the receivership by both the Receiver and counsel are wide-ranging and varied as the Receiver  
6 has taken control of and obtained information regarding scores of entities in numerous locations,  
7 protected and preserved records, taken control of and liquidated assets, and obtained voluminous  
8 banking, financial and business records from many different sources, and prepared a detailed  
9 Motion to Clarify to address the individuals and dozens of entities that have received, transferred  
10 and/or concealed valuable assets of the receivership estate. The billing rates charged in this case  
11 reflected in the billing records filed in support of the Motion for the Receiver, the Receiver's  
12 members and senior accounting staff are discounted at 10% from the rates charged by the  
13 Receiver's firm in private sector cases as of the time of the Receiver's appointment. Because the  
14 Receiver does not raise the rates charged for its professionals during the case, and because the  
15 Receiver established discounted rates in this case based on its 2010 private sector rates even  
16 though the Receiver did not commence work until January 2011, the rates being charged for the  
17 Receiver, the Receiver's members and senior accounting staff are not only 10% below the firm's  
18 current 2012 rates but overall the rates in effect in this case are discounted materially more than  
19 10%. The rates charged by the McKenna Firm for its attorneys and paralegals are also discounted  
20 by 10% from the standard hourly billing rates charged as of 2011. The McKenna Firm's hourly  
21 rates for its attorneys and paralegals increased in 2012, but the McKenna Firm continues to bill  
22 for the services rendered in this receivership at a 10% discount off the 2011 billing rates for those  
23 attorneys and paralegals. The Receiver submits the fees and expenses are reasonable in light of  
24 the services rendered and the results obtained and that the fees and expenses requested should be  
25 awarded in their entirety.

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1 **IV. NOTICE OF THIS MOTION IS SUFFICIENT UNDER THE CIRCUMSTANCES**  
2 **AND SHOULD BE APPROVED**

3 Local Civil Rule 66-5 provides for service of notice of the hearing on various motions by  
4 a Receiver concerning the administration of the estate. That rule provides for service of the  
5 notice of hearing on such motions on all creditors of the receivership estate. No hearing has been  
6 set on this Motion and the provisions of Local Civil Rule 66-5 do not specifically apply.

7 Consistent with the Receiver's practices throughout the case which have previously been  
8 approved by the Court, the Receiver has served a notice of filing of the Motion on the parties and  
9 on all known non-consumer creditors of the estate to provide them notice and an opportunity to  
10 be heard concerning the Motion.

11 In this case, there are believed to be an extremely large number of potential consumer  
12 creditors who may have claims against the Receivership Defendants arising out of the business  
13 operations of the Receivership Defendants prior to the Receiver's appointment, although the  
14 precise number, identity and location of such consumer creditors have not been determined by the  
15 Receiver at this time. Given the Receiver's determination that more than \$332.5 million in sales  
16 revenues were generated by I Works and the related and affiliated entities, the number of  
17 potential consumer creditors is likely in the tens of thousands. It is not realistically possible or  
18 beneficial to the estate and its creditors for the Receiver to attempt to identify and serve the  
19 potential consumer creditors with notice of this and other similar administrative motions, and the  
20 expense and burden on the estate of attempting to effectuate such service would drain the estate's  
21 resources and cause undue administrative expense.

22 Based on the foregoing, to the extent that Local Rule 66-5 applies to this Motion, the  
23 Receiver seeks an order providing that the notice requirement of that rule shall be deemed  
24 satisfied if notice of the filing of the Motion is given by serving copies of all motion papers on the  
25 parties to the action and by serving copies of the notice of filing of the motion on all known non-  
26 consumer creditors. The Receiver submits that such service provides sufficient notice and an  
27 opportunity for hearing to the interested parties and should be approved as adequate. The Court's  
28 authority, as a court of equity supervising a federal equity receivership, to issue such an



1 administrative order approving this form of notice has been previously detailed in the Receiver's  
2 memoranda supporting many of the Receiver's prior motions and is summarized herein. See F.R.  
3 Civ. P. 5(a) and (c) (authorizing the court to modify service procedures when numerous  
4 defendants are involved in litigation); Local Rule 66-10 (receiver to administer receivership  
5 estates "as nearly as may be in accordance with the practice in the administration of estates in  
6 Chapter 11 bankruptcy case"); *In re First Alliance Mortgage Co.*, 269 B.R. 428, 442 (C.D. Cal.  
7 2001) (referencing in dicta in the court's recitation of facts the bankruptcy court's order limiting  
8 notice issued in that case); 11 U.S.C. section 102(1)(A) (defining the phrase "after notice and a  
9 hearing" to mean "after such notice as is appropriate in the particular circumstances, and such  
10 opportunity for hearing as is appropriate in the particular circumstances"); 11 U.S.C. section  
11 105(a) and (d) (granting broad equitable powers to the court to issue orders "necessary or  
12 appropriate to carry out the provisions" of title 11 including "prescribing such limitations and  
13 conditions as the court deems appropriate to ensure the case is handled expeditiously and  
14 economically"); and F. R. Bankr. P. 2002(m) (authorizing the court to enter "orders designating  
15 the matters in respect to which, the entity to whom, and the form and manner in which notices  
16 shall be sent except as otherwise provided by these rules").

17 **V. CONCLUSION**

18 For the foregoing reasons, it is respectfully requested that the Court grant relief as  
19 requested in the Motion.  
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Attorneys for Receiver

11 **ROBB EVANS OF ROBB EVANS & ASSOCIATES**  
12 **LLC**

13 **UNITED STATES DISTRICT COURT**

14 **DISTRICT OF NEVADA**

15 FEDERAL TRADE COMMISSION,  
16

17 Plaintiff,

18 v.

19 JEREMY JOHNSON, individually, as officer  
20 of Defendants I Works, Inc., etc., et al.,

21 Defendants.  
22  
23

Case No. 2:10-CV-02203-MMD-GWF

**DECLARATION OF GARY OWEN  
CARIS IN SUPPORT OF MOTION FOR  
ORDER (1) APPROVING AND  
AUTHORIZING PAYMENT OF  
RECEIVER'S AND PROFESSIONALS'  
FEES AND EXPENSES FROM JUNE 1,  
2012 THROUGH DECEMBER 31, 2012;  
AND (2) GRANTING RELIEF FROM  
LOCAL RULE 66-5 PERTAINING TO  
NOTICE TO CREDITORS**

24  
25 I, Gary Owen Caris, declare:

26 1. I am an attorney at law duly licensed to practice before all courts of the State of  
27 California and I have been admitted to practice *pro hac vice* before the United States District  
28 Court for the District of Nevada in the subject litigation. I am a partner in the firm of McKenna

1 Long & Aldridge LLP (“McKenna Firm”) and am one of the attorneys primarily responsible for  
2 representing Robb Evans of Robb Evans & Associates LLC, the Receiver in this matter  
3 (“Receiver”). I have personal knowledge of the matters set forth in this declaration and if I were  
4 called upon to testify in these matters, I could and would competently testify thereto.

5 2. This declaration is submitted in support of the Receiver’s third fee motion. The  
6 motion seeks, among other relief, approval and authorization for payment of the Receiver’s legal  
7 fees and expenses for the four-month period from June 1, 2012 through December 31, 2012  
8 (“Expense Period”). The legal fees and expenses incurred during the Expense Period total  
9 \$553,502.98, including fees and expenses incurred to the McKenna Firm in the sum of  
10 \$551,243.80, fees and expenses of the Receiver’s local counsel in Nevada, Kolesar & Leatham,  
11 Chtd. (“Kolesar Firm”), in the sum of \$2,205.86, and fees and expenses of the Receiver’s special  
12 litigation counsel in Utah, Law Offices of Hatch, James & Dodge, A Professional Corporation  
13 (“Hatch Firm”), in the sum of \$53.32.

14 3. The McKenna Firm is lead counsel for the Receiver in this case. The McKenna  
15 Firm and the Kolesar Firm coordinated their activities so that the Kolesar Firm as local counsel  
16 was primarily responsible for assisting the Receiver in obtaining copies of pleadings from the  
17 Court, assisting the Receiver in filing and service of pleadings and assisting the McKenna Firm in  
18 complying with the Court’s local rules and procedures. The amounts incurred to the Kolesar  
19 Firm for these services over the Expense Period have been very modest. The Hatch Firm is  
20 located in Salt Lake City, Utah. During prior expense periods, the Hatch Firm has assisted the  
21 Receiver in pursuing enforcement and foreclosure of a deed of trust in favor of one of the  
22 Receivership Defendants secured by real property in Utah owned by one of the defendants, Loyd  
23 Johnston. The Hatch Firm spent a very small amount of time continuing in that assistance during  
24 this Expense Period.

25 4. Attached to the Appendix of Exhibits as Exhibits 9 through 15, inclusive, are true  
26 and correct copies of the detailed, redacted time records of the McKenna Firm for the Expense  
27 Period. Attached to the Appendix of Exhibits as Exhibits 16 and 17, respectively, are the billing  
28 records of the Kolesar Firm and the Hatch Firm for the Expense Period. The time records,

1 Exhibits 9 through 17, as well as the time records for the Receiver, his deputies, accountants and  
2 staff, have been redacted by my firm where appropriate to preserve descriptions containing  
3 confidential, sensitive, tactical, strategic, attorney-client privileged and/or attorney work-product  
4 information. In particular, as detailed in the fee motion, the Receiver is still investigating a large  
5 number of entities and individuals comprising and/or associated with the Receivership  
6 Defendants, and the Receiver has redacted information in the time entries that the Receiver deems  
7 confidential or sensitive, tactical or strategic information related to his ongoing investigation and  
8 potential litigation activities that could be compromised if disclosed at this time.

9       5. On behalf of the Receiver, I have conducted four depositions during this Expense  
10 Period. I deposed Brett Andreasen, the principal of Mountain Financial, LLC, one of the entities  
11 subject to the Receiver's Motion to Clarify. I also deposed two representatives of McArthur  
12 Jewelers, Thomas Kraft and Thomas McArthur. McArthur Jewelers participated in the purchase  
13 and liquidation of millions of dollars in precious metals that have been investigated by the  
14 Receiver and that the Receiver believes constituted assets of the receivership estate. Some of the  
15 information developed from the deposition of Brett Andreasen has already been presented to the  
16 Court. *See* Doc. No. 758 (Decl. of Gary Owen Caris in Opposition to Vowells' Motion to Lift  
17 Stay). I also deposed David Smith, the principal of an entity known as Billy's Ltd. LLC which  
18 asserts that it lent approximately \$700,000 to Lift Off Financial LLC secured by two single  
19 family residences and two parcels of vacant land on Woods View Circle in St. George, Utah,  
20 including the residence of Jason Vowell. Lift Off Financial LLC and the assets of Jason Vowell  
21 are included in the Receiver's Motion to Clarify, and the Receiver has asserted that Billy's Ltd.  
22 LLC is stayed from conducting a foreclosure sale of its deeds of trust on those properties under  
23 the Preliminary Injunction based on the estate's interest in those properties. The Receiver and  
24 Billy's Ltd. LLC are attempting to negotiate a consensual resolution of their disputes.

25       6. The McKenna Firm has issued 21 records subpoenas during the Expense Period to  
26 financial institutions, precious metals dealers, aircraft title companies, securities brokers, and real  
27 property title and escrow companies, among others. The activities of the Receiver and the  
28 McKenna Firm in coordinating the issuance of records subpoenas, monitoring compliance with

1 the records subpoenas and preparing supplemental requests for records to the subpoenaed parties  
2 are discussed in the accompanying Declaration of Brick Kane.

3 7. My firm received requests from two groups of third parties whose records were  
4 subpoenaed seeking a confidentiality agreement. The third parties did not object to the  
5 production of their records to the Receiver in their entirety pursuant to the subpoenas but  
6 requested notice and certain limitations on public disclosure of their account records. The  
7 McKenna Firm negotiated and entered into two separate confidentiality agreements with those  
8 groups of third parties.

9 8. The Receiver filed his Motion to Clarify on May 30, 2012. During the ensuing  
10 two months, my firm responded to numerous requests for extensions of time to respond to the  
11 Motion to Clarify. My firm agreed to multiple extensions of the deadline for responses to the  
12 Motion to Clarify, and prepared and filed eight separate stipulations as well as a response to a  
13 motion to extend the deadline for filing made by defendant Jeremy Johnson. On behalf of the  
14 Receiver, my firm sought and obtained Court approval to file a single, consolidated reply to the  
15 oppositions by August 13, 2012 and to file a brief longer than the 25-page maximum.

16 9. The McKenna Firm filed extensive reply papers on August 13, 2012 to all  
17 oppositions other than the opposition of John Hafen (“Hafen”) and his related companies based  
18 on settlement negotiations entered into by the Receiver with those parties. The Receiver’s  
19 settlement negotiations with Hafen resulted in a settlement agreement that was filed with the  
20 Court and approved based on the Receiver’s motion filed in November 2012. The Hafen  
21 settlement provided for a cash payment of \$65,000 paid to the estate during this Expense Period  
22 and for Hafen to be interviewed by the Receiver and me. The interview was conducted after the  
23 end of the Expense Period.

24 10. In June 2012, on behalf of the Receiver, the McKenna Firm filed a complaint  
25 against Jeremy Johnson’s parents, Kerry Johnson and Barbara Johnson, for recovery of  
26 receivership assets fraudulently transferred prior to the receivership (Case No. 2:12-cv-01053-  
27 MMD-VCF). Kerry and Barbara Johnson filed a motion to dismiss the complaint which the  
28 Receiver opposed, and on February 11, 2013, the Court denied their dismissal motion.

1           11.     On behalf of the Receiver, the McKenna Firm also filed suit against numerous  
2 third parties arising out of a fraudulent scheme perpetrated by Sole Group, LLC (“Sole Group”)  
3 and Arvin Lee Black, Jr. (“Black”) by which millions of dollars in receivership assets were  
4 transferred to Black and Sole Group, initiating Case No. 2:12-cv-01860-RCJ-PAL. I met and  
5 conferred, directly or through counsel, with numerous third parties who had filed suit against  
6 Black and Sole Group and others who were also asserting claims against them arising out of that  
7 investment scheme based on the stay of actions provided in the Preliminary Injunction precluded  
8 litigation of those claims in light of the receivership estate’s competing interests and claims  
9 against Sole Group and Black. The Receiver and almost all of those third parties, other than the  
10 Vowells and certain Vowell-related entities, entered into a stipulation which was filed with the  
11 Court on August 16, 2012 (Doc. No. 683) (“Sole Group Stipulation”) and approved by an order of  
12 the Court entered on August 21, 2012 (Doc. No. 686). The Sole Group Stipulation provided for  
13 suit to be filed by the Receiver and for the parties to have their competing claims resolved by the  
14 Court concerning the respective rights of the receivership estate and those other parties in the Sole  
15 Group/Black assets recovered by the Receiver. My firm filed a separate, related motion to stay  
16 the Vowells and certain Vowell-related entities from pursuing certain counterclaims against Sole  
17 Group and Black to prevent interference with the estate’s rights and interests, which was granted  
18 (Doc. Nos. 719 and 722). The Vowells and certain of their related entities then moved to vacate  
19 the Court’s order granting the stay of the counterclaims, to which the Receiver responded. *See*  
20 Doc. Nos. 743, 758.

21           12.     During this Expense Period, the McKenna Firm filed a total of seven motions  
22 seeking substantive relief, most of which were lengthy, detailed and sought multiple items of  
23 relief. During this period, the McKenna Firm filed two motions for approval of settlements and  
24 three motions for approval of sales of assets of the receivership estate as well as a motion for  
25 approval of the Receiver’s fees and expenses. The sale motions, which were granted, authorized  
26 the Receiver to sell multiple aircraft and two real properties with aggregate net proceeds for the  
27 estate of over \$750,000, including the proceeds of the Ephraim property sale which closed in  
28 January 2013. The motion for approval of the Hafen settlement was granted.

1           13.     The other motion for approval of a settlement filed by the Receiver is the motion  
2 for approval of the settlement with Cache Valley Bank. The Cache Valley Bank settlement  
3 motion was filed on November 29, 2012. No opposition to that motion was filed, and the parties  
4 are awaiting entry of the order approving the settlement. Cache Valley Bank previously filed an  
5 opposition to the Receiver's motion to approve the sale of the aircraft with registration number  
6 N321WT. The Receiver's settlement with Cache Valley Bank resulted in the withdrawal of the  
7 Bank's opposition to that sale and an agreement for the payment of a fixed sum to the Bank of  
8 \$1,098,340.05 in satisfaction of its claim under a loan in the original principal sum of \$1.1  
9 million made by SunFirst Bank to I Works. Under the settlement, Cache Valley Bank agreed to  
10 waive over \$300,000 in claimed accrued interest, in addition to attorneys' fees and other charges  
11 that may have been recoverable under the loan documents. Cache Valley Bank acquired that loan  
12 after SunFirst's closure. Upon approval of the settlement by the Court, the Receiver will turn  
13 over to Cache Valley the net proceeds of sale of the five parcels of raw land in Washington  
14 County and the two aircraft sold by the Receiver with liens to attach to the proceeds. After  
15 turnover of those net sale proceeds totaling approximately \$790,000, the receivership estate will  
16 owe Cache Valley Bank the approximate sum of \$308,000 which is to be paid from the proceeds  
17 of sale of the Piper Malibu Mirage fixed wing aircraft, an aircraft that has been appraised at  
18 approximately \$889,000.

19           14.     The sales of assets have required the Receiver and my firm to work together on the  
20 documentation of the sale agreements, review the purchase and sale contracts, review preliminary  
21 title reports, address title issues and address the appropriate terms and conditions of the sales  
22 which vary depending on the circumstances of the sale, the nature of the asset, and time  
23 constraints that may affect the sale.

24           15.     My firm appeared on behalf of the Receiver in person at two hearings during this  
25 Expense Period. The first hearing conducted in July 2012 was a status conference. My firm also  
26 appeared at a hearing conducted in September 2012 on a motion to sell real property and to  
27 authorize the Receiver to abandon the PEPS I houseboat, which was granted.

28

1           16.     My firm filed a procedural motion and a number of stipulations in connection with  
2 the completion of the briefing of the Motion to Clarify, as set forth above, and in connection with  
3 the Cache Valley Bank opposition to the Receiver's third omnibus sale motion in order to provide  
4 the parties additional time to resolve their differences regarding the treatment of Cache Valley  
5 Bank's claim. The McKenna Firm also filed the Receiver's third fee motion during this Expense  
6 Period. The third fee motion covered the Receiver's and counsel's services over a four-month  
7 period from February 1, 2012 through May 31, 2012. After discussion with plaintiff Federal  
8 Trade Commission, the McKenna Firm agreed to reduce the fees sought by the sum of \$2,000.  
9 No opposition to the third fee motion was filed by any other party, and the Court granted the third  
10 fee motion, with the McKenna Firm's \$2,000 adjustment.

11           17.     On behalf of the Receiver, I have also been primarily responsible for addressing  
12 the receivership estate's claim to approximately \$13.5 million in funds from processing by Triple  
13 Seven, Powder Monkeys and Mastery Merchant plus additional sums in two domestic bank  
14 accounts held in the name of Triple Seven and Kombi Capital LP, two entities subject to the  
15 Motion to Clarify, and an overseas account in Andorra held in the name of Triple Seven, Inc. that  
16 is pending in the civil asset forfeiture litigation in the United States District Court for the  
17 Southern District of New York. Specifically, certain of the Corporate Defendants performed  
18 payment processing for certain entities associated with the online poker companies Pokerstars and  
19 Full Tilt, using SunFirst as the merchant processing bank. The United States has filed a criminal  
20 indictment in the Southern District of New York in the case *United States of America v.*  
21 *Scheinberg*, Case No. S3 10 Cr. 336 (LAK) ("New York Criminal Action"), naming as  
22 defendants a former SunFirst officer, John Campos, along with at least one of Jeremy Johnson's  
23 close business associates. There is approximately \$13.5 million in processing revenues originally  
24 held at SunFirst, and now by the FDIC as its successor. The New York Criminal Action  
25 commenced, and those funds were subsequently frozen by a separate restraining order issued in  
26 the civil forfeiture action related to the New York Criminal Action.

27           18.     My firm filed the Receiver's answer and a verified claim to the funds in the civil  
28 forfeiture action to preserve the estate's claims to those funds through the McKenna Firm's New



1 York office. At a status conference held in May 2012 which the Receiver attended through an  
2 attorney in the McKenna Firm's New York office, dates and deadlines for discovery and motions  
3 were set in connection with the civil forfeiture action. The McKenna Firm prepared and served  
4 discovery for records on the United States and certain third parties, including the FDIC which is  
5 the custodian of various records of SunFirst after SunFirst was placed in receivership by the FDIC  
6 in November 2012.

7 19. In addition, on behalf of the Receiver, the McKenna Firm filed a response to a  
8 motion to strike the estate's claim in the civil forfeiture action. The Receiver also obtained  
9 authorization to file a surrepley. That motion is under submission. The United States  
10 subsequently filed a Second Amended Complaint in the civil forfeiture action which my firm  
11 analyzed. I have participated in settlement discussions with counsel for the United States to try to  
12 resolve the parties' competing claims to the \$13.5 million in dispute.

13 20. The costs incurred by the McKenna Firm consist primarily of costs incurred for the  
14 transcripts of the four depositions conducted during this Expense Period, process server fees for  
15 service of the approximate 21 records subpoenas during this Expense Period, costs incurred to  
16 third parties for the costs for production of the thousands of pages of records produced by  
17 financial institutions, escrow and title companies and other businesses during this period, and  
18 travel expenses for the Receiver's counsel to appear at the July 23, 2012 and September 10, 2012  
19 hearings. These expenses are out-of-pocket expenses incurred by the McKenna Firm to third  
20 parties and passed through to the Receiver without mark up or modification.

21 21. The rates charged by the McKenna Firm for its attorneys and paralegals are  
22 discounted by 10% from the standard hourly billing rates charged as of 2011. The McKenna  
23 Firm's hourly rates for its attorneys and paralegals increased in 2012, but the McKenna Firm  
24 continues to bill for the services rendered in this receivership at a 10% discount off the 2011  
25 billing rates for those attorneys and paralegals.

26 22. I am a partner of the McKenna Firm and am familiar with the methods and  
27 procedures used to create, record and maintain billing records for the firm's clients. The billing  
28 summaries attached to the Appendix of Exhibits as Exhibits 9 through 15, inclusive, are prepared



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10 Attorneys for Receiver  
11 **ROBB EVANS OF ROBB EVANS & ASSOCIATES**  
12 **LLC**

13 **UNITED STATES DISTRICT COURT**

14 **DISTRICT OF NEVADA**

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 JEREMY JOHNSON, individually, as officer  
20 of Defendants I Works, Inc., etc., et al.,

21 Defendants.  
22  
23

Case No. 2:10-CV-02203-MMD-GWF

**DECLARATION OF BRICK KANE IN  
SUPPORT OF MOTION FOR ORDER (1)  
APPROVING AND AUTHORIZING  
PAYMENT OF RECEIVER'S AND  
PROFESSIONALS' FEES AND  
EXPENSES FROM JUNE 1, 2012  
DECEMBER 31, 2012; AND (2)  
GRANTING RELIEF FROM LOCAL  
RULE 66-5 PERTAINING TO NOTICE  
TO CREDITORS**

24  
25 I, Brick Kane, declare:

26 1. I am the President and Chief Operating Officer of Robb Evans & Associates LLC  
27 and a deputy to the Receiver Robb Evans of Robb Evans & Associates LLC ("Receiver"), the  
28 Receiver over the Corporate Defendants as defined in the Preliminary Injunction Order in this

1 matter, and over the assets of Jeremy Johnson (“Johnson”) (collectively the Corporate Defendants  
2 and Johnson are referred to herein as the “Receivership Defendants”). I am one of the members  
3 of Robb Evans & Associates LLC with primary responsibility for the daily administration,  
4 supervision and management of the receivership estate. I have personal knowledge of the matters  
5 set forth in this declaration or I have gained knowledge of these matters through other members  
6 and deputies of the Receiver during my supervision and management in this matter. If called  
7 upon to testify as to these matters I could and would competently testify thereto.

8 2. The Receiver was appointed originally as temporary receiver pursuant to the  
9 Court's Order (Doc. No. 19) ("TRO") issued January 13, 2011. Thereafter, pursuant to the Court's  
10 Preliminary Injunction Order issued February 10, 2011, the Receiver became permanent receiver  
11 in this matter.

12 3. I am one of the deputies to the Receiver who has been responsible for the  
13 supervision and administration of the receivership estate and for the Receiver’s review and  
14 investigation of assets and analysis of financial and business records relevant to the receivership  
15 and the Receiver’s exercise of his powers and duties under the TRO and Preliminary Injunction  
16 Order. I personally participated in the preparation and review of the Receiver's initial Report of  
17 Temporary Receiver's Activities January 13, 2011 Through February 4, 2011 which was filed  
18 with the Court on February 8, 2011 (Doc. No. 127) (“Receiver’s First Report”) and the Report of  
19 Receiver’s Financial Reconstruction dated January 31, 2012 (“Financial Reconstruction”) filed  
20 with the Court on February 3, 2012 along with four volumes of Appendices of Exhibits to the  
21 Financial Reconstruction (Doc. Nos. 464, 465-468). I personally participated in the review and  
22 evaluation of many of the documents and records upon which the information contained in the  
23 Receiver’s First Report and Financial Reconstruction are based. I attended and/or read the  
24 transcripts of all of the depositions conducted by the Receiver to date in this case and I attended  
25 two confidential witness interviews on behalf of the Receiver. I was extensively involved in the  
26 drafting and revision of the Financial Reconstruction and in the drafting, revisions or review of  
27 the more than 100 tabs (exhibits) to the Financial Reconstruction.

28

1           4.       As reflected in the Receiver's First Report, the Receivership Defendants include  
2 61 named corporate defendants, the assets of Jeremy Johnson and numerous subsidiaries,  
3 affiliates and fictitious business entities related to the corporate defendants and Jeremy Johnson.  
4 The total number of Receivership Defendants subject to the Receiver's pending investigation,  
5 including entities identified on the Jeremy Johnson financial statements submitted to plaintiff  
6 Federal Trade Commission ("FTC"), and other entities and potential Receivership Defendants  
7 being evaluated by the Receiver and those disclosed through the Receiver's investigation to date  
8 exceeds 132 entities. The Receiver's First Report identified aggregate revenues generated by I  
9 Works of at least \$332.5 million, with revenues generated between 2006 and January 12, 2011  
10 totaling approximately \$291 million. The Receiver's First Report contained a detailed analysis of  
11 the expenses paid and transfers made from those revenues and determined that of the \$50.6  
12 million in operating profit before depreciation, \$50.4 million, or 99.6%, was paid to or for the  
13 benefit of Jeremy Johnson or his affiliated companies.

14           5.       On February 3, 2012, after almost one year of investigation, the Receiver filed  
15 with the Court his Financial Reconstruction. The Financial Reconstruction describes an  
16 additional \$51.4 million in funds and assets representing processing revenues from the  
17 Receivership Defendants I Works, Inc. and Elite Debit, Inc. that the Receiver demonstrated were  
18 improperly transferred to at least five entities under the nominal ownership or control of Todd  
19 Vowell and Jason Vowell (individually and collectively the "Vowells"), including Triple Seven  
20 LLC, formerly Triple Seven LP, Powder Monkeys, LLC, Mastery Merchant, LLC, Cerberus  
21 Management, LLC and Flying High Enterprises, LLC (the "Processors"). As the Financial  
22 Reconstruction further explains, the Processors as well as numerous other entities nominally  
23 owned or controlled by the Vowells received, and were used to purchase, conceal and transfer  
24 assets of the Receivership Defendants, including assets of Johnson. The Financial Reconstruction  
25 is comprised of approximately 80 pages of text as well as approximately 800 pages of supporting  
26 exhibits. The Financial Reconstruction is based on a review of hundreds of thousands of pages  
27 of business records, financial records, bank account statements and records, corporate documents  
28 and testimonial evidence.

1           6.       This declaration is submitted in support of the Receiver's fourth fee motion. The  
2 Receiver seeks payment of the Receiver's fees and expenses summarized in the Administrative  
3 Expenses and Fund Balance spreadsheet ("Financial Summary") attached hereto as Exhibit 1 and  
4 detailed in the redacted billing summaries which are attached as Exhibits 2 through 8 in the  
5 Appendix of Exhibits filed in support of this motion as well as the Receiver's counsel's fees and  
6 expenses described in the accompanying Declaration of Gary Owen Caris and Exhibits 9 through  
7 17 of the Appendix of Exhibits in support of the current fee motion. The Receiver seeks an order  
8 approving and authorizing payment of receivership fees and expenses incurred for the period  
9 from June 1, 2012 through December 31, 2012 ("Expense Period"), including payment of the fees  
10 of the Receiver, the Receiver's deputies, agents, staff and professionals, and reimbursement of  
11 costs incurred during the Expense Period in the total sum of \$919,539.39. The Receiver's  
12 expenses include a bill in the sum of \$53.32 for the firm of Hatch, James and Dodge from the  
13 month of June 2012 not included in the financial summary filed with the Court on February 6,  
14 2013 with Document No. 693. The fees of the Receiver, his deputies, agents and staff total  
15 \$307,303.47 and the Receiver's expenses total \$58,732.94 during the Expense Period. During the  
16 Expense Period, the Receiver has incurred fees for the Receiver and his deputies of \$45,133.80,  
17 Senior Staff fees of \$249,819.60, Information Technology fees of \$886.77 and Support Staff fees  
18 of \$11,463.30. The Receiver has incurred Receiver's expenses of \$58,732.94, primarily  
19 consisting of expenses for the preparation of tax returns for the receivership entities.

20           7.       The Receiver's legal fees and expenses total \$553,502.98 during the Expense  
21 Period, including fees and expenses incurred to the Receiver's lead counsel McKenna Long &  
22 Aldridge LLP in the sum of \$551,243.80, fees and expenses of the Receiver's local counsel in  
23 Nevada, Kolesar & Leatham, Chtd., in the sum of \$2,205.86, and fees and expenses of the  
24 Receiver's special litigation counsel in Utah, Law Offices of Hatch, James & Dodge, A  
25 Professional Corporation, in the sum of \$53.32. Many of the costs incurred during the seven  
26 months of this Expense Period by both the Receiver and the McKenna Firm pertain to the  
27 Receiver's asset-related discovery and investigation and to the sale and pursuit of recovery of  
28

1 receivership assets. The Financial Summary attached hereto as Exhibit 1 summarizes the  
2 categories of expenses incurred in connection with the Receiver's activities and services.

3 8. This receivership involves an extremely complex web of corporate and other  
4 entities and is exceptionally complicated from an accounting standpoint. The Receiver has  
5 deposed more than a dozen third party witnesses. Many of the third party witnesses who were  
6 deposed invoked their Fifth Amendment privilege against self-incrimination and refused to  
7 answer at least some of the questions posed by the Receiver's counsel during their examinations,  
8 although many witnesses answered an extensive amount of questions. Other defendants and third  
9 party witnesses whom the Receiver has attempted to depose have informed the Receiver that they  
10 are under criminal investigation and have advised the Receiver they would not respond to  
11 substantive questions if deposed or would not attend the deposition at all.

12 9. Throughout the case, the Receiver has made demands for turnover of bank records  
13 for all Receivership Defendants to at least 30 financial institutions and through counsel has issued  
14 at least 250 records subpoenas, including approximately 21 subpoenas issued during the current  
15 Expense Period. Those subpoenas and document demands, along with discovery provided by the  
16 parties to the FTC, have now produced a total of 400,000 pages or more of records to be analyzed  
17 by the Receiver, his deputies, his forensic accounting staff and his counsel since the case  
18 commenced.

19 10. The Receiver's investigatory activities, with the assistance of counsel, culminated  
20 in the Receiver's filing of a Motion to Clarify the entities and individuals whose assets constitute  
21 Receivership Property under the Preliminary Injunction on May 30, 2012. *See* Motion to Clarify  
22 and supporting pleadings and exhibits, Doc. Nos. 580-584. The Motion to Clarify builds on the  
23 evidence submitted to the Court in the Receiver's First and Second Reports, and includes new  
24 evidence of unusual and unexplained transfers of title to assets, ongoing formation of new  
25 entities, and sales of precious metals which may constitute additional Receivership Property. The  
26 Motion to Clarify has now been fully briefed by all interested parties. During the current expense  
27 period, the Receiver resolved the disputed issues raised in that motion pertaining to John Hafen  
28 and the three entities with which he was associated (Lilhaf Holdings, LLC, Tiburon Enterprises,

1 LLC and Lilhaf Properties, LLC) pursuant to a Court-approved settlement, discussed in more  
2 detail below.

3 11. The receivership estate is also complex because of the large number and varied  
4 nature of the assets subject to the Receiver's administration. During this expense period, the  
5 Receiver administered and later sold a trailer park, sold another real property in Ephraim, sold a  
6 vehicle and multiple aircraft, recovered over \$200,000 in reserve funds held at a financial  
7 institution and concluded a settlement with a third party (John Hafen) to return receivership assets  
8 to the estate. The Receiver has also continued to address and brief the issues concerning his  
9 Motion to Clarify and deal with the estate's claims arising out of the Sole Group, LLC/Arvin Lee  
10 Black fraudulent activities which caused a substantial loss of receivership funds. The services  
11 rendered by the Receiver and counsel thus included the administration, recovery, marketing, sale  
12 or other disposition of numerous different assets which collectively generated receipts for the  
13 estate of \$1,133,484.44 during this expense period. These receipts bring total funds collected  
14 from the inception of the case through December 31, 2012 to \$8,067,289.64.

15 12. Pursuant to the Sale Authorization Order issued on August 26, 2011 (Doc. No.  
16 288), the Receiver listed for sale the real properties, aircraft and two houseboats subject to that  
17 order. During this Expense Period, the Receiver closed the sale of two parcels of raw land in  
18 Washington County, Utah (the "103 Acres"), pursuant to a sale approved in the preceding  
19 expense period. The sale resulted in recoveries of \$138,875.02 for the estate. The 103 Acres are  
20 subject to liens in favor of the former SunFirst Bank, now in receivership under the control of the  
21 Federal Deposit Insurance Corporation, and the properties were sold free and clear of the disputed  
22 SunFirst lien, with the lien attaching to the proceeds of sale but subject to the Receiver's claims  
23 and objections regarding the validity, priority and extent of the SunFirst lien. The SunFirst lien  
24 secured a loan to I Works, Inc. ("I Works") in the original principal sum of \$1.1 million which  
25 was transferred to Cache Valley Bank after SunFirst was placed in receivership. As discussed  
26 below, the Receiver reached a proposed settlement with Cache Valley Bank regarding the amount  
27 and treatment of its claim under that loan during this Expense Period.

28



1           13.     With Court approval, the Receiver also sold a trailer park in Mendon, Utah that the  
2 Receiver had administered during the case. The sale closed in September 2012 and generated net  
3 proceeds for the estate of \$230,682.37. The Receiver also sold two aircraft during the Expense  
4 Period. The net proceeds of sale from the two aircraft totaled \$452,690.00. The Receiver also  
5 obtained Court approval to sell another real property located at 575 East 30 North, Ephraim, Utah  
6 during this Expense Period. The sale closed on January 2, 2013, shortly after the conclusion of  
7 the Expense Period, and resulted in net proceeds of \$72,102 being obtained by the estate.

8           14.     The Receiver also liquidated multiple aircraft during the current Expense Period.  
9 The Receiver concluded sales of two helicopters, a 2008 Robinson helicopter (N41286) and a  
10 2005 Robinson helicopter (N321WT) and a fixed wing aircraft, a Piper Navajo (N300WA). The  
11 Receiver was also granted authority to market a 2005 Robinson R44 helicopter (N74367) that was  
12 recovered by the Receiver from the Dominican Republic pursuant to an order compelling Jeremy  
13 Johnson to turn over that aircraft to the Receiver. The Receiver is continuing to market that  
14 helicopter as well as the Piper Malibu Mirage authorized to be sold under the Sale Authorization  
15 Order. Certain of the approved sales of the aircraft during this period required the Receiver to  
16 provide notice and an opportunity for overbidding by third parties to maximize value. The  
17 Receiver's counsel prepared the overbid notices, and the Receiver supervised the sales and the  
18 closing of the transactions.

19           15.     The Receiver obtained Court approval to abandon one of the two houseboats, the  
20 PEPS I which was encumbered by a lien in favor of Town and Country Bank. The Receiver still  
21 has listed for sale the other houseboat, which is unencumbered.

22           16.     The Receiver also completed the sale of a Subaru Forrester authorized to be sold  
23 during a prior period. The Receiver has also continued to address administrative issues  
24 concerning a real estate asset of the estate in Rockville, Utah on which a single family residence  
25 burned down. The Receiver has continued to address insurance issues concerning the property  
26 and the options available to the estate for the disposition of the property.

27           17.     During this period, the Receiver continued to monitor and recover funds from  
28 financial institutions holding funds frozen by service by the Receiver of the Temporary

1 Restraining Order and/or Preliminary Injunction through ongoing turnover demands. The  
2 Receiver recovered additional funds from accounts of the Corporate Defendants at Discover  
3 Financial Services totaling \$202,363.04 during this Expense Period.

4 18. The Receiver took over management of the Mendon trailer park in or about July  
5 2011 prior to selling it in September 2012. The Receiver obtained additional rental revenues  
6 from that asset of \$12,085.00 during the Expense Period, bringing total gross rental receipts from  
7 the trailer park to over \$43,000 since the Receiver began its administration of that asset until it  
8 was sold.

9 19. The Receiver's asset investigation and analysis has also included an analysis of  
10 numerous real properties which the Receiver has concluded, based on his forensic accounting, the  
11 Receiver's Second Report and subsequent investigation, constitute receivership property. The  
12 Receiver has caused notices of pendency of action to be recorded on several properties to protect  
13 the estate's interests.

14 20. The Receiver has continued his investigation of receivership property and the  
15 estate through additional records subpoenas issued during this period. The Receiver, through  
16 counsel, has issued 21 records subpoenas during the Expense Period to financial institutions,  
17 precious metals dealers, aircraft title companies, securities brokers, and real property title  
18 companies, among others. Issuance of the subpoenas requires investigation of the entities to be  
19 subpoenaed to obtain agents for service of process and obtaining locations for local production to  
20 comply with the provisions of F.R. Civ. P. 45. The documentation and processing of the  
21 subpoenas, cover letters, instructions, and follow up, including the supplemental records requests  
22 discussed below, are handled primarily by a paralegal at the McKenna Firm with supervision and  
23 direction by counsel and the staff and employees at the Receiver's office.

24 21. To try to avoid overproduction of potentially irrelevant or unnecessary records, the  
25 Receiver's subpoenas, cover letters and instructions request copies of account opening documents  
26 and statements from financial institutions for the responsive accounts. Based on the analysis of  
27 those records and instructions from the Receiver's accounting staff, the Receiver's counsel then  
28 submits supplemental records requests for specific transactions identified through the initial

1 production. Obtaining the records responsive to the subpoenas has required ongoing follow up  
2 with the financial institutions, responding to inquiries from the subpoenaed entities, and  
3 maintaining detailed records of contacts with the subpoenaed entities to confirm the status of  
4 production and information on the persons involved in the production.

5 22. The Receiver filed his Motion to Clarify on May 30, 2012. During the ensuing  
6 two months, the Receiver agreed to multiple extensions of the deadline for responses to the  
7 Motion to Clarify, preparing and filing eight separate stipulations as well as a response to a  
8 motion to extend the deadline for filing made by defendant Jeremy Johnson. The Receiver sought  
9 and obtained Court approval to file a single, consolidated reply to the oppositions by August 13,  
10 2012 and to file a brief longer than the 25-page maximum. The Receiver filed extensive reply  
11 papers on August 13, 2012 to all oppositions other than the opposition of John Hafen (“Hafen”)  
12 and his related companies based on settlement negotiations entered into by the Receiver with  
13 those parties. The Receiver’s settlement negotiations with Hafen resulted in a settlement  
14 agreement that was filed with the Court and approved based on the Receiver’s motion filed in  
15 November 2012. The Hafen settlement provided for a cash payment of \$65,000 paid to the estate  
16 during this Expense Period and for Hafen to be interviewed by the Receiver and his counsel. The  
17 interview was conducted after the end of the Expense Period.

18 23. The Receiver’s services and those of its counsel include numerous other  
19 administrative and legal activities during this Expense Period. The Receiver’s deputies and staff  
20 respond to and cooperate with law enforcement inquiries and activities as required under the  
21 Preliminary Injunction. The Receiver’s deputies and staff respond to inquiries from creditors,  
22 prepare and reconcile the Receiver’s accounting records for the case, address tax issues  
23 concerning the estate, deal with banks and other financial institutions which may have  
24 receivership funds or documentation for accounts of Receivership Defendants and perform other  
25 similar administrative tasks. The Receiver through counsel provides copies of the monthly bank  
26 statements to the parties pursuant to the Preliminary Injunction. The Receiver maintains and  
27 updates creditor lists for the case.

28

1           24.     The primary costs incurred by the Receiver during this seven-month Expense  
2 Period concern the preparation and filing of tax returns for the receivership entities, as reflected in  
3 the Financial Summary attached hereto as Exhibit 1.

4           25.     The billing rates charged in this case reflected in the billing records filed in  
5 support of the Motion for the Receiver, the Receiver's members and senior accounting staff are  
6 discounted at 10% from the rates charged by the Receiver's firm in private sector cases as of the  
7 time of the Receiver's appointment. Because the Receiver does not raise the rates charged for its  
8 professionals during the case, and because the Receiver established discounted rates in this case  
9 based on its 2010 private sector rates even though the Receiver did not commence work until  
10 January 2011, the rates being charged for the Receiver, the Receiver's members and senior  
11 accounting staff are not only 10% below the firm's current 2012 rates but overall the rates in  
12 effect in this case are discounted materially more than 10%.

13           26.     In this case, there are an unknown but believed to be a very large number of  
14 consumer creditors who may have claims against the Receivership Defendants arising out of the  
15 business operations of the Receivership Defendants prior to the Receiver's appointment. The  
16 identity and location of such consumer creditors have not been determined by the Receiver at this  
17 time. Given the Receiver's determination that more than \$332.5 million in sales revenues was  
18 generated by I Works and the related and affiliated entities, the number of consumer creditors  
19 could number in the tens of thousands. It is not realistically possible or beneficial for the estate  
20 for the Receiver to attempt to serve the potential consumer creditors with this and other similar  
21 administrative motions, and the expense and burden on the estate of attempting to effectuate such  
22 service would drain the estate's resources and cause undue administrative expense.

23           27.     As a member of Robb Evans & Associates LLC, I am familiar with the methods  
24 and procedures used by the Receiver and his staff and employees to record the time spent  
25 rendering services to receivership estates over which Robb Evans and Robb Evans & Associates  
26 LLC have been appointed. The records included as Exhibits 2 through 8 of the Appendix of  
27 Exhibits filed in support of this motion are regularly prepared by the members, staff and  
28 employees of Robb Evans & Associates LLC at or about the time of the services rendered and

1 each of whom has a business duty to accurately record the information regarding their services set  
2 forth in these records. The records are reviewed by the Receiver's accounting staff and  
3 summarized in the Receiver's Financial Summary, Exhibit 1 attached hereto. Based upon my  
4 experience with Robb Evans & Associates LLC, I believe the Receiver's methods and procedures  
5 for recording and accounting for time and services for the receivership estates over which Robb  
6 Evans and Robb Evans & Associates LLC have been appointed are reliable and accurate.

7 I declare under penalty of perjury that the foregoing is true and correct and that this  
8 declaration was executed this 26 day of February 2013 at Sun Valley, California.

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11 BRICK KANE  
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Robb Evans of Robb Evans & Associates LLC  
 Receiver of I Works, Inc., et al and  
 the Assets of Jeremy Johnson  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	Previously Reported and Approved	6/1/12-12/31/12												TOTAL		
		Jan 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12								
<b>Frozen Corporate Accounts</b>																
American Express Corp Account	49,133.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,133.15
Cardflex Payment Solutions Inc.	2,410.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,410.45
Cloud Nine Marketing	40,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,000.00
Deseret First Credit Union	14,960.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,960.20
Discover Financial Services	13,451.45	0.00	0.00	0.00	0.00	202,363.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	202,363.04	0.00	215,814.49
ETrade Financial	471.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	471.45
Kitco Metals Inc.	10,398.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,398.33
Merchant E-Solutions	5,329.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,329.45
MF Global Inc.	31,322.76	0.00	0.00	2,448.14	0.00	1,967.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,415.82	0.00	35,738.58
Mountain America Federal Credit PowerPay, LLC	9,383.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,383.29
The Village Bank	109,303.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109,303.33
US Alliance Group (First Data)	178,397.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	178,397.75
WFB *5172 Elite Debit	1.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.56
Wells Fargo Little CC	136,732.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136,732.30
WFB 200004-2425829 CPA	326.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	326.27
WFB 796-2804824 Zibby	3,916.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,916.67
Zions Bank	16,231.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,231.58
Other	83,466.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,466.01
<b>Total Frozen Corporate Accounts</b>	<b>714,072.76</b>	<b>0.00</b>	<b>0.00</b>	<b>2,448.14</b>	<b>0.00</b>	<b>204,330.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>206,778.86</b>	<b>0.00</b>	<b>920,851.62</b>
<b>Settlements/Distributions</b>																
Amber Lyn Shares	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
Brockman Ranch LLC Distribution	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00
<b>Cynergy Data Payments</b>																
DJM Reserve Funds	1,305,897.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,305,897.48
JRB Reserve Funds	188,924.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	188,924.97
Anthion Holdings Reserve Funds	638,003.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	638,003.87
Jet Processing Reserve Funds	61,544.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,544.46
<b>Total Cynergy Data Payments</b>	<b>2,194,370.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,194,370.78</b>
<b>John Hafen</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>65,000.00</b>
Marathon Investments Inc.	27,835.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,835.00
The Metropolitan Benefit Group	29,510.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,510.90
Powder Monkeys	99,883.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99,883.00
Repayment from Browz LLC	120,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	120,000.00
<b>Total Settlements/Distributions</b>	<b>3,481,599.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>65,000.00</b>	<b>0.00</b>	<b>3,546,599.68</b>
<b>Proceeds From Sale of Assets</b>																
Auction Proceeds	188,082.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(18,160.00)	(1)	169,922.21
Coin, Metal & Jewelry	393,246.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(18,160.00)	0.00	393,246.82

**Robb Evans of Robb Evans & Associates LLC**  
**Receiver of I Works, Inc., et al. and**  
**the Assets of Jeremy Johnson**  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	Previously Reported and Approved	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	6/1/12-12/31/12	TOTAL
<b>Real Property Sale Proceeds</b>										
Sale of Mendon Trailer Park	0.00	0.00	0.00	0.00	230,682.37	0.00	0.00	0.00	230,682.37	230,682.37
103 Acres Vacant Land	0.00	138,875.02	0.00	0.00	0.00	(1,000.00)	0.00	0.00	137,875.02	137,875.02
127 Hollister St. Santa Monica	1,292,745.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,292,745.70	1,292,745.70
Washington County Acreage	321,264.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	321,264.09	321,264.09
Richfield, UT Property	35,982.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,982.86	35,982.86
<b>Total Real Property Sale Proceeds</b>	<b>1,649,992.65</b>	<b>138,875.02</b>	<b>0.00</b>	<b>0.00</b>	<b>230,682.37</b>	<b>(1,000.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>368,557.39</b>	<b>2,018,550.04</b>
<b>Sale of Aircraft</b>	<b>211,641.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>142,200.00</b>	<b>310,490.00</b>	<b>0.00</b>	<b>452,690.00</b>	<b>664,331.00</b>
<b>Sale of Automobiles</b>	<b>4,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>0.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>0.00</b>	<b>30,627.00</b>	<b>34,627.00</b>	<b>38,627.00</b>
<b>Total Proceeds From Sale of Assets</b>	<b>2,446,962.68</b>	<b>139,875.02</b>	<b>1,000.00</b>	<b>0.00</b>	<b>231,682.37</b>	<b>142,200.00</b>	<b>310,490.00</b>	<b>12,467.00</b>	<b>837,714.39</b>	<b>3,284,677.07</b>
<b>New Horizons Finance</b>										
New Horizons Finance/Kevin Pilon	133,728.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	133,728.73
SLI LLC (New Horizons Finance)	31,558.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,558.47
<b>Total New Horizons Finance</b>	<b>165,287.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>165,287.20</b>
<b>Rent Receipts</b>										
<b>Mendon Court Trailer Park Rents</b>										
Unit #1	3,725.00	300.00	425.00	425.00	425.00	0.00	0.00	0.00	1,575.00	5,300.00
Unit #2	1,275.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,275.00
Unit #4	2,500.00	250.00	250.00	250.00	0.00	0.00	0.00	0.00	750.00	3,250.00
Unit #6	5,445.00	495.00	495.00	495.00	495.00	0.00	0.00	0.00	1,980.00	7,425.00
Unit #7	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	1,000.00
Unit #8	3,250.00	250.00	250.00	250.00	250.00	0.00	0.00	0.00	1,000.00	4,250.00
Unit #9	4,250.00	425.00	425.00	425.00	425.00	0.00	0.00	0.00	1,700.00	5,950.00
Unit #11	2,500.00	250.00	250.00	250.00	250.00	0.00	0.00	0.00	1,000.00	3,500.00
Unit #14	937.50	250.00	250.00	250.00	250.00	0.00	0.00	0.00	1,000.00	1,937.50
Unit #15	5,690.00	495.00	495.00	495.00	495.00	0.00	0.00	0.00	1,980.00	7,670.00
Unit #16	2,284.40	250.00	250.00	250.00	0.00	250.00	0.00	0.00	1,000.00	3,284.40
<b>Total Mendon Court Trailer Park Rents</b>	<b>31,856.90</b>	<b>3,065.00</b>	<b>3,090.00</b>	<b>3,090.00</b>	<b>2,590.00</b>	<b>250.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,085.00</b>	<b>43,941.90</b>
43N 100W	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
575 N 30 N Ephraim, UT	0.00	0.00	0.00	0.00	250.00	1,500.00	750.00	690.00	3,190.00	3,190.00
<b>Total Rent Receipts</b>	<b>32,456.90</b>	<b>3,065.00</b>	<b>3,090.00</b>	<b>3,090.00</b>	<b>2,840.00</b>	<b>1,750.00</b>	<b>750.00</b>	<b>690.00</b>	<b>15,275.00</b>	<b>47,731.90</b>
<b>Miscellaneous Income</b>										
COBRA Premiums	4,459.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,459.84
Commissions	1,464.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,464.31
Petty Cash	121.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.00
Refunds	2,679.45	0.00	3,245.82	0.00	0.00	0.00	0.00	11.00	3,256.82	5,936.27
Tax Refunds	6,156.58	0.00	0.00	0.00	0.00	29.00	3,491.00	0.00	3,520.00	9,676.58

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Robb Evans of Robb Evans & Associates LLC  
 Receiver of I Works, Inc., et al. and  
 the Assets of Jeremy Johnson  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

Expense	Previously Reported and Approved	6/1/12-12/31/12												TOTAL	
		Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	12/31/12						
Other	26,561.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,776.82	26,561.00
Total Miscellaneous Income	41,442.18	0.00	3,245.82	0.00	0.00	29.00	3,491.00	11.00	48,219.00						48,219.00
Car Wash Receipts	47,727.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,727.06						47,727.06
Interest Income	4,256.74	460.40	518.54	357.43	69.53	64.24	46.87	422.36	1,939.37						6,196.11
Total Fund Collected	6,933,805.20	143,400.42	7,854.36	5,895.57	234,591.90	348,373.96	314,777.87	78,590.36	1,133,484.44						8,067,289.64
Corporate/Defendant Asset Exp.															
Appraisals/B.O.V.	32,461.58	3,000.00	4,165.00	300.00	0.00	130.00	0.00	0.00	7,595.00						40,056.58
Armored Car Service & Storage	9,274.96	1,570.00	125.00	125.00	125.00	125.00	125.00	125.00	2,320.00						11,594.96
Automobile Expenses															
Title fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
Vehicle Registration Fees	374.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	374.00						374.00
Automobile Insurance Premiums	22,545.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,545.55						22,545.55
Total Automobile Expenses	22,919.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,919.55						22,919.55
Business Taxes	4,000.00	0.00	0.00	0.00	140.00	0.00	0.00	0.00	4,140.00						4,140.00
Health Insurance Premium	168.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.54						168.54
Locksmith Services	2,028.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,028.44						2,028.44
Office Moveout/Cleaning	1,693.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,693.50						1,693.50
Server Collocation Rent	3,690.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,690.00						3,690.00
Storage Unit Rent	6,217.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,217.34						6,217.34
New Horizons Finance Inc.															
Postage	11.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.30						11.30
Service Fees	1,125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,125.00						1,125.00
Total New Horizons Finance Inc.	1,136.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,136.30						1,136.30
Auction Related Expenses															
Storage	14,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,000.00						14,000.00
Moving Services	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,300.00						5,300.00
Total Auction Related Expenses	19,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,300.00						19,300.00
Houseboat Expenses															
Repairs	730.75	0.00	0.00	130.00	0.00	0.00	0.00	0.00	860.75						860.75
Secured Lender Loan Payments	59,737.46	3,775.80	0.00	0.00	0.00	0.00	0.00	0.00	63,513.26						63,513.26
Personal Watercraft Insurance	722.00	0.00	0.00	157.75	0.00	0.00	0.00	0.00	880.75						880.75
Insurance Premiums	20,570.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	21,570.00						21,570.00
Boat Moorings	36,562.30	2,040.99	0.00	2,029.39	2,053.99	2,027.20	2,027.20	2,727.20	49,468.27						49,468.27
Total Houseboat Expenses	118,322.51	5,816.79	1,000.00	2,317.14	2,053.99	2,027.20	2,169.95	2,727.20	136,434.78						136,434.78



**Robb Evans of Robb Evans & Associates LLC**  
**Receiver of I Works, Inc., et al and**  
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**Administrative Expense and Fund Balance**  
 From Inception January 13, 2011 to December 31, 2012

	Previously Reported and Approved	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	6/1/12-12/31/12	TOTAL
<b>Aircraft Expenses</b>										
Advertising for Sale	0.00	0.00	0.00	0.00	0.00	1,717.12	272.46	2,400.00	4,389.58	4,389.58
Title Searches	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00
Storage	15,122.51	1,147.51	2,147.51	1,147.51	1,147.51	2,647.51	375.00	382.51	8,995.06	24,117.57
Registration Fees	6,005.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	6,010.00
Security Guard Services	29,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,700.00
Broker Fee	1,595.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,595.30
Relocation Services	15,923.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,923.95
Insurance Premiums	41,699.00	0.00	0.00	0.00	0.00	47,395.00	0.00	0.00	47,395.00	89,094.00
Repairs & Maintenance	112,571.37	340.00	3,857.06	0.00	0.00	13,753.41	0.00	0.00	33,752.47	146,323.84
<b>Total Aircraft Expenses</b>	<b>222,842.13</b>	<b>1,492.51</b>	<b>6,004.57</b>	<b>1,147.51</b>	<b>1,147.51</b>	<b>65,513.04</b>	<b>16,449.46</b>	<b>2,782.51</b>	<b>94,537.11</b>	<b>317,379.24</b>
<b>Real Properties</b>										
<b>Mendon Court Trailer Park</b>										
Unit #1	428.06	4.24	0.00	0.00	0.00	0.00	0.00	0.00	4.24	432.30
Unit #2	687.84	30.22	39.40	53.41	52.28	55.56	0.00	0.00	230.87	918.71
Unit #3	157.27	8.02	7.76	7.26	8.02	16.52	0.00	0.00	47.58	204.85
Unit #4	234.00	12.91	9.45	7.29	8.03	16.58	0.00	0.00	54.26	288.26
Unit #5	77.28	8.02	7.76	7.26	8.02	16.52	0.00	0.00	47.58	124.86
Unit #6	891.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	891.27
Unit #7	1,969.17	42.35	24.80	37.13	24.09	36.81	0.00	0.00	165.18	2,134.35
Unit #8	93.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	93.25
Unit #9	591.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	591.86
Unit #10	42.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.34
Unit #14	429.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	429.50
Unit #15	2,404.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,404.04
Property Taxes	4,760.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,760.22
Common Area Expenses	3,880.61	310.84	239.25	239.25	260.11	0.00	0.00	0.00	1,049.45	4,930.06
Snow Plow Services	137.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	137.50
Septic Tank Service	1,150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,150.00
Liability Insurance	1,301.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,301.87
Maintenance & Repairs	529.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	529.26
Storage Unit Rental	31.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.25
Deposit Refunds	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
<b>Total Mendon Court Trailer Park</b>	<b>19,896.59</b>	<b>416.60</b>	<b>328.42</b>	<b>351.60</b>	<b>360.55</b>	<b>141.99</b>	<b>0.00</b>	<b>0.00</b>	<b>1,599.16</b>	<b>21,495.75</b>
<b>620 E. Main Rockville, UT</b>										
Yard Maintenance	0.00	80.00	0.00	0.00	0.00	320.00	200.00	0.00	600.00	600.00
Fire Related Repairs	0.00	2,461.24	1,700.00	0.00	0.00	0.00	0.00	0.00	4,161.24	4,161.24
Water & Utilities	903.08	0.00	32.03	0.00	93.23	0.00	0.00	93.88	219.14	1,122.22

000019

Robb Evans of Robb Evans & Associates LLC  
 Receiver of I Works, Inc., et al. and  
 the Assets of Jeremy Johnson  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	Previously Reported and Approved	6/1/12-												TOTAL	
		Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	12/31/12						
<b>Fire Damage Assessment</b>	340.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	540.00
Total 620 E. Main Rockville, UT	1,243.08	2,741.24	1,732.03	0.00	93.23	320.00	200.00	93.88	5,180.38	6,423.46					
<b>127 Hollister Ave. Santa Monica</b>	13,737.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,737.50	
Mortgage Payments	835.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	835.55	
Repairs & Maintenance	533.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	533.50	
Security/Alarm	1,875.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,875.00	
Yard Maintenance	250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00	
Eviction Fees	4,461.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,461.06	
Insurance Premium	1,976.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,976.68	
Electricity	2,361.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,361.31	
Water/Sewer/Garbage	196.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	196.40	
Natural Gas	26,227.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,227.00	
Total 127 Hollister Ave. Santa Monica	26,227.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,227.00	
<b>302 W. Hilton Dr.</b>	156.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	156.00	
Alarm & Monitoring	173.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	173.24	
Personal Property Taxes	544.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	544.95	
Vending Machine Products	71.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71.31	
Postage	647.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	647.18	
Maintenance & Repair	2,012.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,012.64	
Small Equipment & Parts	3,345.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,345.87	
Cleaners & Chemicals	404.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	404.52	
Phone & Internet	9,775.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,775.00	
Manager Fees	1,706.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,706.54	
C.C. Discounts & Fees	7,689.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,689.26	
Electricity/Water/Sewer	730.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	730.13	
Natural Gas	759.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	759.73	
Garbage Service	28,016.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,016.37	
Total 302 W. Hilton Dr.	28,016.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,016.37	
<b>575 E 30 N Ephraim, UT</b>	5,865.35	341.01	352.38	352.37	341.01	352.38	0.00	341.00	2,080.15	7,945.50					
Loan Interest	4,331.68	460.00	0.00	0.00	0.00	0.00	0.00	0.00	460.00	4,791.68					
Repairs & Maintenance	661.43	58.78	55.62	59.03	0.00	77.58	0.00	0.00	251.01	912.44					
Electricity/Water/Sewer	859.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	859.00					
Insurance Premiums	217.26	13.23	5.61	5.48	0.00	7.10	0.00	0.00	31.42	248.68					
Natural Gas	11,934.72	873.02	413.61	416.88	341.01	437.06	0.00	341.00	2,822.58	14,757.30					
Total 575 E 30 N Ephraim, UT	11,934.72	873.02	413.61	416.88	341.01	437.06	0.00	341.00	2,822.58	14,757.30					

000020

**Robb Evans of Robb Evans & Associates LLC**  
**Receiver of I Works, Inc., et al. and**  
**the Assets of Jeremy Johnson**  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	Previously Reported and Approved	6/1/12-12/31/12												TOTAL	
		Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	12/31/12						
43 N 100 E Ephraim, UT															
Water, Sewer, Electricity	299.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	299.93
Total 43 N 100 E Ephraim, UT	299.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	299.93
529 Wood View Cr. SG, UT															
Insurance Premium	11,595.00	0.00	0.00	3,032.00	0.00	3,038.00	0.00	0.00	6,070.00	0.00	0.00	0.00	6,070.00	17,665.00	
Total 529 Wood View Cr. SG, UT	11,595.00	0.00	0.00	3,032.00	0.00	3,038.00	0.00	0.00	6,070.00	0.00	0.00	0.00	6,070.00	17,665.00	
11 W 700 S Ephraim, UT															
Electricity/Water/Sewer	4,675.50	63.97	83.34	111.68	0.00	217.91	0.00	0.00	119.18	596.08	0.00	0.00	596.08	5,271.58	
Natural Gas	884.64	33.84	23.77	24.54	0.00	85.83	0.00	0.00	187.82	355.80	0.00	0.00	355.80	1,240.44	
Total 11 W 700 S Ephraim, UT	5,560.14	97.81	107.11	136.22	0.00	303.74	0.00	0.00	307.00	951.88	0.00	0.00	951.88	6,512.02	
1140 E. Fort Pierce Dr. #36															
Electricity	125.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.89	
Gas	307.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	307.10	
Total 1140 E. Fort Pierce Dr. #36	432.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	432.99	
249 E. Tabernacle St. SG, UT															
Rent	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00	
Trash Container Rental	21.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.00	
Electricity/Water/Sewer	626.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	626.38	
Total 249 E. Tabernacle St. SG, UT	3,647.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,647.38	
1792 S. Blackridge Dr. SG, UT															
Flood Insurance	1,659.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,659.00	
Total 1792 S. Blackridge Dr. SG, UT	1,659.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,659.00	
Consulting Services	1,825.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,825.00	
Property Title Searches	6,440.00	0.00	0.00	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	6,515.00	
Property & Liability Insurance	73,920.97	6,037.52	4,018.08	3,856.61	3,299.20	1,642.02	1,653.97	1,596.61	22,104.01	96,024.98	0.00	0.00	96,024.98		
Title Insurance	1,353.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,353.00	
Total Real Properties	194,051.17	10,166.19	6,599.25	7,868.31	4,093.99	5,882.81	1,853.97	2,338.49	38,803.01	232,854.18	0.00	0.00	232,854.18		
Total Corporate/Defendant Asset Exp.	638,106.02	22,045.49	17,893.82	11,757.96	7,560.49	73,678.05	20,598.38	7,973.20	161,507.39	799,613.41	0.00	0.00	799,613.41		
Receiver Fees & Expenses															
Receiver Fees															
Receiver															
R. Evans	3,888.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,888.00	
B. Kane	163,000.00	3,150.00	1,300.00	4,975.00	700.00	1,675.00	650.00	1,650.00	14,100.00	177,100.00	0.00	0.00	177,100.00		

000021

**Robb Evans of Robb Evans & Associates LLC**  
**Receiver of I Works, Inc., et al. and**  
**the Assets of Jeremy Johnson**  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	6/1/12-												TOTAL		
	Previously Reported and Approved	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	12/31/12						
<b>Senior Staff</b>															
M. Lim	189.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	189.00
L. Lee	87,771.60	5,121.90	1,549.80	3,874.50	1,738.80	1,757.70	1,984.50	2,343.60	18,370.80	0.00	106,142.40				
F. Jen	170,364.60	17,671.50	11,925.90	14,817.60	9,298.80	6,558.30	2,551.50	2,324.70	65,148.30	0.00	235,512.90				
P. Chung	445,983.30	19,259.10	20,487.60	18,484.20	10,130.40	17,425.80	9,865.80	13,532.40	109,185.30	0.00	555,168.60				
C. Callahan	40,994.10	5,443.20	2,230.20	245.70	1,304.10	699.30	1,833.30	774.90	12,530.70	0.00	53,524.80				
C. DeGius	55,935.00	6,255.00	6,363.00	5,364.00	4,977.00	3,852.00	4,473.00	3,348.00	34,632.00	0.00	90,567.00				
J. Dadin	23,520.00	1,130.00	645.00	1,385.00	680.00	2,245.00	910.00	1,400.00	7,135.00	0.00	30,655.00				
W. Wolf	7,831.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,831.00				
E. Roop	0.00	0.00	0.00	0.00	2,062.50	0.00	0.00	0.00	2,062.50	0.00	2,062.50				
N. Wolf	5,435.00	85.00	110.00	170.00	135.00	155.00	60.00	40.00	755.00	0.00	6,190.00				
<b>Total Senior Staff</b>	<b>838,023.60</b>	<b>54,965.70</b>	<b>43,311.50</b>	<b>44,341.00</b>	<b>30,326.60</b>	<b>32,693.10</b>	<b>21,678.10</b>	<b>22,503.60</b>	<b>249,819.60</b>	<b>755.00</b>	<b>1,087,843.20</b>				
<b>Information Technology</b>															
E. Roop	60,675.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00	0.00	61,025.00				
K. Chapin	3,531.07	270.60	0.00	115.34	115.34	0.00	35.49	0.00	536.77	0.00	4,067.84				
<b>Total Information Technology</b>	<b>64,206.07</b>	<b>620.60</b>	<b>0.00</b>	<b>115.34</b>	<b>115.34</b>	<b>0.00</b>	<b>35.49</b>	<b>0.00</b>	<b>886.77</b>	<b>0.00</b>	<b>65,092.84</b>				
<b>Support Staff</b>	<b>26,662.80</b>	<b>1,937.70</b>	<b>2,922.10</b>	<b>1,489.90</b>	<b>1,814.50</b>	<b>1,026.20</b>	<b>1,128.50</b>	<b>1,144.40</b>	<b>11,463.30</b>	<b>0.00</b>	<b>38,126.10</b>				
<b>Total Receiver Fees</b>	<b>1,384,610.27</b>	<b>68,574.20</b>	<b>49,385.80</b>	<b>57,800.84</b>	<b>38,909.94</b>	<b>41,196.60</b>	<b>25,533.29</b>	<b>25,902.80</b>	<b>307,303.47</b>	<b>1,691,913.74</b>					
<b>Receiver Expenses</b>															
Bank & Wire Fees	812.00	(54.00)	(42.00)	12.00	0.00	(12.00)	0.00	0.00	(96.00)	0.00	716.00				
Bond Premiums	200.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	300.00				
Investigative Search Costs	6,204.12	246.90	132.63	263.25	0.00	51.74	0.00	165.95	860.47	0.00	7,064.59				
Occupancy & Equipment Rental	19,238.25	573.55	408.55	420.28	544.21	544.21	734.96	572.18	3,797.94	0.00	23,036.19				
Office Telephone & Supplies	3,843.39	142.22	182.10	91.63	224.76	141.83	96.88	89.72	969.14	0.00	4,812.53				
Postage & Delivery	10,281.30	334.78	256.97	167.09	820.61	198.74	525.88	221.39	2,525.46	0.00	12,806.76				
Retained Employee Services	864.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	864.00				
Small Equipment & Supplies	1,444.48	132.24	0.00	0.00	0.00	0.00	0.00	0.00	132.24	0.00	1,576.72				
Subpoena / Document Reproduction	15,157.77	64.15	306.50	938.84	31.00	76.45	14.00	196.30	1,627.24	0.00	16,785.01				
Tax Return Preparation	0.00	0.00	0.00	0.00	48,401.46	0.00	0.00	0.00	48,401.46	0.00	48,401.46				
Travel Expenses	19,344.52	0.00	0.00	0.00	414.99	0.00	0.00	0.00	414.99	0.00	19,759.51				
<b>Total Receiver Expenses</b>	<b>77,389.83</b>	<b>1,439.84</b>	<b>1,244.75</b>	<b>1,893.09</b>	<b>50,437.03</b>	<b>1,000.97</b>	<b>1,371.72</b>	<b>1,345.54</b>	<b>58,732.94</b>	<b>136,122.77</b>					

Robb Evans of Robb Evans & Associates LLC  
 Receiver of I Works, Inc., et al. and  
 the Assets of Jeremy Johnson  
**Administrative Expense and Fund Balance**  
 From Inception (January 13, 2011) to December 31, 2012

	Previously Reported and Approved	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	6/1/12-12/31/12	TOTAL
<b>Legal Fees &amp; Costs</b>										
Mckenna Long & Aldridge	1,426,414.05	62,860.50	91,718.55	158,743.35	49,253.40	55,775.70	67,290.75	31,108.95	516,751.20	1,943,165.25
Legal Fees	138,680.88	5,866.03	7,150.53	6,008.74	4,322.15	2,955.28	2,658.56	5,531.31	34,492.60	173,173.48
Legal Costs	1,565,094.93	68,726.53	98,869.08	164,752.09	53,575.55	58,730.98	69,949.31	36,640.26	551,243.80	2,116,338.73
Total Mckenna Long & Aldridge										
Hatch, James & Dodge										
Legal Fees	8,892.00	52.00	0.00	0.00	0.00	0.00	0.00	0.00	52.00	8,944.00
Legal Costs	618.47	1.32	0.00	0.00	0.00	0.00	0.00	0.00	1.32	619.79
Total Hatch, James & Dodge	9,510.47	53.32	0.00	0.00	0.00	0.00	0.00	0.00	53.32	9,563.79
Kolesar & Leatham CHTD.										
Legal Fees	917.45	380.00	0.00	95.00	0.00	47.50	190.00	0.00	712.50	1,629.95
Legal Costs	3,069.30	140.23	368.94	725.10	97.80	39.65	121.64	0.00	1,493.36	4,562.66
Total Kolesar & Leatham CHTD.	3,986.75	520.23	368.94	820.10	97.80	87.15	311.64	0.00	2,205.86	6,192.61
Total Legal Fees & Costs	1,578,592.15	69,300.08	99,238.02	165,572.19	53,673.35	58,818.13	70,260.95	36,640.26	553,502.98	2,132,095.13
Total Receiver Fees & Expenses	3,040,592.25	139,314.12	149,868.57	225,266.12	143,020.32	101,015.70	97,165.96	63,888.60	919,539.39	3,960,131.64
Total Expense	3,678,698.27	161,359.61	167,762.39	237,024.08	150,580.81	174,693.75	117,764.34	71,861.80	1,081,046.78	4,759,745.05
Net Transactions		(17,959.19)	(159,908.03)	(231,128.51)	84,011.09	173,680.21	197,013.53	6,728.56	52,437.66	
Fund Balance	<u>3,255,106.93</u>									<u>3,307,544.59</u>

(1) Represents reclassification of a receipt of \$18,160 in April 2012 from sale of 2010 Toyota Tundra to Sale of Automobile

000023