

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:

- (1) Approving Receiver's Final Report and Accounting;**
 - (2) Approving and Authorizing Payment of Receiver's and Attorneys' Fees and Costs for the Period from January 1, 2008 Through Closing of the Estate;**
 - (3) Authorizing Receiver to Instruct Lake Las Vegas Golf Club to Sell Membership and Turn Over Proceeds to Plaintiff;**
 - (4) Discharging Receiver;**
 - (5) Relieving Receiver of all Duties and Liabilities;**
 - (6) Exonerating the Receiver's Bond;**
 - (7) Authorizing Destruction of Records and Wind-Up of Receivership Estate;**
and
 - (8) Limiting Notice Under Local Rule 66-7 in Connection Therewith**
- Memorandum of Points and Authorities and Declaration of Gary Owen Caris**
Declaration of Kenton Johnson in Support of Motion

Filed September 5, 2008

Civil Minute Order

Filed October 1, 2008

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6 Attorneys for Permanent Receiver,
ROBB EVANS & ASSOCIATES LLC

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

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11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 WORLD TRADERS
ASSOCIATION, INC., et al.,

15 Defendants.
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CASE NO. CV-05 0591 AHM (CTX)

NOTICE OF MOTION AND MOTION FOR ORDER: (1) APPROVING RECEIVER'S FINAL REPORT AND ACCOUNTING; (2) APPROVING AND AUTHORIZING PAYMENT OF RECEIVER'S AND ATTORNEYS' FEES AND COSTS FOR THE PERIOD FROM JANUARY 1, 2008 THROUGH CLOSING OF THE ESTATE; (3) AUTHORIZING RECEIVER TO INSTRUCT LAKE LAS VEGAS GOLF CLUB TO SELL MEMBERSHIP AND TURN OVER PROCEEDS TO PLAINTIFF; (4) DISCHARGING RECEIVER; (5) RELIEVING RECEIVER OF ALL DUTIES AND LIABILITIES (6) EXONERATING THE RECEIVER'S BOND; (7) AUTHORIZING DESTRUCTION AND ABANDONMENT OF RECORDS AND WIND-UP OF RECEIVERSHIP ESTATE; AND (8) LIMITING NOTICE UNDER LOCAL RULE 66-7 IN CONNECTION THEREWITH; MEMORANDUM OF POINT AND AUTHORITIES AND DECLARATION OF GARY OWEN CARIS

26 DATE: September 29, 2008
27 TIME: 10:00 a.m.
PLACE: Courtroom 14

1 PLEASE TAKE NOTICE THAT on September 29, 2008 commencing at
2 10:00 a.m., or as soon thereafter as the parties may be heard in Courtroom 14 of the
3 above-entitled Court located at 312 N. Spring Street, Los Angeles, California, Robb
4 Evans & Associates LLC as permanent receiver (“Receiver”) for World Traders
5 Association, Inc., United Traders Association, Inc., International Merchandise
6 Group, Inc., Trans-Global Connection, Inc., Musketeer Partners, Inc., Fulfillment
7 Options, Inc., and its affiliates and subsidiaries (“Receivership Defendants”) will
8 and does hereby move the Court for the following relief:

9 1. An order approving the Receiver’s Final Report and Accounting
10 attached to the Declaration of Kenton Johnson as Exhibit 1 (“Final Report”), and in
11 connection therewith confirming and approving that the receivership estate be
12 closed without the Receiver implementing a distribution or claims procedure
13 pertaining to the receivership estate of the Receivership Defendants, and without
14 payment of pre-receivership claims;

15 2. An order approving and confirming all actions and activities taken by
16 or on behalf of the Receiver and all payments made by the Receiver in connection
17 with the administration of the receivership estate of the Receivership Defendants;

18 3. An order approving all receivership administrative expenses, including
19 the Receiver’s fees and expenses and those of its professionals, incurred in
20 connection with the receivership proceeding, including those previously paid to the
21 Receiver and its counsel, and approving and authorizing payment of all
22 administrative expenses and Receiver’s and professionals’ fees and expenses
23 incurred, through the conclusion of this proceeding, as reflected in the Final Report,
24 to the extent any such administrative expenses and Receiver’s and counsel’s fees
25 and expenses remain unpaid, including Receiver’s and counsel’s fees and expenses
26 incurred and unpaid from the period from January 1, 2008 through the closing of
27 the estate to the extent that funds are available for their payment;

28

1 4. An order authorizing the Receiver to conclude its administration of the
2 sole remaining unliquidated asset of the receivership estate, consisting of the
3 membership in the name of Judith Takala Fidler (“Mrs. Fidler”) held in the Lake
4 Las Vegas Resort golf club, Membership No. 59004 (“Club Membership”), by
5 assigning all of the receivership estate’s rights and interests in the membership and
6 proceeds thereof to plaintiff Federal Trade Commission and issuing written
7 instructions to Lake Las Vegas Resort to liquidate the Club Membership and to turn
8 over the net proceeds of the Club Membership to plaintiff Federal Trade
9 Commission, consistent with stipulated judgments entered against Mrs. Fidler and
10 against Sheldon Fidler and the Receivership Defendants in this matter;

11 5. An order authorizing the Receiver to abandon records of the
12 Receivership Defendant, and to destroy all records of the Receivership Defendants
13 and any other corporations or businesses under the control of any of the
14 Receivership Defendants if, within 30 days after service of written notice to
15 plaintiff Federal Trade Commission, the Federal Trade Commission does not take
16 custody of such records;

17 6. An order discharging the Receiver, its agents, employees, members,
18 officers, independent contractors, attorneys and representatives and relieving the
19 Receiver, its agents, employees, members, officers, independent contractors,
20 attorneys and representatives of all duties, liabilities and responsibilities pertaining
21 to the receivership previously established in this action;

22 7. An order exonerating the Receiver’s bond;

23 8. An order for any other and further relief as may be reasonable or
24 appropriate in connection with the wind up and closure of the receivership estate;
25 and

26 9. An order limiting notice and finding that notice of the hearing on this
27 motion was sufficient and appropriate under the circumstances if the Receiver
28 serves the Motion and supporting pleadings on the parties to this action, causes a

1 copy of the Motion to be posted on the Receiver's website at
2 www.robbevans.com/html/worldta.html, where it may be viewed in its entirety, and
3 provides a complete copy of the Motion and supporting pleadings to any interested
4 party who requests a copy from the Receiver's office in writing directed to Robb
5 Evans & Associates LLC, 11450 Sheldon Street, Sun Valley, California 91352-
6 1121, facsimile number (818) 768-8802, Attention: Cherrie Eustaquio.

7 The Receiver seeks the foregoing relief on the ground that it is necessary and
8 appropriate to fully wind up the receivership estate in that judgments have been
9 rendered against all defendants including the Receivership Defendants, all assets of
10 the estate have been fully administered except the remaining golf club membership,
11 and that there is no further administrative or other services required to be rendered
12 in light of the absence of any assets available for distribution to creditors of the
13 receivership estate.

14 This motion is made pursuant to Local Rule 66-7(c) and (f) and is based upon
15 this notice of motion and motion, on the memorandum of points and authorities and
16 declarations of Kenton Johnson and Gary Owen Caris in support hereof, on the
17 pleadings, records and files of this action, and on such further oral and documentary
18 evidence and arguments of counsel as may be presented by the Receiver prior to or
19 at the hearing.

20 Dated: September 5, 2008

Respectfully submitted,

MCKENNA LONG & ALDRIDGE LLP

23
24 By: /s/ Gary Owen Caris

Gary Owen Caris
Lesley Anne Hawes

25
26 Attorneys for Permanent Receiver,
ROBB EVANS & ASSOCIATES
27 **LLC**

1 **MEMORANDUM OF POINT AND AUTHORITIES**

2 **I. SUMMARY OF RECEIVERSHIP CASE**

3 This action was commenced on or about January 21, 2005 by the Federal
4 Trade Commission against World Traders and other entities as well as the
5 individual defendants Sheldon Fidler, Judith Fidler, Shannon Holden, Jaime
6 Klotthor, Jennifer Klotthor and Scott Rinaldo asserting various violations of the
7 FTC Act and the FTC's rules ("FTC Action").

8 The Receiver was initially appointed as temporary receiver pursuant to this
9 Court's Ex Parte Temporary Restraining Order With Asset Freeze, Appointment of
10 Receiver and Other Equitable Relief, filed January 25, 2005. Thereafter, the
11 Receiver was appointed as permanent receiver pursuant to the Stipulated
12 Preliminary Injunction with Asset Freeze, Appointment of Receiver, and Other
13 Equitable Relief filed February 22, 2005. Subsequently, by Order Expanding the
14 Receivership Estate to Include Certain Real Property Assets of Individual
15 Defendants Sheldon Fidler and Judith Takala Fidler entered April 6, 2005, the
16 receivership estate was expanded to include certain real property located at 29 Via
17 Mira Monte, Henderson, Nevada 89011 ("Nevada Property") and 10923 Landale
18 St. #4, Toluca Lake, California 91602 ("Toluca Lake Property").

19 As to the Nevada Property, the Receiver was ordered to take possession and
20 sell it, holding the proceeds until further Court order. The Nevada Property was
21 sold pursuant to this order on or about October 13, 2005. As to the Toluca Lake
22 Property, the Receiver was ordered to take possession but not sell or dispossess
23 Sheldon Fidler and Judith Fidler (collectively, the "Fidlers"). Thereafter, pursuant
24 to the Court's minute order dated December 5, 2005, the Receiver was ordered to
25 pay monthly expenses on the Toluca Lake Property on an ongoing basis. The
26 Receiver was ordered not to sell the Toluca Lake Property under the Court orders.
27 Pursuant to the Court's orders, the monthly payments incurred and required to be
28 paid from receivership assets in connection with the Toluca Lake Property included

1 mortgage payments, association dues, insurance, and property taxes. In addition, a
2 special assessment was made in the amount of \$20,000 as to which the Receiver
3 sought instructions from the Court. The Court ultimately determined that the
4 Receiver should pay the \$20,000 special assessment from receivership assets. The
5 expenses pertaining to the Toluca Lake Property comprise most of the \$164,000 in
6 asset preservation expenses incurred during the receivership, as reflected in the
7 Final Report.

8 From the outset of the receivership, the assets of the receivership entities
9 have been limited. As reported in the Final Report for which approval is sought
10 herein, at the outset of the case the assets of these entities consisted of a limited
11 amount of cash on hand and certain office equipment and furniture of limited value.
12 The Receiver estimated the liquidation value of the office equipment and furniture
13 at \$20,000. The Receiver later sold that personal property with a net recovery to
14 the estate after auctioneer's fees and costs of \$21,445.33.

15 The Final Report describes the Receiver's administration of various
16 receivership assets. As reported in the Final Report, after the Court authorized the
17 Receiver to take possession and control of the Nevada Property and to sell that
18 property by private sale subject to overbids, the Receiver sold the Nevada Property,
19 which was encumbered by a deed of trust in the amount of approximately \$2.2
20 million. After payment of closing costs, commissions and liens and encumbrances,
21 the Receiver recovered net sale proceeds for the estate of \$371,569.83 from the
22 Nevada Property.

23 The Final Report also addresses other assets of the estate, including two golf
24 club memberships at certain exclusive golf clubs in the Lake Las Vegas residential
25 development. The Receiver was able to market and sell one of the golf club
26 memberships in connection with the sale of the Nevada Property for a net return of
27 \$75,810.18 for the estate.

28

1 The FTC obtained stipulated judgments resolving its claims against all of the
2 individual defendants other than Sheldon Fidler and Judith Takala Fidler, as to
3 whom the action was stayed by Court order filed August 4, 2006 pending final
4 disposition, including appeals, of the criminal case, United States v. Sheldon Fidler
5 and Judith Fidler, CR 06-508 (CD CA 2006). Approximately one year later, the
6 Fidlers each entered guilty pleas in the criminal case, and on October 1, 2007, the
7 Fidlers were sentenced in the criminal action, concluding the criminal proceedings
8 against them and providing the basis for the civil action to proceed.

9 After the Fidlers were sentenced and the criminal action concluded, the FTC
10 and the Fidlers engaged in settlement negotiations in an effort to resolve this action.
11 The FTC and the Fidlers subsequently reached a complete settlement of the action
12 pursuant to two separate stipulated judgments. The Stipulated Judgment and Order
13 for Permanent Against Judith Takala Fidler (“Mrs. Fidler Judgment”) entered on
14 April 3, 2008 provides for a monetary judgment against Mrs. Fidler in the amount
15 of \$30,707,000. Section III.B. of the Mrs. Fidler Judgment provides that all assets
16 subject to the asset freeze under prior orders of the Court, other than the Toluca
17 Lake Property, are to be transferred to the Federal Trade Commission in partial
18 satisfaction of the judgment. The Stipulated Judgment and Order for Permanent
19 Injunction as to Defendants Sheldon Fidler; World Traders Association, Inc., et. al.
20 entered against Sheldon Fidler and all of the Receivership Defendants
21 (“Fidler/Receivership Defendants Judgment”) on April 7, 2008 contains similar
22 provisions for monetary relief and the transfer of all assets previously frozen as well
23 as any net funds in the receivership estate after payment of receivership expenses.
24 Fidler/Receivership Defendants Judgment, Sections III.B. and XIII.

25 Other than cash on hand, the sole asset remaining in the receivership estate
26 which has not been liquidated by the Receiver consists of a membership in Lake
27 Las Vegas golf club in the name of Mrs. Fidler (“Club Membership”) with an
28 estimated value of \$70,000.00. The Receiver has attempted to market the Club

1 Membership for months. The Receiver presently estimates it may take 24 to 30
2 months for the Club Membership to be sold. The Receiver has issued an instruction
3 to Lake Las Vegas Resort to sell the Club Membership. However, the Club
4 Membership is subject to restrictions on its sale, and the depressed real estate
5 market also limits the marketability of the membership. The Final Report and this
6 Motion seek authority for the Receiver to assign all of the receivership estate's
7 rights and interests in the Club Membership and proceeds thereof to plaintiff
8 Federal Trade Commission and to instruct Lake Las Vegas Resort to sell the Club
9 Membership and turn over the proceeds to the Federal Trade Commission,
10 consistent with the terms of the stipulated judgments against the Fidlers and the
11 Receivership Defendants.

12 **II. RELIEF SOUGHT BY THE RECEIVER**

13 This motion seeks various orders necessary and appropriate to wind up the
14 receivership estate in light of the entry of stipulated judgments against all
15 defendants in favor of plaintiff Federal Trade Commission.

16 A. Approval of Final Report and Receiver's Activities

17 The Receiver seeks approval of the Receiver's Final Report and related
18 relief, including orders approving and confirming that the estate will be wound up
19 and closed by the Receiver without any claims filing, allowance or distribution
20 process or payment of pre-receivership claims in light of the absence of assets of
21 the Receivership Defendants to pay claims. The Receiver further seeks an order
22 approving and confirming all activities and actions taken by or on behalf of the
23 Receiver during the receivership.

24 B. Approval of Fees and Expenses

25 This motion seeks approval and confirmation of the Receiver's payment of
26 all administrative expenses of the estate, the Receiver's fees and costs and those of
27 its attorneys. The motion seeks approval and authorization for payment of the
28 remaining unpaid administrative expenses of the estate, including the Receiver's

1 fees and costs and its attorneys' fees and costs which have been incurred and
2 remain unpaid, including the estimated fees and expenses of the Receiver and its
3 counsel necessary to close the estate. The unpaid administrative fees and costs of
4 the Receiver total \$5,268.09 and the unpaid fees and costs of the Receiver's counsel
5 total \$6,641.37 for the five-month period from January 1, 2008 through May 31,
6 2008 ("final expense period").

7 The Receiver's services during the final expense period included addressing
8 the transition in financial responsibility for the Toluca Lake Property from the
9 Receiver to the Fidlers. The Receiver provided documentation regarding current
10 expenses for the property, upcoming payments due and related matters to the
11 Fidlers. The Receiver coordinated with the Federal Trade Commission regarding
12 the resolution of claims against the Receivership Defendants and prepared and filed
13 a Receiver's Report during the final expense period. The Receiver further
14 continued to perform regular accounting responsibilities for the estate and
15 addressed with its counsel the steps necessary to wind up the estate.

16 The legal services rendered by counsel for the Receiver during this final
17 expense included advising the Receiver on its turnover of financial responsibility
18 for the Toluca Lake Property to the Fidlers, the preparation and filing of the
19 Receiver's fee motion scheduled for hearing in April 2008, which was granted
20 without a hearing, the review of the various judgments filed against the remaining
21 defendants in the action, reviewing the proposed Receiver's Report and assisting
22 the Receiver in filing same, and advising the Receiver regarding the winding up of
23 the estate in light of the entry of judgments.

24 The Receiver has estimated total additional Receiver's fees and expenses
25 thereafter to close the case at \$775.42 and attorneys' fees and costs of \$2,500.00.
26 Based on these figures, the Receiver is projecting a deficit in the receivership estate
27 after payment of administrative expenses, including Receiver's fees and expenses
28 and counsel's fees and expenses of \$5,146.56. The estimated closing fees and

1 expenses for the Receiver pertain to services by the Receiver's staff and employees
2 in part to prepare and review the Final Report, to review and approve this Motion,
3 to close bank accounts and perform the remaining accounting matters for the
4 estate, to issue instructions concerning the turnover of the golf membership
5 proceeds, and to coordinate the abandonment and/or destruction or turnover of
6 records of the Receivership Defendants. The legal fees and expenses estimated
7 through closing include the fees and expenses of the Receiver's counsel for
8 preparing, filing and appearing at the hearing on this Motion and addressing any
9 closing issues that may arise as the Receiver winds up the estate.

10 C. Assignment of Club Membership and Proceeds

11 The Receiver seeks an order authorizing the Receiver to assign all of the
12 receivership estate's rights and interests in the Club Membership in Lake Las Vegas
13 Resort golf club and the proceeds thereof to plaintiff Federal Trade Commission
14 and to instruct Lake Las Vegas Resort to liquidate the membership and turn over
15 the sales proceeds to the Federal Trade Commission.

16 D. Destruction of Records

17 The Receiver seeks other relief related to the wind up of the receivership
18 estate. There are business and other records from the Receivership Defendants that
19 are being warehoused by the Receiver. The Receivership Defendants' businesses
20 have been closed for over three years and they are prohibited from renewing
21 business operations under applicable Court orders. The Receiver therefore seeks an
22 order authorizing the Receiver to notify the Federal Trade Commission that it may
23 take possession and custody of the records within 30 days of the Receiver's written
24 notice and that the Receiver is authorized to destroy the records if the Federal Trade
25 Commission does not take possession of the records within that time frame.

26 E. Discharge and Exoneration of Receiver's Bond

27 In connection with the wind up of the estate, the Receiver further seeks an
28 order discharging the Receiver and its members, agents, attorneys and others acting

1 on its behalf as set forth in the prayer for relief and relieving them of all duties,
2 obligations and liabilities pertaining to this receivership. The Receiver further
3 requests that the Court enter an order exonerating the Receiver's bond posted in this
4 case.

5 F. Notice of Hearing

6 The Receiver seeks an order finding notice of the hearing on the motion to be
7 sufficient and appropriate under the circumstances. The Receiver requests that this
8 motion be granted without requiring the Receiver to give written notice to all
9 creditors pursuant to Local Rule 66-7. Local Rule 66-7(c) applies to applications
10 for approval of receiver's reports and Local Rule 66-7(f) applies to motions for
11 approval of receiver's and counsel's fees and expenses.

12 Local Rule 66-7 requires that all "known" creditors of the receivership
13 Defendants receive notice by mail of all Rule 66-7 motions. In this case, there are
14 approximately 4,382 aggrieved consumers who are potential creditors in this case.
15 There are also approximately 32 other creditors, including vendor creditors and
16 employees. Providing notice of this ex parte application to all such creditors and
17 potential creditors would be burdensome, time-consuming and expensive for the
18 receivership estate. Given that the receivership estate is administratively insolvent,
19 such expenses are not warranted.

20 **III. THE RELIEF SOUGHT IS APPROPRIATE TO ALLOW THE**
21 **RECEIVER TO WIND UP THE ESTATE FORTHWITH**

22 Court approval of the Receiver's actions and requests is consistent with
23 federal receivership practice as required by Federal Rule of Civil Procedure,
24 Rule 66. *See*, 2 Clark on Receivers, § 383.1 (3d ed. 1959). The Court has wide
25 latitude in supervising the Receiver and may provide for the administration of the
26 receivership as it deems appropriate. 13 *Moore's Federal Practice*, § 66.06[4][a]
27 (Matthew Bender 3d ed. 2002).

1 The relief sought in this motion will promote the orderly and prompt wind up
2 the receivership estate in an expeditious and cost-effective manner. The relief
3 sought is customary and appropriate in closing a receivership estate, discharging the
4 receiver and exonerating the Receiver's bond. The fees and expenses sought by the
5 Receiver, both those previously authorized and paid and those remaining unpaid,
6 are reasonable under the circumstances given the services rendered, the scope of the
7 case and various services undertaken and the Receiver's duties under the
8 Preliminary Injunction Order.

9 There is ample authority for approval of the scope and method of limited
10 notice as set forth above. Local Rule 66-7 provides that the provisions of Local
11 Rule 6-1 apply to notice of Rule 66-7 motions. Local Rule 6-1 in turn provides for
12 the filing and service of written notices of motion "unless otherwise provided by
13 rule or ordered by the Court." This Court, as a court of equity supervising the
14 receivership estate, may make appropriate administrative orders governing the
15 receivership, including limitations on and changes in notice and other procedures.
16 See F.R. Civ. P. 5(a) and (c) (authorizing the court to modify service procedures
17 when numerous defendants are involved in litigation). Pursuant to Local Rule 66-8,
18 a receiver is directed to administer receivership estates "as nearly as possible in
19 accordance with the practice in the administration of estates in bankruptcy." Orders
20 limiting notice when the Bankruptcy Code or Rules would otherwise require notice
21 to all creditors are routinely granted in bankruptcy cases to promote the expeditious
22 and economical administration of bankruptcy estates. See *In re First Alliance*
23 *Mortgage Co.*, 269 B.R. 428, 442 (C.D. Cal. 2001) (referencing in dicta in the
24 court's recitation of facts the bankruptcy court's order limiting notice issued in that
25 case); 11 U.S.C. section 102(1)(A) (defining the phrase "after notice and a hearing"
26 to mean "after such notice as is appropriate in the particular circumstances, and
27 such opportunity for hearing as is appropriate in the particular circumstances"); 11
28 U.S.C. section 105(a) and (d) (granting broad equitable powers to the court to issue

1 orders "necessary or appropriate to carry out the provisions" of title 11 including
2 "prescribing such limitations and conditions as the court deems appropriate to
3 ensure the case is handled expeditiously and economically"); and F.R. Bankr. P.
4 2002(m) (authorizing the court to enter "orders designating the matters in respect to
5 which, the entity to whom, and the form and manner in which notices shall be sent
6 except as otherwise provided by these rules").

7 **IV. CONCLUSION**

8 Based upon the foregoing and the pleadings filed in support hereof, and such
9 additional arguments and evidence as may be presented prior to or at the hearing,
10 the Receiver respectfully requests that the Court grant relief as requested in this
11 motion, including all of the following:

12 1. An order approving the Receiver's Final Report and Accounting
13 attached to the Declaration of Kenton Johnson as Exhibit 1 ("Final Report"), and in
14 connection therewith confirming and approving that the receivership estate be
15 closed without the Receiver implementing a distribution or claims procedure
16 pertaining to the receivership estate of the Receivership Defendants, and without
17 payment of pre-receivership claims;

18 2. An order approving and confirming all actions and activities taken by
19 or on behalf of the Receiver and all payments made by the Receiver in connection
20 with the administration of the receivership estate of the Receivership Defendants;

21 3. An order approving all receivership administrative expenses, including
22 the Receiver's fees and expenses and those of its professionals, incurred in
23 connection with the receivership proceeding, including those previously paid to the
24 Receiver and its counsel, and approving and authorizing payment of all
25 administrative expenses and Receiver's and professionals' fees and expenses
26 incurred, through the conclusion of this proceeding, as reflected in the Final Report,
27 to the extent any such administrative expenses and Receiver's and counsel's fees
28 and expenses remain unpaid, including Receiver's and counsel's fees and expenses

1 incurred and unpaid from the period from January 1, 2008 through the closing of
2 the estate to the extent funds are available for their payment;

3 4. An order authorizing the Receiver to conclude its administration of
4 sole remaining unliquidated asset of the receivership estate, consisting of the
5 membership in the name of Judith Takala Fidler held in the Lake Las Vegas Resort
6 golf club, Membership No. 590004 ("Club Membership"), by assigning all of the
7 receivership estate's rights and interests in the Club Membership and proceeds
8 thereof to plaintiff Federal Trade Commission and issuing written instructions to
9 Lake Las Vegas Resort to liquidate the Club Membership and to turn over the net
10 proceeds of the Club Membership to plaintiff Federal Trade Commission;

11 5. An order authorizing the Receiver to abandon records of the
12 Receivership Defendant, and to destroy all records of the Receivership Defendants
13 and any other corporations or businesses under the control of any of the
14 Receivership Defendants if, within 30 days after service of written notice to
15 plaintiff Federal Trade Commission, the Federal Trade Commission does not take
16 custody of such records;

17 6. An order discharging the Receiver, its agents, employees, members,
18 officers, independent contractors, attorneys and representatives and relieving the
19 Receiver, its agents, employees, members, officers, independent contractors,
20 attorneys and representatives of all duties, liabilities and responsibilities pertaining
21 to the receivership previously established in this action;

22 7. An order exonerating the Receiver's bond;

23 8. An order for any other and further relief as may be reasonable or
24 appropriate in connection with the wind up and closure of the receivership estate;
25 and

26 9. An order limiting notice and finding that notice of the hearing on this
27 motion was sufficient and appropriate under the circumstances if the Receiver
28 serves the Motion and supporting pleadings on the parties to this action, causes a

1 copy of the Motion to be posted on the Receiver's website at
2 www.robbevans.com/html/worldta.html, where it may be viewed in its entirety, and
3 provides a complete copy of the Motion and supporting pleadings to any interested
4 party who requests a copy from the Receiver's office in writing directed to Robb
5 Evans & Associates LLC, 11450 Sheldon Street, Sun Valley, California 91352-
6 1121, facsimile number (818) 768-8802, Attention: Cherrie Eustaquio.

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Dated: September 5, 2008

Respectfully submitted,
MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

By: /s/ Gary Owen Caris
Gary Owen Caris

Attorneys for Permanent Receiver,
**ROBB EVANS & ASSOCIATES
LLC**

1 **DECLARATION OF GARY OWEN CARIS**

2 I, Gary Owen Caris, declare:

3 1. I am an attorney at law duly admitted to practice before the courts of
4 the State of California and before the United States District Court for the Central
5 District of California and am a member of the firm of McKenna Long & Aldridge
6 LLP ("McKenna Firm"), the attorneys for Robb Evans & Associates LLC as
7 Receiver in this case ("Receiver"). If called upon to testify as to the facts set forth
8 in this declaration, I could and would testify competently thereto as the facts are
9 personally known to me to be true.

10 2. Throughout this case, I have been lead counsel for the Receiver
11 primarily responsible for the Receiver's representation in this matter. Attached
12 hereto as Exhibit 1 are true and correct copies of billing summaries reflecting the
13 services rendered, time spent and costs incurred by the McKenna Firm from
14 January 1, 2008 through May 31, 2008 (the "final expense period"), with the
15 descriptions redacted where appropriate to preserve descriptions containing
16 confidential, tactical, strategic, attorney-client privileged and/or attorney work-
17 product information. These redactions are made in particular in connection with
18 attorney-client communications. There were no fees incurred to the McKenna Firm
19 during the month of January 2008, and therefore no bill for that month is included.

20 3. The legal services rendered by counsel for the Receiver during this
21 final expense included advising the Receiver on its turnover of financial
22 responsibility for the Toluca Lake Property to the Fidlers, the preparation and filing
23 of the Receiver's fee motion scheduled for hearing in April 2008, which was
24 granted without a hearing, the review of the various judgments filed against the
25 remaining defendants in the action, reviewing the proposed Receiver's Report and
26 assisting the Receiver in filing same, and advising the Receiver regarding the
27 winding up of the estate in light of the entry of judgments.

28

1 4. I have been employed as a partner by the McKenna Firm for more than
2 two years. I have become and am familiar with the methods and procedures
3 employed by the McKenna Firm for the preparation of its billing statements
4 pertaining to matters in which it is engaged. The McKenna Firm prepares its
5 billing records from computerized time records prepared contemporaneously with
6 the services rendered by each attorney and paralegal billing time to this matter.
7 These computerized records are prepared in the ordinary course of business by the
8 attorneys and paralegals employed by the McKenna Firm who have a business duty
9 to accurately record their time spent and services rendered on the matters on which
10 they perform work. The time records are transferred into a computerized billing
11 program which generates monthly invoices under the supervision of the McKenna
12 Firm's accounting department. Based on my experience with the McKenna Firm, I
13 believe that the firm's methods and procedures for recording and accounting for
14 time and services for its clients is reliable and accurate.

15 5. I have more than 28 years' experience as a business and commercial
16 litigator and also have extensive experience as a bankruptcy attorney primarily
17 representing creditors in Chapter 11 and Chapter 7 bankruptcy cases. For more
18 than nine years, I have also specialized in representing receivers in federal equity
19 receiverships. I am familiar with the billing rates and practices of firms in the Los
20 Angeles area providing comparable services, and I believe my firm's rates and the
21 amount incurred by the Receiver for the services rendered during the final expense
22 period as well as all prior periods in the case are extremely reasonable and
23 appropriate based on the nature of the services rendered, the quality and amount of
24 services provided, the complexity of the issues involved and other factors under the
25 circumstances.

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I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 5th day of September 2008, at Los Angeles, California.

/s/ Gary Owen Caris
GARY OWEN CARIS

1 GARY OWEN CARIS (SBN 088918)
gcaris@mckennalong.com
2 LESLEY ANNE HAWES (SBN 117101)
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3 MCKENNA LONG & ALDRIDGE LLP
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6 Attorneys for Permanent Receiver,
ROBB EVANS & ASSOCIATES LLC

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

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11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 WORLD TRADERS
ASSOCIATION, INC., et al.,

15 Defendants.
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CASE NO. CV-05 0591 AHM (CTX)

**DECLARATION OF KENTON
JOHNSON IN SUPPORT OF MOTION
FOR ORDER: (1) APPROVING
RECEIVER'S FINAL REPORT AND
ACCOUNTING; (2) APPROVING AND
AUTHORIZING PAYMENT OF
RECEIVER'S AND ATTORNEYS'
FEES AND COSTS FOR THE PERIOD
FROM JANUARY 1, 2008 THROUGH
CLOSING OF THE ESTATE; (3)
AUTHORIZING RECEIVER TO
INSTRUCT LAKE LAS VEGAS GOLF
CLUB TO SELL MEMBERSHIP AND
TURN OVER PROCEEDS TO
PLAINTIFF; (4) DISCHARGING
RECEIVER; (5) RELIEVING
RECEIVER OF ALL DUTIES AND
LIABILITIES (6) EXONERATING
THE RECEIVER'S BOND; (7)
AUTHORIZING DESTRUCTION AND
ABANDONMENT OF RECORDS AND
WIND-UP OF RECEIVERSHIP
ESTATE; AND (8) LIMITING NOTICE
UNDER LOCAL RULE 66-7 IN
CONNECTION THEREWITH**

25 DATE: September 29, 2008
26 TIME: 10:00 a.m.
PLACE: Courtroom 14
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28

1 I, Kenton Johnson, declare:

2 1. I am one of the principals of Robb Evans & Associates LLC
3 (“Receiver”) and am one of the persons responsible for the day-to-day management
4 and supervision of receivership activities associated with the Receiver’s role as
5 permanent receiver under the Stipulated Preliminary Injunction With Asset Freeze,
6 Appointment of Receiver and Other Equitable Relief filed February 22, 2005. If
7 called upon to testify as to the facts set forth in this declaration, I could and would
8 testify competently thereto as the facts are true and within my personal knowledge.

9 2. This action was commenced on or about January 21, 2005 by the
10 Federal Trade Commission against World Traders and other entities as well as the
11 individual defendants Sheldon Fidler, Judith Fidler, Shannon Holden, Jaime
12 Klotthor, Jennifer Klotthor and Scott Rinaldo asserting various violations of the
13 FTC Act and the FTC's rules (“FTC Action”).

14 3. The Receiver was initially appointed as temporary receiver pursuant to
15 this Court’s Ex Parte Temporary Restraining Order With Asset Freeze,
16 Appointment of Receiver and Other Equitable Relief, filed January 25, 2005.
17 Thereafter, the Receiver was appointed as permanent receiver pursuant to the
18 Stipulated Preliminary Injunction with Asset Freeze, Appointment of Receiver, and
19 Other Equitable Relief filed February 22, 2005. Subsequently, by Order Expanding
20 the Receivership Estate to Include Certain Real Property Assets of Individual
21 Defendants Sheldon Fidler and Judith Takala Fidler entered April 6, 2005, the
22 receivership estate was expanded to include certain real property located at 29 Via
23 Mira Monte, Henderson, Nevada 89011 (“Nevada Property”) and 10923 Landale
24 St. #4, Toluca Lake, California 91602 (“Toluca Lake Property”).

25 4. As to the Nevada Property, the Receiver was ordered to take
26 possession and sell it, holding the proceeds until further Court order. The Nevada
27 Property was sold pursuant to this order on or about October 13, 2005.

28 The Nevada Property is located in the Lake Las Vegas residential development and

1 associated with the Nevada Property are two memberships at the Lake Las Vegas
2 Resort golf club, one of which was sold to the buyer of the Nevada Property and
3 one of which the Receiver has been unable to sell based on restrictions on the
4 membership and lack of buyers, as described in more detail below.

5 5. As to the Toluca Lake Property, the Receiver was ordered to take
6 possession but not sell or dispossess Sheldon Fidler and Judith Fidler (collectively,
7 the "Fidlers"). Thereafter, pursuant to the Court's minute order dated December 5,
8 2005, the Receiver was ordered to pay monthly expenses on the Toluca Lake
9 Property on an ongoing basis. The Receiver was ordered not to sell the Toluca
10 Lake Property under the Court orders. Pursuant to the Court's orders, the monthly
11 payments incurred and required to be paid from receivership assets in connection
12 with the Toluca Lake Property included mortgage payments, association dues,
13 insurance, and property taxes. In addition, a special assessment was made in the
14 amount of \$20,000 as to which the Receiver sought instructions from the Court.
15 The Court ultimately determined that the Receiver should pay the \$20,000 special
16 assessment from receivership assets. The expenses pertaining to the Toluca Lake
17 Property comprise most of the \$164,000 in asset preservation expenses incurred
18 during the receivership, as reflected in the Final Report and Accounting.

19 6. From the outset of the receivership, the assets of the receivership
20 entities have been limited. As reported in the Final Report and Accounting, at the
21 outset of the case the assets of the Receivership Defendants consisted of a limited
22 amount of cash on hand and certain office equipment and furniture of limited value.
23 The Receiver estimated the liquidation value of the office equipment and furniture
24 at \$20,000. The Receiver later sold that personal property with a net recovery to
25 the estate after auctioneer's fees and costs of \$21,445.33.

26 7. The Final Report and Accounting describes the Receiver's
27 administration of various receivership assets. After the Court authorized the
28 Receiver to take possession and control of the Nevada Property and to sell that

1 property by private sale subject to overbids, the Receiver sold the Nevada Property,
2 which was encumbered by a deed of trust in the amount of approximately \$2.2
3 million. After payment of closing costs, commissions and liens and encumbrances,
4 the Receiver recovered net sale proceeds for the estate of \$371,569.83 from the
5 Nevada Property.

6 8. The Final Report also addresses other assets of the estate, including
7 two golf club memberships in exclusive golf clubs in the Lake Las Vegas
8 residential development. The Receiver was able to market and sell one of the golf
9 club memberships with the sale of the Nevada Property for a net return of
10 \$75,810.18 for the estate.

11 9. The FTC obtained stipulated judgments resolving its claims against all
12 of the individual defendants other than Sheldon Fidler and Judith Takala Fidler, as
13 to whom the action was stayed by Court order filed August 4, 2006 pending final
14 disposition, including appeals, of the criminal case, United States v. Sheldon Fidler
15 and Judith Fidler, CR 06-508 (CD CA 2006). Approximately one year later, the
16 Fidlers each entered guilty pleas in the criminal case, and on October 1, 2007, the
17 Fidlers were sentenced in the criminal action, concluding the criminal proceedings
18 against them and providing the basis for the civil action to proceed.

19 10. After the Fidlers were sentenced and the criminal action concluded, the
20 FTC and the Fidlers engaged in settlement negotiations in an effort to resolve this
21 action. The FTC and the Fidlers subsequently reached a complete settlement of the
22 action pursuant to two separate stipulated judgments. The Stipulated Judgment
23 and Order for Permanent Against Judith Takala Fidler ("Mrs. Fidler Judgment")
24 entered on April 3, 2008 provides for a monetary judgment against Mrs. Fidler in
25 the amount of \$30,707,000. Section III.B. of the Mrs. Fidler Judgment provides
26 that all assets subject to the asset freeze under prior orders of the Court, other than
27 the Toluca Lake Property, are to be transferred to the Federal Trade Commission in
28 partial satisfaction of the judgment. The Stipulated Judgment and Order for

1 Permanent Injunction as to Defendants Sheldon Fidler; World Traders Association,
2 Inc., et. al. entered against Sheldon Fidler and all of the Receivership Defendants
3 (“Fidler/Receivership Defendants Judgment”) on April 7, 2008 contains similar
4 provisions for monetary relief and the transfer of all assets previously frozen as well
5 as any net funds in the receivership estate after payment of receivership expenses.
6 Fidler/Receivership Defendants Judgment, Sections III.B. and XIII.

7 11. Other than cash on hand, the sole asset remaining in the receivership
8 estate which has not been liquidated by the Receiver consists of a membership in
9 Lake Las Vegas Golf Club in the name of Mrs. Fidler, Membership No. 59000
10 (“Club Membership”) with an estimated value of \$70,000.00. The Receiver has
11 attempted to market the Club Membership for months. The Receiver presently
12 estimates it may take 24 to 30 months for the Club Membership to be sold. The
13 Receiver has issued an instruction to the Lake Las Vegas Resort to sell the Club
14 Membership. However, the Club Membership is subject to restrictions on its sale,
15 and the depressed real estate market also limits the marketability of the
16 membership. The Final Report and Accounting and the Receiver’s Motion which
17 this Declaration supports seek authority for the Receiver to assign all of the
18 receivership estate’s rights and interests in the Club Membership and proceeds
19 thereof to plaintiff Federal Trade Commission and to instruct Lake Las Vegas
20 Resort to sell the Club Membership and turn over the proceeds to the Federal Trade
21 Commission, consistent with the terms of the stipulated judgments against the
22 Fidlers and the Receivership Defendants.

23 12. In connection with my duties as a deputy to the Receiver, I have
24 reviewed and participated in the preparation of the Receiver’s Final Report and
25 Accounting, with the financial spreadsheets attached as Tab 1 being prepared by
26 members of the Receiver’s accounting department. A true and correct copy of the
27 Receiver’s Final Report and Accounting is attached hereto as Exhibit 1. Attached
28 hereto as Exhibits 2, 3 and 4 are true and correct copies of the Receiver’s time

1 records for the period from January 1, 2008 through May 31, 2008 (“final expense
2 period”). Exhibit 2 includes billing records for services rendered by the Receiver’s
3 deputies primarily responsible for this case, including the time records for Brick
4 Kane, Anita Jen, M. Val Miller and me. Exhibit 3 includes time records for the
5 Receiver’s Senior Staff, and attached hereto as Exhibit 4 are copies of the
6 Receiver’s time records for services rendered by the Receiver’s IT Management
7 personnel. These time records have been redacted to preserve the attorney-client
8 privilege and work product, including tactical or other confidential information that
9 may have appeared in the time records.

10 13. The Receiver’s services during the final expense period included
11 addressing the transition in financial responsibility for the Toluca Lake Property
12 from the Receiver to the Fidlers. The Receiver provided documentation regarding
13 current expenses for the property, upcoming payments due and related matters to
14 the Fidlers. The Receiver coordinated with the Federal Trade Commission
15 regarding the resolution of claims against the Receivership Defendants and
16 prepared and filed a Receiver’s Report during the final expense period. The
17 Receiver further continued to perform regular accounting responsibilities for the
18 estate and addressed with its counsel the steps necessary to wind up the estate.

19 14. As a member of Robb Evans & Associates LLC, I am familiar with the
20 methods and procedures used by the Receiver and its staff and employees to record
21 the time spent rendering services to receivership estates over which the Receiver
22 has been appointed. The records attached hereto as Exhibits 2 through 4 are
23 regularly prepared by the members, staff and employees of the Receiver at or about
24 the time of the services rendered, each of whom has a business duty to accurately
25 record the information regarding their services set forth in these records. The
26 records are reviewed by the Receiver’s accounting staff and summarized in the
27 Receivership Administrative Expenses and Fund Balance by Month attached as Tab
28 1 to the Receiver’s Final Report and Accounting. Based upon my experience with

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

4 15. The Receiver's fees and expenses and the Receiver's counsel's fees
5 and costs incurred during the final expense period since January 1, 2008 plus the
6 estimated fees and expenses for the closing of the estate expected to be incurred by
7 the Receiver and counsel total \$15,184.88, including (a) \$5,268.09 in Receiver's
8 fees and costs incurred during the final expense period; (b) \$775.42 in estimated
9 Receiver's fees and costs to close the estate; (c) \$6,641.37 in attorneys' fees and
10 costs incurred during the final expense period; and (d) \$2,500.00 in attorneys' fees
11 estimated to be incurred to close the estate. The Receiver's Final Report and
12 Accounting shows that there will be an estimated deficit in the estate of \$5,146.56
13 and that there will be insufficient assets in the estate to fully pay the Receiver's fees
14 and costs and attorneys' fees and costs incurred since January 1, 2008.

15 16. In addition to the other relief sought by the Receiver in the Motion, the
16 Receiver also seeks an order providing that the notice requirement for the hearing
17 on this motion shall be deemed sufficient if the Motion is served on the parties to
18 this action and the Motion is posted on the Receiver's website. In this case, there
19 are approximately 4,382 aggrieved consumers who are potential creditors in this
20 case. There are also approximately 32 other creditors, including vendor creditors
21 and employees. Providing notice of this ex parte application to all such creditors
22 and potential creditors would be burdensome, time consuming and expensive for
23 the receivership estate. Given the fact the receivership estate is administratively
24 insolvent, such expenses are not warranted.

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I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on September 4, 2008 at Pasadena, California.



KENTON JOHNSON

EXHIBIT 1

ROBB EVANS & ASSOCIATES LLC
Receiver of World Traders Association, Inc., et al.

RECEIVER'S FINAL REPORT AND ACCOUNTING
FEBRUARY 16, 2008 THROUGH JULY 31, 2008

This report covers the activities of the Receiver¹ since the last report. This is the final report and accounting to the Court. This report does not constitute an audit of the financial condition of the receivership; it is intended only for the information of the Court assessing the progress of the receivership and should not be relied upon for other purposes.

Status of Estate Assets

At the inception of the receivership, the Receiver reported that in spite of the approximately \$30 million of fees collected from consumers, the Receiver concluded that the common enterprise had no net assets beyond frozen cash of about \$80,000, inventory with a realizable value expected to be approximately \$20,000, and other office furniture and equipment of unknown value. Additionally, the personal assets of the Defendants were limited and were centered in two leveraged personal residences. Consequently, the expected realizable value of the corporate and personal assets was about \$550,000.

The Court authorized the Receiver to sell the Fidler's home in Henderson, Nevada located in the exclusive gated community of Lake Las Vegas. Judith Takala Fidler, one of the individual Defendants, was the owner of record of the home. The home was listed with a local real estate company specializing in high-end properties. Liens against the home totaled \$2.2 million. After payment of all liens, real estate commissions and closing costs, there was a net return to the receivership estate of \$371,570. The Receiver also marketed a golf membership which, after payment of the transfer fee and reductions for past due membership fees, resulted in a net return to the receivership estate of about \$76,000.

Pursuant to this Court's Order, the Receiver continued making home mortgage payments and paying other property expenses for the Fidler's condominium unit in Toluca Lake, California. Following the Court's recent Order, the Receiver ceased paying these payments and forwarded the financial details and requirements to Judith Fidler.

¹ Reference to the Receiver in this report means the Receiver, the Receiver's deputies, its staff, and its counsel.

The Receiver arranged for an auction of the office equipment and furniture. After payment of the auctioneer's fees and costs, the net return to the receivership estate was about \$21,000.

The receivership estate still has one golf membership in the upscale Lake Las Vegas Golf Club. There are very strict limitations on the sale of memberships. The Receiver estimates the current equity in the golf membership is approximately \$70,000. In light of the depressed real estate market and the strict administrative rules on the sale of golf memberships at this club, it is not likely that the golf membership will be sold for at least 24 to 30 months. Monthly membership dues will continue to reduce the equity until the membership is sold. The Receiver will direct the Golf Club to complete the sale of the membership and forward any net proceeds to the Federal Trade Commission.

Summary of Other Activities and Issues

The Receiver has limited its activities while monitoring the progress of the criminal and civil cases. The Receiver has been advised that both the criminal proceedings and the civil case are resolved. The receivership is ready to be concluded and the Receiver is requesting the Court to approve the Final Report and Accounting and discharge the Receiver.

Administrative Expenses

Under Tab 1 are the financial reports from the inception of the receivership through May 31, 2008 with an estimate of closing expenses. The Court is respectfully requested to approve the Final Report and Accounting, including the fees and expenses of the Receiver and its attorneys for the reporting period, totaling \$40,722.55. The report also shows the receivership estate will incur a deficit of \$5,146.56, which the Receiver will absorb.

During the three and a half years since the Receiver was appointed, asset preservation expenses totaled about \$164,000. The significant asset preservation expenses were home mortgage payments and other property expenses. In three and a half years, receivership administrative expenses were about \$181,000 and fees for the Receiver's counsel totaled about \$119,000.

Requests of the Court

The Court is respectfully requested to:

1. Approve the Receiver's Final Report and Accounting;
2. Approve and confirm the actions of the Receiver described herein;
3. Authorize the Receiver to abandon the books and records of the Receivership Defendants placed under its control, if such records are not requested by the Federal Trade Commission;
4. Authorize and approve payment of all fees and expenses of the Receiver and its counsel, heretofore paid and requested to be paid as part of its motion to approve the Receiver's Final Report and Accounting, to the extent funds are available for such payment;
5. Discharge and relieve Robb Evans & Associates LLC as Receiver, and its members, officers, agents, employees, attorneys and representatives of all duties, liabilities and responsibilities, and exonerate the Receiver's bond; and
6. Grant such other and further relief as the Court may deem just and proper.

Respectfully Submitted,

/s/

Robb Evans and Associates LLC
Receiver

TAB 1

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, 2008 and Closing

	Previously Reported and Approved	Jan 31, 08	Feb 29, 08	Mar 31, 08	Apr 30, 08	May 31, 08	1/1/08-5/31/08	Closing	TOTAL
Receipts									
Funds Transferred In	79,516.57	0.00	0.00	0.00	0.00	28.99	28.99	0.00	79,545.56
Proceeds from sale of assets	469,043.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	469,043.20
Miscellaneous Income	890,883	0.00	0.00	0.00	0.00	0.00	0.00	0.00	890,883
Total Receipts	549,450.00	0.00	0.00	0.00	0.00	28.99	28.99	0.00	549,479.59
Expense									
Defendant's Legal Fee	62,663.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,663.02
Payroll Expenses	22,903.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,903.11
Medical Insurance	5,037.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,037.54
Asset Preservation									
Rent & Utility	6,860.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,860.16
Liability Insurance	629.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	629.28
Professional services	4,435.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00	0.00	5,435.00
10923 Landale St. #4									
Special Assessment	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Property tax	1,470.07	0.00	8,229.69	1,494.66	0.00	0.00	9,724.35	0.00	11,194.42
Insurance	4,312.76	405.63	221.79	293.53	397.67	44.54	1,363.16	0.00	5,675.94
Association Dues	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,200.00
Mortgage	76,895.12	3,092.65	4,845.09	1,183.33	2,965.09	0.00	12,086.16	0.00	82,945.28
Total 10923 Landale St. #4	99,877.97	3,502.28	13,256.57	2,971.52	3,362.76	44.54	23,137.67	0.00	123,015.64
29 Via Mira Monte	12,938.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,938.78
Moving/Storage Expenses	4,157.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,157.00
Membership Dues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HOA Dues	9,434.00	350.00	350.00	350.00	350.00	0.00	1,400.00	0.00	10,834.00
Investigation Fees	113.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113.75
Total Asset Preservation	138,435.94	3,852.28	13,606.57	3,321.52	3,712.76	1,044.54	25,537.67	0.00	163,973.61
Receiver's Fees & Costs									
Receiver Fees	87,833.50	352.00	1,837.50	255.00	840.00	130.00	3,404.50	0.00	91,238.00
Senior Staff Fees	23,155.50	0.00	0.00	0.00	52.00	13.00	65.00	500.00	23,720.50
IT Management Fees	31,996.78	0.00	62.10	70.98	124.21	0.00	257.29	0.00	32,254.07
Support Staff Fees	23,157.70	483.46	517.87	192.82	196.21	13.77	1,314.13	200.00	24,671.83
Out of Pocket	2,498.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,498.98
Postage/Delivery	1,809.21	3.28	21.62	1.23	63.40	0.42	89.95	50.42	1,949.58
Occupancy & Equipment	1,289.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,289.55
Supplies/Telephone	869.46	39.78	15.44	27.65	27.68	25.23	135.78	25.00	1,030.24
Miscellaneous Expenses									
Asset/Credit Searches	1,215.70	0.00	0.00	0.00	1.44	0.00	1.44	0.00	1,217.14
Bond Fee	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
Reproduction/copying	512.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	512.89
Other	370.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	370.06
Total Miscellaneous Expenses	2,598.65	0.00	0.00	0.00	1.44	0.00	1.44	0.00	2,600.09
Total Receiver's Fees & Costs	175,209.33	878.52	2,454.53	457.68	1,304.94	172.42	5,268.39	775.42	181,252.84

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, 2008 and Closing

	Previously Reported and Approved	Jan 31, 08	Feb 29, 08	Mar 31, 08	Apr 30, 08	May 31, 08	1/1/08-5/31/08	Closing	TOTAL
Legal Fees & Costs									
Fees	98,092.00	0.00	1,765.50	2,680.50	1,702.50	38.50	6,187.00	2,500.00	196,779.00
Costs	11,562.66	0.00	36.00	333.52	64.85	0.00	454.37	0.00	12,017.03
Total Legal Fees & Costs	<u>109,654.66</u>	<u>0.00</u>	<u>1,801.50</u>	<u>3,014.02</u>	<u>1,767.35</u>	<u>38.50</u>	<u>6,641.37</u>	<u>2,500.00</u>	<u>118,796.03</u>
Total Expense	<u>51,300.60</u>	<u>4,730.80</u>	<u>17,862.60</u>	<u>6,813.22</u>	<u>6,785.05</u>	<u>1,255.46</u>	<u>37,447.13</u>	<u>3,275.42</u>	<u>554,626.15</u>
Fund Balance	<u>35,547.00</u>	<u>(4,730.80)</u>	<u>(17,862.60)</u>	<u>(6,813.22)</u>	<u>(6,785.05)</u>	<u>(1,226.47)</u>	<u>(37,418.14)</u>	<u>(3,275.42)</u>	<u>(5,146.56)</u>