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10 *Attorney for the Receiver,*
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12 **UNITED STATES DISTRICT COURT**
13 **DISTRICT OF NEVADA**

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 vs.

18 EDWIN YOSHIHIRO FUJINAGA and
19 MRI INTERNATIONAL, INC.,

20 Defendants,

21 and

22 CSA SERVICE CENTER, LLC
23 THE FACTORING COMPANY,
24 JUNE FUJINAGA, and
25 THE YUNJU TRUST,

26 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**MOTION FOR ORDER (1)
APPROVING AND AUTHORIZING
PAYMENT OF RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FROM OCTOBER 1, 2016
THROUGH DECEMBER 31, 2016;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

27 PLEASE TAKE NOTICE that Robb Evans & Associates LLC (the "Receiver"), pursuant
28 to the Court's Order Appointing a Full Equity Receiver to Assume Control Over the Defendants'
Assets and Enforce the Final Judgment (ECF No. 226) entered on May 15, 2015, hereby moves
the Court for the following relief:

1. An order approving and authorizing payment of receivership fees and expenses
incurred for the three-month period from October 1, 2016 through December 31, 2016 (the
"Reporting Period"), including payment of the fees of the Receiver, its deputies, agents, staff and

1 professionals, and reimbursement of costs incurred during the Reporting Period in the total sum
2 of \$223,444.92 as follows:

3 a. The Receiver's fees, including those of its deputies, agents and staff, in the
4 amount of \$31,417.65, its expenses in the amount of \$148.30, business entity
5 expenses in the amount of \$5,778.40;

6 b. Expenses relating to the estate's real property in the amount of
7 \$145,381.97; and

8 c. Lynch Law Practice, PLLC's fees in the amount of \$40,131.60 and its
9 expenses in the amount of \$587.00;

10 2. An order deeming notice of this Motion to be sufficient under Local Rule of
11 Practice ("LR") 66-5 based on the service of this Motion on all known non-consumer creditors of
12 the estate, but not the tens of thousands of potential consumer creditors of the estate.

13 This Motion is made pursuant to LR 7-2 and 66-5, the accompanying memorandum of
14 points and authorities, the Declarations of Brick Kane and Michael Lynch, and the exhibits
15 thereto filed in support hereof, the Notice of Filing Report of Receiver's Activities from October
16 1, 2016 through December 31, 2016 (ECF No. 414), and all other pleadings and documentary
17 evidence as may be presented to the Court by the Receiver.

18 DATED April 28, 2017.

19 **LYNCH LAW PRACTICE, PLLC**

20 /s/ Michael F. Lynch

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24
25 *Attorney for the Receiver,
Robb Evans & Associates LLC*

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

Robb Evans & Associates LLC was appointed receiver (the “Receiver”) in the above-captioned case by that certain Order Appointing an Equitable Receiver entered on February 23, 2015 (ECF No. 194) as enlarged by that certain Order Appointing a Full Equitable Receiver to Assume Control over the Defendants’ Assets and Enforce the Final Judgment entered on May 15, 2015 (the “Order Appointing Receiver”) (ECF No. 226). The Receiver’s first application for fees was filed on July 16, 2015, which covered the period of February 23, 2015, through March 31, 2015, and was approved by order of this Court entered on August 10, 2015. (ECF Nos. 244, 258). The Receiver’s second interim application for fees and costs, which covered the period of April 1, 2015 through September 30, 2015, was approved by order of this Court entered on December 24, 2015 (ECF Nos. 284, 294). The Receiver’s third interim application for fees and costs, which covers the period October 1, 2015 through December 31, 2015, was approved by order of this Court on April 1, 2016 (ECF Nos. 313, 319). The Receiver’s fourth motion for approval of fees and costs, which covered the period of January 1, 2016 through March 31, 2016, was approved by order of this Court entered on June 22, 2016 (ECF Nos. 337, 344). The Receiver’s fifth motion for approval of fees and costs, which covered the period of April 1, 2016 through June 30, 2016, was approved by order of this Court entered on September 23, 2016 (ECF Nos. 352, 360). The Receiver’s sixth motion for approval of fees and costs, which covered the period of July 1, 2016 through September 30, 2016, was approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385)

This is the Receiver’s seventh interim application for fees and costs, and covers the period from October 1, 2016 through December 31, 2016 (the “Reporting Period”).

A. Summary of Operations During the Reporting Period.

The Receiver’s activities during the Reporting Period are set forth in the Report of Receiver’s Activities from October 1, 2016 through December 31, 2016, filed on April 28, 2017 (ECF No. 414), a true and correct copy of which is attached hereto for ease of reference as **Exhibit “1”**.

1 **B. Ongoing Administrative and Other Activities by the Receiver and Counsel.**

2 In addition to the activities summarized in the Report of Receiver’s Activities attached
3 hereto, the Receiver's services and those of its counsel include numerous other administrative
4 and legal activities during this Reporting Period. The Receiver's deputies and staff respond to
5 and cooperate with law enforcement inquiries and activities as required. The Receiver's deputies
6 and staff respond to inquiries from creditors, prepare and reconcile the Receiver's accounting
7 records for the case, address tax issues concerning the estate, deal with banks and other financial
8 institutions which may have receivership funds or documentation for accounts of Receivership
9 Defendants and perform other similar administrative tasks.

10 The Receiver's counsel prosecutes and defends various lien claims and reviews and
11 monitors Court filings in several federal and state cases as they may pertain to the interests of the
12 estate, responds to inquiries received from creditors and others, including taxing authorities,
13 issues demand letters to protect and investigate assets of the estate, files notices of pending
14 actions to protect real estate assets if deemed appropriate, and also performs numerous other
15 tasks in advising the Receiver and rendering services as the Receiver's counsel to protect the
16 estate, pursue claim enforcement, and advance the interests of the estate.

17 Numerous and varied issues arise in the supervision and administration of the estate by
18 the Receiver which are detailed in the billing records of the Receiver and its counsel filed in
19 support of this Motion. The Receiver performs regular accounting and bank reconciliations for
20 the receivership accounts, and maintains and updates creditor lists for the case and responds to
21 creditor and other inquiries.

22 **II. The Fees and Expenses of the Receiver and Its Professionals Should Be Approved.**

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

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

1 lien, or who may invoke the receivership. The appointing court
2 pledges its good faith that all duly authorized obligations incurred
3 during the receivership shall be paid.

4 2 Clark, Ralph Ewing, A Treatise on the Law and Practice of Receivers § 637, p. 1052 (3rd ed.
5 1992).

6 The Motion, and the declarations and the exhibits thereto submitted in support hereof,
7 establish that the Receiver, its deputies, staff and counsel rendered extensive and complex
8 services and obtained significant and beneficial results for the receivership estate during the
9 Reporting Period. *See Federal Trade Commission v. Capital Acquisitions & Management Corp.*,
10 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). The activities in the receivership by
11 both the Receiver and its counsel are wide-ranging and varied as the Receiver has taken control
12 of and obtained information regarding scores of entities in numerous locations, protected and
13 preserved records, taken control of and liquidated assets, and obtained voluminous banking,
14 financial and business records from many different sources. The billing rates charged in this case
15 and reflected in the billing records filed in support of the Motion for the Receiver, the Receiver's
16 members, and its senior accounting staff are discounted at 10% from the rates charged in private
17 sector cases as of the time of the Receiver's appointment.

18 The rates charged by counsel are also discounted by 10% from standard hourly billing
19 rates. The Receiver submits that its fees and costs, and those of its counsel, are reasonable in
20 light of the services rendered and the results obtained and that the fees and expenses requested
21 should be awarded in their entirety.

22 **III. Notice of This Motion Is Sufficient Under the Circumstances and Should Be**
23 **Approved.**

24 LR 66-5 provides for service of notice of the hearing on various motions by a receiver
25 concerning the administration of the estate. That rule provides for service of the notice of hearing
26 on such motions on all creditors of the receivership estate. No hearing has been set on this
27 Motion and the provisions of LR 66-5 do not specifically apply. Nevertheless, the Receiver will
28 serve the Motion on the parties, the affected lienholders, and on all known non-consumer
29 creditors of the estate and on known taxing authorities with a potential claim in the receivership

1 estate (“Notice Parties”), to provide them notice and an opportunity to be heard concerning the
2 Motion. This notice is consistent with notice previously approved by the Court in this case.

3 In this case, there are believed to be a large number of potential consumer creditors who
4 may have claims against the receivership defendants arising out of the business operations of the
5 receivership defendants prior to the Receiver’s appointment, although the precise number,
6 identity and location of such consumer creditors have not been determined by the Receiver. The
7 Receiver has had discussions for counsel representing many of the foreign investors and has been
8 advised that the number of consumer creditors is likely in the thousands. It is not realistically
9 possible or beneficial to the estate and its creditors for the Receiver to attempt to identify and
10 serve the potential consumer creditors with notice of this and other similar administrative
11 motions, and the expense and burden on the estate of attempting to effectuate such service would
12 drain the estate’s resources and cause undue administrative expense.

13 Based on the foregoing, to the extent that LR 66-5 applies to this motion, the Receiver
14 seeks an order providing that the notice requirement of that rule shall be deemed satisfied if
15 notice of the filing of the motion is given by serving copies of all motion papers on the parties to
16 the action and by serving copies of the notice of filing of the motion on all known non-consumer
17 creditors. The Receiver submits that such service provides sufficient notice and an opportunity
18 for hearing to the interested parties and should be approved as adequate. This limited notice is
19 consistent with the notice approved by the court concerning the prior fee motions. (*See e.g.*, ECF
20 No. 245).

21 There is ample authority for approval of the scope and method of notice as set forth
22 above. This Court, as a court of equity supervising the receivership estate, may make appropriate
23 administrative orders governing the receivership, including limitations on and changes in notice
24 and other procedures. *See* F.R.C.P. 5(a) and (c) (authorizing the court to modify service
25 procedures when numerous defendants are involved in litigation). In addition, the Order
26 Appointing Receiver provides that “the Receiver shall administer the estate as nearly as may be
27 in accordance with the practice in the administration of estates in Chapter 11 bankruptcy cases.”
28 ECF No. 226, ¶ 22.

1 Orders limiting notice when the Bankruptcy Code or Rules would otherwise require
2 notice to all creditors are routinely granted in bankruptcy cases to promote the expeditious and
3 economical administration of bankruptcy estates. *See In re First Alliance Mortgage Co.*, 269
4 B.R. 428, 442 (C.D. Cal. 201) (referencing in dicta in the court’s recitation of facts the
5 bankruptcy court’s order limiting notice issued in that case); 11 U.S.C. § 102(1)(A) (defining the
6 phrase “after notice and a hearing” to mean “after such notice as is appropriate in the particular
7 circumstances, and such opportunity for hearing as is appropriate in the particular
8 circumstances”); 11 U.S.C. § 105(a) and (d) (granting broad equitable powers to the court to
9 issue orders “necessary or appropriate to carry out the provisions” of title 11 including
10 “prescribing such limitations and conditions as the court deems appropriate to ensure the case is
11 handled expeditiously and economically”); and F.R. Bankr. P. 2002(m) (authorizing the court to
12 enter “orders designating the matters in respect to which, the entity to whom, and the form and
13 manner in which notices shall be sent except as otherwise provided by these rules”).

14 **IV. Conclusion.**

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

17 Dated April 28, 2017.

18 **LYNCH LAW PRACTICE, PLLC**

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Attorney for Receiver Robb Evans
5 *& Associates LLC*

6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA**

8 SECURITIES AND EXCHANGE
COMMISSION,

9 Plaintiff,

10 vs.

11 EDWIN YOSHIHIRO FUJINAGA and
12 MRI INTERNATIONAL, INC.,

13 Defendants,

14 and

15 CSA SERVICE CENTER, LLC
16 THE FACTORING COMPANY,
17 JUNE FUJINAGA, and
THE YUNJU TRUST,

18 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**DECLARATION OF BRICK KANE IN
SUPPORT OF MOTION FOR ORDER
(1) APPROVING AND
AUTHORIZING PAYMENT OF
RECEIVER’S AND
PROFESSIONALS’ FEES AND
EXPENSES FROM OCTOBER 1, 2016
THROUGH DECEMBER 31, 2016;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

19 I, Brick Kane, declare:

20 1. I am the president and chief operating officer of Robb Evans & Associates LLC,
21 the court-appointed equitable receiver (the “Receiver”). I am one of the members of the
22 Receiver primarily responsible for the supervision and administration of the Receivership estate.
23 If called upon to testify as to the facts set forth in this declaration, I could and would testify
24 competently thereto as the facts are personally known to me to be true or I have gained
25 knowledge of the facts through my supervision and administration of the Receivership estate.

26 2. On January 27, 2015, the Clerk of Court entered judgment against Defendants
27 (ECF No. 189) (the “Judgment”) pursuant to Court’s order granting summary judgment in favor
28 of plaintiff Securities and Exchange Commission (the “SEC”).

1 3. On February 23, 2015, the Court issued its Order Appointing an Equitable
2 Receiver (ECF No. 194) pursuant to which the Receiver was appointed as receiver for various
3 commercial properties and their rents and profits as more fully set forth therein.

4 4. On February 25, 2015, the Court issued its Rule 54(b) Certification (ECF No.
5 195) pursuant to which the judgment was made the final judgment as to the Defendants.

6 5. The Receiver's duties and responsibilities were enlarged by that certain Order
7 Appointing a Full Equitable Receiver to Assume Control over the Defendants' Assets and
8 Enforce the Final Judgment entered on May 15, 2015 (the "Order Appointing Receiver") (ECF
9 No. 226). The Order Appointing Receiver supersedes the previous order, and directs Receiver to
10 take and retain immediate possession, custody, and control of all assets owned or controlled,
11 directly or indirectly, by any of the Defendants in the SEC Receivership Litigation. *Id.*

12 6. On July 16, 2015, the Receiver filed its first motion for approval and payment of
13 Receiver's fees and expenses, which was approved by order of this this Court entered on August
14 10, 2015. (ECF Nos. 244, 258).

15 7. On November 30, 2015, the Receiver filed its second motion for approval and
16 payment of Receiver's fees and expenses, which was approved by order of this this Court entered
17 on December 24, 2015. (ECF Nos. 284, 294).

18 8. On March 14, 2016, the Receiver filed its third motion for approval of fees and
19 costs, which covered the period of October 1, 2015 through December 31, 2015, which was
20 approved by order of this Court entered on April 1, 2016 (ECF Nos. 313, 319).

21 9. On May 31, 2016, the Receiver filed its fourth motion for approval of fees and
22 costs, which covered the period of January 1, 2016 through March 31, 2016, which was
23 approved by order of this Court entered on June 22, 2016 (ECF Nos. 337, 344).

24 10. On August 29, 2016, the Receiver filed its fifth motion for approval of fees and
25 costs, which covered the period of April 1, 2016 through June 30, 2016, which was approved by
26 order of this Court entered on September 23, 2016 (ECF Nos. 352, 360).

27 11. On December 21, 2016, the Receiver filed its sixth motion for approval of fees
28 and costs, which covered the period of July 1, 2016 through September 30, 2016, which was

1 approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385).

2 12. On April 28, 2017, the Receiver filed a detailed Report of Receiver's Activities
3 from October 1, 2016 through December 31, 2016 (the "Receiver's Report") (ECF No. 414).

4 13. This Declaration is made and submitted in support of the Receiver's seventh
5 motion for fees and costs, which covers the period of October 1, 2016 through December 31,
6 2016, filed contemporaneously herewith.

7 14. As a member of Robb Evans & Associates LLC, I am familiar with the methods
8 and procedures used by the Receiver and its staff and employees to record the time spent
9 rendering services to receivership estates over which the Receiver has been appointed. The
10 invoices attached hereto as **Exhibit "1"** are regularly prepared by the members, staff and
11 employees of the Receiver at or about the time of the services rendered and each of whom has a
12 business duty to accurately record the information regarding their services set forth in these
13 records. The records are reviewed by the Receiver's accounting staff, summarized in the
14 Receiver's financial summary included within the Receiver's Report, and redacted only as the
15 Receiver has deemed necessary to preserve confidential, sensitive, tactical, strategic, attorney-
16 client privileged and/or attorney work-product information. Based upon my experience with
17 Robb Evans & Associates LLC, I believe the Receiver's methods and procedures for recording
18 and accounting for time and services for the Receivership estates over which the Receiver has
19 been appointed are reliable and accurate.

20 15. I have carefully read, reviewed, and assisted in drafting the Receiver's Report
21 (ECF No. 414), which report is incorporated herein by this reference, and I hereby affirm that the
22 statements, figures, and calculations made therein are true, accurate, and correct to the best of my
23 information, knowledge and belief.

24 I declare under penalty of perjury under the law of the State of Nevada that the foregoing
25 is true and correct.

26 Dated April 28, 2017.

/s/ Brick Kane

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Attorney for the Receiver,
5 *Robb Evans & Associates LLC*

6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA**

8 SECURITIES AND EXCHANGE
COMMISSION,

9 Plaintiff,

10 vs.

11 EDWIN YOSHIHIRO FUJINAGA and
MRI INTERNATIONAL, INC.,

12 Defendants,

13 and

14 CSA SERVICE CENTER, LLC
15 THE FACTORING COMPANY,
16 JUNE FUJINAGA, and
THE YUNJU TRUST,

17 Relief Defendants.

Case No.: 2:13-cv-01658-JCM-CWH

**DECLARATION OF MICHAEL
LYNCH IN SUPPORT OF MOTION
FOR ORDER (1) APPROVING AND
AUTHORIZING PAYMENT OF
RECEIVER’S AND
PROFESSIONALS’ FEES AND
EXPENSES FROM OCTOBER 1, 2016
THROUGH DECEMBER 31, 2016;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

18 I, Michael F. Lynch, declare:

19 1. I am an attorney at law duly licensed and authorized to practice before all courts
20 in the State of Nevada, and am the managing member of Lynch Law Practice, PLLC (“Lynch
21 Law”), counsel for Robb Evans & Associates LLC, the court-appointed equitable receiver (the
22 “Receiver”). If called upon to testify as to the facts set forth in this declaration, I could and
23 would testify competently thereto as the facts are personally known to me to be true.

24 2. On July 16, 2015, the Court appointed Lynch Law as counsel for the Receiver by
25 minute order (ECF No. 247), and the proposed Order Appointing Counsel for Receiver (ECF No.
26 250) was approved by minute order of the Court entered on August 20, 2015 (the “Order
27 Appointing Counsel”). (ECF No. 261).

28 3. The Order Appointing Counsel provides that, upon request of the Receiver, the

1 Receiver's counsel shall provide legal assistance to the Receiver in connection with the
2 discharge of the Receiver's duties and responsibilities pursuant to the Order Appointing
3 Receiver,¹ and directed the Receiver's counsel to neither perform, nor seek compensation for,
4 any of the non-legal tasks enumerated in the Order Appointing Receiver.

5 4. The Order Appointing Counsel authorizes Lynch Law to provide legal assistance
6 in connection with the following:

7 a. Providing legal advice to the Receiver concerning the Order Appointing
8 Receiver, including the legal interpretation of any provisions contained therein, or any
9 other order or filing in this case concerning the Receiver;

10 b. Providing legal advice to the Receiver concerning the disposition or
11 possession of any assets subject to the Order Appointing Receiver, including records
12 containing personal, financial or medical information and controlled substances;

13 c. Providing legal advice and representation in connection with obtaining
14 cooperation, compliance or assistance from the Defendants or any other entities claiming
15 to have an interest in the assets subject to the Order Appointing Receiver;

16 d. Providing legal advice and representation in connection with any civil or
17 criminal actions in which one or more of the Defendants is a party, including *Hoy's, Inc.*
18 *v. EBJ&F, LLC*, Case No. 2:13-cv-912 (D. Nev.), but not including *Takiguchi v. MRI*
19 *International, Inc.*, Case No. 2:13-cv-1183 (D. Nev.);

20 e. Providing legal advice and representation in connection with any legal
21 claims made against the Defendants or any assets subject to the Order Appointing
22 Receiver; and

23 f. Providing legal advice and representation in connection with any civil or
24 other actions in which the Receiver is a party, including any legal actions instituted by the
25 Receiver pursuant to the Order Appointing Receiver, such as levying on assets, filing
26

27
28 ¹ The "Order Appointing Receiver" means the Order Appointing a Full Equitable Receiver to Assume Control over the Defendants' Assets and Enforce the Final Judgment entered on May 15, 2015. (ECF No. 226).

1 collection actions or filing fraudulent transfer actions, and any legal filings requiring the
2 assistance of counsel.

3 5. The Order Appointing Counsel further provides that the compensation of Lynch
4 Law shall be fixed at \$310.50 per hour, which rate reflects a 10% discount on Lynch Law's
5 regular rate.

6 6. This Declaration is made and submitted in support of the Receiver's seventh
7 motion for approval and payment of fees and expenses, entitled *Motion for Order (1) Approving*
8 *and Authorizing Payment of Receiver's and Professionals' Fees and Expenses from October 1,*
9 *2016 through December 31, 2016; and (2) Granting Relief from Local Rule 66-5 Pertaining to*
10 *Notice to Creditors* (the "Motion") filed contemporaneously herewith.

11 7. The Motion seeks, among other relief, approval and authorization for payment of
12 the Receiver's legal fees and expenses for the three-month period from October 1, 2016 through
13 December 31, 2016 (the "Reporting Period").

14 8. Lynch Law has acted as sole counsel for the Receiver since the Order Appointing
15 Counsel was entered. Lynch Law and the Receiver have coordinated their efforts to ensure that
16 the Receiver's and Lynch Law's responsibilities for work were strictly maintained to prevent
17 duplication of efforts.

18 9. Attached hereto as **Exhibit "1"**, are true and correct copies of Lynch Law's
19 invoices for fees and costs during the Reporting Period. The detailed descriptions of work done
20 on this invoice have been redacted where appropriate to preserve descriptions containing
21 confidential, sensitive, tactical, strategic, and attorney/client privileged and/or attorney work-
22 product information.

23 10. I personally enter time and/or personally verify billable time and cost entries in
24 the Lynch Law software at or about the time the billable time and costs are incurred. The
25 invoices attached hereto is prepared from computerized time and expense records prepared in the
26 ordinary course of business that accurately record the time actually spent and the expenses
27 actually incurred. The time records are entered into Lynch Law's time-keeping and billing
28 software that generates invoices reviewed by Michael Lynch. Based upon my experience and

1 personal involvement in this process, I believe that Lynch Law's methods and procedures for
2 recording and accounting for time and services for its clients are reliable and accurate.

3 11. During the Reporting Period, Lynch Law participated and assisted in the
4 Receiver's efforts to sell the Harmon property and evaluated the status of the remaining tenant of
5 the property. Lynch Law also negotiated and prepared a stipulation and order to sell the Harmon
6 property and a motion to approve the sale of the Harmon property, as was necessary due to
7 buyers' and title's expressed requirements and conditions, and satisfied the buyer's concerns and
8 requirements in connection with the purchase and sale of the property. Lynch Law also analyzed
9 exceptions to title and reviewed, analyzed, and addressed the buyers', underwriter's, and the
10 Receiver's concerns and requirements in connection with the closing of the sale.

11 12. Also during the Reporting Period, Lynch Law, in coordination with the Receiver,
12 evaluated, analyzed, and responded to the buyers' concerns of the restated addendum to the
13 purchase and sale agreement for the Hawaii property, and finalized a joint motion to approve the
14 sale of the Hawaii property that satisfied the defendants', underwriter's, buyers', and the
15 Receiver's concerns and requirements.

16 13. Also during the Reporting Period, Lynch Law assisted and participated in the
17 Receiver's efforts to close on the purchase and sale agreement of the Durango property and
18 evaluated and analyzed issues and concerns regarding title exceptions and various contracts in
19 place.

20 14. Lynch Law discovered, evaluated and analyzed documents and related
21 encumbrances to the MGM condominium properties, title to which is held in the name of the
22 Yunju Trust, and researched and evaluated the affect and enforcement of the Soma Financial
23 deed of trust, recorded as an encumbrance upon the MGM properites.

24 15. Also during the Reporting Period, Lynch Law, in coordination with the Receiver,
25 reviewed and analyzed financial documents and tax returns in connection with the terms,
26 requirements, and obligations set forth in the Hoy's settlement agreement, and analyzed and
27 evaluated future reporting obligations required by the settlement agreement.

28

1 16. Lynch Law discovered, evaluated and analyzed the closing files from the One-
2 Stop Pharmacy sale and issues related to the proceeds from the sale of the pharmacy and Helen
3 Tang's involvement therein. Lynch Law also evaluated and analyzed the Rabobank account in
4 connection with the sale of the pharmacy.

5 17. Lynch Law monitors the Court filings in this case and in the related litigation as
6 they may pertain to the interests of the estate, responds to inquiries receive from creditors and
7 others, investigates assets of the estate, files notices of pending actions to protect real estate
8 assets if deemed appropriate, and also performs numerous other tasks in advising the Receiver
9 and rendering services as Receiver's counsel to protect the estate, pursue claim enforcement, and
10 advance the interests of the estate.

11 18. The fees incurred by Lynch Law during the Reporting Period are \$40,131.60,
12 which fees were actually and necessarily incurred in its representation of the Receiver. The costs
13 incurred by Lynch Law are \$587.00 during the Reporting Period, consisting primarily of
14 publication and service fees, court/filing fees, and mailing and copying costs.

15 19. Michael Lynch has been practicing law in Nevada since 2003, and has been lead
16 counsel in over 50 receiverships in Nevada District Courts, which receivership included
17 obtaining Court approval of multiple sales of commercial real estate by receivers and the
18 successful consummation of those sales. Michael Lynch has taken numerous cases to trial
19 and/or arbitration. Michael Lynch has also been involved in approximately 120 bankruptcy
20 proceedings and approximately 20 commercial litigation cases in the United States District
21 Court, District of Nevada.

22 20. I believe my firm's rates and the amount incurred by the Receiver for the services
23 rendered during the Reporting Period are reasonable and appropriate based on the nature of the
24 services rendered, the quality and amount of services provided, the complexity of the issues
25 involved and other factors under the circumstances, including the results obtained.

26 I declare under penalty of perjury under the law of the State of Nevada that the foregoing
27 is true and correct.

28 Dated April 28, 2017.

/s/ Michael F. Lynch