

1 Gary Owen Caris (CA SBN 088918)
gcaris@btlaw.com
2 **BARNES & THORNBURG LLP**
2029 Century Park East, Suite 300
3 Los Angeles, California 90067
Telephone: (310) 284-3880
4 Facsimile: (310) 284-3894

5 Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 NATIONSTAR MORTGAGE LLC,

12 Plaintiff,

13 v.

14 PATRICK JOSEPH SORIA, et al.,

15 Defendants.

Case No. 2:18-cv-03041 DSF (RAOx)

**NOTICE OF MOTION AND
MOTION FOR ORDER
APPROVING FINAL REPORT AND
ACCOUNTING; FINAL REQUEST
FOR APPROVAL AND PAYMENT
OF RECEIVER'S AND
PROFESSIONAL'S FEES AND
COSTS FROM FEBRUARY 1, 2020
THROUGH CLOSING; FOR
APPROVAL OF PROPOSED
DISTRIBUTIONS; AND FOR
DISCHARGE AND EXONERATION
OF BOND AND RELATED
RELIEF; MEMORANDUM OF
POINTS AND AUTHORITIES AND
DECLARATION OF GARY OWEN
CARIS IN SUPPORT THEREOF**

**[DECLARATION OF BRICK KANE
FILED CONCURRENTLY
HEREWITH]**

Date: February 22, 2021

Time: 1:30 p.m.

Courtroom: 7D

1 **TO: ALL PARTIES AND THEIR COUNSEL OF RECORD:**

2 **PLEASE TAKE NOTICE** that on February 22, 2021, at 1:30 p.m. in
3 Courtroom 7D of the above-referenced Court, located at 350 West 1st Street, Los
4 Angeles, CA 90012, the Permanent Receiver, Robb Evans & Associates LLC
5 (“Receiver”) will move the Court for an order:

6 1. Approving the Receiver’s final report, which is a part of this Motion at
7 Section II of the Memorandum of Points and Authorities, and approving the
8 Receiver’s final accounting, which is attached to the accompanying Declaration of
9 Brick Kane as Exhibit 1, served and filed concurrently herewith;

10 2. Authorizing and approving the Receiver’s wind up of the receivership
11 estate pursuant to paragraph 8 of the Revised Stipulated Judgment (Doc. 615)
12 (“Stipulated Judgment”) entered on October 21, 2020;

13 3. Approving and confirming all actions and activities taken by or on
14 behalf of the Receiver and all proposed actions to be taken, and all payments made
15 by the Receiver and all proposed payments to be made in connection with the
16 administration of the receivership estate;

17 4. Approving and authorizing for payment the receivership fees and costs
18 incurred for the period from February 1, 2020 through the closing of the receivership
19 estate (“Final Expense Period”). The Receiver specifically moves the Court for an
20 order: (1) approving in full and authorizing for payment the fees of the Receiver’s
21 members, senior staff and professionals, and reimbursement of costs, comprised of
22 (a) Receiver’s fees, including the Receiver’s members and senior staff, of \$9,287.50
23 and Receiver’s costs of \$10,257.66 (which includes \$9,885.50 for the Receiver’s
24 outside accountant Baker Tilly US, LLP (“Baker Tilly”) which prepares tax returns),
25 for a total of \$19,545.16 for the period from February 1, 2020 through November 30,
26 2020, plus estimated Receiver’s fees of \$5,695.00 and costs of \$8,100 (which
27 includes an estimated \$7,950.00 for Baker Tilly), for the period from December 1,
28 2020 through closing of the estate, **for a total of \$33,340.16**; and (b) Receiver’s

1 counsel Barnes & Thornburg LLP’s (“Barnes & Thornburg”) fees of \$47,133.70 and
2 costs of \$2,183.02, for a total of \$49,316.72 for the period from February 1, 2020
3 through November 30, 2020, plus estimated legal fees of \$15,000.00 and costs of
4 \$2,000.00, for the period from December 1, 2020 through closing of the estate, **for a**
5 **total of \$66,136.72**, all as set forth in the final accounting, Exhibit 1 to the
6 Declaration of Brick Kane, subject to amounts incurred above the estimated amounts
7 to be paid only with the approval of the plaintiff Nationstar Mortgage LLC
8 (“Nationstar” or “Plaintiff”) and without further Court order;

9 5. To the extent funds are available after payment of the administrative
10 expenses set out in the preceding paragraph, authorizing the Receiver to pay the
11 claims of the taxing authorities which accrued prior to the inception of the
12 receivership estate, including the Internal Revenue Service, the California Franchise
13 Tax Board and the California Department of Tax and Fee Administration, in the
14 aggregate amount of \$95,311.19, with the Internal Revenue Service having priority
15 of payment over the other taxing authorities;

16 6. Authorizing the Receiver to distribute the remaining monetary assets of
17 the receivership estate held by the Receiver, presently estimated to be \$23,391.67,
18 after the payment of administrative expenses and tax claims as set forth in the
19 preceding paragraphs, to Nationstar in partial satisfaction of the Stipulated
20 Judgment;

21 7. Authorizing the Receiver to dispose of, by way of charitable donation
22 or otherwise, and abandon all non-monetary assets of the receivership estate held by
23 the Receiver and which the Receiver determines is of *de minimis*, insubstantial
24 and/or no value to the receivership estate, including clothing of Patrick Soria
25 (“Soria”);

26 8. Authorizing the Receiver to destroy all records of the Receivership
27 Defendants, as hereinafter defined, in the Receiver’s possession, custody or control
28 within 30 days after entry of an order granting this Motion, unless a government

1 agency issues a subpoena for such records, in which case the Receiver is authorized
2 to turn over the records to the government agency which issued the subpoena;

3 9. After entry of an order granting this Motion, authorizing the Receiver to
4 continue to enforce collection of all sums due to be paid for title clearance services
5 provided by the Receiver prior to entry of such order, with the Court retaining
6 jurisdiction with respect to such enforcement efforts;

7 10. Effective upon the completion of the administration of the receivership
8 estate and the distribution of the remaining funds in the Receiver's possession and
9 custody as set forth above, for an order (a) providing that neither the Receiver nor
10 any agent, employee, member, officer, independent contractor, attorney, accountant
11 or representative of the Receiver shall have any liability to any person or entity for
12 any action taken or not taken in connection with carrying out the Receiver's
13 administration of the receivership estate, and the exercise of any powers, duties and
14 responsibilities in connection therewith; and (b) directing that the Receiver, its
15 agents, employees, members, officers, independent contractors, attorneys,
16 accountants and representatives are discharged, released from all claims and
17 liabilities arising out of and/or pertaining to the receivership, and relieved of all
18 duties and responsibilities pertaining to the receivership;

19 11. Exonerating the bond posted by the Receiver in this case, effective
20 upon completion of the administration of the receivership estate and distribution of
21 the remaining funds in the Receiver's possession and custody to Nationstar;

22 12. Deeming notice of this Motion to be sufficient under Local Rule 66-7
23 based on the service of notice of this Motion on all parties and by service of at least
24 notice of this Motion by regular mail or e-mail on certain potential and known
25 creditors of the estate including those who have sought title clearance services from
26 the Receiver, but not on the thousands of other potential consumers, lenders, loan
27 servicers, title insurers and other third parties who may have been defrauded by the
28 Receivership Defendants; and

1 13. Granting such additional relief in connection with the wind up and
2 closing of the receivership estate as the Court may determine to be just and proper
3 under the circumstances.

4 **PLEASE TAKE FURTHER NOTICE** that this Motion is made pursuant to
5 Local Rule 66-7 and Section 8 of the Stipulated Judgment, which provides that the
6 Receiver is to file its final report and accounting, request for fees and expenses,
7 proposed distribution of remaining sums in the estate, and final motion to wind up
8 the estate of the Receivership Defendants within 90 days of the entry of the
9 Stipulated Judgment.

10 This Motion is based upon the separate notice, this Notice of Motion and
11 Motion, the accompanying memorandum of points and authorities filed concurrently
12 herewith which includes the Receiver's final report at Section II, the Declaration of
13 Gary Owen Caris ("Caris Declaration"), and the Declaration of Brick Kane ("Kane
14 Declaration") filed concurrently herewith, upon the pleadings, files and records of
15 the Court in this case of which the Receiver requests the Court take judicial notice,
16 including without limitation the Temporary Receiver's Initial Report to the Court
17 (Doc. 31) ("Initial Report") filed May 4, 2018 and Report of Receiver's Asset
18 Tracing Dated July 27, 2018 (Doc. 155) ("Asset Tracing Report"), and upon such
19 other and further oral and documentary evidence as may be presented by the
20 Receiver at or prior to the hearing on this Motion. A proposed order granting this
21 Motion is attached hereto.

22 **STATEMENT REGARDING CONFERENCE OF COUNSEL**
23 **PURSUANT TO LOCAL RULE 7-3**

24 No Conference of Counsel was conducted with respect to this Motion as
25 would otherwise be required pursuant to Local Rule 7-3. The relief sought by the
26 Receiver cannot be resolved by the parties as the Court is required to rule on the
27 Receiver's Motion under Local Rule 66-7 and paragraph 8 of the Stipulated
28 Judgment, as described above. Furthermore, Rule 66-7 requires that notice of such

1 Motion be served on creditors as well as the parties to the action, rendering the
2 Receiver further unable to seek a resolution of the Motion only with the parties to
3 the action.

4
5 Dated: January 15, 2021

Respectfully submitted,
BARNES & THORNBURG LLP

6
7 By: /s/ Gary Owen Caris
8 GARY OWEN CARIS
9 Attorneys for Permanent Receiver
10 Robb Evans & Associates LLC
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

Page(s)

MEMORANDUM OF POINTS AND AUTHORITIES 1

 I. INTRODUCTION 1

 II. FINAL REPORT AND SUMMARY OF RECEIVER’S
 ACTIVITIES 3

 A. Inception of the Receivership through January 31, 2020 3

 B. Services Performed by the Receiver and its Counsel
 during the Final Expense Period 10

 III. THE RECEIVER’S PROPOSED PAYMENTS FROM NET
 PROCEEDS OF THE RECEIVERSHIP ESTATE 13

 IV. THE FEES AND COSTS OF THE RECEIVER AND ITS
 COUNSEL ARE REASONABLE AND SHOULD BE
 APPROVED AS REQUESTED..... 15

 V. THE CLOSING OF THE ESTATE SHOULD BE
 APPROVED AS REQUESTED..... 17

 VI. NOTICE OF THIS MOTION IS REASONABLE
 UNDER THE CIRCUMSTANCES AND SHOULD BE
 APPROVED 18

 VII. CONCLUSION 20

DECLARATION OF GARY OWEN CARIS 21

TABLE OF AUTHORITIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page(s)

Federal Cases

Federal Trade Commission v. Capital Acquisitions & Management Corp.,
2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005)..... 16

In re First Alliance Mortgage Co.,
269 B.R. 428 (C.D. Cal. 2001) 19

Quilling v. Trade Partners, Inc.,
2007 WL 107669 (W.D. Mich. 2007)..... 14

In re San Vicente Medical Partners Ltd.,
962 F. 2d 1402 (9th Cir. 1992) 16

SEC v. Basic Energy,
273 F.3d 657 (6th Cir. 2001)..... 14

SEC v. Elliott,
953 F.2d 1560 (11th Cir. 1992) 14, 16

SEC v. Forex Asset Mgmt. LLC,
242 F.3d 325 (5th Cir. 2001)..... 14, 15

SEC v. Hardy,
803 F.2d 1034 (9th Cir. 1986) 14, 17

SEC v. Lincoln Thrift Ass'n, 577 F.2d 600, 606 (9th Cir. 1978)..... 14

Federal Statutes

11 U.S.C.
§ 102(1)(a)..... 19
§ 105(a) 19
§ 105(d) 19

31 U.S.C.
§ 3713..... 13

F.R. Civ. P. 5(a) 19

1	F.R. Civ. P. 5 (c).....	19
2	F.R. Bankr. P. 2002 (m)	19
3		
4	California Statutes	
5	California Business and Professions Code	
6	§ 17200.....	1
7	California Revenue and Taxation Code	
8	§ 19516.....	13
9	Other Authorities	
10	2 Clark, Ralph Ewing, <i>A Treatise on the Law and Practice of Receivers</i>	
11	§ 637 (3rd ed. Rev. 1992)	15
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 This lawsuit was commenced by Nationstar on April 11, 2018 with a
4 Complaint for Permanent Injunction and claims for relief based upon RICO
5 violations, for cancellation of instruments, violations of the California Business and
6 Professions Code § 17200, violation of the Lanham Act, for tortious interference
7 with contractual relations, and for intentional interference with prospective
8 economic advantage. Plaintiff alleged and described a fraudulent and criminal
9 enterprise masterminded by Patrick Joseph Soria (“Soria”) whereby Soria, and the
10 various named entity Defendants he controlled, hijacked thousands of mortgages
11 and deeds of trust through the recordation of phony assignment documentation, and
12 recorded phony trustee’s deeds purporting to take ownership of real property
13 following purported, but fictitious, foreclosure sales. Soria and the named entity
14 Defendants fraudulently claimed to be helping homeowners in financial distress by
15 falsely claiming that they had taken ownership of the homeowners’ real property-
16 secured loans and induced these homeowners into making payments to the
17 Defendant entities instead of the actual lenders. Based on information obtained and
18 reviewed by the Plaintiff, there may be in excess of 2,300 affected properties
19 nationwide as a result of Defendants’ scam.

20 The Receiver was appointed Temporary Receiver pursuant to the Court’s
21 Order Granting Plaintiff Nationstar Mortgage LLC’s *Ex Parte* Application for a
22 Temporary Restraining Order With Asset Freeze; Order to Show Cause Why
23 Preliminary Injunction Should Not Issue; Granting Nationstar Mortgage LLC’s *Ex*
24 *Parte* Application for an Appointment of Temporary Receiver and Other Equitable
25 Relief; and Order to Show Cause Why a Permanent Receiver Should Not Be
26 Appointed (Doc. 20) (“TRO”) issued on April 23, 2018. Under the TRO, the
27 Receiver was named Temporary Receiver over “Receivership Defendants” West
28 H&A, LLC; Warranted Effectuation of Substitute Transferee Inc.; Westwood

1 Legal; Westward Legal; Brighton Legal Group, PC; BLG PC National By Brighton
2 Legal Group, Inc.; Deutsche Mellon National Asset, LLC; Christiana Wilmington
3 Global Asset Corp.; HBSC US in its Capacity as Legal Title Holder Incorporated;
4 and Camden Legal Group, PC.

5 Thereafter, on May 1, 2018, while still Temporary Receiver, the Receiver
6 brought its *Ex Parte* Application for Order Modifying Temporary Restraining
7 Order and Order Appointing a Temporary Receiver (Doc. 29) (“Application to
8 Modify TRO”). In the Application to Modify TRO, the Receiver demonstrated that
9 Soria had failed to cooperate with the Receiver or to provide any information
10 necessary for the Receiver to begin the task of marshalling assets for Plaintiff and
11 other defrauded third parties. Soria refused to communicate with the Receiver, or
12 provide any information concerning the location of and access to electronic and
13 paper accounting records for the Receivership Defendants (as defined in the TRO),
14 the location of business operations for the Receivership Defendants, the locations of
15 and access to all electronic and paper records pertaining to consumers, and other
16 pertinent and critical information. The Receiver described Soria’s and the
17 Receivership Defendants’ pattern and practice of establishing a multiplicity of
18 confusing entities, for the apparent purpose of creating confusion and hiding assets.
19 The Application to Modify TRO therefore sought to expand the definition of
20 Receivership Defendants to include “any subsidiaries, affiliates, successors and
21 assigns of any of the foregoing, any entities owned or controlled by any of the
22 foregoing, any entities owned or controlled by Defendant Patrick Joseph Soria, any
23 fictitious business names created by or used by any of the foregoing, individually,
24 collectively, or in any combination, and the assets of Patrick Joseph Soria.” The
25 Court granted the Application to Modify TRO on May 1, 2018 pursuant to its Order
26 Granting *Ex Parte* Application for Order Modifying Temporary Restraining Order
27 and Order Appointing a Temporary Receiver (Doc. 30) (“Order Modifying TRO”).
28

1 On May 7, 2018, the Court entered the Preliminary Injunction, which defined
2 Receivership Defendants as that term was expanded in the Order Modifying TRO,
3 and made Robb Evans & Associates LLC the Permanent Receiver. The term
4 Receivership Defendants is used herein as defined in the Preliminary Injunction.

5 On October 21, 2020, the Court entered the Stipulated Judgment which,
6 among other things, provided for a \$931,908.01 monetary judgment against the
7 Receivership Defendants, defined therein to mean all of the entity Defendants.
8 Paragraph 4 of the Stipulated Judgment provided that all of the Receiver's powers
9 and duties remained in full force and effect under the Court's prior orders.
10 Paragraph 8 of the Stipulated Judgment provided that within 90 days (January 19,
11 2021) the Receiver was to file a final report and accounting, request for fees and
12 expenses, proposed distribution of remaining sums in the receivership estate and
13 final motion to wind up the receivership estate.

14 **II. FINAL REPORT AND SUMMARY OF RECEIVER'S ACTIVITIES**

15 **A. Inception of the Receivership through January 31, 2020**

16 The Receiver has previously reported in detail its activities to the Court in its
17 Initial Report, Asset Tracing Report, and four fee motions covering the work of the
18 Receiver and its counsel Barnes & Thornburg from the inception of the receivership
19 on April 23, 2018 through the end of the period covering its fourth fee motion on
20 January 31, 2020 (Docs. 151, 293, 515 and 568). Herein, the Receiver provides a
21 summary and recap of the work performed since the inception of the case through
22 January 31, 2020, the end of the last fee period, and updates the Court on the work
23 performed since the end of the period covered by the last fee motion.

24 The Receiver took several steps to attempt to implement the terms of the
25 TRO beginning on April 23, 2018. The Receiver went to all potential business
26 locations described in the TRO in order to take possession and control of the
27 business premises of the Receivership Defendants. The Receiver learned that one
28 of the premises had been vacated by the Receivership Defendants and three other

1 locations were “virtual offices” used by the Receivership Defendants only for the
2 purpose of receiving mail. The Receiver served the TRO on the persons apparently
3 in charge of each of those three locations. Steps were taken to secure and re-direct
4 the mail addressed to the Receivership Defendants at those locations. A fifth
5 location was a corporate post office location, also used solely for the receipt of
6 mail, and the post office box there had been closed. The sixth location listed in the
7 TRO apparently had been used for the Receivership Defendants’ loan modification
8 processing activities and was also vacant at the inception of the receivership.

9 Much of the mail retrieved at the outset of the receivership required the
10 Receiver’s and its counsel’s prompt attention, including mail containing many
11 notices as to scheduled foreclosure sales, tax sales, and notices of default. The
12 Receiver reviewed the Receivership Defendants’ mail and determined which mail
13 necessitated immediate attention. When mail indicated a foreclosure sale was
14 scheduled, the Receiver immediately contacted the consumer and urged the
15 consumer to immediately contact his or her lender or servicer. In that instance, the
16 Receiver also contacted the lender or servicer and urged them to contact the
17 consumer.

18 During the period of the temporary receivership, the Receiver telephoned and
19 e-mailed Soria in an effort to meet with him either in person or telephonically in
20 order to discuss his compliance with the TRO and to obtain information about the
21 Receivership Defendants. This was especially important since no physical
22 locations for the Receivership Defendants had been discovered and no electronic or
23 paper documentation of the Receivership Defendants had been located by the
24 Receiver. Soria never contacted the Receiver.

25 The Receiver served all known financial institutions which potentially held
26 accounts of any of the Receivership Defendants with the TRO, Order Modifying
27 Receivership and Preliminary Injunction. Only \$7,027.90 was located in and
28 turned over by financial institutions.

1 During the early portion of the receivership, the Receiver made extensive
2 attempts to contact consumers, lenders and loan servicers in an effort to prevent
3 further harm from befalling third parties as a result of the fraudulent activities of the
4 Receivership Defendants and Soria, even though the Receiver obtained no
5 cooperation from Soria or anyone acting on his behalf.

6 The Receiver prepared for and attended the preliminary injunction hearing on
7 May 7, 2018. At that hearing, and at the Court's instruction, Soria agreed to meet
8 with the Receiver and a meeting was scheduled for May 10, 2018 with the Receiver
9 and its counsel in the Receiver's offices in Sun Valley. The Receiver prepared for
10 the meeting, but Soria never showed up.

11 In May 2018, counsel for the Plaintiff supplied the Receiver with a link and a
12 password enabling the Receiver to access two databases used by the Receivership
13 Defendants known as AutoPal and LoanPost. The AutoPal database appears to
14 have been a database used by the Receivership Defendants to track fraudulently
15 created "loans" which the Receivership Defendants falsely asserted they had made
16 for consumers, as a result of purportedly buying the loan from or paying off the
17 actual institutional lender. LoanPost appears to be a broader database of consumers
18 who came into contact with and/or did business with the Receivership Defendants.
19 The Receiver immediately began to disseminate notice by e-mail to over 200
20 consumers identified in the AutoPal database, advising them not to send any more
21 payments to the Receivership Defendants and to contact their original lenders or
22 servicers. Thereafter, the Receiver sent notice by e-mail to nine consumers who
23 had foreclosure sales scheduled according to information on LoanPost, advising
24 them that the Receivership Defendants had been acting fraudulently and of the
25 scheduled foreclosure sale on their properties which required their immediate
26 attention. In these instances, the Receiver also contacted their lenders or servicers,
27 urging them to contact the consumers before completing foreclosure. The Receiver
28 also began to disseminate notice by e-mail of the receivership to over 1200

1 consumers referenced in the LoanPost database. Thereafter, utilizing the LoanPost
2 database, the Receiver contacted the 16 lenders and servicers who were most
3 affected by the Receivership Defendants' activities, covering about 850 consumers.

4 Early in the receivership, the Receiver gained control over the Receivership
5 Defendants' e-mails and domain names housed in the cloud by Creative Note, Inc.
6 The Receiver also learned the identity of the Receivership Defendants' answering
7 service when counsel for Plaintiff provided the Receiver's attorney an e-mail
8 showing that Soria was apparently directing the answering service to refer calls to
9 Joseph Fischbach ("Fischbach"), in violation of the Receiver's counsel's express
10 instructions to Fischbach. Fischbach was an attorney who had been assisting Soria.
11 The Receiver immediately served the answering service with the Preliminary
12 Injunction and instructed the answering service to refer callers to the Receiver's e-
13 mail which had been set up by the Receiver for this receivership estate.

14 In June 2018 Brick Kane, the President and Chief Operating Officer of Robb
15 Evans & Associates LLC, went on two trips to the Waldorf Astoria in Beverly Hills
16 pursuant to Court orders in an effort to gain access to Soria's suite where he had
17 been residing. Ultimately, the Receiver's counsel was successful in gaining access
18 to the suite on a third trip to the Waldorf Astoria over a two-day period, as well as
19 gaining access to and recovering Soria's personal property assets. Included in the
20 initial personal property recovered by the Receiver's counsel on the third trip to the
21 Waldorf Astoria was a large batch of mail, including checks, addressed to entities
22 unrelated to Soria and the Receivership Defendants. The mail, including checks,
23 was addressed to locations where the Receivership Defendants maintained virtual
24 offices and appeared to have been stolen by Soria from unrelated third parties. The
25 Receiver communicated with various third parties to confirm that their mail had
26 been stolen.

1 After access was finally permitted on the third trip, the Receiver coordinated
2 with the owner of the Waldorf Astoria in Beverly Hills, Hilton Domestic Operating
3 Company, Inc. (“Hilton”) and its counsel to obtain the balance of Soria’s clothing,
4 jewelry and rented luxury automobiles located there and at the adjacent Hilton
5 property in Beverly Hills where Soria intended to relocate. The Receiver
6 coordinated the return of the luxury automobiles and began the process of
7 attempting to return unused clothing and jewelry recently purchased in cash by
8 Soria from Barney’s New York (“Barney’s”) located in Beverly Hills. The
9 Receiver’s counsel began negotiations directly with Barney’s counsel, which
10 ultimately led to the successful return of new clothing and jewelry in exchange for a
11 payment of \$60,003.81. The Receiver is still in possession of used clothing of
12 Soria believed to be of insubstantial or no value to the estate.

13 The Receiver demanded funds from Hilton in connection with its misconduct
14 in preventing the Receiver access to Soria’s suite at the Waldorf Astoria. In Court
15 pleadings, the Receiver demonstrated significant misconduct by senior employees
16 of the Waldorf Astoria. On September 18, 2018, the Court issued an order (Doc.
17 235) which, among other things, required Hilton to pay \$125,064 to the Receiver,
18 which included reimbursement for Receiver’s fees and expenses and those of its
19 counsel. This amount was paid by Hilton in October 2018.

20 The Receiver undertook a detailed asset tracing as it related to two parcels of
21 real estate fraudulently hijacked by the Receivership Defendants and purportedly
22 sold by them, one in Frisco, Texas and one at 19856 Trotter Lane, Yorba Linda,
23 California (“Trotter Property”). This detailed asset tracing was reported to the
24 Court in July 2018 in the Asset Tracing Report and included a reconstruction of
25 several of Garson Silvers’ bank accounts. The forensic analysis prepared by the
26 Receiver regarding the Trotter Property was utilized extensively by Receiver’s
27 counsel in making demand on and ultimately successfully recovering a total of
28 \$324,500 from three different law firms which were some of the recipients of the

1 funds, including \$80,000 from Fischbach, \$59,500 from Benjamin Sternberg
2 (“Sternberg”) and \$185,000 from Leech Tishman Fuscaldó & Lampl (“Leech
3 Tishman”). In December 2018, DNE Associates (“DNE”) brought a motion to
4 obtain funds which the Receiver recovered and were traced to the purported sale of
5 the Trotter Property, as the party defrauded in the transaction. The Receiver, along
6 with Plaintiff, successfully opposed DNE’s efforts to recover funds from the
7 receivership estate. DNE also brought litigation against several parties involved in
8 the fraudulent Trotter Property transaction. In 2019, the Receiver analyzed and did
9 not object to a settlement agreement negotiated between DNE and Citrus Realty,
10 one of the state court defendants sued by DNE, which among other things resulted
11 in a \$15,000.00 payment to the receivership estate.

12 In addition to the detailed asset tracing, the Asset Tracing Report also
13 contained results concerning the Receiver’s analysis of documents subpoenaed
14 from 3rd & La Cienega Financial, LLC, a check cashing company. This analysis
15 disclosed, among other things, that Soria cashed checks from consumers that were
16 intended to be applied to their mortgages, and confirmed that Soria had altered
17 stolen checks which were recovered from his belongings stored at the Waldorf
18 Astoria.

19 The Receiver developed strategies with respect to the discovery of
20 documents from Joseph Hart, one of the Receivership Defendants’ pre-receivership
21 counsel, which helped uncover key pieces of the information described in the Asset
22 Tracing Report. The Receiver participated in a telephone interview with Hart. The
23 Receiver with the assistance of its counsel, entered into an interim agreement with
24 Hart, through his attorney, whereby the Receiver obtained payment of \$15,638.52,
25 all remaining sums Hart had in his possession related to Soria and the Receivership
26 Defendants. The Receiver, in consultation with the Plaintiff, ultimately determined
27 that it would not be cost effective to pursue litigation against Hart.

28

1 In November 2018, Brick Kane inspected the property at 10809 Wellworth
2 Avenue in Westwood, which was a single family residence against which the
3 Receivership Defendants had recorded a bogus Trustee's Deed following a
4 purported (but non-existent) foreclosure sale. The property had been used by Soria
5 for business operations, but when Kane went to the property only a small amount of
6 paperwork related to the Receivership Defendants remained on premises, along
7 with a small amount of personal property used by the business of insignificant
8 value.

9 During the initial year of the receivership, the Receiver's counsel had
10 extensive communications with counsel for Soria, in particular to address his lack
11 of compliance with various orders of the Court and Soria's unsuccessful efforts to
12 be released from incarceration for civil contempt. Throughout the receivership, the
13 Receiver and its counsel have communicated with counsel for Nationstar
14 concerning a myriad of matters affecting the receivership estate. Also throughout
15 the receivership, the Receiver and its counsel have communicated with
16 representatives of various governmental agencies and departments, including the
17 Consumer Financial Protection Bureau, the Assistant United States Attorney for the
18 Central District of California and the Federal Bureau of Investigation.

19 Additionally, throughout the receivership, the Receiver and its counsel had
20 extensive telephonic communication with defrauded consumers, lenders, loan
21 servicers, foreclosure trustees and counsel for these various parties, addressing
22 many different real properties affected by the fraudulent activities of Soria and the
23 Receivership Defendants. The Receiver also assisted those parties by executing
24 various rescission documents and stipulated judgments, when requested and
25 appropriate to do so, and after review and revision by Receiver's counsel of the
26 proposed documentation. Since the inception of the receivership estate, the
27 Receiver has executed stipulated judgments and/or rescission documents in
28 connection with at least 177 properties nationwide. Pursuant to the Court's Order

1 re Cost Sharing for Title Clearance Through the Receivership (Doc. 335) (“Title
2 Clearance Order”) entered December 13, 2018, which required that the Receiver be
3 paid \$3,750 for title clearance work undertaken by the Receiver after entry of the
4 Title Clearance Order, the Receiver has obtained \$333,750 for the receivership
5 estate for its title clearance work in connection with 89 of these properties and
6 expects to recover at least another \$15,000 in connection with title clearance work
7 prior to the discharge of the Receiver pursuant to this Motion.

8 **B. Services Performed by the Receiver and its Counsel during the**
9 **Final Expense Period**

10 The Receiver seeks payment of its fees and costs summarized in the final
11 accounting attached as Exhibit 1 to the Kane Declaration filed in support of this
12 Motion, together with the detailed billing records of the Receiver, attached to the
13 Kane Declaration collectively as Exhibit 2.¹ During the Final Expense Period, from
14 February 1, 2020 through November 30, 2020, a period of ten months, the Receiver
15 has incurred fees for the Receiver, its members and senior staff of \$9,287.50,
16 together with estimated fees of \$5,695.00 from December 1, 2020 through closing
17 of the receivership estate. The Receiver’s costs during the Final Expense Period
18 through November 30, 2020 total \$10,257.66, primarily comprised of tax return
19 preparation fees in the sum of \$9,885.50 for its tax accountants, Baker Tilly, for the
20 preparation of 2018 and 2019 tax returns for eight corporate Receivership
21 Defendants and the Qualified Settlement Fund established by the Receiver in this
22 matter. Estimated closing costs total \$8,100, also primarily comprised of tax return
23

24 ¹ As explained in the Caris Declaration, the bills have been redacted where appropriate to
25 preserve confidential, sensitive, tactical, strategic, attorney-client privileged and/or attorney work-
26 product information. In the Court’s Order issued on August 10, 2018 (Doc. 190) in connection
27 with the initial fee motion filed by the Receiver, the Court stated: “In order for the Court to
28 properly evaluate the requested fees, the Court requires that an unredacted version of the billings
be submitted under seal and in camera.” Therefore, pursuant to that Order, the Receiver
concurrently files under seal an unredacted copy of the billings.

1 preparation fees in the estimated sum of \$7,950 for Baker Tilly for the preparation
2 of 2020 and 2021 tax returns for one corporate Receivership Defendant and the
3 Qualified Settlement Fund. All of the Receiver's costs are itemized in the final
4 accounting.

5 The Receiver also seeks payment of its counsel's fees and expenses
6 summarized in the final accounting and set forth in the detailed billing records of
7 Barnes & Thornburg. The Barnes & Thornburg bills for February 1, 2020 through
8 November 30, 2020 are attached collectively to the Caris Declaration as Exhibit 1.
9 During the Final Expense Period through November 30, 2020, the Receiver
10 incurred fees to Barnes & Thornburg of \$47,133.70. The estimated fees from
11 December 1, 2020 through closing are \$15,000.00. Costs incurred by Barnes &
12 Thornburg from February 1, 2020 through November 30, 2020 total \$2,183.02, and
13 costs from December 1, 2020 through closing are estimated at \$2,000.00.

14 During the Final Expense Period, the Receiver and its counsel continued to
15 address rescission documents, including communicating with counsel for lenders
16 and loan servicers involving properties throughout the United States. Rescission
17 documentation was negotiated, reviewed and revised as to at least 20 properties.²

18 The Receiver and its counsel also communicated with various representatives
19 of the Department of Justice, including the Assistant United States Attorney for the
20 Central District of California and an agent with the Federal Bureau of Investigation,
21 concerning documentation they requested in connection with criminal charges
22 pending against Soria.

23 The Receiver addressed various tax issues including whether and the extent
24 to which the Receivership Defendants had pre-receivership tax liability and
25 communicated with representatives of, among other agencies, the Internal Revenue
26

27 ² Some of these title clearance documents were requested by Nationstar and therefore did not
28 result in a \$3,750 title clearance payment under the Title Clearance Order.

1 Service and the Franchise Tax Board. It also analyzed the extent to which tax
2 claims should be paid to the extent funds were available from the receivership
3 estate. The Receiver also discussed these issues with its tax accountant. Tax issues
4 are discussed in section III of this Motion following this final report.

5 The Receiver's counsel addressed DNE's good faith settlement motion in
6 state court in connection with DNE's settlement with Citrus Realty, which resulted
7 in a payment of \$15,000 to the Receiver. Barnes & Thornburg also discussed and
8 agreed to a stipulation with DNE for relief from the stay in the receivership action
9 to permit DNE to proceed with its state court litigation against parties to its
10 litigation who were not Receivership Defendants.

11 The Receiver's counsel prepared, with the Receiver's assistance, the
12 pleadings which were filed in support of its successful fourth motion for payment
13 of the Receiver's and its counsel's fees and costs.

14 Finally, the Receiver and its counsel negotiated the Stipulated Judgment
15 which was entered against the Receivership Defendants and in favor of Nationstar
16 in the instant litigation. This included reviewing and revising several drafts of the
17 Stipulated Judgment and filing papers addressing the Court's inquiry concerning
18 the Stipulated Judgment.

19 During the period after November 30, 2020 the Receiver's estimated fees
20 include continued work communicating with its counsel, its tax accountants and
21 other parties in interest, preparing the final accounting which accompanies the Kane
22 Declaration, taking steps necessary to wind up the receivership estate and distribute
23 funds as sought pursuant to this Motion, and addressing any remaining title
24 clearance issues. Counsel's estimated fees and costs relate primarily to ongoing
25 title clearance work and the preparation and service of this wind up Motion and all
26 papers in support of this Motion.

1 **III. THE RECEIVER’S PROPOSED PAYMENTS FROM NET**
2 **PROCEEDS OF THE RECEIVERSHIP ESTATE**

3 The Receiver has been presented with three pre-receivership tax claims: a
4 claim by the Internal Revenue Service for \$73,692.33; a claim by the California
5 Franchise Tax Board for \$20,280.46; and a claim by the California Department of
6 Tax and Fee Administration for \$1,338.40. Pursuant to 31 U.S.C. §3713 and
7 California Revenue and Taxation Code §19516, the Receiver has determined that
8 these claims should be paid prior to distributing any net proceeds to any other
9 claimant, including Nationstar, in light of the federal and state priority which is
10 given to these claims.

11 After payment of these tax claims, the Receiver proposes to pay the balance
12 of funds on hand to Nationstar. Given the net amount on hand after payment of the
13 tax claims, presently estimated at \$23,391.67, the expense to propose and
14 implement a claims allowance and distribution procedure would dissipate all of the
15 remaining funds on hand in the receivership estate. Such a procedure would be
16 complicated and time consuming, given the extensive and varying groups of
17 consumers, lenders, loan servicers and title insurers who have been harmed by the
18 fraudulent and criminal conduct of Soria and the Receivership Defendants, and
19 there is an insufficient amount of funds on hand to justify the expense which would
20 be incurred in such an endeavor.

21 Additionally, the Receiver believes that Plaintiff’s work in bringing this
22 action, obtaining injunctive relief against Defendants and seeking the appointment
23 of the Receiver, was extremely important and valuable in stopping the egregious
24 misconduct of Soria and the other Defendants, and in limiting the overall losses
25 which have been suffered. As the Court observed in its Title Clearance Order:
26 “...Plaintiff has provided significant service to the victims of the alleged fraud and
27 has a strong argument for a claim against the common fund for payment of legal
28 fees and costs.” The Proposed Judgment sum of \$931,908.01 represents the legal

1 fees and costs which Plaintiff has incurred in the instant litigation, so this modest
2 partial satisfaction of the judgment would be fair and equitable under the
3 circumstances.

4 The Court's power over an equity receivership and to determine appropriate
5 procedures for administering a receivership is "extremely broad." *SEC v. Hardy*,
6 803 F.2d 1034, 1037 (9th Cir. 1986). The Ninth Circuit in *Hardy* stated:

7 The basis for broad deference to the district court's
8 supervisory role in equity receiverships arises out of the
9 fact that most receivership involve multiple parties and
10 complex transactions. ...

11 [W]e have acknowledged that a primary purpose of
12 equity receiverships is to promote orderly and efficient
13 administration of the estate by the district court for the
14 benefit of creditors. [Citations omitted.] Accordingly, we
15 generally uphold reasonable procedures instituted by the
16 district court that serve this purpose. *SEC v. Hardy*, 803
17 F. 2d at 1037-1038.

18 See also *SEC v. Basic Energy*, 273 F.3d 657, 668 (6th Cir. 2001); *SEC v.*
19 *Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Lincoln Thrift Ass'n*, 577
20 F.2d 600, 606 (9th Cir. 1978) (“[T]he district court has broad powers and wide
21 discretion to determine the appropriate relief in an equity receivership.”).

22 The Court has wide latitude when it exercises its inherent equitable power to
23 approve a plan of distribution of receivership funds. *SEC v. Forex Asset Mgmt.*
24 *LLC*, 242 F.3d 325, 331 (5th Cir. 2001) (affirming District Court's approval of plan
25 of distribution because court used its discretion in "a logical way to divide the
26 money"); *Quilling v. Trade Partners, Inc.*, 2007 WL 107669, * 1 (W.D. Mich.
27 2007) ("In ruling on a plan of distribution, the standard is simply that the district
28 court must use its discretion in a logical way to divide the money" (internal

1 quotations omitted)). In approving a plan of distribution in a receivership, "the
2 district court, acting as a court of equity, is afforded the discretion to determine the
3 most equitable remedy." *Forex*, 242 F.3d at 332. Given the limited funds available,
4 it is appropriate to forgo a complex and expensive distribution plan and provide that
5 all net funds after payment of priority tax claims be distributed to Nationstar in
6 partial satisfaction of the Stipulated Judgment.

7 **IV. THE FEES AND COSTS OF THE RECEIVER AND ITS COUNSEL**
8 **ARE REASONABLE AND SHOULD BE APPROVED AS**
9 **REQUESTED**

10 It is a fundamental tenet of receivership law that expenses of administration
11 incurred by the receiver, including those of the receiver, his counsel and others
12 employed by him, constitute priority expenses for which compensation should be
13 paid from the assets of the receivership. As explained in the leading treatise *Clark*
14 *on Receivers*:

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

23 2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p.
24 1052 (3rd ed. Rev. 1992).

25 The Receiver is an officer of the Court charged with a myriad of duties under
26 the Court's TRO, Preliminary Injunction and Stipulated Judgment, many of which
27 have no relationship to recovery of assets or increasing the funds available for
28 distribution to creditors. Because of the nature of the administrative and other

1 services required in receiverships, the benefit a receiver confers on receivership
2 property cannot be determined based solely on the increase or decrease in the value
3 of property in the receiver's possession. This is particularly true in this
4 receivership, where much of the work of the Receiver and its counsel have been
5 focused on unwinding fraudulent transactions. As the Court explained in *Securities*
6 *and Exchange Commission v. Elliott*, 953 F. 2d 1560, 1577 (11th Cir. 1992):

7 [I]t is sometimes difficult to ascertain what type of
8 benefits a receiver has bestowed on receivership property
9 [A] benefit to a secured party may take more subtle
10 forms than a bare increase in monetary value. Even
11 though a receiver may not have increased, or prevented a
12 decrease in, the value of the collateral, if a receiver
13 reasonably and diligently discharges his duties, he is
14 entitled to compensation. [Citations omitted.]

15 *Securities and Exchange Commission v. Elliott*, 953 F. 2d at 1577.

16 The Court has broad discretion in determining the reasonableness of fees to
17 be awarded a receiver. *See In re San Vicente Medical Partners Ltd.*, 962 F. 2d
18 1402, 1409-1410 (9th Cir. 1992). The Court may evaluate the time and effort
19 expended by the Receiver with respect to specific projects and aspects of the
20 administration of the estate, and may look to a number of different factors under the
21 case law in approving receiver's and counsel's fees. *In re San Vicente Medical*
22 *Partners Ltd.*, 962 F. 2d at 1409-1410.

23 This Motion establishes that the Receiver, its members, senior staff and
24 professionals rendered reasonable and necessary services for the receivership estate
25 during the Final Expense Period that were beneficial to the estate, and that the
26 estimated expenses to wind up the estate are fair and reasonable. *See Federal Trade*
27 *Commission v. Capital Acquisitions & Management Corp.*, 2005 U.S. Dist. LEXIS
28 18504 (N.D. Ill. August 26, 2005). Only actual fees and expenses incurred after

1 November 30, 2020 will be billed or recoverable. Any fees and expenses incurred
2 over the estimated closing amounts will be paid only with the consent of Nationstar.
3 The Receiver submits the fees are reasonable in light of the services rendered, and
4 that the fees and expenses requested should be awarded in their entirety. After
5 payment of all administrative expenses, there will an estimated fund balance of
6 \$118,702.86 available to pay tax claims in full and a distribution of \$23,820.07 to
7 Nationstar in partial satisfaction of the Stipulated Judgment.

8 **V. THE CLOSING OF THE ESTATE SHOULD BE APPROVED AS**
9 **REQUESTED**

10 The Receiver's request to wind up the receivership estate is consistent with
11 provisions of the Stipulated Judgment. As required by paragraph 8 of the
12 Stipulated Judgment, this Motion contains the following: (1) final report at Section
13 II and a final accounting, attached to the Kane Declaration as Exhibit 1; (2) final
14 request for payment of the Receiver's fees and expenses; and (3) proposed
15 distribution of the remaining sums in the receivership estate. Notice of this Motion
16 has been served on the parties and known creditors of the receivership estate,
17 including those who sought title clearance services from the Receiver. This Motion
18 and supporting papers have been served on the parties. The related relief sought in
19 connection with the wind up of the receivership estate, including the approval of all
20 actions taken by or on behalf of the Receiver, the destruction of records,
21 abandonment and disposal of personal property of insubstantial value, by way of
22 donation to charitable organizations or otherwise, continued power to recover and
23 distribute funds earned under the Court's Title Clearance Order to Nationstar,
24 discharge of the Receiver and exoneration of its bond, are all ordinary and
25 customary in connection with the wind up of a receivership and within the Court's
26 broad supervisory authority over federal equity receiverships. See *Securities and*
27 *Exchange Commission v. Hardy*, 803 F. 2d 1034 (9th Cir. 1986).

1 **VI. NOTICE OF THIS MOTION IS REASONABLE UNDER THE**
2 **CIRCUMSTANCES AND SHOULD BE APPROVED**

3 Local Rule 66-7 provides for service of notice of the hearing on various
4 motions by a receiver, including a motion to approve the Receiver's final report and
5 accounting. That Rule provides for service of the notice of the hearing on such
6 motions by mail on all known creditors of the defendants. The Receiver is serving
7 the Motion on the parties and is serving at least notice of the Motion on certain
8 creditors of the estate pursuant to Local Rule 66-7, including those who have
9 sought title clearance services from the Receiver, but not on all other potentially
10 defrauded consumers, lenders, loan servicers, title insurers and other third parties.

11 In this case, there may be an extremely large number of potential consumer
12 creditors who may have claims against the Receivership Defendants given that
13 more than 1,200 consumers are listed in its LoanPost database and given further
14 that the Plaintiff's investigation and review of voluminous emails disclose that the
15 total amount of affected properties may exceed 2,300. However, it is not
16 realistically possible or beneficial to the estate and its creditors for the Receiver to
17 serve all such potential consumer creditors, or the lenders, loan servicers and other
18 defrauded parties with potential claims with this Motion, and the expense and
19 burden on the estate of attempting to effectuate such service would be prohibitively
20 costly and cause undue administrative expense, particularly given the modest
21 amount of funds on hand in the receivership estate.

22 Based on the foregoing, the Receiver seeks an order providing that the notice
23 requirement of Rule 66-7 shall be deemed satisfied by serving copies of all Motion
24 papers on the parties to this action, as provided in the Preliminary Injunction, and
25 on by serving at least notice of the Motion on third party creditors including those
26 who sought title clearance services from the Receiver, but not on all of the other
27 consumers and other third parties who were potentially defrauded by Soria and the
28 Receivership Defendants. As additional notice, the Receiver will post the Motion

1 and supporting papers, without voluminous time records attached, on the Receiver’s
2 website at robbevans.com where the Receiver conspicuously posts pertinent Court
3 filings and other documents for this case.

4 Such service provides sufficient notice to the interested parties and should be
5 approved. The Court has authority, as a court of equity supervising a federal equity
6 receivership, to issue such an administrative order approving this notice. *See* F.R.
7 Civ. P. 5(a) and (c) (authorizing the Court to modify service procedures when
8 numerous defendants are involved in litigation); Local Rule 66-8 (receiver to
9 administer receivership estates “as nearly as possible in accordance with the
10 practice in the administration of estates in bankruptcy”); *In re First Alliance*
11 *Mortgage Co.*, 269 B.R. 428, 442 (C.D. Cal. 2001)(referencing in *dicta* in the
12 Court’s recitation of facts the bankruptcy court’s order limiting notice issued in that
13 case); 11 U.S.C. §102(1)(a) (defining the phrase “after notice and a hearing” to
14 mean “after such notice as is appropriate in the particular circumstances, and such
15 opportunity for hearing as is appropriate in the particular circumstances”); 11
16 U.S.C. §105(a) and (d) (granting broad equitable powers to the court to issue orders
17 “necessary or appropriate to carry out the provisions” of Title 11 including
18 “prescribing such limitations and conditions as the court deems appropriate to
19 ensure the case is handled expeditiously and economically”); and F. R. Bankr. P.
20 2002 (m) (authorizing the court to enter “orders designating the matters in respect
21 to which, the entity to whom, and the form and manner in which notices shall be
22 sent except as otherwise provided by these rules”). The Court approved a similar,
23 but narrower, scope of notice in the Receiver’s four motions for compensation.

24 ///

25 ///

26 ///

27 ///

28 ///

1 **VII. CONCLUSION**

2 Based on the Motion, the supporting declarations of Brick Kane and Gary
3 Owen Caris, along with the exhibits attached thereto, it is respectfully requested
4 that the Court grant the Motion in its entirety, and approve and authorize the
5 winding up of the receivership estate as set forth herein.

6
7 Dated: January 15, 2021

Respectfully submitted,

BARNES & THORNBURG LLP

8

9

By: /s/ Gary Owen Caris
GARY OWEN CARIS
Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES
LLC

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

DECLARATION OF GARY OWEN CARIS

1
2 1. I am an attorney at law duly licensed to practice before all courts of
3 the State of California and the United States District Court for the Central District
4 of California. I am a partner in the law firm of Barnes & Thornburg LLP (“Barnes
5 & Thornburg”). At all relevant times, I have been the attorney primarily
6 responsible for representing Robb Evans & Associates LLC (“Receiver”) as the
7 Receiver in this matter and its lead counsel. I have personal knowledge of the
8 matters set forth in this declaration and if I were called upon to testify as to these
9 matters I could and would competently testify thereto.

10 2. Attached hereto collectively as Exhibit 1 are copies of the billing
11 records for the attorneys and paralegals at Barnes & Thornburg who performed
12 work on this matter during the period from February 1, 2020 through November 30,
13 2020. (This period, in addition to the period after November 30, 2020 through the
14 closing of the receivership estate is referred to herein as the “Final Expense
15 Period.”) During the Final Expense Period through November 30, 2020, the
16 Receiver incurred fees to Barnes & Thornburg of \$47,133.70. The estimated fees
17 from December 1, 2020 through closing are \$15,000.00. Costs incurred by Barnes
18 & Thornburg from February 1, 2020 through November 30, 2020 total \$2,183.02,
19 and costs from December 1, 2020 through closing are estimated at \$2,000.00.

20 3. The billing records, Exhibit 1 hereto, itemize and detail the hours
21 spent and the work performed by those attorneys and paralegals rendering services
22 on this matter. These billing records, as well as the time records for the Receiver, its
23 members and staff, have been redacted by me where appropriate to preserve
24 descriptions containing confidential, sensitive, tactical, strategic, attorney-client
25 privileged and/ or work-product information. In the Court’s Order entered August
26 10, 2018 (Doc. 190) in connection with the Receiver’s initial fee motion, the Court
27 stated: “In order for the Court to properly evaluate the requested fees, the Court
28 requires that an unredacted version of the billings be submitted under seal and in

1 camera.” Therefore, pursuant to that Order, I am causing to be filed under seal an
2 unredacted set of the Receiver’s and my firm’s billings in support of this Motion.

3 4. While the receivership was less active during the Final Expense Period
4 than in prior expense periods, Barnes & Thornburg still performed a substantial
5 amount of work during this time. During the Final Expense Period, Barnes &
6 Thornburg continued to address rescission documents, including communicating
7 with counsel for lenders and loan servicers involving properties throughout the
8 United States. Rescission documentation was negotiated, reviewed and revised as
9 to at least 20 properties during this ten-month time frame. Some of these rescission
10 documents were requested by Nationstar Mortgage LLC (“Nationstar”) and
11 therefore did not result in a payment of \$3,750 to the Receiver for these properties
12 under the Court’s Order re Cost Sharing for Title Clearance Through the
13 Receivership (“Title Clearance Order”). Since the inception of the receivership
14 estate, counsel has negotiated, reviewed and revised stipulated judgments and/or
15 rescission documents in connection with at least 177 properties nationwide.
16 Pursuant to the Title Clearance Order, the Receiver has obtained \$333,750 for the
17 receivership estate for its title clearance work in connection with 89 of these
18 properties and expects to recover at least another \$15,000 in connection with title
19 clearance work prior to the discharge of the Receiver pursuant to this Motion.

20 5. Along with the Receiver, counsel also communicated with various
21 representatives of the Department of Justice, including the Assistant United States
22 Attorney for the Central District of California and an agent with the Federal Bureau
23 of Investigation, concerning documentation they requested in connection with
24 criminal charges pending against Soria.

25 6. Along with the Receiver, counsel addressed various tax issues
26 including whether and the extent to which the Receivership Defendants had pre-
27 receivership tax liability. Counsel analyzed whether tax claims should be paid to
28 the extent funds were available from the receivership estate.

1 7. Barnes & Thornburg addressed DNE’s good faith settlement motion in
2 state court in connection with DNE’s settlement with Citrus Realty, which resulted
3 in a payment of \$15,000 to the Receiver. Barnes & Thornburg also discussed and
4 agreed to a stipulation with DNE for relief from the stay in the receivership action
5 to permit DNE to proceed with its state court litigation against parties to its
6 litigation who were not Receivership Defendants.

7 8. The Receiver’s counsel prepared, with the Receiver’s assistance, the
8 pleadings which were filed in support of its successful fourth motion for payment
9 of the Receiver’s and its counsel’s fees and costs.

10 9. Finally, counsel negotiated the Stipulated Judgment pursuant to which
11 the judgment was entered against the Receivership Defendants and in favor of
12 Nationstar in the instant litigation. This included reviewing and revising several
13 drafts of the Stipulated Judgment and filing papers addressing the Court’s inquiry
14 concerning the Stipulated Judgment.

15 10. During the period after November 30, 2020, counsel’s estimated fees
16 and costs relate primarily to ongoing title clearance work and the preparation and
17 service of this wind up Motion and all papers in support of this Motion.

18 11. Pursuant to the Court’s prior Orders (Docs. 190 and 338), I have
19 carefully billed my time throughout the Final Expense Period such that my .1 time
20 entries always represent work which took, at a minimum, nearly six minutes and
21 most frequently six minutes or more to perform. Where necessary, I have lumped
22 time together when entering .1 time entries so that I am not overbilling such entries.
23 Also, as I have previously advised the Court in my declaration filed on August 14,
24 2018 (Doc. 195) after the Court first expressed concerns about .1 time entries: “I
25 am very careful about not overbilling on the work I perform. I am sensitive to the
26 potential cumulative effect of charging tasks separately at .1 hour increments, while
27 also cognizant of the need to bill in a detailed narrative fashion, to generally bill
28 discrete tasks separately so that the client and the Court can review the work which

1 was done, and not to ‘block bill.’ I have not overbilled in this case despite my
2 charging .1 on many entries. I believe the opposite is true, in that many of these
3 tasks took more than six minutes to perform.” I went on to explain the reasons why
4 I did not believe I had overcharged my time, including the fact that I very
5 frequently write down or write off time incurred in editing and revising my written
6 work product, including when I edit and revise pleadings, letters and e-mails.

7 12. As a partner at Barnes & Thornburg, I am familiar with the methods
8 and procedures used to create, record and maintain billing records for the clients of
9 the firm. The billings collectively attached hereto as Exhibit 1 are prepared from
10 computerized time records prepared contemporaneously with the services rendered
11 by each attorney and paralegal billing time to the matter. These computerized
12 records are prepared in the ordinary course of business by the attorneys and
13 paralegals employed by the firm who have a business duty to accurately record their
14 time spent and services rendered on the matters on which they perform work. The
15 time records are transferred into computerized billing programs that generate
16 monthly invoices under the supervision of the accounting department of the firm.
17 Based upon my experience with Barnes & Thornburg, I believe the methods and
18 procedures for recording and accounting for time and services for the clients of
19 Barnes & Thornburg are reliable and accurate.

20 13. I have more than 40 years’ experience as a business and commercial
21 litigator and also have extensive experience as a bankruptcy attorney representing
22 creditors in Chapter 11 and Chapter 7 bankruptcy cases. For more than 20 years, I
23 have also specialized in representing receivers in federal equity receivership
24 matters. I believe the rates and the amounts incurred by the Receiver to Barnes &
25 Thornburg for the services rendered during the Fourth Fee Period covered by the
26 Motion are reasonable and appropriate based on the nature of the services rendered,

27 ///

28 ///

1 Gary Owen Caris (CA SBN 088918)
gcaris@btlaw.com
2 **BARNES & THORNBURG LLP**
2029 Century Park East, Suite 300
3 Los Angeles, California 90067
Telephone: (310) 284-3880
4 Facsimile: (310) 284-3894

5 Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC

6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 NATIONSTAR MORTGAGE LLC,
12 Plaintiff,

13 v.

14 PATRICK JOSEPH SORIA, et al.,
15 Defendants.

Case No. 2:18-cv-03041 DSF (RAOx)

**DECLARATION OF BRICK KANE
IN SUPPORT OF MOTION FOR
ORDER APPROVING FINAL
REPORT AND ACCOUNTING;
FINAL REQUEST FOR APPROVAL
AND PAYMENT OF RECEIVER'S
AND PROFESSIONAL'S FEES AND
COSTS FROM FEBRUARY 1, 2020
THROUGH CLOSING; FOR
APPROVAL OF PROPOSED
DISTRIBUTIONS; AND FOR
DISCHARGE AND EXONERATION
OF BOND AND RELATED RELIEF**

16
17
18
19
20
21
22 Date: February 22, 2021
Time: 1:30 p.m.
23 Courtroom: 7D

24
25 I, Brick Kane, declare:

26 1. I am the President and Chief Operating Officer of Robb Evans &
27 Associates LLC ("Receiver"), the Permanent Receiver over the Receivership
28

1 Defendants as defined in the Order Entering Preliminary Injunction Against
2 Defendants and Appointing a Permanent Receiver (Doc. 46) (“Preliminary
3 Injunction”). Since the inception of the temporary receivership in this matter
4 pursuant to the Court’s Order Granting Plaintiff Nationstar Mortgage LLC’s *Ex*
5 *Parte* Application for a Temporary Restraining Order With Asset Freeze etc. (Doc.
6 20), I have had primary responsibility for the supervision and management of this
7 receivership estate, and have been one of the members of Robb Evans & Associates
8 LLC actively involved in the administration of the receivership. I have personal
9 knowledge of the matters set forth in this declaration. If called upon to testify as to
10 these matters I could and would competently testify thereto.

11 2. On October 21, 2020, the Court entered the Revised Stipulated
12 Judgment (“Stipulated Judgment”), which, among other things, provided for a
13 \$931,908.01 monetary judgment against the Receivership Defendants, defined
14 therein to mean all of the entity Defendants. Paragraph 4 of the Stipulated
15 Judgment provided that all of the Receiver’s powers and duties remained in full
16 force and effect under the Court’s prior orders, under which the Receiver was also
17 Permanent Receiver over the assets of Patrick Soria (“Soria”). Paragraph 8 of the
18 Stipulated Judgment provided that within 90 days (January 19, 2021) the Receiver
19 was to file a final report and accounting, request for fees and expenses, proposed
20 distribution of remaining sums in the receivership estate and final motion to wind
21 up the receivership estate. This declaration is filed in support of the Receiver’s
22 wind up motion filed concurrently herewith (“Motion”). The Motion contains the
23 Receiver’s final report, at Section II of the Motion. I have reviewed, revised,
24 approved and adopt the final report which generally describes and summarizes the
25 work performed by the Receiver in this matter from the inception of the case. To
26 the extent it describes services rendered in the period after January 31, 2020 and
27 which are not referenced in this declaration, the services described are true and
28 correct and support the fees incurred by the Receiver during such period of time.

1 The Receiver’s final accounting, which is a spreadsheet entitled Receiver
2 Administrative Expenses and Fund Balance (“Final Accounting”), is attached
3 hereto as Exhibit 1. The Receiver’s proposed distribution of remaining sums in the
4 receivership estate is set out and explained in the Motion and in this declaration.

5 3. The Receiver seeks approval and authorization to pay the Receiver’s
6 fees and costs summarized in the Final Accounting attached hereto as Exhibit 1,
7 and as more particularly set forth in the detailed billing records of the Receiver,
8 collectively attached hereto as Exhibit 2, for the period from February 1, 2020
9 through the closing of the receivership estate (“Final Expense Period”). As
10 indicated by the billing records, the Receiver’s work was substantially reduced
11 during the Final Expense Period. From February 1, 2020 through November 30,
12 2020, a period of ten months, the Receiver has incurred fees for the Receiver, its
13 members and senior staff of \$9,287.50, together with estimated fees of \$5,695.00
14 from December 1, 2020 through closing of the receivership estate. The Receiver’s
15 costs during the Final Expense Period through November 30, 2020 total
16 \$10,257.66, primarily comprised of tax return preparation fees in the sum of
17 \$9,885.50 for its tax accountants, Baker Tilly US, LLP (“Baker Tilly”), for the
18 preparation of 2018 and 2019 tax returns for eight corporate Receivership
19 Defendants and the Qualified Settlement Fund established by the Receiver in this
20 matter. Estimated closing costs total \$8,100, also primarily comprised of tax return
21 preparation fees in the estimated sum of \$7,950 for Baker Tilly for the preparation
22 of 2020 and 2021 tax returns for one corporate Receivership Defendant and the
23 Qualified Settlement Fund. All of the Receiver’s costs are itemized in the Final
24 Accounting.

25 4. During the Final Expense Period, the Receiver continued to address
26 rescission documents, although the bulk of that work was undertaken by the
27 Receiver’s counsel, Barnes & Thornburg LLP (“Barnes & Thornburg”).
28

1 5. The Receiver and its counsel also communicated with various
2 representatives of the Department of Justice, including the Assistant United States
3 Attorney for the Central District of California and an agent with the Federal Bureau
4 of Investigation concerning documentation they requested in connection with
5 criminal charges pending against Soria.

6 6. The Receiver addressed various tax issues including whether and the
7 extent to which the Receivership Defendants had pre-receivership tax liability and
8 communicated with representatives of, among other agencies, the Internal Revenue
9 Service and the Franchise Tax Board. It also analyzed whether tax claims should
10 be paid to the extent funds were available from the receivership estate. The
11 Receiver also discussed these issues with its tax accountant.

12 7. The Receiver assisted its counsel in the preparation of the pleadings
13 which were filed in support of its successful fourth motion for payment of the
14 Receiver's and its counsel's fees and costs, and in particular preparing the
15 accounting which accompanied my declaration in support of that motion.

16 8. Finally, the Receiver continued to perform its standard operational
17 duties during the Final Expense Period, including preparing periodic financial
18 reconciliations, updating accounting records and processing payables.

19 9. During the period after November 30, 2020 the Receiver's estimated
20 fees include continued work communicating with its counsel, its tax accountants
21 and other parties in interest, preparing the Final Accounting, Exhibit 1 hereto,
22 taking steps necessary to wind up the receivership estate and distribute funds as
23 sought pursuant to this Motion, and addressing any remaining title clearance issues.

24 10. As described in the final report, the Receiver gained possession of a
25 substantial amount of Soria's clothing and jewelry which was located at the
26 Waldorf Astoria in Beverly Hills, where Soria was residing in June 2018. The
27 unused clothing and the jewelry purchased from Barney's New York in Beverly
28 Hills was returned in exchange for a payment to the Receiver of \$60,003.81.

1 However, a substantial amount of Soria's used clothing remains in the possession
2 of the Receiver. The Receiver has determined that the clothing is of insubstantial or
3 no value to the receivership estate and proposes that it be disposed of, by way of
4 charitable donation or otherwise, along with any other non-monetary assets of the
5 receivership estate held by the Receiver determined to be of insubstantial and/or no
6 value to the receivership estate.

7 11. The Receiver has been presented with three pre-receivership tax
8 claims: a claim by the Internal Revenue Service for \$73,692.33; a claim by the
9 California Franchise Tax Board for \$20,280.46; and a claim by the California
10 Department of Tax and Fee Administration for \$1,338.40. The Receiver has
11 determined that these claims should be paid prior to distributing any net proceeds to
12 any other claimant, including Nationstar, in light of the federal and state priority
13 which is given to these claims.

14 12. After payment of these tax claims, the Receiver proposes to pay the
15 balance of funds on hand to Nationstar. Given the net amount on hand after
16 payment of the tax claims, presently estimated at \$23,391.67, I believe that the
17 expense to propose and implement a claims allowance and distribution procedure
18 would dissipate all of the remaining funds on hand in the receivership estate. Such
19 a procedure would be complicated and time consuming, given the extensive and
20 varying groups of consumers, lenders, loan servicers and title insurers who have
21 been harmed by the fraudulent and criminal conduct of Soria and the Receivership
22 Defendants, and there is an insufficient amount of funds on hand to justify the
23 expense which would be incurred in such an endeavor. In addition, Plaintiff's work
24 in bringing this action, obtaining injunctive relief against Defendants and seeking
25 the appointment of a receiver, was extremely important and valuable in stopping the
26 egregious misconduct of Soria and the other Defendants, and in limiting the overall
27 losses which have been suffered.

28

1 13. Pursuant to the Court's Order entered December 26, 2018, all of the
2 time incurred by Anita Jen of the Receiver's office notarizing rescission documents
3 for recording were billed at no charge to the estate. At least some of these time
4 entries are reflected on the attached billings marked as Exhibit 2 hereto. In
5 addition, pursuant to that Order, all of the Receiver's support staff's secretarial-type
6 time incurred during the Final Expense Period were billed at no charge to the estate.

7 14. The Receiver has on hand sufficient funds to pay all of the requested
8 fees and costs that have been incurred and are anticipated through closing of the
9 estate. As set forth on the Financial Summary, the Receiver estimates that it will
10 have on hand \$118,702.86 prior to any distributions, assuming all fees and costs are
11 approved as requested herein. Since January 31, 2020, the Receiver has collected
12 an additional \$60,000.00 pursuant to the Court's cost sharing order and in
13 connection with the settlement negotiated between Citrus Realty and DNE
14 Associates, and anticipates receiving another \$15,000 in cost sharing payments for
15 title clearance services during the period after November 30, 2020 through closing.
16 The Receiver requests continued authority to demand payment and enforce the
17 Court's cost sharing Order in the event any lender or loan servicer fails to pay its
18 required \$3,750 payment as of the time the Court enters an order granting the
19 Motion.

20 15. As a member of Robb Evans & Associates LLC, I am familiar with the
21 methods and procedures used by the Receiver and its staff and employees to record
22 the time spent rendering services to receivership estates over which Robb Evans &
23 Associates LLC has been appointed. The records attached hereto collectively as
24 Exhibit 2 are regularly prepared by the members, staff and employees of the
25 Receiver at or about the time of the services rendered and each of whom has a
26 business duty to accurately record the information regarding their services set forth
27 in these records. The records are reviewed by the Receiver's accounting staff or me
28 and summarized in the Receiver's Financial Summary, Exhibit 1 attached hereto.

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

5 16. In this case, there may be an extremely large number of potential
6 consumer creditors who may have claims against the Receivership Defendants
7 given that more than 1,200 consumers are listed in its LoanPost database and given
8 further that the Plaintiff's investigation and review of voluminous emails discloses
9 that the total amount of affected properties may exceed 2,300. However, it is not
10 realistically possible or beneficial to the estate and its creditors for the Receiver to
11 serve all such potential consumer creditors, or the lenders, loan servicers and other
12 defrauded parties with potential claims of this Motion by mail, and the expense and
13 burden on the estate of attempting to effectuate such service would be prohibitively
14 costly and cause undue administrative expense, particularly given the modest
15 amount of funds on hand in the receivership estate.

16 I declare under penalty of perjury that the foregoing is true and correct and
17 that this declaration was executed on January 14, 2021 at Alhambra, California.

18
19 
20 _____
21 Brick Kane

22
23
24
25
26
27
28
18916130v1

EXHIBIT 1

	Previously Reported, Approved & Paid	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20
Corporate Funds											
West H&A, LLC											
Benjamin Sternberg	59,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CA IOLTA Trust Account	185,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fischbach & Fischbac	80,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JPMorgan Chase #8762	7,027.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Joseph F. Hart	15,638.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return of Merchandise	60,003.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waldorf Astoria B.H. Reimburse	125,064.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total West H&A, LLC	532,234.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Corporate Funds	532,234.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income for Rescission Services	273,750.00	11,250.00	0.00	11,250.00	3,750.00	3,750.00	0.00	3,750.00	3,750.00	3,750.00	3,750.00
Settlement from DNE v Wolcott	0.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Funds Collected	805,984.23	11,250.00	0.00	26,250.00	3,750.00	3,750.00	0.00	3,750.00	3,750.00	3,750.00	3,750.00
Expenses											
Receiver Fees & Expenses											
Receiver Fees											
Receiver											
B. Kane	60,108.00	38.00	152.00	494.00	0.00	76.00	1,216.00	76.00	0.00	494.00	114.00
K. Johnson	722.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. Jen	23,332.00	0.00	798.00	494.00	152.00	190.00	0.00	0.00	0.00	2,964.00	0.00
Total Receiver	84,162.00	38.00	950.00	988.00	152.00	266.00	1,216.00	76.00	0.00	3,458.00	114.00
Senior Staff											
C. Callahan	44,800.00	0.00	350.00	75.00	0.00	0.00	125.00	0.00	0.00	0.00	400.00
C. DeCius	2,403.00	67.50	310.50	0.00	162.00	54.00	0.00	27.00	0.00	391.50	0.00
E. Roop	1,515.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F. Jen	2,177.50	0.00	0.00	67.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J. Dadbin	3,321.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
H. Jen	915.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
T. Chung	435.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Senior Staff	55,567.00	67.50	660.50	142.00	162.00	54.00	125.00	27.00	0.00	391.50	400.00
Support Staff	1,989.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Receiver Fees	141,718.00	105.50	1,610.50	1,130.00	314.00	320.00	1,341.00	103.00	0.00	3,849.50	514.00

	Previously Reported, Approved & Paid	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20
Receiver Expenses											
Document Reproduction	146.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigative Search Costs	713.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Locksmith Services	65.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Parking & Tolls	114.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage & Delivery	687.62	6.52	0.50	0.50	25.28	0.00	1.00	30.01	32.08	135.85	0.50
Receiver Bond Premium	200.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security Services	815.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Software Costs	1,215.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Payments	1,000.00	355.00	0.00	0.00	0.00	2,625.00	0.00	0.00	0.00	4,837.49	0.00
Tax Preparation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,885.50	0.00
Website Hosting & Email Service	3,052.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Website Support	1,503.82	0.00	0.00	0.00	39.92	0.00	0.00	0.00	0.00	0.00	0.00
Total Receiver Expenses	9,512.77	361.52	100.50	0.50	65.20	2,625.00	1.00	30.01	32.08	14,858.84	0.50
Legal Fees & Costs											
Legal Fees	488,829.35	2,439.30	6,406.60	9,547.50	3,249.00	4,176.60	4,769.10	4,391.40	3,471.20	6,346.00	2,337.00
Legal Costs	14,746.88	44.63	37.71	2,049.58	13.30	0.00	0.00	0.00	0.00	37.80	0.00
Total Legal Fees & Costs	503,576.23	2,483.93	6,444.31	11,597.08	3,262.30	4,176.60	4,769.10	4,391.40	3,471.20	6,383.80	2,337.00
Total Receiver Fees & Expenses	654,807.00	2,950.95	8,155.31	12,727.58	3,641.50	7,121.60	6,111.10	4,524.41	3,503.28	25,092.14	2,851.50
Total Expenses	654,807.00	2,950.95	8,155.31	12,727.58	3,641.50	7,121.60	6,111.10	4,524.41	3,503.28	25,092.14	2,851.50
Fund Balance	151,177.23										

From Inception (April 23, 2018) to Nov 30, 2020 and Estimate to Close

	2/1/20~ 11/30/20	Estimate to Close	TOTAL
Corporate Funds			
West H&A, LLC			
Benjamin Sternberg	0.00	0.00	59,500.00
CA IOLTA Trust Account	0.00	0.00	185,000.00
Fischbach & Fischbac	0.00	0.00	80,000.00
JPMorgan Chase #8762	0.00	0.00	7,027.90
Joseph F. Hart	0.00	0.00	15,638.52
Return of Merchandise	0.00	0.00	60,003.81
Waldorf Astoria B.H. Reimburse	0.00	0.00	125,064.00
Total West H&A, LLC	0.00	0.00	532,234.23
Total Corporate Funds	0.00	0.00	532,234.23
Income for Rescission Services	45,000.00	15,000.00	333,750.00
Settlement from DNE v Wolcott	15,000.00	0.00	15,000.00
Total Funds Collected	60,000.00	15,000.00	880,984.23
Expenses			
Receiver Fees & Expenses			
Receiver Fees			
Receiver			
B. Kane	2,660.00	760.00	63,528.00
K. Johnson	0.00	0.00	722.00
A. Jen	4,598.00	3,800.00	31,730.00
Total Receiver	7,258.00	4,560.00	95,980.00
Senior Staff			
C. Callahan	950.00	125.00	45,875.00
C. DeCius	1,012.50	675.00	4,090.50
E. Roop	0.00	0.00	1,515.00
F. Jen	67.00	335.00	2,579.50
J. Dadbin	0.00	0.00	3,321.00
H. Jen	0.00	0.00	915.00
T. Chung	0.00	0.00	435.50
Total Senior Staff	2,029.50	1,135.00	58,731.50
Support Staff	0.00	0.00	1,989.00
Total Receiver Fees	9,287.50	5,695.00	156,700.50

From Inception (April 23, 2018) to Nov 30, 2020 and Estimate to Close

	2/1/20~ 11/30/20	Estimate to Close	TOTAL
Receiver Expenses			
Document Reproduction	0.00	0.00	146.26
Investigative Search Costs	0.00	0.00	713.57
Locksmith Services	0.00	0.00	65.00
Parking & Tolls	0.00	0.00	114.00
Postage & Delivery	232.24	150.00	1,069.86
Receiver Bond Premium	100.00	0.00	300.00
Security Services	0.00	0.00	815.00
Software Costs	0.00	0.00	1,215.00
Tax Payments	7,817.49	0.00	8,817.49
Tax Preparation	9,885.50	7,950.00	17,835.50
Website Hosting & Email Service	0.00	0.00	3,052.50
Website Support	39.92	0.00	1,543.74
Total Receiver Expenses	18,075.15	8,100.00	35,687.92
Legal Fees & Costs			
Legal Fees	47,133.70	15,000.00	550,963.05
Legal Costs	2,183.02	2,000.00	18,929.90
Total Legal Fees & Costs	49,316.72	17,000.00	569,892.95
Total Receiver Fees & Expenses	76,679.37	30,795.00	762,281.37
Total Expenses	76,679.37	30,795.00	762,281.37
Fund Balance			118,702.86
Proposed Distributions			
Tax Claims			
Internal Revenue Services		73,692.33	73,692.33
Franchise Tax Board		20,280.46	20,280.46
CA Depart of Tax and Fee Adm		1,338.40	1,338.40
Total Tax Claims		95,311.19	95,311.19
Nationstar Mortgage LLC		23,391.67	23,391.67

1 Gary Owen Caris (CA SBN 088918)
gcaris@btlaw.com
2 **BARNES & THORNBURG LLP**
2029 Century Park East, Suite 300
3 Los Angeles, California 90067
Telephone: (310) 284-3880
4 Facsimile: (310) 284-3894

5 Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 NATIONSTAR MORTGAGE LLC,
12 Plaintiff,
13 v.
14 PATRICK JOSEPH SORIA, et al.,
15 Defendants.

Case No. 2:18-cv-03041 DSF (RAOx)

**NOTICE OF HEARING ON
MOTION FOR ORDER
APPROVING FINAL REPORT AND
ACCOUNTING; FINAL REQUEST
FOR APPROVAL AND PAYMENT
OF RECEIVER'S AND
PROFESSIONAL'S FEES AND
COSTS FROM FEBRUARY 1, 2020
THROUGH CLOSING; FOR
APPROVAL OF PROPOSED
DISTRIBUTIONS; AND FOR
DISCHARGE AND EXONERATION
OF BOND AND RELATED RELIEF**

Date: February 22, 2021
Time: 1:30 p.m.
Courtroom: 7D

1 **TO: ALL PARTIES AND THEIR COUNSEL OF RECORD AND TO**
2 **ALL POTENTIAL AND KNOWN CREDITORS:**

3 **PLEASE TAKE NOTICE** that on February 22, 2021, at 1:30 p.m. in
4 Courtroom 7D of the above-referenced Court, located at 350 West 1st Street, Los
5 Angeles, CA 90012, the Permanent Receiver, Robb Evans & Associates LLC
6 (“Receiver”) will move the Court for an order:

7 1. Approving the Receiver’s final report, which is a part of the Motion at
8 Section II of the Memorandum of Points and Authorities, and approving the
9 Receiver’s final accounting, which is attached to the Declaration of Brick Kane as
10 Exhibit 1, served and filed concurrently with the Motion;

11 2. Authorizing and approving the Receiver’s wind up of the receivership
12 estate pursuant to paragraph 8 of the Revised Stipulated Judgment (Doc. 615)
13 (“Stipulated Judgment”) entered on October 21, 2020;

14 3. Approving and confirming all actions and activities taken by or on
15 behalf of the Receiver and all proposed actions to be taken, and all payments made
16 by the Receiver and all proposed payments to be made in connection with the
17 administration of the receivership estate;

18 4. Approving and authorizing for payment the receivership fees and costs
19 incurred for the period from February 1, 2020 through the closing of the
20 receivership estate (“Final Expense Period”). The Receiver specifically moves the
21 Court for an order: (1) approving in full and authorizing for payment the fees of the
22 Receiver’s members, senior staff and professionals, and reimbursement of costs,
23 comprised of (a) Receiver’s fees, including the Receiver’s members and senior
24 staff, of \$9,287.50 and Receiver’s costs of \$10,257.66 (which includes \$9,885.50
25 for the Receiver’s outside accountant Baker Tilly US, LLP (“Baker Tilly”) which
26 prepares tax returns), for a total of \$19,545.16 for the period from February 1, 2020
27 through November 30, 2020, plus estimated Receiver’s fees of \$5,695.00 and costs
28 of \$8,100 (which includes an estimated \$7,950.00 for Baker Tilly), for the period

1 from December 1, 2020 through closing of the estate, **for a total of \$33,340.16**; and
2 (b) Receiver’s counsel Barnes & Thornburg LLP’s (“Barnes & Thornburg”) fees of
3 \$47,133.70 and costs of \$2,183.02, for a total of \$49,316.72 for the period from
4 February 1, 2020 through November 30, 2020, plus estimated legal fees of
5 \$15,000.00 and costs of \$2,000.00, for the period from December 1, 2020 through
6 closing of the estate, **for a total of \$66,136.72**, all as set forth in the final
7 accounting, Exhibit 1 to the Declaration of Brick Kane, subject to amounts incurred
8 above the estimated amounts to be paid only with the approval of the plaintiff
9 Nationstar Mortgage LLC (“Nationstar”) and without further Court order;

10 5. To the extent funds are available after payment of the administrative
11 expenses set out in the preceding paragraph, authorizing the Receiver to pay the
12 claims of the taxing authorities which accrued prior to the inception of the
13 receivership estate, including the Internal Revenue Service, the California Franchise
14 Tax Board and the California Department of Tax and Fee Administration, in the
15 aggregate amount of \$95,311.19, with the Internal Revenue Service having priority
16 of payment over the other taxing authorities;

17 6. Authorizing the Receiver to distribute the remaining monetary assets
18 of the receivership estate held by the Receiver, presently estimated to be
19 \$23,391.67, after the payment of administrative expenses and tax claims as set forth
20 in the preceding paragraphs, to Nationstar, in partial satisfaction of the Stipulated
21 Judgment;

22 7. Authorizing the Receiver to dispose of, by way of charitable donation
23 or otherwise, and abandon all non-monetary assets of the receivership estate held by
24 the Receiver and which the Receiver determines is of *de minimis*, insubstantial
25 and/or no value to the receivership estate, including clothing of Patrick Soria
26 (“Soria”);

27 8. Authorizing the Receiver to destroy all records of the Receivership
28 Defendants, as hereinafter defined, in the Receiver’s possession, custody or control

1 within 30 days after entry of an order granting the Motion, unless a government
2 agency issues a subpoena for such records, in which case the Receiver is authorized
3 to turn over the records to the government agency which issued the subpoena;

4 9. After entry of an order granting the Motion, authorizing the Receiver
5 to continue to enforce collection of all sums due to be paid for title clearance
6 services provided by the Receiver prior to entry of such order, with the Court
7 retaining jurisdiction with respect to such enforcement efforts;

8 10. Effective upon the completion of the administration of the receivership
9 estate and the distribution of the remaining funds in the Receiver's possession and
10 custody as set forth above, for an order (a) providing that neither the Receiver nor
11 any agent, employee, member, officer, independent contractor, attorney, accountant
12 or representative of the Receiver shall have any liability to any person or entity for
13 any action taken or not taken in connection with carrying out the Receiver's
14 administration of the receivership estate, and the exercise of any powers, duties and
15 responsibilities in connection therewith; and (b) directing that the Receiver, its
16 agents, employees, members, officers, independent contractors, attorneys,
17 accountants and representatives are discharged, released from all claims and
18 liabilities arising out of and/or pertaining to the receivership, and relieved of all
19 duties and responsibilities pertaining to the receivership;

20 11. Exonerating the bond posted by the Receiver in this case, effective
21 upon completion of the administration of the receivership estate and distribution of
22 the remaining funds in the Receiver's possession and custody to Nationstar;

23 12. Deeming notice of the Motion to be sufficient under Local Rule 66-7
24 based on the service of the Motion on all parties and by service of at least this
25 notice of the Motion by regular mail or e-mail on certain potential and known
26 creditors of the estate including those who have sought title clearance services from
27 the Receiver, but not on the thousands of other potential consumers, lenders, loan
28 servicers, title insurers and other third parties who may have been defrauded by the

1 Receivership Defendants; and

2 13. Granting such additional relief in connection with the wind up and
3 closing of the receivership estate as the Court may determine to be just and proper
4 under the circumstances.

5 **PLEASE TAKE FURTHER NOTICE** that the Motion is made pursuant to
6 Local Rule 66-7 and Section 8 of the Stipulated Judgment, which provides that the
7 Receiver is to file its final report and accounting, request for fees and expenses,
8 proposed distribution of remaining sums in the estate, and final motion to wind up
9 the estate of the Receivership Defendants within 90 days of the entry of the
10 Stipulated Judgment.

11 The Motion is based upon this separate Notice, the Notice of Motion and
12 Motion, the accompanying memorandum of points and authorities filed which
13 includes the Receiver’s final report at Section II, the Declaration of Gary Owen
14 Caris (“Caris Declaration”), and the Declaration of Brick Kane (“Kane
15 Declaration”) filed concurrently therewith, upon the pleadings, files and records of
16 the Court in this case of which the Receiver requests the Court take judicial notice,
17 including without limitation the Temporary Receiver’s Initial Report to the Court
18 (Doc. 31) filed May 4, 2018 and Report of Receiver’s Asset Tracing Dated July 27,
19 2018 (Doc. 155), and upon such other and further oral and documentary evidence as
20 may be presented by the Receiver at or prior to the hearing on this Motion. A
21 proposed order granting the Motion is filed along with the Motion.

22

23 Dated: January 15, 2021

BARNES & THORNBURG LLP

24

By: /s/ Gary Owen Caris
GARY OWEN CARIS
Attorneys for Permanent Receiver
Robb Evans & Associates LLC

25

26

27

18923372v1

28