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 8 GEOFF WINKLER

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

12 SECURITIES AND EXCHANGE
 13 COMMISSION,

14 Plaintiff,

15 v.

16 RALPH T. IANNELLI and ESSEX
 CAPITAL CORP.,

17 Defendants.

Case No. 2:18-cv-05008-FMO-AFM

APPLICATION OF RECEIVER, GEOFF
 WINKLER, FOR PAYMENT OF FEES
 AND REIMBURSEMENT OF
 EXPENSES INCURRED DURING HIS
 SERVICE AS COURT-APPOINTED
 MONITOR

[October 1, 2018 - December 20, 2018]

[Notice of Application; Memorandum of
 Points and Authorities; Declaration of
 Geoff Winkler; and [Proposed] Order
 submitted concurrently herewith]

Date: September 19, 2019

Time: 10:00 a.m.

Ctrm: 6D

Judge Hon. Fernando M. Olguin

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1 **I. INTRODUCTION.**

2 Geoff Winkler (the "Receiver"), the Court-appointed permanent receiver for
 3 Defendant Essex Capital Corporation ("Essex") and its subsidiaries and affiliates
 4 (collectively, the "Receivership Entities" or "Entities"), hereby submits this
 5 Application for Payment of Fees and Reimbursement of Expenses Incurred During
 6 his Service as Court-Appointed Monitor (the "Fee Application"), pursuant to this
 7 Court's October 1, 2018 Order Regarding Preliminary Injunction ("Monitor Order")
 8 (ECF No. 53). Specifically, this Fee Application seeks reimbursement of fees and
 9 expenses incurred by the Receiver for the period during which he served as Court-
 10 appointed monitor, from October 1, 2018 through December 20, 2018 (the
 11 "Monitorship Period").

12 Pursuant to the Fee Application, the Receiver seeks approval of 100% of his
 13 fees and expenses, after application of the aggregate discount noted below, and
 14 payment, in full, thereon as follows¹:

<u>Applicant</u>	<u>Current Fees Submitted for Approval</u>	<u>Current Expenses Submitted for Approval</u>	<u>Payment Requested (Fees)</u>	<u>Payment Requested (Expenses)</u>	<u>Total</u>
Receiver	\$75,000.00	\$6,872.00	\$75,000.00	\$6,872.00	\$81,872.00

19
 20 During the Monitorship Period, the Receiver incurred a total of \$94,259.70 in
 21 fees, which is in excess of the \$75,000-fee cap instituted in Paragraph XIX of the
 22 Monitor Order. However, the circumstances surrounding the monitorship required
 23

24
 25 ¹ The Receiver presently holds a retainer (the "Retainer") in the amount of
 26 \$80,000.00 from Essex, which was paid during the Monitorship Period, and
 27 which the Receiver respectfully requests permission from this Court to apply to
 28 the reimbursement of fees and expenses requested herein. Accordingly, of the
 \$81,872.00 total fees and expenses incurred during the Monitorship Period, the
 Receiver submits that \$80,000.00 will be covered by the Retainer. The Receiver,
 therefore, respectfully requests the Court to authorize and approve an additional
 \$1,872.00 from the estate of the Receivership Entities for payment of the
 outstanding fees and expenses incurred during the Monitorship Period.

1 more work to be performed than was initially anticipated, which work was
2 necessary for the benefit of the Receivership Entities. Moreover, while rendering
3 these essential services resulted in the incurrence of additional fees beyond the
4 \$75,000-fee cap, the Receiver has applied a discount of \$19,259.70 for the benefit of
5 the estate of the Receivership Entities, and is therefore not seeking to recover fees in
6 excess of \$75,000. Accordingly, the Receiver only seeks approval of his post-
7 discount fees and expenses, and authorization for payment thereon.

8 **II. GENERAL SUMMARY.**

9 During the Monitorship Period, the Receiver, in his capacity as Monitor, fully
10 discharged his duties and obligations as Court-appointed Monitor, pursuant to the
11 Monitor Order, and laid the foundation for commencing his efforts as the permanent
12 receiver for the Entities. To that end, the Receiver, as Monitor: (1) obtained access
13 to many of Essex's books and records; (2) obtained access to Essex's principals,
14 managers, directors, employees, agents, and consultants; (3) oversaw and monitored
15 Essex's activities; and (4) conducted investigations to locate and account for Essex's
16 assets and liabilities. Acting as Monitor, the Receiver commenced significant
17 efforts to understand and document the business and financial activities of the
18 Receivership Entities. Additionally, in accordance with the Monitor Order, the
19 Receiver prepared and submitted the Report of Preliminary Accounting of
20 Defendant Essex Capital Corporation and Recommendations (the "Initial Report")
21 (ECF No. 60), which provided a detailed overview of Essex's business operations,
22 set forth a comprehensive interim accounting of Essex's assets and liabilities, and
23 recommended that the monitorship be converted to a permanent receivership.

24 A more detailed description of the work performed by the Receiver, in his
25 capacity as Monitor, appears below. Given the nature of his appointment as
26 Monitor during the Monitorship Period, the Receiver respectfully submits that the
27 fees and expenses incurred during the Monitorship Period are appropriate, and
28 should be approved and paid in full.

1 **III. SERVICES PERFORMED BY THE RECEIVER DURING THE**
 2 **MONITORSHIP PERIOD.**

3 During the Monitorship Period, the Receiver, acting as Monitor, diligently
 4 pursued the objectives established by this Court's Monitor Order. To that end, the
 5 Receiver performed services recorded in the following categories, as reflected in the
 6 following summary:

<u>Receiver's Category</u>	<u>Hours Worked</u>	<u>Receiver's Fees</u>
Financial – Business Analysis	14.7	\$4,101.30
Financial – Data Analysis	40.3	\$11,243.70
Legal – Business Operations	12.5	\$3,671.10
Legal – Case Administration	248.0	\$75,243.60
Receiver Aggregate Discount	N/A	(\$19,259.70)
TOTAL:	315.5	\$75,000.00

13 Broadly, during the Monitorship Period, the Receiver and his staff undertook
 14 substantial efforts to develop an initial understanding of the business and financial
 15 activities of the Receivership Entities, investigate receivership assets, and otherwise
 16 monitor and oversee what are now the Receivership Entities. The services
 17 performed by the Receiver, in his capacity as Monitor, are described below and in
 18 more detail in the Receiver's monitorship invoices, which are attached hereto as
 19 **Exhibit A.**

20 **A. Financial – Business Analysis.**

21 During the Monitorship Period, the Receiver devoted some time to work
 22 within this category, which encompassed researching the metrics and analytics
 23 behind the Receivership Entities' business. Specifically, the Receiver and his staff
 24 engaged in a global review of the Entities' assets, investments, and loans in order to
 25 develop a foundational understanding of the business enterprise. The Receiver also
 26 conferred with Mr. Iannelli to advance his understanding of the Entities' business
 27 operations.

28

1 **B. Financial – Data Analysis.**

2 The Receiver's staff performed work within this category, which included
3 optimizing data inputs for the cash flow and liabilities analysis, establishing a bank
4 statement file management system, and developing a log of missing statements.

5 **C. Legal – Business Operations.**

6 The time billed to this category largely related to the Receiver's work with
7 Montecito Bank & Trust regarding its administrative processes for loan servicing for
8 the Entities.

9 **D. Legal – Case Administration.**

10 During the Monitorship Period, the Receiver devoted a considerable amount
11 of time to work in this category, which included: (1) communicating extensively
12 with investors to apprise them of the status of the instant matter and its impact on
13 the Entities, Mr. Iannelli, and the Securities and Exchange Commission (the
14 "Commission"); (2) conducting site visits to Essex's office in Santa Barbara,
15 California, and managing documents retrieved therefrom; (3) reviewing voluminous
16 records in preparation for drafting the Initial Report; and (4) drafting the Initial
17 Report and preparing the exhibits thereto.

18 **IV. THE FEES AND EXPENSES INCURRED ARE REASONABLE AND**
19 **SHOULD BE ALLOWED.**

20 The Receiver respectfully submits that the fees and expenses incurred during
21 the Monitorship Period were fair, reasonable, necessary, and significantly benefitted
22 the estate of the Receivership Entities. Additionally, the Receiver's fees and
23 expenses, after application of the aggregate discount noted above, fall squarely
24 within the Court's budget, as detailed in Paragraph XIX of the Monitor Order.
25 Accordingly, the Receiver respectfully requests that this Court approve 100% of his
26 fees and expenses incurred during the Monitorship Period, and authorize payment in
27 full.

28

1 The billing rates charged by the Receiver, acting as Monitor, in this matter are
2 consistent with and comparable to those charged in the community on similarly
3 complex matters. Further, and as described in the Memorandum of Points and
4 Authorities submitted in support of this Fee Application, the billing statement of the
5 Receiver was submitted to the Commission for review prior to the filing of this Fee
6 Application. The Commission has indicated it will not oppose the Fee Application.

7 **V. CONCLUSION.**

8 For the foregoing reasons, and as requested in the concurrently submitted
9 Memorandum of Points and Authorities, the Receiver respectfully requests that this
10 Court enter an order:

- 11 1. Granting the instant Fee Application, in its entirety;
- 12 2. Approving the Receiver's fees, in the amount of \$75,000.00, and
13 expenses, in the amount of \$6,872.00; and
- 14 3. Authorizing the Receiver to pay himself 100% of his fees incurred
15 during the Monitorship Period, after application of the aggregate discount noted
16 above, in the amount of \$75,000.00, and 100% of his expenses incurred during the
17 Monitorship Period, in the amount of \$6,872.00. Payment of the fees and expenses
18 incurred during the Monitorship Period shall first be paid from the Retainer held by
19 the Receiver, as detailed herein, and the remainder shall be paid from the assets of
20 the Receivership Entities.

21
22 Dated: August 14, 2019

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23
24
25 By: /s/ Joshua A. del Castillo
26 JOSHUA A. DEL CASTILLO
27 Attorneys for Receiver
28 GEOFF WINKLER

EXHIBIT A

SEC v. Essex Capital Corporation
Summary of Fees of Receiver While Serving as Monitor
October 1, 2018 - December 20, 2018
(Sorted in Chronological Order by Activity Category)

Attachment 1

<u>Personnel</u>	<u>Item / Description</u>	<u>Date</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Activity Category</u>
Hall, John	Read and catalogue docket items, set up file system	10/2/2018	2.6	279.00	725.40	Legal - Business Operations
Winkler, Geoffrey	Emails and calls with Plaintiff's counsel	10/2/2018	1.0	315.00	315.00	Legal - Case Administration
Winkler, Geoffrey	Emails and call with Defendant's counsel	10/2/2018	0.6	315.00	189.00	Legal - Case Administration
Winkler, Geoffrey	Calls with JBH re notice and service of order	10/2/2018	1.0	315.00	315.00	Legal - Case Administration
Winkler, Geoffrey	Review report	10/2/2018	0.6	315.00	189.00	Legal - Case Administration
Winkler, Geoffrey	Read and review final order	10/2/2018	1.1	315.00	346.50	Legal - Case Administration
Winkler, Geoffrey	Call with team re logistics	10/2/2018	0.8	315.00	252.00	Legal - Case Administration
Hall, John	Read and discuss Order with Monitor	10/2/2018	1.6	279.00	446.40	Legal - Case Administration
Hall, John	Call with Plaintiff; follow up call with Monitor	10/2/2018	1.0	279.00	279.00	Legal - Case Administration
Hall, John	Serve the order on the various banks and parties	10/2/2018	2.5	279.00	697.50	Legal - Case Administration
Hall, John	Asset review	10/2/2018	1.2	279.00	334.80	Legal - Case Administration
Winkler, Geoffrey	Call with MBT	10/3/2018	1.0	315.00	315.00	Legal - Business Operations
Winkler, Geoffrey	Call with Plaintiff and follow up call with JBH	10/3/2018	1.5	315.00	472.50	Legal - Case Administration
Winkler, Geoffrey	Review draft notices	10/3/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Review filings, documents	10/3/2018	1.6	315.00	504.00	Legal - Case Administration
Winkler, Geoffrey	Calls with parties re logistics, timing, next steps	10/3/2018	1.5	315.00	472.50	Legal - Case Administration
Hall, John	Call with Plaintiff; follow up call with Monitor	10/3/2018	1.5	279.00	418.50	Legal - Case Administration
Hall, John	Call with MBT; follow up call with Monitor	10/3/2018	1.0	279.00	279.00	Legal - Case Administration
Hall, John	Case management activities, including downloading documents/data	10/3/2018	5.3	279.00	1,478.70	Legal - Case Administration
Winkler, Geoffrey	Call with MBT, call with Defendant, follow up with JBH	10/4/2018	1.0	315.00	315.00	Legal - Business Operations
Winkler, Geoffrey	Call with valuation group	10/4/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Call with investors' counsel	10/4/2018	1.0	315.00	315.00	Legal - Case Administration
Winkler, Geoffrey	Call with investor group	10/4/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Call with JBH	10/4/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Case discussions with staff	10/4/2018	2.0	315.00	630.00	Legal - Case Administration
Hall, John	Call with Intervenor's Committee; follow up call with Monitor	10/4/2018	1.0	279.00	279.00	Legal - Case Administration
Hall, John	Call with individual investor's counsel	10/4/2018	0.5	279.00	139.50	Legal - Case Administration
Hall, John	Call with Defendant; follow up call with Monitor	10/4/2018	1.0	279.00	279.00	Legal - Case Administration
Hall, John	Call with MBT; follow up call with Monitor	10/4/2018	1.0	279.00	279.00	Legal - Case Administration
Hall, John	Case discussions with Monitor	10/4/2018	2.0	279.00	558.00	Legal - Case Administration
Hall, John	Financial document review	10/5/2018	2.2	279.00	613.80	Financial - Data Analysis
Winkler, Geoffrey	Work to gain account access	10/5/2018	0.4	315.00	126.00	Legal - Business Operations

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Winkler, Geoffrey	Review documents	10/5/2018	6.6	315.00	2,079.00	Legal - Case Administration
Winkler, Geoffrey	Calls with JBH	10/5/2018	1.1	315.00	346.50	Legal - Case Administration
Hall, John	Setting up investor calls and building out case infrastructure and filing	10/5/2018	2.7	279.00	753.30	Legal - Case Administration
Hall, John	Data and document review	10/8/2018	8.4	279.00	2,343.60	Financial - Data Analysis
Winkler, Geoffrey	Call with attorney	10/8/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Call with investor	10/8/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Call with investor and JBH	10/8/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Data and document review	10/8/2018	5.5	315.00	1,732.50	Legal - Case Administration
Winkler, Geoffrey	Review message from potential buyer	10/8/2018	0.2	315.00	63.00	Legal - Case Administration
Hall, John	Call with investor	10/8/2018	0.5	279.00	139.50	Legal - Case Administration
Hall, John	Investor call, documents and discuss with Monitor	10/8/2018	0.5	279.00	139.50	Legal - Case Administration
Hall, John	Conference call with BM	10/8/2018	0.5	279.00	139.50	Legal - Case Administration
Hall, John	Data and document review	10/9/2018	6.7	279.00	1,869.30	Financial - Data Analysis
Winkler, Geoffrey	Emails with MBT	10/9/2018	0.3	315.00	94.50	Legal - Business Operations
Winkler, Geoffrey	Setup online access to QB	10/9/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Draft letter to investors and discuss	10/9/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Work with PP to gather investor information and work with CW to provide copies of order to investors	10/9/2018	0.9	315.00	283.50	Legal - Case Administration
Winkler, Geoffrey	Review records	10/9/2018	2.1	315.00	661.50	Legal - Case Administration
Hall, John	Account analysis	10/10/2018	2.0	279.00	558.00	Financial - Business Analysis
Winkler, Geoffrey	Review documents while traveling to SB	10/10/2018	2.1	315.00	661.50	Legal - Case Administration
Winkler, Geoffrey	Prepare for office visit and review documents	10/10/2018	5.4	315.00	1,701.00	Legal - Case Administration
Winkler, Geoffrey	Work with JDN to ensure access to accounts	10/10/2018	0.3	315.00	94.50	Legal - Case Administration
Hall, John	Review assets in preparation for meeting	10/10/2018	3.5	279.00	976.50	Legal - Case Administration
Winkler, Geoffrey	Meeting with MBT	10/11/2018	1.0	315.00	315.00	Legal - Business Operations
Winkler, Geoffrey	Meeting at office, meeting with Defendant and counsel to review records and ask questions	10/11/2018	12.6	315.00	3,969.00	Legal - Case Administration
Hall, John	Meet with MBT, meet with GVW, meet with PP, document and office review	10/11/2018	13.6	279.00	3,794.40	Legal - Case Administration
Winkler, Geoffrey	Call with Plaintiff	10/12/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Review records onsite and discussions with Defendant and counsel	10/12/2018	5.4	315.00	1,701.00	Legal - Case Administration
Hall, John	Office and document review, conference call with Plaintiff	10/12/2018	6.0	279.00	1,674.00	Legal - Case Administration
Winkler, Geoffrey	Call with TM to discuss accounting	10/15/2018	0.6	315.00	189.00	Legal - Case Administration

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Winkler, Geoffrey	Review records discovered onsite	10/15/2018	6.3	315.00	1,984.50	Legal - Case Administration
Winkler, Geoffrey	Review account records	10/16/2018	1.1	315.00	346.50	Legal - Case Administration
Winkler, Geoffrey	Call with AG re discovery	10/16/2018	0.3	315.00	94.50	Legal - Case Administration
Winkler, Geoffrey	Review discovery	10/16/2018	5.1	315.00	1,606.50	Legal - Case Administration
Winkler, Geoffrey	Meeting with KB re records received	10/17/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Emails with Defendant's counsel re meeting	10/17/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Emails with investor	10/17/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review schedule of assets from Defendant's counsel	10/17/2018	1.1	315.00	346.50	Legal - Case Administration
Winkler, Geoffrey	Reconcile documents, communicate with JBH and with PP re documents	10/17/2018	0.7	315.00	220.50	Legal - Case Administration
Winkler, Geoffrey	Review discovery	10/17/2018	2.6	315.00	819.00	Legal - Case Administration
Winkler, Geoffrey	Review Plaintiff's discovery	10/18/2018	2.2	315.00	693.00	Legal - Case Administration
Winkler, Geoffrey	Emails with PP re bank statements	10/18/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review billing template	10/18/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Scheduling with Defendant's counsel	10/18/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Call with investor	10/19/2018	0.5	315.00	157.50	Legal - Case Administration
Winkler, Geoffrey	Review bank statement status	10/19/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Work with CW and PP re file naming	10/19/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Emails with MBT re transactions clearing	10/19/2018	0.2	315.00	63.00	Legal - Case Administration
Hall, John	Investor call with Monitor	10/19/2018	0.5	279.00	139.50	Legal - Case Administration
Hall, John	Call with TM re data	10/22/2018	1.0	279.00	279.00	Financial - Data Analysis
Winkler, Geoffrey	Emails with MBT re bank statements	10/22/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review correspondence re legal process	10/22/2018	0.1	315.00	31.50	Legal - Case Administration
Winkler, Geoffrey	Review email re investor, call to investor's counsel	10/22/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Review discovery	10/22/2018	4.4	315.00	1,386.00	Legal - Case Administration
Hall, John	Books and records review	10/23/2018	6.0	279.00	1,674.00	Financial - Business Analysis
Hall, John	Call with TM re data	10/23/2018	1.0	279.00	279.00	Financial - Data Analysis
Winkler, Geoffrey	Call with investor's counsel	10/23/2018	0.6	315.00	189.00	Legal - Case Administration
Winkler, Geoffrey	Email with investor	10/23/2018	0.1	315.00	31.50	Legal - Case Administration
Winkler, Geoffrey	Call with TM	10/23/2018	1.0	315.00	315.00	Legal - Case Administration
Winkler, Geoffrey	Review discovery	10/23/2018	4.9	315.00	1,543.50	Legal - Case Administration
Hall, John	Call with GK, representing investors, discuss call with Monitor	10/23/2018	0.6	279.00	167.40	Legal - Case Administration
Hall, John	Call with TM re data	10/24/2018	0.8	279.00	223.20	Financial - Data Analysis

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Winkler, Geoffrey	Call with TM	10/24/2018	0.8	315.00	252.00	Legal - Case Administration
Winkler, Geoffrey	Review documents from Defendant's counsel and emails with JBH	10/24/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Review letter from FRB re account status and email to JBH	10/24/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review discovery	10/24/2018	3.3	315.00	1,039.50	Legal - Case Administration
Hall, John	Call with TM re data	10/25/2018	0.5	279.00	139.50	Financial - Data Analysis
Hall, John	Liabilities analysis	10/25/2018	3.5	279.00	976.50	Financial - Data Analysis
Winkler, Geoffrey	Email to Plaintiff re discovery, review discovery and email JBH	10/25/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Review Defendant's records	10/25/2018	5.8	315.00	1,827.00	Legal - Case Administration
Hall, John	Data analysis	10/26/2018	5.5	279.00	1,534.50	Financial - Data Analysis
Winkler, Geoffrey	Review legal billing issue	10/26/2018	0.3	315.00	94.50	Legal - Case Administration
Winkler, Geoffrey	Review records	10/26/2018	6.1	315.00	1,921.50	Legal - Case Administration
Winkler, Geoffrey	Review files received from MBT	10/26/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Review and respond to email from investor	10/26/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Emails and call with property appraiser	10/29/2018	0.4	315.00	126.00	Legal - Case Administration
Winkler, Geoffrey	Emails with Defendant re office visit	10/29/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review records and prepare for meeting and calls with investors	10/29/2018	5.5	315.00	1,732.50	Legal - Case Administration
Hall, John	Office visit, document review, investor calls, liability and asset review	10/29/2018	5.5	279.00	1,534.50	Legal - Case Administration
Hall, John	Liabilities analysis	10/30/2018	2.0	279.00	558.00	Financial - Data Analysis
Winkler, Geoffrey	Review records onsite, meeting with PP, work with MBT, work with Jefferies, discussions with Defendant	10/30/2018	9.2	315.00	2,898.00	Legal - Case Administration
Hall, John	Office visit, document review, working with Defendant and staff	10/30/2018	9.5	279.00	2,650.50	Legal - Case Administration
Winkler, Geoffrey	Review records onsite, meeting with Defendant, conversations with investors, work with MBT re payments	10/31/2018	8.2	315.00	2,583.00	Legal - Case Administration
Hall, John	Office visit, tax return review, depreciation accounting analysis, document review	10/31/2018	8.2	279.00	2,287.80	Legal - Case Administration
Winkler, Geoffrey	Review records onsite, meeting with Defendant	11/1/2018	3.2	315.00	1,008.00	Legal - Case Administration
Winkler, Geoffrey	Work with TM re files	11/1/2018	0.2	315.00	63.00	Legal - Case Administration
Hall, John	Office visit at ECC office, asset and liability review	11/1/2018	3.2	279.00	892.80	Legal - Case Administration
Hall, John	Review of files received	11/2/2018	2.0	279.00	558.00	Financial - Business Analysis
Hall, John	Work with vendor to optimize TM inputs for cash flow analysis	11/2/2018	2.0	279.00	558.00	Financial - Data Analysis
Hall, John	Bank statement file management and optimization for TM, accounting for all missing statements and time frame gaps	11/2/2018	5.2	279.00	1,450.80	Financial - Data Analysis
Winkler, Geoffrey	Call with Plaintiff and call with JBH	11/2/2018	1.5	315.00	472.50	Legal - Case Administration
Winkler, Geoffrey	Review discovery	11/2/2018	6.8	315.00	2,142.00	Legal - Case Administration

SEC v. Essex Capital Corporation
Summary of Fees of Receiver While Serving as Monitor
October 1, 2018 - December 20, 2018
(Sorted in Chronological Order by Activity Category)

Attachment 1

<u>Personnel</u>	<u>Item / Description</u>	<u>Date</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Activity Category</u>
Hall, John	Call with Plaintiff, discussion with Monitor re: same	11/2/2018	1.5	279.00	418.50	Legal - Case Administration
Hall, John	Case discussion with Plaintiff	11/2/2018	0.5	279.00	139.50	Legal - Case Administration
Winkler, Geoffrey	Review loan question from Defendant and review documentation	11/5/2018	0.3	315.00	94.50	Legal - Case Administration
Winkler, Geoffrey	Emails with GG re residual payment	11/5/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review discovery	11/5/2018	2.6	315.00	819.00	Legal - Case Administration
Winkler, Geoffrey	Call with CPA and Defendant	11/5/2018	0.5	315.00	157.50	Legal - Case Administration
Hall, John	Preparation for Plaintiff discussion	11/6/2018	2.2	279.00	613.80	Financial - Business Analysis
Hall, John	Research and report of due from special accounts and payroll	11/6/2018	1.5	279.00	418.50	Financial - Data Analysis
Winkler, Geoffrey	Emails with Defendant re release of residual funds	11/6/2018	0.2	315.00	63.00	Legal - Business Operations
Winkler, Geoffrey	Preparations for meeting	11/6/2018	2.2	315.00	693.00	Legal - Case Administration
Winkler, Geoffrey	Call with Plaintiff and JBH	11/6/2018	1.5	315.00	472.50	Legal - Case Administration
Winkler, Geoffrey	Emails with Defendant re related entity	11/6/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Communication with Defendant re spouse account, review documents	11/6/2018	0.3	315.00	94.50	Legal - Case Administration
Winkler, Geoffrey	Emails with counsel for investor group	11/6/2018	0.2	315.00	63.00	Legal - Case Administration
Hall, John	Review case progress with Plaintiff, discussion with GW re: same	11/6/2018	1.5	279.00	418.50	Legal - Case Administration
Hall, John	Review of asset status with GW	11/7/2018	0.6	279.00	167.40	Financial - Business Analysis
Winkler, Geoffrey	Call with WR to discuss business	11/7/2018	0.7	315.00	220.50	Legal - Business Operations
Winkler, Geoffrey	Work with GS to get residual funds released	11/7/2018	0.5	315.00	157.50	Legal - Business Operations
Hall, John	Case review with WR and GW	11/7/2018	0.7	279.00	195.30	Legal - Business Operations
Winkler, Geoffrey	Complete bank documents	11/7/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review discovery	11/7/2018	3.9	315.00	1,228.50	Legal - Case Administration
Winkler, Geoffrey	Review partnership status with JBH	11/7/2018	0.6	315.00	189.00	Legal - Case Administration
Hall, John	Review and analysis of lessee payments	11/8/2018	1.9	279.00	530.10	Financial - Business Analysis
Hall, John	Review TL loan payoff from Defendant	11/8/2018	0.2	279.00	55.80	Legal - Business Operations
Winkler, Geoffrey	Call with MP	11/8/2018	0.7	315.00	220.50	Legal - Case Administration
Winkler, Geoffrey	Review records found onsite	11/8/2018	2.3	315.00	724.50	Legal - Case Administration
Hall, John	Research and report the state of assets	11/9/2018	0.7	279.00	195.30	Legal - Business Operations
Hall, John	Research and report on investors	11/9/2018	0.3	279.00	83.70	Legal - Business Operations
Winkler, Geoffrey	Call with JM to discuss letter	11/9/2018	0.6	315.00	189.00	Legal - Case Administration
Hall, John	Call with MP, counsel for group of investors	11/12/2018	0.8	279.00	223.20	Legal - Case Administration
Hall, John	Discuss with MP, follow up discussion with monitor re: same	11/12/2018	1.2	279.00	334.80	Legal - Case Administration
Winkler, Geoffrey	Call with MP and follow up with JBH	11/12/2018	1.2	315.00	378.00	Legal - Case Administration

SEC v. Essex Capital Corporation
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October 1, 2018 - December 20, 2018
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Attachment 1

<u>Personnel</u>	<u>Item / Description</u>	<u>Date</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Activity Category</u>
Hall, John	Managing and setting up loans for analysis	11/13/2018	2.9	279.00	809.10	Legal - Business Operations
Winkler, Geoffrey	Draft letter re account release and email to Defendant	11/13/2018	0.3	315.00	94.50	Legal - Case Administration
Winkler, Geoffrey	Review questions regarding Essex consultants	11/13/2018	0.2	315.00	63.00	Legal - Case Administration
Winkler, Geoffrey	Review records	11/13/2018	2.7	315.00	850.50	Legal - Case Administration
Winkler, Geoffrey	Emails to MBT, Defendant re check copies	11/13/2018	0.4	315.00	126.00	Legal - Case Administration
			Total	<u>315.5</u>	<u>94,259.70</u>	

SEC v. Essex Capital Corporation
Summary of Fees of Receiver While Serving as Monitor
October 1, 2018 - December 20, 2018
(Sorted in Chronological Order by Activity Category)

Attachment 1

<u>Personnel</u>	<u>Item / Description</u>	<u>Date</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Activity Category</u>
Summary by Activity Category and Personnel						
Legal - Business Operations	Personnel	Firm	Hours	Rate	Amount	
	Winkler, Geoffrey	Alvarez & Marsal	5.1	315.00	1,606.50	
	Hall, John	Alvarez & Marsal	7.4	279.00	2,064.60	
			<u>12.5</u>		<u>3,671.10</u>	
Legal - Case Administration	Personnel	Firm	Hours	Rate	Amount	
	Winkler, Geoffrey	Alvarez & Marsal	168.1	315.00	52,951.50	
	Hall, John	Alvarez & Marsal	79.9	279.00	22,292.10	
			<u>248.0</u>		<u>75,243.60</u>	
Financial - Business Analysis	Personnel	Firm	Hours	Rate	Amount	
	Winkler, Geoffrey	Alvarez & Marsal	-	315.00	-	
	Hall, John	Alvarez & Marsal	14.7	279.00	4,101.30	
			<u>14.7</u>		<u>4,101.30</u>	
Financial - Data Analysis	Personnel	Firm	Hours	Rate	Amount	
	Winkler, Geoffrey	Alvarez & Marsal	-	315.00	-	
	Hall, John	Alvarez & Marsal	40.3	279.00	11,243.70	
			<u>40.3</u>		<u>11,243.70</u>	
Travel	Personnel	Firm	Hours	Rate	Amount	

SEC v. Essex Capital Corporation
Summary of Fees of Receiver While Serving as Monitor
October 1, 2018 - December 20, 2018
(Sorted in Chronological Order by Activity Category)

Attachment 1

<u>Personnel</u>	<u>Item / Description</u>	<u>Date</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Activity Category</u>
Overall Summary						
	<i>Personnel</i>		<i>Firm</i>	<i>Hours</i>	<i>Rate</i>	<i>Amount</i>
	Winkler, Geoffrey		Alvarez & Marsal	173.2	315.00	54,558.00
	Hall, John		Alvarez & Marsal	142.3	279.00	39,701.70
				<u>315.5</u>		<u>94,259.70</u>
TOTAL FEES & EXPENSES REQUESTED						
Total Fees						94,259.70
Fee Discount						<u>(19,259.70)</u>
Subtotal of Fees (per Fee Cap in Order Regarding Preliminary Injunction)						75,000.00
Total Expenses Requested						<u>6,872.00</u>
Total Fees and Expenses Requested						<u>81,872.00</u>

SEC v. Essex Capital Corporation
Summary of Expenses of Receiver and Retained Personnel
October 1, 2018 - December 20, 2018

Attachment 2

Incurred By	Payee	Item / Description	Date Incurred	Amount	Category
Winkler, Geoffrey	Alvarez & Marsal	Airfare: Flight for onsite visit	10/5/18	807.75	Airfare
Winkler, Geoffrey	Alvarez & Marsal	Hotel: Hotel for Essex visit	10/10/18	265.77	Hotel
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/10/18	9.27	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/10/18	10.10	Meals
Winkler, Geoffrey	Alvarez & Marsal	Hotel: Hotel for Essex visit	10/11/18	265.77	Hotel
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/11/18	20.63	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/11/18	36.97	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/12/18	46.45	Meals
Winkler, Geoffrey	Alvarez & Marsal	Parking: Airport	10/12/18	36.00	Parking
Winkler, Geoffrey	Alvarez & Marsal	Internet/Online Fees: Internet	10/16/18	19.00	Misc
Winkler, Geoffrey	Alvarez & Marsal	Airfare: Flight for onsite visit	10/24/18	775.50	Airfare
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/29/18	11.50	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/29/18	54.91	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/30/18	6.63	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/30/18	46.20	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/31/18	78.00	Meals
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/31/18	20.30	Meals
Winkler, Geoffrey	Alvarez & Marsal	Hotel: Hotel for Essex visit	10/31/18	634.89	Hotel
Winkler, Geoffrey	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/31/18	3.85	Meals
Winkler, Geoffrey	Alvarez & Marsal	Personal Car Mileage: Airport mileage for Essex visit	11/1/18	61.04	Mileage
Winkler, Geoffrey	Alvarez & Marsal	Internet/Online Fees: PACER access	11/6/18	124.80	Misc
Winkler, Geoffrey	Alvarez & Marsal	Internet/Online Fees: Online access to work on report	11/26/18	19.00	Misc
Winkler, Geoffrey	Alvarez & Marsal	Internet/Online Fees: Online access to work on report	11/26/18	19.00	Misc
Winkler, Geoffrey	Alvarez & Marsal	Internet/Online Fees: Internet	12/4/18	49.95	Misc
Hall, John	Alvarez & Marsal	Fuel: Fuel for rental car	10/5/18	18.66	Fuel
Hall, John	Alvarez & Marsal	Airfare: Flight for onsite visit	10/5/18	807.75	Airfare
Hall, John	Alvarez & Marsal	Office Supplies: QuickBooks software	10/5/18	231.85	Misc
Hall, John	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/10/18	7.87	Meals
Hall, John	Alvarez & Marsal	Parking: Hotel	10/10/18	10.00	Parking
Hall, John	Alvarez & Marsal	Parking: Hotel	10/11/18	10.00	Parking
Hall, John	Alvarez & Marsal	Hotel: Hotel for Field Work	10/11/18	531.54	Hotel
Hall, John	Alvarez & Marsal	Car Rental: Vehicle for Essex visit	10/12/18	113.61	Car Rental

SEC v. Essex Capital Corporation
Summary of Expenses of Receiver and Retained Personnel
October 1, 2018 - December 20, 2018

Attachment 2

Incurred By	Payee	Item / Description	Date Incurred	Amount	Category
Hall, John	Alvarez & Marsal	Airfare: Flight for onsite visit	10/23/18	775.50	Airfare
Hall, John	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/29/18	14.50	Meals
Hall, John	Alvarez & Marsal	Individual Meals: Food for Essex visit	10/30/18	7.87	Meals
Hall, John	Alvarez & Marsal	Hotel: Hotel for field work	10/31/18	668.51	Hotel
Hall, John	Alvarez & Marsal	Fuel: Fuel for rental car	11/1/18	21.41	Fuel
Hall, John	Alvarez & Marsal	Car Rental: Vehicle for Essex visit	11/1/18	181.65	Car Rental
Hall, John	Alvarez & Marsal	Parking: Airport	11/1/18	48.00	Parking
			Total	<u>6,872.00</u>	

PROOF OF SERVICE

Securities and Exchange Commission v. Ralph T. Iannelli and Essex Capital Corporation
USDC, Central District of California – Case No. 2:18-cv-05008-FMO-AFM

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

On **August 14, 2019**, I caused to be served the document entitled: **APPLICATION OF RECEIVER, GEOFF WINKLER, FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES INCURRED DURING HIS SERVICE AS COURT-APPOINTED MONITOR [October 1, 2018 thru December 20, 2018]** on all the parties to this action addressed as stated on the attached service list.

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

OVERNIGHT DELIVERY: I deposited in a box or other facility regularly maintained by express service carrier, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelope(s) or package(s) designed by the express service carrier, addressed as indicated on the attached service list, with fees for overnight delivery paid or provided for.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

E-FILING: By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

FAX: By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **August 14, 2019** at Los Angeles, California.

/s/ Martha Diaz
Martha Diaz

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SERVICE LIST

Securities and Exchange Commission v. Ralph T. Iannelli and Essex Capital Corporation
USDC, Central District of California – Case No. 2:18-cv-05008-FMO-AFM

Mark Riera, Esq.
Jeffer Mangels Butler & Mitchell LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067-4308

Via First Class Mail