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Robb Evans & Associates LLC

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **LOS ANGELES COUNTY**
10

11 PEOPLE OF THE STATE OF CALIFORNIA,

12 Plaintiff,

13 v.

14 NIV ISKIN, REVIV KARPMAN, TOMER
15 KOGMAN and AVRAHAM YECHIZKIA, et
al.,

16 Defendants.
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Case No. LA065077

[Assigned to Hon. Joseph A. Brandolino,
Dept. F]

NOTICE OF MOTION AND MOTION BY
THE TEMPORARY RECEIVER FOR AN
ORDER APPROVING TEMPORARY
RECEIVER'S FINAL REPORT OF
ACTIVITIES AND ACCOUNTING,
DISCHARGING TEMPORARY RECEIVER,
EXONERATING TEMPORARY
RECEIVER'S BOND AND FOR RELATED
RELIEF; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATIONS OF
BRICK KANE AND HAL D. GOLDFLAM

[Filed concurrently with Notice of Lodgment
and Lodgment of Temporary Receiver's Final
Report and Accounting]

Date: December 13, 2012
Time: 9:00 a.m.
Dept.: F

1 TO: THE HONORABLE JOSEPH A. BRANDOLINO, JUDGE OF THE SUPERIOR
2 COURT, AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

3 PLEASE TAKE NOTICE that at 9:00 a.m. on December 13, 2012, in Department F of the
4 Los Angeles County Superior Court, located at 14400 Erwin Street Mall, Van Nuys, California
5 91401, Robb Evans & Associates LLC, the Court-appointed temporary receiver ("Temporary
6 Receiver") over the properties and businesses of Niv Iskin, Reviv Karpman, Tomer Kogman and
7 Avraham Yechizkia, will and hereby does move the Court for an order:

8 (1) approving the Final Report of Temporary Receiver's Activities and Request for
9 Approval of Final Report and Accounting ("Final Report"; a copy of which is attached as Exhibit
10 A to the concurrently filed and served Notice of Lodgment and Lodgment of the Temporary
11 Receiver's Final Report and Accounting);

12 (2) approving the Temporary Receiver Administrative Expense Summary and Fund
13 Balance (From Inception (July 16, 2010) to August 31, 2012 and Estimate to Close) ("Final
14 Accounting"; a copy of which is attached as Exhibit B to the concurrently filed and served Notice
15 of Lodgment and Lodgment of the Temporary Receiver's Final Report and Accounting);

16 (3) discharging the Temporary Receiver;

17 (4) exonerating the Temporary Receiver's bond; and

18 (5) for related relief.

19 Specifically, the Temporary Receiver requests that the Court issue an order:

20 (a) approving and confirming all activities of the Temporary Receiver in
21 connection with the administration of the receivership estate as described in the Final Report,
22 including without limitation, approving the Temporary Receiver's abandonment of various
23 receivership assets as described therein;

24 (b) approving and confirming the Final Account and authorizing payment of the
25 fees of the Temporary Receiver, the Temporary Receiver's deputies, agents, staff and
26 professionals, and reimbursement of costs incurred from June 1, 2011 through August 31, 2012,
27 and authorizing payment of the estimated closing fees and expenses of the receivership estate;

28 (c) directing the Temporary Receiver to forward the original, signed Trustee's

1 Deed on Sale to Story Lending on the Mehrian property (*see* Final Report, p. 7-8, 12-13), or to
2 issue such other direction to the Temporary Receiver on the handling of the Trustee's Deed as may
3 be just and proper;

4 (d) directing the Temporary Receiver to pay the City of Los Angeles Business Tax
5 in the total amount of \$117.00 due on rents collected on receivership rental property during the
6 course of the receivership;

7 (e) authorizing the Temporary Receiver to dispose of any records of the
8 receivership estate within 30 days of the date of the Court's order unless before that time any of
9 the parties serve the Temporary Receiver with a written request for possession of such records at
10 the requesting party's expense;

11 (f) directing the Temporary Receiver to deposit the net receivership estate proceeds
12 of \$106,846.90 with the California Department of Justice to be held in trust for the potential
13 distribution pursuant Penal Code section 186.11 pending further order by the Court or as the Court
14 may otherwise direct;

15 (g) discharging Receiver Robb Evans & Associates LLC as Temporary Receiver,
16 and releasing Robb Evans & Associates LLC, its deputies, members, officers, agents, employees,
17 attorneys and representatives of any and all duties, responsibilities, and liabilities in connection
18 with the receivership estate and this action, including any and all claims and liabilities that could
19 have been asserted in the receivership estate and in connection with their administration of the
20 receivership estate;

21 (h) exonerating the Temporary Receiver's bond; and

22 (i) providing for such other and further relief as this Court may deem just and
23 proper.

24 The motion is made following the terms of the Court's Order dated July 16, 2010
25 appointing the Temporary Receiver, and is based upon this notice of motion and motion,
26 the attached memorandum of points and authorities and declarations of Brick Kane and Hal D.
27 Goldflam, the separately filed notice of lodgment and lodgment of Temporary Receiver's Final
28 Report of Activities and Accounting, the separately filed and served notice of hearing of motion

1 served on third-parties in accordance with Rule 3.1184(c) of the California Rules of Court, and
2 upon such other pleadings and oral and documentary evidence as may be presented at the time of
3 hearing on the motion.

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5 Dated: October 30, 2012

FRANDZEL ROBINS BLOOM & CSATO, L.C.
CRAIG A. WELIN
HAL D. GOLDFLAM

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9 By: 

HAL D. GOLDFLAM
Attorneys for Temporary Receiver
Robb Evans & Associates LLC

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 On July 16, 2010, pursuant to Penal Code section 186.11, the Court issued its Order
3 appointing Robb Evans & Associates LLC as Temporary Receiver over the properties and
4 businesses of Niv Iskin, Reviv Karpman, Tomer Kogman and Avraham Yechizkia. (*See*
5 Declaration of Brick Kane, Exh. 1.)

6 While Rule 3.1184(b) of the California Rules of Court provides that the Temporary
7 Receiver need not submit a memorandum in support of this motion, Rule 3.1184 provides that in
8 connection with the Receiver's request for termination of the receivership, the Receiver must
9 present a final account and report to the Court for approval. Attached as Exhibit A to the
10 separately filed and served Notice of Lodgment and Lodgment of the Temporary Receiver's Final
11 Report and Accounting is the Final Report of Temporary Receiver's Activities and Request for
12 Approval of Final Report and Accounting ("Final Report"). Attached as Exhibit B to the same
13 Notice of Lodgment, etc. is the Temporary Receiver Administrative Expense Summary and Fund
14 Balance (From Inception (July 16, 2010) to August 31, 2012 and Estimate to Close) ("Final
15 Accounting").

16 The Final Report describes in detail the activities performed by the Temporary Receiver
17 from inception of the receivership estate; the Temporary Receiver previously reported many of
18 these activities to the Court, which activities the Court approved and confirmed (for purposes of
19 brevity, the activities are not repeated in this memorandum).¹ In addition, as detailed in the Final
20 Report, the Court previously entered orders authorizing various activities of the Temporary
21 Receiver (e.g., November 2, 2010 and January 6, 2011 Orders approving the Temporary
22 Receiver's abandonment of various real property assets of the receivership estate, and the Court's

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24 ¹ On January 6, 2011, the Court entered its Order (1) Approving Temporary Receiver's
25 Interim Financial Report from July 16, 2010 through September 30, 2010; (2) Confirming
26 Payment of Receivership Expenses for Period from July 16, 2010 through September 30, 2010,
27 and (3) Confirming the Temporary Receiver's Activities from July 16, 2010 through September
28 30, 2010 ("First Reporting Period"). On September 15, 2011, the Court entered its Order (1)
Approving Temporary Receivers Interim Financial Reports for Period of October 1, 2010 Through
May 31, 2011; (2) Confirming Payment of Receivership Expenses for Same Period; and (3)
Confirming the Temporary Receiver's Activities for Same Period ("Second Reporting Period").

1 Order entered February 25, 2011, approving the Temporary Receivers' sale of the Hatteras
2 property). By its Final Report, the Temporary Receiver requests the Court approve and confirm
3 the Temporary Receiver's actions described therein, including without limitation, abandonment of
4 additional receivership estate assets. In addition, the Temporary Receiver requests the Court to
5 direct it to deliver the net proceeds of the receivership estate to the California Department of
6 Justice for it to hold pending a further order of this Court on the disposition of the funds (including
7 the possible distribution of the funds for restitution purposes in accordance with Penal Code
8 section 186.11).

9 As to the Temporary Receiver's Final Account, the total fees and costs of the Temporary
10 Receiver from inception of the receivership estate, including the estimated closing fees and
11 expenses, is \$278,671.80 (consisting of total Temporary Receiver's fees in the sum of
12 \$152,667.64, total Temporary Receiver's costs in the sum of \$14,565.17, total legal fees in the
13 sum of \$100,645.50, and total legal costs in the sum of \$10,793.49). The total of \$287,671.80 in
14 receivership fees and costs includes the previously reported receivership fees and costs approved
15 by the Court totaling \$204,646.61. (*See* fn. 1, *supra*.) The net fund balance of the receivership
16 estate is \$106,846.90.

17 **CONCLUSION**

18 The Temporary Receiver respectfully submits that it has complied with the duties and
19 responsibilities imposed upon it pursuant to the Receivership Order. The Temporary Receiver
20 respectfully requests the that the Court grant this Motion in its entirety, and without limiting the
21 generality of the foregoing, that the Court issue an order

22 (a) approving and confirming all activities of the Temporary Receiver in connection with
23 the administration of the receivership estate as described in the Final Report, including without
24 limitation, approving the Temporary Receiver's abandonment of various receivership assets as
25 described therein;

26 (b) approving and confirming the Final Account and authorizing the payment of the fees
27 of the Temporary Receiver, the Temporary Receiver's deputies, agents, staff and professionals,
28 and reimbursement of costs incurred from June 1, 2011 through August 31, 2012, and authorizing

1 payment of the estimated closing fees and expenses of the receivership estate;

2 (c) directing the Temporary Receiver to forward the original, signed Trustee's Deed on
3 Sale to Story Lending on the Mehrian property (as defined in the Final Report) or to issue such
4 other direction to the Temporary Receiver on the handling of the Trustee's Deed as may be just
5 and proper;

6 (d) directing the Temporary Receiver to pay the City of Los Angeles Business Tax in the
7 total amount of \$117.00 due on rents collected on receivership rental property during the course of
8 the receivership;

9 (e) authorizing the Temporary Receiver to dispose of any records of the receivership estate
10 within 30 days of the date of the Court's order unless before that time any of the parties serve the
11 Temporary Receiver with a written request for possession of such records at the requesting party's
12 expense;

13 (f) directing the Temporary Receiver to deposit the net proceeds of \$106,846.90 with the
14 California Department of Justice to be held in trust for the potential distribution pursuant Penal
15 Code section 186.11 pending further order by the Court or as the Court may otherwise direct;

16 (g) discharging Receiver Robb Evans & Associates LLC as Temporary Receiver, and
17 releasing Robb Evans & Associates LLC, its deputies, members, officers, agents, employees,
18 attorneys and representatives of any and all duties, responsibilities, and liabilities in connection
19 with the receivership estate and this action, including any and all claims and liabilities that could
20 have been asserted in the receivership estate and in connection with their administration of the
21 receivership estate;

22 (h) exonerating the Temporary Receiver's bond; and
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1 (i) providing for such further relief as this Court may deem just and proper.

2 Respectfully submitted,

3 Dated: October 30, 2012

FRANDZEL ROBINS BLOOM & CSATO, L.C.
4 CRAIG A. WELIN
5 HAL D. GOLDFLAM

6 By:


7 HAL D. GOLDFLAM

8 Attorneys for Temporary Receiver
9 Robb Evans & Associates LLC

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FRANDZEL ROBINS BLOOM & CSATO, L.C.
6500 WILSHIRE BOULEVARD, 17TH FLOOR
LOS ANGELES, CALIFORNIA 90048-4920
(323) 852-1000

Declaration

DECLARATION OF BRICK KANE

I, Brick Kane, declare as follows:

1. I am the President & Chief Operating Officer of Robb Evans & Associates LLC, the Court-appointed Temporary Receiver in this matter. I am one of the deputies to the Temporary Receiver that has had primary responsibility for the day-to-day supervision and management of the receivership estate over the businesses and properties of defendants Niv Iskin, Reviv Karpman, Tomer Kogman and Avraham Yechizkia since the Court appointed the Temporary Receiver on July 16, 2010. I have personal knowledge of the matters set forth in this declaration or I have gained knowledge of these matters based upon my participation in managing the receivership estate. I also have reviewed the books and records of the Temporary Receiver and have regularly communicated with other members and staff of the Temporary Receiver who assist in the management of the receivership estate. If called upon to testify as to these matters, I could and would competently testify thereto.

2. Pursuant to Penal Code section 186.11, the Court appointed Robb Evans & Associates LLC as Temporary Receiver in this matter by its order dated July 16, 2010. I attach hereto as Exhibit 1 a true and correct copy of the Receivership Order.

3. Attached as Exhibit A to the separately filed and served Notice of Lodgment and Lodgment of the Temporary Receiver's Final Report and Accounting is the Final Report of Temporary Receiver's Activities and Request for Approval of Final Report and Accounting ("Final Report"). Attached as Exhibit B to the same Notice of Lodgment, etc. is the Temporary Receiver Administrative Expense Summary and Fund Balance (From Inception (July 16, 2010) to August 31, 2012 and Estimate to Close) ("Final Accounting").

4. On January 6, 2011, the Court entered its Order (1) Approving Temporary Receiver's Interim Financial Report from July 16, 2010 through September 30, 2010; (2) Confirming Payment of Receivership Expenses for Period from July 16, 2010 through September 30, 2010, and (3) Confirming the Temporary Receiver's Activities from July 16, 2010 through September 30, 2010 ("First Reporting Period"). On September 15, 2011, the Court entered its Order (1) Approving Temporary Receivers Interim Financial Reports for Period of October 1,

1 2010 Through May 31, 2011; (2) Confirming Payment of Receivership Expenses for Same Period;
2 and (3) Confirming the Temporary Receiver's Activities for Same Period ("Second Reporting
3 Period").

4 5. The Final Report describes in detail the activities performed by the Temporary
5 Receiver from inception of the receivership estate; the Temporary Receiver previously reported
6 many of these activities to the Court, which activities the Court approved and confirmed. For
7 purposes of brevity, I do not repeat or summarize those activities here. In addition, as detailed in
8 the Final Report, the Court entered additional orders authorizing various activities of the
9 Temporary Receiver (e.g., November 2, 2010 and January 6, 2011 Orders approving the
10 Temporary Receiver's abandonment of various real property assets of the receivership estate, and
11 the Court's Order entered February 25, 2011, approving the Temporary Receivers' sale of the
12 Hatteras property). By its Final Report, the Temporary Receiver requests the Court approve and
13 confirm the Temporary Receiver's actions described therein, including without limitation,
14 abandonment of additional receivership estate assets. In addition, the Temporary Receiver
15 requests the Court to direct it to deliver the net proceeds of the receivership estate to the California
16 Department of Justice for it to hold pending a further order of this Court on the disposition of the
17 funds (including the possible distribution of the funds for restitution purposes in accordance with
18 Penal Code section 186.11).

19 6. As to the Temporary Receiver's Final Account, the total fees and costs of the
20 Temporary Receiver from inception of the receivership estate, including the estimated closing fees
21 and expenses, is \$278,671.80 (consisting of total Temporary Receiver's fees in the sum of
22 \$152,667.64, total Temporary Receiver's costs in the sum of \$14,565.17, total legal fees in the
23 sum of \$100,645.50, and total legal costs in the sum of \$10,793.49). The total of \$287,671.80 in
24 receivership fees and costs includes the previously reported and Court-approved receivership fees
25 and costs incurred through May 31, 2011, totaling \$204,646.61. The net fund balance of the
26 receivership estate is \$106,846.90.

27 7. The fees of the Temporary Receiver incurred from June 1, 2011 through August 31,
28 2012, are detailed in Exhibit 2 hereto, which is comprised of the fee statements of senior members

1 of Robb Evans & Associates LLC, the senior staff fee claims, and the support staff fee claims
2 (with the descriptions redacted where appropriate to preserve the attorney-client privilege and
3 attorney work product privileges or to otherwise protect the Temporary Receiver and the
4 receivership estate from inappropriate disclosures). The fees and costs incurred by the Temporary
5 Receiver's outside counsel, Frandzel Robins Bloom & Csato, L.C., during this same period are
6 detailed in Exhibit 3 and are summarized in the accompanying declaration of Hal D. Goldflam.

7 8. The Temporary Receiver seeks the Court's approval and authorization of the
8 Temporary Receiver's payment of its and its attorneys' fees and expenses incurred since June 1,
9 2011, specifically \$74,025.19, which amount includes the estimated \$24,439.00 in fees and costs
10 to wind up and otherwise close the receivership estate. In the event excess funds remain from the
11 estimated amount needed to close, the Temporary Receiver will include those excess funds with
12 the turnover of the net proceeds of the receivership estate.

13 9. I respectfully submit that in light of the work performed during the period since
14 June 1, 2011, the fees and costs of the Temporary Receiver and its professionals are reasonable. I
15 also respectfully submit that the Temporary Receiver has complied with the duties and
16 responsibilities imposed upon it pursuant to the Receivership Order.

17 10. In sum, the Temporary Receiver respectfully requests the Court to

18 (a) approve and confirm all activities of the Temporary Receiver in connection
19 with the administration of the receivership estate as described in the Final Report, including
20 without limitation, approving the Temporary Receiver's abandonment of various receivership
21 assets as described therein;

22 (b) approve and confirm the Final Account and authorize payment of the fees of
23 the Temporary Receiver, the Temporary Receiver's deputies, agents, staff and professionals, and
24 reimbursement of costs incurred from June 1, 2011 through August 31, 2012, and authorize
25 payment of the estimated closing fees and expenses of the receivership estate;

26 (c) direct the Temporary Receiver to forward the original, signed Trustee's Deed
27 on Sale to Story Lending on the Mehrian property (as defined in the Final Report) or to issue such
28 other direction to the Temporary Receiver on the handling of the Trustee's Deed as may be just

1 and proper;

2 (d) direct the Temporary Receiver to pay the City of Los Angeles Business Tax in
3 the total amount of \$117.00 due on rents collected on receivership rental property during the
4 course of the receivership;

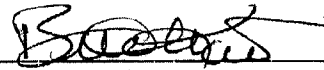
5 (e) authorize the Temporary Receiver to dispose of any records of the receivership
6 estate within 30 days of the date of the Court's order unless before that time any of the parties
7 serve the Temporary Receiver with a written request for possession of such records at the
8 requesting party's expense;

9 (f) direct the Temporary Receiver to deposit the net proceeds of \$106,846.90 with
10 the California Department of Justice to be held in trust for the potential distribution pursuant Penal
11 Code section 186.11 pending further order by the Court or as the Court may otherwise direct;

12 (g) discharge Receiver Robb Evans & Associates LLC as Temporary Receiver,
13 and release Robb Evans & Associates LLC, its deputies, members, officers, agents, employees,
14 attorneys and representatives of any and all duties, responsibilities, and liabilities in connection
15 with the receivership estate and this action, including any and all claims and liabilities that could
16 have been asserted in the receivership estate and in connection with their administration of the
17 receivership estate; and

18 (h) exonerate the Temporary Receiver's bond.

19 I declare under penalty of perjury under the laws of the state of California that the
20 foregoing is true and correct and that this declaration was executed on October 24, 2012, at Sun
21 Valley, California.

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24 Brick Kane
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Declaration

1 **DECLARATION OF HAL D. GOLDFLAM**

2 I, Hal D. Goldflam, declare:

3 1. I am an attorney at law duly licensed to practice before all of the courts of the State
4 of California and am a partner of Frandzel Robins Bloom & Csato, attorneys of record for Robb
5 Evans & Associates LLC, the Court-appointed Temporary Receiver in this matter. I have personal
6 knowledge of the facts hereinafter stated and, if sworn as a witness, I could and would testify
7 competently thereto.


8 2. I attach hereto as Exhibit 3 the billing summaries reflecting the services rendered,
9 time spent and costs incurred by our firm pertaining to this matter from June 1, 2011 through
10 August 31, 2011, with the descriptions redacted where appropriate to preserve the attorney-client
11 privilege and attorney work product privileges or to otherwise protect the Temporary Receiver and
12 the receivership estate from inappropriate disclosures. Attorneys' fees, paralegals' fees, and costs
13 incurred by my firm during this period, plus the estimated fees and costs to be incurred through
14 the closure of the receivership estate, total \$36,867.64 (\$30,962.50 in fees and \$5,905.14 in costs).

15 3. Since June 1, 2011, our office, among other things, worked with the Temporary
16 Receiver when requested in responding to administrative and other issues as may have arisen;
17 continued with work related to the Sternlib Settlement; prepared the Temporary Receiver's motion
18 to abandon the receivership estate assets concerning the Sternlibs following the Sternlibs' inability
19 to perform under the settlement agreement approved by this Court, and attended the hearing on the
20 motion; attended the status conference in the Sternlib lawsuit related to the release of the
21 Temporary Receiver's role in that action; prepared the Temporary Receiver's motion for approval
22 of the Second, Third and Fourth Financial Reports and activities of the Temporary Receiver
23 during the Second Reporting Period, and attended the hearing on the motion; assisted the
24 Temporary Receiver in attempts to negotiate a settlement related to the Mehrian property; assisted
25 the Temporary Receiver when requested on legal issues related to the real and personal property
26 assets of the receivership estate.

27 4. I am familiar with the methods and procedures used to create, record and maintain
28 billing records for the firm's clients. The billing summaries attached hereto as Exhibit 3 are

1 prepared from computerized time records prepared contemporaneously with the services rendered
2 by each attorney and paralegal billing time to this matter. These computerized records are
3 prepared in the ordinary course of business by the attorneys and paralegals employed by the firm
4 who have a business duty to accurately record their time spent and services rendered on the
5 matters on which they perform work. The time records are transferred into a computerized billing
6 program which generates monthly invoices under the supervision of the firm's accounting
7 department. Based upon my experience with the firm, I believe the firm's methods and
8 procedures for recording and accounting for time and services for its clients is reliable and
9 accurate.

10 I declare under penalty of perjury that the foregoing is true and correct and that this
11 declaration was executed on October 30, 2012, at Los Angeles, California.

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14 Hal D. Goldflam

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