

ROBB EVANS & ASSOCIATES LLC

Receiver of

**World Traders Association, Inc.; United Traders Association, Inc.;
International Merchandise Group, Inc.; Trans-global Connection, Inc.;
Musketeer Partners, Inc.; Fulfillment Options, Inc. and
Certain Real Property Assets of Sheldon Fidler and Judith T. Fidler**

11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

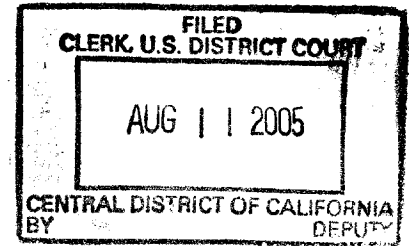
**Federal Trade Commission v. World Traders Association, Inc, et al.
CASE No. CV-05 0591 AHM (CTx)**

**Notice of Motion and Motion for Order Approving
Payment of Receiver's and Professionals' Fees and Expenses
for the
Period from January 25, 2005 Through May 31, 2005 and
Relief from Local Rule 66-7 Pertaining to Notice to
Creditors;
Declarations of Kenton Johnson and Gary Owen Caris
in Support Thereof**

Filed August 11, 2005

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7 Attorneys for Permanent Receiver,
8 ROBB EVANS & ASSOCIATES LLC



9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**
12

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.
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17 WORLD TRADERS ASSOCIATION,
18 INC., et al.,

19 Defendant
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CASE NO. CV-05 0591 AHM (CTx)

**NOTICE OF MOTION AND
MOTION FOR ORDER
APPROVING PAYMENT OF
RECEIVER'S AND
PROFESSIONALS' FEES AND
EXPENSES FOR THE PERIOD
FROM JANUARY 25, 2005
THROUGH MAY 31, 2005 AND
RELIEF FROM LOCAL RULE 66-7
PERTAINING TO NOTICE TO
CREDITORS; DECLARATIONS
OF KENTON JOHNSON AND
GARY OWEN CARIS IN SUPPORT
THEREOF**

DATE: September 12, 2005
TIME: 10:00 a.m.
DEPT.: Courtroom 14

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


3
4 PLEASE TAKE NOTICE that on September 12, 2005 at 10:00 a.m., or as
5 soon as thereafter counsel may be heard in Courtroom 14 of the above-entitled
6 Court, located at 312 N. Spring Street, Los Angeles, California, Robb Evans &
7 Associates LLC as permanent receiver ("Receiver") for World Traders Association,
8 Inc., United Traders Association, Inc., International Merchandise Group, Inc.,
9 Trans-Global Connection, Inc., Musketeer Partners, Inc., Fulfillment Options, Inc.,
10 and its affiliates and subsidiaries, and Sheldon Fidler and Judith Takala Fidler with
11 respect to their real property assets located at 29 Via Mira Monte, Henderson, NV
12 89011, and 10923 Landale St., #4, Toluca Lakes, CA 91602 (collectively, the
13 "Receivership Defendants"), will and does hereby move the Court for an order
14 approving the payment of the fees and expenses of the Receiver, the Receiver's staff,
15 and the Receiver's counsel for the period from January 25, 2005 through May 31,
16 2005. During this period, the fees and expenses of the Receiver and his staff were
17 \$114,804.01, and the fees and costs of his outside counsel were \$34,986.49, for a
18 total of \$149,790.50.

19
20 PLEASE TAKE FURTHER NOTICE that the Receiver requests relief from
21 the notice requirements of Local Rule 66-7 on the basis that there are approximately
22 4,382 aggrieved customers who are potential creditors in this case and providing
23 written notice to those potential creditors would be unduly burdensome, time
24 consuming and expensive for the receivership estate. By this motion the Receiver
25 seeks relief from the notice requirements of Local Rule 66-7, whereby the motion
26 will be only served on parties to the litigation, but will be posted on the Receiver's
27 website and copies of the motion will be provided to interested parties as more
28 particularly set forth below.

1 PLEASE TAKE FURTHER NOTICE that this motion is made pursuant
2 to Local Rule 66-7(f), and is based upon this notice of motion and motion,
3 the accompanying memorandum of points and authorities and declarations of
4 Kenton Johnson and Gary Owen Caris, and upon such other pleadings and oral and
5 documentary evidence as may be presented at or before the time of hearing on
6 the motion.

7
8 PLEASE TAKE FURTHER NOTICE that this motion is posted on the
9 Receiver's website at www.robbevans.com/html/worldta.html,¹ where it may be
10 viewed in its entirety. Copies of this Motion will be provided to any interested
11 party upon receipt of a written request which may be sent to: Robb Evans &
12 Associates LLC, 11450 Sheldon Street, Sun Valley, CA 91352-1121, Facsimile No.
13 (818) 768-8802, Attn: Judi Ehrlich.

14
15 DATED: August 11, 2005 FRANDZEL ROBINS BLOOM & CSATO, L.C.
16 GARY OWEN CARIS
17 LESLEY ANNE HAWES
18 MICHAEL R. NEWHOUSE

19 By: 
20 GARY OWEN CARIS
21 Attorneys for Permanent Receiver
22 ROBB EVANS & ASSOCIATES LLC
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26 ¹ Due to the voluminous nature of the exhibits attached to the Receiver's
27 motion which include all time records of the Receiver, its staff and its counsel, not
28 all exhibits will be posted on the Receiver's website.

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MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

This action was filed by the Federal Trade Commission ("FTC") against the Receivership Defendants, as well as other defendants, on or about January 21, 2005. The FTC has alleged that the Receivership Defendants operated a web of entities which marketed and sold surplus distribution business opportunities to consumers across the nation in violation of Sections 5(a), 13(b) and 19 of the Federal Trade Commission Act.

The Receiver is the permanent receiver in this matter. The Receiver was initially appointed as temporary receiver pursuant to this Court's Ex Parte Temporary Restraining Order With Asset Freeze, Appointment of Receiver and Other Equitable Relief, filed January 25, 2005 ("TRO"). Thereafter, the Receiver was appointed as permanent receiver pursuant to the Stipulated Preliminary Injunction With Asset Freeze, Appointment of Receiver, and Other Equitable Relief filed February 22, 2005 ("PI Order").

For the first time in this case, by this motion, the Receiver seeks an order approving and authorizing payment of fees and expenses of the Receiver, the Receiver's staff, and the Receiver's counsel, for the period from January 25, 2005 through May 31, 2005.

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II.

**THE RECEIVER SEEKS APPROVAL FOR THE PAYMENT
OF THE FEES AND EXPENSES INCURRED BY THE RECEIVER AND
PROFESSIONALS FROM JANUARY 25, 2005 THROUGH MAY 31, 2005**

The Receiver seeks approval and authority for payment of the fees and expenses of the Receiver, the Receiver's staff, and the Receiver's outside counsel for the period from January 25, 2005 through May 31, 2005. The fees and costs for the Receiver for which approval is requested are set forth in the summary entitled "Receivership Administrative Expenses and Fund Balance by Month," attached hereto as Exhibit 1. The fees and costs of the Receiver are then itemized by the Receiver's Fees of \$55,103.50 (Exhibit 2 hereto), Senior Staff Fees of \$21,316.50 (Exhibit 3 hereto), and IT Management Fees of \$20,502.83 (Exhibit 4 hereto). As set forth in detail in Exhibits 1 through 4 hereto, including support staff fees and expenses as itemized on Exhibit 1, the Receiver has incurred \$114,804.01 in fees and expenses for the period from January 25, 2005 through May 31, 2005. The fees and expenses of the Receiver's outside counsel, Frandzel Robins Bloom & Csato, L.C., comprised of \$31,467.50 in fees and \$3,518.99 in expenses, are detailed in Exhibit 5 hereto. The timesheets have been redacted to preserve attorney-client privilege and other applicable privileges and to protect the Receiver's strategic position where necessary for the benefit of the receivership estate.

Overview of Services Performed By The Receiver And His Staff

From January 25, 2005 through May 31, 2005, the Receiver has undertaken substantial work on this receivership estate. First, the Receiver secured control of multiple business locations in three states. Next, the Receiver analyzed financial and business records and interviewed individual defendants and employees in order

1 to analyze the business practices and financial condition of 18 affiliated entities,
2 located in Burbank, California, Las Vegas, Nevada, and Scottsdale, Arizona (the
3 "Common Enterprise"). The Receiver undertook a massive review of electronic
4 records, including financial records and operational documents, for 15 of these
5 18 entities within the Common Enterprise. Records for the other three entities were
6 not located, and may not exist. The Receiver took all necessary steps to terminate
7 the operations of the Common Enterprise promptly and efficiently, while preserving
8 available assets of the Common Enterprise. After securing the Court's permission,
9 the Receiver conducted an auction of the Common Enterprise's personal property
10 assets. Throughout the period, the Receiver communicated extensively with
11 aggrieved consumers, representatives of the FTC and the defendants to respond to
12 numerous inquiries and provide information when requested.

13
14 Pursuant to subsequent Court order modifying the PI Order, the Receiver also
15 has taken possession of a private home owned by individual defendants Sheldon
16 Fidler and Judith Takala Fidler (the "Fidlers") in Henderson, Nevada. The Receiver
17 took steps to market and sell the real estate and his efforts have recently led to a
18 signed sales agreement which will be presented to this Court for approval in the
19 immediate future.

20
21 Finally, during this period, the Receiver prepared its Initial Report to the
22 Court which detailed the results of his extensive financial analysis of the operations
23 of the Common Enterprise. In light of the extensive work performed, the fees and
24 costs of the Receiver are reasonable and should be approved and authorized for
25 payment.

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1 fees and expenses of the Receiver, the attorney for the Receiver and any other
2 person appointed to aid the Receiver."

3
4 While this motion has been timely mailed to all parties to the action, the
5 Receiver has not served all creditors, including consumers with potential claims
6 against the receivership estate. There are approximately 4,382 aggrieved consumers
7 in this case who are potential creditors in this case. The Receiver believes the
8 expense associated with copying and serving this motion or notice thereof on all
9 such parties would be prohibitively expensive and burdensome to the estate.

10
11 **IV.**

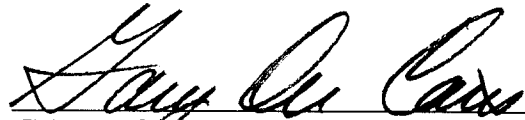
12 **CONCLUSION**

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14 Based on the foregoing, the Receiver respectfully requests that this Court
15 grant this motion and approve payment of the Receiver's and counsel's fees and
16 expenses for the period from January 25, 2005 through May 31, 2005, as more
17 particularly set forth herein.

18
19 DATED: August 11, 2005

FRANDZEL ROBINS BLOOM & CSATO, L.C.
GARY OWEN CARIS
LESLEY ANNE HAWES
MICHAEL R. NEWHOUSE

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23 By:



GARY OWEN CARIS
Attorneys for Permanent Receiver
ROBB EVANS

1 4. From January 25, 2005 through May 31, 2005, the Receiver has
2 undertaken substantial work on this receivership estate. First, we secured control of
3 multiple business locations in three states. Next, we analyzed financial and business
4 records and interviewed individual defendants and employees in order to analyze the
5 business practices and financial condition of 18 affiliated entities, located in
6 Burbank, California, Las Vegas, Nevada, and Scottsdale, Arizona (the "Common
7 Enterprise"). The Receiver undertook a massive review of electronic records,
8 including financial records and operational documents, for 15 of these 18 entities
9 within the Common Enterprise. Records for the other three entities were not
10 located, and may not exist. The Receiver took all necessary steps to terminate the
11 operations of the Common Enterprise as promptly as possible, while preserving
12 available assets of the Common Enterprise. After securing the Court's permission,
13 we conducted an auction of the Common Enterprise's personal property assets.
14 Throughout the period, we communicated extensively with aggrieved consumers,
15 representatives of the FTC and the defendants to respond to numerous inquiries and
16 provide information when requested.

17
18 5. Pursuant to subsequent Court order modifying the PI Order, the
19 Receiver also has taken possession of a private home owned by individual
20 defendants Sheldon Fidler and Judith Takala Fidler (the "Fidlers") in Henderson,
21 Nevada. The Receiver has taken steps to market and sell the real estate and his
22 efforts have recently led to a signed sales agreement which will be presented to this
23 Court for approval in the immediate future.

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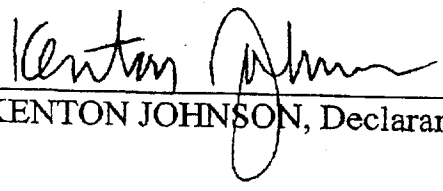
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6. Finally, during this period, the Receiver prepared its Initial Report to the Court which detailed the results of his extensive financial analysis of the operations of the Common Enterprise.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on August 9, 2005 at Sun Valley, California.


KENTON JOHNSON, Declarant

1 Bank's position regarding money NSB held in the name of certain of the
2 Receivership Defendants and the Fidlers; took steps to obtain the return of money
3 contemptuously taken by defendants; extensively communicated with defense
4 counsel and the FTC on a variety of matters affecting the administration of the
5 receivership estate; responded to various motions filed by defendants; and appeared
6 at court hearings.

7
8 5. I have been employed by the Frandzel firm for over 25 years and am
9 familiar with the methods and procedures used to create, record and maintain billing
10 records for the firm's clients. The billing summaries attached hereto as Exhibit 5 are
11 prepared from computerized time records prepared contemporaneously with the
12 services rendered by each attorney and paralegal billing time to this matter. These
13 computerized records are prepared in the ordinary course of business by the
14 attorneys and paralegals employed by the firm who have a business duty to
15 accurately record their time spent and services rendered on the matters on which
16 they perform work. The time records are transferred into a computerized billing
17 program which generates monthly invoices under the supervision of the firm's
18 accounting department. Based on my experience with the firm, I believe the firm's
19 methods and procedures for recording and accounting for time and services for its
20 clients are reliable and accurate.

21
22 I declare under penalty of perjury that the foregoing is true and correct and
23 that this declaration was executed this 11 day of August 2005, at Los Angeles,
24 California.

25
26 
27 GARY OWEN CARIS, Declarant
28

Robb Evans & Associates LLC, Receiver of World Traders Association, Inc. et al.
Receivership Administrative Expenses and Fund Balance by Month
From Inception (January 25, 2005) to May 31, 2005

	<u>Jan 25 - 31, 05</u>	<u>Feb 05</u>	<u>Mar 05</u>	<u>Apr 05</u>	<u>May 05</u>	<u>TOTAL</u>
Receipts						
Funds Transferred In	0.00	64,127.52	8,033.55	0.00	0.00	72,161.07
Proceeds from sale of assets	0.00	0.00	0.00	21,445.33	0.00	21,445.33
Miscellaneous Income	0.00	0.00	314.90	386.44	0.01	701.35
Total Receipts	<u>0.00</u>	<u>64,127.52</u>	<u>8,348.45</u>	<u>21,831.77</u>	<u>0.01</u>	<u>94,307.75</u>
Expenses						
Payroll Expenses						
Post-Receivership - Defendants	0.00	1,354.55	0.00	0.00	0.00	1,354.55
Pre-receivership expenses	0.00	14,230.38	0.00	0.00	0.00	14,230.38
Total Payroll Expenses	<u>0.00</u>	<u>15,584.93</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,584.93</u>
Medical Insurance	0.00	5,037.54	0.00	0.00	0.00	5,037.54
Asset Preservation						
Rent & Utilities	0.00	0.00	6,860.16	0.00	0.00	6,860.16
Liability Insurance	0.00	0.00	629.28	0.00	0.00	629.28
29 Via Mira Monte						
Utilities	0.00	0.00	0.00	0.00	922.78	922.78
Repairs & Maintenance	0.00	0.00	0.00	0.00	660.00	660.00
29 Via Mira Monte - Other	0.00	0.00	0.00	0.00	1,500.00	1,500.00
Total 29 Via Mira Monte	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,082.78</u>	<u>3,082.78</u>
Moving/Storage Expenses	0.00	2,517.00	486.00	0.00	234.00	3,237.00
Membership Dues	0.00	0.00	0.00	3,301.21	0.00	3,301.21
HOA Dues	0.00	0.00	0.00	4,574.00	0.00	4,574.00
Investigation Fees	0.00	0.00	0.00	113.75	0.00	113.75
Total Asset Preservation	<u>0.00</u>	<u>2,517.00</u>	<u>7,975.44</u>	<u>7,988.96</u>	<u>3,316.78</u>	<u>21,798.18</u>
Receiver's Expense						
Receiver Fees	14,558.50	18,090.00	13,665.00	4,897.50	3,892.50	55,103.50
Senior Staff Fees	7,566.00	10,639.00	1,783.00	1,177.50	151.00	21,316.50
IT Management Fees	7,559.14	9,370.90	3,346.55	226.24	0.00	20,502.83
Support Staff Fees	2,925.18	3,737.64	3,934.77	1,139.89	754.74	12,492.22
Out of Pocket	892.02	691.47	0.00	0.00	140.61	1,724.10
Postage/Delivery	0.00	255.54	123.62	68.76	0.74	448.66
Occupancy & Equipment	0.00	71.94	0.00	75.84	299.95	447.73
Supplies/Telephone	0.00	69.27	236.85	192.15	47.91	546.18
Miscellaneous Expenses						
Asset/Credit Searches	115.00	675.26	318.60	105.48	0.00	1,214.34
Bond Fee	125.00	0.00	0.00	0.00	0.00	125.00
Reproduction/copying	10.47	502.42	0.00	0.00	0.00	512.89
Miscellaneous Expenses - Other	0.00	370.06	0.00	0.00	0.00	370.06
Total Miscellaneous Expenses	<u>250.47</u>	<u>1,547.74</u>	<u>318.60</u>	<u>105.48</u>	<u>0.00</u>	<u>2,222.29</u>
Total Receiver's Expense	<u>33,751.31</u>	<u>44,473.50</u>	<u>23,408.39</u>	<u>7,883.36</u>	<u>5,287.45</u>	<u>114,804.01</u>
Legal Fees & Costs						
Fees	970.50	15,380.00	8,355.50	2,210.50	4,551.00	31,467.50
Costs	47.85	904.84	1,830.68	350.28	385.34	3,518.99
Total Legal Fees & Costs	<u>1,018.35</u>	<u>16,284.84</u>	<u>10,186.18</u>	<u>2,560.78</u>	<u>4,936.34</u>	<u>34,986.49</u>
Total Expense	<u>34,769.66</u>	<u>83,897.81</u>	<u>41,570.01</u>	<u>18,433.10</u>	<u>13,540.57</u>	<u>192,211.15</u>
Fund Balance	<u>(34,769.66)</u>	<u>(19,770.29)</u>	<u>(33,221.56)</u>	<u>3,398.67</u>	<u>(13,540.56)</u>	<u>(97,903.40)</u>

Robb Evans & Associates LLC, Receiver of World Traders Association, Inc. et al.

Receivership Administrative Expenses and Fund Balance

From Inception (January 25, 2005) to May 31, 2005

	Collected/Paid	Incurred but Not Paid	Total
Receipts			
Funds Transferred In	72,161.07	0.00	72,161.07
Proceeds from sale of assets	21,445.33	0.00	21,445.33
Miscellaneous Income	701.35	0.00	701.35
Total Income	94,307.75	0.00	94,307.75
Expense			
Payroll Expenses			
Post-Receivership - Defendants	0.00	1,354.55	1,354.55
Other	0.00	14,230.38	14,230.38
Total Payroll Expenses	0.00	15,584.93	15,584.93
Medical Insurance	5,037.54	0.00	5,037.54
Asset Preservation			
Rent & Utilities	5,476.54	1,383.62	6,860.16
Liability Insurance	629.28	0.00	629.28
29 Via Mira Monte			
Utilities	889.69	33.09	922.78
Repairs & Maintenance	660.00	0.00	660.00
29 Via Mira Monte - Other	1,500.00	0.00	1,500.00
Total 29 Via Mira Monte	3,049.69	33.09	3,082.78
Moving/Storage Expenses	3,237.00	0.00	3,237.00
Membership Dues	3,301.21	0.00	3,301.21
HOA Dues	4,574.00	0.00	4,574.00
Investigation Fees	113.75	0.00	113.75
Total Asset Preservation	20,381.47	1,416.71	21,798.18
Receiver's Expense			
Receiver Fees	0.00	55,103.50	55,103.50
Senior Staff Fees	0.00	21,316.50	21,316.50
IT Management Fees	0.00	20,502.83	20,502.83
Support Staff Fees	0.00	12,492.22	12,492.22
Out of Pocket	0.00	1,724.10	1,724.10
Postage/Delivery	0.00	448.66	448.66
Occupancy & Equipment	0.00	447.73	447.73
Supplies/Telephone	0.00	546.18	546.18
Miscellaneous Expenses			
Asset/Credit Searches	78.79	1,135.55	1,214.34
Bond Fee	0.00	125.00	125.00
Reproduction/copying	502.42	10.47	512.89
Miscellaneous Expenses - Other	0.00	370.06	370.06
Total Miscellaneous Expenses	581.21	1,641.08	2,222.29
Total Receiver's Expense	581.21	114,222.80	114,804.01
Legal Fees & Costs			
Fees	0.00	31,467.50	31,467.50
Costs	0.00	3,518.99	3,518.99
Total Legal Fees & Costs	0.00	34,986.49	34,986.49
Total Expense	26,000.22	166,210.93	192,211.15
Net Income	68,307.53	(166,210.93)	(97,903.40)