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

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11 SECURITIES AND EXCHANGE  
COMMISSION,

12 Plaintiff,

13 vs.  
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15 WESTMOORE MANAGEMENT,  
LLC; WESTMOORE INVESTMENT,  
LP.; WESTMOORE CAPITAL  
16 MANAGEMENT, INC.;  
WESTMOORE CAPITAL, LLC; and  
17 MATTHEW R. JENNINGS,

18 Defendants.  
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Case No. 8:10-cv-00849-AG (MLGx)

**DECLARATION OF SUSAN P.  
TOMLINSON IN SUPPORT OF  
RECEIVER'S FINAL REPORT  
AND ACCOUNT AND MOTION  
FOR (1) APPROVAL OF FINAL  
REPORT AND ACCOUNT,  
(2) APPROVAL OF FINAL  
COMPENSATION OF THE  
RECEIVER AND HIS ATTORNEYS  
AND ACCOUNTANTS,  
(3) AUTHORITY TO DISBURSE  
REMAINING FUNDS ON A PRO  
RATA BASIS, (4) DISCHARGE OF  
THE RECEIVER, AND  
(5) EXONERATION OF THE  
RECEIVER'S BOND**

Date: August 5, 2019

Time: 10:00 a.m.

Place: Courtroom 10D  
411 West Fourth Street  
Santa Ana, California

1 I, Susan P. Tomlinson, declare as follows:

2 1. I am a Partner in the Tax Department of Crowe Horwath LLP  
3 (“Crowe”), accountants for David A. Gill, the permanent receiver appointed in this  
4 case (the “Receiver”).

5 2. I have personal knowledge of the facts in this declaration and, if called  
6 as a witness, I could competently testify to these facts.

7 3. This declaration is filed in support of the *Receiver’s Final Report and*  
8 *Account and Motion for (1) Approval of Final Report and Account, (2) Approval of*  
9 *Final Compensation of the Receiver and His Attorneys and Accountants,*  
10 *(3) Authority to Disburse Remaining Funds on a Pro Rata Basis, (4) Discharge of*  
11 *the Receiver, and (5) Exoneration of the Receiver’s Bond* (the “Final Report”).

12 4. For services rendered by Crowe from August 19, 2011, through October  
13 31, 2018, the Court has allowed fees in the amount of \$544,066.00. Of this amount,  
14 Crowe has received \$501,839.23.

15 5. For costs advanced by Crowe from August 19, 2011, through October  
16 31, 2018, the Court has allowed Crowe costs in the amount of \$907.01. All allowed  
17 costs have been paid.

18 6. For services rendered by Crowe from November 1, 2018, through June  
19 14, 2019 (the “Final Period”), Crowe has incurred an additional \$21,283.50 of fees  
20 and advanced \$25.27 of costs.

21 7. To the best of my knowledge, information and belief formed after  
22 reasonable inquiry, all statements made in this declaration and all fees and expenses  
23 for which payment is sought by Crowe are true and accurate and comply with the  
24 *Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities*  
25 *and Exchange Commission* (the “Billing Instructions”), except as may be described  
26 in this declaration and in the exhibits attached hereto.

27 8. Crowe has not included in the amounts for which reimbursement is  
28 sought the amortization of the cost of any investment, equipment, or capital outlay,

1 except to the extent that any such amortization is included within the permitted  
2 allowable amounts for photocopies and facsimile transmissions. In seeking  
3 reimbursement for a service that Crowe purchased or contracted for from a third  
4 party, Crowe requests reimbursement only for the amount billed to Crowe by the  
5 third-party vendor and paid by Crowe to such vendor.

6 9. Summaries of fees incurred and expenses advanced by Crowe for the  
7 Final Period are attached as Exhibits “10” through “12” hereto. Detailed billing  
8 entries for services rendered and costs advanced during the Final Period are attached  
9 as Exhibits “13” and “14” hereto. The rates for compensation and reimbursement of  
10 expenses are the same those charged by Crowe for services rendered to its other  
11 clients, including bankruptcy debtors, trustees and committees. I believe that the  
12 rates are reasonable, necessary and commensurate with the skill and expertise  
13 required to perform the activities performed by Crowe in this case.

14 10. Services rendered by Crowe are broken down into activity codes. By  
15 activity code, a summary of the services rendered by Crowe during the Final Period  
16 follows:

17 a. Analysis – Tax Returns and Issues. Services billed to this  
18 category related to, among other things, (a) assisting the Receiver’s counsel by  
19 gathering information needed to respond to an inquiry from Westmoore investors,  
20 (b) preparing a request for an extension of time to file the QSF’s 2018 income tax  
21 returns, (c) preparing the QSF’s income tax returns, including its final income tax  
22 returns, (d) communicating with an entity from which Westmoore receives K-1s,  
23 (e) communicating with the California Franchise Tax Board regarding taxes owed,  
24 and (f) providing the Receiver tax-related information needed for his Final Report.

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b. Fee/Employment Applications (“FA”). Services billed to this category relate to (a) preparation of the interim fee application filed by Crowe in February 2019, and (b) attending the hearing on the applications.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on June 21, 2019, at Sherman Oaks, California.

  
\_\_\_\_\_  
SUSAN P. TOMLINSON

**EXHIBIT "10"**

**Danning, Gill, Diamond & Kollitz LLP**

Joint ID #: 883102

Bill Date: 06/17/19

Invoice: \*\*\*\*\*

**Crowe LLP**

**For the period 11/01/18 through 06/14/19**

**By Category of Work Performed**

<b>Category of Work</b>	<b>Time</b>	<b>Charges</b>
Analysis - Tax Returns and Issues	42.70	13,202.50
Fee/Employment Application	11.80	8,081.00
Total Professional Fees	54.50	21,283.50

  

<b>Out-of-Pocket Expenses</b>	<b>Amount</b>
Postage Meter Charges	15.35
Overnight Delivery	9.92
Total Out-of-Pocket Expenses	25.27

  

<b>Total Professional Fees &amp; Costs</b>	<b>21,308.77</b>
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**Exhibit 10**

EXHIBIT "11"

**Danning, Gill, Diamond & Kollitz LLP**

Joint ID #: 883102  
Bill Date: 06/17/19  
Invoice: \*\*\*\*\*

**Crowe LLP**

**For the period 11/01/18 through 06/14/19**

**Fees and Time by Month**

<b>Month</b>	<b>Time</b>	<b>Charges</b>
November 2018	5.60	3,780.00
December 2018	0.00	0.00
January 2019	0.50	110.00
February 2019	5.10	2,005.50
March 2019	11.70	5,781.50
April 2019	0.70	220.50
May 2019	30.90	9,386.00
	54.50	21,283.50

**Exhibit 11**



EXHIBIT "12"

**Danning, Gill, Diamond & Kollitz LLP**

Joint ID #: 883102  
Bill Date: 06/17/19  
Invoice: \*\*\*\*\*

**Crowe LLP**

**For the period 11/01/18 through 06/14/19**

**Professional Fees and Time by Employee**

<b>Name</b>	<b>Time</b>	<b>Rate</b>	<b>Charges</b>
Hosoi, Harumi	1.30	185.00	240.50
Hosoi, Harumi	6.10	205.00	1,250.50
Liou, Polly	1.10	320.00	352.00
Liou, Polly	0.60	330.00	198.00
Liou, Polly	0.50	340.00	170.00
Paniagua, Boris	1.40	220.00	308.00
Paniagua, Boris	5.10	225.00	1,147.50
Paniagua, Boris	19.40	230.00	4,462.00
Tomlinson, Susan	7.40	675.00	4,995.00
Tomlinson, Susan	6.70	695.00	4,656.50
Tomlinson, Susan	4.90	715.00	3,503.50
	<u>54.50</u>		<u>21,283.50</u>

**Exhibit 12**

**EXHIBIT "13"**

**Danning, Gill, Diamond & Kollitz LLP**

Joint ID #: 883102

Bill Date: 06/17/19

Invoice: \*\*\*\*\*

**Crowe LLP****For the period 11/01/18 through 06/14/19****Analysis - Tax Returns and Issues**

<b>Name</b>	<b>Date</b>	<b>Time</b>	<b>Rate</b>	<b>Charges</b>
Tomlinson, Susan	11/10/2018	1.10	675.00	742.50
Review of prior year files per request of counsel for K-1s for Ronald Romero, Kenneth Romero and Southwest Ground Control. Discussion with Boris Paniagua regarding same.				
Paniagua, Boris	01/11/2019	0.50	220.00	110.00
Prepared Westmoore QSF trial balance.				
Hosoi, Harumi	02/21/2019	0.80	185.00	148.00
Prepare the 2018 extension and looking into the tax owed from 2016 according to the FTB.				
Paniagua, Boris	02/21/2019	0.90	220.00	198.00
Calls to Franchise Tax Board to verify payments or amounts due prior to preparing tax extension forms.				
Hosoi, Harumi	02/22/2019	0.30	185.00	55.50
Reviewing extension acceptance and requesting communication to client for estimate tax payment.				
Liou, Polly	02/22/2019	0.60	320.00	192.00
Disputed ownership fund - Pull extension copy and send extension package and CA Q1 estimate with instructions to Mariela Valdez				
Tomlinson, Susan	02/25/2019	0.30	675.00	202.50
Review of 2018 extensions of time to file the QSF tax return.				
Liou, Polly	02/27/2019	0.50	320.00	160.00
Assist with questions on filing instructions, push extensions for e-filing, update return status and promise date on master list				
Hosoi, Harumi	02/28/2019	0.20	185.00	37.00
Reviewing documentation of client communication for federal extension, CA estimate and e-file acceptance.				
Paniagua, Boris	03/15/2019	0.30	225.00	67.50
Reviewed e-mail correspondence from Brian Wagoner re: potential final K-1 form.				
Tomlinson, Susan	03/15/2019	0.70	695.00	486.50
Discussion with Boris Paniagua regarding missing 2018 K-1 for MKA and filing a final return for 2018. Discussion with Mr. Tedford re finalization of the QSF for 2018 tax year.				
Paniagua, Boris	03/18/2019	1.90	225.00	427.50
Recorded 2019 activity, revised 2018 trial balance.				
Paniagua, Boris	03/19/2019	1.10	225.00	247.50
Calculate pro-rata share of professional fees and revised 2018 trial balance.				
Paniagua, Boris	03/19/2019	0.20	225.00	45.00
Discuss with Sue Tomlinson accrued fees and final 2018 trial balance.				

**Exhibit 13**

EXHIBIT \_\_\_\_\_ PAGE \_\_\_\_\_ OF \_\_\_\_\_

**Danning, Gill, Diamond & Kollitz LLP**

Joint ID #: 883102

Bill Date: 06/17/19

Invoice: \*\*\*\*\*

**Crowe LLP****For the period 11/01/18 through 06/14/19****Analysis - Tax Returns and Issues**

<b>Name</b>	<b>Date</b>	<b>Time</b>	<b>Rate</b>	<b>Charges</b>
Tomlinson, Susan	03/21/2019	0.20	695.00	139.00
Follow up regarding MKA K-1 for final return.				
Paniagua, Boris	03/28/2019	0.60	225.00	135.00
Review legal documents and other case background information to prepare case summary in trial balance.				
Paniagua, Boris	03/29/2019	0.90	225.00	202.50
Review legal documents and prepare case summary.				
Liou, Polly	04/13/2019	0.30	330.00	99.00
Follow up on status of trial balances, update master list				
Liou, Polly	04/16/2019	0.30	330.00	99.00
Follow up with Boris Paniagua on status of trial balance and set promise date				
Paniagua, Boris	04/23/2019	0.10	225.00	22.50
Discussion of case during insolvency meeting.				
Paniagua, Boris	05/02/2019	0.50	230.00	115.00
Revise final 2018 Westmoore QSF tax trial balance per Sue Tomlinson.				
Tomlinson, Susan	05/02/2019	0.40	715.00	286.00
Review of final trial balance for final tax return.				
Liou, Polly	05/07/2019	0.30	340.00	102.00
Correspond with Sue Tomlinson on tax return assignment, assign QSF returns to preparation				
Tomlinson, Susan	05/09/2019	1.00	715.00	715.00
Review of various Proof of Claim amounts from the FTB needed for final Receiver report				
Paniagua, Boris	05/09/2019	0.40	230.00	92.00
Prepare net operating loss schedule for final 2018 income tax return.				
Paniagua, Boris	05/09/2019	0.30	230.00	69.00
Calls to Franchise Tax Board to confirm California tax payments.				
Paniagua, Boris	05/09/2019	3.40	230.00	782.00
Prepare final 2018 income tax return.				
Paniagua, Boris	05/09/2019	0.90	230.00	207.00
Prepare final 2018 tax trial balance.				
Hosoi, Harumi	05/10/2019	1.80	205.00	369.00
Conference call with Mr. Paniagua regarding reporting of bad debt expense and worthless securities. Emailing tax partner questions.				
Paniagua, Boris	05/10/2019	1.40	230.00	322.00
Discuss draft tax return with Harumi Hosoi and work on recording bad debt expense and capital losses in tax return.				















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**PROOF OF SERVICE**

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Los Angeles, State of California. My business address is 1900 Avenue of the Stars, 11th Floor, Los Angeles, CA 90067-4402.

On June 21, 2019, I served true copies of the following document(s) described as **DECLARATION OF SUSAN P. TOMLINSON IN SUPPORT OF RECEIVER’S FINAL REPORT AND ACCOUNT AND MOTION FOR (1) APPROVAL OF FINAL REPORT AND ACCOUNT, (2) APPROVAL OF FINAL COMPENSATION OF THE RECEIVER AND HIS ATTORNEYS AND ACCOUNTANTS, (3) AUTHORITY TO DISBURSE REMAINING FUNDS ON A PRO RATA BASIS, (4) DISCHARGE OF THE RECEIVER, AND (5) EXONERATION OF THE RECEIVER’S BOND** on the interested parties in this action as follows:

**BY CM/ECF NOTICE OF ELECTRONIC FILING:** I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 21, 2019, at Los Angeles, California.

/s/ Patricia Morris \_\_\_\_\_  
PATRICIA MORRIS