

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 Court-appointed Receiver
14 KRISTA L. FREITAG

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

18 KRISTA L. FREITAG, Court-Appointed
19 Permanent Receiver for World Capital
20 Market Inc.; WCM777 Inc.;
21 WCM777 Ltd. d/b/a WCM777
22 Enterprises, Inc.; Kingdom Capital
23 Market, LLC; Manna Holding
24 Group, LLC; Manna Source
25 International, Inc.; WCM Resources, Inc.;
26 ToPacific Inc.; To Pacific Inc.; and their
27 subsidiaries and affiliates,

28 Plaintiff,

v.

29 SUE WANG aka SU E. WANG;
30 JIANJUN WANG; XIAOMEI DENG;
31 HUAJIAN WU; MANA FASHION
32 INC., a California corporation;
33 JJ SPARKLES, INC., a California
34 corporation; YUANHAO, INC., a
35 California corporation; SAZA
36 INVESTMENT LLC, a California limited
37 liability company; GENERGEIA INC., a
38 California corporation; and DOES 1
39 through 10, inclusive,

40 Defendants.

Case No. 2:15-CV-2147-JFW (MRWx)

**DECLARATION OF TED FATES IN
SUPPORT OF THE RECEIVER'S
EX PARTE APPLICATION FOR
ORDER FREEZING REAL
PROPERTY**

Judge: Hon. John F. Walter

1 I, Ted Fates, declare as follows:

2 1. I am an attorney at the law firm of Allen Matkins Leck Gamble
3 Mallory & Natsis LLP, counsel of record for Plaintiff Krista L. Freitag ("Receiver"),
4 the Court-appointed permanent receiver for Defendants World Capital Market Inc.;
5 WCM777 Inc.; WCM777 Ltd. d/b/a WCM777 Enterprises, Inc.; and Relief
6 Defendants Kingdom Capital Market, LLC; Manna Holding Group, LLC; Manna
7 Source International, Inc.; WCM Resources, Inc.; ToPacific Inc.; To Pacific Inc.;
8 and their subsidiaries and affiliates ("Receivership Entities"), in the above-captioned
9 action. I make this declaration in support of the Receiver's *Ex Parte* Application for
10 Order Freezing Real Property ("Application").

11 2. I am a member in good standing of the State Bar of California and have
12 been admitted to practice before this Court. I have personal knowledge of the facts
13 set forth in this Declaration and, if called as a witness, could and would testify
14 competently to such facts under oath.

15 3. On March 18, March 19, and March 20, 2015, I spoke to Marilyn
16 Bednarski of Kaye, McLane, Bednarki & Litt, LLP, counsel for Sue Wang
17 ("Wang"). I advised Ms. Bednarki that the Receiver's investigation and accounting
18 of transfers from the Receivership Entities to entities Wang controls had revealed
19 (a) additional transfers to entities Wang controls (Saza Investment and Genergeia)
20 which were not previously known, (b) an additional real property Wang purchased
21 with funds received from the Receivership Entities, which was recently sold by
22 Wang (the East Main Street Property), and (c) that Wang had used funds received
23 from the Receivership Entities to pay down a line of credit secured by another real
24 property she owns (the Virginia Avenue Property). I also explained that funds
25 Wang had drawn from the line of credit were used to purchase another property (the
26 Brockway Street Property). I conveyed the Receiver's concerns that the Virginia
27 Avenue and Brockway Street Properties would be sold or encumbered by Wang

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1 before the Receiver's claims were resolved and asked that Wang stipulate to a freeze
2 of the two properties. During these conversations, Ms. Bednarski stated that Wang
3 and her mother Xiaomei Deng live at the Sultana Avenue Property.

4 4. On March 20, 2015, Ms. Bednarski advised that Wang would not
5 stipulate to a freeze of either property. I advised that the Receiver would file an ex
6 parte application seeking a freeze of both properties and Ms. Bednarski advised that,
7 at that time, Wang would take no position on the application.

8 5. On March 25, 2015, I gave notice of the Application, via e-mail, to
9 counsel for the Securities and Exchange Commission ("Commission"). Counsel for
10 the Commission advised that the Commission has no opposition.

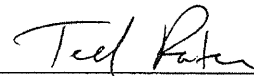
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12 I declare under penalty of perjury under the laws of the United States that the
13 foregoing is true and correct.

14 Executed on March 27, 2015, at San Diego, California.

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Ted Fates

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