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LOS ANGELES  
SUPERIOR COURT

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8 SUPERIOR COURT OF CALIFORNIA  
9 COUNTY OF LOS ANGELES, EAST DISTRICT

RECEIVED  
NOV 14 2008  
EAST DISTRICT

10 CATHAY BANK., a California banking  
11 corporation,

12 Plaintiff,

13 v.

14 K2DC HOLDINGS, LLC, a Maryland limited  
15 liability company; and DOES 1 through 100,  
16 inclusive,

17 Defendants.

CASE NO. KC 053283 H

Assigned to Hon. Bruce R. Minto, Dept H

18 **STIPULATION FOR AN ORDER (1)**  
**APPROVING FINAL REPORT OF**  
**RECEIVER'S ACTIVITIES &**  
**ACCOUNTING FROM INCEPTION**  
**THROUGH AUGUST 31, 2008,**  
**INCLUDING THE RECEIVER'S**  
**REQUEST FOR DISCHARGE SET**  
**FORTH THEREIN; (2) DISCHARGING**  
**THE RECEIVER; AND (3)**  
**EXONERATING THE RECEIVER'S**  
**BOND AND PLAINTIFF'S BONDS; AND**

19 **ORDER THEREON**  
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1 This Stipulation is entered into by and among Robb Evans and Associates LLC, the duly  
2 appointed and acting receiver ("Receiver") for defendant K2DC Holdings ("K2DC"), plaintiff  
3 Cathay Bank ("Bank"), and defendant K2DC, in consideration of and reference to the following:

4 RECITALS

5 A. By order entered July 1, 2008, in this action, the Court appointed the Receiver as  
6 the receiver for K2DC.

7 B. By order entered August 8, 2008, in this action, the Court approved the Receiver's  
8 sale of K2DC's business assets to WNHL, Inc. for \$1 million, with the net proceeds payable to the  
9 Bank in partial satisfaction of the amount owing to it as the priority secured lender.

10 C. As discussed in detail in the Final Report of Receiver's Activities & Accounting  
11 from Inception through August 31, 2008 ("Final Report") (attached hereto as Exhibit A), the  
12 Receiver has paid all post-receivership debts and expenses that it incurred, and included all  
13 vacation pay and other amounts due to the employees. The Receiver also paid medical insurance  
14 premiums through August 2008 and explained the employees' rights under the Health Insurance  
15 Privacy and Portability Act.

16 D. The Receiver has incurred fees and expenses as summarized in Receivership  
17 Expenses from Inception (July 1, 2008) to August 31, 2008 and Closing, and which fees and  
18 expenses are detailed in the Receiver's invoices ("Final Receivership Expense Report") (attached  
19 as Tab 1 to the Final Report, Exh. A hereto).

20 E. As reflected in the Final Report, the Receiver took control of cash balances totaling  
21 \$39,895.76, and while the receiver was operating the business, cash collecting exceeded operating  
22 expenses by \$97,857.88. After deducing the actual receivership expenses and the estimated  
23 expenses to close the estate totaling \$52,160.06, the Receiver will turnover \$85,593.58 to the Bank  
24 as primary secured lender for K2DC. In addition, any amount unused for estimate expenses will  
25 also be turned over to the Bank.

26 F. Because the amount owing to the Bank by K2DC exceeded \$3.8 million, the net  
27 sale proceeds from the asset sale were insufficient to pay off the secured debt; consequently, there  
28 are no proceeds or other assets available to pay any other creditors.

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(323) 852-1000

1           **WHEREFORE**, the Receiver, K2DC and the Bank respectfully stipulate and ask that the  
2 Court enter its order accordingly.

3 DATED: October \_\_, 2008

ROBB EVANS & ASSOCIATES LLC

4  
5 By: \_\_\_\_\_

KENTON JOHNSON  
Deputy Receiver

6  
7  
8 DATED: July \_\_, 2008

STUTMAN TREISTER & GLATT, A  
PROFESSIONAL CORPORATION

9  
10 By: \_\_\_\_\_

GARY E. KLAUSNER  
Attorneys for Defendant K2DC Holdings, LLC

11  
12 *November 4*  
13 DATED: *October* \_\_, 2008

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL GERARD FLETCHER  
HAL D. GOLDFLAM

14  
15  
16 By: *Hal Goldflam*  
17 \_\_\_\_\_

HAL D. GOLDFLAM  
Attorneys for Plaintiff Cathay Bank

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WHEREFORE, the Receiver, K2DC and the Bank respectfully stipulate and ask that the Court enter its order accordingly.

DATED: October \_\_, 2008

ROBB EVANS & ASSOCIATES LLC

By: Kenton Johnson  
KENTON JOHNSON  
Deputy Receiver

DATED: July \_\_, 2008

STUTMAN TREISTER & GLATT, A PROFESSIONAL CORPORATION

By: \_\_\_\_\_  
GARY E. KLAUSNER  
Attorneys for Defendant K2DC Holdings, LLC

*November 4*  
DATED: October \_\_, 2008

FRANZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL GERARD FLETCHER  
HAL D. GOLDFLAM

By: Hal Goldflam  
HAL D. GOLDFLAM  
Attorneys for Plaintiff Cathay Bank

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WHEREFORE, the Receiver, K2DC and the Bank respectfully stipulate and ask that the

Court enter its order accordingly.


DATED: October \_\_, 2008

ROBB EVANS & ASSOCIATES LLC

By: \_\_\_\_\_  
KENTON JOHNSON  
Deputy Receiver

*Oct 28*  
DATED: ~~July~~ \_\_, 2008

STUTMAN TREISTER & GLATT, A  
PROFESSIONAL CORPORATION

By:   
GARY E. KLAUSNER  
Attorneys for Defendant K2DC Holdings, LLC

DATED: October \_\_, 2008

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL GERARD FLETCHER  
HAL D. GOLDFLAM

By: \_\_\_\_\_  
HAL D. GOLDFLAM  
Attorneys for Plaintiff Cathay Bank

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**ORDER**

Based upon the Stipulation by and among the Receiver and the parties, and finding good cause therefore, IT IS HEREBY ORDERED THAT:

1. The Final Report is approved and ratified in its entirety, including the activities and accounting described therein;
2. The Receiver is authorized to make payment of the final receivership expenses as described in the Final Report and the attachments thereto, and such payment is hereby approved;
3. The Receiver is authorized to remit to the Bank the funds of \$85,593.58 plus any unused expenses after payment of receivership expenses in full, and such payment is hereby approved;
4. The Receiver is authorized to abandon the books and records of K2DC not claimed by the Bank or WNHL, Inc., and such abandonment is hereby approved;
5. The Court discharges and relieves the Receiver, and its members, officers, agents employees, attorneys and representatives of all duties, liabilities and responsibilities in this action;
6. The Receiver's bond is exonerated;
7. The Bank's bonds, and each of them, are exonerated; and
8. The Receiver's Notice of Stipulation served on the interested parties listed in the proof of service accompanying the Notice of Stipulation is hereby deemed sufficient and is approved.

**R. BRUCE MINTO**

Dated: 12-10-08

\_\_\_\_\_  
R. BRUCE MINTO  
JUDGE OF THE SUPERIOR COURT