

1 DAVID R. ZARO (BAR NO. 124334)
2 TED FATES (BAR NO. 227809)
3 TIM C. HSU (BAR NO. 279208)
4 ALLEN MATKINS LECK GAMBLE
5 MALLORY & NATSIS LLP
6 515 South Figueroa Street, Ninth Floor
7 Los Angeles, California 90071-3309
8 Phone: (213) 622-5555
9 Fax: (213) 620-8816
10 E-Mail: dzaro@allenmatkins.com
11 tfates@allenmatkins.com
12 thsu@allenmatkins.com

13 Attorneys for Temporary Receiver
14 KRISTA L. FREITAG

15
16 **UNITED STATES DISTRICT COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**
18 **WESTERN DIVISION**

19 SECURITIES AND EXCHANGE
20 COMMISSION,

21 Plaintiff,

22 v.

23 WORLD CAPITAL MARKET INC.;
24 WCM777 INC.; WCM777 LTD. d/b/a
25 WCM777 ENTERPRISES, INC.; and
26 MING XU a/k/a PHIL MING XU,

27 Defendants,

28 KINGDOM CAPITAL MARKET, LLC;
29 MANNA HOLDING GROUP, LLC;
30 MANNA SOURCE
31 INTERNATIONAL, INC.;
32 WCM RESOURCES, INC.; AEON
33 OPERATING, INC.; AND PMX
34 JEWELS, LTD.,

35 Relief Defendants.

Case No. CV-14-2334-CAS-MRW

**DECLARATION OF RECEIVER
KRISTA FREITAG IN SUPPORT OF
EX PARTE APPLICATION FOR
ORDER: (1) TEMPORARILY
FREEZING THE BANK ACCOUNTS
OF VINCENT MESSINA; AND
(2) REQUIRING VINCENT
MESSINA TO PROVIDE AN
ACCOUNTING**

Ctrm: 5 - 2nd Floor
Judge: Hon. Christina A. Snyder

1 I, Krista Freitag, declare as follows:

2 1. By order of this Court dated March 27, 2014 ("TRO"), I was appointed
3 temporary receiver for Defendants World Capital Market Inc., WCM777 Inc., and
4 WCM777 Ltd. d/b/a WCM777 Enterprises, Inc., Relief Defendants Kingdom
5 Capital Market, LLC; Manna Holding Group, LLC; Manna Source
6 International, Inc.; WCM Resources, Inc.; and their subsidiaries and affiliates
7 (collectively, "Receivership Entities"). I make this declaration in support of the
8 concurrently-filed Ex Parte Application for an order: (1) temporarily freezing the
9 bank accounts of Vincent Messina; and (2) requiring Vincent Messina to provide an
10 accounting of all funds received from Defendant Phil Ming Xu or the Receivership
11 Entities, including ToPacific, Inc.¹ I have personal knowledge of the facts set forth
12 herein and, if called as a witness, could and would testify to such facts under oath.

13 2. During my initial investigation and review of documents located at the
14 Receivership Entities' offices, I reviewed a letter from Mr. Xu to Vincent Messina
15 dated March 20, 2014. The letter, a copy of which is attached hereto as Exhibit 1,
16 states (a) Mr. Xu wired \$5 million to Mr. Messina's IOLTA trust account on
17 February 26, 2014, (b) Mr. Xu demanded the funds be returned, and (c) Mr. Messina
18 failed to obey the request. Specifically, the letter states Mr. Xu is "in the final stages
19 of dealing with ongoing SEC issues" and "with the SEC payments in mind I
20 requested that you in your capacity as my lawyer, working with an ongoing retainer,
21 'return' the funds lodged at your IOLTA Trust Account to me directly. As you know
22 you failed to obey this direct request."

23 3. On March 31, 2014, my counsel and I met with Mr. Xu at the WCM
24 offices in Pasadena. During the meeting, Mr. Xu stated that \$6 million had been
25 wired to Mr. Messina. He stated the money should be returned and asked for my
26 assistance in recovering the funds. Mr. Xu stated that Mr. Messina's IOLTA trust
27

28 ¹ Capitalized terms used but not defined herein shall have the meanings set forth in
the Ex Parte Application.

1 account information was in his WCM e-mail account. I promptly located the wire
2 transfer information provided by Mr. Messina in Mr. Xu's WCM e-mail account. I
3 then emailed Bank of America and requested a freeze on the Messina IOLTA
4 account. My counsel also printed the e-mail and faxed it to Bank of America,
5 together with the TRO.

6 4. On April 1, 2014, I spoke to a representative of Bank of America about
7 the request to freeze the Messina IOLTA account. Based on that conversation, I
8 believe some of the \$5 million has already been disbursed from the Messina IOLTA
9 account to other accounts under Mr. Messina's name.

10 5. On the morning of April 2, 2014, my counsel and I spoke to Maranda
11 Fritz, a lawyer located in New York retained by Mr. Messina. Ms. Fritz confirmed
12 that \$5 million had been transferred to Mr. Messina and stated that Mr. Xu had
13 originally wanted Mr. Messina to help him "put the money aside." Mr. Messina
14 stated he would not do that, so Mr. Xu and Mr. Messina came up with an alternate
15 arrangement. Mr. Xu would "loan" Mr. Messina the money and together they would
16 make investments with it. It was contemplated that Mr. Xu would receive the equity
17 interests in the investments as reduction of the debt. When asked to provide the loan
18 documentation, Ms. Fritz stated that there was just a "two-line" loan agreement
19 which she would provide. Ms. Fritz also stated that no payments are due under the
20 loan until it matures on January 2, 2019.

21 6. When asked about the March 20, 2014 letter from Mr. Xu to
22 Mr. Messina demanding return of the retainer, Ms. Fritz stated she believed Mr. Xu
23 would confirm the transfer was a loan. When asked why Mr. Messina refused to
24 return the funds, Ms. Fritz stated that disbursements had already been made for
25 "investments" and Mr. Messina wants to continue to fund those investments. When
26 asked why a so-called loan would be transferred to Mr. Messina's IOLTA account,
27 which are only used to hold retainers and client funds, Ms. Fritz stated there could
28 be a lot of reasons that was done.

EXHIBIT 1



WORLD CAPITAL MARKET

150 S. Los Robles Avenue, Pasadena Hilton Towers, Suite # 900

Pasadena, California 91101

Phone: (888) 522-7389, (626) 395-9000

Fax: (855) Wan-Tong

Mr. Vincent Messina
6752 Hillpark Dr. #303
Los Angeles, CA, 90068

Dear Mr. Vincent Messina,

Please be on notice that I am in the final stages of dealing with ongoing SEC issues, some of which you are aware. This concerns you in regard to specific monies sent to you on February 26, 2014 to be held in your IOLTA Trust Account for my private business. Particularly, with the SEC payments in mind I requested that you in your capacity as my lawyer, working with an ongoing retainer, "return" the funds lodged at your IOLTA Trust Account to me directly. As you know you failed to obey this direct request.

I also went to my sending bank and requested that they put on notice your receiving bank my demand to have the funds sent to your IOLTA Trust account be returned to me directly. Again, even on notice you have not returned these funds per my demand.

Thus, I am informing you that the funds sent to your IOLTA Trust account for my business of which total \$5,000,000.00 (Five Million USD) will be used to settle any outstanding SEC issues that I may have.

Be aware, this information and your receiving account information have been furnished to the appropriate SEC officers. However, if you return the funds directly to me before the SEC access your IOLTA Trust Account with my funds please let me know and I will pay them personally.

I appreciate your attention to this matter.

Sincerely,

(Phil) Ming Xu
Chairman & CEO
World Capital Market Inc.