

1 KATHY BAZOIAN PHELPS (State Bar No. 155564)
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7 *Receiver*

8
9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 COMMODITY FUTURES TRADING
13 COMMISSION,

14 Plaintiff,

15 v.

16 DENARI CAPITAL LLC, TRAVIS
17 CAPSON, and ARNAB SARKAR,

18 Defendants,

Case No. 19-cv-07284-EMC

**DECLARATION OF KATHY BAZOIAN
PHELPS IN SUPPORT OF THIRD
ADMINISTRATIVE MOTION FOR AN
ORDER PURSUANT TO LOCAL RULE 7-11
FOR THE APPROVAL OF FEES AND
EXPENSES FOR RECEIVER, DIAMOND
McCARTHY LLP, AND SCHINNER &
SHAIN, LLP THROUGH SEPTEMBER 30,
2020**

Date: No Hearing Set
Time: No Hearing Set
Judge: Edward M. Chen

1 Bank.

2 9. During the Motion Period, I have continued to communicate with investors who had
3 inquiries on a number of matters including the status of the case and the Receivership Estate, claims,
4 and distribution issues, maintained the website I created for them to easily access necessary
5 information related to the case and their claims. I was also in constant communication with the CFTC
6 by email and telephone as well as the Receivership Defendants and their counsel concerning facts,
7 background, claim issues, and strategy for moving the case forward. I also prepared and filed a
8 Second Status Report which I filed with the Court (Doc. No. 67) regarding my activities in the case.
9 I plan to file a Third Status Report shortly.

10 Asset Analysis and Recovery /Asset Disposition

11 10. With respect to Asset Analysis and Recovery, I performed 13.60 hours of services for
12 total fees of \$6,460.00 during the Motion Period.

13 11. During the Motion Period, I continued to evaluate the Receivership Estate's interest in
14 certain securities, companies, and real property including but not limited to: Sierra Gold, LLC
15 ("Sierra Gold"), United Resource Holdings Group, Inc. ("URHG"). and its subsidiaries Dun Glen
16 Mining Corporation ("Dun Glen") and United Milling & Refining Corp. ("United Milling").

17 12. With respect to Sierra Gold, a Nevada limited liability company created by the
18 Receivership Defendants and owned with investors, working with my counsel, I review and revised
19 the Sierra Gold agreements.

20 13. With respect to URHG and its subsidiary Dun Glen, during the Motion Period I have
21 evaluated transfer agreements and settlement agreements, and reviewed and revised motions relating
22 to the sale of URHG shares.

23 14. I also worked on recording of the deed of trust against certain real property located in
24 Sparks County, Nevada, owned by United Milling, and evaluated potential sale of the property.

25 Plan

26 15. With respect to Plan and Disclosure Statement Administration/Plan Implementation, I
27 performed 16.80 hours of services for total fees of \$7,980.00.

28 16. During the Motion Period, I worked diligently to prepare and review Motions for Entry

1 of Orders: Approving Receiver’s Plan of Distribution (Doc No. 69); Approving Settlement with
2 United Resource Holdings Group, Inc., United Milling and Refining Corp., and Springbok
3 Development LLC (Doc No. 70); Under 28 U.S.C. § 2004 for Approval of Sale of Publicly Traded
4 Shares (Doc No. 71); and Settlement of Claim Asserted by Investor Gregory Capson. (Doc No. 72).
5 Additionally, I spent time preparing for the hearing on these Motions scheduled for October 1, 2020.
6 This task included communicating with counsel regarding the filing of the plan and related pleadings,
7 as well as communicating with investors and the CFTC regarding the plan.

8 17. With respect to the Receivership Estate’s National Gold Mining Corporation shares
9 (through Sierra Gold and directly), I reviewed and revised the terms of the transfer agreements and
10 communicated to investors regarding the status of agreements.

11 18. With respect to the Receivership Estate’s URHG shares, I reviewed and revised share
12 transfer agreements.

13 Expenses

14 19. I incurred reasonable and necessary expenses during the Motion Period in the amount of
15 \$397.20, related to on-line legal research, delivery services for county recording, and court fees. A
16 detailed list of the expenses is attached hereto as Exhibit “3.”

17 20. I have read the Motion and the billing statements attached to my declaration. To the best
18 of my knowledge, information and belief formed after reasonable inquiry, all the fees and expenses
19 requested in the attached billing statements are true and correct.

20 21. The fees that I and my staff have charged are reasonable, necessary, and commensurate
21 with the skill and experience required for the activity performed. I respectfully submit that neither I
22 nor my staff has expended time unnecessarily and that I have rendered efficient and effective
23 services.

24 22. I have conferred with counsel for the CFTC and counsel for the Defendants, and I am
25 advised that they do not oppose the Motion.

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1 I declare under penalty of perjury that the foregoing is true and correct. Executed on this 26th
2 day of October, 2020 at Los Angeles, California.

3 /s/ Kathy Bazoian Phelps
4 Kathy Bazoian Phelps

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EXHIBIT 1

Receivership Estate of Denari Capital LLC
3rd Quarter 2020 - Cash Receipts and Disbursements

Checking #0102

Date	Notes	Deposits	Withdrawals	Balance
	Opening Balance			\$250,019.52
7/1/2020	transfer to ICS		19.52	\$250,000.00
7/31/2020	interest	20.17		\$250,020.17
8/3/2020	transfer to ICS		20.17	\$250,000.00
8/18/2020	payment of Receiver professional fees		53,838.00	\$196,162.00
8/18/2020	payment of Diamond McCarthy 2Q fees		53,472.00	\$142,690.00
8/18/2020	payment of Diamond McCarthy 2Q expenses		254.23	\$142,435.77
8/18/2020	payment of Miller Kaplan Arase fees		3,808.00	\$138,627.77
8/18/2020	transfer from ICS	111,372.23		\$250,000.00
8/26/2020	payment of Schinner & Shain fees		6,850.00	\$243,150.00
8/26/2020	transfer from ICS	6,850.00		\$250,000.00
8/31/2020	interest	20.17		\$250,020.17
9/1/2020	transfer to ICS		20.17	\$250,000.00
9/30/2020	interest	19.52		\$250,019.52
	Ending Balance			\$250,019.52

ICS Cash Sweep Account #0102

7/1/2020	Opening balance			\$666,741.60
7/2/2020	deposit from checking	\$19.52		\$666,761.12
7/31/2020	Interest	\$28.30		\$666,789.42
8/4/2020	Deposit from Checking	\$20.17		\$752,071.83
8/19/2020	transfer to checking		\$111,372.23	\$555,437.36
8/27/2020	transfer to checking		\$6,850.00	\$548,587.36
8/27/2020	Interest	\$26.25		\$548,613.81
9/2/2020	Deposit from Checking	\$20.17		\$548,633.78
6/30/2020	interest	\$22.53		\$548,656.31
	Ending Balance			\$548,656.31

Sarkar Account 0116

Date	Notes	Deposits	Withdrawals	Balance
7/1/2020	Opening balance			\$2,997.86
7/30/2020	interest	0.11		\$2,997.97
8/31/2020	interest	0.12		\$2,998.09
9/30/2020	Interest	0.11		\$2,998.20
	Ending Balance			\$2,998.20

Capson Account #0109

Date	Notes	Deposits	Withdrawals	Balance
7/1/2020	Opening balance			\$16,054.67
7/31/2020	interest	0.61		\$16,055.28
8/31/2020	interest	0.61		\$16,055.89
9/30/2020	Interest	0.6		\$16,056.49
	Ending Balance			\$16,056.49

**Cash Position of Receivership Estate of Denari Capital LLC
As of September 30, 2020**

Cash

Checking	\$250,019.52
ICS Account	\$548,656.31
Sarkar Account	\$2,998.20
Capson Account	\$16,056.49
Subtotal	\$817,730.52

Known Accrued and Unpaid Expenses

Kathy Bazoian Phelps, Receiver - fees (through 3rd Qtr 2020)	\$19,118.50
Kathy Bazoian Phelps, Receiver - expenses (through 3rd Qtr 2020)	\$397.20
Diamond McCarthy LLP - fees (through 3rd Qtr 2020)	\$41,658.00
Schinner & Shain - fees (through 3rd Qtr 2020)	\$1,950.00
Subtotal	\$63,123.70

EXHIBIT 2

KATHY PHELPS, RECEIVERSHIP-DENARI
3RD QUARTER 2020

Acct Date	Task Code	Attorney	Hours	Rate	Amount	Descr
Case						
Administration						
07-02-2020	B110	48 - KBP	0.4	475	190.00	Download and log June bank statements.
07-05-2020	B110	48 - KBP	0.5	475	237.50	Prepare cash disbursement ledger.
07-07-2020	B110	48 - KBP	0.9	475	427.50	Review and revise second quarter Status Report.
07-08-2020	B110	48 - KBP	0.2	475	95.00	Revise status report, email to CFTC.
07-09-2020	B110	48 - KBP	0.4	475	190.00	Call with B. Walsh regarding URHG settlement, status of plan documents.
07-16-2020	B110	48 - KBP	0.4	475	190.00	Review invoices from professionals.
07-16-2020	B110	48 - KBP	0.8	475	380.00	Execute and have notarized assignment of deed of trust, arrange for recording.
07-21-2020	B110	48 - KBP	0.3	475	142.50	Review tax return filed by Miller Kaplan.
07-27-2020	B110	48 - KBP	0.1	475	47.50	Review and respond to M.N. regarding status of plan, filings.
07-27-2020	B110	48 - KBP	0.3	475	142.50	Telephone conference with Brian Snyder regarding R. H. claim.
07-30-2020	B110	48 - KBP	1	475	475.00	Telephone conference with CFTC regarding plan, claims.
07-31-2020	B110	48 - KBP	0.2	475	95.00	Review and approve stipulation to continue deadlines in case.
07-15-2020	B110	252 - MVZ	1.2	250	300.00	Research notary availability for Kathy Phelps.
07-21-2020	B110	252 - MVZ	0.2	250	50.00	Review rejection of County Recorder filing.
07-22-2020	B110	252 - MVZ	0.5	250	125.00	Request filing of deed of trust at Storey County Recorders office.
05-08-2020	B110	253 - HDN	0.2	145	29.00	Review K. Phelps' request to upload 1 document to the Denari filings page; download and save filing to database; upload filing to webpage and create link; check live site for functionality and errors; correspondence to K. Phelps regarding updates.
08-31-2020	B110	253 - HDN	1.4	145	203.00	Review K. Phelps' request to upload 12 documents to the Denari filings page; download and save documents to database; upload documents to webpage and create links; check live site for functionality and errors; correspondence to K. Phelps regarding updates.
08-03-2020	B110	48 - KBP	0.1	475	47.50	Review and respond to inquiry from investor regarding status.
08-04-2020	B110	48 - KBP	0.1	475	47.50	Telephone conference with B. Snyder regarding claim of R.H., Sparks property.
08-12-2020	B110	48 - KBP	0.7	475	332.50	Review entered fee order, cut checks and prepare spreadsheet.
08-21-2020	B110	48 - KBP	0.4	475	190.00	Review communications regarding claim of B.O., analyze figures, draft response to inquiry.
08-24-2020	B110	48 - KBP	0.2	475	95.00	Communications with B. Walsh regarding meet and confer regarding motions.
08-27-2020	B110	48 - KBP	0.1	475	47.50	Review and forward Houlihan Global tax notice.
08-28-2020	B110	48 - KBP	0.2	475	95.00	Website management regarding posting new pleadings.
08-31-2020	B110	48 - KBP	0.2	475	95.00	Manage service and proof of service of motions.
09-29-2020	B110	253 - HDN	0.2	145	29.00	Review K. Phelps' request to upload 1 status update to the Denari general information page; download and save document to database; upload document to webpage and create link; check live site for functionality and errors; correspondence to K. Phelps regarding updates.
09-24-2020	B110	48 - KBP	0.2	475	95.00	Review tax returns from accountant.
09-25-2020	B110	48 - KBP	0.2	475	95.00	Review and respond to communications regarding stipulation to extend deadlines.
09-29-2020	B110	48 - KBP	0.1	475	47.50	Review and respond to investor regarding status of distribution.
09-29-2020	B110	48 - KBP	0.1	475	47.50	Telephone conference with investor regarding status of distribution.
09-29-2020	B110	48 - KBP	0.2	475	95.00	Draft status update for website.
	B110		12		4,678.50	
Asset Analysis						
07-01-2020	B120	48 - KBP	0.1	475	47.50	Review and respond to email from counsel regarding URHG settlement.
07-01-2020	B120	48 - KBP	0.7	475	332.50	Review and edit declaration and motion regarding G. C. claim settlement.
07-01-2020	B120	48 - KBP	0.4	475	190.00	Review and revise motion to approve URHG settlement, communication with counsel.
07-01-2020	B120	48 - KBP	0.1	475	47.50	Review email from B. Walsh regarding URHG, Sparks property.
07-02-2020	B120	48 - KBP	0.3	475	142.50	Revise and finalize agreement, motion and declaration regarding G.C. claim and distribution.
07-02-2020	B120	48 - KBP	0.2	475	95.00	Review and respond to emails regarding URHG settlement, Sparks property.
07-02-2020	B120	48 - KBP	0.3	475	142.50	Communicate with counsel regarding URHG and G.C. motions.
07-01-2020	B310	48 - KBP	0.5	475	237.50	Revise G.C. agreement regarding claim and shares.
07-02-2020	B310	48 - KBP	0.3	475	142.50	Telephone conference with A. Maeda regarding Sierra Gold, distribution plan.
07-03-2020	B120	48 - KBP	0.3	475	142.50	Review and comment on motion to sell URHG shares.
07-03-2020	B120	48 - KBP	1	475	475.00	Revise Sierra Gold agreement, communication with counsel.
07-03-2020	B120	48 - KBP	0.8	475	380.00	Review and respond to communications regarding URHG sale agreement, comments from F. Koenen regarding G.C. settlement, Sierra Gold agreement.
07-06-2020	B120	48 - KBP	0.3	475	142.50	Review and comment on revisions of F. Koenen to URHG transfer agreement.
07-14-2020	B120	48 - KBP	0.2	475	95.00	Review and comment on comments to Sierra Gold agreement.
07-15-2020	B120	48 - KBP	0.4	475	190.00	Review and edit motion and declaration regarding URHG shares.
07-17-2020	B120	48 - KBP	0.4	475	190.00	Review and revise URHG sale and settlement motions, orders, declaration, communications with counsel regarding sale of shares.
07-20-2020	B120	48 - KBP	0.1	475	47.50	Review email regarding status of Denari lien recording.
07-20-2020	B120	48 - KBP	0.1	475	47.50	Review and respond to email from purchaser for URHG shares.
07-20-2020	B120	48 - KBP	0.2	475	95.00	Review and revise order and declaration regarding G. Capson motion.
07-22-2020	B120	48 - KBP	0.2	475	95.00	Review emails regarding recording of assignment of deed on Sparks property.
07-22-2020	B120	48 - KBP	0.4	475	190.00	Review communications regarding lien on Sparks property
08-03-2020	B120	48 - KBP	0.1	475	47.50	Communications with investor regarding URHG shares.
08-04-2020	B110	48 - KBP	0.4	475	190.00	Revise URHG settlement and draft email to J. Condon.
08-10-2020	B110	48 - KBP	0.3	475	142.50	Review email from J. Holt, telephone conference with resolution of Sparks property and URHG claim.
08-05-2020	B120	48 - KBP	0.4	475	190.00	Review email from J. Condon, modify URHG settlement, respond.
08-06-2020	B120	48 - KBP	0.1	475	47.50	Review and respond to email regarding possible sale of Sparks property.
08-12-2020	B120	48 - KBP	0.4	475	190.00	Review offer for Sparks property, communications with counsel regarding documenting transaction.
08-14-2020	B120	48 - KBP	0.6	475	285.00	Revise URHG settlement regarding sale of Nevada property, draft email to Springbok regarding agreement.
08-17-2020	B120	48 - KBP	0.7	475	332.50	Communications with Springbok, revise settlement agreement with URHG.
08-20-2020	B120	48 - KBP	0.4	475	190.00	Review email from J. Condon, revise URHG settlement and send to parties.
08-21-2020	B120	48 - KBP	0.4	475	190.00	Communications with parties to URHG settlement, revise agreement.
08-21-2020	B120	48 - KBP	0.1	475	47.50	Communication with buyer of URHG sales regarding status.
08-24-2020	B120	48 - KBP	0.5	475	237.50	Revise motion and related pleadings regarding URHG settlement.
08-26-2020	B120	48 - KBP	0.3	475	142.50	Review Dun Glen addendum to URHG agreement, draft email to J. Condon regarding URHG agreement.
08-26-2020	B120	48 - KBP	0.5	475	237.50	Review communications from J. Condon, revise URHG settlement.
08-28-2020	B120	48 - KBP	0.1	475	47.50	Review and respond to new offer for URHG shares.
08-28-2020	B120	48 - KBP	0.2	475	95.00	Communications with counsel and prospective buyer regarding URHG shares.
08-30-2020	B120	48 - KBP	0.2	475	95.00	Analyze new offer for URHG shares, review restrictions on shares.
08-30-2020	B120	48 - KBP	0.2	475	95.00	Draft memo to T. Wafford regarding sale of URHG shares, analyze available shares.
08-30-2020	B120	48 - KBP	0.2	475	95.00	Additional communications with buyer, email to F. Koenen regarding sale of shares.
09-16-2020	B120	48 - KBP	0.1	475	47.50	Draft email to T. Wallingford regarding possible purchase of URHG shares.
09-17-2020	B120	48 - KBP	0.1	475	47.50	Review and respond to email regarding sale of URHG shares.
	B120		13.6		6,460.00	
Plan						
07-03-2020	B320	48 - KBP	0.4	475	190.00	Review and revise URHG share transfer agreement, communication with counsel.
07-03-2020	B320	48 - KBP	0.6	475	285.00	Further communications and revisions regarding URHG share transfer agreements and Sierra Gold agreement.

07-03-2020	B320	48 - KBP	0.5	475	237.50	Review and revise National Gold transfer agreement, communicate with counsel.
07-05-2020	B320	48 - KBP	0.4	475	190.00	Additional review of National Gold transfer agreement and Sierra Gold agreement.
07-06-2020	B320	48 - KBP	0.5	475	237.50	Telephone conference with Receiver regarding Report, distribution.
07-06-2020	B320	48 - KBP	0.5	475	237.50	Review comments of counsel, further revisions to agreements regarding URHG, National Gold, Sierra Gold.
07-07-2020	B320	48 - KBP	0.5	475	237.50	Review and edit plan, communications with counsel.
07-07-2020	B320	48 - KBP	0.5	475	237.50	Review and finalize various agreement, draft email to CFTC regarding plan papers.
07-09-2020	B320	48 - KBP	0.1	475	47.50	Review and respond to investor regarding status of agreement regarding National Gold.
07-09-2020	B320	48 - KBP	0.5	475	237.50	Review communications regarding various agreements relating to plan.
07-14-2020	B320	48 - KBP	0.4	475	190.00	Telephone conference with B. Walsh, A. Sarkar and T. Capson regarding plan, status of agreements.
07-14-2020	B320	48 - KBP	0.2	475	95.00	Communications with counsel regarding pleadings for plan and related motions.
07-15-2020	B320	48 - KBP	0.4	475	190.00	Review and respond to communications regarding GC agreement, review revised agreement.
07-15-2020	B320	48 - KBP	0.3	475	142.50	Draft email to G. C. regarding revisions to agreement, distribution of National Gold shares.
07-16-2020	B320	48 - KBP	0.7	475	332.50	Review and edit orders on motions relating to plan.
07-17-2020	B320	48 - KBP	0.4	475	190.00	Review draft orders for distribution plan motion and related motion, communications with counsel.
07-17-2020	B320	48 - KBP	0.2	475	95.00	Communications with G. C. regarding agreement, transfer of National Gold shares.
07-17-2020	B320	48 - KBP	0.6	475	285.00	Review and revise motion and declaration regarding plan of distribution.
07-17-2020	B320	48 - KBP	0.4	475	190.00	Update distribution chart, communications with counsel.
07-17-2020	B320	48 - KBP	0.3	475	142.50	Communication with G. Capson regarding terms of settlement, National Gold shares.
07-17-2020	B320	48 - KBP	0.5	475	237.50	Additional communications regarding finalizing agreements, language in motions and order.
07-17-2020	B320	48 - KBP	0.6	475	285.00	Revise declarations regarding plan papers.
07-18-2020	B320	48 - KBP	0.5	475	237.50	Review and edit motions and declarations relating to plan.
07-21-2020	B320	48 - KBP	0.8	475	380.00	Telephone conference with CFTC regarding plan, update and forward spreadsheet of claims.
08-11-2020	B320	48 - KBP	0.2	475	95.00	Review and respond to communications from CFTC regarding plan, status.
08-13-2020	B110	48 - KBP	0.1	475	47.50	Review and respond to investor regarding inquiry regarding plan.
08-21-2020	B110	48 - KBP	0.5	475	237.50	Review and execute various agreements, communicate with counsel regarding filing plan and related pleadings.
08-21-2020	B110	48 - KBP	1.5	475	712.50	Review various motions to prepare for filing, reconcile numbers.
08-24-2020	B320	48 - KBP	1	475	475.00	Review motion to approve plan, declaration, and other motions to finalize for filing.
08-27-2020	B320	48 - KBP	1.5	475	712.50	Review Plan papers and related motions due to new facts regarding settlement and claim.
08-27-2020	B110	48 - KBP	0.1	475	47.50	Communication with B. Walsh regarding plan motion.
09-16-2020	B110	48 - KBP	0.1	475	47.50	Review and respond to inquiry regarding distributions, plan.
09-29-2020	B110	48 - KBP	0.3	475	142.50	Draft email to claimants regarding Zoom hearing regarding distribution plan.
09-30-2020	B110	48 - KBP	0.7	475	332.50	Review pleadings, prepare for hearings.
	B320		16.8		7,980.00	

TOTAL

42.4

19,118.50

EXHIBIT 3



DIAMOND McCARTHY LLP

**1999 Avenue of the Stars
11th Floor
Century City, CA 90067**

Fed. Tax I.D. #76-0631446

Kathy Bazoian Phelps, Receivership for CFTC
Diamond McCarthy LLP
1999 Avenue of The Stars, Suite 100
Los Angeles, CA 90067

Invoice 35266
October 15, 2020

ID: 2817-00012 - KBP

Re: Expenses-Denari

For Services Rendered Through 9/30/2020

Current Disbursements	397.20	
Total Current Charges		397.20
Total Due		397.20

Diamond McCarthy LLP

Kathy Bazoian Phelps, Receivership for CFTC
I.D. 2817-00012 - KBP
Re: Expenses-Denari

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Disbursements

Date	Description	Amount
	On-Line Research	3.20
08/11/20	Delivery Services; to Washoe County Record, 1001 E. 9th Street, Reno, NV 07/16/2020/Inv. LA-42429; Legal Support Network LLC	175.00
08/11/20	Court Fees; with the Storey County Record, 26 B Street, Secodn Floor, Virginia City, NV 07/22/2020/Inv. LA-42429; Legal Support Network LLC	219.00
Total Disbursements		397.20

Diamond McCarthy LLP

Kathy Bazoian Phelps, Receivership for CFTC
I.D. 2817-00012 - KBP
Re: Expenses-Denari

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Total Fees and Disbursements **397.20**
Total Current Charges **397.20**

*The above amount may not include third party expenses for which we have not yet been billed.
REMITTANCE WITHIN 20 DAYS IS APPRECIATED*