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8 Attorneys for Receiver
9 GEOFF WINKLER

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

13 SECURITIES AND EXCHANGE
COMMISSION,

14
15 Plaintiff,

16 vs.
17

18 RALPH T. IANNELLI and ESSEX
19 CAPITAL CORP.,

20 Defendants.
21
22

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

**TWENTY-FOURTH INTERIM
APPLICATION OF RECEIVER,
GEOFF WINKLER, AND HIS
PROFESSIONALS, FOR PAYMENT
OF FEES AND REIMBURSEMENT
OF EXPENSES**

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

Date: July 31, 2025

Time: 10:00 a.m.

Ctrm: 6D

Judge Hon. Fernando M. Olguin

23 Geoff Winkler (the "Receiver"), the Court-appointed permanent receiver for
24 defendant Essex Capital Corporation and its subsidiaries and affiliates (collectively,
25 the "Receivership Entities" or "Entities"), and his counsel of record, Allen Matkins
26 Leck Gamble Mallory & Natsis LLP ("Allen Matkins" and, together with the
27 Receiver, the "Applicants"), hereby jointly submit this Twenty-Fourth Interim
28

Application of Receiver, Geoff Winkler, and His Professionals for Payment of Fees and Reimbursement of Expenses (this "Application").

I. INTRODUCTION

This Application is the twenty-fourth interim fee and expense application submitted in the above-entitled receivership case and covers the Receiver's and Allen Matkins' fees and expenses incurred during the period from January 1, 2025 through March 31, 2025 (the "Application Period").

By way of this Application, the Applicants request the Court's approval of 100% of their respective fees and expenses incurred during the Application Period, and further request the interim payment of 80% of such fees and 100% of such expenses, to be paid from the funds of the estate of the Receivership Entities (the "Receivership Estate" or "Estate"). The Applicants' respective fees and expenses for the Application Period are as follows:

Applicant	Fees (Inclusive of Discounts, if any)	Interim Fee Payment Requested	Expenses	Interim Expense Payment Requested
Receiver	\$15,348.10	\$12,278.48	\$1,058.90	\$1,058.90
Allen Matkins	\$34,211.57	\$27,369.25	\$6,697.53	\$6,697.53
	\$49,559.67	\$39,647.73	\$7,756.43	\$7,756.43

Consistent with the billing guidelines of plaintiff the Securities and Exchange Commission (the "SEC") and the Applicants' commitments for this federal receivership, the remaining, unpaid, 20% "holdback" of the Applicants' approved fees will be subject to final review and payment at the conclusion of this receivership. **In addition, as an accommodation to the Receivership Estate to help offset rate and staffing changes over the duration of the receivership,**

1 Allen Matkins has applied a line-item discount of an additional 10% to all
2 attorneys' fees incurred during the Application Period.¹

3 **II. GENERAL SUMMARY**

4 During the Application Period, and with assistance from Allen Matkins, the
5 Receiver made substantial progress in the satisfaction of his duties and the
6 objectives outlined by this Court in its *Order Regarding Preliminary Injunction and*
7 *Appointment of a Permanent Receiver* (the "Appointment Order") entered on
8 December 21, 2018, ECF No. 66, its *Order in Aid of Receivership* (the "Order in
9 Aid") entered on February 1, 2019, ECF No. 69, and its *Order Regarding*
10 *Permanent Injunction* (the "Permanent Injunction") entered on September 9, 2019,
11 ECF No. 113. Among other things, the Receiver continued to make progress in
12 recovering and administering the assets of the Receivership Estate (the
13 "Receivership Assets" or "Assets"), including via finalizing the sale of the Estate's
14 holdings of stock and continuing his analysis of the value of the Estate's interest in
15 its largest remaining equity investment. The Receiver's efforts to marshal Assets
16 have resulted in the recovery of Assets worth more than \$10 million, in the
17 aggregate, since the inception of the receivership.

18 Given the amount and significance of the work completed by the Applicants
19 during the Application Period, the Applicants respectfully submit that the
20 corresponding fees earned and expenses incurred during that period are reasonable
21 and appropriate and should be approved and paid, on an interim basis, in the
22 amounts indicated above. As an accommodation to the Estate, and consistent with
23 the SEC's billing guidelines, the Applicants request that the Court approve 100% of
24 their fees earned and expenses incurred during the Application Period and authorize
25 the interim payment of 80% of such fees and 100% of such expenses at this time.

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28 ¹ Without the application of the line-item discount, Allen Matkins' fees totaled \$38,012.85 during the Application Period.

III. THE RECEIVER'S FEES AND EXPENSES

A. Appointment of the Receiver.

On December 21, 2018, by the Appointment Order, the Court appointed the Receiver as the permanent receiver for the Receivership Entities. The Receiver was charged with, among other things, assuming authority and control over the Receivership Entities and marshaling and preserving their Assets.

B. Services Rendered During the Application Period.

During the Application Period, the Receiver and his staff performed a range of financial and other services critical to the administration and eventual wind-down of the Receivership Estate. Such services included assessing the status and value of remaining Assets, addressing the Estate's discovery-related obligations in pending litigation to recover on claims alleged by the Receiver, taking administrative actions with respect the Receiver's distribution process, including communicating with investors regarding the same, and otherwise continuing the ordinary administration of the Estate.

Overall, on account of their services rendered on behalf of the Receivership Estate during the Application Period, the Receiver and his staff billed 60.4 hours and \$15,348.10 in fees across the following nine categories:

Category	Hours	Fees
Financial – Accounting/Auditing	2.2	\$666.00
Financial – Data Analysis	3.2	\$729.80
Financial – Litigation Consulting	6.6	\$1,857.60
Financial – Status Reports	0.2	\$63.00
Financial – Tax Issues	8.8	\$2,166.20
Financial – Valuation	1.0	\$279.00
Legal – Asset Analysis and Recovery	14.1	\$3,836.70
Legal – Case Administration	22.2	\$5,201.70
Legal – Claims Administration and Objections	2.1	\$548.10
	60.4	\$15,348.10

1 Provided below are narrative summaries of the work performed under each of
2 these categories. The Receiver's invoice for work performed during the Application
3 Period, which includes billing entries detailing the tasks performed by the Receiver
4 and his staff, is appended to the concurrently submitted Declaration of Geoff
5 Winkler ("Winkler Declaration") as **Exhibit 1**, collectively with a completed
6 Standardized Fund Accounting Report for the Application Period.

7 **1. Financial – Accounting/Auditing.**

8 In connection with the "Financial – Accounting/Auditing" category, the
9 Receiver and his staff billed 2.2 hours and \$666.00 in fees during the Application
10 Period.

11 The services in this category generally related to the review, analysis, and
12 audit of the Receivership Entities' financials and other business records, including in
13 connection with the administration of the Estate and a prospective final distribution
14 at the conclusion of the present receivership. During the Application Period, the
15 Receiver and his staff expended time reviewing and verifying financial transactions,
16 reconciling various bank accounts to maintain the Receivership Estate's financial
17 records, and updating the Receiver's Standardized Fund Accounting Report.

18 **2. Financial – Data Analysis.**

19 In connection with the "Financial – Data Analysis" category, the Receiver and
20 his staff billed 3.2 hours and \$729.80 in fees during the Application Period.

21 The services in this category concern the review and analysis of third-party
22 financial data. During the Application Period, the Receiver and his staff analyzed
23 various lease and loan agreements, and conferred internally regarding those
24 materials.

25 **3. Financial – Litigation Consulting.**

26 In connection with the "Financial – Litigation Consulting " category, the
27 Receiver and his staff billed 6.6 hours and \$1,857.60 in fees during the Application
28 Period.

1 The services in this category concerned the review of, and coordination with
2 the Receiver's counsel regarding, pleadings and other materials relating to the
3 Receiver's litigation and Court reporting efforts. During the Application Period, the
4 Receiver and his staff expended time coordinating with the Receiver's litigation
5 counsel to review, analyze, and gather records and other materials responsive to
6 discovery requests received in an ongoing litigation matter.

7 **4. Financial – Status Reports.**

8 In connection with the "Financial – Status Reports" category, the Receiver
9 and his staff billed 0.2 hours and \$63.00 in fees during the Application Period.

10 The services in this category concern the Receiver's obligations to report on
11 his progress to this Court and, by extension, to the interested parties. The time
12 expended by the Receiver for this category during the Application Period arose in
13 connection with the preparation of the *Receiver's Twenty-Second Interim Report and*
14 *Petition for Further Instructions* (the "Twenty-Second Interim Report"), filed on
15 March 26, 2025, ECF No. 309, which included preparing and providing updated
16 financial statements to Allen Matkins for inclusion in the Twenty-Second Interim
17 Report.

18 **5. Financial – Tax Issues.**

19 In connection with the "Financial – Tax Issues" category, the Receiver and his
20 staff billed 8.8 hours and \$2,166.20 in fees during the Application Period.

21 The services in this category were performed to address the Estate's various
22 tax obligations. During the Application Period, the Receiver coordinated with his
23 tax professionals to evaluate both potential and outstanding tax issues, including by
24 analyzing prior-year tax returns and related K-1 schedules.

25 **6. Financial – Valuation.**

26 In connection with the "Financial – Valuation" category, the Receiver and his
27 staff billed 1.0 hour and \$279.00 in fees during the Application Period.

1 The services in this category were performed to address the valuation of key
2 receivership Assets. Most critically, during the Application Period, the Receiver
3 conferred with his staff and reviewed materials relating to the value of the
4 receivership's interest in the 915 Elm Avenue CVL, LLC ("CVL") business
5 enterprise.

6 **7. Legal – Asset Analysis and Recovery.**

7 In connection with the "Legal – Asset Analysis and Recovery" category, the
8 Receiver and his staff billed 14.1 hours and \$3,836.70 in fees during the Application
9 Period.

10 The services in this category broadly related to the efforts to identify, secure,
11 preserve, and recover any remaining available Receivership Assets, including via
12 demands to or claims against third parties. During the Application Period, the
13 Receiver and his staff focused on assessing and advancing the liquidation strategy
14 for the Estate's interest in the CVL enterprise and related issues by reviewing
15 financial and tax documents, analyzing accounting records, and compiling relevant
16 data. In addition, the Receiver and his staff spent time facilitating the retrieval of a
17 settlement payment following a fraud-related disruption, as detailed further in the
18 *Receiver's Twenty-Third Interim Report and Petition for Further Instructions*, filed
19 concurrently with this Application.

20 **8. Legal – Case Administration.**

21 In connection with the "Legal – Case Administration" category, the Receiver
22 and his staff billed 22.2 hours and \$5,201.70 in fees during the Application Period.

23 The services in this category concern the day-to-day administration of the
24 Receivership Estate, along with the handling of other necessary administrative
25 matters for the receivership. During the Application Period, the Receiver and his
26 staff worked closely with Receiver's counsel on various aspects of case
27 administration, including case updates, the Estate's distribution process, discovery
28 requests (including organizing, handling, and shipping physical copies of responsive

1 materials and converting physical materials to electronic formats), and other
2 litigation matters. This work included regular meetings and discussions with
3 counsel to manage outstanding administrative tasks, review updates on Receivership
4 Assets, and respond to investor inquiries. The Receiver also maintained and
5 updated his website and investor phone line. This category also encompasses other
6 services that do not fall squarely within any other category or that might
7 simultaneously fall within this category and another.

8 **9. Legal – Claims Administration and Objections.**

9 In connection with the "Legal – Claims Administration and Objections"
10 category, the Receiver and his staff billed 2.1 hours and \$548.10 in fees during the
11 Application Period.

12 The services in this category relate to the Estate's claims and distribution
13 process. During the Application Period, the Receiver and his staff spent time
14 primarily communicating with investors and updating the Receiver's established
15 "Frequently Asked Questions" digest.

16 **C. Expenses Incurred During the Application Period.**

17 During the Application Period, the Receiver incurred expenses in the
18 aggregate amount of \$1,058.90, largely in connection with receivership-related
19 travel, document and asset storage fees, and maintaining the Receiver's website.
20 The Receiver's invoice, included in **Exhibit 1** to the Winkler Declaration, details
21 each of the Receiver's expenses.

22 **IV. ALLEN MATKINS' FEES AND EXPENSES**

23 **A. The Receiver's Retention of Allen Matkins.**

24 Allen Matkins was retained by the Receiver on January 2, 2019, and by the
25 Order in Aid, the Court approved the firm's retention as lead counsel for the
26 Receiver on February 1, 2019. The Receiver selected Allen Matkins as his counsel
27 due to the firm's extensive experience and expertise in federal equity receivership
28 matters, as well as in creditors' rights and litigation matters. Allen Matkins has

served as counsel to federal equity receivers in dozens of cases, has represented a variety of constituents in numerous bankruptcy matters, and has significant substantive experience in related areas, such as securities, corporate, and real estate.

B. Services Rendered During the Application Period.

During the Application Period, Allen Matkins extensively assisted the Receiver in the performance of his duties, primarily by attending to general receivership matters, continuing to finalize the administration of remaining Estate assets, and handling issues relating to the Receivership Estate's remaining litigation actions.

Overall, on account of its services rendered to the Receiver during the Application Period, Allen Matkins billed 54.3 hours and \$34,211.57 in fees across the following seven categories:

<u>Category</u>	<u>Hours</u>	<u>Fees</u>
General Receivership	18.0	\$12,744.45
Asset Recovery & Management	3.9	\$2,954.25
Investigation/Reporting	4.4	\$2,373.75
Sale/Disposition/Transfer of Assets	10.5	\$7,808.85
Pending Litigation	9.7	\$6,678.45
CVL Litigation	0.4	\$358.20
Nicholson Litigation	7.4	\$5,094.90
<u>TOTAL:</u>	54.3	\$38,012.85
<u>FEE DISCOUNT APPLIED:</u>		(\$3,801.29)
<u>TOTAL AFTER DISCOUNT</u>		\$34,211.57

Provided below are narrative summaries of the work performed under each of these categories. Allen Matkins' *pro forma* billing statements for the Application Period, which includes the billing entries detailing the tasks performed by the firm's attorneys during the Application Period, are included in **Exhibit 2** to the Winkler

Declaration. To minimize expense to the Receivership Estate, Allen Matkins endeavored to staff each task efficiently, using a core team of attorneys, with specialized assistance as necessary.

As the Court may recall, and as noted above, Allen Matkins has agreed to discount its ordinary billing rates by 10% for the duration of this matter, as well as not to charge the Estate for any travel time. Allen Matkins has also agreed to apply an additional line-item discount of 10% for the duration of the receivership, as an accommodation intended to maximize the value of the Receivership Estate.

1. General Receivership.

In connection with the "General Receivership" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
David Zaro	Partner	\$895.50	1.8	\$1,611.90
Joshua del Castillo	Partner	\$688.50	16.1	\$11,084.85
Alphamorlai "Mo" Kebeh	Associate	\$477.00	0.1	\$47.70
			18.0	\$12,744.45

The services in this category generally relate to Allen Matkins' work advising and assisting the Receiver in his administration of the Receivership Estate. This category also serves as a catch-all, encompassing services that do not fall squarely within any other category. During the Application Period, Allen Matkins addressed a range of administrative matters, principally including conferring with the Receiver's office and professionals, as well as the SEC, regarding pending case administration matters.

2. Asset Recovery & Management.

In connection with the "Asset Recovery & Management" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
David Zaro	Partner	\$895.50	1.3	\$1,164.15
Joshua del Castillo	Partner	\$688.50	2.6	\$1,790.10
			3.9	\$2,954.25

The services in this category relate to Allen Matkins' work supporting the Receiver's efforts to identify, secure, preserve, and recover Receivership Assets. During the Application Period, for this category, Allen Matkins spent time attending to issues arising in connection with the administration of the Estate's interest in CVL, including by analyzing related contracts and conferring with the Receiver regarding his liquidation strategy.

3. Investigation/Reporting.

In connection with the "Investigation & Reporting" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
Joshua del Castillo	Partner	\$688.50	1.3	\$895.05
Alphamorlai "Mo" Kebeh	Associate	\$477.00	3.1	\$1,478.70
			4.4	\$2,373.75

The services in this category generally relate to Allen Matkins assisting the Receiver in his efforts to investigate the nature, location, and prospective of recovery of additional Receivership Assets. This category also encompasses Allen Matkins' work relating to the Receiver's reporting obligations. During the Application Period, for this category, Allen Matkins preparing and filing the Receiver's Twenty-Second Interim Report.

4. Sale/Disposition/Transfer of Assets.

In connection with the "Sale/Disposition/Transfer of Assets" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
David Zaro	Partner	\$895.50	2.8	\$2,507.40
Joshua del Castillo	Partner	\$688.50	7.7	\$5,301.45
			10.5	\$7,808.85

The services in this category generally relate to Allen Matkins assisting the Receiver in his efforts to sell or liquidate Receivership Assets. During the Application Period, Allen Matkins expended time for this category by reviewing documents preparing in connection with a prospective sale of the Estate's interest in CVL and conducting legal analysis regarding potential dissolution strategies.

5. Pending Litigation.

In connection with the "Pending Litigation" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
Joshua del Castillo	Partner	\$688.50	9.7	\$6,678.45
			9.7	\$6,678.45

Services in this category largely related to (1) developments in the pre-receivership state court action styled *Dennis v. Iannelli, et al.* and bearing Case No. 18CV03317, currently pending before the Superior Court of California, County of Santa Barbara, and (2) the Receiver's related prosecution of claims relating to a financial institution's allegedly unlawful conduct prior to the establishment of the receivership. During the Application Period, Allen Matkins primarily expended time discussing materials received from parties in the *Dennis* action with the Receiver and his special litigation counsel, conducting legal analysis of privilege issues and other matters arising in connection with ongoing discovery, and reviewing pleadings filed in the Receiver's pending litigation matters.

6. CVL Litigation.

In connection with the "CVL Litigation" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
David Zaro	Partner	\$895.50	0.4	\$358.20
			0.4	\$358.20

The services in this category are associated with the litigation and subsequent resolution of the Receiver's action against CVL, captioned as *Winkler v. 915 Elm Avenue CVL, LLC* and bearing Case No. 2:21-cv00869-FMO-AFM. During the Application Period, Allen Matkins spent time for this category analyzing the status of the CVL venture and related valuation issues.

7. Nicholson Litigation.

In connection with the "Nicholson Litigation" category, Allen Matkins personnel billed the following time and fees during the Application Period:

Timekeeper	Position	Hourly Rate	Hours	Fees
Joshua del Castillo	Partner	\$688.50	7.4	\$5,094.90
			7.4	\$5,094.90

The services in this category are associated with the litigation in the Receiver's disgorgement action against an alleged profiting investor, William Nicholson, currently before this Court, in the matter styled *Winkler v. Nicholson* and bearing Case No. 2:21-cv-07458-FMO-AFM (the "Nicholson Action"). During the Application Period, Allen Matkins attorneys expended time by attending to issues arising from a third party's attempted wire fraud involving an incoming settlement payment from Mr. Nicholson, including by corresponding with Mr. Nicholson's bank to confirm the fraud and assist in resolving the issue.

C. **Expenses Incurred During the Application Period.**

In connection with its services rendered to the Receiver during the Application Period, Allen Matkins incurred \$6,697.53 in expenses. Allen Matkins' invoice, appended to the Winkler Declaration as Exhibit 2, details the firm's expenses.

1 Allen Matkins' expenses consisted almost entirely of fees relating to the
2 electronic hosting of the voluminous document productions obtained by the
3 Receiver in this matter. As the Receivership Estate approaches its conclusion, the
4 Receiver anticipates being able to reduce the hosting expenses incurred by Allen
5 Matkins.

6 **V. THE FEES AND EXPENSES INCURRED ARE REASONABLE AND**
7 **SHOULD BE ALLOWED**

8 The Applicants respectfully submit that the fees and expenses incurred during
9 the Application Period were fair, reasonable, necessary, and significantly benefited
10 the Estate. Accordingly, as noted above, the Applicants request that the Court
11 approve 100% of their respective fees and expenses as noted herein and also
12 authorize the payment of those fees and expenses as requested herein.

13 The billing rates charged by the Applicants in this matter are consistent with,
14 and comparable to, those charged in the community on similarly complex matters.
15 Further, and as described in the concurrently filed memorandum of points and
16 authorities submitted in support of this Application, the invoices of the Applicants
17 were submitted to the SEC for review prior to filing. As of the date of the filing of
18 this Application, the SEC has not indicated that it has substantive questions
19 regarding, or will oppose, the Application.

20 **VI. CONCLUSION**

21 For the foregoing reasons, the Applicants respectfully request that the Court
22 enter an order:

- 23 1. Granting this Application in its entirety;
- 24 2. Approving the Receiver's fees and expenses incurred during the
25 Application Period, in the respective amounts of \$15,348.10 and \$1,058.90;
- 26 3. Authorizing the Receiver to pay himself, on an interim basis, 80% of
27 his approved fees incurred during the Application Period, in the amount of
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1 \$12,278.48, and 100% of his approved expenses incurred during the Application
2 Period, in the amount of \$1,058.90, from the funds of the Receivership Estate;

3 4. Approving Allen Matkins' discounted fees and expenses incurred
4 during the Application Period, in the respective amounts of \$34,211.57 and
5 \$6,697.53;

6 5. Authorizing the Receiver to pay Allen Matkins, on an interim basis,
7 80% of its approved fees incurred during the Application Period, in the amount of
8 \$27,369.25, and 100% of its approved expenses incurred during the Application
9 Period, in the amount of \$6,697.53, from the funds of the Receivership Estate; and

10 6. Providing such other and further relief as the Court deems just and
11 proper under the circumstances.

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13 Dated: July 2, 2025

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JOSHUA A. DEL CASTILLO
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