

1 **RAINES FELDMAN LLP**
David Castleman (State Bar No. 326812)
2 *dcastleman@raineslaw.com*
1800 Avenue of the Stars, 12th Floor
3 Los Angeles, California 90067
Telephone: (310) 440-4100
4 Facsimile: (310) 691-1943

5 *Counsel to Receiver Kathy Bazoian Phelps*

6
7
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.
18
19
20
21

Case No.: 19-cv-07284-EMC

Assigned to: Hon. Edward M. Chen

**DECLARATION OF JULIA DAMASCO 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, Julia Damasco, declare:

2 1. I am a partner at the firm of Miller Kaplan Arase LLP (“Miller Kaplan”), tax advisor for
3 the Receiver Kathy Bazoian Phelps in this case. I have personal knowledge of the matters set forth
4 below and if called as a witness, I would and could testify competently to the matters stated herein.

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

8 3. On February 4, 2020, the Court entered an order (Doc. No. 44) authorizing the Receiver
9 to employ Miller Kaplan as the Receiver’s tax advisor (“Employment Order”). I am principally
10 responsible for representing the Receiver in Miller Kaplan’s capacity as tax advisors. I directly
11 supervised the professionals and staff of Miller Kaplan with respect to this representation.

12 4. Miller Kaplan was retained by the Receiver for the limited purpose of serving as tax
13 advisors. Miller Kaplan established separate billing categories for services provided: Tax Return
14 Preparation and Filing; and General Consulting. The billing statements itemizing the services
15 provided by Miller Kaplan during the period July 1, 2021 through September 30, 2021 (the “Motion
16 Period”) are attached as Exhibit “4.”

17 5. In the interests of the estate and pursuant to the Employment Order, Miller Kaplan has
18 agreed to provide its services at the same hourly rates as those provided to SEC fair funds in which
19 Miller Kaplan is appointed as the tax administrator.

20 6. Miller Kaplan performed a total of 14.00 hours of services for fees of \$3,217.20 during
21 the Motion Period.

22 7. During the Motion Period, Miller Kaplan performed 4.70 hours of services under the
23 General Consulting category for a total of \$1,536.00. Miller Kaplan advised the Receiver and her
24 counsel certain tax matters.

25 8. During the Motion Period, Miller Kaplan performed 9.30 hours of services under the
26 Tax Return Preparation and Filing category for a total of \$1,681.20. Miller Kaplan assisted with the
27 preparation of the 2021 qualified settlement fund tax return, the 2019/2020 disregarded entity returns,
28

1 and in the 2021 California Form 568 filings.

2 9. I have read the Motion and the billing statements attached to this declaration. To the best
3 of my knowledge, information and belief formed after reasonable inquiry, all the fees and expenses
4 requested in the attached billing statements are true and correct.

5 10. The fees that Miller Kaplan has charged are limited, reasonable, necessary, and
6 commensurate with the skill and experience required for the activity performed. Miller Kaplan's
7 services and time expenditures are reasonable in light of the labor required for the matters for which
8 Miller Kaplan was retained and the balancing that must be performed to efficiently and effectively
9 represent the Receiver in the limited capacity as tax advisors. Miller Kaplan respectfully submits that
10 it has not expended time unnecessarily and that it has rendered efficient and effective services.

11
12 I declare under penalty of perjury that the foregoing is true and correct. Executed on this 3rd
13 day of November 2021 at Santa Fe, New Mexico.

14
15 
16 Julia Damasco
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 4



4123 Lankershim Boulevard
North Hollywood, CA 91602

Kathy Bazoian Phelps

Denari Capital Receivership Estate
Raines Feldman, LLP
1800 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Invoice: 546075

Client ID: 3000610

Date: 10/14/2021

Due Date: 10/14/2021

For professional services rendered as follows:

<u>DATE</u>	<u>SERVICE</u>	<u>STAFF</u>	<u>HOURS</u>	<u>AMOUNT</u>
General Consulting Services				
07/13/2021	Prepare/Draft/Edit/Finalize Analysis of possible tax risk.	JAC	1.80	324.00
07/16/2021	Review Review files and notices to prep for conference call	JD	0.50	228.00
07/16/2021	Tax Planning Conf call: K. Phelps; D. Castleman	JD	1.00	456.00
07/23/2021	Tax Planning LLC cancellation issue	JD	0.25	114.00
09/03/2021	Review Review emails re tax returns. Project management.	JMD	0.50	228.00
09/30/2021	Review Review 2019 returns for Denari Capital LLC and advise of next steps.	JAC	0.40	72.00
10/03/2021	Discussions/Meetings Review return from Capson and Sarker; prep email to Kathy Phelps	JD	0.25	114.00
		Subtotal		1,536.00
Qualified Settlement Fund Services				
07/12/2021	Preparation Preparation of the 2021 Qualified Settlement Fund Income Tax Return.	JAC	3.30	594.00
07/27/2021	Preparation Preparation of 2020 and 2021 CA Forms 568.	JAC	1.40	252.00
07/29/2021	Preparation Preparation of 2020 and 2021 CA Forms 568.	JAC	2.50	450.00

Miller Kaplan Arase LLP

Page 2 of 2

08/12/2021	Preparation Preparation of 2019 & 2020 Disregarded entity tax returns.	JAC	0.50	90.00
09/02/2021	Discussions/Meetings Preparation of 2020 tax returns.	JAC	1.00	180.00
09/07/2021	Preparation Quarterly estimated tax payments 2021 Q3.	JGM	0.20	43.20
09/07/2021	Preparation Correspondence with client re: 2020 return for Denari Capital LLC.	JAC	0.40	72.00
Subtotal				1,681.20
Total for Services				3,217.20
Invoice Total				\$3,217.20

<u>10/14/2021</u>	<u>09/30/2021</u>	<u>08/31/2021</u>	<u>07/31/2021</u>	<u>06/30/2021+</u>	<u>Total</u>
3,217.20	0.00	0.00	0.00	0.00	\$3,217.20



Schedule of Rates
as of December 1, 2020

STAFF LEVEL	CURRENT RATES PER HOUR	DISCOUNTED RATES PER HOUR
Administrative Staff, SMEs & Project Managers	\$65 – \$210	\$52 – \$168
Accounting Staff	\$120 – \$180	\$96 – \$144
Senior Accounting Staff	\$205 – \$270	\$164 – \$216
Attorney	\$250 – \$350	\$200 – \$280
Partner	\$420 – \$570	\$336 – \$456

Schedule of Rates
as of December 1, 2020

STAFF	CURRENT RATES PER HOUR	DISCOUNTED RATES PER HOUR
Damasco, Jude	\$570	\$456
Damasco, Julia	\$570	\$456
Sanchez, Nicholas	\$420	\$336
Dinuri, Qiva	\$325	\$260
Mandeville, John	\$265	\$212
Corbin, Jessica	\$225	\$180
Ransom, Emily	\$210	\$168
Quinn, Chris	\$170	\$136
Nelson, Nicole	\$80	\$64