

1 MICHAEL E. ADAMS (SBN: 47278)
LAW OFFICES OF MICHAEL E. ADAMS
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Redwood City, CA 94063
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4 Attorney for 135
5 Claimants

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7 **UNITED STATES DISTRICT COURT**
8 **CENTRAL DISTRICT OF CALIFORNIA**
9 **WESTERN DIVISION**

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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants,

KINGDOM CAPITAL MARKET, LLC;
MANNA HOLDING GROUP, LLC;
MANNA SOURCE INTERNATIONAL,
INC.; WCM RESOURCES, INC.; AEON
OPERATING, INC.; PMX JEWELS,
LTD. TO PACIFIC INC; TO PACIFIC
INC.; VINCENT J. MESSINA; and
INTERNATIONAL MARKET
VENTURES,

Relief Defendants.

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

**DECLARATION OF MICHAEL
E. ADAMS IN PARTIAL
OPPOSITION TO RECEIVER'S
DISTRIBUTION PLAN**

DATE: November 28, 2016
TIME: 1:30 p.m.
CTRM: 16 (Spring Street Floor)
JUDGE: Hon. John F. Walter

1 I, MICHAEL E. ADAMS, hereby declare:

2 1. I am an attorney licensed to practice law in all the courts of the State of
3 California, in the United States District Courts for the Northern, Eastern, and Central
4 Districts of the State of California, in the Ninth Circuit Court of Appeals, and in the
5 United States Supreme Court.

6 2. My law firm was retained by 139 defrauded investors to assist them in
7 presenting reimbursement claims to the court appointed receiver herein. The names of
8 these investors, and the amounts and circumstances of their investments, are shown in the
9 table attached hereto as Exhibit 1. The following trends can be discerned from this table:

10 (a) 105 of our clients made their investments to intermediates (“Leaders”),
11 entirely *without* the benefit of bank records showing the destinations of the payments, in
12 exchange for Units issued by the Defendants.

13 (b) 8 of our clients made their investments to Leaders, entirely *with* the
14 benefit of bank records showing the destinations of the payments, in exchange for Units
15 issued by the Defendants.

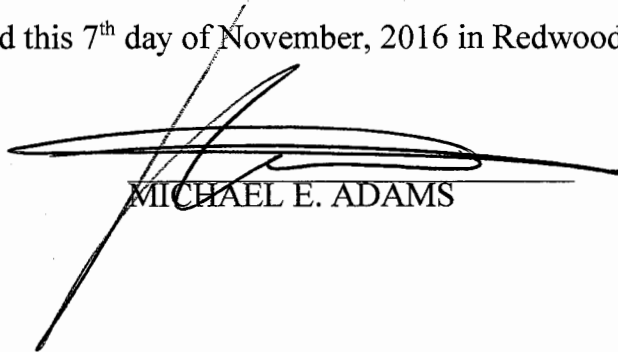
16 (c) 19 of our clients made their investments to Leaders in more than one
17 transaction, some *with* and some *without* the benefit of bank records showing the
18 destinations of the payments, in exchange for Units issued by the Defendants.¹

19 3. I am informed and believe the following facts stated in this Paragraph . Our
20 clients purchased the Units in one of four ways: (i) by paying money directly into
21 Defendants’ bank accounts; (ii) by paying money to Leaders for the latter to transmit to
22 Defendants; (iii) by paying money to Leaders in exchange for Units given by the
23 Defendants to the latter for the purpose of selling same to investors; or (iv) by paying
24

25 ¹One such client is Francesca A. Aguiar (aka Alexandra Aguiar) who is shown as
26 Claimant #139 in our table attached as Exhibit 1. As shown in said table, she paid
27 \$11,200.00 to her Leader, Santana Saldivar, by handing him said amount in cash, and
28 paid a further \$2,800.00 to him through an electronic transfer from her bank account to
his. A copy of her bank record showing the electronic transfer and naming Mr. Saldivar
as the recipient is attached as Exhibit 2. Ms. Aguiar’s claim was nonetheless entirely
disallowed.

1 money to Leaders in exchange for Units that the latter “owned” because previously sold
2 or awarded to them by the Defendants. Common to all of the above avenues for selling
3 Units to our clients is that our clients without exception received relatively
4 contemporaneous confirmation from Defendants’ website that they had “received” the
5 Units for which they had paid. Specifically, the purchased Units were shown in our
6 clients’ names in their respective “electronic wallets” on said website.² However, I am
7 further informed and believe that when it became evident to the Defendants that their
8 fraudulent operation was about to be shut down by the authorities, they made a concerted
9 effort to erase or destroy records of their investors, and hence that the “SDL Database”
10 obtained and now relied upon by the Receiver is significantly incomplete.

11 I declare under penalty of perjury that the foregoing is true and correct, except as
12 to facts stated on my information and belief, and as to such facts, I am informed and
13 believe that they are true. Signed this 7th day of November, 2016 in Redwood City, CA.

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16 MICHAEL E. ADAMS
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27 ² Some of our clients prudently printed out verifications of their Units from
28 Defendants’ website shortly after making the purchases, and well before Defendants
began playing games with the records in the waning days of their scheme.

EXHIBIT 1

CLAIMANT #	NAME	AMT PD TO		AMOUNT (IF ANY) RECEIVED BACK	NAME OF INDIVIDUAL LEADER OR ENTITY	TOTAL
		INDIVIDUAL LEADER WITHOUT WRITTEN EVIDENCE OF PAYMENT (USUALLY CASH PAID IN HAND)	INDIVIDUAL LEADER WITH WRITTEN EVIDENCE OF PAYMENT (SUCH AS CASHIER'S CHECK OR DEPOSIT SLIP FROM LEADER'S BANK)			
1	Maria Aguirre.	\$8,000.00		-\$1,500.00	ELIDA TINAJERO	\$6,500.00
2	Rigoberto Vasquez			\$100,000.00	AGAPE TEC, LTD	\$100,000.00
3	Maria Albaregna	\$10,000.00			EZEQUIEL DUREO	\$10,000.00
4	Samuel Velazquez	\$2,000.00			DANIEL CRUZ	\$2,000.00
5	Antoni Yanez	\$24,000.00			PEDRO BAHENA	\$24,000.00
6	Maria Najera	\$6,000.00			ROGELIO FIERRO	\$6,000.00
7	Alejandro Aguilar	\$6,000.00			MIGUEL RODRIGUEZ	\$6,000.00
8	Rogelio Fierro			\$14,020.00		\$14,020.00
9	Favio Barrita	\$6,000.00			ISABEL BENITEZ	\$6,000.00
10	Erica Barrita	\$14,000.00			AGAPE TEC, LTD	\$14,000.00
11	Pastor Barrita	\$30,000.00			ISABEL BENITEZ	\$30,000.00
12	Magaly Barrita	\$8,000.00			ISABEL BENITEZ	\$8,000.00
13	Eduardo Soria	\$22,000.00			JUAN CASTILLO	\$22,000.00
14	Victor Cabezas	\$14,000.00			HILDA MARTINEZ	\$14,000.00
15	Juan Ramirez-Morales	\$14,000.00			ANA VICTORIA	\$14,000.00
16	Roxana Frjas	\$3,000.00			MARTHA MARTINEZ	\$3,000.00
17	Luz M. Barron	\$2,000.00			JOSE RODRIGUEZ	\$2,000.00
18	Ricardo Hernandez	\$14,000.00			AGAPITO TORREZ	\$14,000.00
19	Blanca Medina	\$10,000.00			HILDA MARTINEZ	\$10,000.00
20	Isreal Ortega	\$14,000.00			AGAPITO TORREZ	\$14,000.00
21	Gricelda Flores	\$4,000.00			ROSA FLORES	\$4,000.00
22	Alvaro Sarceno	\$14,000.00			DUREO EZEQUIEL	\$14,000.00
23	Herbert Penate	\$10,000.00			EZEQUIEL DUREO	\$10,000.00
24	Ramon Hernandez	\$4,000.00			FIERRO ROGELIO	\$4,000.00
25	Orlando Gutierrez	\$2,000.00			JUAN VASQUEZ	\$2,000.00
26	Inosencio Sanchez	\$2,000.00			AGAPE TEC, LTD	\$2,000.00
27	Elias Loza	\$1,000.00	\$10,000.00		ROSA M. FLORES	\$11,000.00
28	Marco Estrella	\$6,000.00			DINORA SALGUERO	\$6,000.00
29	Carlos Sarat	\$14,000.00			ADAN LOPEZ	\$14,000.00
30	Emmanuel Narvaez, Jr.	\$8,000.00			ROSA FLORES	\$8,000.00
31	Christopher Narvaez	\$4,000.00			ROSA FLORES	\$4,000.00
32	Norma Cuenca	\$12,000.00			FERNANDO TORIBIO	\$12,000.00
33	Sergio Godoy	\$13,500.00	\$16,500.00		ROSA FLORES	\$30,000.00
34	Antonio Baltazar	\$2,000.00			JAVIER PONCE	\$2,000.00
35	Arnoldo Natareno	\$4,000.00			ALFARO LUCIO	\$4,000.00
36	Roberto Alfaro			\$14,000.00	AGAPE TEC LTD.	\$14,000.00

CLAIMANT #	NAME	AMT PD TO	AMT PD TO	AMOUNT(S) PAID (SUCH AS TO WCM777's BANK)	AMOUNT (IF ANY) RECEIVED BACK	NAME OF INDIVIDUAL LEADER OR ENTITY	TOTAL
		INDIVIDUAL LEADER WITHOUT WRITTEN EVIDENCE OF PAYMENT (USUALLY CASH PAID IN HAND)	INDIVIDUAL LEADER WITH WRITTEN EVIDENCE OF PAYMENT (SUCH AS CASHIER'S CHECK OR DEPOSIT SLIP FROM LEADER'S BANK)				
37	Clara Rivera	\$4,000.00				DANIEL CRUZ	\$4,000.00
38	Santa Saldivar-Luna			\$30,065.00		AGAPE TEC LTD.	\$30,065.00
39	Jesus Padilla	\$12,000.00	\$40,000.00	\$38,000.00		AGAPE TEC LTD.	\$90,000.00
40	Marlon Hernandez	\$14,000.00				LEMNY HERNANDEZ	\$14,000.00
41	Armando Espinosa	\$14,000.00				LUCY AGUIRRE	\$14,000.00
42	Ricardo Ramirez	\$24,000.00				FRANCISCO FIGUEROA	\$24,000.00
43	Roberto Andrade	\$10,000.00				DANIEL CRUZ	\$10,000.00
44	Maria E. Estrada	\$2,000.00				SANTANA SALDIVAR	\$2,000.00
45	Nicolas Herrera			\$2,000.00		AGAPE TEC LTD.	\$2,000.00
46	Norma Morales	\$14,000.00				ORALIA GUTIERREZ	\$14,000.00
47	Maria E. Camacho	\$38,000.00				JOSE CUEVAS	\$38,000.00
48	Brian G. Duarte	\$4,000.00				HECTOR MARTINEZ	\$4,000.00
49	Evelia Serrano	\$8,000.00				ALBERTO MUNIZ	\$8,000.00
50	Julio P. Perez			\$10,000.00		AGAPE TEC LTD.	\$10,000.00
51	Maria A. Torres	\$18,000.00				JORGE ROA	\$18,000.00
52	Saul Estevez	\$14,000.00				FERNANDO TORIBIO	\$14,000.00
53	Minerva Castillo	\$12,000.00				FRANCISCO CASTILLO	\$12,000.00
54	Octavio Lua	\$4,000.00		\$4,000.00		AGAPE TEC LTD.	\$8,000.00
55	Carmela Miranda	\$6,000.00				LEMNY HERNANDEZ	\$6,000.00
56	Fernando Toribio			\$36,500.00		AGAPE TEC LTD.	\$36,500.00
57	Emilio Ruelas	\$15,000.00				LUZ GONZALEZ	\$15,000.00
58	Amelia Godinez	\$30,000.00				JORGE ROA	\$30,000.00
59	Victor Centeno	\$6,000.00				GUADALUPE JIMENEZ	\$6,000.00
60	Ruben Martinez	\$4,000.00				HECTOR MARTINEZ	\$4,000.00
61	Luis A. Bustamante	\$6,000.00				CLAUDIO E. GARAY	\$6,000.00
62	Leon Estrada	\$6,000.00				GUADALUPE JIMENEZ	\$6,000.00
63	Santiago Gasper	\$2,000.00				GUADALUPE JIMENEZ	\$2,000.00
64	Martin Centeno	\$2,000.00				GUADALUPE JIMENEZ	\$2,000.00
65	Victor Centeno	\$2,000.00				GUADALUPE JIMENEZ	\$2,000.00
66	Maria Elena Felix	\$12,000.00				REYNALDO PACHECO	\$12,000.00
67	Hermilla B. Esquivel	\$30,000.00				CELIFLORA THOMPSON	\$30,000.00
68	Emmanuel Narvaez, Sr.	\$10,000.00				ROSA FLORES	\$10,000.00
69	Jorge Toribio	\$4,000.00				FRANCISCO FIGUEROA	\$4,000.00
70	Ma Guadalupe Escobedo Vargas	\$18,000.00				BERTHA MIRANDA	\$18,000.00
71	Magdalena Barron	\$6,000.00				JOSE RODRIGUEZ	\$6,000.00

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72	Manuel Ponce			\$22,000.00		AGAPE TEC LTD	\$22,000.00
73	Fausto G. Murillo	\$23,000.00				ALBERTO MUNIZ	\$23,000.00
74	Hector Martinez	\$8,000.00				ORALIA GUTIERREZ	\$8,000.00
75	Jose Guardado	\$14,000.00				ADAN LOPEZ	\$14,000.00
76	Luis Pacheco	\$6,000.00				ISABEL BENITES	\$6,000.00
77	Felipe Wences	\$20,000.00				JUAN CASTILLO	\$20,000.00
78	Enrique De Haro		\$5,400.00	\$10,000.00		AGAPE TEC LTD	\$15,400.00
79	Tomasa Martinez	\$4,000.00				FIERRO ROGELIO	\$4,000.00
80	Ana Victoria Sandoval Romo	\$6,000.00				IVAN PEREZ	\$6,000.00
81	Juan O. Nulia	\$4,000.00				BETTY GOMEZ	\$4,000.00
82	Francisco Chavez		\$10,510.00			AGAPITO TORRES	\$10,510.00
83	Maria C. Rubio	\$13,920.00					\$13,920.00
84	Roberto Sambranis	\$18,000.00				ROSA FLORES	\$18,000.00
85	Artemio Robledo	\$6,000.00				FABIAN PULIDO	\$6,000.00
86	Maria D. Ramirez	\$4,000.00				ROSA FLORES	\$4,000.00
87	Jorge Rodriguez	\$20,001.00	\$1,000.00	\$1,999.00		REYNALDO PACHECO	\$23,000.00
88	Clemencia Gaitan	\$20,000.00		\$28,000.00		HILDA MARTINEZ	\$48,000.00
89	Raudel Renteria	\$8,000.00				AGAPITO TORRES	\$8,000.00
90	Juan P. Castillo	\$6,000.00				HILDA MARTINEZ	\$6,000.00
91	Lozaro Morales		\$3,000.00	\$18,000.00		RENATO RODRIGUEZ	\$21,000.00
92	Carlos A. Quijada	\$6,000.00				HERBERT PENATE	\$6,000.00
93	Rosa Flores	\$8,000.00				DANIEL CRUZ	\$8,000.00
94	Jorge Aguilar	\$4,000.00				RENATO RODRIGUEZ	\$4,000.00
95	Praxedez Beltran	\$4,000.00				FABIAN PULIDO	\$4,000.00
96	Karla Valdez	\$2,000.00				ALBERTO MUNIZ	\$2,000.00
97	Diego Lupercio	\$24,000.00				JOEL CRUZADO MA GUADALUPE ESCOBEDO	\$24,000.00
98	Jose Cisneros	\$22,000.00				ESCOBEDO	\$22,000.00
99	Javier Ponce	\$34,200.00				DANIEL CRUZ	\$34,200.00
100	Jose Manuel Moya	\$99,900.00		\$70,000.00		AGAPE TEC LTD.	\$169,900.00
101	Alberto Muniz	\$61,000.00	\$14,000.00			AGAPE TEC LTD.	\$75,000.00
102	Emilio A. Perez	\$10,800.00	\$3,200.00	\$6,000.00		REYNALDO PACHECO	\$20,000.00
103	Edgar A. Navas	\$10,000.00				HILDA MARTINEZ	\$10,000.00
104	Marcos Serrano	\$12,000.00				FERNANDO TORIBIO	\$12,000.00
105	Rosendo Islas	\$4,000.00				REYNALDO PACHECO	\$4,000.00

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106	Fernando Vazquez	\$12,000.00				REYNALDO PACHECO	\$12,000.00
107	Rosalio Rodriguez		\$18,000.00			JOSE RODRIGUEZ	\$18,000.00
108	Jamie Torres	\$2,000.00				FRANCESCA A. AGUIAR	\$2,000.00
109	Alvara Gomez	\$4,000.00				AGAPITO TORRESS	\$4,000.00
110	Ignacio Llamas	\$4,000.00				HILDA MARTINEZ	\$4,000.00
111	Gloria E. Gomez	\$10,000.00				HILDA MARTINEZ	\$10,000.00
112	Maria M. Fernandez	\$16,000.00				ORALIA GUTIERREZ	\$16,000.00
113	Jose Arellano			\$14,000.00		AGAPE TEC LTD.	\$14,000.00
114	Juan Martinez	\$12,000.00				ROGELIO FIERRO	\$12,000.00
115	Salvador Rodriguez			\$14,000.00		AGAPITO TORRESS	\$14,000.00
116	Maria Cabrera	\$14,000.00				IVAN TIEMPO	\$14,000.00
117	Lucrecia M. Noriega	\$12,000.00				LUZ GONZALES	\$12,000.00
118	Jacinto Silva	\$16,000.00			-\$3,800.00	FELIPE WENCES	\$12,200.00
119	Fidel Catalan	\$28,000.00				FERNANDO TORIBIO	\$28,000.00
120	Juan A. Solano	\$12,000.00				ROSA FLORES	\$12,000.00
121	Martha De Pantoja	\$12,000.00				FIDEL TINOCO	\$12,000.00
122	Epifanio Gutierrez	\$10,000.00		\$7,000.00		ROSA FLORES	\$17,000.00
123	Raquel Perez	\$14,000.00				REYNALDO PACHECO	\$14,000.00
124	Martha Martinez	\$65,000.00				HILDA MARTINEZ	\$65,000.00
125	Adan Lopez	\$10,000.00				ORALIA GUTIERREZ	\$10,000.00
126	Mirna Diaz	\$8,000.00				ORALIA GUTIERREZ	\$8,000.00
127	Kaylin M. Kim		\$52,500.00			GRACE CHANG	\$52,500.00
128	Joseph K. Park	\$30,000.00				GRACE CHANG	\$30,000.00
129	Hee B. Park	\$30,000.00	\$8,000.00			GRACE CHANG	\$38,000.00
130	Jay Song	\$5,000.00	\$5,000.00			GRACE CHANG	\$10,000.00
131	Young M. Kim	\$4,000.00	\$6,000.00			GRACE CHANG	\$10,000.00
132	Young O. Kim	\$10,000.00	\$14,600.00			KAYLIN KIM	\$24,600.00
133	Young C. Chang	\$6,000.00	\$6,100.00			KAYLIN KIM	\$12,100.00
134	Kwang S. Park	\$14,000.00	\$6,000.00			KIM O. YOUNG	\$20,000.00
135	Jong M. Lee		\$10,000.00			GRACE CHANG	\$10,000.00
136	Chrisitne H. Choi	\$900.00	\$8,300.00			GRACE CHANG	\$9,200.00
137	Kasey G. Chi		\$48,000.00			AGAPE TEC LTD.	\$48,000.00
138	Chong IM		\$14,000.00			AGAPE TEC LTD.	\$14,000.00
139	Francesca A. Aguiar	\$11,200.00	\$2,800.00			SANTA SALDIVAR	\$14,000.00
TOTALS		\$1,499,611.00	\$302,910.00	\$439,584.00	-\$5,300.00		\$1,790,095.00

EXHIBIT 2



November 30, 2013 through December 31, 2013

Account Number: [REDACTED]

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
12/02	11/30 Payment To Chase Card Ending IN 5982	\$100.00
12/02	11/30 Payment To Chase Card Ending IN 7134	98.46
12/03	12/03 Payment To Chase Card Ending IN 7134	40.01
12/09	12/07 Payment To Chase Card Ending IN 5982	89.95
12/11	12/11 Online Payment 3577394014 To Bank of America Visa	100.00
12/11	12/11 Online Payment 3577394016 To Citi Credit Card	100.00
12/11	12/11 Online Transfer To Chk ...3757 Transaction#: 3635242713	1,000.00
12/12	12/12 Payment To Chase Card Ending IN 5982	157.70
12/16	12/16 Payment To Chase Card Ending IN 5982	210.62
12/16	12/16 Payment To Chase Card Ending IN 1991	300.00
12/19	12/19 Online Payment 3599220947 To Toyota Financial Services	255.00
12/23	Chase Quickpay Electronic Transfer 3650306868 To Santana Saldivar	2,800.00
12/26	12/25 Online Transfer To Chk ...3757 Transaction#: 3659289754	1,000.00
12/30	12/30 Online Payment 3609296694 To Verizon Wireless	185.00
Total Electronic Withdrawals		\$6,436.74

W000777

FEES AND OTHER WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
12/03	12/03 Withdrawal	\$1,000.00
Total Fees & Other Withdrawals		\$1,000.00

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT
12/02	\$22,344.36	12/18	20,511.25
12/03	23,006.52	12/19	20,256.25
12/04	22,956.52	12/23	17,456.25
12/09	22,824.57	12/24	17,406.25
12/11	21,624.57	12/26	16,406.25
12/12	21,466.87	12/30	16,221.25
12/16	20,956.25		

SERVICE CHARGE SUMMARY

You were not charged a monthly service fee this month. Your monthly service fee can continue to be waived in five different ways during any statement period:

- Maintain an average daily balance of \$7,500.00. Your average daily balance was \$20,392.00. OR
- Maintain a relationship balance of \$25,000.00 or more during the statement period. Your relationship balance was \$20,595.00. OR
- Link a qualifying personal checking account to your Chase BusinessSelect Checking account. Your Premier Plus personal checking account is linked. OR
- Spend at least \$1,000.00 on a linked Chase Business Credit Card. You spent \$948.70. OR
- Pay at least \$50.00 in qualifying checking-related services or fees. You paid \$0.00.

See your Account Rules and Regulations or stop in to see a banker today to find out more.