

**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-MMD-GWF**

Notice of Motion and Motion for Order:

- (1) Approving and Authorizing Payment of Receiver's and Professionals' Fees and Expenses from January 1, 2013 Through July 31, 2013; 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 September 23, 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.
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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
JANUARY 1, 2013 THROUGH JULY 31,
2013; AND (2) GRANTING RELIEF
FROM LOCAL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS; MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

1 PLEASE TAKE NOTICE that Robb Evans 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 January 1, 2013 through July 31, 2013 (“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 \$1,347,126.01. The fees of the Receiver, his deputies, agents and staff total \$423,003.56 and the
9 Receiver’s expenses total \$37,570.39 during the Expense Period. The Receiver’s legal fees and
10 expenses total \$886,552.06 during the Expense Period, including fees of \$818,885.50 and
11 expenses of \$58,016.07 incurred to the Receiver’s lead counsel McKenna Long & Aldridge LLP
12 for a total of \$876,901.57, fees and expenses of the Receiver’s local counsel in Nevada, Kolesar
13 & Leatham, Chtd., in the sum of \$1,334.48, and fees and expenses of the Receiver’s special
14 litigation counsel in Utah, Hatch, James and Dodge in the amount of \$8,316.01; 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 of supporting Appendices filed on February 3, 2012 (Doc. Nos. 464, 465-468), the Order

1 Granting Motion for Order Clarifying Preliminary Injunction Order and for Further Instructions
2 Regarding Scope of Receivership Defendants under Preliminary Injunction Order and Report of
3 Receiver's Financial Reconstruction and Granting Relief from Local Rule 66-5 Pertaining to
4 Notice to Creditors After Hearing ("Clarifying Order") entered March 25, 2013 and upon all other
5 pleadings and documentary evidence as may be presented to the Court by the Receiver.

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Dated: September 23, 2013

Respectfully submitted,

RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

By: /s/ Gary Owen Caris
Gary Owen Caris
Lesley Anne Hawes

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

MEMORANDUM OF POINTS AND AUTHORITIES**I. INTRODUCTION**

On January 13, 2011, the Receiver was appointed Temporary Receiver over I Works, Inc. ("I Works"), numerous other Corporate Defendants as defined in the Temporary Restraining Order and over the assets of defendant Jeremy Johnson (collectively the "Receivership Defendants"). Pursuant to the Preliminary Injunction Order entered February 10, 2011 ("Preliminary Injunction"), the Receiver has been appointed permanent receiver over the Receivership Defendants. On March 25, 2013, the Court issued an Order Granting Motion for Order Clarifying Preliminary Injunction Order and for Further Instructions Regarding Scope of Receivership Defendants under Preliminary Injunction Order and Report of Receiver's Financial Reconstruction and Granting Relief from Local Rule 66-5 Pertaining to Notice to Creditors After Hearing ("Clarifying Order") which clarified the scope of the Receivership Defendants and receivership property as including over 60 additional entities and assets of individuals based on overwhelming proof that those assets and entities were beneficially owned by Jeremy Johnson and/or were subsidiaries, affiliates, successors and assigned of the named Corporate Defendants.

During the more than two and a half years that the receivership has been pending, the Receiver has filed four prior fee motions which in the aggregate cover the period from the inception of the receivership through December 31, 2012. The prior fee motions have been granted as requested, except that the Receiver's counsel modified one prior fee motion to reduce the fees sought by the Receiver's lead counsel, McKenna Long & Aldridge LLP, by \$2,000. This is the Receiver's fifth motion for approval and payment of fees and expenses, covering a seven-month period from January 1, 2013 through July 31, 2013.

The Receiver has filed two reports in the case. The Report of Temporary Receiver's Activities ("First Report") was filed February 8, 2011 prior to the hearing on the Preliminary Injunction and reported on the Receiver's initial findings and investigation into I Works and \$50.4 million in net profits transferred from the I Works enterprise to or for the benefit of Jeremy Johnson. The Report of Receiver's Financial Reconstruction ("Second Report") was filed on February 3, 2012 and detailed an additional \$51.4 million in funds from payment processing

1 transferred to or for the benefit of Jeremy Johnson through a complex web of entities and persons
2 to conceal and remove valuable assets of the receivership estate from the reach of the Receiver
3 and the creditors of Jeremy Johnson and the other named Receivership Defendants. Based on the
4 Receiver's findings in the Second Report and his ongoing investigation, the Receiver filed a
5 Motion to Clarify to confirm the status of those numerous entities and assets nominally held by
6 third parties but beneficially owned and controlled by Jeremy Johnson, which was granted by the
7 Court after extensive briefing and evidence through the Clarifying Order. Substantial activities of
8 the Receiver and his counsel during this Expense Period have involved further investigation and
9 location of receivership assets, the disposition of receivership assets, the preparation for the
10 hearing on the Motion to Clarify, and the implementation of the Court's Clarifying Order.

11 The complex layers of financial transactions, entities and routing of funds and assets have
12 required extensive investigation by the Receiver and its counsel to unravel in order to locate and
13 recover receivership assets for the estate. These activities have been the continued focus of the
14 Receiver and counsel during the current Expense Period. As detailed in the billing records
15 supporting the Motion, during the current Expense Period, the Receiver issued an additional 68
16 records subpoenas, conducted three depositions, attended telephonically part of the second
17 scheduled deposition of Jeremy Johnson, and scheduled two additional depositions that were
18 subsequently cancelled by the deponents. The Receiver obtained other information and evidence
19 through other sources and witnesses relevant to the receivership during this Expense Period.

20 The Receiver filed multiple motions seeking approval of sales of real and personal
21 property, and asset sale proceeds obtained during this Expense Period total \$1,390,245.25 for the
22 estate. The Receiver also negotiated and filed a stipulation with the Federal Deposit Insurance
23 Corporation ("FDIC") which resulted in a turnover of \$1,460,650.27 during this Expense Period.
24 Total funds collected during this period were \$3,114,152.21, and these receipts bring total funds
25 collected from the inception of the case through July 31, 2013 to \$11,181,441.85.

26 The Receiver has also successfully resolved claims with various third parties which have
27 resulted in substantial additional recoveries for the estate. On July 31, 2013, the Receiver filed a
28 motion for approval of a settlement with the United States of America in the *Pokerstars* civil

1 forfeiture action that resulted in \$6,812,227.82 being turned over to the receivership estate in
2 August 2013 earmarked explicitly for distribution to injured consumers and other creditors, which
3 will be available to pay consumers and creditors so long as the FTC prevails in this action. The
4 Pokerstars settlement was the product of lengthy negotiations by counsel for the Receiver and
5 supported by the Court's granting the Clarifying Order. The Receiver implemented his settlement
6 with John Hafen and his entities which resulted in additional recoveries from him during this
7 Expense Period. As the Receiver reported in a post-hearing status report with the Court, the
8 Receiver resolved his disputes with Mountain Financial, which were subject to the Motion to
9 Clarify, and obtained additional recoveries through that resolution. The Receiver reached
10 agreement with a lienholder, Billy's Limited, LLC, with liens on four properties located on
11 Woodsvie Circle in St. George, Utah which are part of the receivership estate under the
12 Clarifying Order which will allow the Receiver to satisfy the liens at a discount to maximize the
13 recovery from those assets for the estate.

14 The Receivership Defendants have been adversarial to the Receiver and his counsel
15 throughout the case. As the Receiver demonstrated through the Second Report and Motion to
16 Clarify, the Receivership Defendants concealed and transferred their interests in millions of
17 dollars in assets through a web of individuals and entities. This adversarial approach has
18 continued after the entry of the Court's Clarifying Order, with appeals filed even by entities that
19 have been deemed and treated as Receivership Defendants throughout the case based on their
20 status as affiliates and subsidiaries of the named Corporate Defendants and entities undisputedly
21 owned and controlled by Jeremy Johnson.

22 The appeals of the Clarifying Order filed by Sharla Johnson, Zibby, LLC ("Zibby"), Zibby
23 Flight Service, LLC ("Zibby Flight"), and Orange Cat Investments, LLC ("Orange Cat"), and by
24 Duane Fielding ("Fielding"), Anthon Holdings, LLC ("Anthon Holdings"), Network Agenda,
25 LLC ("Network Agenda"), iPrerogative, LLC and Rotortrends, Inc. (collectively the "Fielding
26 Parties") are consolidated and fully briefed. The Jason Vowell Parties did not appeal the order,
27 nor did New Horizons Finance, Inc. The Todd Vowell Parties appealed the Clarifying Order, and
28 have filed their opening brief. The FTC filed its answering brief, but the Todd Vowell Parties

1 have extended the Receiver's deadline to file his answering brief based on ongoing discussions
2 between Todd Vowell and the Receiver aimed at resolving the issues regarding the appeal, his
3 compliance with and the receivership assets subject to the Clarifying Order. The current deadline
4 for the Receiver's answering brief in the Todd Vowell Parties' appeal is September 23, 2013.

5 After the Clarifying Order was entered, the Receiver continued his efforts to implement
6 and obtain compliance with the Preliminary Injunction and Clarifying Order through demands
7 and contact with the parties subject to the orders holding receivership property. The Receiver has
8 taken control of numerous additional assets and had numerous meetings with third parties holding
9 receivership property to obtain control of assets and to obtain information and documents relevant
10 to the receivership estate.

11 The services rendered by the Receiver, his deputies, staff and counsel during this Expense
12 Period have been extensive, necessary and appropriate under the circumstances. The services
13 have preserved and realized significant value for the estate and its creditors, including over \$6.8
14 million set aside for creditors through the settlement with the government in the civil *in rem*
15 forfeiture action involving Pokerstars as discussed further below.

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

18 This motion is the Receiver's fourth motion for approval and payment of receivership fees
19 and expenses and covers the period from January 1, 2013 through July 31, 2013 ("Expense
20 Period"). The fees and expenses for which the Receiver seeks approval, and the services rendered
21 by the Receiver and his counsel during this Expense Period, are summarized hereafter and
22 described in detail in the billing records attached to the supporting Declarations of Brick Kane
23 and Gary Owen Caris.

24 The Receiver seeks payment of the Receiver's fees and expenses summarized in the
25 Administrative Expenses and Fund Balance spreadsheet ("Financial Summary") attached as
26 Exhibit 1 to the Declaration of Brick Kane in support of this Motion and detailed in the billing
27 summaries set forth in the separate Appendix of Exhibits as Exhibits 2 through 8. During the
28 Expense Period, the Receiver has incurred fees for the Receiver and his deputies of \$141,808.10,

1 Senior Staff fees of \$258,506.10, Information Technology fees of \$8,651.66 and Support Staff
2 fees of \$14,037.70, for total Receiver fees of \$423,003.56 for the period. The Receiver has
3 incurred Receiver's expenses of \$37,570.39, including the sum of \$15,561.86 for tax return
4 preparation for the large number of Corporate Defendants subject to the receivership and travel
5 expenses which include the Receiver's attendance at certain witness interviews and depositions as
6 well as inspection of numerous real estate and other assets and collection of records turned over
7 in connection with the Clarifying Order, with certain of the real estate assets located in outlying
8 areas such as Hurricane, Utah and Santa Clara, Utah.

9 The Receiver has incurred fees and expenses for the services of the Receiver's attorneys,
10 including the Receiver's lead counsel, McKenna Long & Aldridge LLP ("McKenna Firm"), and
11 the Receiver's local counsel, Kolesar & Leatham Chtd. ("Kolesar Firm"). During the current
12 Expense Period, the Receiver specifically has incurred attorneys' fees of \$818,885.50 and costs of
13 \$58,016.07 to the McKenna Firm, legal fees of \$375 and costs of \$959.48 to the Kolesar Firm,
14 and legal fees of \$8,166.50 and costs of \$149.51 to the Receiver's special litigation counsel in
15 Utah, Hatch, James and Dodge ("Hatch Firm") for total legal fees and costs in this period of
16 \$886,552.06. The redacted billing records describing the services of the McKenna Firm, the
17 Kolesar Firm and the Hatch Firm are attached as Exhibits 9 through 17 to the separate Appendix
18 of Exhibits filed in support of this motion.

19 The redacted invoices for both the Receiver and his counsel provide detailed, itemized
20 descriptions of the extensive services rendered during the Expense Period and to achieve almost
21 \$18 million in recoveries for the estate to date, including the more than \$6.8 million received in
22 August 2013 from the Pokerstars settlement. The key activities during the Expense Period and
23 services of the Receiver and counsel are summarized below.

24 A. Hearing and Ruling on Motion to Clarify and Implementation of Clarifying Order

25 On March 7, 2013, the Court issued an order setting a hearing on the Receiver's Motion to
26 Clarify. The Receiver and his counsel prepared for and participated in the hearing conducted on
27 March 19, 2013 in Las Vegas, Nevada. The Receiver faced numerous, extensive oppositions to
28 the motion and vigorous objections to the relief sought by the Receiver from multiple interested

1 parties. Prior to the hearing, the Receiver had settled, with Court approval, the claims subject to
2 the motion against John Hafen and his related entities, Lilhaf Holdings LLC, Lilhaf Properties,
3 LLC and Tiburon Enterprises, LLC. The Receiver also had commenced negotiations with
4 counsel for Liahona Academy for Youth, LLC, Virgin Properties, LLC, Executive Car Sales, and
5 Executive Auto Group and requested that the Court defer ruling on the motion as it pertained to
6 those entities. The Receiver has since received certain additional documents from those entities
7 and reviewed information provided by those entities to try to resolve the Receiver's claims. At
8 the March 19, 2013 hearing, counsel for Mountain Financial, LLC and Brett Andreasen asked that
9 the Receiver attempt to resolve the motion as it pertained to them, and the Receiver subsequently
10 resolved its claims with those parties.

11 After lengthy argument, the Court granted the Receiver's Motion to Clarify and entered
12 the Clarifying Order. After the Clarifying Order was entered, the Receiver took steps to
13 implement the provisions of the Preliminary Injunction and Clarifying Order by serving the
14 orders on financial institutions to freeze and subsequently turn over bank accounts. The Receiver
15 through counsel prepared and sent detailed demand letters to the entities and individuals subject
16 to the Clarifying Order to address the turnover of documents and information, the transition in
17 management of various entities, the turnover of possession and control of specific assets to the
18 Receiver pursuant to the Preliminary Injunction and Clarifying Order and an accounting of
19 receivership property.

20 Jason Vowell did not appeal the Clarifying Order and it is final as it pertains to him and
21 the 15 entities he nominally owned and controlled. The Receiver has held telephone conferences
22 and at least one meeting with Jason Vowell to recover records and property. The Receiver has
23 had multiple meetings and telephone conferences and other extensive exchanges of
24 communications with Todd Vowell and counsel and is in discussions which, if successful, should
25 result in the dismissal of the Todd Vowell Parties' appeal and a resolution regarding the Todd
26 Vowell Parties' compliance with the Preliminary Injunction and Clarifying Order.

27 The Receiver has exchanged communications with Andy Johnson on behalf of New
28 Horizons Finance and recovered records and information regarding that entity and its outstanding

1 loans which are part of the receivership estate. Andy Johnson also did not appeal the Clarifying
2 Order, and the Receiver has formally taken control of the Easy Livin' Trailer Park in Beaver Dam,
3 Arizona which is one of its physical assets.

4 The Receiver has had telephone conferences and meetings regarding Paradise Ranch
5 Development, LLC, including meeting in person and by telephone with its manager Brent
6 Peterson to evaluate the Paradise Ranch property in Hurricane, Utah. The property includes
7 certain structures, is zoned for agricultural uses in part, has water rights associated with it, and
8 had tenants located in trailers and mobile homes on the property when the Receiver took over the
9 property under the Clarifying Order. When the Receiver took over, the Receiver learned that the
10 local government had issued notices regarding non-compliance with various health and safety
11 requirements and complaints regarding the number of trailers and tenants residing on the property
12 because of the limited sewer and water facilities on the property. The Receiver issued notices to
13 many of the tenants to vacate the premises, obtained multiple valuations and assessments of the
14 property, and investigated the alternatives available to operate and/or sell the property for the
15 estate. The Receiver is in the process of negotiating a potential settlement of the estate's interest
16 in the property with Brent Peterson as to which discussions are ongoing.

17 The Receiver has had to review and analyze the voluminous accounting and other
18 financial records provided primarily by the Todd Vowell Parties, as well as those provided by
19 others subject to the Preliminary Injunction and Clarifying Order. The Receiver's members and
20 accounting staff have reviewed the business records turned over and reconciled the information
21 with the information received independently through subpoenas and other sources.

22 On July 29, 2013, the Receiver obtained records and information from Sharla Johnson in
23 response to the Receiver's multiple demands for compliance with the Preliminary Injunction and
24 Clarifying Order. The Receiver is analyzing those records and the status of receivership property
25 she may be holding.

26 The Receiver made repeated demands on defendant Fielding and counsel for Rotortrends
27 for compliance with the Clarifying Order and Preliminary Injunction. The Receiver's demands
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1 were met with a refusal to turn over the 1996 Robinson helicopter and the amount of insurance
2 proceeds Fielding obtained for another aircraft.

3 There are at least ten real properties that have been added to the receivership estate
4 through the Clarifying Order, including the Paradise Ranch property in Hurricane, Utah. Some of
5 these properties have tenants, and the Receiver has assumed control over the leases and rental
6 payments. In all, the Receiver has recovered \$1,691,682.33 from the assets included in the estate
7 as a result of the Motion to Clarify and Clarifying Order, of which \$234,053.63 was collected
8 during this Expense Period, including \$101,216.52 in rent receipts from six real properties being
9 administered by the Receiver since the Clarifying Order was entered, \$14,662.83 in cash turned
10 over from bank accounts, \$19,665.94 in promissory note payments on a note secured by a deed of
11 trust in favor of Receivership Defendant Summerset Ranch, LLC and other asset recoveries. The
12 Receiver also negotiated an agreement with Billy's Limited, LLC, an entity that holds first deeds
13 of trust on four properties of the estate located on Woodsvie Circle in St. George, to limit its
14 claim and accept a discounted payoff of its debt if the Receiver is able to satisfy its debt by
15 December 15, 2013. Shortly after the end of the Expense Period, the Receiver obtained Court
16 approval to list and market three of the four Woodsvie Properties (the fourth property is the
17 residence of Jason Vowell). The Receiver has inspected the residences of Todd Vowell and Jason
18 Vowell but has not taken possession of those properties at this time.

19 B. Asset Analysis, Administration and Sales

20 Pursuant to the Sale Authorization Order issued on August 26, 2011 (Doc. No. 288), the
21 Receiver listed for sale the real properties, aircraft and houseboats subject to that order. During
22 this Expense Period, the Receiver sold the most valuable of the receivership aircraft, a Piper
23 Malibu Mirage which was sold with Court approval in May 2013 for a gross sales price of
24 \$825,000 cash. The sale allowed the receivership estate to fully satisfy the remaining balance
25 owed to Cache Valley Bank under its Court-approved settlement agreement with the Receiver
26 regarding its liens on five parcels of raw land in Washington County, Utah and its liens on certain
27 aircraft in the amount of \$308,324.94, and obtain net cash proceeds for the estate in excess of that
28 lien of \$466,700.06 after payment of costs of sale and commissions.

1 In April 2013, the Receiver filed a motion for approval of the sale of a Robinson R44
2 helicopter, a helicopter that was subject to the Receiver's earlier motion to compel Jeremy
3 Johnson to turn over the aircraft that had been held in the Dominican Republic notwithstanding
4 the Preliminary Injunction. *See* Doc. No. 964. The Receiver sold that helicopter for a gross
5 purchase price of \$284,000 cash and obtained a net recovery of \$269,400 from that aircraft. The
6 Receiver also completed a sale of another aircraft in March 2013 pursuant to an earlier sale
7 motion and recovered \$120,995.55 for total recoveries from aircraft sales of \$857,095.61 during
8 this Expense Period.

9 The Receiver also sold a small parcel of raw land in Beryl, Utah, and two real properties
10 in Ephraim, Utah. The sale of the 575 East property in Ephraim was approved by the Court
11 pursuant to a sale motion filed in a prior period but which closed during the current Expense
12 Period, with net sale proceeds to the estate of \$72,102.00. During this Expense Period, the
13 Receiver filed a combined motion to approve the sales of the 11 West property in Ephraim and
14 the Beryl property, along with a motion to authorize the Receiver to wind up the Brockman
15 Mountain LLC entity. Through a distribution of the estate's interest in the remaining assets of
16 Brockman Mountain, LLC, the receivership estate recovered approximately \$200,000. The two
17 sales of the Beryl, Utah property and 11 West property in Ephraim, Utah resulted in additional
18 recoveries of over \$256,000 for the estate.

19 More recently, after extensive discussions, the Receiver recovered an additional
20 \$1,460,650.27 pursuant to a stipulation with the Federal Deposit Insurance Corporation ("FDIC")
21 as receiver for SunFirst Bank. In July 2013, the Receiver reached a stipulation with the FDIC for
22 turnover of funds formerly held in multiple accounts at SunFirst Bank prior to SunFirst's closure
23 in November 2011. *See* Doc. No. 1107. The stipulation was approved by the Court, and the
24 funds have been turned over to the estate.

25 The Receiver finalized its negotiations with the insurance company regarding the
26 residential real property located in Rockville, Utah on which a single family residence burned
27 down. The Receiver recovered over \$94,000 in insurance proceeds for the residence, and entered
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1 into an agreement to sell the Rockville property and what remains of the home. The motion to
2 approve the sale of that property was filed shortly after the end of the Expense Period.

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. During
6 this Expense Period, the Receiver has identified additional properties and water rights which the
7 Receiver believes constitute receivership property and has caused notices of pendency of action to
8 be recorded on those properties to protect the estate's interests.

9 C. Pokerstars Litigation

10 The Receiver and counsel also continued to address the receivership estate's claim to
11 approximately \$13.5 million in funds from processing by Triple Seven, Powder Monkeys and
12 Mastery Merchant plus additional sums in two domestic bank accounts held in the name of Triple
13 Seven and Kombi Capital LP, two entities subject to the Motion to Clarify, and an overseas
14 account in Andorra held in the name of Triple Seven, Inc. that were involved in the civil asset
15 forfeiture litigation in the United States District Court for the Southern District of New York.
16 The United States filed a criminal indictment in the Southern District of New York in the case
17 *United States of America v. Scheinberg*, Case No. S3 10 Cr. 336 (LAK) ("New York Criminal
18 Action"), naming as defendants a former SunFirst officer, John Campos among other defendants.
19 Approximately \$13.5 million in processing revenues originally held at SunFirst was transferred to
20 the FDIC as its successor after SunFirst Bank failed. The New York Criminal Action
21 commenced, and those funds were subsequently frozen by a separate restraining order issued in
22 the civil forfeiture action related to the New York Criminal Action.

23 The Receiver previously filed an answer and a verified claim to the funds in the civil
24 forfeiture action to preserve the estate's claims to those funds through the McKenna Firm's New
25 York office. In addition, the Receiver previously filed a response to a motion to strike the estate's
26 claim in the civil forfeiture action. While the motion to strike was under submission, the
27 Clarifying Order was issued. The Receiver provided the Clarifying Order to the United States
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1 Attorneys' office responsible for the prosecution of the civil in rem forfeiture action, and the
2 United States withdrew its motion to strike the Receiver's claim.

3 The Receiver and the Assistant United States Attorney then restarted settlement
4 negotiations aimed at resolving their competing claims to the \$13.5 million and addressing the
5 disposition of those funds. Detailed settlement drafts were exchanged over a period of many
6 weeks. After extensive negotiations, the parties reached a settlement and agreed to divide the
7 funds held in the accounts. The Assistant United States Attorney filed the stipulation resolving
8 the claims in the civil in rem forfeiture action and obtained an order of the United States District
9 Court for the Southern District of New York in that case approving the stipulation. On July 31,
10 2013, the Receiver then filed a motion for approval of the stipulation with this Court (Doc. No.
11 1121). The Court granted the motion and promptly after entry of the Court's order approving the
12 stipulation, the FDIC turned over to the Receiver by wire transfer \$6,812,227.82 from those
13 accounts. The funds turned over are expressly reserved for use in payment of creditor claims
14 pursuant to the stipulation. One contingency in the stipulation is that the FTC prevail on its
15 claims in this action.

16 D. Legal Proceedings Following Clarifying Order

17 In April 2013, the Todd Vowell Parties, the Fielding Defendants, Rotortrends and
18 iPrerogative, and Sharla Johnson, Zibby, Zibby Flight and Orange Cat filed notices of appeal of
19 the Clarifying Order. The Todd Vowell Parties also filed multiple emergency motions seeking
20 relief in this Court. The Receiver filed written responses to those motions, and the emergency
21 motion for protective order was set for hearing before Magistrate Judge Foley on May 8, 2013.
22 Counsel for the Receiver appeared at that hearing, and the Todd Vowell Parties' emergency
23 motion for protective order was denied in its entirety. The Todd Vowell Parties' other two
24 emergency motions were briefed, and the Receiver later requested an opportunity for the parties
25 to submit supplemental briefing on the issue of the Todd Vowell Parties' incurring debt to pay for
26 their attorneys' fees. The remaining two emergency motions filed by the Todd Vowell Parties
27 were also denied.

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1 Two separate Appellants' Opening Briefs were filed in May 2013, one by Sharla Johnson
2 and the related entities Zibby, Zibby Flight and Orange Cat, and one by the Fielding Defendants,
3 Rotortrends and iPrerogative. The appeals by those parties are consolidated, and the Receiver
4 filed a single answering brief responding to both appeals. The appellants in the consolidated
5 appeals raised numerous legal issues which had to be addressed, and appellants presented little of
6 the extensive facts and documentation to the Court of Appeal regarding the extensive and well-
7 founded factual record demonstrating the status of these entities and the assets of Sharla Johnson
8 as properly constituting Receivership Defendants and receivership assets within the scope of the
9 Preliminary Injunction. The record filed by the appellants in connection with the appeals omitted
10 documents necessary to an evaluation of the appeals, and the Receiver and the FTC both filed
11 supplemental excerpts of record. Sharla Johnson and her related entities filed a reply brief, but
12 the Fielding Defendants and related entities did not. The Receiver also filed a statement in
13 response to an order by the Court requesting the Receiver's position on possible mediation of the
14 appeals.

15 As to the appeal by the Todd Vowell Parties, the Ninth Circuit Court of Appeals requested
16 briefing from the parties regarding the appellants' standing to appeal, and the Receiver filed a
17 statement regarding their standing as required by the Court. The Receiver's counsel received and
18 reviewed the Todd Vowell Parties' opening brief, but negotiated extensions of the Receiver's
19 briefing deadline in light of the pending settlement negotiations with Todd Vowell.

20 E. Depositions, Subpoenas and Records Investigation

21 In the early part of this Expense Period, disputes arose between the Receiver, on one hand,
22 and Kerry and Barbara Johnson, on the other, regarding the Receiver's power and duty under the
23 Preliminary Injunction to conduct discovery regarding their records through subpoenas. The
24 Receiver had put a temporary hold on such discovery based on the dispute, and after the Receiver
25 was unable to resolve the dispute with them, the Receiver filed a motion for instructions to
26 confirm the Receiver's power and duty to pursue his asset investigation under the Preliminary
27 Injunction through records subpoenas independent of the fraudulent transfer lawsuit pending by
28 the Receiver against them. In support of the motion, the Receiver filed a motion to seal a

1 confidential declaration of Gary Owen Caris containing financial information of Kerry and
2 Barbara Johnson. Kerry and Barbara Johnson opposed the Receiver's motion for instructions.
3 The Court granted the Receiver's motion and confirmed the Receiver's authority to continue to
4 issue records subpoenas in the receivership proceeding aimed at records of Kerry and Barbara
5 Johnson as part of his asset investigation.

6 The Receiver, through counsel, conducted three depositions during this Expense Period.
7 The Receiver deposed John Campos, a former officer of SunFirst Bank who was indicted and
8 served time under a plea arrangement in connection with the New York Criminal Action. The
9 Receiver also deposed Stephen Wade in connection with a pre-receivership payment of \$500,000
10 from one or more of the Receivership Defendants which the Receiver contends is recoverable by
11 the estate, and Receiver has since entered into a tolling agreement with Wade and his companies
12 to allow Wade and his companies to provide information informally in an attempt to resolve the
13 Receiver's claims regarding the payment.

14 The Receiver also took the deposition of Todd Vowell, who generally asserted his Fifth
15 Amendment privilege in response to nearly all of the Receiver's questions. The Receiver noticed
16 and scheduled depositions of Jason Vowell and Darin Hunt, a business associate of Jeremy
17 Johnson. Jason Vowell refused to appear and is presently incarcerated on unrelated criminal drug
18 charges. Darin Hunt has repeatedly sought to postpone his deposition for different reasons,
19 including a conflict in his schedule, his stated intention to assert the Fifth Amendment and refuse
20 to respond to questions, and his conflicting personal commitments.

21 The Receiver has continued his investigation of receivership property and the estate
22 through additional records subpoenas issued during this period. The Receiver, through counsel,
23 has issued 68 records subpoenas during the Expense Period to financial institutions, casinos,
24 precious metals dealers, securities brokers, real property title companies, and certain business
25 entities, among others. Issuance of the subpoenas requires investigation of the entities to be
26 subpoenaed to obtain agents for service of process and to obtain locations for local production to
27 comply with the provisions of F.R. Civ. P. 45. The documentation and processing of the
28 subpoenas, cover letters, instructions, and follow up, including the supplemental records requests

1 discussed below, are handled primarily by a paralegal at the McKenna Firm with supervision and
2 direction by counsel and the staff and employees at the Receiver's office.

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

12 The Receiver's investigation, analysis and review of financial records, escrow and title
13 records and numerous other documents obtained through subpoena have continued since the
14 Second Report was filed as reflected in the billing entries filed in support of this Motion. The
15 records obtained are extensive and require meticulous review to identify, trace and monitor the
16 transfers of receivership assets.

17 F. Pending Lawsuits Filed by Receiver

18 As noted above, in June 2012, the Receiver filed a complaint against Jeremy Johnson's
19 parents, Kerry Johnson and Barbara Johnson, for recovery of receivership assets fraudulently
20 transferred prior to the receivership (Case No. 2:12-cv-01053-MMD-GWF). Kerry and Barbara
21 Johnson filed a motion to dismiss the complaint which the Receiver opposed, and on February 11,
22 2013, the Court denied their dismissal motion. Kerry and Barbara Johnson then filed a second
23 motion to dismiss through their new counsel Christensen & Jensen on February 25, 2013. The
24 Receiver filed opposition to the second motion to dismiss on March 14, 2013, and the Court
25 issued an order denying the motion to dismiss on June 14, 2013. The defendants filed an answer
26 to the complaint on July 5, 2013.

27 The Receiver also filed suit against numerous third parties arising out of a fraudulent
28 scheme perpetrated by Sole Group, LLC ("Sole Group") and Arvin Lee Black, Jr. ("Black") by

1 which millions of dollars in receivership assets were transferred to Black and Sole Group (Case
2 No. 2:12-cv-01860-MMD-GWF). The Receiver has asserted fraudulent transfer claims against
3 Black and Sole Group and a declaratory relief claim against the remaining defendants to attempt
4 to sort out the rights, claims and interests the estate and those parties have in any assets of Black
5 and Sole Group in light of the Black/Sole Group fraudulent scheme. During the Expense Period,
6 the Receiver has completed service of the complaint, obtained orders extending the service
7 deadline as to Black and Sole Group and authorizing service by publication based on the inability
8 to locate those defendants, and has met and conferred with the parties regarding the next steps in
9 the litigation.

10 The Receiver and the defendants, with the exception of former Vowell Party REO
11 Recovery LLC, have made substantial progress in discussing and circulating a proposed
12 stipulation which would resolve the declaratory relief claims and the division of future recoveries.
13 The Receiver has requested entry of defaults of Black and Sole Group, and after entry of their
14 defaults, the Receiver will move for entry of a default judgment against them. The Receiver is
15 negotiating a resolution of the claims of Todd Vowell, Kombi Capital, Fishhook Partners and
16 Paydirt Capital, Inc. which is anticipated to involve those parties waiving any claims or defenses
17 in the action and any right to participate in recoveries against Black and Sole Group.

18 G. Order to Show Cause re Contempt for Quit Claim of 529 S. Woodsvie

19 In February 2013, the I Works defendants obtained new counsel, the firm of Christensen
20 & Jensen, a firm that is also representing all of the relief defendants named in the FTC's amended
21 complaint. The Christensen & Jensen firm obtained a quit claim deed conveying title to Jeremy
22 Johnson's residence at 529 S. Woodsvie in St. George, Utah, an asset explicitly identified as
23 belonging to Jeremy Johnson in the Preliminary Injunction. The quit claim was taken in violation
24 of multiple provisions of the Preliminary Injunction, and despite demand, the Christensen &
25 Jensen firm refused to rescind the transfer, necessitating an emergency application by the
26 Receiver for issuance of an order to show cause as to why the firm should not be held in contempt
27 of Court based on the transfer of title to the residence to the firm. The firm filed an extensive
28 opposition to the application. Ultimately, after filing the opposition challenging the Court's

1 jurisdiction, among other contentions, the firm rescinded the quit claim. The Receiver attempted
2 to negotiate a consensual resolution of the costs incurred by the Receiver in having to file the
3 application, and after several drafts of the stipulation were exchanged, the firm refused to sign
4 and settle the application. The Receiver filed a reply to the opposition, and the Receiver and
5 counsel attended the hearing on the Order to Show Cause conducted by the Court on June 3, 2013
6 along with a hearing on a motion to stay discovery by the United States. The Court took the
7 matter under submission and did not award attorneys' fees and costs for the expenses incurred by
8 the Receiver to vindicate compliance with the Preliminary Injunction through the contempt
9 application.

10 H. Court Filings, Motions, Responses and Court Appearances

11 During this Expense Period, the Receiver's counsel filed a total of seven motions seeking
12 substantive relief, most of which were lengthy and detailed and some of which sought multiple
13 items of relief. During this period, the Receiver filed three motions for approval of sales of assets
14 of the receivership estate as well as a motion for approval of the Receiver's fees and expenses.
15 The sale motions, which were granted, authorized the Receiver to sell two aircraft, to sell two real
16 properties and to consent to the wind up of Brockman Mountain, LLC, which collectively
17 resulted in aggregate net proceeds for the estate of over \$1,390,000.00.

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

25 The Receiver through counsel appeared in person at three hearings during this Expense
26 Period. The first hearing conducted on March 19, 2013 was the hearing on the Motion to Clarify,
27 at which two of the Receiver's deputies also appeared. Counsel for the Receiver also appeared at
28 a hearing conducted on May 8, 2013 on an emergency motion for protective order filed by the

1 Todd Vowell Parties arising out of the Clarifying Order, which was denied after oral argument.
2 The Receiver's deputy and the Receiver's counsel appeared at the June 3, 2013 hearing on the
3 Order to Show Cause as to the Christensen & Jensen firm and the hearing on the United States'
4 motion to stay depositions as to which the Receiver filed a position statement in response to
5 certain allegations and demands made by some of the defendants in their opposition pleadings.

6 The Receiver also filed a fee motion during this period covering the expense period of
7 June 1, 2012 through December 31, 2012 which was granted as requested.

8 I. Ongoing Administrative and Other Activities by the Receiver and Counsel

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

24 Numerous and varied issues arise in the supervision and administration of the estate by the
25 Receiver which are detailed in the billing records of the Receiver and counsel filed in support of
26 this Motion. The Receiver performs regular accounting and bank reconciliations for the
27 receivership accounts and through counsel provides copies of the monthly bank statements to the
28

1 parties pursuant to the Preliminary Injunction. The Receiver maintains and updates creditor lists
2 for the case and responds to creditor and other inquiries.

3 J. Costs

4 The primary costs incurred by the Receiver during this seven-month Expense Period
5 concern the preparation of tax returns for the numerous entities subject to the receivership, the
6 cost of records productions from third parties and travel expenses associated both with appearing
7 at witness interviews and depositions and hearings and with post-Clarifying Order property
8 inspections and recovery of records, as reflected in the Financial Summary attached as Exhibit 1
9 to the Declaration of Brick Kane in support of this Motion. The costs incurred by the McKenna
10 Firm consist primarily of costs incurred for the transcripts of the depositions, process server fees
11 for service of the approximate 68 records subpoenas during this Expense Period, costs incurred to
12 third parties for the costs for production of the thousands of pages of records produced by
13 financial institutions, escrow and title companies and other businesses during this period, and
14 travel expenses for the Receiver's counsel to appear at the hearings on March 19, 2013, May 8,
15 2013 and June 3, 2013 as well as the three depositions conducted in Utah during this period.
16 These expenses are out-of-pocket expenses incurred by the McKenna Firm to third parties and
17 passed through to the Receiver without mark up or modification.

18 **III. THE FEES AND EXPENSES OF THE RECEIVER AND HIS PROFESSIONALS**
19 **SHOULD BE APPROVED**

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

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

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

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

5 The Motion establishes that the Receiver, his deputies, staff and counsel rendered
6 extensive and complex services and obtained significant and excellent results for the receivership
7 estate during the Expense Period. *See Federal Trade Commission v. Capital Acquisitions &*
8 *Management Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). The activities in
9 the receivership by both the Receiver and counsel are wide-ranging and varied as the Receiver
10 has taken control of and obtained information regarding scores of entities in numerous locations,
11 protected and preserved records, taken control of and liquidated assets, and obtained voluminous
12 banking, financial and business records from many different sources, and prepared a detailed
13 Motion to Clarify to address the individuals and dozens of entities that have received, transferred
14 and/or concealed valuable assets of the receivership estate. The billing rates charged in this case
15 reflected in the billing records filed in support of the Motion for the Receiver, the Receiver's
16 members and senior accounting staff are discounted at 10% from the rates charged by the
17 Receiver's firm in private sector cases as of the time of the Receiver's appointment. Because the
18 Receiver does not raise the rates charged for its professionals during the case, and because the
19 Receiver established discounted rates in this case based on its 2010 private sector rates even
20 though the Receiver did not commence work until January 2011, the Receiver's overall the rates
21 in effect in this case are discounted materially more than 10% compared to its current rates for
22 2013. The rates charged by the McKenna Firm for its attorneys and paralegals are also
23 discounted by 10% from the standard hourly billing rates charged as of 2011.

24 The McKenna Firm's hourly rates for its attorneys and paralegals increased in 2012 and in
25 2013, but the McKenna Firm continues to bill for the services rendered in this receivership at a
26 10% discount off the 2011 billing rates for those attorneys and paralegals. In addition, as
27 indicated in the Declaration of Gary Owen Caris, the McKenna Firm has written off all fees,
28 amounting to several thousand dollars, for services relating to a motion to amend the Receiver's

1 complaint in the Black/Sole Group litigation which was not ultimately filed in light of other
2 developments in that action. The write-offs are reflected in the billing records submitted for the
3 McKenna Firm. The Receiver submits the fees and expenses are reasonable in light of the
4 services rendered and the results obtained, and that the fees and expenses requested should be
5 awarded in their entirety.

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

8 Local Civil Rule 66-5 provides for service of notice of the hearing on various motions by
9 a Receiver concerning the administration of the estate. That rule provides for service of the
10 notice of hearing on such motions on all creditors of the receivership estate. No hearing has been
11 set on this Motion and the provisions of Local Civil Rule 66-5 do not specifically apply.
12 Consistent with the Receiver's practices throughout the case which have previously been
13 approved by the Court, the Receiver has served a notice of filing of the Motion on the parties and
14 on all known non-consumer creditors of the estate to provide them notice and an opportunity to
15 be heard concerning the Motion.

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

27 Based on the foregoing, to the extent that Local Rule 66-5 applies to this Motion, the
28 Receiver seeks an order providing that the notice requirement of that rule shall be deemed

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

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1 **V. CONCLUSION**

2 For the foregoing reasons, it is respectfully requested that the Court grant relief as
3 requested in the Motion.

4
5 Dated: September 23, 2013

Respectfully submitted,

6
7 RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

8 MCKENNA LONG & ALDRIDGE LLP
9 GARY OWEN CARIS
LESLEY ANNE HAWES

10
11 By: /s/ Gary Owen Caris

12 Gary Owen Caris
Lesley Anne Hawes

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

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

13 **UNITED STATES DISTRICT COURT**

14 **DISTRICT OF NEVADA**

15 FEDERAL TRADE COMMISSION,
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17 Plaintiff,
18

19 v.

20 JEREMY JOHNSON, individually, as officer
of Defendants I Works, Inc., etc., et al.,
21

22 Defendants.
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
JANUARY 1, 2013 THROUGH JULY 31,
2013; 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

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 fifth 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 seven-month period from January 1, 2013 through July 31, 2013
8 (“Expense Period”). The legal fees and expenses incurred during the Expense Period total
9 \$886,552.06, including fees of \$818,885.50 and expenses of \$58,016.07 incurred to the McKenna
10 Firm for a total of \$876,901.57, fees and expenses of the Receiver’s local counsel in Nevada,
11 Kolesar & Leatham, Chtd. (“Kolesar Firm”), in the sum of \$1,334.48, and fees and expenses of
12 the Receiver’s special litigation counsel in Utah, Law Offices of Hatch, James & Dodge, A
13 Professional Corporation (“Hatch Firm”), in the sum of \$8,316.01.

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 this Expense Period, the Hatch Firm has assisted the
21 Receiver in connection with two real property matters in Utah. Specifically, the Hatch Firm has
22 assisted the Receiver in enforcing and foreclosing a deed of trust in favor of one of the
23 Receivership Defendants secured by real property in Utah owned by one of the defendants, Loyd
24 Johnston. In addition, the Hatch Firm has provided the Receiver advice and assistance in
25 addressing the acreage owned by Paradise Ranch Development, LLC located in Hurricane, Utah,
26 including addressing issues concerning the tenants at that property and eviction procedures.

27 4. Attached to the Appendix of Exhibits as Exhibits 9 through 15, inclusive, are true
28 and correct copies of the detailed, redacted time records of the McKenna Firm for the Expense

1 Period. Attached to the Appendix of Exhibits as Exhibits 16 and 17, respectively, are the billing
2 records of the Kolesar Firm and the Hatch Firm for the Expense Period. The time records,
3 Exhibits 9 through 17, as well as the time records for the Receiver, his deputies, accountants and
4 staff, have been redacted by my firm where appropriate to preserve descriptions containing
5 confidential, sensitive, tactical, strategic, attorney-client privileged and/or attorney work-product
6 information. In particular, as detailed in the fee motion, the Receiver is still investigating a large
7 number of entities and individuals comprising and/or associated with the Receivership
8 Defendants, and the Receiver has redacted information in the time entries that the Receiver deems
9 confidential or sensitive, tactical or strategic information related to his ongoing investigation and
10 potential litigation activities that could be compromised if disclosed at this time.

11 5. On March 7, 2013, the Court issued an order setting a hearing on the Receiver's
12 Motion to Clarify. The Receiver and the McKenna Firm prepared for and participated in the
13 hearing conducted on March 19, 2013 in Las Vegas, Nevada. The Receiver faced numerous,
14 extensive oppositions to the motion and vigorous objections to the relief sought by the Receiver
15 from multiple interested parties.

16 6. After lengthy argument, the Court granted the Receiver's Motion to Clarify and
17 entered the Clarifying Order. After the Clarifying Order was entered, the Receiver took steps to
18 implement the provisions of the Preliminary Injunction and Clarifying Order by serving the
19 orders on financial institutions to freeze and subsequently turn over bank accounts. The
20 McKenna Firm prepared and sent detailed demand letters to the entities and individuals subject to
21 the Clarifying Order to address the turnover of documents and information, the transition in
22 management of various entities, the turnover of possession and control of specific assets to the
23 Receiver pursuant to the Preliminary Injunction and Clarifying Order and an accounting of
24 receivership property.

25 7. As described in the Motion and Brick Kane's Declaration filed with the Motion,
26 the Receiver implemented his settlement with John Hafen and his entities which resulted in
27 additional recoveries from him during this Expense Period. As the Receiver reported in a post-
28 hearing status report with the Court, the Receiver resolved his disputes with Mountain Financial,

1 LLC, which were subject to the Motion to Clarify, and obtained additional recoveries through that
2 resolution. The Receiver reached agreement with a lienholder, Billy's Limited, LLC, with liens
3 on four properties located on Woodsvie Circle in St. George, Utah which are part of the
4 receivership estate under the Clarifying Order which will allow the Receiver to satisfy the liens at
5 a discount to maximize the recovery from those assets for the estate.

6 8. In April 2013, the Todd Vowell Parties, the Fielding Defendants, Rotortrends and
7 iPrerogative, and Sharla Johnson, Zibby, LLC ("Zibby"), Zibby Flight Service, LLC ("Zibby
8 Flight"), and Orange Cat Investments, LLC ("Orange Cat") filed notices of appeal of the
9 Clarifying Order. The appeals of the Clarifying Order filed by Sharla Johnson, Zibby, Zibby
10 Flight and Orange Cat, and by Duane Fielding ("Fielding"), Anthon Holdings, LLC ("Anthon
11 Holdings"), Network Agenda, LLC ("Network Agenda"), iPrerogative, LLC and Rotortrends, Inc.
12 (collectively the "Fielding Parties") are consolidated and fully briefed. The Jason Vowell Parties
13 did not appeal the order, nor did New Horizons Finance, Inc.

14 9. Two separate Appellants' Opening Briefs were filed in May 2013, one by Sharla
15 Johnson and the related entities Zibby, Zibby Flight and Orange Cat, and one by the Fielding
16 Defendants, Rotortrends and iPrerogative. By order of the Ninth Circuit Court of Appeals, the
17 Receiver filed a single answering brief responding to both appeals. The appellants in the
18 consolidated appeals raised numerous legal issues which had to be addressed, and presented little
19 of the necessary facts and documentation to the Court of Appeal regarding the extensive and well-
20 founded factual record demonstrating the status of these entities and the assets of Sharla Johnson
21 as properly constituting Receivership Defendants and receivership assets within the scope of the
22 Preliminary Injunction. The record filed by the appellants in connection with the appeals omitted
23 documents necessary to an evaluation of the appeals, and my firm and the FTC both filed
24 supplemental excerpts of record. Sharla Johnson and her related entities filed a reply brief, but
25 the Fielding Defendants and related entities did not. My firm also filed a statement in response to
26 an order by the Court requesting the Receiver's position on possible mediation of the appeals.

27 10. As to the appeal by the Todd Vowell Parties, the Ninth Circuit Court of Appeals
28 requested briefing from the parties regarding the appellants' standing to appeal, and my firm

1 prepared and filed on behalf of the Receiver a statement regarding their standing as required by
2 the Court. The McKenna Firm received and reviewed the Todd Vowell Parties' opening brief, but
3 negotiated extensions of the Receiver's briefing deadline in light of the pending settlement
4 negotiations with Todd Vowell. The current deadline for the Receiver's answering brief in the
5 Todd Vowell Parties' appeal is September 23, 2013.

6 11. In addition to their notice of appeal, the Todd Vowell Parties also filed multiple
7 emergency motions seeking relief in this Court. My firm filed written responses to those motions,
8 and the emergency motion for protective order was set for hearing before Magistrate Judge Foley
9 on May 8, 2013. I appeared at that hearing, and the Todd Vowell Parties' emergency motion for
10 protective order was denied in its entirety. The Todd Vowell Parties' other two emergency
11 motions were briefed, and the Receiver later requested an opportunity for the parties to submit
12 supplemental briefing on the issue of the Todd Vowell Parties' incurring debt to pay for their
13 attorneys' fees which my firm prepared and filed. The remaining two emergency motions filed by
14 the Todd Vowell Parties were also denied.

15 12. The Receiver and my firm also continued to address the receivership estate's claim
16 to approximately \$13.5 million in funds from processing by Triple Seven, Powder Monkeys and
17 Mastery Merchant plus additional sums in two domestic bank accounts held in the name of Triple
18 Seven and Kombi Capital LP, two entities subject to the Motion to Clarify, and an overseas
19 account in Andorra held in the name of Triple Seven, Inc. that were involved in the civil asset
20 forfeiture litigation in the United States District Court for the Southern District of New York.
21 The United States filed a criminal indictment in the Southern District of New York in the case
22 *United States of America v. Scheinberg*, Case No. S3 10 Cr. 336 (LAK) ("New York Criminal
23 Action"), naming as defendants a former SunFirst officer, John Campos among other defendants.
24 Approximately \$13.5 million in processing revenues originally held at SunFirst was transferred to
25 the FDIC as its successor after SunFirst Bank failed. The New York Criminal Action
26 commenced, and those funds were subsequently frozen by a separate restraining order issued in
27 the civil forfeiture action related to the New York Criminal Action.

28

1 13. The McKenna Firm previously filed the Receiver's answer and a verified claim to
2 the funds in the civil forfeiture action to preserve the estate's claims to those funds through my
3 firm's New York office. In addition, my firm previously filed a response to a motion to strike the
4 estate's claim in the civil forfeiture action. While the motion to strike was under submission, the
5 Clarifying Order was issued. I provided the Clarifying Order to the United States Attorneys'
6 office responsible for the prosecution of the civil *in rem* forfeiture action, and the United States
7 withdrew its motion to strike the Receiver's claim.

8 14. The Assistant United States Attorney and I restarted extensive settlement
9 negotiations aimed at resolving the Receiver's claims to the \$13.5 million and addressing the
10 disposition of those funds. Detailed settlement drafts were exchanged over a period of many
11 weeks. The parties reached a settlement and agreed to divide the funds held in the accounts. The
12 Assistant United States Attorney filed the stipulation resolving the claims in the civil *in rem*
13 forfeiture action and obtained an order of the United States District Court for the Southern
14 District of New York in that case approving the stipulation. On July 31, 2013, my firm filed a
15 motion for approval of the stipulation in this Court (Doc. No. 1121). The Court granted the
16 motion and promptly after entry of the Court's order approving the stipulation, the FDIC turned
17 over to the Receiver by wire transfer \$6,812,227.82 from those accounts. The funds turned over
18 are expressly reserved for use in payment of creditor claims pursuant to the stipulation. One
19 contingency in the stipulation is that the FTC prevail on its claims in this action.

20 15. In the early part of this Expense Period, disputes arose between the Receiver, on
21 one hand, and Kerry and Barbara Johnson, on the other, regarding the Receiver's power and duty
22 under the Preliminary Injunction to conduct discovery regarding their records through subpoenas.
23 The Receiver had put a temporary hold on such discovery based on the dispute, and after the
24 Receiver was unable to resolve the dispute with them, the McKenna Firm filed a motion for
25 instructions to confirm the Receiver's power and duty to pursue his asset investigation under the
26 Preliminary Injunction through records subpoenas independent of the fraudulent transfer lawsuit
27 pending by the Receiver against them. In support of the motion, my firm filed a motion to seal a
28 confidential declaration by me containing financial information of Kerry and Barbara Johnson.

1 Kerry and Barbara Johnson opposed the Receiver's motion for instructions. The Court granted
2 the Receiver's motion and confirmed the Receiver's authority to continue to issue records
3 subpoenas in the receivership proceeding aimed at records of Kerry and Barbara Johnson as part
4 of his asset investigation.

5 16. I also conducted three depositions on behalf of the Receiver in Utah during this
6 Expense Period. I deposed John Campos, a former officer of SunFirst Bank who was indicted
7 and served time under a plea arrangement in connection with the New York Criminal Action. I
8 also deposed Stephen Wade in connection with a pre-receivership payment of \$500,000 from one
9 or more of the Receivership Defendants which the Receiver contends is recoverable by the estate,
10 and my firm drafted and entered into a tolling agreement while Wade and his companies provided
11 information informally in an attempt to resolve the Receiver's claims regarding the payment.

12 17. I also took the deposition of Todd Vowell, who generally asserted his Fifth
13 Amendment privilege in response to nearly all of the Receiver's questions. My firm noticed and
14 scheduled depositions of Jason Vowell and Darin Hunt, a business associate of Jeremy Johnson.
15 Jason Vowell refused to appear and is presently incarcerated on unrelated criminal drug charges.
16 Darin Hunt has repeatedly sought to postpone his deposition for different reasons, including a
17 conflict in his schedule, his stated intention to assert the Fifth Amendment and refuse to respond
18 to questions, and his conflicting personal commitments.

19 18. The McKenna Firm has issued 68 records subpoenas during the Expense Period to
20 financial institutions, precious metals dealers, aircraft title companies, securities brokers, and real
21 property title and escrow companies, among others. The activities of the Receiver and the
22 McKenna Firm in coordinating the issuance of records subpoenas, monitoring compliance with
23 the records subpoenas and preparing supplemental requests for records to the subpoenaed parties
24 are discussed in the accompanying Declaration of Brick Kane.

25 19. In June 2012, the Receiver filed a complaint against Jeremy Johnson's parents,
26 Kerry Johnson and Barbara Johnson, for recovery of receivership assets fraudulently transferred
27 prior to the receivership (Case No. 2:12-cv-01053-MMD-GWF). Kerry and Barbara Johnson
28 filed a motion to dismiss the complaint which the Receiver opposed, and on February 11, 2013,

1 the Court denied their dismissal motion. Kerry and Barbara Johnson then filed a second motion
2 to dismiss through their new counsel Christensen & Jensen on February 25, 2013. The Receiver
3 filed opposition to the second motion to dismiss on March 14, 2013, and the Court issued an
4 order denying the motion to dismiss on June 14, 2013. The defendants filed an answer to the
5 complaint on July 5, 2013.

6 20. The Receiver also previously filed suit against numerous third parties arising out
7 of a fraudulent scheme perpetrated by Sole Group, LLC (“Sole Group”) and Arvin Lee Black, Jr.
8 (“Black”) by which millions of dollars in receivership assets were transferred to Black and Sole
9 Group (Case No. 2:12-cv-01860-MMD-GWF). The Receiver has asserted fraudulent transfer
10 claims against Black and Sole Group and a declaratory relief claim against the remaining
11 defendants to attempt to sort out the rights, claims and interests the estate and those parties have
12 in any assets of Black and Sole Group in light of the Black/Sole Group fraudulent scheme.
13 During the Expense Period, the Receiver completed service of the complaint, obtained orders
14 extending the service deadline as to Black and Sole Group and authorizing service by publication
15 based on the inability to locate those defendants, and has met and conferred with the parties
16 regarding the next steps in the litigation.

17 21. The Receiver and the defendants, with the exception of former Vowell Party REO
18 Recovery LLC, have made substantial progress in discussing and circulating a proposed
19 stipulation which would resolve the declaratory relief claims and the division of future recoveries.
20 The Receiver has requested entry of defaults of Black and Sole Group, and after entry of their
21 defaults, the Receiver will move for entry of a default judgment against them. The McKenna
22 Firm has written off all fees, amounting to several thousand dollars, for services relating to a
23 motion to amend the Receiver's complaint in the Black/Sole Group litigation which was not
24 ultimately filed in light of these developments. The write-offs are reflected in the billing records
25 submitted for the McKenna Firm. The Receiver is negotiating a resolution of the claims of Todd
26 Vowell, Kombi Capital, Fishhook Partners and Paydirt Capital, Inc. which is anticipated to
27 involve those parties waiving any claims or defenses in the action and any right to participate in
28 recoveries against Black and Sole Group.

1 22. In February 2013, the I Works defendants obtained new counsel, the firm of
2 Christensen & Jensen, a firm that is also representing all of the relief defendants named in the
3 FTC's amended complaint. The Christensen & Jensen firm obtained a quit claim deed conveying
4 title to Jeremy Johnson's residence at 529 S. Woodsvie in St. George, Utah, an asset explicitly
5 identified as belonging to Jeremy Johnson in the Preliminary Injunction. The quit claim was
6 taken in violation of multiple provisions of the Preliminary Injunction, and despite demand, the
7 Christensen & Jensen firm refused to rescind the transfer, necessitating an emergency application
8 by the Receiver for issuance of an order to show cause as to why the firm should not be held in
9 contempt of Court based on the transfer of title to the residence to the firm. The firm filed an
10 extensive opposition to the application. Ultimately, after filing the opposition challenging the
11 Court's jurisdiction, among other contentions, the firm rescinded the quit claim. On behalf of the
12 Receiver, I attempted to negotiate a consensual resolution of the costs incurred by the Receiver in
13 having to file the application, and after several drafts of the stipulation were exchanged, the firm
14 refused to sign and settle the application. The McKenna Firm filed a reply to the opposition, and
15 the Receiver and counsel attended the hearing on the Order to Show Cause conducted by the
16 Court on June 3, 2013 along with a hearing on a motion to stay discovery by the United States.
17 The Court took the matter under submission and did not award attorneys' fees and costs for the
18 expenses incurred by the Receiver to vindicate compliance with the Preliminary Injunction
19 through the contempt application.

20 23. During this Expense Period, the Receiver through my firm filed a total of seven
21 motions seeking substantive relief, most of which were lengthy and detailed and some of which
22 sought multiple items of relief. During this period, the Receiver filed three motions for approval
23 of sales of assets of the receivership estate as well as a motion for approval of the Receiver's fees
24 and expenses. The sale motions, which were granted, authorized the Receiver to sell two aircraft,
25 to sell two real properties and to consent to the wind up of Brockman Mountain, LLC, which
26 collectively resulted in aggregate net proceeds for the estate of over \$1,390,000.00.

27 24. The McKenna Firm and the Receiver work closely together in asset sales,
28 including preparing and reviewing relevant documentation and the sale agreements, addressing

1 issues in the preliminary title reports and addressing the appropriate terms and conditions of the
2 sales which vary depending on the circumstances of the sale, the nature of the asset, and time
3 constraints that may affect the sale. The sales also require discussions, negotiation and
4 coordination by the Receiver and/or his counsel with the buyer or the buyer's attorney or sales
5 agent as well as any broker for the estate, as applicable.

6 25. The McKenna Firm appeared in person at three hearings during this Expense
7 Period. The first hearing conducted on March 19, 2013 was the hearing on the Motion to Clarify,
8 at which two of the Receiver's deputies also appeared. I also appeared at a hearing conducted on
9 May 8, 2013 on an emergency motion for protective order filed by the Todd Vowell Parties
10 arising out of the Clarifying Order, which was denied after oral argument. The Receiver's deputy,
11 Brick Kane, and I appeared at the June 3, 2013 hearing on the Order to Show Cause as to the
12 Christensen & Jensen firm and the hearing on the United States' motion to stay depositions as to
13 which the Receiver filed a position statement in response to certain allegations and demands
14 made by some of the defendants in their opposition pleadings.

15 26. My firm also prepared and filed a fee motion during this period covering the
16 expense period of June 1, 2012 through December 31, 2012 which was granted as requested.

17 27. My firm also performed a number of other legal activities during this Expense
18 Period. My firm reviews and monitors the Court filings in the case and in the related New York
19 Criminal Action and civil forfeiture action as they may pertain to the interests of the estate,
20 responds to inquiries received from creditors and others, including taxing authorities, files notices
21 of pending actions to protect real estate assets if deemed appropriate, and also performs numerous
22 other tasks in advising the Receiver and rendering services as Receiver's counsel to protect the
23 estate, pursue claim enforcement, negotiate with various persons and entities that are the subject
24 of potential claims by the Receiver, enforce the Preliminary Injunction and otherwise advance the
25 interests of the estate.

26 28. The costs incurred by the McKenna Firm consist primarily of costs incurred for the
27 transcripts of the depositions, process server fees for service of the approximate 68 records
28 subpoenas during this Expense Period, costs incurred to third parties for the costs for production

1 of the thousands of pages of records produced by financial institutions, escrow and title
2 companies and other businesses during this period, and travel expenses for the Receiver's counsel
3 to appear at the hearings on March 19, 2013, May 8, 2013 and June 3, 2013 as well as the three
4 depositions conducted in Utah during this period. These expenses are out-of-pocket expenses
5 incurred by the McKenna Firm to third parties and passed through to the Receiver without mark
6 up or modification.

7 29. The rates charged by the McKenna Firm for its attorneys and paralegals are
8 discounted by 10% from the standard hourly billing rates charged as of 2011. The McKenna
9 Firm's hourly rates for its attorneys and paralegals generally increased in 2012 and in 2013, but
10 the McKenna Firm continues to bill for the services rendered in this receivership at a 10%
11 discount off the 2011 billing rates for those attorneys and paralegals.

12 30. I am a partner of the McKenna Firm and am familiar with the methods and
13 procedures used to create, record and maintain billing records for the firm's clients. The billing
14 summaries attached to the Appendix of Exhibits as Exhibits 9 through 15, inclusive, are prepared
15 from computerized time records prepared contemporaneously with the services rendered by each
16 attorney and paralegal billing time to this matter. These computerized records are prepared in the
17 ordinary course of business by the attorneys and paralegals employed by the firm who have a
18 business duty to accurately record their time spent and services rendered on the matters on which
19 they perform work. The time records are transferred into a computerized billing program that
20 generates monthly invoices under the supervision of the firm's accounting department. Based
21 upon my experience with the firm, I believe the McKenna Firm's methods and procedures for
22 recording and accounting for time and services for its clients are reliable and accurate.

23 31. I have over 33 years' experience as a business and commercial litigator and also
24 have extensive experience as a bankruptcy attorney representing creditors in Chapter 11 and
25 Chapter 7 bankruptcy cases. For more than fourteen years I have also specialized in representing
26 receivers in federal equity receiverships. I believe my firm's rates and the amount incurred by the
27 Receiver for the services rendered during the Expense Period are reasonable and appropriate
28 based on the nature of the services rendered, the quality and amount of services provided, the

1 complexity of the issues involved and other factors under the circumstances, including the results
2 obtained.

3 I declare under penalty of perjury that the foregoing is true and correct and that this
4 declaration was executed this 23rd day of September 2013 at Los Angeles, California.

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/s/ Gary Owen Caris
GARY OWEN CARIS

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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
24

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 JANUARY 1, 2013
THROUGH JULY 31, 2013; AND (2)
GRANTING RELIEF FROM LOCAL
RULE 66-5 PERTAINING TO NOTICE
TO CREDITORS**

25 I, Brick Kane, declare:

27 1. I am the President and Chief Operating Officer of Robb Evans & Associates LLC
28 and a deputy to the Receiver Robb Evans of Robb Evans & Associates LLC ("Receiver"), the

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

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

14 3. I am one of the deputies to the Receiver who has been responsible for the
15 supervision and administration of the receivership estate and for the Receiver's review and
16 investigation of assets and analysis of financial and business records relevant to the receivership
17 and the Receiver's exercise of his powers and duties under the TRO and Preliminary Injunction
18 Order. I personally participated in the preparation and review of the Receiver's initial Report of
19 Temporary Receiver's Activities January 13, 2011 Through February 4, 2011 which was filed
20 with the Court on February 8, 2011 (Doc. No. 127) (“First Report”) and the Report of Receiver's
21 Financial Reconstruction dated January 31, 2012 (“Second Report”) filed with the Court on
22 February 3, 2012 along with four volumes of Appendices of Exhibits to the Second Report (Doc.
23 Nos. 464, 465-468). I personally participated in the review and evaluation of many of the
24 documents and records upon which the information contained in the Receiver's First Report and
25 Second Report are based. I attended and/or read the transcripts of all of the depositions
26 conducted by the Receiver to date in this case and I attended two confidential witness interviews
27 on behalf of the Receiver. I was extensively involved in the drafting and revision of the Second
28

1 Report and in the drafting, revisions or review of the more than 100 tabs (exhibits) to the Second
2 Report.

3 4. The Receiver's First Report reported on the Receiver's initial findings and
4 investigation into I Works and \$50.4 million in net profits transferred from the I Works enterprise
5 to or for the benefit of Jeremy Johnson. The Second Report was filed on February 3, 2012 and
6 detailed an additional \$51.4 million in funds from payment processing transferred to or for the
7 benefit of Jeremy Johnson through a complex web of entities and persons. The result of these
8 transfers was that valuable assets of the receivership estate were concealed from the Receiver and
9 hidden apparently to try to remove them from the reach of the Receiver and the creditors of
10 Jeremy Johnson and the other named Receivership Defendants. Based on the Receiver's findings
11 in the Second Report and his ongoing investigation, the Receiver filed a Motion to Clarify to
12 confirm the status of those numerous entities and assets nominally held by third parties but
13 beneficially owned and controlled by Jeremy Johnson. The Motion to Clarify was granted by the
14 Court after extensive briefing, evidence and oral argument conducted on March 19, 2013 through
15 the Order Granting Motion for Order Clarifying Preliminary Injunction Order and for Further
16 Instructions Regarding Scope of Receivership Defendants under Preliminary Injunction Order
17 and Report of Receiver's Financial Reconstruction and Granting Relief from Local Rule 66-5
18 Pertaining to Notice to Creditors After Hearing ("Clarifying Order") entered March 25, 2013.
19 Substantial activities of the Receiver and his counsel during this Expense Period have involved
20 further investigation and location of receivership assets, the disposition of receivership assets, the
21 preparation for the hearing on the Motion to Clarify, and the implementation of the Court's
22 Clarifying Order.

23 5. Asset sale proceeds obtained for the estate during this Expense Period total
24 \$1,390,245.25. The Receiver also negotiated and filed a stipulation with the Federal Deposit
25 Insurance Corporation ("FDIC") which resulted in a turnover of \$1,460,650.27 during this
26 Expense Period. Total funds collected during this period were \$3,114,152.21. These receipts
27 bring total funds collected from the inception of the case through July 31, 2013 to
28 \$11,181,441.85, with the net fund balance after all expenses, including the Receiver's fees and

1 expenses requested in the current motion, being \$4,141,993.99 as of July 31, 2013. With the
2 \$6,812,227.82 received in August 2013 from the settlement with the United States concerning the
3 Pokerstars civil *in rem* forfeiture action discussed below and in the Declaration of Gary Owen
4 Caris in support of the current fee motion, total receipts exceed \$17.9 million.

5 6. This declaration is submitted in support of the Receiver's fifth fee motion. The
6 Receiver seeks payment of the Receiver's fees and expenses summarized in the Administrative
7 Expenses and Fund Balance spreadsheet ("Financial Summary") attached hereto as Exhibit 1 and
8 detailed in the redacted billing summaries which are attached as Exhibits 2 through 8 in the
9 Appendix of Exhibits filed in support of this motion as well as the Receiver's counsel's fees and
10 expenses described in the accompanying Declaration of Gary Owen Caris and Exhibits 9 through
11 17 of the Appendix of Exhibits in support of the current fee motion. The Receiver seeks an order
12 approving and authorizing payment of receivership fees and expenses incurred for the period
13 from January 1, 2013 through July 31, 2013 ("Expense Period"), including payment of the fees of
14 the Receiver, the Receiver's deputies, agents, staff and professionals, and reimbursement of costs
15 incurred during the Expense Period in the total sum of \$1,347,126.01. The fees of the Receiver,
16 his deputies, agents and staff total \$423,003.56 and the Receiver's expenses total \$37,570.39
17 during the Expense Period. During the Expense Period, the Receiver has incurred fees for the
18 Receiver and his deputies of \$141,808.10, Senior Staff fees of \$258,506.10, Information
19 Technology fees of \$8,651.66 and Support Staff fees of \$14,037.70. The Receiver's expenses
20 primarily consisting of expenses for the preparation of tax returns for the receivership entities of
21 \$15,561.86, expenses to obtain production of documents from third parties and travel expenses,
22 including those associated with the Receiver's attendance at certain witness interviews and
23 depositions as well as inspection of numerous real estate and other assets and collection of
24 records turned over in connection with the Clarifying Order, with certain of the real estate assets
25 located in outlying areas such as Hurricane, Utah and Santa Clara, Utah.

26 7. The Receiver's legal fees and expenses total \$886,552.06 during the Expense
27 Period, including fees and expenses incurred to the Receiver's lead counsel McKenna Long &
28 Aldridge LLP in the sum of \$876,901.57, fees and expenses of the Receiver's local counsel in

1 Nevada, Kolesar & Leatham, Chtd., in the sum of \$1,334.48, and fees and expenses of the
2 Receiver's special litigation counsel in Utah, Law Offices of Hatch, James & Dodge, A
3 Professional Corporation, in the sum of \$8,316.01. Many of the costs incurred during the seven
4 months of this Expense Period by both the Receiver and the McKenna Firm pertain to the
5 Receiver's asset-related discovery and investigation and to the recovery of receivership assets.
6 The Financial Summary attached hereto as Exhibit 1 summarizes the categories of expenses
7 incurred in connection with the Receiver's activities and services.

8 8. This receivership involves an extremely complex web of corporate and other
9 entities and is exceptionally complicated from an accounting standpoint. The receivership estate
10 is also complex because of the large number and varied nature of the assets subject to the
11 Receiver's administration.

12 9. During this Expense Period, a primary focus of the activities of the Receiver and
13 his counsel was obtaining the Clarifying Order and implementing that Order after it was entered.
14 The Receiver and his counsel prepared for and participated in the hearing conducted on March
15 19, 2013 in Las Vegas, Nevada. The Receiver faced numerous, extensive oppositions to the
16 motion and vigorous objections to the relief sought by the Receiver from multiple interested
17 parties. Prior to the hearing, the Receiver had settled, with Court approval, the claims subject to
18 the motion against John Hafen and his related entities, Lilhaf Holdings LLC, Lilhaf Properties,
19 LLC and Tiburon Enterprises, LLC. The Receiver also had commenced negotiations with
20 counsel for Liahona Academy for Youth, LLC, Virgin Properties, LLC, Executive Car Sales, and
21 Executive Auto Group and requested that the Court defer ruling on the motion as it pertained to
22 those entities. The Receiver has since received certain additional documents from those entities
23 and reviewed information provided by those entities to try to resolve the Receiver's claims. At
24 the March 19, 2013 hearing, counsel for Mountain Financial, LLC and Brett Andreasen asked that
25 the Receiver attempt to resolve the motion as it pertained to them, and the Receiver subsequently
26 resolved its claims with those parties.

27 10. After lengthy argument, the Court granted the Receiver's Motion to Clarify and
28 entered the Clarifying Order. After the Clarifying Order was entered, the Receiver took steps to

1 implement the provisions of the Preliminary Injunction and Clarifying Order by serving the
2 orders on financial institutions to freeze and subsequently turn over bank accounts. The Receiver
3 through counsel prepared and sent detailed demand letters to the entities and individuals subject
4 to the Clarifying Order to address the turnover of documents and information, the transition in
5 management of various entities, the turnover of possession and control of specific assets to the
6 Receiver pursuant to the Preliminary Injunction and Clarifying Order and an accounting of
7 receivership property.

8 11. Jason Vowell did not appeal the Clarifying Order and it is final as it pertains to
9 him and the 15 entities he nominally owned and controlled. The Receiver has held telephone
10 conferences and at least one meeting with Jason Vowell to recover records and property. The
11 Receiver has had multiple meetings and telephone conferences and other extensive exchanges of
12 communications with Todd Vowell and counsel and is in discussions which, if successful, should
13 result in the dismissal of the Todd Vowell Parties' appeal and a resolution regarding the Todd
14 Vowell Parties' compliance with the Preliminary Injunction and Clarifying Order.

15 12. The Receivership Defendants have been adversarial to the Receiver and his
16 counsel throughout the case. This adversarial approach has continued after the entry of the
17 Court's Clarifying Order, with appeals filed even by entities that have been deemed and treated as
18 Receivership Defendants throughout the case based on their status as affiliates and subsidiaries of
19 the named Corporate Defendants and entities undisputedly owned and controlled by Jeremy
20 Johnson, including Zibby LLC ("Zibby"), Zibby Flight Service LLC ("Zibby Flight") and Orange
21 Cat Investments LLC ("Orange Cat").

22 13. The Receiver has exchanged communications with defendant Andy Johnson on
23 behalf of New Horizons Finance and recovered records and information regarding that entity and
24 its outstanding loans which are part of the receivership estate. Andy Johnson also did not appeal
25 the Clarifying Order, and the Receiver has formally taken control of the Easy Livin' Trailer Park
26 in Beaver Dam, Arizona which is one of its physical assets.

27 14. The Receiver has had to review and analyze the voluminous accounting and other
28 financial records provided primarily by the Todd Vowell Parties, as well as those provided by

1 others subject to the Preliminary Injunction and Clarifying Order. The Receiver's members and
2 accounting staff have reviewed the business records turned over and reconciled the information
3 with the information received independently through subpoenas and other sources.

4 15. On July 29, 2013, the Receiver obtained records and information from Sharla
5 Johnson in response to the Receiver's multiple demands for compliance with the Preliminary
6 Injunction and Clarifying Order. The Receiver is analyzing those records and the status of
7 receivership property she may be holding.

8 16. The Receiver made repeated demands on defendant Fielding for compliance with
9 the Clarifying Order and Preliminary Injunction. The Receiver's demands were met with a
10 refusal by Fielding to turn over the 1996 Robinson helicopter and the amount of insurance
11 proceeds he obtained for another aircraft. Fielding has recently substituted counsel and is
12 currently represented by Snell & Wilmer, the firm that represents the Scott Muir Defendants, and
13 the Receiver is contacting his new counsel to attempt to obtain his compliance through his new
14 attorneys.

15 17. The Receiver has had telephone conferences and meetings regarding Paradise
16 Ranch Development, LLC, including meeting in person and by telephone with its manager Brent
17 Peterson to evaluate the Paradise Ranch property in Hurricane, Utah. The property includes
18 certain structures, is zoned for agricultural uses in part, has water rights associated with it, and
19 had tenants located in trailers and mobile homes on the property when the Receiver took over the
20 property under the Clarifying Order. When the Receiver took over, the Receiver learned that the
21 local government had issued notices regarding non-compliance with various health and safety
22 requirements and complaints regarding the number of trailers and tenants residing on the property
23 because of the limited sewer and water facilities on the property. The Receiver issued notices to
24 many of the tenants to vacate the premises, obtained multiple valuations and assessments of the
25 property, and investigated the alternatives available to operate and/or sell the property for the
26 estate. The Receiver is in the process of negotiating a potential settlement of the estate's interest
27 in the property with Brent Peterson as to which discussions are ongoing.

28

1 18. There are at least ten real properties that have been added to the receivership estate
2 through the Clarifying Order, including the Paradise Ranch property in Hurricane, Utah. Some of
3 these properties have tenants, and the Receiver has assumed control over the leases and rental
4 payments. In all, the Receiver has recovered \$1,691,682.33 from the assets included in the estate
5 as a result of the Motion to Clarify and Clarifying Order, of which \$234,053.63 was collected
6 during this Expense Period, including \$101,216.52 in rent receipts from six real properties being
7 administered by the Receiver since the Clarifying Order was entered, \$14,662.83 in cash turned
8 over from bank accounts, \$19,665.94 in promissory note payments on a note secured by a deed of
9 trust in favor of Receivership Defendant Summerset Ranch, LLC and other asset recoveries. The
10 Receiver also negotiated an agreement with Billy's Limited, LLC, an entity that holds first deeds
11 of trust on four properties of the estate located on Woodsvie Circle in St. George, to limit its
12 claim and accept a discounted payoff of its debt if the Receiver is able to satisfy its debt by
13 December 15, 2013. Shortly after the end of the Expense Period, the Receiver obtained Court
14 approval to list and market three of the four Woodsvie Properties (the fourth property is the
15 residence of Jason Vowell). The Receiver has inspected the residences of Todd Vowell and Jason
16 Vowell but has not taken possession of those properties at this time.

17 19. During this expense period, the Receiver administered and sold multiple aircraft
18 and multiple real properties and a vehicle, consented to the wind up of a limited liability company
19 (Brockman Mountain, LLC) resulting in a distribution of approximately \$200,000 to the estate,
20 recovered \$1,460,650.27 from funds formerly in SunFirst Bank and held by the Federal Deposit
21 Insurance Corporation ("FDIC") after SunFirst Bank's closure, and collected loan funds owed to
22 Receivership Defendants from John Hafen and Mountain Financial LLC. Asset sale recoveries
23 during the Expense Period totaled approximately \$1,390,000.

24 20. Pursuant to the Sale Authorization Order issued on August 26, 2011 (Doc. No.
25 288), the Receiver has listed for sale the real properties, aircraft and houseboats subject to that
26 order. During this Expense Period, the Receiver sold the most valuable of the receivership
27 aircraft, a Piper Malibu Mirage which was sold with Court approval in May 2013 for a gross sales
28 price of \$825,000 cash. The sale allowed the receivership estate to fully satisfy the remaining

1 balance owed to Cache Valley Bank under its Court-approved settlement agreement with the
2 Receiver regarding its liens on five parcels of raw land in Washington County, Utah and its liens
3 on certain aircraft in the amount of \$308,324.94, and obtain net cash proceeds for the estate in
4 excess of that lien of \$466,700.06 after payment of costs of sale and commissions.

5 21. In April 2013, the Receiver filed a motion for approval of the sale of a Robinson
6 R44 helicopter, a helicopter that was subject to the Receiver's earlier motion to compel Jeremy
7 Johnson to turn over the aircraft that had been held in the Dominican Republic notwithstanding
8 the Preliminary Injunction. *See* Doc. No. 964. The Receiver sold that helicopter for a gross
9 purchase price of \$284,000 cash and obtained a net recovery of \$269,400 from that aircraft. The
10 Receiver also completed a sale of another aircraft in March 2013 pursuant to an earlier sale
11 motion and recovered \$120,995.55 for total recoveries from aircraft sales of \$857,095.61 during
12 this Expense Period.

13 22. The Receiver also sold a small parcel of raw land in Beryl, Utah, and two real
14 properties in Ephraim, Utah. The sale of the 575 East property in Ephraim was approved by the
15 Court pursuant to a sale motion filed in a prior period but which closed during the current
16 Expense Period, with net sale proceeds to the estate of \$72,102.00. During this Expense Period,
17 the Receiver filed a combined motion to approve the sales of the 11 West property in Ephraim
18 and the Beryl property, along with a motion to authorize the Receiver to wind up the Brockman
19 Mountain LLC entity. Through a distribution of the estate's interest in the remaining assets of
20 Brockman Mountain, LLC, the receivership estate recovered approximately \$200,000. The two
21 sales of the Beryl, Utah property and 11 West property in Ephraim, Utah resulted in additional
22 recoveries of over \$256,000 for the estate.

23 23. The Receiver finalized its negotiations with the insurance company regarding the
24 residential real property located in Rockville, Utah on which a single family residence burned
25 down. The Receiver recovered over \$94,000 in insurance proceeds for the residence, and entered
26 into an agreement to sell the Rockville property and what remains of the home. The motion to
27 approve the sale of that property was filed shortly after the end of the Expense Period.

28

1 24. More recently, after extensive discussions, the Receiver recovered an additional
2 \$1,460,650.27 pursuant to a stipulation with the Federal Deposit Insurance Corporation ("FDIC")
3 as receiver for SunFirst Bank. In July 2013, the Receiver reached a stipulation with the FDIC for
4 turnover of funds formerly held in multiple accounts at SunFirst Bank prior to SunFirst's closure
5 in November 2011. *See* Doc. No. 1107. The stipulation was approved by the Court, and the
6 funds have been turned over to the estate.

7 25. The Receiver's asset investigation and analysis has also included an analysis of
8 numerous real properties which the Receiver has concluded, based on his forensic accounting, the
9 Receiver's Second Report and subsequent investigation, constitute receivership property. During
10 this Expense Period, the Receiver has identified additional properties and water rights which the
11 Receiver believes constitute receivership property and has caused notices of pendency of action to
12 be recorded on those properties to protect the estate's interests.

13 26. The Receiver also conducted three depositions through his counsel during this
14 Expense Period. The depositions included the deposition of John Campos, former SunFirst Bank
15 officer, Stephen Wade, who is the principal of WF Corporation which received a \$500,000
16 transfer from Jeremy Johnson pre-receivership and which the Receiver is investigating for
17 possible recovery, and Todd Vowell, who appeared for deposition in April 2013 at which he
18 generally refused to answer substantive questions, asserted in the Fifth Amendment. The
19 Receiver attempted to depose Jason Vowell, who failed to appear, and Darin Hunt, a friend and
20 business associate of Jeremy Johnson, who sought to postpone his deposition multiple times and
21 previously indicated he would not appear on the scheduled dates for his examination.

22 27. The Receiver has continued his investigation of receivership property and the
23 estate through additional records subpoenas issued during this period. The Receiver, through
24 counsel, has issued 68 records subpoenas during the Expense Period to financial institutions,
25 casinos, precious metals dealers, securities brokers, real property title companies, and certain
26 business entities, among others. Issuance of the subpoenas requires investigation of the entities to
27 be subpoenaed to obtain agents for service of process and to obtain locations for local production
28 to comply with the provisions of F.R. Civ. P. 45. The documentation and processing of the

1 subpoenas, cover letters, instructions, and follow up, including the supplemental records requests
2 discussed below, are handled primarily by a paralegal at the McKenna Firm with supervision and
3 direction by counsel and the staff and employees at the Receiver's office.

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

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

23 30. The primary costs incurred by the Receiver during this seven-month Expense
24 Period concern the preparation and filing of tax returns for the receivership entities, as reflected in
25 the Financial Summary attached hereto as Exhibit 1, as well as costs pertaining to the production
26 of documents pursuant to records subpoenas and travel expenses.

27 31. The billing rates charged in this case reflected in the billing records filed in
28 support of the Motion for the Receiver, the Receiver's members and senior accounting staff are

1 discounted at 10% from the rates charged by the Receiver's firm in private sector cases as of the
2 time of the Receiver's appointment. Because the Receiver does not raise the rates charged for its
3 professionals during the case, and because the Receiver established discounted rates in this case
4 based on its 2010 private sector rates even though the Receiver did not commence work until
5 January 2011, the rates being charged for the Receiver, the Receiver's members and senior
6 accounting staff are not only 10% below the firm's current 2013 rates but overall the rates in
7 effect in this case are discounted materially more than 10%.

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

18 33. As a member of Robb Evans & Associates LLC, I am familiar with the methods
19 and procedures used by the Receiver and his staff and employees to record the time spent
20 rendering services to receivership estates over which Robb Evans and Robb Evans & Associates
21 LLC have been appointed. The records included as Exhibits 2 through 8 of the Appendix of
22 Exhibits filed in support of this motion are regularly prepared by the members, staff and
23 employees of Robb Evans & Associates LLC at or about the time of the services rendered and
24 each of whom has a business duty to accurately record the information regarding their services set
25 forth in these records. The records are reviewed by the Receiver's accounting staff and
26 summarized in the Receiver's Financial Summary, Exhibit 1 attached hereto. Based upon my
27 experience with Robb Evans & Associates LLC, I believe the Receiver's methods and procedures
28

1 for recording and accounting for time and services for the receivership estates over which Robb
2 Evans and Robb Evans & Associates LLC have been appointed are reliable and accurate.

3 I declare under penalty of perjury that the foregoing is true and correct and that this
4 declaration was executed this 23 day of September 2013 at Sun Valley, California.

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7 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 July 31, 2013

	Previously Reported and Approved	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	1/1/13-7/31/13	TOTAL
Motion to Clarify/Exhibit A Assets										
Corporate Bank Accounts										
COPO Administration LLC	0.00	0.00	0.00	0.00	0.00	137.00	0.00	0.00	137.00	137.00
DBA Somebeach	0.00	0.00	0.00	0.00	0.00	12.90	0.00	0.00	12.90	12.90
EZ Living RV Park	0.00	0.00	0.00	0.00	0.00	397.66	0.00	0.00	397.66	397.66
Fishhook Partners LLC	0.00	0.00	0.00	0.00	0.00	136.85	0.00	0.00	136.85	136.85
Flatline Investments LP	0.00	0.00	0.00	0.00	0.00	31.00	0.00	0.00	31.00	31.00
Katts LLC	0.00	0.00	0.00	0.00	0.00	1,374.97	0.00	0.00	1,374.97	1,374.97
Kombi Capital LP	0.00	0.00	0.00	0.00	0.00	515.51	0.00	0.00	515.51	515.51
Liahona Holdings	0.00	0.00	0.00	0.00	0.00	29.59	0.00	0.00	29.59	29.59
Online Weight Loss	0.00	0.00	0.00	0.00	0.00	19.33	0.00	0.00	19.33	19.33
Paradise Ranch Development LLC	0.00	0.00	0.00	0.00	0.00	3,011.24	0.00	0.00	3,011.24	3,011.24
Paydirt LP	0.00	0.00	0.00	0.00	0.00	127.93	0.00	0.00	127.93	127.93
Paydirt Properties LLC	0.00	0.00	0.00	0.00	0.00	174.00	0.00	0.00	174.00	174.00
Powder Monkeys	99,883.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99,883.00
Rotortrends Inc.	0.00	0.00	0.00	0.00	0.00	8,198.17	0.00	0.00	8,198.17	8,198.17
SRLA Association	0.00	0.00	0.00	0.00	0.00	38.00	0.00	0.00	38.00	38.00
Summerset Ranch LLC	0.00	0.00	0.00	0.00	0.00	77.09	0.00	0.00	77.09	77.09
Taggart Management LLC	0.00	0.00	0.00	0.00	0.00	90.04	0.00	0.00	90.04	90.04
TODCO Services LLC	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	100.00	100.00
Treadstone Partners LP	0.00	0.00	0.00	0.00	0.00	191.55	0.00	0.00	191.55	191.55
Total Corporate Bank Accounts	99,883.00	0.00	0.00	0.00	0.00	14,662.83	0.00	0.00	14,662.83	114,545.83
J. Hafen Settlement	65,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65,000.00
J. Hafen Loan	0.00	0.00	0.00	0.00	0.00	0.00	500.00	1,000.00	1,500.00	1,500.00
127 Hollister St. Santa Monica - Sale	1,292,745.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,292,745.70
620 E. Main St. Rockville, UT - Ins Pay	0.00	0.00	0.00	0.00	0.00	94,983.56	0.00	0.00	94,983.56	94,983.56
Rental Receipts										
5 S 500 W #1105 Rent Receipts	0.00	0.00	0.00	0.00	0.00	0.00	600.00	600.00	1,200.00	1,200.00
505 Woodview Circle Deposit	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00	2,500.00
505 Woodview Cir Rent	0.00	0.00	0.00	0.00	0.00	0.00	2,250.00	2,250.00	4,500.00	4,500.00
647 Arrowhead Rent Receipts	0.00	0.00	0.00	0.00	0.00	1,980.00	1,912.25	1,570.55	5,462.80	5,462.80
EZ Livin Rent Receipts	0.00	0.00	0.00	0.00	6,743.00	9,858.00	5,918.00	6,708.00	29,227.00	29,227.00
Mountain Financial LLC	0.00	0.00	0.00	0.00	0.00	13,000.00	6,500.00	6,500.00	26,000.00	26,000.00
Paradise Ranch LLC Rent	0.00	0.00	0.00	0.00	6,830.00	8,197.03	10,609.69	6,690.00	32,326.72	32,326.72
Total Rental Receipts	0.00	0.00	0.00	0.00	13,573.00	35,535.03	27,789.94	24,318.55	101,216.52	101,216.52

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 July 31, 2013

	Previously Reported and Approved	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	1/1/13-7/31/13	TOTAL
Miscellaneous Receipts										
Government Tax Refunds	0.00	0.00	0.00	0.00	0.00	0.00	2.02	0.00	2.02	2.02
Miscellaneous Refunds	0.00	0.00	0.00	0.00	0.00	0.00	22.76	0.00	22.76	22.76
Sale of Paint Booth	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0.00	2,000.00	2,000.00
Virgin Properties LLC	0.00	0.00	0.00	0.00	0.00	0.00	9,832.97	9,832.97	19,665.94	19,665.94
Total Miscellaneous Receipts	0.00	0.00	0.00	0.00	0.00	0.00	11,857.75	9,832.97	21,690.72	21,690.72
Total Motion to Clarify/Exhibit A Assets	1,457,628.70	0.00	0.00	0.00	13,573.00	145,181.42	40,147.69	35,151.52	234,053.63	1,691,682.33
Frozen Corporate Accounts										
American Express Corp Account	49,133.15	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	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	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	14,960.20
Discover Financial Services	215,814.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	471.45
Hilton Sparkle and Shine LLC	0.00	0.00	0.00	0.00	0.00	6,838.25	0.00	0.00	6,838.25	6,838.25
Kitco Metals Inc.	10,398.33	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	5,329.45
MF Global Inc.	35,738.58	0.00	0.00	0.00	0.00	0.00	97.80	0.00	97.80	35,836.38
Mountain America Federal Credit	9,383.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,383.29
PowerPay, LLC	8,836.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,836.76
Sun First Bank 121003347	0.00	0.00	0.00	0.00	0.00	16,008.44	0.00	0.00	16,008.44	16,008.44
The Village Bank	109,303.33	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	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	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	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	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	3,916.67
Zions Bank	16,231.58	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	83,466.01
Total Frozen Corporate Accounts	920,851.62	0.00	0.00	0.00	0.00	22,846.69	97.80	0.00	22,944.49	943,796.11
FDIC SunFirst Account Receipts Settlements/Distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,460,650.27	1,460,650.27	1,460,650.27
Amber Lyn Shares	10,000.00	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	1,000,000.00

Robb Evans of Robb Evans & Associates LLC
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the Assets of Jeremy Johnson
Administrative Expense and Fund Balance
 From Inception (January 13, 2011) to July 31, 2013

	Previously Reported and Approved	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	1/1/13-7/31/13	TOTAL
Cynergy Data Payments										
DJM Reserve Funds	1,305,897.48	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	188,924.97
Anthon Holdings Reserve Funds	638,003.87	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	61,544.46
Total Cynergy Data Payments	2,194,370.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,194,370.78
Marathon Investments Inc.	27,835.00	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	29,510.90
Repayment from Browz LLC	120,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	120,000.00
Total Settlements/Distributions	3,381,716.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,381,716.68
Proceeds From Sale of Assets										
Auction Proceeds	169,922.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	393,246.82
Real Property Sale Proceeds										
103 Acres Vacant Land	137,875.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	137,875.02
11 W 700 S Ephraim, UT	0.00	0.00	0.00	0.00	0.00	253,041.94	0.00	0.00	253,041.94	253,041.94
575 E 30 N Ephraim, UT	0.00	72,102.00	0.00	0.00	0.00	0.00	0.00	0.00	72,102.00	72,102.00
Brockman Mountain LLC	0.00	0.00	0.00	200,629.40	0.00	0.00	0.00	0.00	200,629.40	200,629.40
Beryl Vacant Land	0.00	0.00	0.00	0.00	0.00	3,376.30	0.00	0.00	3,376.30	3,376.30
Richfield, UT Property	35,982.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,982.86
Sale of Mendon Trailer Park	230,682.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	230,682.37
Washington County Acreage	321,264.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	321,264.09
Total Real Property Sale Proceeds	725,804.34	72,102.00	0.00	200,629.40	0.00	256,418.24	0.00	0.00	529,149.64	1,254,953.98
Sale of Aircraft	664,331.00	0.00	0.00	120,995.55	0.00	736,100.06	0.00	0.00	857,095.61	1,521,426.61
Sale of Automobiles	38,627.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	42,627.00
Total Proceeds From Sale of Assets	1,991,931.37	76,102.00	0.00	321,624.95	0.00	992,518.30	0.00	0.00	1,390,245.25	3,382,176.62
New Horizons Finance/ Kevin Pilon	133,728.73	0.00	0.00	0.00	0.00	513.18	0.00	620.14	1,133.32	134,862.05
SLI LLC	31,558.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,558.47
Rent Receipts										
Mendon Court Trailer Park Rents	43,941.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,941.90
43N 100W	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
392 W 400 S Manti, UT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,145.00	1,145.00	1,145.00

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 July 31, 2013

	Previously Reported and Approved	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	1/1/13-7/31/13	TOTAL
575 N 30 N Ephraim, UT	3,190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,190.00
Total Rent Receipts	47,731.90	0.00	0.00	0.00	0.00	0.00	0.00	1,145.00	1,145.00	48,876.90
Miscellaneous Income										
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	5,936.27	0.00	0.00	758.63	0.00	0.00	0.00	0.00	758.63	6,694.90
Tax Refunds	9,676.58	33.27	0.00	243.00	0.00	0.00	0.00	0.00	276.27	9,952.85
Other	26,561.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,561.00
Total Miscellaneous Income	48,219.00	33.27	0.00	1,001.63	0.00	0.00	0.00	0.00	1,034.90	49,253.90
Car Wash Receipts	47,727.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,727.06
Interest Income	6,196.11	38.38	33.16	146.23	127.43	473.39	1,004.75	1,122.01	2,945.35	9,141.46
Total Funds Collected	8,067,289.64	76,173.65	33.16	322,772.81	13,700.43	1,161,532.98	41,250.24	1,498,688.94	3,114,152.21	11,181,441.85
Expenses										
Motion to Clarify/Exhibit A Assets										
5 S 500 W #1105										
Lien Related Legal Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	737.91	737.91	737.91
Lien Related Legal Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.09	37.09	37.09
HOA Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,668.91	3,668.91	3,668.91
Total 5 S 500 W #1105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,443.91	4,443.91	4,443.91
1749 E. Boulder Mountain										
Electricity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	131.00	131.00	131.00
Security & Alarm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00	90.00	90.00
Water/Sewer/Garbage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.11	42.11	42.11
Total 1749 E. Boulder Mountain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	263.11	263.11	263.11
2988 S. Kings Court Lane										
Water/Sewer/Garbage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	300.00	300.00
Total 2988 S. Kings Court Lane	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	300.00	300.00
3265 E. Old Pioneer Rd.										
Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	579.67	579.67	579.67
Total 3265 E. Old Pioneer Rd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	579.67	579.67	579.67

Robb Evans of Robb Evans & Associates LLC
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Previously Reported and Approved	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	1/1/13-7/31/13	TOTAL
EZ Livin MHP									
Church Rental Increase	0.00	0.00	0.00	221.50	0.00	0.00	0.00	221.50	221.50
Deposit Refund	0.00	0.00	0.00	0.00	200.00	0.00	0.00	200.00	200.00
Electricity	0.00	0.00	0.00	673.42	622.21	679.86	738.22	2,713.71	2,713.71
Fees & Permits	0.00	0.00	0.00	0.00	0.00	0.00	528.54	528.54	528.54
Garbage & Refuse Services	0.00	0.00	0.00	313.14	310.91	255.47	260.47	1,139.99	1,139.99
Monthly Sewer Reduction	0.00	0.00	0.00	90.00	0.00	0.00	0.00	90.00	90.00
On-Site Manager Fees	0.00	0.00	0.00	650.00	650.00	650.00	650.00	2,600.00	2,600.00
Monthly Garbage Reduction	0.00	0.00	0.00	125.00	0.00	0.00	0.00	125.00	125.00
Property Management Fees	0.00	0.00	0.00	600.00	1,036.50	1,036.50	1,036.50	3,709.50	3,709.50
Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00	215.07	215.07	215.07
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	117.76	696.10	813.86	813.86
Water Analysis Fees	0.00	0.00	0.00	180.00	20.00	20.00	20.00	240.00	240.00
Water System Operator Fee	0.00	0.00	0.00	100.00	100.00	100.00	100.00	400.00	400.00
Total EZ Livin MHP	0.00	0.00	0.00	2,953.06	2,939.62	2,859.59	4,244.90	12,997.17	12,997.17
Paradise Ranch LLC									
Automobile Insurance	0.00	0.00	0.00	69.50	69.50	69.50	69.50	278.00	278.00
Deposit Refund	0.00	0.00	0.00	0.00	0.00	990.00	0.00	990.00	990.00
Electricity	0.00	0.00	0.00	1,185.93	968.02	946.74	1,081.93	4,182.62	4,182.62
Garbage & Refuse Services	0.00	0.00	0.00	105.38	105.27	104.55	104.05	419.25	419.25
Medical Expenses	0.00	0.00	0.00	700.00	0.00	0.00	0.00	700.00	700.00
Mortgage	0.00	0.00	0.00	2,172.80	2,172.80	2,172.80	2,172.80	8,691.20	8,691.20
On-Site Management Fees	0.00	0.00	0.00	1,700.00	0.00	0.00	0.00	1,700.00	1,700.00
Petty Cash Receipts	0.00	0.00	0.00	500.00	652.79	0.00	0.00	1,152.79	1,152.79
Property Manager Expenses	0.00	0.00	0.00	0.00	0.00	516.12	355.67	871.79	871.79
Property Management Fees	0.00	0.00	0.00	4,000.00	5,700.00	5,700.00	5,700.00	21,100.00	21,100.00
Repairs & Maintenance	0.00	0.00	0.00	946.75	1,630.68	1,740.00	0.00	4,317.43	4,317.43
Sewer & Wastewater	0.00	0.00	0.00	1,066.22	1,066.22	1,222.42	1,222.42	4,577.28	4,577.28
Telephone & Internet	0.00	0.00	0.00	32.42	32.42	32.42	32.42	129.68	129.68
Television	0.00	0.00	0.00	42.37	42.37	42.37	42.37	169.48	169.48
Water Analysis Fees	0.00	0.00	0.00	0.00	0.00	0.00	20.00	20.00	20.00
Total Paradise Ranch LLC	0.00	0.00	0.00	12,521.37	12,440.07	13,536.92	10,801.16	49,299.52	49,299.52
Appraisals & Title Reports	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00	250.00
Total Motion to Clarify/Exhibit A Assets	0.00	0.00	0.00	15,474.43	15,379.69	16,396.51	20,882.75	68,133.38	68,133.38

Robb Evans of Robb Evans & Associates LLC
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Cache Valley Bank Settlement Corporate/Defendant Asset Exp.	0.00	0.00	790,015.11	0.00	0.00	0.00	0.00	0.00	790,015.11	790,015.11
Aircraft Expenses										
Advertising for Sale	4,389.58	1,200.00	1,200.00	1,499.95	0.00	1,022.08	0.00	0.00	4,922.03	9,311.61
Aircraft Fuel	0.00	0.00	1,352.91	777.32	0.00	114.40	116.80	0.00	2,361.43	2,361.43
Broker Fee	1,595.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,595.30
Insurance Premiums	89,094.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89,094.00
Registration Fees	6,010.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,010.00
Relocation Services	15,923.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,923.95
Repairs & Maintenance	146,323.84	0.00	3,514.55	15,940.09	0.00	440.50	0.00	0.00	19,895.14	166,218.98
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
Storage	24,117.57	1,882.51	882.51	882.51	382.51	382.51	0.00	0.00	4,412.55	28,530.12
Title Searches	225.00	0.00	0.00	0.00	0.00	150.00	0.00	35.00	185.00	410.00
Total Aircraft Expenses	317,379.24	3,082.51	6,949.97	19,099.87	382.51	2,109.49	116.80	35.00	31,776.15	349,155.39
Appraisals/B.O.V.	40,056.58	125.00	1,615.00	390.00	0.00	2,100.00	0.00	340.00	4,570.00	44,626.58
Armored Car Service & Storage	11,594.96	132.50	132.50	132.50	132.50	132.50	132.50	0.00	795.00	12,389.96
Auction Related Expenses	19,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,300.00
Automobile Expenses	22,919.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,919.55
Business Taxes	4,140.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,140.00
Health Insurance Premium	168.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.54
Houseboat Expenses										
Repairs	860.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	860.75
Secured Lender Loan Payments	63,513.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,513.26
Personal Watercraft Insurance	1,022.50	142.75	0.00	0.00	0.00	0.00	0.00	0.00	142.75	1,165.25
Insurance Premiums	21,570.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,570.00
Boat Moorage	49,468.27	251.46	955.39	954.80	954.70	0.00	984.70	1,909.29	6,010.34	55,478.61
Total Houseboat Expenses	136,434.78	394.21	955.39	954.80	954.70	0.00	984.70	1,909.29	6,153.09	142,587.87
Locksmith Services	2,028.44	0.00	0.00	0.00	0.00	47.00	0.00	0.00	47.00	2,075.44
New Horizons Finance Inc.	1,136.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,136.30
Office Moveout/Cleaning	1,693.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,693.50
Real Properties										
Mendon Court Trailer Park	21,495.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,495.75
620 E. Main Rockville, UT										
Fire Damage Assessment	540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	540.00

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Fire Related Repairs	4,161.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,161.24
Water & Utilities	1,122.22	0.00	0.00	0.00	45.00	0.00	0.00	75.65	120.65	1,242.87
Yard Maintenance	600.00	0.00	0.00	0.00	0.00	530.00	0.00	180.00	710.00	1,310.00
Total 620 E. Main Rockville, UT	6,423.46	0.00	0.00	0.00	45.00	530.00	0.00	255.65	830.65	7,254.11
127 Hollister Ave. Santa Monica	26,227.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,227.00
302 W. Hilton Dr.	28,016.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,016.37
575 E 30 N Ephraim, UT										
Deposit Refund	0.00	0.00	750.00	0.00	0.00	0.00	0.00	0.00	750.00	750.00
Electricity/Water/Sewer	912.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	912.44
Insurance Premiums	859.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	859.00
Loan Interest	7,945.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,945.50
Natural Gas	248.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	248.68
Repairs & Maintenance	4,791.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,791.68
Total 575 E 30 N Ephraim, UT	14,757.30	0.00	750.00	0.00	0.00	0.00	0.00	0.00	750.00	15,507.30
43 N 100 E Ephraim, UT	299.93	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	17,665.00	3,038.00	3,038.00	0.00	0.00	0.00	0.00	0.00	6,076.00	23,741.00
Total 529 Wood View Cr. SG, UT	17,665.00	3,038.00	3,038.00	0.00	0.00	0.00	0.00	0.00	6,076.00	23,741.00
11 W 700 S Ephraim, UT										
Electricity/Water/Sewer	5,271.58	112.95	242.07	111.19	0.00	206.68	0.00	134.76	807.65	6,079.23
Natural Gas	1,240.44	179.93	132.22	75.93	0.00	57.22	0.00	13.66	458.96	1,699.40
Total 11 W 700 S Ephraim, UT	6,512.02	292.88	374.29	187.12	0.00	263.90	0.00	148.42	1,266.61	7,778.63
1140 E. Fort Pierce Dr. #36	432.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	432.99
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	3,647.38
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	1,659.00
Consulting Services	1,825.00	607.50	0.00	0.00	0.00	0.00	0.00	0.00	607.50	2,432.50
Property Title Searches	6,515.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,515.00
Property & Liability Insurance	96,024.98	1,433.26	1,326.54	1,468.70	2,334.66	4,895.71	4,300.54	4,443.90	20,203.31	116,228.29
Title Insurance	1,353.00	0.00	0.00	0.00	1,353.00	0.00	0.00	0.00	1,353.00	2,706.00
Total Real Properties	232,854.18	5,371.64	5,488.83	1,655.82	3,732.66	5,689.61	4,300.54	4,847.97	31,087.07	263,941.25
Server Colocation Rent	3,690.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,690.00

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Storage Unit Rent	6,217.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,217.34
Total Corporate/Defendant Asset Exp.	799,613.41	9,105.86	15,141.69	22,232.99	5,202.37	10,078.60	5,534.54	7,132.26	74,428.31	874,041.72
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	3,888.00
B. Kane	177,100.00	4,450.00	1,625.00	8,225.00	3,475.00	7,200.00	14,500.00	9,175.00	48,650.00	225,750.00
K. Johnson	157,455.90	529.20	3,591.00	1,738.80	7,975.80	2,627.10	2,343.60	850.50	19,656.00	177,111.90
V. Miller	134,152.20	2,646.00	793.80	6,199.20	14,968.80	14,553.00	17,066.70	15,498.00	71,725.50	205,877.70
S. Krishnan	0.00	0.00	0.00	0.00	0.00	0.00	37.80	0.00	37.80	37.80
A. Jen	28,255.50	415.80	510.30	170.10	378.00	94.50	18.90	151.20	1,738.80	29,994.30
Total Receiver	500,851.60	8,041.00	6,520.10	16,333.10	26,797.60	24,474.60	33,967.00	25,674.70	141,808.10	642,659.70
Senior Staff										
M. Lin	189.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	189.00
L. Lee	106,142.40	2,173.50	2,286.90	2,967.30	7,522.20	2,419.20	1,757.70	680.40	19,807.20	125,949.60
F. Jen	235,512.90	5,197.50	8,864.10	15,687.00	6,974.10	12,587.40	9,941.40	2,060.10	61,311.60	296,824.50
P. Chung	555,168.60	13,324.50	12,795.30	26,630.10	9,865.80	26,894.70	28,444.50	18,692.10	136,647.00	691,815.60
C. Callahan	53,524.80	1,341.90	642.60	1,228.50	2,381.40	4,932.90	2,853.90	2,627.10	16,008.30	69,533.10
C. DeCius	90,567.00	3,528.00	1,305.00	1,440.00	1,593.00	2,376.00	3,042.00	3,663.00	16,947.00	107,514.00
J. Dabbin	30,655.00	90.00	260.00	1,875.00	1,000.00	1,020.00	650.00	305.00	5,200.00	35,855.00
W. Wolf	7,831.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,831.00
N. Wolf	6,190.00	130.00	85.00	230.00	220.00	845.00	595.00	480.00	2,585.00	8,775.00
Total Senior Staff	1,085,780.70	25,785.40	26,238.90	50,057.90	29,556.50	51,075.20	47,284.50	28,507.70	258,506.10	1,344,286.80
Information Technology										
E. Roop	63,087.50	0.00	0.00	4,962.50	0.00	1,625.00	1,362.50	262.50	8,212.50	71,300.00
K. Chapin	4,067.84	75.41	150.82	164.13	0.00	0.00	48.80	0.00	439.16	4,507.00
Total Information Technology	67,155.34	75.41	150.82	5,126.63	0.00	1,625.00	1,411.30	262.50	8,651.66	75,807.00
Support Staff										
Total Receiver Fees	38,126.10	584.10	1,721.20	1,050.30	2,190.70	1,315.40	4,500.70	2,675.30	14,037.70	52,163.80
Total Receiver Fees	1,691,913.74	34,485.91	34,631.02	72,567.93	58,544.80	78,490.20	87,163.50	57,120.20	423,003.56	2,114,917.30
Receiver Expenses										
Bank & Wire Fees	716.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	716.00
Bond Premiums	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
Investigative Search Costs	7,064.59	296.07	209.54	271.59	288.92	14.00	807.57	0.00	1,887.69	8,952.28

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Occupancy & Equipment Rental	23,036.19	932.15	346.36	653.76	171.68	837.23	482.08	1,012.27	4,455.53	27,491.72
Office Telephone & Supplies	4,812.53	89.32	86.48	67.19	85.91	111.65	266.94	154.02	861.51	5,674.04
Postage & Delivery	12,806.76	101.68	95.59	156.25	303.00	1,887.48	536.11	525.48	3,605.59	16,412.35
Retained Employee Services	864.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	864.00
Small Equipment & Supplies	1,576.72	0.00	0.00	129.71	(129.71)	0.00	0.00	0.00	0.00	1,576.72
Subpoena/ Document Reproduction	16,785.01	14.75	143.00	143.50	475.35	34.60	739.70	181.55	1,732.45	18,517.46
Tax Return Preparation	48,401.46	0.00	0.00	0.00	0.00	0.00	0.00	15,561.86	15,561.86	63,963.32
Travel Expenses	19,759.51	734.89	0.00	777.91	2,473.33	654.25	2,042.95	2,782.43	9,465.76	29,225.27
Total Receiver Expenses	136,122.77	2,188.86	880.97	2,199.91	3,668.48	3,539.21	4,875.35	20,217.61	37,570.39	173,693.16
Legal Fees & Costs										
Hatch, James & Dodge										
Legal Fees	8,944.00	0.00	0.00	221.00	2,760.00	0.00	4,442.50	743.00	8,166.50	17,110.50
Legal Costs	619.79	0.00	0.00	0.00	88.85	0.00	2.85	57.81	149.51	769.30
Total Hatch, James & Dodge	9,563.79	0.00	0.00	221.00	2,848.85	0.00	4,445.35	800.81	8,316.01	17,879.80
Kolesar & Leatham CHTD.										
Legal Fees	1,629.95	142.50	47.50	185.00	0.00	0.00	0.00	0.00	375.00	2,004.95
Legal Costs	4,502.66	618.86	51.20	1.75	120.65	43.61	123.41	0.00	959.48	5,522.14
Total Kolesar & Leatham CHTD.	6,192.61	761.36	98.70	186.75	120.65	43.61	123.41	0.00	1,334.48	7,527.09
McKenna Long & Aldridge										
Legal Fees	1,943,165.25	89,245.80	112,700.70	172,023.30	125,285.40	110,836.80	136,078.65	72,714.85	818,885.50	2,762,050.75
Legal Costs	173,173.48	9,929.04	7,416.70	12,275.48	7,253.77	7,764.33	11,670.44	1,706.31	58,016.07	231,189.55
Total McKenna Long & Aldridge	2,116,338.73	99,174.84	120,117.40	184,298.78	132,539.17	118,601.13	147,749.09	74,421.16	876,901.57	2,993,240.30
Total Legal Fees & Costs	2,132,095.13	99,936.20	120,216.10	184,706.53	135,508.67	118,644.74	152,317.85	75,221.97	886,552.06	3,018,647.19
Total Receiver Fees & Expenses	3,960,131.64	136,610.97	155,728.09	259,474.37	197,721.95	200,674.15	244,356.70	152,559.78	1,347,126.01	5,307,257.65
Total Expenses	4,759,745.05	145,716.83	960,884.89	281,707.36	218,398.75	226,132.44	266,287.75	180,574.79	2,279,702.81	7,039,447.86
Net Transactions		(69,543.18)	(960,851.73)	41,065.45	(204,698.32)	935,400.54	(225,037.51)	1,318,114.15	834,449.40	4,141,993.99
Fund Balance	3,307,544.59									