

ROBB EVANS & ASSOCIATES LLC

Receiver of

Universal Premium Services, Inc. AKA Premier Benefits, Inc.

Consumer Reward Network, Inc.

Star Communications LLC

Membership Services Direct, Inc. AKA Continuity Partners Inc.

Connect2USA, Inc., et al.

11450 Sheldon Street

Sun Valley, California 91352-1121

Telephone No.: (818) 768-8100

Facsimile No.: (818) 768-8802

**Federal Trade Commission v. Universal Premium Services, Inc, et al.
CASE No. CV06-0849 GW (OPx)**

Notice of Motion and Motion for Order:

- (1) Approving and Authorizing Payment of Receiver's and Professionals' Fees and Expenses for the Period May 1, 2008 Through March 31, 2009; and**
- (2) Granting Relief from Local Rule 66-7 Pertaining to Notice to Creditors;**

**Memorandum of Points and Authorities and
Declaration of Lesley Anne Hawes in Support Thereof and
Declaration of Kenton Johnson in Support Thereof**

Filed June 22, 2009

1 GARY OWEN CARIS (SBN 088918)
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2 LESLEY ANNE HAWES (SBN 117101)
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3 MCKENNA LONG & ALDRIDGE LLP
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4 Los Angeles, CA 90071
Telephone: (213) 688-1000
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6 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC
7

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 UNIVERSAL PREMIUM SERVICES,
INC., a California corporation (also
15 known as Premier Benefits, Inc.), et al.,

16 Defendants.
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CASE NO. CV 06-0849 GW (OPx)

**NOTICE OF MOTION AND
MOTION FOR ORDER (1)
APPROVING AND AUTHORIZING
PAYMENT OF RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FOR THE PERIOD
FROM MAY 1, 2008 THROUGH
MARCH 31, 2009; AND (2)
GRANTING RELIEF FROM
LOCAL RULE 66-7 PERTAINING
TO NOTICE TO CREDITORS;
MEMORANDUM OF POINTS AND
AUTHORITIES AND
DECLARATION OF LESLEY
ANNE HAWES IN SUPPORT
THEREOF**

**[DECLARATION OF KENTON
JOHNSON FILED UNDER
SEPARATE COVER
CONCURRENTLY HEREWITH]**

Date: July 16, 2009
Time: 8:30 a.m.
Courtroom: 10
Judge: Honorable George Wu

1 TO THE PARTIES TO THIS ACTION AND THEIR ATTORNEYS OF
2 RECORD AND TO ALL CREDITORS AND OTHER PARTIES IN INTEREST:

3 PLEASE TAKE NOTICE that on July 16, 2009, commencing at 8:30 a.m. or
4 as soon as thereafter as counsel may be heard in Courtroom 10 of the above entitled
5 Court located at 312 North Spring Street, Los Angeles, California 90012, Robb
6 Evans & Associates LLC, the permanent receiver ("Receiver") over the assets of
7 Universal Premium Services, Inc. aka Premier Benefits, Inc., Consumer Reward
8 Network, Inc., Star Communications, LLC, Membership Direct Services, Inc. aka
9 Continuity Partners, Inc., Connect2USA, Inc. and their subsidiaries and affiliates
10 (collectively, the "Receivership Defendants"), will and does hereby move the Court
11 for an order:

12 1. Approving and authorizing payment of the fees and expenses of the
13 Receiver and its counsel for the eleven-month period from May 1, 2008 through
14 March 31, 2009 ("Sixth Expense Period") in the aggregate amount of \$28,212.26,
15 comprised of \$19,212.40 representing fees and expenses of the Receiver and the
16 Receiver's staff, and \$8,999.86 representing fees and costs of the Receiver's
17 counsel; and

18 2. Granting relief from Local Rule 66-7 pertaining to the giving of notice
19 to all creditors of the receivership estate.

20 PLEASE TAKE FURTHER NOTICE that this Motion is made pursuant to
21 Local Rule 66-7(f), and is based upon this Notice of Motion and Motion, the
22 accompanying memorandum of points and authorities and declaration of Lesley
23 Anne Hawes, the separate Declaration of Kenton Johnson filed concurrently
24 herewith and upon all other and further pleadings, oral and documentary evidence
25 and argument of counsel as may be presented by the Receiver at or before the time
26 of the hearing on the Motion.

27 PLEASE TAKE FURTHER NOTICE that a copy of this Motion is posted on
28 the Receiver's website at www.robbevans.com/html/univprem.html, where it may

1 be reviewed in its entirety, except for the voluminous exhibits attached hereto and
2 to the Declaration of Kenton Johnson. Copies of the Motion will be provided to
3 any interested party upon receipt of a written request which may be sent to: Robb
4 Evans & Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun
5 Valley, CA 91352-1121; Telephone (818) 768-8100; Facsimile: (818) 768-8802.

6
7 Dated: June 22, 2009

McKenna Long & Aldridge LLP
Gary Owen Caris
Lesley Anne Hawes

8
9
10 By: /s/ Lesley Anne Hawes

Lesley Anne Hawes
Attorneys for Receiver
ROBB EVANS & ASSOCIATES
LLC

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 On February 14, 2006, the Federal Trade Commission (“FTC”) commenced
4 this action against the Receivership Defendants as well as against Brian K.
5 MacGregor, Harijinder Sidhu, Joseph L. LaRosa, Jr., Pranot Sangprasit, William
6 Thomas Heichert, Michael Howard Cushing, Paul P. Tosi and Manh Cao
7 (collectively referred to hereinafter as “Defendants”). The FTC alleged that the
8 Defendants engaged in a deceptive and abusive telemarketing campaign in which
9 their telemarketers called consumers offering an attractive free item, such as gift
10 cards for use at major retailers, “shopping sprees,” movie passes, or gas vouchers.
11 Consumers were allegedly told that to receive the item, they must pay a nominal
12 shipping and handling fee, which would be debited from their bank account. After
13 obtaining the consumers’ bank account information, Defendants’ telemarketers
14 allegedly engaged in various deceptive and abusive tactics to induce consumers to
15 enroll in membership discount programs through which the consumers’ bank
16 accounts were to be debited on a negative option basis. Consumers reported that
17 the Defendants made numerous debits to the consumers’ bank accounts, in amounts
18 ranging from \$1.95 to \$149.90, but did not send the free item as promised. The
19 Defendants allegedly made it difficult, if not impossible, for the consumers to
20 obtain refunds and avoid additional debits to the consumers’ bank accounts,
21 notwithstanding the Defendants’ previous representations that consumers may
22 cancel their memberships and obtain refunds.

23 The Receiver was appointed by the Court pursuant to a Temporary
24 Restraining Order entered February 21, 2006. Thereafter, on March 21, 2006, the
25 Court issued multiple injunctions and orders: (1) Freezing Assets; (2) Appointing a
26 Permanent Receiver; and (3) Granting Other Equitable Relief (the “Receivership
27 Orders”). Under Section XIV of the Receivership Orders the Receiver is required
28 to file with the Court periodic requests for the payment of reasonable compensation,

1 with the first request filed no later than 60 days after the date of the Receivership
2 Orders.

3 The Receiver has filed five prior fee motions in this case. Each of the
4 Receiver's prior motions seeking approval and payment of fees and expenses has
5 been granted as requested. The prior fee motions include the following motions
6 filed on the following dates:

7 1. On May 19, 2006, the Receiver filed its first motion for the payment of
8 its fees and expenses covering the period from February 15, 2006 through March
9 31, 2006. On June 27, 2006, the Court issued an order granting the first fee motion,
10 authorizing the payment of all fees and expenses requested.

11 2. On October 21, 2006, the Receiver filed its second motion for approval
12 of fees and expenses of the Receiver and its counsel for the six-month period from
13 April 1, 2006 through September 30, 2006. The motion for approval of Receiver's
14 fees and expenses for that expense period was granted by the Court's order entered
15 November 8, 2006.

16 3. On May 21, 2007, the Receiver filed its third motion for approval of
17 fees and expenses of the Receiver and its counsel for the five-month period from
18 October 1, 2006 through February 28, 2007. The motion for approval of Receiver's
19 fees and expenses for that third expense period was granted by the Court's order
20 entered June 19, 2007.

21 4. On November 1, 2007, the Receiver filed its fourth motion for
22 approval of fees and expenses of the Receiver and its counsel seeking approval and
23 authorization for payment of fees and expenses of the Receiver, the Receiver's staff
24 and the Receiver's counsel for the six-month period of March 1, 2007 through
25 August 31, 2007. The motion was granted by the Court's minute order entered
26 November 26, 2007, approving all fees and expenses sought.

27 5. The Receiver filed its fifth motion for approval and payment of fees
28 and expenses incurred by the estate for the eight-month period from September 1,

1 2007 through April 30, 2008 on June 20, 2008. The Court granted the Receiver's
2 motion by order entered July 22, 2008.

3 This is the Receiver's sixth motion for approval and authorization for
4 payment of fees and expenses of the Receiver, its staff and its attorneys. This
5 motion seeks approval and payment of fees and expenses incurred by the estate for
6 the eleven-month period from May 1, 2008 through March 31, 2009 ("Sixth
7 Expense Period"). Consistent with prior motions, the Receiver also seeks an order
8 granting relief from Local Rule 66-7 pertaining to the giving of notice to all
9 creditors of the receivership estate and approving the procedure for limited notice
10 of this Motion by (a) service of this Motion on all parties to this action and creditors
11 of the receivership estate who have served upon the Receiver a written request for
12 notice as provided herein, (b) posting the Motion on the Receiver's website,
13 allowing all interested parties an opportunity to review the Motion, and (c)
14 providing copies of the Motion to any interested party upon written request.

15 **II. THE RECEIVER REQUESTS APPROVAL AND**
16 **AUTHORIZATION FOR THE PAYMENT OF THE FEES AND**
17 **EXPENSES OF THE RECEIVER, THE RECEIVER'S STAFF,**
18 **AND THE RECEIVER'S COUNSEL FOR THE SIXTH**
19 **EXPENSE PERIOD INCURRED DURING THE ELEVEN**
20 **MONTHS FROM MAY 1, 2008 THROUGH MARCH 31, 2009**

21 The Receiver seeks approval and authority for payment of the fees and
22 expenses of the Receiver, the Receiver's staff and the Receiver's counsel for the
23 Sixth Expense Period. The fees and costs of the Receiver for which approval is
24 requested are specified in the summary entitled "Receivership Fees and Expenses
25 by Month," attached as Exhibit 1 to the supporting Declaration of Kenton Johnson
26 filed concurrently herewith. The fees and costs of the Receiver are then itemized
27 by the Receiver's fees (Exhibit 2 thereto), senior staff fees (Exhibit 3 thereto),
28 information technology staff fees (Exhibit 4) and support staff fee claims (Exhibit 5

1 thereto). The fees and expenses of the Receiver's outside counsel, McKenna Long
2 & Aldridge LLP, are attached to the supporting Declaration of Lesley Anne Hawes
3 as Exhibit 1 hereto. As set forth in detail in Exhibits 1 through 5 of the Declaration
4 of Kenton Johnson and Exhibit 1 to the Declaration of Lesley Anne Hawes attached
5 hereto, the Receiver has incurred fees and expenses in the total sum of \$28,212.26
6 during the Sixth Expense Period. These fees and expenses are comprised of the
7 fees of the Receiver and his staff of \$8,680.45, Receiver's expenses of \$10,531.95,
8 legal fees incurred for services by the Receiver's counsel of \$8,349.50 and
9 expenses of the Receiver's counsel of \$650.36.

10 During the Sixth Expense Period, the primary activities of the Receiver and
11 its counsel pertained to the disposition of the two real properties located in
12 Mammoth Lakes, California transferred to the receivership estate by Christine
13 MacGregor pursuant to that certain Stipulated Final Order Against Fraudulent
14 Transfer Defendants Christine MacGregor and Midwest Properties, Inc. ("Midwest
15 Order") which was entered by the Court on August 31, 2007. During this expense
16 period, the Receiver and its counsel took steps to complete the sale of the
17 Mammoth House at a purchase price of \$3,475,000, which closed on May 15, 2008.
18 The Receiver continued to market and attempt to sell the Mammoth Lot, which has
19 been listed for sale since October 2007 and is the subject of a recent offer which has
20 been conditionally accepted by the Receiver, subject to Court approval of the sale
21 and overbidding. The sale procedures motion concerning the Mammoth Lot was
22 heard and granted on June 4, 2009.

23 During the Sixth Expense Period, the Receiver with assistance of counsel
24 prepared and filed a Report of Receiver's Activities, and the Receiver continued to
25 address tax and other financial and administrative issues concerning the estate. The
26 Receiver with counsel also responded to discovery in the pending class action
27 lawsuit filed against Wachovia Bank. These activities included a production of
28 additional documents to the class counsel in addition to Brick Kane appearing for a

1 deposition by the class plaintiffs which the Receiver's counsel attended. The
2 Receiver's counsel also prepared and filed a motion for approval of fees and
3 expenses for the fifth expense period and appeared at the hearing on that motion,
4 which was granted.

5 The Receiver's counsel also continued to monitor the pending appeal of the
6 judgment by defendant Brian MacGregor. The Receiver's counsel also reviewed
7 certain pending litigation matters in other courts in which certain of the
8 Receivership Entities are named parties in connection with the Receiver's
9 anticipated wind up of the receivership estate in the coming months.

10 In light of the varied and successful work performed by the Receiver and its
11 counsel during the eleven month time frame of the Sixth Expense Period, the
12 Receiver submits that the requested fees and expenses are reasonable and should be
13 approved and authorized for payment in their entirety.

14 **III. THE RECEIVER REQUESTS THAT THIS MOTION BE**
15 **GRANTED WITHOUT REQUIRING THE RECEIVER TO**
16 **GIVE WRITTEN NOTICE TO ALL CREDITORS**

17 Consistent with prior notice procedures approved in the case, the Receiver
18 requests that this Motion be granted without requiring the Receiver to give written
19 notice to all known creditors pursuant to Local Rule 66-7. Local Rule 66-7 applies
20 to the following: (a) petitions for payment of dividends to creditors; (b) petitions
21 for confirmation of sales of real property and personal property; (c) reports of the
22 Receiver; (d) applications for instructions concerning administration of the estate;
23 (e) applications for discharge of the Receiver; and (f) applications for fees and
24 expenses of the Receiver, the attorney for the Receiver and any other person
25 appointed to aid the Receiver (collectively referred to as "Rule 66-7 Motions").

26 Local Rule 66-7 requires that all "known" creditors of the Receivership
27 Defendants receive notice by mail of all Rule 66-7 Motions. In this case, there are
28 hundreds of thousands of consumers who are potential creditors in this case and

1 there are also over 60 vendor creditors. Further, the identity and address of each of
2 the consumers and vendor creditors is not known to the Receiver. If the Receiver
3 were required to give notice to all these creditors, such a requirement would be
4 burdensome, time-consuming and expensive for the receivership estate, including
5 substantial photocopying and postage costs. The substantial expense for copying
6 and mailing would unnecessarily deplete assets of the estate that might otherwise be
7 available for consumer redress.

8 Based on the foregoing, the Receiver seeks an order providing that the notice
9 requirement for the hearing on this Motion shall be deemed satisfied if copies of
10 this Motion are served on: (a) all parties to this action; (b) all parties who have
11 served the Receiver with a written request for notice; and (c) all parties who request
12 a copy of the Motion in writing directed to: Robb Evans & Associates LLC, Attn:
13 Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352-1121; Telephone:
14 (818) 768-8100; Facsimile: (818) 768-8802. The Receiver also will post a copy of
15 this Motion on the Receiver's website for this case at
16 www.robbevans.com/html/univprem.html, allowing all interested parties an
17 opportunity to review the Motion and to submit a written request for service
18 thereof. This procedure for limited notice is reasonable in light of the large number
19 of potential consumers, and provides adequate notice while allowing for efficient,
20 cost-effective administration of the receivership estate.

21 There is ample authority for approval of the scope and method of limited
22 notice as set forth above. Local Rule 66-7 provides that the provisions of Local
23 Rule 6-1 apply to notice of Rule 66-7 Motions. Local Rule 6-1 in turn provides for
24 the filing and service of written notices of motion "unless otherwise provided by
25 rule or ordered by the Court." This Court, as a court of equity supervising the
26 receivership estate, may make appropriate administrative orders governing the
27 receivership, including limitations on and changes in notice and other procedures.
28 See F.R.Civ.P. 5(a) and (c) (authorizing the court to modify service procedures

1 when numerous defendants are involved in litigation). Pursuant to Local Rules 66-
2 8, a receiver is directed to administer receivership estates “as nearly as possible in
3 accordance with the practice in administration of estates in bankruptcy.” Orders
4 limiting notice when the Bankruptcy Code or Rules would otherwise require notice
5 to all creditors are routinely granted in bankruptcy cases to promote the expeditious
6 and economical administration of bankruptcy estates. See In re First Alliance
7 Mortgage Co., 269 B.R. 428, 442 (C.D. Cal. 2001) (referencing in dicta in the
8 court’s recitation of facts the bankruptcy court’s order limiting notice issued in that
9 case); 11 U.S.C. § 102(1)(A) (defining the phrase “after notice and a hearing” to
10 mean “after such notice as is appropriate in the particular circumstances, and such
11 opportunity for hearing as is appropriate in the particular circumstances”);
12 11.U.S.C. § 105(a) and (d) (granting broad equitable powers to the court to issue
13 orders “necessary or appropriate to carry out the provisions” of title 11 including
14 “prescribing such limitations and conditions as the court deems appropriate to
15 ensure the case is handled expeditiously and economically”); and F.R. Bankr. P.
16 2002(m) (authorizing the court to enter “orders designating the matters in respect to
17 which, the entity to whom, and the form and manner in which notices shall be sent
18 except as otherwise provided by these rules”).

19 **IV. CONCLUSION**

20 Based on the foregoing, the Receiver respectfully requests that this Court
21 grant this Motion and issue an order: (1) approving and authorizing for payment
22 the fees and costs of the Receiver and his professionals incurred from May 1, 2008
23 through March 31, 2009; and (2) approving limited notice of this Motion pursuant

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1 to the procedures outlined herein, without the need to provide all known creditors
2 of the estate notice by mail as required by Local Rule 66-7.

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4 Dated: June 22, 2009

McKenna Long & Aldridge LLP
Gary Owen Caris
Lesley Anne Hawes

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By: /s/ Lesley Anne Hawes
Lesley Anne Hawes
Attorneys for Receiver
ROBB EVANS & ASSOCIATES
LLC

1 **DECLARATION OF LESLEY ANNE HAWES**

2 I, Lesley Anne Hawes, declare:

3 1. I am an attorney at law duly licensed before all courts of the State of
4 California and the United States District Court for the Central District of California
5 and am Of Counsel to the firm of McKenna Long & Aldridge LLP, attorneys for
6 Robb Evans & Associates LLC (“Receiver”) in this case. I am the attorney
7 primarily responsible for the representation of the Receiver in this matter. If called
8 upon to testify as to the matters set forth in this declaration, I could and would
9 competently testify to these matters as they are personally known to me to be true.

10 2. Attached hereto as Exhibit 1 are billing summaries reflecting the
11 services rendered, time spent and costs incurred by our firm pertaining to this
12 matter for the period from May 1, 2008 through March 31, 2009 (the “Sixth
13 Expense Period”), with descriptions redacted where appropriate to preserve the
14 attorney-client privilege and attorney work-product privilege or to otherwise protect
15 the Receiver and the estate from inappropriate or sensitive disclosures. Attorneys’
16 fees incurred by my firm during this eleven-month time period total \$8,349.50, and
17 costs total \$650.36.

18 3. During the Sixth Expense Period, my firm advised and assisted the
19 Receiver in completing the sale of the Mammoth House to a third party purchase.
20 The sale closed on May 15, 2008. My firm also assisted the Receiver in preparing
21 and filing a Report of Receiver’s Activities. The McKenna Firm also advised and
22 assisted the Receiver in responding to discovery propounded in a pending class
23 action in which Wachovia Bank is named as a defendant. The McKenna Firm
24 advised and assisted the Receiver in producing additional documents to the class
25 counsel, and Gary Owen Caris of the McKenna Firm attended the deposition of
26 Brick Kane of the Receiver’s office conducted by the class plaintiffs. My firm also
27 prepared and filed a motion for approval of fees and expenses for the fifth expense
28 period and appeared at the hearing on that motion, which was granted.

1 4. My firm also continued to monitor the pending appeal of the judgment
2 by defendant Brian MacGregor. My firm also reviewed certain pending litigation
3 matters in other courts in which certain of the Receivership Entities are named
4 parties in connection with the Receiver's anticipated wind up of the receivership
5 estate in the coming months.

6 5. I am Of Counsel to the McKenna firm and am familiar with the
7 methods and procedures used to create, record and maintain billing records for the
8 firm's clients. The billing summaries attached hereto as Exhibit 1 are prepared
9 from computerized time records prepared contemporaneously with the services
10 rendered by each attorney and paralegal billing time to this matter. These
11 computerized records are prepared in the ordinary course of business by the
12 attorneys and paralegals employed by the firm who have a business duty to
13 accurately record their time spent and services rendered on the matters on which
14 they perform work. The time records are transferred into a computerized billing
15 program that generates monthly invoices under the supervision of the firm's
16 accounting department. Based upon my experience with the firm, I believe the
17 firm's methods and procedures for recording and accounting for time and services
18 for its clients are reliable and accurate.

19 I declare under penalty of perjury that the foregoing is true and correct and
20 that this declaration was executed on June 22, 2009 at Los Angeles, California.
21

22 /s/ Lesley Anne Hawes
23 LESLEY ANNE HAWES

1 GARY OWEN CARIS (SBN 088918)
E-mail: gcaris@mckennalong.com
2 LESLEY ANNE HAWES (SBN 117101)
E-mail: lhawes@mckennalong.com
3 MCKENNA LONG & ALDRIDGE LLP
4 444 South Flower Street, 8th Floor
Los Angeles, CA 90071
Telephone: (213) 688-1000
5 Facsimile: (213) 243-6330

6 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC
7

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 UNIVERSAL PREMIUM SERVICES,
INC., a California corporation (also
15 known as Premier Benefits, Inc.), et al.,

16 Defendants.
17
18

CASE NO. CV 06-0849 GW (OPx)

**DECLARATION OF KENTON
JOHNSON IN SUPPORT OF
MOTION FOR ORDER (1)
APPROVING AND AUTHORIZING
PAYMENT OF RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FOR THE PERIOD
FROM MAY 1, 2008 THROUGH
MARCH 31, 2009; AND (2)
GRANTING RELIEF FROM
LOCAL RULE 66-7 PERTAINING
TO NOTICE TO CREDITORS**

Date: July 16, 2009
Time: 8:30 a.m.
Courtroom: 10
Judge: Honorable George Wu

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22 I, Kenton Johnson, declare:

23 1. I am a principal of Robb Evans & Associates LLC, the entity
24 appointed by this Court as permanent receiver over the assets of Universal Premium
25 Services, Inc. aka Premier Benefits, Inc., Consumer Reward Network, Inc., Star
26 Communications, LLC, Membership Direct Services, Inc. aka Continuity Partners,
27 Inc., Connect2USA, Inc. and their subsidiaries and affiliates (collectively, the
28 "Receivership Defendants") in connection with the above referenced matter. I have

1 personal knowledge of the matters set forth in this declaration or have gained
2 knowledge of these matters based upon my supervision of other members and staff
3 of Robb Evans & Associates LLC involved in the day to day management of this
4 receivership estate. If called upon to testify as to these matters, I could and would
5 competently testify thereto.

6 2. Robb Evans & Associates LLC was appointed as the temporary
7 receiver pursuant to a Temporary Restraining Order entered on February 21, 2006.
8 Thereafter, on March 21, 2006, Robb Evans & Associates LLC was appointed as
9 permanent receiver ("Receiver") pursuant to multiple injunctions and orders: (1)
10 Freezing Assets; (2) Appointing a Permanent Receiver; and (3) Granting Other
11 Equitable Relief (the "Receivership Orders"). Under Section XIV of the
12 Receivership Orders, the Receiver is required to file with the Court periodic
13 requests for the payment of reasonable compensation, with the first request filed no
14 later than 60 days after the date of the Receivership Orders.

15 3. The Receiver has filed five prior motions for approval and payment of
16 Receiver's and counsel's fees and expenses since the commencement of the
17 receivership, each of which have been granted as requested. On May 19, 2006, the
18 Receiver filed its first motion for the payment of its fees and expenses covering the
19 period from February 15, 2006 through March 31, 2006. The Court issued an order
20 granting the motion and authorizing the payment of fees and expenses incurred
21 during that expense period on June 27, 2006. On October 21, 2006, the Receiver
22 filed its second motion for approval of fees and expenses of the Receiver and its
23 counsel for the six-month period from April 1, 2006 through September 30, 2006.
24 The motion for approval of Receiver's fees and expenses for that period was
25 granted by the Court's order entered November 8, 2006. On May 21, 2007, the
26 Receiver filed its third motion for approval of fees and expenses of the Receiver
27 and its counsel for the five-month period from October 1, 2006 through February
28 28, 2007. The motion for approval of Receiver's fees and expenses for that

1 expense period was granted by the Court's order entered June 19, 2007. On
2 November 1, 2007, the Receiver filed its fourth motion for approval of fees and
3 expenses of the Receiver and its counsel seeking approval and authorization for
4 payment of fees and expenses of the Receiver, the Receiver's staff and the
5 Receiver's counsel for the six-month period of March 1, 2007 through August 31,
6 2007. The motion was granted by the Court's minute order entered November 26,
7 2007, approving all fees and expenses sought. The Receiver filed its fifth motion
8 for approval and payment of fees and expenses incurred by the estate for the eight-
9 month period from September 1, 2007 through April 30, 2008 on June 20, 2008.
10 The Court granted the Receiver's motion by order entered July 22, 2008.

11 4. By this sixth fee motion, the Receiver seeks an order approving and
12 authorizing payment of the fees and expenses of the Receiver, the Receiver's staff
13 and the Receiver's counsel incurred during the eleven -month period of May 1,
14 2008 through March 31, 2009 ("Sixth Expense Period"). The fees and costs for
15 which approval is requested are set forth in the summary which my office has
16 prepared entitled "Receivership Fees and Expenses by Month" attached hereto as
17 Exhibit 1. The fees and costs are further detailed in Exhibits 2 through 5, attached
18 hereto, redacted where appropriate to preserve the attorney-client privilege or to
19 otherwise protect the Receiver and the estate from inappropriate or sensitive
20 disclosures. Specifically, the Receiver's fees are itemized as Exhibit 2, senior staff
21 fees are itemized in Exhibit 3, information technology staff fees are itemized in
22 Exhibit 4, and support staff fees are summarized in Exhibit 5. The fees and
23 expenses of the Receiver's outside counsel, McKenna Long & Aldridge LLP, are
24 described in more detail in the accompanying declaration of Gary Owen Caris. As
25 specified in detail in Exhibits 1 through 5 hereto, the Receiver has incurred a total
26 of \$28,212.26 during the Sixth Expense Period. These fees and expenses are
27 comprised of the fees of the Receiver and his staff of \$8,680.45, Receiver's
28

1 expenses of \$10,531.95, legal fees incurred for services by the Receiver's counsel
2 of \$8,349.50 and expenses of the Receiver's counsel of \$650.36.

3 5. During the Sixth Expense Period, the primary activities of the Receiver
4 and its counsel pertained to the disposition of the two real properties located in
5 Mammoth Lakes, California transferred to the receivership estate by Christine
6 MacGregor pursuant to that certain Stipulated Final Order Against Fraudulent
7 Transfer Defendants Christine MacGregor and Midwest Properties, Inc. ("Midwest
8 Order") which was entered by the Court on August 31, 2007. During this expense
9 period, the Receiver and its counsel took steps to complete the sale of the
10 Mammoth House at a purchase price of \$3,475,000, which closed on May 15, 2008.
11 The Receiver continued to market and attempt to sell the Mammoth Lot, which has
12 been listed for sale since October 2007 and is the subject of a recent offer which has
13 been conditionally accepted by the Receiver, subject to Court approval of the sale
14 and overbidding. The sale procedures motion concerning the Mammoth Lot was
15 heard and granted on June 4, 2009.

16 6. During the Sixth Expense Period, the Receiver with assistance of
17 counsel prepared and filed a Report of Receiver's Activities, and the Receiver
18 continued to address tax and other financial and administrative issues concerning
19 the estate. The Receiver with counsel also responded to discovery in the pending
20 class action lawsuit filed against Wachovia Bank. These activities included a
21 production of additional documents to the class counsel in addition to Brick Kane
22 appearing for a deposition by the class plaintiffs which the Receiver's counsel
23 attended. The Receiver's counsel also prepared and filed a motion for approval of
24 fees and expenses for the fifth expense period and appeared at the hearing on that
25 motion, which was granted.

26 7. I have reviewed the receivership records and have determined that the
27 Receivership Defendants sold over 1.6 million packages for various products and
28 services to consumers. While it is believed that many consumers bought more than

1 one package, the total number of consumers who are potential creditors is in the
2 hundreds of thousands, if not more. The identity of each of the consumer creditors
3 is not known. There are also over 60 vendor creditors. It is not economically
4 feasible to serve all creditors in connection with this Motion.

5 8. A copy of this Motion will be posted on the Receiver's website at
6 www.robbevans.com/html/univprem.html, where it may be reviewed in its entirety.
7 Copies of this Motion will be provided to any interested party upon receipt of a
8 written request which may be sent to: Robb Evans & Associates LLC, Attn:
9 Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352-1121; Telephone
10 (818) 768-8100; Facsimile: (818) 768-8802.

11 9. As a member of Robb Evans & Associates LLC, I am familiar with the
12 methods and procedures used by the Receiver and its staff and employees to record
13 the time spent rendering services to receivership estates over which the Receiver
14 has been appointed. The records attached hereto as Exhibits 2 through 5 are
15 regularly prepared by the members, staff and employees of the Receiver at or about
16 the time of the services rendered and each of whom has a business duty to
17 accurately record the information regarding their services set forth in these records.
18 The records are reviewed by the Receiver's accounting staff and summarized in the
19 Receivership Fees and Expenses by Month attached hereto as Exhibit 1. Based
20 upon my experience with Robb Evans & Associates LLC, I believe the Receiver's
21 methods and procedures for recording and accounting for time and services for the
22 receivership estates over which it has been appointed are reliable and accurate.

23 I declare under penalty of perjury that the foregoing is true and correct and
24 that this declaration was executed on June 18 2009, at Sun Valley, California.

25
26 
27 KENTON JOHNSON
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