
UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

U.S. COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff(s)

Case No: 09-cv-3332 MJD/JJK

v.

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, UNIVERAL
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,

Defendant(s)

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 a partner with the law firm of Carlson, Caspers, Vandenburg & Lindquist (“CCVL”).

2. On November 23, 2009 the Court entered an order appointing me Receiver in this matter 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).

3. I have also been appointed Receiver in the case of *SEC v. Cook*, No. 09-cv-3333 MJD/JJK (D. Minn. Nov. 23, 2009). *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). As the Receivership assets in this case largely overlap with the Receiver Estates in *SEC v. Cook*, I have filed a parallel motion for fees in *SEC v. Cook*. While I am filing parallel motions, I am seeking only a single payment out of the seized Receivership assets to the parties described below.

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

5. The motion seeks the Court's approval to pay three types of fees incurred by the Receiver, in or about December, 2009, that were necessary to assist the Receiver in his duties. Specifically the motion seeks Court approval:

- (A) to pay outstanding bills. "Outstanding bills" are those for which the Receiver seeks Court authorization to pay directly out of the Receivership assets;
- (B) to pay CCVL's attorneys' fees and reimburse CCVL for the necessary costs incurred and paid by CCVL; and
- (C) to pay the legal fees and costs charged by Canadian counsel in legal action involving Receivership property in Canada.

(A) Outstanding Bills

i) Computer Forensic Services

6. With the Court's approval, I retained Computer Forensic Services to forensically image (duplicate) and verify CDs, USB/flash drives, and a cell phone and PDA found at 12644 Tiffany Court, Burnsville, MN, 55337 ("Burnsville residence") and 1900 LaSalle Avenue, Minneapolis, MN 55403 ("Van Dusen Mansion") and to run keyword searches on eight priority computer hard drives to assist me in fulfilling my duties as Receiver.

7. I have received two invoices and a letter from Computer Forensic Services describing the work it performed from December 2, 2009 and December 29, 2009. I am submitting these documents to the Court under separate correspondence for *in camera* review. The documents include the date when work was performed and a description of

the tasks performed. These documents reflect the amount of compensation requested for the work performed by Computer Forensic Services. They set forth a combined total of \$50,325.00.

8. I am familiar with the rates charged in the local community by other firms offering hard drive imaging, keyword searching, and data extraction services similar to those provided by ComputerForensic Services and certify that the requested rates are within the range charged by such services with comparable experience employed for work of a comparable nature and complexity.

9. I have reviewed the invoices and letter describing the services provided by Computer Forensic Services and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

10. I therefore request Court approval to pay Computer Forensic Services \$50,325.00 out of the assets of the Receivership.

ii) Avalon Security Services

11. With the Court's approval, I retained Avalon Security Services to secure the Van Dusen Mansion. The security was necessary to preserve the assets of the estate and the evidence found at the Van Dusen Mansion.

12. I have received statements from Avalon Security Services describing security services provided from November 29, 2009 through January 8, 2010 at the Van Dusen Mansion. I am submitting these statements to the Court under separate correspondence for *in camera* review. Each statement includes the date when work was performed, the number of people performing the work, the applicable hourly rate, and the

time expended. The statements together reflect the amount of compensation requested for the work performed by Avalon Security Services. The statements set forth \$55,396.35 in total fees.

13. I am familiar with the rates charged in the local community by other firms offering security services similar to those provided by Avalon Security Services and certify that the requested rates are within the range charged by security services with comparable experience employed for work of a comparable nature and complexity.

14. I have reviewed the itemized statements describing services provided by Avalon Security Services and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

15. I therefore request Court approval to pay Avalon Security Services \$55,396.35 out of the assets of the Receivership.

iii) WayPoint, Inc.

16. With the Court's approval, I retained private investigators Rick Ostrom and Dennis Sackreiter and their firm WayPoint, Inc. to assist me in fulfilling my duties and obligations as Receiver.

17. I have received a statement from WayPoint, Inc. describing work performed from December 1, 2009 through December 31, 2009. 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 applicable hourly rate, the time expended, a description of the tasks performed, and a description of additional expenses. The statement reflects the

amount of compensation requested for the work performed by WayPoint, Inc. The statement sets forth \$60,583.65 in total fees.

18. I am familiar with the rates charged in the local community by other firms offering investigative services similar to those provided by WayPoint, Inc. and certify that the requested rates are within the range charged by investigative firms with comparable experience employed for work of a comparable nature and complexity.

19. I have reviewed the itemized statements describing services provided by WayPoint, Inc. and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

20. I therefore request Court approval to pay WayPoint, Inc. \$60,583.65 out of the Receivership assets.

iv) 33rd Company, Inc. Property Management

21. With the Court's approval, I retained 33rd Company, Inc. Property Management ("33rd Company") to serve as caretaker for the Van Dusen Mansion and to eventually replace the security guards once the evidence on the premises was safely secured off-site.

22. I have received a statement from 33rd Company describing work performed from December 11, 2009 through January 10, 2010. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed, a description of the tasks performed, and a description of additional expenses. The statement reflects the amount of compensation requested for the work performed by 33rd. The statement sets forth \$2,644.81 in total fees.

23. I am familiar with the rates charged in the local community by other firms offering caretaking services similar to those provided by 33rd Company and certify that the requested rates are within the range charged by property caretakers with comparable experience employed for work of a comparable nature and complexity.

24. I have reviewed the itemized statements describing services provided by 33rd Company and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

25. I therefore request Court approval to pay 33rd Company \$2,644.81 out of the Receivership assets.

v) *LiQuidprint*

26. With the Court's approval, I retained LiQuidprint to design, create, and host a website for the Receivership.

27. I have received a statement from LiQuidprint describing work performed from December 1, 2009 through December 31, 2009. The statement also describes services to be provided from January 1, 2010 through December 31, 2010. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes a description of the tasks performed, services provided, services to be provided, and a description of additional expenses. The statement reflects the amount of compensation requested for the work performed by LiQuidprint. The statement sets forth \$6,439 in total fees.

28. I am familiar with the rates charged in the local community by other firms offering website design and hosting services and certify that the requested rates are

within the range charged by website design and hosting services with comparable experience employed for work of a comparable nature and complexity.

29. I have reviewed the itemized statements describing services provided by LiQuidprint and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

30. I therefore request Court approval to pay LiQuidprint \$6,439.00 out of the Receivership assets.

(B) CCVL Attorneys' Fees and Costs

31. With the Court's approval, I retained the CCVL law firm to assist me in fulfilling my duties and obligations as Receiver. *Order Appointing Receiver*, Docket No. 13, at 2 (Nov. 23, 2009); *see also Amended Order Appointing Receiver*, Docket No. 18, at 2 (Nov. 24, 2009); *Second Amended Order Appointing Receiver*, Docket No. 68, at 2 (Dec. 11, 2009).

32. I have received a statement from CCVL describing work performed by me and my agents from December 1, 2009 through December 31, 2009. 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 applicable 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 legal fees of \$220,213.70.

33. I have reviewed the itemized statement describing services provided by CCVL and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

34. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by CCVL 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.

35. I have received statements from those persons and entities providing necessary services to the Receiver from December 1, 2009 through December 31, 2009. These statements are summarized on pages 21 and 22 of CCVL invoice number 6496, under the heading "Disbursements." I am submitting these statements to the Court under separate correspondence for *in camera* review, along with copies of checks showing payment provided out of CCVL's operating account. These statements include the date the work was performed and a description of the tasks performed. The statements set out the amount of compensation requested for the work performed. They reflect total costs of \$18,385.33.

36. I have reviewed the itemized statement describing services provided to the Receivership certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

37. I am familiar with the rates charged in the local community 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.

38. I request Court approval to pay CCVL \$238,599.03 out of the Receivership assets.

(C) Canadian Law Firms

(i) Weiler, Maloney, Nelson

39. Weiler, Maloney, Nelson (“Weilers”) is a law firm located in Thunder Bay, Ontario, Canada. With the Court’s approval, I retained Weilers to represent me as the Receiver in Canadian litigation. Weilers is providing assistance in efforts to freeze and retrieve Receivership property located in Canada.

40. I have received a statement from Weilers describing work performed from November 27, 2009 through December 10, 2009. I am submitting this statement to the Court under separate correspondence for *in camera* review. The statement includes the date when work was performed and a detailed description of the tasks performed. The statement sets out the amount of compensation requested for the work performed. It reflects attorneys’ fees of \$6,220, costs of \$768.82, taxes of \$334.04, and a total amount due of \$7,322.86.

41. I have reviewed the itemized statement describing services provided by Weilers and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

42. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Weilers and certify that the requested

rates are within the range charged by attorneys of comparable experience employed by comparable Canadian law firms for work of a comparable nature and complexity.

43. I request Court approval to pay Weilers \$7,322.86 out of the Receivership assets.

(ii) Miller Thomson LLP

44. With the Court's permission, I retained Miller Thomson LLP to provide assistance in successful efforts to obtain Canadian recognition of the Receivership. Miller Thomson LLP had the requisite experience to obtain such recognition in Canadian courts.

45. I have received a statement from Miller Thomson LLP describing work performed during the period December 9, 2009 through December 21, 2009. 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 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 attorneys' fees of \$14,500, office expenses of \$705.35, and taxes of \$760.27, for a total amount due of \$15,965.62.

46. I have reviewed the itemized statement describing services provided by Miller Thomson LLP and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver.

47. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Miller Thomson LLP and certify that

the requested rates are within the range charged by attorneys of comparable experience employed by comparable Canadian law firms for work of a comparable nature and complexity. Obtaining Canadian recognition of the Receivership proved to be a complex task based on limited (and arguably conflicting) precedent, thereby requiring the assistance of sophisticated Canadian counsel.

48. I request Court approval to pay Miller Thomson LLP \$15,965.62 out of the Receivership assets.

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

Executed on January 19, 2010

s/ R. J. Zayed
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