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9 Attorneys for Receiver  
 ROBB EVANS of ROBB EVANS & ASSOCIATES LLC

11 UNITED STATES DISTRICT COURT  
 12 DISTRICT OF NEVADA

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 v.

17 JEREMY JOHNSON, individually, as officer  
 of Defendants I Works, Inc., etc., et al.,

19 Defendants.

Case No. 2:10-CV-02203-MMD-GWF

**[PROPOSED] ORDER GRANTING  
 MOTION FOR ORDER APPROVING  
 FINAL REPORT AND ACCOUNTING;  
 FINAL REQUEST FOR APPROVAL AND  
 PAYMENT OF RECEIVER’S AND  
 PROFESSIONALS’ FEES AND COSTS  
 FROM JULY 1, 2018 THROUGH  
 CLOSING; FOR DISPOSITION OF  
 CERTAIN REAL PROPERTY; FOR  
 DISTRIBUTION OF REMAINING FUNDS  
 TO THE FTC AND RELATED RELIEF;  
 AND GRANTING RELIEF FROM LOCAL  
 RULE 66-5 PERTAINING TO NOTICE  
 TO CREDITORS**

24 The Motion for Order Approving Final Report and Accounting; Final Request for  
 25 Approval and Payment of Receiver’s and Professionals’ Fees and Costs From July 1, 2018  
 26 Through Closing; For Disposition of Certain Real Property; For Distribution of Remaining Funds  
 27 to the FTC and Related Relief; and Granting Relief From Local Rule 66-5 Pertaining to Notice to  
 28 Creditors (“Wind Up Motion”) filed by Robb Evans of Robb Evans & Associates LLC

1 (“Receiver”) came on regularly before this Court for determination. The Court, having reviewed  
2 and considered the Wind Up Motion and all pleadings and evidence filed in support thereof, and  
3 opposition to the Wind Up Motion, if any, and good cause appearing therefore, it is

4 **ORDERED** that:

5 1. The Receiver’s Final Report, which is Section II to the Memorandum of Points  
6 and Authorities submitted in support of the Wind Up Motion, and the Receiver’s Final  
7 Accounting, which is attached as Exhibit 1 to the declaration of Brick Kane (“Kane Declaration”)  
8 in support of the Wind Up Motion, are approved;

9 2. The Receiver’s wind up of the receivership estate is authorized and approved;

10 3. All actions and activities taken by or on behalf of the Receiver and all proposed  
11 actions to be taken, and all payments made by the Receiver and all proposed payments to be made  
12 in connection with the administration of the receivership estate, are approved and confirmed;

13 4. The receivership fees and costs incurred for the period from July 1, 2018 through  
14 the closing of the receivership estate (“Final Expense Period”), including payment of the fees of  
15 the Receiver, the Receiver’s deputies, agents, staff and professionals, and reimbursement of costs,  
16 are approved and authorized for payment, comprised of: (a) the fees of the Receiver, his deputies,  
17 agents and staff, of \$38,896.06 and Receiver’s costs of \$39,033.20, which includes tax return  
18 preparation fees paid to the Receiver’s outside accountant, Baker Tilly US LLP (“Baker Tilly”) of  
19 \$20,811.50, for the period from July 1, 2018 through March 31, 2021, plus estimated fees of the  
20 Receiver, his deputies, agents and staff, of \$11,013.80 and costs of \$17,926.00 (including  
21 estimated tax return preparation fees for Baker Tilly of \$9,540.00), for the period from April 1,  
22 2021 through closing of the estate, for total fees of \$49,909.86 and costs of \$56,959.20, **for a**  
23 **total of \$106,869.06 for the Receiver;** (b) legal fees of the Receiver’s lead counsel, Barnes &  
24 Thornburg LLP (“Barnes & Thornburg”) of \$65,158.10 and costs of \$3,705.31, for the period  
25 from July 1, 2018 through March 31, 2021, plus estimated legal fees of \$25,000.00 and costs of  
26 \$2,000.00, for the period from April 1, 2021 through closing of the estate, for total fees of  
27 \$90,158.10 and costs of \$5,705.31, **for a total of \$95,863.41 for Barnes & Thornburg;** (c)  
28 estimated legal fees of the Receiver’s new local counsel, Lynch Law Practice, PLLC (“Lynch”)

1 of \$2,500.00 and costs of \$2,500.00, for the period from April 1, 2021 through closing of the  
2 estate, **for a total of \$5,000.00 for Lynch;** (d) legal fees of the Receiver’s former local counsel,  
3 Kolesar & Leatham, Chtd. (“Kolesar”) of \$1,795.00 and costs of \$14.69, for the period from July  
4 1, 2018 through March 31, 2021, **for a total of \$1,809.69 for Kolesar;** and (e) legal fees of the  
5 Receiver’s special Utah real estate foreclosure counsel, Hatch, James & Dodge, a Professional  
6 Corporation (“Hatch”) of \$93.75 and costs of \$61.50, for the period from July 1, 2018 through  
7 March 31, 2021, **for a total of \$155.25 for Hatch,** all as set forth in the Final Accounting,  
8 Exhibit 1 to the Kane Declaration. Only actual fees and costs incurred after March 31, 2021 shall  
9 be paid to the Receiver and its counsel. *De minimis* amounts of fees and costs incurred by the  
10 Receiver and its professionals during the period from April 1, 2021 through closing above the  
11 estimated amounts set forth in this paragraph 4 may be paid without further Court order or  
12 approval of plaintiff Federal Trade Commission (“FTC”). Beyond such *de minimis* amounts, fees  
13 and costs incurred by the Receiver and its professionals during the period from April 1, 2021  
14 through closing may be paid only with the approval of the FTC and without further Court order;

15 5. As to the prior sale of any real property or personal property which was sold  
16 pursuant to an order selling free and clear of certain disputed liens, claims and encumbrances,  
17 with those disputed liens to attach to the proceeds to the same extent, validity and priority as said  
18 disputed liens attached to the property which was sold, said liens, claims and encumbrances are  
19 invalid or are of a priority which renders said liens ineffective and valueless as against the  
20 proceeds and all such proceeds shall be retained by the Receiver for disposition to the FTC as  
21 provided herein;

22 6. After the payment of administrative expenses, the Receiver is authorized to  
23 distribute the remaining assets of the receivership estate held by the Receiver, estimated to be  
24 approximately \$2,913,247.22, to the FTC or its designated agent, in accordance with the Jeremy  
25 Johnson Stipulated Judgment and Sharla Johnson Stipulated Judgment, as those judgments are  
26 more particularly described and defined in the Wind Up Motion;

27 7. The Receiver is authorized to abandon and quitclaim the real property legally  
28 described as:

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All that certain real property in the County of Santa Cruz, State of California, described as follows:

Tract One:

Lot Eighteen (18) in Block Forty (40) as said lot and block are delineated and so designated on that certain map entitled, "Map of Subdivision No. 2, Aptos Beach Country Club Properties, Aptos, Santa Cruz County, California", filed for record August 20, 1925, in Map Book 23, Map No. 4, Santa Cruz County Records.

Tract Two:

Being Lot 19 in Block 40, as the same is shown and designated on that certain map entitled, "Subdivision No. 2, Aptos Beach Country Club Properties, Aptos, Santa Cruz County, California", filed for record in the County Recorder August 20, 1925, in Map Book 23, Page 4, Santa Cruz County Records.

APN: 042-057-14 & 042-057-15

("Aptos Property") to John Anthony Franich and Nancy Katherine Franich, as Trustees of the John and Nancy Franich 2001 Trust Dated March 30, 2001 for no consideration, without any representations or warranties, as set forth in and pursuant to the Agreement to Transfer Real Property ("Agreement") attached as Exhibit 3 to the Kane Declaration. The Receiver is authorized to enter into the Agreement, which is approved in its entirety;

8. The Receiver is authorized to abandon and quitclaim the following real property legally described as follows:

All that certain real property in the County of Kern, State of California, described as follows:

Lot 71 of Tract 3176 in the County of Kern, State of California, as per map recorded in Book June 30, 1969 in Book 17, Pages 193 and 194 of Maps, in the office of the County Recorder of Said County.

1 APN: 425-222-17-00-5

2 (“Lake Isabella Property”) to Relief Defendants Kerry Johnson and Barbara Johnson, who  
3 originally deeded it to the Receiver pursuant to the Stipulated Final Order for Disgorgement as  
4 to Relief Defendants Kerry Johnson, Barbara Johnson, KB Family Limited Partnership, and KV  
5 Electric, Inc. (Doc. 1939), with the Receiver’s transfer to Kerry Johnson and Barbara Johnson to  
6 be for no consideration, without any representations or warranties;

7 9. The Receiver is authorized to destroy all records of the Receivership Defendants in  
8 the Receiver’s possession, custody or control 30 days after the Receiver serves written notice on  
9 the FTC of the Receiver’s intention to destroy such records, unless the FTC requests possession  
10 of the records or another government agency issues a subpoena for such records prior to the  
11 expiration of such 30-day period, in which case the Receiver is authorized to turn over the records  
12 to the FTC or to the government agency which issued the subpoena;

13 10. Effective upon the completion of the administration of the receivership estate as  
14 described in the Wind Up Motion and the distribution of the remaining funds in the Receiver’s  
15 possession and custody to the FTC or its agent (a) neither the Receiver nor any agent, employee,  
16 member, officer, independent contractor, attorney, accountant or representative of the Receiver  
17 shall have any liability to any person or entity for any action taken or not taken in connection with  
18 carrying out the Receiver’s administration of the receivership estate, and the exercise of any  
19 powers, duties and responsibilities in connection therewith; and (b) the Receiver, its agents,  
20 employees, members, officers, independent contractors, attorneys, accountants and  
21 representatives are discharged, released from all claims and liabilities arising out of and/or  
22 pertaining to the receivership, and relieved of all duties and responsibilities pertaining to the  
23 receivership; and

24 11. Notice of this Wind Up Motion is deemed to be sufficient based on the service of  
25 notice of filing of the Wind Up Motion on all parties and all known non-consumer creditors of the

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1 estate and service of the Wind Up Motion and all supporting papers on all parties, but not serving  
2 the thousands of potential consumer creditors of the estate.

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Dated: October 4, 2021



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MIRANDA M. DU  
Chief United States District Court Judge

1 **CERTIFICATE OF SERVICE**

2 Pursuant to FRCP 5(b), I hereby certify that on the 2nd day of September, 2021, I  
3 electronically transmitted the foregoing **[PROPOSED] ORDER GRANTING MOTION FOR**  
4 **ORDER APPROVING FINAL REPORT AND ACCOUNTING; FINAL REQUEST FOR**  
5 **APPROVAL AND PAYMENT OF RECEIVER’S AND PROFESSIONALS’ FEES AND**  
6 **COSTS FROM JULY 1, 2018 THROUGH CLOSING; FOR DISPOSITION OF CERTAIN**  
7 **REAL PROPERTY; FOR DISTRIBUTION OF REMAINING FUNDS TO THE FTC AND**  
8 **RELATED RELIEF; AND GRANTING RELIEF FROM LOCAL RULE 66-5**  
9 **PERTAINING TO NOTICE TO CREDITORS** to the Clerk’s Office using the CM/ECF  
10 system for filing and transmittal to all interested parties:

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/s/ Michael F. Lynch

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