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AND ASSOCIATES LLC
8

9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 JASON CARDIFF, etc., et al.,

16 Defendants.
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Case No. 5:18-cv-02104-DMG-PLA

NOTICE OF APPLICATION AND APPLICATION OF RECEIVER FOR AN ORDER APPROVING THE RECEIVER’S FINAL REPORT AND ACCOUNTING RE VPL MEDICAL, INC.; AUTHORIZING PAYMENT OF THE RECEIVER’S AND THE RECEIVER’S COUNSEL’S FEES AND EXPENSES FOR THE PERIOD SINCE NOVEMBER 1, 2020 TO APRIL 30, 2021 (AND ESTIMATED AMOUNTS TO CLOSE THE RECEIVERSHIP ESTATE RE VPL MEDICAL, INC.); DISCHARGING THE RECEIVER IN CONNECTION WITH VPL MEDICAL, INC.; AND FOR RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES

Date: May 21, 2021 [If Necessary]
Time: 11:00 a.m.
Place: Courtroom 8C, 350 West 1st St.
Judge: Hon. Dolly M. Gee

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1 **TO: THE HONORABLE DOLLY M. GEE, UNITED STATES**
2 **DISTRICT JUDGE, THE PARTIES TO THIS ACTION, AND TO ALL**
3 **KNOWN CREDITORS AND OTHER PARTIES IN INTEREST:**

4 **PLEASE TAKE NOTICE** that Robb Evans & Associates LLC, as Receiver
5 of Redwood Scientific Technologies, Inc. (California), Redwood Scientific
6 Technologies, Inc. (Nevada), Redwood Scientific Technologies, Inc. (Delaware),
7 Identify, LLC, Advance Men’s Institute Prolongz LLC, Run Away Productions,
8 LLC, Carols Place Limited Partnership, and each of their subsidiaries, affiliates,
9 successors, and assigns, and of assets of Jason Cardiff and Eunjung Cardiff
10 (collectively, the “Receivership Defendants”), and as Receiver of VPL Medical,
11 Inc., pursuant to the Court’s May 4, 2021, Order Setting Dates for Expedited
12 Briefing Schedule and Status Conference [Doc. 577, amended by the Court’s May 7,
13 2021 Order, Doc. 578] and Local Rule 66-7 will and hereby does apply to the Court
14 for an order approving the Receiver’s final report and accounting regarding VPL
15 Medical, Inc. (“VPL”); authorizing payment of the Receiver’s and the Receiver’s
16 counsel’s fees and expenses for the period since November 1, 2020, to April 30,
17 2021 (and the estimated amounts to close the receivership estate regarding VPL);
18 discharging the Receiver regarding VPL; and for related relief. Specifically, the
19 Receiver requests the Court to issue an order that:

20 1. The Receiver has complied with the orders of the Court
21 appointing the Receiver over VPL and subsequent orders directing the Receiver
22 with regard to VPL, and has satisfactorily completed all of its duties and obligations
23 under all such orders except such matters as will be concluded regarding VPL after
24 the Court issues an order on this Application;

25 2. The entirety of the Receiver’s activities in connection with its
26 administration of the receivership estate regarding the VPL are approved;

27 3. The Receivership Administrative Expense Report by Month and
28 Fund Balance From Inception (October 10, 2018) to April 30, 2021 and Estimate to

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1 Close for VPL (“Final Accounting”), a copy of which is attached as Exhibit 1 to the
2 concurrently filed Declaration of Brick Kane, is approved.

3 4. The fees and expenses of the Receiver, the Receiver’s members,
4 staff, and support staff, and the Receiver’s outside counsel, Frandzel Robins Bloom
5 & Csato, L.C. (“FRBC”), for the period from November 1, 2020, to April 30, 2021,
6 (“Sixth Reporting Period”) are approved and authorized for payment from assets of
7 the receivership estate, including the estimated closing fees and expenses re VPL
8 which are authorized for payment without further involvement of the Court.
9 (During the Sixth Reporting Period (a) the fees and costs of the Receiver and its
10 staff totaled \$276,328.66 (consisting of \$256,230.45 in fees and \$20,098.21 in
11 costs), and (b) the fees and costs of FRBC totaled \$200,989.15 (consisting of
12 \$198,630.00 in fees and \$2,359.15 in costs), for a total of \$477,317.81. The
13 estimate closing fees and expenses are specified in the Final Accounting and
14 concurrently filed Declarations of Brick Kane and Michael Gerard Fletcher.

15 5. The receivership over VPL is terminated and the acts of the
16 Receiver described in all of the Receiver’s reports filed in this action regarding VPL
17 are approved. The Receiver is discharged from the Receiver’s official duties and
18 divested of the VPL receivership property, and the Receiver and its accountants,
19 attorneys, members, employees, and agents (including the Receiver’s consultants,
20 managers, professionals, and all others retained by the receivership estate), and each
21 of them, are fully exonerated from all liability as provided by law with respect to
22 VPL, the parties herein and all third party claimants. All persons and entities who
23 seek to commence or prosecute an action or proceeding against the receivership
24 estate, the Receiver, and/or the Receiver’s agents, including the Receiver’s
25 accountants, attorneys, members, consultants, and employees, are ordered to bring
26 and prosecute said action in this Court;

27 6. The Receiver shall not be liable in any manner for any
28 outstanding obligations and debts of the receivership estate regarding VPL, known

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1 or unknown, and the Receiver shall not be liable to any person or entity, including
2 taxing authorities, although the Receiver is authorized and directed to prepare and
3 file VPL's 2020 tax returns (federal and state as necessary) within 30 days of this
4 Order;

5 7. The Court shall reserve exclusive jurisdiction over any claim or
6 claims, including, but not limited to, actions arising out of or related to any contract,
7 that may be asserted against the Receiver and its members, employees, consultants,
8 and professionals and all others retained by the receivership estate, including its
9 counsel, FRBC, for their respective services in connection with the receivership
10 over VPL and all issues that were a part of the subject matter of the receivership
11 over VPL and this Order, or that have arisen or may arise therefrom. The Court
12 shall reserve exclusive jurisdiction, and the Receiver shall retain the right to seek
13 instructions from the Court, with regard to any subpoena, document request or other
14 service of process received by the Receiver at any time that seeks documents or
15 information related to the actions of the Receiver undertaken in this action.

16 8. No individual or entity may take any action against the Receiver,
17 including, but not limited to, the commencement of an action arising out of or
18 related to any contract, without first obtaining the permission of this Court.

19 9. Receiver and its members, employees and professionals and all
20 others retained by the receivership estate, including its counsel, Frandzel Robins
21 Bloom & Csato, L.C., are fully exonerated from all claims or liabilities relating to
22 acts taken during the receivership; and

23 10. Notice of the Receiver's Application was properly given.

24 **PLEASE TAKE FURTHER NOTICE** that attached to the concurrently
25 filed Declaration of Brick Kane as Exhibit 1 is the Receiver's Final Accounting.

26 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's May 4,
27 2021 Order (amended on May 7), the Cardiffs, VPL, and any other interest third
28 parties and intervenors shall file a response to this Application on or before May 11,

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1 2021.

2 **PLEASE TAKE FURTHER NOTICE** that, if the Court deems it necessary,
3 the Court will hold a hearing on this Application on May 21, 2021, at 11:00 a.m., in
4 Courtroom 8C of the above-entitled court located at 350 West 1st Street, 8th Floor,
5 Los Angeles, California 90012. As specified on the Court’s website, unless the
6 Court issues an order stating otherwise, such hearing will proceed by telephone or
7 videoconference.

8 **PLEASE TAKE FURTHER NOTICE** that this Application is made
9 pursuant to the Court’s May 4, 2021 Order (amended on May 7, 2021), and Local
10 Rule 66-7 and is based upon this Notice and the attached Memorandum of Points
11 and Authorities; the concurrently filed Declarations of Brick Kane and Michael
12 Gerard Fletcher and Exhibits thereto; upon the pleadings, records and files of this
13 case of which the Receiver requests the Court take judicial notice, and upon all other
14 further pleadings, oral and documentary evidence and argument of counsel as may
15 be presented by the Receiver at or before the time of the hearing on this Application.

16 **PLEASE TAKE FURTHER NOTICE** that a copy of this Application and
17 supporting declarations and exhibits are posted on the Receiver’s website at
18 <https://www.robbevans.com/find-a-case/redwood-scientific-technologies-inc-et-al/>
19 where they may be reviewed in their entirety. This Application, the attached
20 Memorandum of Points and Authorities, and the concurrently filed declarations and
21 exhibits are being served on all parties herein. While a copy of this Application and
22 the attached Memorandum of Points and Authorities is being served on all known
23 creditors and interested parties (see attached Creditors Service List), these third-
24 parties may obtain copies of the supporting declarations and exhibits by accessing
25 the Receiver’s website or by sending a written request to: Robb Evans & Associates
26 LLC, 11450 Sheldon Street, Sun Valley, California 91352-1121; Telephone (818)
27 768-8100; Facsimile: (818) 768-8802.

28 **NOTE:** This Application concerns only the Receiver’s final report and

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1 accounting and discharge of the Receiver *with regard to the receivership over VPL.*
2 The Receiver expects to bring an Application for approval of the Receiver’s final
3 report and accounting, and discharge of the Receiver regarding to the remaining
4 aspects of the receivership estate unrelated to VPL after the Court issues a ruling
5 with regard to the matters specified in paragraphs 3 and 4 of the Court’s May 4,
6 2021 Order, or at any other time the Court may so order.

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Dated: May 7, 2021

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

By: /s/ Michael Gerard Fletcher
MICHAEL GERARD FLETCHER
Attorneys for Receiver ROBB EVANS &
ASSOCIATES LLC

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MEMORANDUM OF POINTS AND AUTHORITIES

I. CHRONOLOGICAL FACTS THROUGH MAY 7, 2021

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3 1. On October 10, 2018, the Federal Trade Commission (“FTC”) initiated
4 this action alleging violations of the Federal Trade Commission Act, 15 U.S.C. §
5 45(a), among other alleged violations of federal laws and regulations.

6 2. On October 10, 2018, the Court issued its *Ex Parte* Temporary
7 Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and
8 Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction
9 Should Not Issue (“Temporary Restraining Order”), whereby the Court appointed
10 Robb Evans & Associates LLC (“REA”) the Temporary Receiver of the
11 Receivership Entities and of the assets of Jason Cardiff and Eunjung Cardiff as more
12 particularized therein. [Doc. No. 1.]

13 3. On October 24, 2018, the Court entered its Preliminary Injunction with
14 Asset Freeze, Receiver, and Other Equitable Relief Against Redwood Scientific
15 Technologies, Inc. (CA), etc. Appointment of a Receiver, and Other Equitable
16 Relief, whereby the Court ordered that Robb Evans & Associates LLC shall
17 continue to serve as the Receiver of the Receivership Entities with full powers of an
18 equity receiver. [Doc. No. 46.]

19 4. On October 24, 2018, the Court entered its Order Extending Temporary
20 Restraining Order and Granting Continuance of Preliminary Injunction Hearing for
21 Defendant Danielle Cadiz. [Doc. No. 47.]

22 5. On October 24, 2018, the Court entered its Order Extending Temporary
23 Restraining Order and Granting Continuance of Preliminary Injunction Hearing for
24 Defendants Jason Cardiff and Eunjung Cardiff and Ordering them to Return Assets.
25 [Doc. No. 48.]

26 6. On November 1, 2018, the Receiver filed its Report of Activities for
27 the period from October 10, 2018 through October 31, 2018 (“First Report of
28 Activities”). [Doc. No. 52; *see also* Doc. 53 Notice of Errata – whereby a readable

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1 copy of page 9 of the First Report of Activities was filed.]

2 7. On November 7, 2018, the Court entered its Stipulated Preliminary
3 Injunction as to Defendant Danielle Cadiz, whereby the Court ordered that Robb
4 Evans & Associates LLC shall continue to serve as the Receiver of the Receivership
5 Entities with full powers of an equity receiver [Doc. No. 55.]

6 8. On November 8, 2018, the Court entered its Preliminary Injunction
7 with Asset Freeze, Receiver, and Other Equitable Relief Against Jason Cardiff and
8 Eunjung Cardiff (“Preliminary Injunction”), whereby the Court ordered that Robb
9 Evans & Associates LLC shall continue to serve as the Receiver of the Receivership
10 Entities and of the Assets of Defendants Jason Cardiff and Eunjung Cardiff, as more
11 particularized therein, with full powers of an equity receiver. [Doc. No. 59.]

12 9. On September 27, 2019, the Court entered an Order Approving and
13 Authorizing Payment of the Receiver’s and Its Counsel’s Fees and Expenses for the
14 Period from Inception of the Receivership Estate through November 30, 2018
15 (“First Fee Application”). [Doc. 223.]

16 10. On September 27, 2019, the Court entered its Order Approving and
17 Authorizing Payment of the Receiver’s and Its Counsel’s Fees and Expenses for the
18 Period from December 1, 2018 through June 30, 2019 (“Second Fee Application”).
19 [Doc. 224.]

20 11. On March 10, 2020, the Court entered its Order Approving Settlement
21 Between Receiver and Third-Party Inter/Media Time Buying Corporation. [Doc.
22 306.]

23 12. March 10, 2020, the entered its Order Authorizing the Receiver to Sell,
24 Subject to the Court’s Final Confirmation, Defendants Cardiffs’ Residence Located
25 at 700 West 25th Street, Upland, California. [Doc. 306, 309 (formal order).]

26 13. On March 10, 2020, the Court entered its Order Approving and
27 Authorizing Payment of the Receiver’s and Its Counsel’s Fees and Expenses for the
28 Period from July 1, 2019 through September 30, 2019 (“Third Fee Application”).

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1 [Doc. 307.]

2 14. On June 24, 2020, the Court entered its Temporary Restraining Order
3 With Asset Freeze and Other Equitable Relief and Order to Show Cause Why A
4 Preliminary Injunction Should Not Issue Under Seal and In Camera temporarily
5 appointing the Receiver *over VPL Medical, Inc.*, which the Court extended for the
6 duration of this case by entering its Preliminary Injunction with Asset Freeze and
7 Receiver on July 7, 2020 [Doc. 389], giving the Receiver the powers of an equity
8 receiver as to VPL (collectively, the “VPL Preliminary Injunction”).

9 15. On June 29, 2020, the Receiver filed the Report of Receiver’s
10 Immediate Access to the Premises of VPL Medical, Inc (“Initial VPL Report”).
11 [Doc. 365.]

12 16. On July 6, 2020, the Receiver filed its Supplemental Report
13 Regarding VPL Medical, Inc., Jason Cardiff, and Materially Altered Bank Account
14 Statements (“Supplemental VPL Report”). [Doc. 380.]

15 17. On August 31, 2020, the Receiver filed the Declaration of Brick Kane
16 including the Receiver’s Report of VPL Medical, Inc. Conducting Operations Going
17 Forward dated August 18, 2020, attached as Exhibit 1 to the Declaration (“August
18 2020 VPL Report”). (Filed under seal [Doc. 472] pursuant to the Court’s Order
19 entered on August 29, 2020 [Doc. 470]). In addition to the ongoing operational
20 expenses in the VPL Cash Flow Projections included with the August 2020 VPL
21 Report is a weekly reserve for the Receiver’s fees and costs, including the
22 Receiver’s counsel. The parties stipulated to the Court approving the August 18,
23 2020 VPL Report, including the Cash Flow Projections, and for the Court to instruct
24 the Receiver to conduct VPL operations going forward in accordance therewith
25 [Doc. 467-1]. On August 29, 2020, the Court entered its Order approving the
26 August 18, 2020 Report including the VPL Cash Flow Projections, and instructed
27 the Receiver to conduct VPL Operations going forward in accordance with the VPL
28 Cash Flow Projections. [Doc. 470.]

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1 18. On September 9, 2020, the Court entered its Order Re Defendants Jason
2 Cardiff and Eunjung Cardiff’s Notice Re Contempt [Doc. 486] (“9/9/20 Order”)
3 wherein, among other things, the Court ordered the Receiver to file status reports
4 every 60 days regarding VPL’s operations beginning October 1, 2020.

5 19. On October 1, 2020, the Receiver filed its VPL Operating Report
6 (“October 2020 VPL Report”). [Doc. 503.]

7 20. On October 13, 2020, the Court entered its Order Re Receiver’s Fourth
8 Application for Fees and Expenses granting the Receiver’s Fourth Fee Application
9 and authorizing payment of the Receiver’s and its counsel’s fees and expenses the
10 Fourth Fee Period (October 1, 2019 through June 30, 2020) (“Fourth Fee
11 Application). [Docs. 479, 514.]

12 21. On November 20, 2020, the Court entered its Order Re Motion for
13 Jason Cardiff’s Salary and Living Expenses [Doc. 525] (“11/20/20 Order”) wherein,
14 among other things, the Court ordered the Receiver to release certain sums to Mr.
15 Cardiff on a monthly basis for specified living expenses.

16 22. On November 30, 2020, the Receiver filed its Report of VPL Medical,
17 Inc. Update on Operations dated November 27, 2020 (“November 2020 VPL
18 Report”, filed under seal [Doc. 532] pursuant to the Court’s Order entered on
19 December 2, 2020 [Doc. 530].)

20 23. On December 9, 2020, the Court entered its Order for Payment of
21 Professional Fees (Doc. 534) (“12/9/20 Order”) wherein, among other things, the
22 Court ordered the Receiver to release specified sums to Stephen R. Cochell and
23 Benjamin England.

24 24. On December 12, 2020, the Court entered its Order Releasing Frozen
25 Funds to Pay Certain Approved Cardiff Expenses [Doc. 535] (“12/12/20 Order”)
26 wherein, among other things, the Court ordered the Receiver to make certain
27 payments to Jason Cardiff for living expenses.
28

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1 25. On January 22, 2021, the Receiver filed its January 22, 2021 VPL
2 Operating Report [Doc. 542-1] (“January 2021 VPL Report) along with its Ex Parte
3 Application for Order Re VPL Operations [Doc. 542], and the Court entered its
4 Order Re Receiver’s *Ex Parte* Application on February 11, 2021. [Doc. 555.]

5 26. On February 11, 2021, the Court entered its Order Re Receiver’s Fifth
6 Application for Fees and Expenses granting the Receiver’s Fifth Fee Application in
7 part and authorizing payment of the Receiver’s and its counsel’s fees and expenses
8 the Fifth Fee Period (July 1, 2020 through October 31, 2020) as provided for therein
9 – namely, a “20% across the board reduction in the fees” of the Receiver and its
10 counsel (“Fifth Fee Application”). [Docs. 537, 555.]

11 27. On February 26, 2021, the Receiver filed the Joint VPL Operating
12 Report as of February 24, 2021 (“February 2021 Joint VPL Report”). [Doc. 556].

13 28. On March 26, 2021, the Receiver filed the Joint VPL Operating Report
14 as of March 24, 2021 (“March 2021 Joint VPL Report.”). [Doc. 562.]

15 29. On April 2, 2021, the Court entered its Order Setting Dates for Joint
16 Status Report and Status Conference [Doc. 566] (“4/2/21 Order”) wherein, among
17 other things, the Court ordered the parties, VPL and the Receiver to file a Joint VPL
18 Status Report by April 30, 2021.

19 30. On April 28, 2021, the Ninth Circuit Court of Appeals entered its Order
20 vacating the VPL Preliminary Injunction (Case No. 20-55858).

21 31. On April 30, 2021, the Receiver filed the Joint VPL Operating Report
22 as of April 28, 2021 [Doc. 574], and an Addendum thereto on May 3, 2021 [Doc.
23 575] (“April 2021 Joint VPL Report”), following the Court’s Order entered on April
24 22, 2021. [Doc. 573.]

25 32. On May 4, 2021, the Court entered its Order Setting Dates for
26 Expedited Briefing Schedule and Status Conference [Doc. 577] wherein, among
27 other things, the Court ordered the Receiver to windup the receivership over VPL as
28 specified therein, and on May 7, 2021, the Court amended its Order [Doc. 578]

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1 (“5/7/21 Order”).

2 **II. THE COURT SHOULD APPROVE THE RECEIVER’S ACTIVITIES**
3 **CONDUCTED IN CONNECTION WITH VPL**

4 The Receiver’s activities concerning VPL are detailed in the Initial VPL
5 Report, Supplemental VPL Report, August VPL Report, October 2020 VPL Report,
6 January 2021 VPL Report, February 2021 Joint VPL Report, March 2021 Joint VPL
7 Report, and April 2021 Joint VPL Report (collectively, the “Receiver’s VPL
8 Reports”). All of the Receiver’s activities related to VPL, including those described
9 in Receiver’s VPL Reports and also described in the Receiver’s monthly billing
10 summaries reflecting the services rendered, filed with the Fourth Fee Application,
11 the Fifth Fee Application, and attached as Exhibit 2 to the concurrently filed
12 Declaration of Brick Kane (“Kane Decl.”), are authorized or directed by the
13 Preliminary Injunction, VPL Preliminary Injunction, 9/9/20 Order, 11/20/20 Order,
14 12/9/20 Order, 12/12/20 Order, 2/11/21 Order, 4/2/21 Order, 5/4/21 Order, 5/7/21
15 Order, and the Court’s instructions/directives given to the Receiver at hearings held
16 by the Court regarding VPL (collectively, the “VPL Orders”).

17 In addition, regarding the Court’s directives to the Receiver in section 1. of
18 the Court’s 5/4/21 Order [Doc. 577, amended on 5/7/21, Doc. 578] (repeated below
19 in italics), the Receiver responds as follows:

20 *“1. The Receiver shall wind up the Receivership over
21 VPL Medical, Inc. (“VPL”) as follows:*

22 *a. The Receiver shall turn over to VPL, Jason Cardiff,
23 and Bobby Bedi physical possession of the VPL
24 manufacturing site, VPL operations going forward, and
25 VPL tangible physical property at the manufacturing site,
26 including VPL inventory and equipment.”*

25 The Receiver has accomplished the directive to the Receiver in section 1.a .

26 *“1. . . . b. From the assets on hand in the Receivership
27 Estate, the Receiver shall pay or arrange to be paid the
28 VPL operating expenses invoices on hand up to and
including May 4, 2021;”*

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1 The Receiver will complete accomplishment of the directive to the Receiver
2 in this portion of the Order, section 1.b., by May 10, 2021.

3
4 *“1. . . . b. . . . calculate payroll up to May 21, 2021;”*

5 The Receiver has accomplished the directive to the Receiver in this portion of
6 the Order, section 1.b.

7
8 *“1. . . . b. . . . and transfer that calculated payroll
9 funding to a new VPL bank account established by VPL,
10 Cardiff, and Bedi, for them to make the payroll. Transfer
of such funding absolves the Receiver and the
Receivership Estate from any such liabilities.”*

11 The Receiver will accomplish the directive to the Receiver in this portion of
12 the Order, section 1.b, on May 10, 2021.

13
14 *“1. . . . c. The Receiver shall turn over forthwith VPL
15 accounting in Excel format and control of payroll
processing with ADP to VPL, Cardiff, and Bedi.”*

16 The Receiver has turned over control of the payroll processing with ADP to
17 VPL, Mr. Cardiff, and Mr. Bedi. The Receiver is in the process of assembling the
18 indicated VPL accounting information.

19
20 *I.e. Any and all other VPL expenses and VPL assets,
21 including cash, if any, remaining undisbursed and the
22 Receiver’s remaining unpaid fees, costs, and expenses,
23 shall be the subject of a filed Receiver’s final report
24 and accounting, and request to settle the same, as to VPL
25 from the date of the entry of the initial VPL Temporary
Restraining Order on June 24, 2020, to the date of the
entry of this Order, including without limitation federal
and state tax considerations and required filings, in
accordance with the expedited briefing schedule set forth
below*

26 Attached to the concurrently filed Declaration of Brick Kane as Exhibit 1 is
27 the Receiver’s final accounting related to VPL titled “Receivership Administrative
28 Expense Report by Month and Fund Balance From Inception (October 10, 2018) to

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1 April 30, 2021 & Estimate to Close for VPL”, which includes the estimate of fees
2 and costs to close the receivership over VPL (“Final Accounting”). Aside from any
3 remaining actions to be performed by the Receiver as noted above, the Receiver
4 requests authorization to cause VPL’s 2020 tax returns (federal and state as
5 necessary) to be prepared and filed within 30 days.

6 The Receiver submits that its activities concerning VPL have been performed
7 in the best interest of the receivership estate, and the Receiver otherwise has
8 complied with the VPL Orders and has satisfactorily completed all of its duties
9 except such matters as will be concluded after the Court enters an order on this
10 Application. Accordingly, the Court should approve the Receiver’s activities.

11 **III. THE RECEIVER’S AND RECEIVER’S COUNSEL’S FEES,**
12 **EXPENSES DURING THE SIXTH REPORTING PERIOD AND**
13 **ESTIMATE TO CLOSE THE RECEIVERSHIP OVER VPL**

14 During the Sixth Reporting Period (November 1, 2020 through February
15 April 30, 2021, the fees and costs of the Receiver, the Receiver’s members and staff
16 totaled \$276,328.66, consisting of \$256,230.45 in fees and \$20,098.21 in costs. The
17 legal fees and costs of the Receiver’s counsel, Frandzel Robins Bloom & Csato,
18 L.C. (“FRBC”), which the Receiver hired pursuant to the authority given to the
19 Receiver in the Court’s Temporary Restraining Order at § XVI.G., and the
20 Preliminary Injunction at § XVI.G., totaled \$200,989.15, consisting of \$198,630.00
21 in fees and \$2,359.15 in costs. Accordingly, the total of receivership fees and
22 expenses incurred during the Sixth Reporting Period which the Receiver seeks an
23 order authorizing payment is \$477,317.81.

24 The activities undertaken by the Receiver, and the Receiver’s members, staff
25 and support staff during the Sixth Reporting Period are described in the Receiver’s
26 monthly billing summaries reflecting the services rendered. (*See* Declaration of
27 Brick Kane and Exh. 2.)

28 FRBC assisted the Receiver during the Sixth Reporting Period in the manner

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1 summarized in the concurrently filed Declaration of Michael Gerard Fletcher and
2 FRBC’s activities are further detailed in FRBC’s monthly billing summaries
3 reflecting the services rendered. (*See* Declaration of Michael Gerard Fletcher and
4 Exh. 6.)

5 The Receiver’s and FRBC’s estimated fees and costs to be incurred from May
6 1, 2021 through the closing of the receivership over VPL are discussed the
7 Declarations of Brick Kane and Michael Gerard Fletcher.

8 **IV. THE RECEIVER’S RESPONSE TO THE TOPICS IN SECTION 2. OF**
9 **THE COURTS 5/7/21 ORDER**

10 Regarding the Court’s directives to the Receiver in section 2 of the 5/4/21
11 Order [Doc. 577, amended on 5/7/21, Doc. 578] (repeated below in italics), the
12 Receiver responds as follows:

13 *“2. The parties, the Receiver, and VPL shall brief the*
14 *following topics on an expedited basis: (i) whether VPL*
funds may or must be released forthwith”

15 From the Receiver’s perspective, this question is actually an amalgam of
16 several discrete issues. The first such discrete issue is the accounting issue of
17 whether and to what extent there may be VPL funds available for release. That
18 accounting issue is addressed in the Final Accounting showing that, subject to the
19 Court’s approval and authorization of payment of the Receiver’s and the Receiver’s
20 professional’s fees during the Sixth Reporting Period (including authorizing
21 payment of the estimated fees and expenses to close the Receivership without
22 further involvement of the Court) and otherwise netting out VPL related expenses
23 actually paid up to the close of business on May 4, 2021, and taking into account the
24 VPL-related invoices for which the Receiver was holding actual itemized unpaid
25 VPL-related invoice as of that time reflected up to the close of business on May 4,
26 2021, there are no funds available as to VPL based on the funds contributed to the
27 receivership estate by VPL, and actually taken control of by the Receiver from VPL
28 sources. In fact there is a negative balance as to VPL in the amount of \$68,710.04.

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1 See Final Accounting, at p. 7.

2 Notwithstanding there is a negative balance as to VPL, the lawyers for Wave
3 Crest Management sent the Receiver a demand letter dated May 4, 2021 (*see* Kane
4 Decl., Exh. 4), demanding that the Receiver turn over to Wave Crest any VPL funds
5 to pay VPL’s pre-receivership debts to Wave Crest in the amount of \$2.92 million.
6 The Receiver views the Wave Crest claim as not a perfected pre-receivership
7 secured claim against the receivership estate, as Wave Crest never filed a UCC-1
8 financing statement. However, Wave Crest asserts that its unperfected security
9 interest is senior in interest to, and fully enforceable against, any claims by VPL,
10 Mr. Cardiff, and Mr. Bedi.

11
12 *“(ii) what party is responsible for the Receiver’s past and
13 outstanding fees;”*

14 The Receiver’s conversations with each party, through legal counsel,
15 indicates that each party intends to provide extensive briefing and arguments
16 addressing this question, which the Receiver believes is the appropriate starting
17 point for discussion. The Receiver will reserve comment for the time being.

18
19 *“(iii) what Receivership Assets other than the VPL funds
20 are available to pay the Receiver’s fees;”*

21 As shown on page 7 of the Final Accounting, after payment of all
22 receivership expenses through May 10, 2021, plus payment of the Receiver’s and
23 the Receiver’s counsel’s fees and costs incurred during the Sixth Reporting Period,
24 including payment of the Receiver’s and its counsel’s estimated fees and costs from
25 May 1 through closing of the receivership over VPL only, there is available Biztank
26 funds in the amount of \$329,406.58, and Mr. Cardiff’s salary hold balance in the
27 amount of \$47,889.73. This does not include whether the Jacques Poujade funds are
28 available.

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“and (iv) any other issues pertinent to release of VPL funds or payment of Receiver’s fees.”

Release of the VPL operations and funds raises issues under the original Cardiff preliminary injunction and receivership order, while that remains in effect, discussed as follows.

Concerning the Cardiff salary going forward, only certain amounts are currently released to Cardiff each pay period. The rest is held in the Receivership estate. There should be an order requiring VPL, Cardiff, and Bedi to remit to the Receiver immediately when payroll is made, each pay period, the Cardiff salary amount net of the approved living expenses.

Concerning anything else of value provided by VPL and/or Mr. Bedi to Mr, Cardiff, any or all of that should be remitted to the Receiver immediately. In that regard, it has been the case both pre-receivership and post-receivership that Cardiff and Bedi shared everything 50/50, including any and all financial benefits. *See* Receiver’s Initial VPL Report [Doc. 365]. There should be an order requiring VPL, Mr. Cardiff, and Mr. Bedi to remit to the Receiver immediately Cardiff’s 50% share of anything of value provided by VPL to Mr. Bedi, including without limitation whether denominated as salary, distribution, bonus, stock, membership, or other ownership interests, in VPL or in any other entity or business. Also, there should be a prohibition against dilution of any Cardiff interests, in any manner, by any means, at any time.

Finally, VPL, Mr. Cardiff, and Mr. Bedi should be required to certify to FTC monthly and under oath an accounting of payments, transfers, and benefits by VPL or anyone else to Mr. Bedi to ensure Mr. Cardiff’s equal share thereof is being honored and remitted.

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1 **V. THE RECEIVER AND THE RECEIVER’S AGENTS AND**
2 **ATTORNEYS SHOULD BE DISCHARGED WITH REGARD TO VPL**

3 Upon termination of the Receivership, the Receiver and the Receiver’s agents
4 and attorneys should be discharged from any and all claims. Claims against
5 receivers are chargeable against the receivership estate. *Credit Managers*
6 *Association of Southern California v. Kennesaw Life and Accident Insurance*
7 *Company*, 25 F.3d 743, 751 (9th Cir. 1994); *see Chiesur v. Superior Court*, 76
8 Cal.App.2d 198, 201 (1946) (“a receiver is liable to those who are not interested in
9 the estate, in his official capacity only, for negligence in the performance of his
10 authorized duties, and . . . the recovery is a charge upon the estate in receivership”).
11 A final order approving a receiver’s final accounting and discharge is res judicata
12 and bars any claims against the receiver in his official or personal capacity. *See*
13 *Aviation Brake Systems, Ltd. v. Voorhis*, 133 Cal.App.3d 230, 235 (1982) (order of
14 dismissal affirmed on res judicata grounds because matters sought to be litigated
15 should have been litigated at the time the receiver’s final report and account were
16 approved). After discharge, a receiver is no longer a proper party to an action based
17 on his conduct in his official capacity. *See Brockway, etc., Co. v. County of Placer*,
18 124 Cal.App.2d 371, 375 (1954).

19 **VI. CONCLUSION**

20 Based on the foregoing and the concurrently filed Declarations of Brick Kane
21 and Michael Gerard Fletcher (and Exhibits thereto), the Court should grant all of the
22 relief requested by the Receiver by this Application, and the Receiver respectfully
23 requests the Court to grant the Application. The Receiver has submitted a proposed
24 order and respectfully requests that it be entered by the Court.

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Dated: May 7, 2021

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

By: /s/ Michael Gerard Fletcher
MICHAEL GERARD FLETCHER
Attorneys for Receiver ROBB EVANS &
ASSOCIATES LLC

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7 Attorneys for Receiver ROBB EVANS
AND ASSOCIATES LLC
8

9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 JASON CARDIFF, etc., et al.,

16 Defendants.
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Case No. 5:18-cv-02104-DMG-PLA

DECLARATIONS OF BRICK KANE AND MICHAEL GERARD FLETCHER IN SUPPORT OF RECEIVER’S APPLICATION FOR AN ORDER APPROVING THE RECEIVER’S FINAL REPORT AND ACCOUNTING RE VPL MEDICAL, INC.; AUTHORIZING PAYMENT OF THE RECEIVER’S AND THE RECEIVER’S COUNSEL’S FEES AND EXPENSES FOR THE PERIOD SINCE NOVEMBER 1, 2020 TO APRIL 30, 2021 (AND ESTIMATED AMOUNTS TO CLOSE THE RECEIVERSHIP ESTATE RE VPL MEDICAL, INC.); DISCHARGING THE RECEIVER IN CONNECTION WITH VPL MEDICAL, INC.; AND FOR RELATED RELIEF

Date: May 21, 2021 [If Necessary]
Time: 11:00 a.m.
Place: Courtroom 8C, 350 West 1st St.
Judge: Hon. Dolly M. Gee

DECLARATION OF BRICK KANE

I, Brick Kane, declare as follows:

1. I am the President & Chief Operating Officer of Robb Evans & Associates LLC (“REA”), initially the Temporary Receiver and subsequently the Receiver in this matter. I have personal knowledge of the matters set forth in this declaration and, if I were called upon to testify as to those matters, I could and would competently testify thereto based upon my personal knowledge.

2. I am one of the individuals with REA that has primary responsibility for the day-to-day supervision and management of the receivership estate in this case since REA first began to act as the Temporary Receiver on October 10, 2018, pursuant the its *Ex Parte* Temporary Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“Temporary Restraining Order”).

3. In addition, I am one of the individuals with REA that has primary responsibility for the day-to day supervision and management of the receivership of VPL Medical, Inc. (“VPL”) since the Court entered its Temporary Restraining Order With Asset Freeze and Other Equitable Relief and Order to Show Cause Why A Preliminary Injunction Should Not Issue Under Seal and In Camera on June 24, 2020, temporarily appointing the Receiver over VPL Medical, Inc., followed by the Court by entering its Preliminary Injunction with Asset Freeze and Receiver on July 7, 2020 [Doc. 389], giving the Receiver the powers of an equity receiver as to VPL (collectively, the “VPL Preliminary Injunction”).

4. I initially highlight that on May 4, 2021, the Receiver immediately relinquished control of the VPL manufacturing site and all VPL operations going forward as required by the Court’s May 4, 2021 Order [amended on May 7, 2021] and otherwise has not administered VPL since May 4, 2021 other than to conduct the wind up matters required by the Court’s May 4 and May 7, 2021 Orders.

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- 1 5. The activities undertaken by the Receiver and its members and staff
2 since the Court entered the VPL Preliminary Injunction are described in the
3 following:
- 4 (a) Report of Receiver’s Immediate Access to the Premises of VPL
5 Medical, Inc. (“Initial VPL Report”), filed on June 29, 2020 [Doc. 365];
- 6 (b) The Receiver’s Supplemental Report Regarding VPL Medical,
7 Inc., Jason Cardiff, and Materially Altered Bank Account Statements
8 (“Supplemental VPL Report”), filed on July 6, 2020 [Doc. 380];
- 9 (c) Declaration of Brick Kane including the Receiver’s Report of
10 VPL Medical, Inc. Conducting Operations Going Forward dated August 18, 2020,
11 attached as Exhibit 1 to the Declaration (“August 2020 VPL Report”), filed under
12 seal on August 31, 2020 [Doc. 472] pursuant to the Court’s Order entered on August
13 29, 2020 [Doc. 470];
- 14 (d) The Receiver’s VPL Operating Report (“October 2020 VPL
15 Report”), filed October 1, 2020 [Doc. 503] ;
- 16 (e) The Receiver Report of VPL Medical, Inc. Update on Operations
17 dated November 27, 2020 (“November 2020 VPL Report”), filed under seal [Doc.
18 532] pursuant to the Court’s Order entered on December 2, 2020 [Doc. 530];
- 19 (f) The Receiver’s January VPL Operating Report (“January 2021
20 VPL Report”), filed January 22, 2021 [Doc. 542-1];
- 21 (g) The Joint VPL Operating Report as of February 24, 2021
22 (“February 2021 Joint VPL Report”), filed on February 26, 2021 [Doc. 556];
- 23 (h) The Joint VPL Operating Report as of March 24, 2021 (“March
24 2021 Joint VPL Report”), filed on March 26, 2021 [Doc. 562];
- 25 (i) The Joint VPL Operating Report as of April 28, 2021 (“April
26 2021 Joint VPL Report”), filed on April 30, 2021 [Doc. 573];
- 27 (j) The Receiver’s monthly billing summaries reflecting the services
28 rendered re VPL, filed with the Fourth Fee Application [Doc. 514]; the Fifth Fee

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1 Application [537], and attached hereto as Exhibit 2 (discussed below).

2 6. The Receiver’s activities since April 21, 2021, include winding up the
3 receivership over VPL in accordance with the Court’s May 4, 2021, Order Setting
4 Dates for Expedited Briefing Schedule and Status Conference (“5/4/21 Order”)
5 [Doc. 577], as amended by the Court’s May 7, 2021 Order (“5/7/21 Order”) [Doc.
6 578], including preparing the Final Accounting attached hereto as Exhibit 1
7 (discussed below) and preparing the subject Application for an Order Approving the
8 Receiver’s Final Report and Accounting, etc. (“Application”) with the assistance of
9 the Receiver’s counsel, Frandzel Robins Bloom & Csato, L.C. (“FRBC”). For the
10 sake of brevity, I do not repeat here the Receiver’s actions taken in response to
11 Court’s directives to the Receiver in section 1. of the 5/7/21 Order that are discussed
12 in the Application at section II, but hereby affirm that the activities completed or to
13 be completed as discussed therein, which I have reviewed, are true and correct.

14 7. The activities undertaken by the Receiver regarding VPL are authorized
15 or directed by the Preliminary Injunction, VPL Preliminary Injunction, 9/9/20
16 Order, 11/20/20 Order, 12/9/20 Order, 12/12/20 Order, 2/11/21 Order, 4/2/21 Order,
17 5/4/21 Order, 5/7/21 Order (as more particularly described herein and/or in the
18 Application), and the Court’s instructions/directives given to the Receiver at
19 hearings held by the Court regarding VPL.

20 8. I submit that that the Receiver’s activities concerning VPL have been
21 performed in the best interest of the receivership estate, and the Receiver otherwise
22 has complied with the VPL Orders and has satisfactorily completed all of its duties
23 except such matters as will be concluded after the Court enters an order on the
24 Application.

25 9. Attached hereto as Exhibit 1 is a true and correct copy of the Receiver’s
26 “Final Accounting” with regard to VPL titled Receivership Administrative Expense
27 Report by Month and Fund Balance From Inception (October 10, 2018) to April 30,
28 2021 & Estimate to Close for VPL.

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1 10. The Receiver’s fees and costs and the fees and costs of its outside
2 counsel incurred during the Sixth Reporting Period (November 1, 2020 through
3 April 30, 2021) for which approval is requested are identified in the Final
4 Accounting. During the Sixth Reporting Period, the fees and costs of the Receiver’s
5 members, accountants, staff, and support staff totaled \$276,328.66, consisting of
6 \$256,230.45 in fees and \$20,098.21 in costs. The fees and costs of the Receiver’s
7 outside counsel, FRBC, during this period totaled \$200,989.15, consisting of
8 \$198,630.00 in fees and \$2,359.15 in costs. Accordingly, the total of receivership
9 fees and expenses incurred during the Sixth Reporting Period which the Receiver
10 seeks an order authorizing payment is \$477,317.81.

11 11. The Receiver’s fees and costs for which approval is requested are
12 identified in the Final Accounting. The fees are further detailed Exhibit 2 hereto.
13 Specifically, Exhibit 2 is comprised of monthly billing summaries reflecting the
14 services rendered and time spent by REA’s members, accountants, staff, and support
15 staff during the Sixth Reporting Period (with the work descriptions redacted where
16 appropriate to preserve information protected from disclosure by the attorney-client
17 privilege or otherwise to protect the Receiver and the receivership estate from
18 inappropriate disclosures).

19 12. I am familiar with the methods and procedures used to create, record,
20 and maintain the Receiver’s billing records. The billing records attached hereto as
21 Exhibit 2 are prepared from computerized time records prepared contemporaneously
22 with the services rendered by each professional billing time to this matter. These
23 computerized records are prepared in the ordinary course of business by the
24 Receiver’s professionals who have a business duty to accurately record their time
25 spent and services rendered on the matters on which they perform work. The time
26 records are transferred into a computerized billing program which generates
27 monthly invoices. In my experience, the Receiver’s methods and procedures for
28 recording and accounting for time and services have proven to be reliable and

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1 accurate.

2 13. As part of REA’s normal billing practices, the firm ensures that work is
3 appropriately staffed and that work is allocated to individuals with the appropriate
4 level of experience so as to maximize billing efficiency. In this case, as set forth in
5 the itemized billing records (Exh. 2), REA used only individuals with appropriate
6 levels of experience to handle the particular discrete tasks assigned to them.

7 14. I reviewed the billing statements of REA for the Sixth Reporting
8 Period. Based on my review of those billing statements, all of the time was
9 reasonable and necessary, and none of the time was written-off or reduced as being
10 inefficient, unproductive, excessive, and/or redundant.

11 15. Regarding the Receiver’s costs identified in the Final Accounting, the
12 mileage costs are reflected in the mileage records of the Receiver’s staff who
13 traveled to VPL’s site, copies of which are attached hereto as Exhibit 3. The
14 \$400.00 per month Storage Unit Rent is the cost for the off-site storage of
15 Redwood’s records seized by the Receiver. The Website & Support charges reflect
16 the Receiver’s costs in publishing on the Receiver’s website copies of pleadings,
17 reports and other documents filed in this action. Investigative costs are UCC Lien
18 searches.

19 16. During the Sixth Reporting Period, FRBC performed certain work for
20 the Receiver. That work is summarized in the accompanying Declaration of
21 Michael Gerard Fletcher and evidenced by FRBC’s invoices to the Receiver, which
22 I have reviewed. Based on my review of those billing statements, in my opinion, all
23 of the time was reasonable and necessary, and none of the time was written-off or
24 reduced by the Receiver as being inefficient, unproductive, excessive, and/or
25 redundant.

26 17. I believe that in light of the work performed during the Sixth Reporting
27 Period, the fees and costs of the Receiver and FRBC are reasonable and should be
28 approved and authorized for payment in their entirety.

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1 18. In addition, the we have estimated the Receiver’s fees and costs to
2 close the receivership over VPL will be \$40,875.00 in fees and \$2,680.00 in costs,
3 which include (a) tax preparation of VPL’s federal and state tax returns for 2020 (b)
4 and fees incurred from May 1, 2021 through completing all tasks needed to close the
5 receivership over VPL, including fees incurred in complying the Court’s 5/4/21
6 Order, as amended on 5/7/21. In addition, the estimated expenses to close the
7 receivership estate over VPL include \$37,500.00 for legal fees and costs incurred by
8 the Receiver’s counsel in assisting the Receiver with its compliance with the 5/4/21
9 Order, amended, including preparing this Application, and assisting the Receiver
10 with any legal issues related to closing the receivership over VPL. The Receiver
11 seeks an order authorizing payment of these sums without further involvement of
12 the Court with any unused funds to be considered by the Court in connection with
13 the Receiver’s application for approval of the Receiver’s final report and
14 accounting, and discharge of the Receiver regarding to the remaining aspects of the
15 receivership estate unrelated to VPL that will be brought after the Court issues a
16 ruling with regard to the matters specified in sections 3 and 4 of the Court’s
17 5/4/2021 Order or at any other time the Court may so order.

18 19. Attached hereto as Exhibit 4 is a true and correct copy of the May 4,
19 2021, demand letter from Wave Crest Management to the Receiver, demanding that
20 the Receiver turn over to Wave Crest any VPL funds to pay VPL’s pre-receivership
21 debts to Wave Crest in the amount of \$2.92 million.

22 20. In connection with the Application, the Receiver will comply with the
23 notice requirements of Local Rule 66-7(f) concerning applications for approval of a
24 receiver’s administrative fees and expenses by serving a copy of the Notice of
25 Application and Application, the supporting Memorandum of Points and
26 Authorities, and the declarations and all exhibits on the parties to this action, and by
27 serving a copy of the Notice of Application and Application and the supporting
28 Memorandum of Points and Authorities on known creditors who are identified on

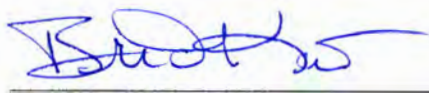
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1 the Proof of Service attached to the Notice of Application and Application. In
2 addition, the Receiver will provide an entire copy of the Application, including the
3 declarations, to anyone who requests a copy of the Application in writing directed to
4 Robb Evans & Associates LLC, 11450 Sheldon Street, Sun Valley, California
5 91352-1121. The Receiver also will post a copy of the entire Application and
6 supporting declarations on the Receiver’s website for this case at

7 <https://www.robbevans.com/find-a-case/redwood-scientific-technologies-inc-et-al/>.

8 21. Accordingly, the Receiver has complied with Local Rule 66-7
9 regarding notice to creditors of the Application.

10 I declare under penalty of perjury under the laws of the United States of
11 America that the foregoing is true and correct and that this declaration was executed
12 on May 7, 2021, at Alhambra, California.



BRICK KANE

28

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DECLARATION OF MICHAEL GERARD FLETCHER

I, Michael Gerard Fletcher, declare as follows:

1. I am an attorney at law duly admitted to practice before the courts of the State of California, the federal courts of the State of California, including the United States District Court for the Central District of California, and the Ninth Circuit Court of Appeals, and am a shareholder of Frandzel Robins Bloom & Csato, L.C. (“FRBC”), attorneys for the Receiver in this matter, Robb Evans & Associates LLC.

2. I am one of the attorneys primarily responsible for the representation of the Receiver in this case in addition to Craig A. Welin, who also is a shareholder of FRBC.

3. During the period of November 1, 2020 through April 30, 2021 (“Sixth Reporting Period”), our fees total \$198,630.00 and costs totaled \$2,359.15, for a total of \$200,989.15.

4. I attach hereto as Exhibit 5 a table that summarizes the hours worked by each attorney and paralegal during the Sixth Reporting Period, and their respective hourly billing rates. This table also shows the percentage of the total fees incurred by each timekeeper. As the table indicates, the work I performed during the Fourth Reporting period accounts for approximately 44% of all of the fees.

5. I attach hereto as Exhibit 6 the billing records for FRBC reflecting the services rendered, time spent and costs incurred by FRBC pertaining to this matter during the Sixth Reporting Period, with the work descriptions redacted where appropriate to preserve information protected from disclosure by the attorney-client privilege and/or attorney work product doctrine or otherwise to protect the Receiver and the receivership estate from inappropriate disclosures (and FRBC and I otherwise preserve the attorney-client privilege regarding our communications with the Receiver as well as documents and information protected from disclosure under the attorney work product doctrine). While our billing summaries to the Court with

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1 prior fee applications were organized in the following by using ABA Uniform Task-
2 Based Management System Bankruptcy Code Tasks (which are most applicable to
3 billings conducted in a federal receivership matter), but in light of the Court’s
4 comments in its February 11, 2021 Order Re Receiver’s Fifth Fee Application for
5 Fees and Expenses (“2/11/21 Order”) [Doc. 555] that such formatting complicated
6 the Court’s review of our invoices, the attached invoices do not utilize the task
7 codes and otherwise show all timekeeper entries in date order for the particular
8 month.

9 6. I am familiar with the methods and procedures used to create, record
10 and maintain billing records for FRBC’s clients. The billing records attached hereto
11 as Exhibit 6 are prepared from computerized time records prepared
12 contemporaneously with the services rendered by each attorney and paralegal billing
13 time to this matter. These computerized records are prepared in the ordinary course
14 of business by the attorneys and paralegals employed by FRBC who have a business
15 duty to accurately record their time spent and services rendered on the matters on
16 which they perform work. The time records are transferred into a computerized
17 billing program which generates monthly invoices under the supervision of the
18 firm’s accounting department. Based upon my experience with FRBC, I believe the
19 firm’s methods and procedures for recording and accounting for time and services
20 for its clients is reliable and accurate.

21 7. Regarding two of Patricia Kaniga’s work entries entered into FRBC’s
22 billing system, one for 6.4 hours on December 13, 2020, and one for 6.8 hours on
23 February 18, 2021, as discussed in her declaration attached hereto as Exhibit 7, she
24 did not provide a “breakdown” of the time she spent on each of the multiple items,
25 although she declares she had contemporaneously tracked her time spent performing
26 each task. Here declaration provides the time incurred for each task for the work
27 she performed on these two days.

28 8. While the legal services rendered by FRBC during the Sixth Reporting

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1 Period, either at the direction of the Receiver or responsible attorneys with this firm,
2 are contained in the specific work entries in Exhibit 6, such services included,
3 without limitation: (a) regularly communicating with and advising the Receiver on
4 various legal issues related to the Receiver’s administration of the receivership
5 estate; (b) assisting the Receiver with legal issues as needed, including as to legal
6 issues regarding the operations of VPL Medical, Inc. (“VPL”); (c) regularly
7 communicating with the FTC’s counsel and Stephen Cochell and Jim White,
8 counsel for the Cardiffs, Bobby Bedi, and VPL, related to various receivership
9 administration issues including VPL operations; (d) advising the Receiver on legal
10 issues relevant to the Receiver’s compliance with the VPL Preliminary Injunction
11 and all other orders entered by the Court concerning VPL operations and the
12 Receiver’s role in connection with same; (e) preparation of six motions to compel
13 compliance with the Receiver’s subpoenas issued to Bobby Bedi, VPL, and other
14 entities in which Mr. Bedi has an ownership interest in, including preparation of
15 joint stipulations and conferring with Mr. Cochell (the Receiver ultimately did not
16 bring the discovery motions as they were in the process of being finalized around
17 the time the FTC issued its own subpoenas and the Court instructed the Receiver to
18 begin “Receivership Lite”); (f) communications with the Receiver, and counsel for
19 FTC and the Cardiffs regarding Mr. Cardiff’s salary and expenses; (g) advising the
20 Receiver re VPL employment issues, including preparing an employee handbook
21 and COVID prevention program; (h) assisting the Receiver with the Receiver’s
22 Report of VPL Medical, Inc. Update on Operations dated November 27, 2020,
23 including preparing the Receiver’s *ex parte* application to file this report under seal;
24 (i) preparing the joint stipulation for release of frozen funds to pay certain approved
25 expenses incurred by the Cardiffs following the terms of the court’s November 2020
26 Order Re Motion for Jason Cardiff’s Salary and Living Expenses; (j) attending to
27 legal issues arising out of an authorized entry into VPL’s premises, including
28 communications with third-party counsel and Mr. Cochell; (k) advising the Receiver

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1 with regards to matters addressed in the Receiver’s January 22, 2021 Operating
2 Report, including preparation of the Receiver’s *Ex Parte* Application for Order
3 Instructing the Receiver Re VPL Operations; (l) engaging in extensive “meet and
4 confer” written and oral communications with all counsel regarding the Receiver’s
5 *ex parte* application for instructions and the Fifth Fee Application following the
6 directives in the Court’s January 27, 2021 Order to resolve the disputes (no
7 resolution); (m) analyzing the Cardiffs and VPL’s *Ex Parte* Application to Accept
8 Evidence of Receiver’s Post-Hearing and Conduct, and preparing the Receiver’s
9 response to same; (n) communicating with Inter/Media’s counsel and the secured
10 lender regarding the Cardiffs’ residence; (o) responding to regular “demands” and
11 other communications from the Cardiffs’ and VPL’s counsel; (p) preparing for and
12 attending multiple hearings before the Court during the Sixth Reporting Period and
13 reporting to the Receiver; (q) assisting the Receiver on legal issues related to an
14 preparation of the Joint VPL Operating Report as of February 24, 2021, the Joint
15 VPL Operating Report as of March 24, 2021, the Joint VPL Operating Report as of
16 April 28, 2021, including extensive communications with all counsel related to the
17 joint reports.

18 9. As part of FRBC’s normal billing practices, the firm ensures that work
19 is appropriately staffed and that work is allocated to individuals with the appropriate
20 level of experience so as to maximize billing efficiency, and after the Court directed
21 the Receiver and its counsel to engage in “Receivership Lite”, I took additional
22 actions to ensure our firm complied with this directive. This is evidenced by the
23 overall reduction of fees incurred on a monthly basis from those incurred during the
24 first months of the receivership over VPL (*see* Fifth Fee Application). Specifically,
25 our fees by month for the Sixth Reporting Period are: November 2020 - \$33,226.00;
26 December 2020 \$39,070.00; January 2021 - \$51,210.00; February \$41,503.00;
27 March 2021 - \$8,0533.50; and April 2021 - \$25,567.50 (which fees include
28 commencing working on issues related to the wind up of the receivership over

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1 VPL). Moreover, our firm did not engage in any single task exceeding \$10,000.00
2 in total fees after the Court entered its 2/11/21 Order, except our fees commencing
3 May 1, 2021 to date have exceeded \$10,000.00 in connection with assisting the
4 Receiver in winding up the receivership over VPL and otherwise complying with
5 the Court’s May 4 and May 7, 2021 Orders Setting Dates for Expedited Briefing
6 Schedule and Status Conference, including preparing is Application. From May 1,
7 2021 to May 6, 2021, our fees incurred total approximately \$19,172, and we
8 estimate our total fees to be incurred in connection with the wind up of the
9 receivership over VPL to total approximately \$37,500.00.

10 10. In light of the work FRBC performed during the Sixth Reporting
11 Period, FRBC’s fees and costs are reasonable and should be approved and
12 authorized for payment in their entirety.

13 I declare under penalty of perjury under the laws of the United States of
14 America that the foregoing is true and correct and that this declaration was executed
15 on May 7, 2021, at Los Angeles County, California.

17 /s/ Michael Gerard Fletcher
18 MICHAEL GERARD FLETCHER

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EXHIBIT 1

Robb Evans & Associates, LLC Receiver of Redwood Scientific Technologies, Inc. et al.
Receivership Administrative Expense Report by Month
 From Inception (October 10, 2018) to April 30, 2021 & Estimate to Close for VPL

	Previously Reported and Approved	11/1/20~												Estimate to Close	TOTAL
		Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	4/30/21							
Corporate & Defendant Assets															
BizTank Group LLC															
East West Bank	345,148.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	345,148.74
J. Cardiff	0.00	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00	0.00	30,000.00
The Cochell Law Firm P.C.	32,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,500.00
Total BizTank Group LLC	377,648.74	0.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00	0.00	407,648.74
VPL Medical Inc.															
Citizen Business Bank x7191	0.00	0.00	99,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99,500.00	0.00	99,500.00
JPMorgan x5799	2,659,975.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,659,975.51
Total VPL Medical Inc.	2,659,975.51	0.00	99,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99,500.00	0.00	2,759,475.51
Jason & Eunjung Cardiff															
HSBC	793.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	793.06
Total Jason & Eunjung Cardiff	793.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	793.06
Advanced Mens Institute															
Priority Payment x6166	25,238.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,238.89
Total Advanced Mens Institute	25,238.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,238.89
Carols Place Limited Partnership															
Arizona B&T x2320	213,357.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	213,357.88
Total Carols Place Limited Partnership	213,357.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	213,357.88
Identify LLC															
Arizona B&T	1,264.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,264.48
Total Identify LLC	1,264.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,264.48
Intel Property LLC															
First Western Bank x8915	68,487.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68,487.60
Total Intel Property LLC	68,487.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68,487.60
Owl Enterprises LLC															
EMS x0705	39,677.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,677.73
EVO Payments x1541	7,686.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,686.94
EVO Payments x0516	34,509.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,509.74
Humboldt Merchant Svcs x9888	11,024.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,024.51
Total Owl Enterprises LLC	92,898.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	92,898.92

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	Previously Reported and Approved	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	11/1/20~4/30/21	Estimate to Close	TOTAL
People United for Christians										
Bank of the West x7807	7,486.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,486.12
Bank of the West x8177	3,494.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,494.27
Citizen Business Bank x7443	18,730.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,730.66
Total People United for Christians	29,711.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,711.05
Redwood Scientific Technologies										
WorldPay Services Company	49,304.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,304.13
Priority Payment x9990	17,513.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,513.00
EYO Payments x1969	784.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	784.17
Humboldt Merchant Svcs x0881	25,648.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,648.25
Select Bankcard x0511	78,736.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	78,736.23
Total Redwood Scientific Technologies	171,985.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	171,985.78
Smoke Stop LLC										
Humboldt Merchant Svcs x1887	1,786.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,786.82
Total Smoke Stop LLC	1,786.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,786.82
Top Hill Shop LTD										
EYO Payments x6745	4,677.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,677.76
Total Top Hill Shop LTD	4,677.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,677.76
Cash from Defendant	6,715.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,715.00
Perty Cash/Cash on Hand	2,033.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,033.00
Proceeds from auction	24,309.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,309.59
Worker Comp Premium Refund	4,206.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,206.25
Total Corporate & Defendant Assets	3,685,090.33	0.00	129,500.00	0.00	0.00	0.00	0.00	129,500.00	0.00	3,814,590.33
Jason Cardiff VPL Payroll Held	37,149.00	18,270.00	(11,730.00)	18,230.00	18,230.00	18,230.00	18,230.00	79,460.00	11,871.67	128,480.67
Asset Turn Over Jacques Poujade	1,205,984.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,205,984.80
Interest Income	710.93	37.83	47.04	61.12	49.27	41.25	0.00	236.51	0.00	947.44
Total Funds Collected	4,928,935.06	18,307.83	117,817.04	18,291.12	18,279.27	18,271.25	18,230.00	209,196.51	11,871.67	5,150,003.24
Expenses										
Court Approved Living Expenses										
ADT	0.00	0.00	139.83	46.61	0.00	139.83	139.87	466.14	0.00	466.14
Burtec Waste Industries, Inc	0.00	0.00	121.40	91.05	0.00	0.00	91.05	303.50	0.00	303.50
Carpet Cleaning	0.00	0.00	0.00	0.00	0.00	550.00	0.00	550.00	0.00	550.00
Cars Monthly payments	0.00	0.00	3,968.96	992.24	992.24	992.24	992.24	7,937.92	992.24	8,930.16

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Child Support	0.00	0.00	10,000.00	2,500.00	2,500.00	2,500.00	2,500.00	20,000.00	2,500.00	22,500.00
Educational Exp for minor Child	0.00	0.00	200.00	200.00	200.00	200.00	200.00	1,000.00	200.00	1,200.00
DMV	0.00	0.00	0.00	785.00	0.00	0.00	0.00	785.00	947.00	1,732.00
Gardener	0.00	0.00	800.00	0.00	350.00	150.00	150.00	1,450.00	0.00	1,450.00
Gas for cars	0.00	0.00	265.42	91.23	109.32	55.86	137.97	659.80	264.15	923.95
Glass Repair	0.00	0.00	0.00	0.00	0.00	150.00	0.00	150.00	0.00	150.00
Grocery w cell, supplies for child	0.00	0.00	7,200.00	1,800.00	1,800.00	1,800.00	1,800.00	14,400.00	1,800.00	16,200.00
Health Insurance Premium	0.00	0.00	0.00	2,037.19	0.00	2,037.19	2,037.19	6,111.57	2,037.19	8,148.76
Home Repair by cronos custom	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,944.00	3,944.00
Medical Payment	0.00	0.00	120.00	0.00	0.00	0.00	0.00	120.00	0.00	120.00
Nationwide Car Insurance	0.00	0.00	1,912.00	478.00	478.00	478.00	478.00	3,824.00	478.00	4,302.00
Pool Repair	0.00	0.00	0.00	0.00	0.00	1,710.00	0.00	1,710.00	0.00	1,710.00
Pool Service	0.00	0.00	0.00	0.00	0.00	195.00	125.00	320.00	0.00	320.00
San Antonio Water Company	0.00	0.00	641.00	627.45	440.00	440.00	517.80	2,666.25	440.00	3,106.25
SoCal Edison	0.00	0.00	324.02	308.92	325.35	324.28	324.78	1,607.35	296.80	1,904.15
SoCalGas	0.00	0.00	194.68	363.50	255.68	255.68	500.81	1,314.67	525.43	1,840.10
Spectrum	0.00	0.00	329.97	114.99	0.00	114.99	114.99	674.94	114.99	789.93
Total Court Approved Living Expenses	0.00	0.00	26,217.28	10,436.18	7,194.91	12,093.07	10,109.70	66,051.14	14,539.80	80,590.94
Payments for VPL Medical Inc.	0.00	0.00	39,344.00	7,401.00	0.00	0.00	0.00	46,745.00	0.00	46,745.00
Benjamin L. England & Assoc LLC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.65	7.65
Business Luncheons	0.00	0.00	0.00	1,314.81	0.00	4,652.00	4,819.30	10,786.11	0.00	10,786.11
Boxes & Packaging Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,370.00
Accounting	1,370.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,370.00
Cleaning	1,615.00	2,800.00	1,608.98	1,859.40	0.00	2,163.34	2,201.36	10,633.08	4,120.41	16,368.49
Court Approved Legal Fees & Cos	0.00	0.00	1,4460.00	0.00	30,000.00	0.00	0.00	44,460.00	0.00	44,460.00
Equipment	120,200.79	0.00	0.00	1,669.55	6,352.81	17,626.63	0.00	25,648.99	0.00	145,849.78
Internet Service	444.73	184.28	92.40	93.09	0.00	324.36	189.07	883.20	189.74	1,517.67
Insurance										
Braunvalder Insurance Agency	45,541.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,541.45
Workers' Comp Insurance	953.15	612.31	798.55	721.32	3,806.17	10,653.51	8,991.50	25,583.36	3,806.13	30,342.64
Total Insurance	46,494.60	612.31	798.55	721.32	3,806.17	10,653.51	8,991.50	25,583.36	3,806.13	75,884.09
Mileage	0.00	0.00	0.00	0.00	0.00	0.00	47.60	47.60	0.00	47.60
Office Expenses	332.82	1,514.21	893.77	48.67	3,391.26	959.07	3,052.66	9,859.64	271.03	10,463.49
Office Equipment	2,015.72	1,618.80	0.00	1,349.80	0.00	0.00	0.00	2,968.60	0.00	4,984.32
Payments to Bobby Bedi	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00
Payroll										
Salaried Employees										
Bobby Bedi	40,666.67	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	120,000.00	1,846.24	162,512.91

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Jason Cardiff	40,666.67	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	120,000.00	13,024.32	173,690.99
Faryal Khan	0.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	42,000.00	738.56	42,738.56
Salvador Quezada	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00	4,500.00	415.52	4,915.52
Christopher White	0.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	3,394.33	33,394.33	0.00	33,394.33
Frank Woodson	2,272.73	500.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	2,772.73
Total Salaried Employees	83,606.07	53,500.00	53,000.00	53,000.00	53,000.00	53,000.00	54,894.33	320,394.33	16,024.64	420,025.04
Hourly Employees	0.00	927.69	3,234.59	2,060.74	17,422.59	52,368.86	38,896.28	114,910.75	22,134.54	137,045.29
Final Payroll Except J. Cardiff	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,443.12	49,443.12
Employer Tax VPL	7,063.05	4,755.25	4,390.32	5,403.64	6,048.80	10,278.00	8,586.86	39,462.87	2,576.36	49,102.28
Total Payroll	90,669.12	59,182.94	60,624.91	60,464.38	76,471.39	115,646.86	102,377.47	474,767.95	90,178.66	655,615.73
Payroll Processing Costs	218.88	169.38	172.04	377.63	30.00	30.00	914.90	1,693.95	181.82	2,094.65
Raw Material	0.00	0.00	0.00	0.00	0.00	87,123.49	24,906.00	112,029.49	53,856.00	165,885.49
Rent	32,033.70	9,593.00	9,593.00	9,593.00	9,593.00	9,593.00	9,593.00	57,558.00	9,593.00	99,184.70
Repair & Maintenance	13,041.83	5,668.35	10,244.70	4,899.20	26,852.17	17,223.59	18,404.90	83,292.91	9,206.12	105,540.86
Bobbi Bedt-Cell Phone for BB & JC from March 2020 to May 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,900.00	5,900.00
Rockon I-Website Design & Domain Maintenance from March 2020 to May	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,500.00	3,500.00
Set Up Costs	221,204.02	395.00	5,031.75	0.00	0.00	10,742.80	0.00	16,169.55	0.00	237,373.57
Shipping	125.70	0.00	0.00	447.66	72.45	57.35	0.00	577.46	0.00	703.16
Taxes	0.00	0.00	0.00	0.00	0.00	6,300.94	0.00	6,300.94	0.00	6,300.94
Testing Costs	0.00	0.00	6,929.00	0.00	3,607.75	1,648.00	(1,648.00)	10,536.75	0.00	10,536.75
Utilities	5,657.15	1,271.20	1,010.58	1,058.94	1,015.14	1,671.20	1,990.93	8,017.99	0.00	13,675.14
Total Payments for VPL Medical Inc.	550,424.06	83,009.47	150,803.68	91,298.45	161,192.14	286,416.14	175,840.69	948,560.57	180,877.56	1,679,862.19
401K Plan Fees & Costs	11,891.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,891.13
700 W 25th St. Upland, CA	6,766.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,766.05
Corporate Office Rent	2,564.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,564.78
Payroll Expenses	1,692.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,692.63
People United for Christians	254.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	254.00
Redwood Scientific Technologies	1,946.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,946.63
Payroll Expenses	6,589.00	0.00	0.00	0.00	3,200.00	0.00	(25.00)	3,175.00	0.00	9,764.00
States Taxes										
Receiver's Fees & Costs										
Receiver										
B. Kane	68,571.00	3,420.00	3,043.80	3,556.80	3,727.80	1,402.20	2,359.80	17,510.40	13,680.00	99,761.40
S. Krishnan	2,736.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,736.00

**Robb Evans & Associates, LLC Receiver of Redwood Scientific Technologies, Inc. et al.
 Receivership Administrative Expense Report by Month
 From Inception (October 10, 2018) to April 30, 2021 & Estimate to Close for VPL**

	Previously Reported and Approved	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	11/1/20~4/30/21	Estimate to Close	TOTAL
K. Johnson	25,205.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,205.40
A. Jen	136,423.80	11,935.80	12,551.40	11,730.60	14,124.60	9,849.60	8,892.00	69,084.00	20,520.00	226,027.80
Total Receiver	232,936.20	15,355.80	15,595.20	15,287.40	17,852.40	11,251.80	11,251.80	86,594.40	34,200.00	353,730.60
Senior Staff										
B. Owings	3,015.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,015.00
C. Callahan	39,802.50	90.00	0.00	247.50	0.00	0.00	180.00	517.50	0.00	40,320.00
F. Jen	23,245.65	0.00	0.00	271.35	150.75	150.75	3,045.15	3,618.00	0.00	26,863.65
T. Chung	29,245.50	0.00	0.00	0.00	0.00	1,567.80	1,445.70	2,713.50	0.00	31,959.00
H. Jen	43,024.50	20,601.00	16,510.50	21,559.50	6,601.50	81.00	148.50	65,502.00	0.00	108,526.50
C. DeCius	1,6074.45	1,385.10	1,129.95	1,883.25	3,231.90	3,900.15	3,110.40	14,640.75	6,075.00	36,790.20
J. Dabbin	19,391.40	10,845.90	9,533.70	12,441.60	18,111.60	19,253.70	12,457.80	82,644.30	0.00	102,035.70
Total Senior Staff	173,799.00	32,922.00	27,174.15	36,403.20	28,095.75	24,953.40	20,087.55	169,636.05	6,075.00	349,510.05
Support Staff										
Court Ordered Fee Discount	6,583.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00	7,183.20
Total Receiver Fees	(31,233.24)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(31,233.24)
	382,085.16	48,277.80	42,769.35	51,690.60	45,948.15	36,205.20	31,339.35	256,230.45	40,875.00	679,190.61
Receiver Costs										
Bank Fees	(0.01)	0.00	0.00	15.00	(15.00)	0.00	0.00	0.00	0.00	(0.01)
Document Reproduction Costs	170.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170.00
Investigative Search Costs	2,312.21	0.00	74.75	0.00	0.00	0.00	0.00	74.75	0.00	2,386.96
Locksmith Costs	1,429.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,429.96
Mileage	1,365.59	2,028.14	1,738.92	1,541.69	3,353.17	0.00	2,413.15	11,075.07	0.00	12,440.66
Moving Costs	2,640.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,640.32
Parking Fees	27.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.00
PO Box Rental	143.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143.00
Postage & Delivery Costs	1,721.34	66.37	1.00	0.00	0.51	0.00	0.00	67.88	30.00	1,819.22
Receiver Bond Premium	429.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	429.00
Storage Unit Rent	9,622.67	400.00	400.00	400.00	400.00	400.00	400.00	2,400.00	0.00	12,022.67
Tax Return Prep Fees	10,537.50	0.00	6,134.50	0.00	0.00	0.00	0.00	6,134.50	2,650.00	19,322.00
Website & Support	2,661.60	0.00	79.85	97.59	31.05	88.72	48.80	346.01	0.00	3,007.61
Total Receiver Costs	33,060.18	2,494.51	8,429.02	2,054.28	3,769.73	488.72	2,861.95	20,998.21	2,680.00	55,838.39
Legal Fees & Costs										
Frantzel Robins Bloom & Csato										
Legal Fees	(68,929.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(68,929.70)
Court Ordered Fee Discount	913,209.50	33,226.00	39,070.00	51,210.00	41,503.00	8,053.50	25,567.50	198,630.00	37,500.00	1,149,339.50
Legal Fees - Other										
Total Legal Fees	844,279.80	33,226.00	39,070.00	51,210.00	41,503.00	8,053.50	25,567.50	198,630.00	37,500.00	1,080,409.80

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	Previously Reported and Approved	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	11/1/20~4/30/21	Estimate to Close	TOTAL
Legal Costs	23,864.67	1,818.87	52.30	183.53	257.60	23.70	23.15	2,359.15	0.00	26,223.82
Total Frandzel Robins Bloom & Csato	868,144.47	35,044.87	39,122.30	51,393.53	41,760.60	8,077.20	25,590.65	200,989.15	37,500.00	1,106,633.62
Total Legal Fees & Costs	868,144.47	35,044.87	39,122.30	51,393.53	41,760.60	8,077.20	25,590.65	200,989.15	37,500.00	1,106,633.62
Total Receiver's Fees & Costs	1,283,289.81	85,817.18	90,320.67	105,138.41	91,478.48	44,771.12	59,791.95	477,317.81	81,055.00	1,841,662.62
Total Expenses	1,863,471.46	168,826.65	267,341.63	206,873.04	263,065.53	343,280.33	245,717.34	1,495,104.52	276,472.36	3,635,048.34
Fund Balance **	<u>3,065,463.60</u>							<u>1,779,555.59</u>		<u>1,514,954.90</u>

* estimate to prepare VPL 2020 tax returns

** The Balance includes \$1,205,984.80 turned over by True Pharmastrip and Jacques Pougade, which is being held pending further order from the Court

Robb Evans & Associates, LLC Receiver of Redwood Scientific Technologies, Inc. et al.
Receivership Accounting for Funding
 From Inception (October 10, 2018) to May 10, 2021

		8/31/21	9/30/21	10/31/21	11/30/21	12/31/21	1/31/21	2/28/21	3/31/21	4/30/21	5/10/21
Non VPL Exp		31,663.25	25,255.98	5,864.19	1,963.37	7,824.85	2,366.94	934.81	1,262.97	1,105.80	0.00
Bizbank Funds net of non VPL Exp		345,985.49	320,729.51	314,865.32	312,901.95	335,077.10	332,710.16	331,775.35	330,512.38	329,406.58	329,406.58
Funds Turned over by J. Poujade		1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80	1,205,984.80
VPL After payment of all expenses		1,821,776.24	1,589,010.63	1,507,317.16	1,340,453.88	1,206,654.38	1,012,584.46	757,648.65	427,724.36	193,222.52	(68,710.04)
Jason Salary Hold Balance		0.00	18,879.00	37,149.00	55,419.00	17,471.42	25,265.54	36,300.63	42,437.56	50,557.86	47,889.73
Int Earned		72.12	111.29	147.32	185.15	232.19	293.31	342.58	383.83	383.83	383.83
Fund Balance		3,373,818.65	3,134,715.23	3,065,463.60	2,914,944.78	2,765,419.89	2,576,838.27	2,332,052.01	2,007,042.93	1,779,555.59	1,514,954.90