

RAINES FELDMAN LLP

Kathy Bazoian Phelps (State Bar No. 155564)

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Receiver

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

DENARI CAPITAL LLC, TRAVIS
CAPSON, and ARNAB SARKAR,

Defendants.

Case No.: 19-cv-07284-EMC

Assigned to: Hon. Edward M. Chen

**DECLARATION OF JULIA DAMASCO IN
SUPPORT OF EIGHTH 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
OCTOBER 1, 2021 TO SEPTEMBER 30,
2022**

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 Eighth 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 October 1, 2021 through September 30, 2022 (“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 October 1, 2021 through September 30, 2022 (the
16 “Motion 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 21.40 hours of services for fees of \$6,265.00 during
21 the Motion Period.

22 7. During the Motion Period, Miller Kaplan performed 9.50 hours of services under the
23 General Consulting category for a total of \$3,804.00. Miller Kaplan advised the Receiver and her
24 counsel certain tax matters.

25 8. During the Motion Period, Miller Kaplan performed 10.80 hours of services under the
26 Tax Return Preparation and Filing category for a total of \$2,251.40. Miller Kaplan assisted with
27 preparation of the 2021 tax returns, quarterly estimated return, and the 2021 California Form 568
28

1 filings.

2 9. During the Motion Period, Miller Kaplan performed 1.1 hours of services under the
3 Information Return Reporting Services category for a total of \$ 209.60.

4 10. During the Motion Period, Miller Kaplan incurred \$55.00 in costs including an LLC
5 cancellation fee and information reporting forms.

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

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

15
16 I declare under penalty of perjury that the foregoing is true and correct. Executed on this 4th
17 day of November 2022 at San Francisco, California.

18
19 
20 Julia Damasco

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: 549088

Client ID: 3000610

Date: 01/14/2022

Due Date: 01/14/2022

For professional services rendered as follows:

<u>DATE</u>	<u>SERVICE</u>	<u>STAFF</u>	<u>HOURS</u>	<u>AMOUNT</u>
General Consulting Services				
10/06/2021	Review	JMD	0.20	91.20
	Review email from Receiver re preparation of final return.			
10/22/2021	Prepare/Draft/Edit/Finalize	JMD	0.50	228.00
	Review request from counsel for Capson.			
10/27/2021	Prepare/Draft/Edit/Finalize	JMD	3.30	1,504.80
	Research, prepare and provide to Receiver a response to the counsel for Capson regarding late filed returns and related penalties assessed by the IRS.			
12/01/2021	Tax Planning	JD	0.75	342.00
	Review files; emails; and telephone conference termination of Denari Capital LLC			
12/03/2021	Tax Planning	JD	0.25	114.00
	Follow up with N. Sanchez re cancellation of Denari Capital LLC			
12/03/2021	Project Management	NAS	1.00	336.00
	Cancellation of LLC with CA SOS.			
12/07/2021	Discussions/Meetings	NAS	1.00	336.00
	Discuss final year return and termination of LLC. Call to K. Phelps.			
12/16/2021	Prepare/Draft/Edit/Finalize	NAS	2.00	672.00
	Prepare CA SOS cancellation filing, research receiver status, prepare attachment, email to K. Phelps re: same.			
	Subtotal			3,624.00
Qualified Settlement Fund Services				
12/01/2021	Review	JAC	1.80	345.60
	Preparation of 2021 CA Form 568 for Denari Capital LLC.			

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12/10/2021	Preparation Quarterly estimated tax payments 2021 Q4.	JGM	0.20	45.60
12/17/2021	Preparation Prepare 2021 final LLC return.	JAC	1.00	192.00
12/19/2021	Review Review final FTB 568	JD	0.25	114.00
Subtotal				697.20
Total for Services				4,321.20
Invoice Total				\$4,321.20

<u>01/14/2022</u>	<u>12/31/2021</u>	<u>11/30/2021</u>	<u>10/31/2021</u>	<u>09/30/2021+</u>	<u>Total</u>
4,321.20	0.00	0.00	0.00	0.00	\$4,321.20



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



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: 558216

Client ID: 3000610

Date: 10/07/2022

Due Date: 10/07/2022

For professional services rendered as follows:

<u>DATE</u>	<u>SERVICE</u>	<u>STAFF</u>	<u>HOURS</u>	<u>AMOUNT</u>
General Consulting Services				
01/19/2022	Preparation Perfect CA LLC cancellation.	NAS	0.50	180.00
	Subtotal			180.00
Information Return Reporting Services				
01/26/2022	Produce Forms Preparation of forms 1099.	JAC	0.30	57.60
01/27/2022	Finalize Payees & Amounts Preparation of forms 1099.	JAC	0.70	134.40
01/27/2022	Release for Printing Forms 1099-MISC and 1099-NEC.	ER	0.10	17.60
	Subtotal			209.60
Qualified Settlement Fund Services				
01/05/2022	E-File 2021 CA LLC return.	ER	0.25	44.00
01/13/2022	Preparation Preparation of the 2021 Qualified Settlement Fund Income Tax Return.	JAC	0.60	115.20
01/19/2022	Preparation Preparation and filing of the 2021 Qualified Settlement Fund Income Tax Return.	JAC	1.40	268.80
01/26/2022	Preparation Preparation of 2021 tax returns.	JAC	0.80	153.60
03/17/2022	Preparation Preparation of 2021 tax returns.	JAC	0.10	19.20
03/27/2022	Preparation Preparation and filing of the 2021 Qualified Settlement Fund Income Tax Return.	JAC	1.60	307.20

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	04/01/2022	Review	JD	0.75	360.00
	04/04/2022	Assemble	NAN	0.35	23.80
		Assemble 2021 Tax Returns			
	04/07/2022	Review	YM	0.25	16.00
		Proofing of 2021 Tax Return			
	04/07/2022	Delivery	YM	0.25	16.00
		Dispatch of 2021 Tax Return			
	05/31/2022	Preparation	JAC	0.25	48.00
		Quarterly estimated tax payments 2022 Q2.			
	05/31/2022	Preparation	JAC	0.75	144.00
		Preparation of 2022 tax returns.			
	09/01/2022	Preparation	JAC	0.20	38.40
		Quarterly estimated tax payments 2022 Q3.			
		Subtotal			1,554.20
		Total for Services			1,943.80
Charges					
	01/27/2022	Miscellaneous Billable Expense	5.00		5.00
		Denari SOS LLC cancellation certification fee			
		Subtotal			5.00
	01/27/2022	Information Reporting	50.00		50.00
		2 Forms NEC, 2 Forms MISC			
		Subtotal			50.00
		Total for Charges			55.00
		Billed Time & Charges			\$1,998.80
		Invoice Total			\$1,998.80

<u>10/07/2022</u>	<u>09/30/2022</u>	<u>08/31/2022</u>	<u>07/31/2022</u>	<u>06/30/2022+</u>	<u>Total</u>
1,998.80	0.00	0.00	0.00	4,321.20	\$6,320.00



Schedule of Rates
as of December 1, 2020

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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
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