

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

U.S. COMMODITY FUTURES
TRADING COMMISSION,
Plaintiff,

v.

Case No. 09-cv-3332 (MJD/FLN)

TREVOR COOK et al.,
Defendants,

R.J. ZAYED,
Receiver.

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,
Plaintiff,

v.

Case No. 09-cv-3333 (MJD/FLN)

TREVOR G. COOK, et al.,
Defendants,

R.J. ZAYED,
Receiver.

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,
Plaintiff,

v.

Case No. 11-cv-574 (MJD/FLN)

JASON BO-ALAN BECKMAN, et al.,
Defendants,

R.J. ZAYED,
Receiver.

DECLARATION OF RECEIVER R.J. ZAYED IN SUPPORT OF MOTION TO APPROVE THE PAYMENT OF FEES INCURRED BY THE RECEIVER THAT WERE NECESSARY TO ASSIST THE RECEIVER IN HIS DUTIES

I, R.J. Zayed, hereby declare as follows:

1. I am an attorney with the law firm of Dorsey & Whitney, LLP.
2. On November 23, 2009 the Court entered an order appointing me Receiver in the matter of *SEC v. Cook et al.*, 09-cv-3333, for (1) the estates of Defendants Trevor G. Cook, Patrick J. Kiley; (2) Defendants UBS Diversified Growth LLC, Universal Brokerage FX Management, LLC, Oxford Global Advisors, LLC, Oxford Global Partners, LLC; (3) Relief Defendants Basel Group, LLC, Crown Forex, LLC, Market Shot, LLC, PFG Coin and Bullion, Oxford Developers, S.A., Oxford FX Growth, L.P., Oxford Global Managed Futures Fund, UBS Diversified FX Advisors, LLC, UBS Diversified FX Growth L.P., and UBS Diversified FX Management LLC; (4) all funds, accounts, and other assets held by or for Relief Defendants Clifford Berg and Ellen Berg, which were received, directly or indirectly, from the Defendants or were acquired with funds or other assets received, directly or indirectly, from the Defendants; and (5) every other corporation, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Cook and Kiley (collectively the "Receiver Estates"). *Order Appointing Receiver*, Docket No. 13, at 4 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, Docket No. 18, at 4 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, Docket No. 68 (Dec. 11, 2009).
3. On November 23, 2009 the Court also entered an order appointing me

Receiver in the matter of *CFTC v. Cook et al.*, 09-cv-3332, for Defendants Trevor Cook d/b/a Crown Forex, LLC, Patrick Kiley d/b/a Crown Forex, LLC, Universal Brokerage FX and Universal Brokerage FX Diversified, Oxford Global Partners, LLC, Oxford Global Advisors, LLC, Universal Brokerage FX Advisors, LLC f/k/a UBS Diversified FX Advisors, LLC, Universal Brokerage FX Growth, L.P. f/k/a UBS Diversified FX Growth, L.P., Universal Brokerage FX Management, LLC, f/k/a UBS Diversified FX Management, LLC, and UBS Diversified Growth, LLC, and their affiliates and subsidiaries, and all funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by the Defendants individually or collectively, including, but not limited to, investors' funds. *Ex Parte Statutory Restraining Order*, Docket No. 21, at 7 (Nov. 23, 2009); *see also Order Continuing Appointment of Temporary Receiver*, Docket No. 96 (Dec. 11, 2009).

4. On March 8, 2011 the Court also entered an order appointing me Receiver in the matter of *SEC v. Beckman, et al.*, 11-cv-574, for (1) the estate of Jason Bo-Alan Beckman; (2) The Oxford Private Client Group, LLC; (3) all funds, accounts, and other assets held by or for the benefit of Relief Defendant Hollie Beckman which were received, directly or indirectly, from the Defendants or were acquired with funds or other assets received, directly or indirectly, from the Defendants; and (4) every other corporation, company, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Defendant Beckman, Defendant Oxford PCG, or Relief Defendant Hollie Beckman (collectively the "Receiver Estates"). *Order Appointing Receiver*, Docket No. 10, at 1-2 (March 3, 2011).

5. The three receiverships are interrelated as they involve the same Ponzi scheme, the same set of co-conspirators, the same set of operative facts, a substantial overlap of victims, and the commingling of receivership funds and assets.

6. I make this declaration based on personal knowledge and offer it in support of the motion described more fully herein.

7. The motion seeks the Court's approval to pay two types of fees incurred by the Receiver, in or about the months of July, August, September, October and November, 2017 that were necessary to assist the Receiver in his duties. Specifically the motion seeks Court approval to pay outstanding bills for which the Receiver seeks Court authorization to pay directly out of assets of the Receivership.

(A) Outstanding Bills

i) Carlson Caspers' Attorneys' Fees and Costs

8. With the Court's approval, I retained the Carlson Caspers law firm to assist me in fulfilling my duties and obligations as Receiver. *Order Appointing Receiver*, 09-cv-3333, Docket No. 13, at 2 (Nov. 23, 2009); *Ex Parte Statutory Restraining Order*, 09-cv-3332, Docket No. 21, at 8 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, 09-cv-3333, Docket No. 18, at 2 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, 09-cv-3333, Docket No. 68, at 2 (Dec. 11, 2009); *Order Continuing Appointment of Temporary Receiver*, 09-cv-3332, Docket No. 96, at 4 (Dec. 11, 2009); *Order Appointing Receiver*, 11-cv-574, Docket No. 10, at 2 (March 8, 2011).

9. From inception of this matter through December 31, 2016, the Carlson Caspers firm provided its services in these matters at a 15% or more discount from its

regular hourly rates. In addition, Carlson Caspers provided the services of a legal assistant at a substantially discounted rate of \$45 per hour to handle day-to-day aspects of the Receivership.

10. Effective January 1, 2017, the Court directed the Carlson Caspers firm to bill its services at a 5% discounted rate.

11. I have received a statement from Carlson Caspers describing work performed in July, 2017. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects discounted legal fees in the amount of \$9,618.00.

12. In the month of July 2017, Carlson Caspers worked on Receivership matters including: working on winding down of the Receivership; attending to administrative and accounting issues; and investigating distribution checks uncashed by investors.

13. I have received a statement from Carlson Caspers describing work performed in August 2017. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects discounted

legal fees in the amount of \$10,864.00.

14. In the month of August 2017, Carlson Caspers continued to work on tax and accounting issues for the Receivership; and attended to administrative matters for the Receivership.

15. I have received statements from various individuals and entities providing necessary services to the Receiver for the month of August 2017. These expenses are summarized on page 1 of Carlson Caspers invoice number 14237 under the heading "Disbursements." I am submitting the invoiced bills to the Court under separate correspondence for *in camera* review, along with copies of checks showing payment provided out of Carlson Caspers' operating account. The invoiced bills include the date each expense was incurred and a specific description of the nature of each expense. These invoiced bills reflect total costs of \$241.09. These disbursements include charges for courier services and fees for accounting services.

16. I have received a statement from Carlson Caspers describing work performed in September 2017. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects discounted legal fees in the amount of \$3,443.50.

17. In the month of September 2017, Carlson Caspers continued work on financial and administrative matters for the Receivership; and assisted the SEC and

United States Attorney's Office with issues related to the Receivership .

18. I have received statements from various individuals and entities providing necessary services to the Receiver for the month of September 2017. These expenses are summarized on Carlson Caspers invoice number 14357 under the heading "Disbursements." I am submitting the invoiced bills to the Court under separate correspondence for *in camera* review, along with copies of checks showing payment provided out of Carlson Caspers' operating account. The invoiced bills include the date each expense was incurred and a specific description of the nature of each expense. These invoiced bills reflect total costs of \$599.40. These disbursements include fees for renewal of the Receivership website.

19. I have received a statement from Carlson Caspers describing work performed in October 2017. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects discounted legal fees in the amount of \$3,492.00.

20. In the month of October 2017, Carlson Caspers continued work on financial and administrative matters for the Receivership; and ongoing investor communications.

21. I have received statements from various individuals and entities providing necessary services to the Receiver for the month of October 2017. These expenses are summarized on Carlson Caspers invoice number 14485 under the heading

“Disbursements.” I am submitting the invoiced bills to the Court under separate correspondence for *in camera* review, along with copies of checks showing payment provided out of Carlson Caspers’ operating account. The invoiced bills include the date each expense was incurred and a specific description of the nature of each expense. These invoiced bills reflect total costs of \$6.00. These disbursements include charges for parking services.

22. I have received a statement from Carlson Caspers describing work performed in November 2017. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, the name of the person performing the work, the discounted hourly rate, the time expended, and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects discounted legal fees in the amount of \$4,320.50.

23. In the month of November 2017, Carlson Caspers continued work on tax and accounting matters for the Receivership; and ongoing investor communications.

24. I have reviewed the itemized statement describing services provided by Carlson Caspers in the months of July, August, September, October and November, 2017, and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

25. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Carlson Caspers and certify that the requested rates are within the range charged by attorneys of comparable experience

employed by comparable Minnesota law firms for work of a comparable nature and complexity.

26. I have also reviewed the itemized statement describing services provided to the Receivership in the months of July, August, September, October and November, 2017, and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

27. I am familiar with the rates charged in the local community by service providers similar to those employed by the Receivership and certify that the requested rates are within the range charged by service providers of comparable experience for work of a comparable nature and complexity.

28. I request Court approval to pay Carlson Caspers \$9,618.00 in fees for July 2017; \$10,864.00 in fees and \$241.09 in costs for August 2017; \$3,443.50 in fees and \$599.40 in costs for September 2017; \$3,492.00 in fees and \$6.00 in costs for October 2017; and \$4,320.50 in fees for November 2017, out of the assets of the Receivership.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: December 6, 2017

s/R.J. Zayed

R.J. Zayed