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GEOFF WINKLER

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. RALPH T. IANNELLI and ESSEX CAPITAL CORP., Defendants.	Case No. 2:18-cv-05008-FMO-AJRx **TWENTY-FIFTH 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: December 4, 2025 Time: 10:00 a.m. Ctrm: 6D Judge Hon. Fernando M. Olguin

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

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-fifth interim fee and expense application submitted in the above-entitled receivership case and covers the Applicants' fees and expenses incurred during the period from April 1, 2025 through June 30, 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	$29,133.80	$23,307.04	$284.21	$284.21
Allen Matkins	$76,573.35	$61,258.68	$6,909.55	$6,909.55
	$105,707.15	**$84,565.72**	**$7,193.76**	**$7,193.76**

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,**

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

II. GENERAL SUMMARY

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

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

[1] Without the application of the line-item discount, Allen Matkins' fees totaled $85,081.50 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 attending to maximizing the value of an monetizing 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 112.3 hours and $29,133.80 in fees across the following nine categories:

Category	Hours	Fees
Financial – Accounting/Auditing	2.0	$594.00
Financial – Data Analysis	4.8	$1,089.00
Financial – Litigation Consulting	11.3	$3,221.10
Financial – Status Reports	17.5	$4,374.90
Financial – Tax Issues	12.2	$3,182.40
Financial – Valuation	3.0	$810.00
Legal – Asset Analysis and Recovery	35.2	$8,868.00
Legal – Asset Disposition	0.1	$31.50
Legal – Case Administration	24.4	$6,487.70
Legal – Claims Administration and Objections	1.8	$475.20
	112.3	**$29,133.80**

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

1. Financial – Accounting/Auditing.

In connection with the "Financial – Accounting/Auditing" category, the Receiver and his staff billed 2.0 hours and $594.00 in fees during the Application Period.

The services in this category generally related to the review, analysis, and audit of the Receivership Entities' financials and other business records, including in connection with the administration of the Estate and a prospective final distribution at the conclusion of the present receivership. During the Application Period, the Receiver and his staff reviewed and verified financial transactions, reconciled various bank accounts to maintain the Receivership Estate's financial records, and updated the Receiver's Standardized Fund Accounting Report, a copy of which has been submitted concurrently with this Application.

2. Financial – Data Analysis.

In connection with the "Financial – Data Analysis" category, the Receiver and his staff billed 4.8 hours and $1,089.00 in fees during the Application Period.

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

3. Financial – Litigation Consulting.

In connection with the "Financial – Litigation Consulting " category, the Receiver and his staff billed 11.3 hours and $3,221.10 in fees during the Application Period.

The services in this category related to the review of, and coordination with the Receiver's counsel regarding, pleadings and other materials relating to the Receiver's litigation and Court reporting efforts. During the Application Period, the Receiver and his staff coordinated with the Receiver's litigation counsel, including his special litigation counsel, to review, analyze, and gather records and other materials responsive to discovery requests received in an ongoing litigation matter.

4. **Financial – Status Reports.**

In connection with the "Financial – Status Reports" category, the Receiver and his staff billed 17.5 hours and $4,374.90 in fees during the Application Period.

The services in this category concern the Receiver's obligations to report on his progress to this Court and, by extension, to the interested parties. The time expended by the Receiver for this category during the Application Period arose in connection with the preparation of the *Receiver's Twenty-Third Interim Report and Petition for Further Instructions* (the "Twenty-Third Interim Report"), filed on July 28, 2025, ECF No. 322, which included preparing and providing updated financial statements to Allen Matkins for inclusion in the Twenty-Third Interim Report. The Receiver also expended time on this category addressing issues in an ongoing litigation matter, including by attending to discovery requiring financial documents.

5. **Financial – Tax Issues.**

In connection with the "Financial – Tax Issues" category, the Receiver and his staff billed 12.2 hours and $3,182.40 in fees during the Application Period.

The services in this category were performed to address the Estate's various tax obligations, including seeking extension and estimated payments. During the Application Period, the Receiver coordinated with his tax professionals to evaluate both potential and outstanding tax issues, including by analyzing prior-year tax returns and related K-1 schedules. The Receiver also sought advice regarding tax treatment for investments and other related tax treatment advice.

6. Financial – Valuation.

In connection with the "Financial – Valuation" category, the Receiver and his staff billed 3.0 hour and $810.00 in fees during the Application Period.

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

7. Legal – Asset Analysis and Recovery.

In connection with the "Legal – Asset Analysis and Recovery" category, the Receiver and his staff billed 35.2 hours and $8,868.00 in fees during the Application Period.

The services in this category broadly related to the efforts to identify, secure, preserve, and recover any remaining available Receivership Assets, including via demands to or claims against third parties. The Receiver also reviewed documents concerning the status of investments held by the Estate to ensure their value can be maximized. The Receiver and his staff otherwise focused on assessing and advancing the liquidation strategy for the Estate's interest in CVL, and attended to related issues including the review of financial and tax documents, analyzing accounting records, and compiling relevant data. In addition, the Receiver and his staff spent time facilitating the retrieval of a settlement payment following a fraud-related disruption, as detailed further in the *Receiver's Twenty-Fourth Interim Report and Petition for Further Instructions* [ECF No. 326] (the "Twenty-Fourth Interim Report"). The Receiver also corresponded with litigation counsel with a focus on litigation estimate recoveries.

8. Legal – Asset Disposition

In connection with the "Legal – Asset Disposition" category, the Receiver and his staff billed 0.1 hours and $31.50 in fees during the Application Period.

The services in this category relate to the Receiver's efforts to manage and assess Receivership Assets.

9. Legal – Case Administration.

In connection with the "Legal – Case Administration" category, the Receiver and his staff billed 24.4 hours and $6,487.70 in fees during the Application Period.

The services in this category concern the day-to-day administration of the Receivership Estate, along with the handling of other necessary administrative matters for the receivership. During the Application Period, the Receiver and his staff worked closely with Receiver's counsel on various aspects of case administration, including case updates, the Estate's distribution process, discovery requests (including organizing, handling, and shipping physical copies of responsive materials and converting physical materials to electronic formats), and other litigation matters. This work included regular meetings and discussions with counsel to manage outstanding administrative tasks, review updates on Receivership Assets, and respond to investor inquiries. The Receiver also maintained and updated his website and investor outreach. This category also encompasses other services that do not fall squarely within any other category or that might simultaneously fall within this category and another.

10. Legal – Claims Administration and Objections.

In connection with the "Legal – Claims Administration and Objections" category, the Receiver and his staff billed 1.8 hours and $475.20 in fees during the Application Period.

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

C. Expenses Incurred During the Application Period.

During the Application Period, the Receiver incurred expenses in the aggregate amount of $284.21, largely in connection with document and asset storage fees. The Receiver's invoice, included in **Exhibit 1** to the Winkler Declaration, details each of the Receiver's expenses.

IV. ALLEN MATKINS' FEES AND EXPENSES

A. The Receiver's Retention of Allen Matkins.

Allen Matkins was retained by the Receiver on January 2, 2019, and by the Order in Aid, the Court approved the firm's retention as lead counsel for the Receiver on February 1, 2019. The Receiver selected Allen Matkins as his counsel due to the firm's extensive experience and expertise in federal equity receivership 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 127.9 hours and $76,573.35 in fees across the following seven categories:

Category	Hours	Fees
General Receivership	41.7	$28,314.45
Asset Recovery & Administration	14.5	$9,113.85

Investigation/Reporting	8.7	$5,581.35
Sale of Assets/Disposition/Transfer of Assets	20.3	$13,955.85
Pending Litigation	13.8	$9,501.30
Claims/Distributions	22.0	$13,950.45
Nicholson Litigation	6.9	$4,664.25
TOTAL:	**127.9**	**$85,081.50**
FEE DISCOUNT APPLIED:		**($8,508.15)**
TOTAL AFTER DISCOUNT		**$76,573.35**

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	5.6	$5,014.80
Joshua del Castillo	Partner	$688.50	28.9	$19,897.65
Rachael Gonzales	Associate	$472.50	7.2	$3,402.00
			41.7	**$28,314.45**

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. This included preliminary communication and correspondence with Mr. James Gally and his counsel regarding a proposed motion to intervene, including analysis of arguments raised by Mr. Gally' s counsel, as detailed further in the Twenty-Fourth Interim Report. 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. <u>Asset Recovery & Management.</u>

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	0.6	$537.30
Joshua del Castillo	Partner	$688.50	9.3	$6,403.05
Rachael Gonzales	Associate	$472.50	4.6	$2,173.50
			14.5	**$9,113.85**

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, conferring with the Receiver regarding his monetization and liquidation strategy, and negotiating with CVL's majority owner regarding a potential sale of the Estate's interest.

3. <u>Investigation/Reporting.</u>

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	6.8	$4,681.80
Alphamorlai "Mo" Kebeh	Associate	$477.00	0.4	$190.80
Rachael Gonzales	Associate	$472.50	1.5	$708.75
			8.7	**$5,581.35**

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 included preparing and serving a subpoena on a bank to assist a settling party that fell victim to a wire fraud scheme in an effort to receive settlement payment, as detailed further in the *Receiver's* Twenty-Fourth Interim Report. 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-Fourth Interim Report.

4. <u>Sale/Disposition/Transfer of Assets.</u>

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	1.4	$1,253.70
Joshua del Castillo	Partner	$688.50	17.4	$11,979.90
Matthew Pham	Senior Counsel	$481.50	1.5	$722.25
			20.3	**$13,955.85**

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 the prospective sale of the Estate's interest in CVL, conducting legal analysis regarding potential dissolution strategies and assignment issues, negotiation and numerous conferences with CVL's majority owner to sell the Estate's interest in CVL, and time spent to address and structure a potential sale.

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	13.8	$9,501.30
			13.8	**$9,501.30**

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 discovery demands and other 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. Claims

In connection with the "Claims" 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	16.3	$11,222.55
Matthew Pham	Senior Counsel	$481.50	2.0	$963.00
Alphamorlai "Mo" Kebeh	Associate	$477.00	3.7	$1,764.90
			22.0	**$13,950.45**

The services in this category are related to the intervention action initiated by Mr. James Gally, including meeting and conferring with opposing counsel and the SEC, time discussing the intervention with the Receiver, conducting legal analysis regarding intervention and related issues, and reviewing documents and pleadings related to the intervention issue.

7. <u>Nicholson Litigation.</u>

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	6.5	$4,475.25
Rachael Gonzales	Associate	$472.50	0.4	$189.00
			6.9	**$4,664.25**

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 "<u>Nicholson Action</u>"). 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 $6,909.55 in expenses. Allen Matkins' invoice, appended to the Winkler Declaration as **<u>Exhibit 2</u>**, details the firm's expenses.

Allen Matkins' expenses consisted almost entirely of fees relating to the electronic hosting of the voluminous document productions obtained by the Receiver in this matter. As the Receivership Estate approaches its conclusion, the

Receiver anticipates being able to reduce the hosting expenses incurred by Allen Matkins.

V. <u>THE FEES AND EXPENSES INCURRED ARE REASONABLE AND SHOULD BE ALLOWED</u>

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

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

VI. <u>CONCLUSION</u>

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

1. Granting this Application in its entirety;

2. Approving the Receiver's fees and expenses incurred during the Application Period, in the respective amounts of $29,133.80 and $284.21;

3. Authorizing the Receiver to pay himself, on an interim basis, 80% of his approved fees incurred during the Application Period, in the amount of $23,307.04, and 100% of his approved expenses incurred during the Application Period, in the amount of $284.21, from the funds of the Receivership Estate;

4. Approving Allen Matkins' discounted fees and expenses incurred during the Application Period, in the respective amounts of $76,573.35 and $6,909.55;

5. Authorizing the Receiver to pay Allen Matkins, on an interim basis, 80% of its approved fees incurred during the Application Period, in the amount of $61,258.68, and 100% of its approved expenses incurred during the Application Period, in the amount of $6,909.55, from the funds of the Receivership Estate; and

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

Dated: November 5, 2025

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