

**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 to Extend Deadline for Receiver
to File Final Report and Accounting as to Muir Corporate Defendants
Under Stipulated Order for Permanent Injunction and Monetary
Judgment as to Defendants Scott Muir, Big Bucks Pro, Inc., Blue Net
Progress, Inc., Bolt Marketing, Inc., Business Loan Success, Inc., CS
Processing, Inc., CGL Reward, Inc., Highlight Marketing, Inc., Mist
Marketing, Inc., Net Discounts, Inc., Optimum Assistance, Inc., Razor
Processing, Inc., and Simcor Marketing, Inc.
Memorandum of Points and Authorities;
Declaration of Gary Owen Caris in Support Thereof**

Filed June 2, 2014

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

12 **UNITED STATES DISTRICT COURT**
13 **DISTRICT OF NEVADA**
14

15 FEDERAL TRADE COMMISSION,
16 Plaintiff,
17 v.
18 JEREMY JOHNSON, etc., et al.,
19 Defendants.
20

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

**NOTICE OF MOTION AND MOTION
TO EXTEND DEADLINE FOR
RECEIVER TO FILE FINAL REPORT
AND ACCOUNTING AS TO MUIR
CORPORATE DEFENDANTS UNDER
STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
MONETARY JUDGMENT AS TO
DEFENDANTS SCOTT MUIR, BIG
BUCKS PRO, INC., BLUE NET
PROGRESS, INC., BOLT MARKETING,
INC., BUSINESS LOAN SUCCESS, INC.,
CS PROCESSING INC., CGL REWARD,
INC., HIGHLIGHT MARKETING, INC.,
MIST MARKETING, INC., NET
DISCOUNTS, INC., OPTIMUM
ASSISTANCE, INC., RAZOR
PROCESSING, INC., AND SIMCOR
MARKETING, INC.; MEMORANDUM
OF POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

**[DECLARATION OF BRICK KANE
FILED UNDER SEPARATE COVER]**

28

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
3 February 10, 2011 ("Preliminary Injunction"), hereby moves the Court for an order extending the
4 deadline for the Receiver to file his final report and accounting and other related activities under
5 Section IX of the Stipulated Final Order for Permanent Injunction and Monetary Judgment as to
6 Defendants Scott Muir, Big Bucks Pro, Inc., Blue Net Progress, Inc., Bolt Marketing, Inc.,
7 Business Loan Success, Inc., CS Processing, Inc., CGL Reward, Inc., Highlight Marketing, Inc.,
8 Mist Marketing, Inc., Net Discounts, Inc., Optimum Assistance, Inc., Razor Processing, Inc. and
9 Simcor Marketing, Inc. (Doc. No. 1407) ("Muir Defendants Judgment"; the Defendants who
10 stipulated other than Scott Muir are referred to as the "Muir Receivership Defendants"). The Muir
11 Defendants Judgment was entered by the Court on April 7, 2014, and Section IX of the Muir
12 Defendants Judgment requires the Receiver to file a final report and accounting as to the Muir
13 Receivership Defendants by June 6, 2014, the date which is sixty (60) days from the date of entry
14 of the judgment. By this Motion, the Receiver seeks an order extending the deadlines under
15 Section IX of the Muir Defendants Judgment such that the Receiver is authorized to file his final
16 report and accounting as to the Muir Receivership Defendants concurrently with and as part of his
17 final report for all of the Receivership Defendants. Good cause exists for the relief sought by the
18 Receiver as more fully detailed in the memorandum filed in support of this Motion, including the
19 fact that the Muir Receivership Defendants are part of a unified receivership estate, as reflected in
20 the interim accountings on file with the Court in support of the Receiver's fee motions, the
21 Receiver has turned over to plaintiff Federal Trade Commission ("FTC") the identifiable receipts
22 from the Muir Receivership Defendants in accordance with other provisions of the Muir
23 Defendants Judgment, and judicial efficiency and efficiency and cost-effectiveness for the
24 receivership estate is best served by an extension of the deadlines under Section IX of the Muir
25 Defendants Judgment so that a single, final report and accounting can be filed and the issue of the
26 Receiver's discharge reviewed at the conclusion of the receivership as to all Receivership
27 Defendants. The Receiver has conferred with plaintiff Federal Trade Commission ("FTC"), and
28 the FTC does not object to the relief sought by the Receiver.

1 This Motion is made and based on this notice of motion and motion, the supporting
2 memorandum of points and authorities and declaration of Brick Kane filed in support hereof, on
3 the pleadings, records and files of this Court in this case of which the Receiver requests the Court
4 take judicial notice pursuant to Rule 201 of the Federal Rules of Evidence, including but not
5 limited to the Preliminary Injunction (Doc. No. 130), the Order Granting Motion for Order
6 Clarifying Preliminary Injunction Order and for Further Instructions Regarding Scope of
7 Receivership Defendants under Preliminary Injunction Order and Report of Receiver's Financial
8 Reconstruction and Granting Relief from Local Rule 66-5 Pertaining to Notice to Creditors After
9 Hearing ("Clarifying Order") entered March 25, 2013, the Report of Temporary Receiver's
10 Activities filed February 8, 2011 (Doc. No. 127), the Report of Receiver's Financial
11 Reconstruction filed February 3, 2012 (Doc. No. 464) which is supported by a four-volume
12 Appendix of Exhibits (Doc. Nos. 465-468) (collectively "Second Report") and on such further oral
13 and documentary evidence and arguments of counsel as may be presented at any hearing on this
14 Motion.

15
16 Dated: May 29, 2014

Respectfully submitted,

RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

21
22 By: /s/ Gary Owen Caris

Gary Owen Caris
Lesley Anne Hawes

23
24 Attorneys for Receiver
**ROBB EVANS OF ROBB EVANS &
ASSOCIATES LLC**

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. SUMMARY OF RELEVANT FACTS**

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

8 The Corporate Defendants include the 12 Muir Receivership Defendants. The 12 Muir
9 Receivership Defendants, however, are only a fraction of the total number of entity Receivership
10 Defendants, which number more than 100 entities, as well as the assets of Jeremy Johnson, Sharla
11 Johnson and Jason Vowell which are also subject to the receivership.

12 The receivership estate is a unified estate that includes all receivership entities and assets
13 and all receivership expenses associated with the estate's administration. No separate estates or
14 accounts for specific Receivership Defendants were provided for under the Preliminary Injunction
15 and Clarifying Order, and none were created whether based on the entity's association with a
16 particular defendant or otherwise.

17 The Receiver regularly prepares and files motions for approval of the Receiver's fees and
18 expenses and those of his counsel, and those motions include financial summaries regarding the
19 receivership estate that demonstrate the receivership estate is a unified estate, financially and
20 administratively as to all of the receivership entities, assets and expenses. The Receiver's latest fee
21 motion was filed with the Court on February 27, 2014 (Doc. No. 1376) and the Receiver's
22 financial report accompanying that motion is on file as Document No. 1376-1.

23 Plaintiff FTC has entered into three stipulated judgments with defendants in this case to
24 date. The FTC entered into separate stipulated judgments with defendant Bryce Payne and with
25 defendant Kevin Pilon. *See* Doc. Nos. 1203 and 1204, respectively. In March 2014, the FTC
26 entered into the stipulated judgment with the Muir Defendants, which is the first stipulated
27 judgment in the case as to which any of the Receivership Defendants are parties.

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1 The Muir Defendants Judgment contains provisions continuing the Receiver's appointment
2 and providing for the Receiver to liquidate the Muir Receivership Defendants' assets and turn over
3 proceeds thereof to the FTC. Pursuant to Section VII of the Muir Defendants Judgment, the
4 Receiver has turned over the sum of \$3,556.83 to the FTC, representing the Muir Receivership
5 Defendants' frozen funds transferred to the receivership estate, as required by Section IV.B. The
6 Receiver is not aware of any other assets of the Muir Receivership Defendants to be liquidated
7 under Sections VII and IX, and the Receiver continues to maintain custody and control of any
8 records and documents of the Muir Receivership Defendants pursuant to Section VII.D. and E. of
9 the Muir Defendants Judgment.

10 Section IX.A. of the Muir Defendants Judgment provides in pertinent part:

11 No later than sixty (60) days from the date of entry of this Order, the
12 Receiver shall file and serve on the parties a report (the "Final
13 Report on the Muir Corporate Defendants") to the Court that details
14 the steps taken to dissolve the Muir Receivership Estate. The Final
15 Report on the Muir Corporate Defendants shall include an
16 accounting of the Muir Receivership Estate's finances and total
17 Assets and a description of what other actions, if any, must be taken
18 to wind-down the Receivership. The Receiver shall mail copies of
19 the Final Report on the Muir Corporate Defendants to all known
20 creditors of the Muir corporate defendants with a notice stating that
21 any objections to paying any Assets of the Muir corporate
22 defendants to satisfy the Receiver's costs and expenses and the
23 monetary judgment set forth in this Order must be submitted to the
24 Court and served by mail upon the Receiver and the parties within
25 thirty (30) days of the mailing of the Final Report on the Muir
26 Corporate Defendants. If subsequent actions (such as the
27 completion of tax returns or further actions to recover funds for the
28 Muir Receivership Estate) are appropriate, the Receiver shall file an

1 additional report or reports ("Supplemental Report") describing the
2 subsequent actions and a subsequent application for the payment of
3 fees and expenses related to the subsequent acts.

4 Section IX.B. provides for the Court to approve payment of the Receiver's fees and
5 expenses for administering the Muir Receivership Estate, as defined therein, and Section IX.C.
6 provides for the Receiver to be able to hold back funds from the Muir Receivership Estate for
7 payment of future fees and expenses as part of any Supplemental Report.

8 The filing of a final report exclusively pertaining to the Muir Receivership Defendants will
9 be inefficient and create additional expense for the receivership estate. The receivership estate is a
10 unified receivership estate with expenses neither segregated nor allocated based on the dozens of
11 separate corporate entities subject to the receivership. The best interests of the receivership estate
12 are served by the Receiver submitting one final report at such time as a final report is appropriate
13 for all the Receivership Defendants. The preparation and filing of a final report and accounting as
14 to the Muir Receivership Defendants would result in significant administrative expenses for the
15 estate in preparing a separate, special report and motion and in serving the report and motion on
16 numerous creditors even though the vast majority of the Receivership Defendants will continue to
17 be subject to the receivership that is not likely to be concluded for an extended period of time
18 while the lawsuit remains pending and receivership assets require ongoing administration. The
19 filing of a separate final report and service on creditors also may cause confusion among creditors
20 in light of the receivership continuing as to most of the Receivership Defendants. The Receiver
21 therefore requests that the deadlines under Section IX of the Muir Defendants Judgment be
22 extended to allow the Receiver to file its final report and accounting and related notices and filings
23 as to the Muir Receivership Defendants concurrently with and as part of the Receiver's final report
24 and accounting as to the remaining Receivership Defendants.

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1 **II. GOOD CAUSE EXISTS TO EXTEND THE DATE FOR THE RECEIVER'S FINAL**
2 **REPORT AND ACCOUNTING AS TO THE MUIR RECEIVERSHIP**
3 **DEFENDANTS TO THE SAME DATE THAT THE FINAL REPORT IS**
4 **SUBMITTED FOR ALL OF THE OTHER RECEIVERSHIP DEFENDANTS**

5 Federal Rule of Civil Procedure 6(b) authorizes the court to extend the time for the filings
6 provided for under Section IX of the Muir Defendants Judgment. Further, the court in supervising
7 a receivership has broad discretion in fashioning relief in the administration of a receivership
8 estate consistent with the equitable purposes of the proceeding. *Securities and Exchange*
9 *Commission v. Hardy*, 803 F.2d 1034, 1037-1038 (9th Cir. 1986).

10 The receivership estate is a unified estate as reflected in the Receiver's Reports and the
11 Receiver's periodic accountings filed with the court, including the Receiver's accounting filed on
12 February 27, 2014 in connection with the Receiver's most recent motion for approval and payment
13 of receivership fees and expenses. *See* Declaration of Brick Kane in support of Receiver's Motion
14 for Approval and Payment of Receiver's and Professionals' Fees and Expenses, etc., Doc. No.
15 1376-1, Exh. 1 thereto.

16 The Receiver has numerous assets still to be administered in the case, and the FTC's
17 motions for summary judgment and the Relief Defendants' cross-motion for summary judgment
18 are still under submission with the Court. The additional assets being administered include claims
19 against third parties which the Receiver is still administering and which may not be resolved for
20 months or longer. Payments due under a Court-approved settlement are still required through next
21 year. The Receiver also has a number of asset sales still pending, and other assets are listed for
22 sale but buyers have not been found yet. Further, until there is a final determination regarding the
23 FTC's motions for summary judgment and the relief defendants' cross-motion for summary
24 judgment, the Receiver is not in a position to prepare a final report and accounting and to wind up
25 the receivership estate.

26 The interests of judicial efficiency, reducing administrative expenses for the estate and
27 avoiding confusion and multiple motions and filings pertaining to the wind up of the receivership
28 estate are best served by the Receiver preparing and filing a single, final report and final

1 accounting for the receivership estate covering all Receivership Defendants, a task which cannot
2 be performed at this time. There are numerous non-consumer vendor and other creditors who
3 must receive notice of the Receiver's final report and accounting and who may have claims
4 against Muir Receivership Defendants as well as the many other Receivership Defendants whose
5 assets are part of the receivership estate. If the Receiver has to file and serve multiple final reports
6 and motions to wind down the receivership estate, it will likely create confusion among the parties
7 and creditors, cause additional expense to the estate, and be a burden on the Court's scarce judicial
8 resources.

9 An extension to allow the Receiver to file a unified final report will avoid confusion,
10 reduce expense and promote judicial efficiency. The extension of the deadline for the final report
11 and accounting pertaining to the Muir Receivership Defendants will not create delay or extend the
12 receivership or the Receiver's activities in that the Receiver would in any event continue to have
13 receivership duties to administer the vast majority of the entities and assets subject to the
14 receivership until the FTC's claims against the remaining individual defendants, Corporate
15 Defendants and Relief Defendants are resolved and his duties as to all the Receivership
16 Defendants are concluded.

17 The Receiver through counsel has contacted counsel for the FTC to address this request for
18 extension of the deadlines prior to filing this Motion. The FTC has indicated it does not object to
19 the relief sought in this Motion. The Muir Defendants are no longer represented by counsel in
20 light of the entry of the Muir Defendants Judgment and the Court's order authorizing their counsel
21 to withdraw, and the Receiver has therefore not sought to confer with them. *See* Doc. Nos. 1421
22 and 1422. The relief sought by the Receiver in this Motion, however, should have no adverse
23 effect whatsoever on the Muir Defendants.

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1 **III. CONCLUSION**

2 Based on the foregoing, the Receiver respectfully requests that the court grant relief as
3 requested in the motion.

4 Dated: May 28, 2014

5 Respectfully submitted,

6 RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

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

9
10 By: /s/ Gary Owen Caris

11 Gary Owen Caris
Lesley Anne Hawes

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

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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**

15 FEDERAL TRADE COMMISSION,
16
17 Plaintiff,

18 v.

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

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

**DECLARATION OF BRICK KANE IN
SUPPORT OF MOTION TO EXTEND
DEADLINE FOR RECEIVER TO FILE
FINAL REPORT AND ACCOUNTING
AS TO MUIR CORPORATE
DEFENDANTS UNDER STIPULATED
ORDER FOR PERMANENT
INJUNCTION AND MONETARY
JUDGMENT AS TO DEFENDANTS
SCOTT MUIR, BIG BUCKS PRO, INC.,
BLUE NET PROGRESS, INC., BOLT
MARKETING, INC., BUSINESS LOAN
SUCCESS, INC., CS PROCESSING INC.,
CGL REWARD, INC., HIGHLIGHT
MARKETING, INC., MIST
MARKETING, INC., NET DISCOUNTS,
INC., OPTIMUM ASSISTANCE, INC.,
RAZOR PROCESSING, INC., AND
SIMCOR MARKETING, INC.**

1 I, Brick Kane, declare:

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

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

16 3. I am one of the deputies to the Receiver who has been responsible for the
17 supervision and administration of the receivership estate and for the Receiver's review and
18 investigation of assets and analysis of financial and business records relevant to the receivership
19 and the Receiver's exercise of his powers and duties under the TRO and Preliminary Injunction
20 Order. I personally participated in the preparation and review of the Receiver's initial Report of
21 Temporary Receiver's Activities January 13, 2011 Through February 4, 2011 which was filed
22 with the Court on February 8, 2011 (Doc. No. 127) ("Receiver's First Report") and the Report of
23 Receiver's Financial Reconstruction dated January 31, 2012 ("Second Report") filed with the
24 Court on February 3, 2012 along with four volumes of Appendices of Exhibits to the Second
25 Report (Doc. Nos. 464, 465-468). I personally participated in the review and evaluation of many
26 of the documents and records upon which the information contained in the Receiver's First
27 Report and Second Report are based.

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1 4. As reflected in the Receiver's First Report, the Receivership Defendants include
2 61 named corporate defendants, the assets of Jeremy Johnson and numerous subsidiaries,
3 affiliates and fictitious business entities related to the corporate defendants and Jeremy Johnson.
4 The total number of Receivership Defendants subject to the Receiver's pending investigation,
5 including entities identified on the Jeremy Johnson financial statements submitted to plaintiff
6 Federal Trade Commission ("FTC"), and other entities and potential Receivership Defendants
7 being evaluated by the Receiver and those disclosed through the Receiver's investigation to date
8 exceeds 132 entities, although some of those entities are no longer Receivership Defendants
9 subject to the receivership based on the Receiver's Court-approved settlement with the Todd
10 Vowell Parties, as that term is defined in the settlement. The Receiver's First Report identified
11 aggregate revenues generated by I Works of at least \$332.5 million, with revenues generated
12 between 2006 and January 12, 2011 totaling approximately \$291 million. The Receiver's First
13 Report contained a detailed analysis of the expenses paid and transfers made from those revenues
14 and determined that of the \$50.6 million in operating profit before depreciation, \$50.4 million, or
15 99.6%, was paid to or for the benefit of Jeremy Johnson or his affiliated companies. The
16 Receiver's Second Report describes an additional \$51.4 million in funds and assets representing
17 processing revenues from the Receivership Defendants I Works, Inc. and Elite Debit, Inc. that the
18 Receiver demonstrated were improperly transferred to at least five entities under the nominal
19 ownership or control of Todd Vowell and Jason Vowell (individually and collectively the
20 "Vowells"), including Triple Seven LLC, formerly Triple Seven LP, Powder Monkeys, LLC,
21 Mastery Merchant, LLC, Cerberus Management, LLC and Flying High Enterprises, LLC (the
22 "Processors"). As the Second Report further explains, the Processors as well as numerous other
23 entities nominally owned or controlled by the Vowells received, and were used to purchase,
24 conceal and transfer assets of the Receivership Defendants, including assets of Johnson.

25 6. This declaration is submitted in support of the Receiver's motion for an extension
26 of the deadlines under Section IX of the Stipulated Final Order for Permanent Injunction and
27 Monetary Judgment as to Defendants Scott Muir, Big Bucks Pro, Inc., Blue Net Progress, Inc.,
28 Bolt Marketing, Inc., Business Loan Success, Inc., CS Processing, Inc., CGL Reward, Inc.,

1 Highlight Marketing, Inc., Mist Marketing, Inc., Net Discounts, Inc., Optimum Assistance, Inc.,
2 Razor Processing, Inc. and Simcor Marketing, Inc. (Doc. No. 1407) ("Muir Defendants
3 Judgment"; the Defendants who stipulated other than Scott Muir are referred to as the "Muir
4 Receivership Defendants").

5 7. The Muir Defendants Judgment was entered by the Court on April 7, 2014.
6 Section IX of the Muir Defendants Judgment requires the Receiver to file a final report and
7 accounting as to the Muir Receivership Defendants by June 6, 2014, the date which is sixty (60)
8 days from the date of entry of the judgment. The Corporate Defendants include the 12 Muir
9 Receivership Defendants. The 12 Muir Receivership Defendants, however, are only a fraction of
10 the total number of entity Receivership Defendants, which number more than 100 entities, as
11 well as the assets of Jeremy Johnson, Sharla Johnson and Jason Vowell which are also subject to
12 the receivership.

13 8. The Muir Defendants Judgment contains provisions continuing the Receiver's
14 appointment and providing for the Receiver to liquidate the Muir Receivership Defendants' assets
15 and turn over proceeds thereof to the FTC. Pursuant to Section VII of the Muir Defendants
16 Judgment, the Receiver has turned over the sum of \$3,556.83 to the FTC, representing the Muir
17 Receivership Defendants' frozen funds transferred to the receivership estate, as required by
18 Section IV.B.. The Receiver is not aware of any other assets of the Muir Receivership
19 Defendants to be liquidated under Sections VII and IX, and the Receiver continues to maintain
20 custody and control of any records and documents of the Muir Receivership Defendants pursuant
21 to Section VII.D. and E. of the Muir Defendants Judgment.

22 9. Section IX.A. of the Muir Defendants Judgment provides, among other things, that
23 the Receiver is to file a final report and accounting as to the Muir Receivership Defendants within
24 sixty days after the entry of the Muir Defendants Judgment by the Court. The final report is to
25 include an accounting and to set forth Receiver's fees and expenses pertaining to the Muir
26 Receivership Defendants. Section IX.B. provides for the Court to approve payment of the
27 Receiver's fees and expenses for administering the Muir Receivership Estate, and Section IX.C.

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1 provides for the Receiver to be able to hold back funds from the Muir Receivership Estate for
2 payment of future fees and expenses as part of any Supplemental Report.

3 10. The receivership estate is a unified estate that includes all receivership entities and
4 assets and all receivership expenses associated with the estate's administration. No separate
5 estates or accounts for specific Receivership Defendants were provided for under the Preliminary
6 Injunction and Clarifying Order, and none were created whether based on the entity's association
7 with a particular defendant or otherwise. The receivership estate's expenses were neither
8 segregated nor allocated based on the dozens of separate corporate entities subject to the
9 receivership. The Receiver regularly prepares and files motions for approval of the Receiver's
10 fees and expenses and those of his counsel, and those motions include financial summaries
11 regarding the receivership estate that demonstrate the receivership estate is a unified estate,
12 financially and administratively as to all of the receivership entities, assets and expenses. The
13 Receiver's latest fee motion was filed with the Court on February 27, 2014 (Doc. No. 1376) and
14 the Receiver's financial report accompanying that motion is on file as Document No. 1376-1.

15 11. The Receiver has numerous assets still to be administered in the case. The
16 additional assets being administered include claims against third parties which the Receiver is still
17 administering and which may not be resolved for months or longer. Payments due under a Court-
18 approved settlement are still required through next year. The Receiver also has a number of asset
19 sales still pending, and other assets are listed for sale but buyers have not been found yet. The
20 Receiver is also not in a position to prepare a final report and accounting and to wind up the
21 receivership estate until there is a final determination regarding the FTC's motions for summary
22 judgment and the relief defendants' cross-motion for summary judgment.

23 12. There are numerous non-consumer vendor and other creditors who must receive
24 notice of the Receiver's final report and accounting and who may have claims against Muir
25 Receivership Defendants as well as the many other Receivership Defendants whose assets are
26 part of the receivership estate. If the Receiver has to file and serve multiple final reports and
27 motions to wind down the receivership estate, it will likely create confusion among the parties
28

1 and creditors, cause additional expense to the estate, and be a burden on the Court's scarce
2 judicial resources.

3 13. The Receiver therefore requests that the deadlines under Section IX of the Muir
4 Defendants Judgment be extended to allow the Receiver to file its final report and accounting and
5 related notices and filings as to the Muir Receivership Defendants concurrently with and as part
6 of the Receiver's final report and accounting as to the remaining Receivership Defendants.

7 I declare under penalty of perjury that the foregoing is true and correct and that this
8 declaration was executed this 2nd day of June 2014 at Sun Valley, California.

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12 BRICK KANE
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