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11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

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

19 Defendants,

20 and

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

25 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 JULY 1, 2017
THROUGH SEPTEMBER 30, 2017;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

26 PLEASE TAKE NOTICE that Robb Evans & Associates LLC (the "Receiver"), pursuant
27 to the Court's Order Appointing a Full Equity Receiver to Assume Control Over the Defendants'
28 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 July 1, 2017 through September 30, 2017 (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 \$116,119.26 as follows:

3 a. The Receiver's fees, including those of its deputies, agents and staff, in the
4 amount of \$20,125.35, its expenses in the amount of \$228.20, and business entity
5 expenses in the amount of \$5,451.00;

6 b. Expenses relating to the estate's real property in the amount of
7 \$59,040.65; and

8 c. Lynch Law Practice, PLLC's fees in the amount of \$29,350.95 and its
9 expenses in the amount of \$1,923.11;

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

13 This Motion is made pursuant to Local Civil Rules 7-2 and 66-5, the accompanying
14 memorandum of points and authorities, the Declarations of Brick Kane and Michael Lynch, and
15 the exhibits thereto filed in support hereof, the Notice of Filing Report of Receiver's Activities
16 from July 1, 2017 through September 30, 2017 (ECF No. 457), and all other pleadings and
17 documentary evidence as may be presented to the Court by the Receiver.

18 **MEMORANDUM OF POINTS AND AUTHORITIES**

19 **I. Introduction.**

20 Robb Evans & Associates LLC was appointed receiver (the "Receiver") in the above-
21 captioned case by that certain Order Appointing an Equitable Receiver entered on February 23,
22 2015 (ECF No. 194) as enlarged by that certain Order Appointing a Full Equitable Receiver to
23 Assume Control over the Defendants' Assets and Enforce the Final Judgment entered on May
24 15, 2015 (the "Order Appointing Receiver") (ECF No. 226).

25 The Receiver's first interim application for fees was filed on July 16, 2015, which
26 covered the period of February 23, 2015, through March 31, 2015, and was approved by order of
27 this Court entered on August 10, 2015. (ECF Nos. 244, 258). The Receiver's second interim
28 application for fees and costs, which covered the period of April 1, 2015 through September 30,

1 2015, was approved by order of this Court entered on December 24, 2015 (ECF Nos. 284, 294).
2 The Receiver's third interim application for fees and costs, which covers the period October 1,
3 2015 through December 31, 2015, was approved by order of this Court on April 1, 2016 (ECF
4 Nos. 313, 319). The Receiver's fourth motion for approval of fees and costs, which covered the
5 period of January 1, 2016 through March 31, 2016, was approved by order of this Court entered
6 on June 22, 2016 (ECF Nos. 337, 344). The Receiver's fifth motion for approval of fees and
7 costs, which covered the period of April 1, 2016 through June 30, 2016, was approved by order
8 of this Court entered on September 23, 2016 (ECF Nos. 352, 360). The Receiver's sixth motion
9 for approval of fees and costs, which covered the period of July 1, 2016 through September 30,
10 2016, was approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385).
11 The Receiver's seventh motion for approval of fees and costs, which covered the period of
12 October 1, 2016 through December 31, 2016, was approved by order of this Court entered on
13 May 15, 2017 (ECF Nos. 415, 421). The Receiver's eighth motion for approval of fees and costs,
14 which covered the period January 1, 2017 through March 31, 2017, was approved by order of
15 this Court entered on June 9, 2017 (ECF Nos. 423, 429). The Receiver's ninth motion for
16 approval of fees and costs, which covered the period April 1, 2017 through June 30, 2017, was
17 approved by order of this Court entered on September 5, 2017 (ECF Nos. 441, 448).

18 This is the Receiver's tenth interim application for fees and costs, and covers the period
19 from July 1, 2017 through September 30, 2017 (the "Reporting Period").

20 **A. Summary of Operations During the Reporting Period.**

21 The Receiver's activities during the Reporting Period are set forth in the Report of
22 Receiver's Activities from July 1, 2017 through September 30, 2017, filed on November 30,
23 2017 (the "Receiver's Report") (ECF No. 457).

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

25 In addition to the activities summarized in the Receiver's Report on file herein, the
26 Receiver's services and those of its counsel include numerous other administrative and legal
27 activities during this Reporting Period. The Receiver's deputies and staff respond to and
28 cooperate with law enforcement inquiries and activities as required. The Receiver's deputies and

1 staff respond to inquiries from creditors, prepare and reconcile the Receiver's accounting records
2 for the case, address tax issues concerning the estate, deal with banks and other financial
3 institutions which may have receivership funds or documentation for accounts of Receivership
4 Defendants and perform other similar administrative tasks.

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

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

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

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

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

26 2 Clark, Ralph Ewing, A Treatise on the Law and Practice of Receivers § 637, p. 1052 (3rd ed.
27 1992).

1 The Motion, and the declarations and the exhibits thereto submitted in support hereof,
2 establish that the Receiver, its deputies, staff and counsel rendered extensive and complex
3 services and obtained significant and beneficial results for the receivership estate during the
4 Reporting Period. *See Federal Trade Commission v. Capital Acquisitions & Management Corp.*,
5 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). The activities in the receivership by
6 both the Receiver and its counsel are wide-ranging and varied as the Receiver has taken control
7 of and obtained information regarding scores of entities in numerous locations, protected and
8 preserved records, taken control of and liquidated assets, and obtained voluminous banking,
9 financial and business records from many different sources. The billing rates charged in this case
10 and reflected in the billing records filed in support of the Motion for the Receiver, the Receiver's
11 members, and its senior accounting staff are discounted at 10% from the rates charged in private
12 sector cases as of the time of the Receiver's appointment.

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

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

19 Local Civil Rule 66-5 provides for service of notice of the hearing on various motions by
20 a receiver concerning the administration of the estate. That rule provides for service of the notice
21 of hearing on such motions on all creditors of the receivership estate. No hearing has been set on
22 this Motion and the provisions of Local Civil Rule 66-5 do not specifically apply. Nevertheless,
23 the Receiver will serve the Motion on the parties, the affected lienholders, and on all known non-
24 consumer creditors of the estate and on known taxing authorities with a potential claim in the
25 receivership estate (“Notice Parties”), to provide them notice and an opportunity to be heard
26 concerning the Motion. This notice is consistent with notice previously approved by the Court in
27 this case.
28

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

11 Based on the foregoing, to the extent that Local Rule 66-5 applies to this motion, the
12 Receiver seeks an order providing that the notice requirement of that rule shall be deemed
13 satisfied if notice of the filing of the motion is given by serving copies of all motion papers on
14 the parties to the action and by serving copies of the notice of filing of the motion on all known
15 non-consumer creditors. The Receiver submits that such service provides sufficient notice and an
16 opportunity for hearing to the interested parties and should be approved as adequate. This limited
17 notice is consistent with the notice approved by the court concerning the prior fee motions. (*See*
18 *e.g.*, ECF Nos. 421, 429, 448).

19 There is ample authority for approval of the scope and method of notice as set forth
20 above. This Court, as a court of equity supervising the receivership estate, may make appropriate
21 administrative orders governing the receivership, including limitations on and changes in notice
22 and other procedures. *See* F.R.C.P. 5(a) and (c) (authorizing the court to modify service
23 procedures when numerous defendants are involved in litigation). In addition, pursuant to Local
24 Rule 66-10, a receiver is directed to administer receivership estates "as nearly as may be in
25 accordance with the practice in the administration of estates in Chapter 11 bankruptcy cases."
26 Orders limiting notice when the Bankruptcy Code or Rules would otherwise require notice to all
27 creditors are routinely granted in bankruptcy cases to promote the expeditious and economical
28 administration of bankruptcy estates. *See In re First Alliance Mortgage Co.*, 269 B.R. 428, 442

1 (C.D. Cal. 201) (referencing in dicta in the court’s recitation of facts the bankruptcy court’s order
2 limiting notice issued in that case); 11 U.S.C. § 102(1)(A) (defining the phrase “after notice and
3 a hearing” to mean “after such notice as is appropriate in the particular circumstances, and such
4 opportunity for hearing as is appropriate in the particular circumstances”); 11 U.S.C. § 105(a)
5 and (d) (granting broad equitable powers to the court to issue orders “necessary or appropriate to
6 carry out the provisions” of title 11 including “prescribing such limitations and conditions as the
7 court deems appropriate to ensure the case is handled expeditiously and economically”); and
8 F.R. Bankr. P. 2002(m) (authorizing the court to enter “orders designating the matters in respect
9 to which, the entity to whom, and the form and manner in which notices shall be sent except as
10 otherwise provided by these rules”).

11 **IV. Conclusion.**

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

14 Dated December 19, 2017.

15 **LYNCH LAW PRACTICE, PLLC**

16 /s/ Michael F. Lynch

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

9 SECURITIES AND EXCHANGE
10 COMMISSION,

11 Plaintiff,

12 vs.

13 EDWIN YOSHIHIRO FUJINAGA and
MRI INTERNATIONAL, INC.,

14 Defendants,

15 and

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

19 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 JULY 1, 2017
THROUGH SEPTEMBER 30, 2017;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

20 I, Brick Kane, declare:

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

27 2. On January 27, 2015, the Clerk of Court entered judgment against Defendants
28 (ECF No. 189) (the "Judgment") pursuant to Court's order granting summary judgment in favor

1 of plaintiff Securities and Exchange Commission (the “SEC”).

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

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

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

13 6. On July 16, 2015, the Receiver filed its first motion for approval and payment of
14 Receiver’s fees and expenses, which was approved by order of this this Court entered on August
15 10, 2015 (ECF Nos. 244, 258).

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

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

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

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

28

1 11. On December 21, 2016, the Receiver filed its sixth motion for approval of fees
2 and costs, which covered the period of July 1, 2016 through September 30, 2016, which was
3 approved by order of this Court entered on February 2, 2017 (ECF Nos. 376, 385).

4 12. On April 28, 2017, the Receiver filed its seventh motion for approval of fees and
5 costs, which covered the period of October 1, 2016 through December 31, 2016, which was
6 approved by order of this Court entered on May 15, 2017 (ECF Nos. 415, 421).

7 13. On May 25, 2017, the Receiver filed its eighth motion for approval of fees and
8 costs, which covered the period of January 1, 2017 through March 31, 2017, which was
9 approved by order of this Court entered on June 9, 2017 (ECF Nos. 423, 429).

10 14. On August 14, 2017, the Receiver filed its ninth motion for approval of fees and
11 costs, which covered the period of April 1, 2017 through June 30, 2017, which was approved by
12 order of this Court entered on September 5, 2017 (ECF Nos. 441, 448).

13 15. On November 30, 2017, the Receiver filed a detailed Report of Receiver's
14 Activities from July 1, 2017 through September 30, 2017 (the "Receiver's Report") (ECF No.
15 457).

16 16. This Declaration is made and submitted in support of the Receiver's tenth motion
17 for fees and costs, which covers the period of July 1, 2017 through September 30, 2017, filed
18 contemporaneously herewith.


19 17. As a member of Robb Evans & Associates LLC, I am familiar with the methods
20 and procedures used by the Receiver and its staff and employees to record the time spent
21 rendering services to receivership estates over which the Receiver has been appointed. The
22 invoices attached hereto as **Exhibit "1"** are regularly prepared by the members, staff and
23 employees of the Receiver at or about the time of the services rendered and each of whom has a
24 business duty to accurately record the information regarding their services set forth in these
25 records. The records are reviewed by the Receiver's accounting staff, summarized in the
26 Receiver's financial summary included within the Receiver's Report, and redacted only as the
27 Receiver has deemed necessary to preserve confidential, sensitive, tactical, strategic, attorney-
28 client privileged and/or attorney work-product information. Based upon my experience with

1 Robb Evans & Associates LLC, I believe the Receiver's methods and procedures for recording
2 and accounting for time and services for the Receivership estates over which the Receiver has
3 been appointed are reliable and accurate.

4 18. I have carefully read, reviewed, and assisted in drafting the Report of Receiver's
5 Activities from July 1, 2017 through September 30, 2017 (ECF No. 457), which report is
6 incorporated herein by this reference, and I hereby affirm that the statements, figures, and
7 calculations made therein are true, accurate, and correct to the best of my information,
8 knowledge and belief.

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

11 Dated December 19, 2017.


Brick Kane

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6 *Robb Evans & Associates LLC*

7
8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 SECURITIES AND EXCHANGE
COMMISSION,

11 Plaintiff,

12 vs.

13 EDWIN YOSHIHIRO FUJINAGA and
MRI INTERNATIONAL, INC.,

14 Defendants,

15 and

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

19 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 JULY 1, 2017
THROUGH SEPTEMBER 30, 2017;
AND (2) GRANTING RELIEF FROM
LOCAL RULE 66-5 PERTAINING TO
NOTICE TO CREDITORS**

20 I, Michael F. Lynch, declare:

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

26 2. On July 16, 2015, the Court appointed Lynch Law as counsel for the Receiver by
27 minute order (ECF No. 247), and the proposed Order Appointing Counsel for Receiver (ECF No.
28

1 250) was approved by minute order of the Court entered on August 20, 2015 (the “Order
2 Appointing Counsel”). (ECF No. 261).

3 3. The Order Appointing Counsel provides that, upon request of the Receiver, the
4 Receiver’s counsel shall provide legal assistance to the Receiver in connection with the
5 discharge of the Receiver’s duties and responsibilities pursuant to the Order Appointing
6 Receiver,¹ and directed the Receiver’s counsel to neither perform, nor seek compensation for,
7 any of the non-legal tasks enumerated in the Order Appointing Receiver.

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

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

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

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

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

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

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 f. Providing legal advice and representation in connection with any civil or
2 other actions in which the Receiver is a party, including any legal actions instituted by the
3 Receiver pursuant to the Order Appointing Receiver, such as levying on assets, filing
4 collection actions or filing fraudulent transfer actions, and any legal filings requiring the
5 assistance of counsel.

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

9 6. This Declaration is made and submitted in support of the Receiver's tenth motion
10 for approval and payment of fees and expenses, entitled *Motion for Order (1) Approving and*
11 *Authorizing Payment of Receiver's and Professionals' Fees and Expenses from July 1, 2017*
12 *through September 30, 2017; and (2) Granting Relief from Local Rule 66-5 Pertaining to Notice*
13 *to Creditors* (the "Motion") filed contemporaneously herewith.

14 7. The Motion seeks, among other relief, approval and authorization for payment of
15 the Receiver's legal fees and expenses for the three-month period from July 1, 2017 through
16 September 30, 2017 (the "Reporting Period").

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

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

26 10. I personally enter time and/or personally verify billable time and cost entries in
27 the Lynch Law software at or about the time the billable time and costs are incurred. The
28 invoices attached hereto are prepared from computerized time and expense records prepared in

1 the ordinary course of business that accurately record the time actually spent and the expenses
2 actually incurred. The time records are entered into Lynch Law's time-keeping and billing
3 software that generates invoices reviewed by Michael Lynch. Based upon my experience and
4 personal involvement in this process, I believe that Lynch Law's methods and procedures for
5 recording and accounting for time and services for its clients are reliable and accurate.

6 11. During the reporting period, in connection with the Receiver's efforts to sell the
7 Greensboro property Lynch Law worked with the Receiver to evaluate support for, and various
8 proposals to sell and/or auction the Greensboro real property and the personal property located
9 within. Lynch Law assisted the Receiver, in its analysis, review, and evaluation from a legal
10 perspective of the multiple offers, counter-offers, and purchase agreements received from
11 interested buyers as well as multiple appraisals and brokers' agreements. Lynch Law also
12 analyzed various issues and exceptions to title, and cleared encumbrances from title as necessary
13 or advisable. Lynch Law also evaluated, analyzed, and addressed the Receiver's, the title
14 company's, and the underwriter's concerns and requirements in connection with the sale. Lynch
15 Law prepared a comprehensive motion to approve the sale of the Greensboro real and personal
16 property, contingent upon the real property closing, and also analyzed, reviewed, evaluated, and
17 replied to June Fujinaga's opposition to the Receiver's motion to approve the sale of the
18 Greensboro property.

19 12. Lynch Law analyzed, reviewed, and evaluated bank account records produced by
20 Hawaiian banks in coordination with the Receiver's efforts to trace funds used to pay Ed
21 Fujinaga's legal fees.

22 13. Also during the reporting period, Lynch Law reviewed, analyzed, and evaluated
23 bank records, portions of the McGladrey Report, and financial documents in connection with the
24 Receiver's efforts to have certain funds held in One Stop Pharmacy's Rabobank account released
25 into the receivership estate's general settlement fund.

26 14. Also during the reporting period, Lynch Law in coordination with the Receiver,
27 reviewed, analyzed, and evaluated the possibility of obtaining a court order to have the minority
28 members' putative membership interests in Harmon Medical Center, LLC, which interests were

1 retained by the Receiver as a fail safe to allow the sale of the Harmon Medical Center to close,
2 for the purpose of releasing these hold backs into the estate's general settlement fund.

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

9 16. The fees incurred by Lynch Law during the Reporting Period are \$29,350.95,
10 which fees were actually and necessarily incurred in its representation of the Receiver. The costs
11 incurred by Lynch Law are \$1,923.11 during the Reporting Period, which costs consist primarily
12 of publication and service fees, court/filing fees, and mailing and copying costs.

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

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

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

25 Dated December 19, 2017.

26 /s/ Michael F. Lynch
27
28