

1 **RAINES FELDMAN LLP**
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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN FRANCISCO DIVISION**

11 COMMODITY FUTURES TRADING
12 COMMISSION,

13 Plaintiff,

14 v.

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

17 Defendants.
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Case No.: 19-cv-07284-EMC

Assigned to: Hon. Edward M. Chen

**DECLARATION OF DAVID A.
CASTLEMAN IN SUPPORT OF SEVENTH
ADMINISTRATIVE MOTION FOR AN
ORDER PURSUANT TO LOCAL RULE 7-11
FOR THE APPROVAL OF FEES AND
EXPENSES FOR RECEIVER, RAINES
FELDMAN LLP, AND MILLER KAPLAN
ARASE LLP FROM JULY 1, 2021 TO
SEPTEMBER 30, 2021**

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

1 I, David A. Castleman, declare:

2 1. I am an attorney duly licensed to practice in the State of California, and a partner at
3 the firm of Raines Feldman LLP (“Raines Feldman”), counsel of record for the Receiver Kathy
4 Bazoian Phelps in this case. I have personal knowledge of the matters set forth below and if called
5 as a witness, I would and could testify competently to the matters stated herein.

6 2. This declaration is made in support of the Seventh Administrative Motion for an Order
7 Pursuant to Local Rule 7-11 for the Approval of Fees and Expenses for the Receiver, Raines Feldman
8 LLP, and Miller Kaplan Arase LLP from July 1, 2021 to September 30, 2021 (“Motion”).

9 3. On May 10, 2021, the Court entered an order (Doc. No. 104) authorizing the Receiver
10 to employ Raines Feldman as the Receiver’s general counsel retroactively to April 23, 2021. I am
11 the attorney principally responsible for representing the Receiver at Raines Feldman. I directly
12 supervise the professionals and staff of Raines Feldman with respect to this representation.

13 4. In recognition of the efficiencies and benefits to the estate, I have divided my time to
14 date between the following billing categories for the period July 1, 2021 through September 30, 2021
15 (the “Motion Period”).

16 Case Administration (B110)

17 Plan Implementation (B320)

18 Fee Applications/Objections (B160)

19 5. In the interests of the estate, Raines Feldman has reduced their rates by 20%, and as
20 such my customary rate of \$625.00 per hour has been reduced to \$500.00 per hour.

21 6. Attached hereto as Exhibit “3” are true and correct copies of the billing statements
22 itemizing the legal services provided in this case by Raines Feldman.

23 Case Administration (B110)

24 7. During the Motion Period, Raines Feldman performed 0.70 hours of case
25 administration services for total fees of \$350.00.

26 8. The Case Administration billing category includes all professional services related to
27 general representation of the Receiver in her administration of the Receivership Estate, primarily
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1 including advising the Receiver on the size of a potential loan.

2 Plan Implementation (B320)

3 9. During the Motion Period, Raines Feldman performed 11.00 hours of services related
4 to the implementation of the Plan for total fees of \$5,500.00.

5 10. Raines Feldman assisted the Receiver with drafting a motion to make a second interim
6 distribution to claimants, including preparing the exhibits with the distribution amounts, and then
7 finalized that motion and filed it.

8 11. Raines Feldman also assisted the Receiver in implementing that distribution once the
9 motion was approved, including communicating with claimants to ensure the Receivership had their
10 correct bank account information, answering other questions, preparing the necessary distribution
11 forms for East West Bank, and other related tasks.

12 Fee Applications/Objections (B160)

13 12. Raines Feldman performed 2.70 hours of fee applications/objections services for total
14 fees of \$1,350.00.

15 13. During the Motion Period, Raines Feldman worked with the Receiver to prepare and
16 file the sixth interim fee request for the Receiver her professionals for the period April 1, 2021
17 through June 30, 2021, by way of an Administrative Motion and supporting declarations.

18 * * *

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

22 15. The fees that Raines Feldman has charged are reasonable, necessary, and commensurate
23 with the skill and experience required for the activity performed. Raines Feldman's services and
24 time expenditures are reasonable in light of the labor required for the matters for which Raines
25 Feldman was retained and the balancing that must be performed to efficiently and effectively
26 represent the Receiver. Raines Feldman respectfully submits that it has not expended time
27 unnecessarily and that it has rendered efficient and effective services.

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1 I declare under penalty of perjury that the foregoing is true and correct. Executed on
2 this 3rd day of November 2021 at Los Angeles, California.

3 */s/ David A. Castleman*

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David A. Castleman

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EXHIBIT 3



RAINESFELDMAN

1800 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Invoice Date: 10/14/2021

Kathy Bazoian Phelps
1800 Avenue of the Stars
12th Floor
Los Angeles, CA 90067

4663-001 / Denari Capital Receiver (Attorney file)

Professional Services				Hours	Rate	Amount
07/01/2021	DAC	B110	Call with K. Phelps regarding closing motion	0.20	500.00	100.00
07/12/2021	DAC	B110	Call with K. Phelps regarding outstanding items	0.10	500.00	50.00
07/19/2021	DAC	B110	Email K. Phelps regarding consent order	0.10	500.00	50.00
07/26/2021	DAC	B110	Analysis of loan amount needed for cash disbursement	0.30	500.00	150.00
				B110		350.00
07/20/2021	DAC	B160	Draft fee application for second quarter 2021 and related affidavits and documents	2.70	500.00	1,350.00
				B160		1,350.00
07/21/2021	DAC	B320	Draft motion for second interim distribution	2.30	500.00	1,150.00
07/21/2021	DAC	B320	Revisions to motion for second distribution	2.00	500.00	1,000.00
07/26/2021	DAC	B320	Call with K. Phelps regarding motion to distribute	0.10	500.00	50.00
07/27/2021	DAC	B320	Revisions to motion for second interim distribution	1.70	500.00	850.00
07/28/2021	DAC	B320	Revisions to motion to distribute and related research regarding tax laws	1.00	500.00	500.00
08/06/2021	DAC	B320	Emails with claimants regarding distribution	0.10	500.00	50.00
08/09/2021	DAC	B320	Prepare motion to distribute for filing	0.50	500.00	250.00
08/09/2021	DAC	B320	Emails with claimants, CFTC, and Smallhouse regarding motion to distribute	1.00	500.00	500.00
08/19/2021	DAC	B320	Emails with claimant regarding distributions	0.10	500.00	50.00
08/23/2021	DAC	B320	Prepare forms for cash distribution	0.50	500.00	250.00
08/24/2021	DAC	B320	Emails with claimants regarding distribution questions	0.20	500.00	100.00
08/25/2021	DAC	B320	Emails with claimant regarding distribution questions	0.30	500.00	150.00

08/27/2021	DAC	B320	Calls and emails with claimant and bank regarding distribution tracing of payment	0.40	500.00	200.00
08/27/2021	DAC	B320	Email with claimant regarding distribution and plan implementation questions	0.20	500.00	100.00
09/01/2021	DAC	B320	Emails with bank and claimant regarding distribution	0.20	500.00	100.00
09/03/2021	DAC	B320	Email with accountant for claimant regarding distribution	0.20	500.00	100.00
09/07/2021	DAC	B320	Emails with accountant for claimant regarding distribution	0.20	500.00	100.00
				B320	5,500.00	
				Sub-total Fees:		\$7,200.00

Rate Summary

David A. Castleman	14.40 hours at \$500.00/hr	\$7,200.00
Total hours:	14.40	\$7,200.00

Payments

08/04/2021 Payment	Wire In	7,000.00
Sub-total Payments:		\$7,000.00

Total Current Billing:	\$7,200.00
Previous Balance Due:	\$7,000.00
Total Payments:	(\$7,000.00)
Total Now Due:	\$7,200.00