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7 Attorneys for Court-appointed Receiver
8 KRISTA L. FREITAG

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 WESTERN DIVISION

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

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

18 Defendants,

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

24 Relief Defendants.
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Case No. CV-14-2334-JFW-MRW

DECLARATION OF KRISTA L.
FREITAG IN SUPPORT OF MOTION
FOR ORDER AUTHORIZING SALE
OF PERSONAL PROPERTY

Date: October 20, 2014
Time: 1:30 p.m.
Ctm: 16
Judge: Hon. John F. Walter

1 I, Krista L. Freitag, declare:

2 1. I am the permanent receiver for Defendants World Capital Market Inc.,
3 WCM777 Inc., and WCM777 Ltd. d/b/a WCM777 Enterprises, Inc., Relief
4 Defendants Kingdom Capital Market, LLC; Manna Holding Group, LLC; Manna
5 Source International, Inc.; WCM Resources, Inc.; ToPacific Inc.; To_Pacific Inc.;
6 and their subsidiaries and affiliates (collectively, "Receivership Entities").

7 2. This declaration is made in support of my Motion for Order
8 Authorizing Sale of Personal Property (the "Motion"). I have personal knowledge
9 of the facts set forth herein and, if called as a witness, could and would testify to
10 such facts under oath.

11 3. Upon my appointment, and pursuant to the authority conferred by the
12 Court's orders, I visited each of the locations from which the Receivership Entities
13 operated, as well as the residential properties owned by the Receivership Entities,
14 and secured personal property located at these locations. By way of the Motion, I'm
15 seeking authority to sell all such personal property, including furniture, fixtures,
16 equipment, artwork, and other items, but excluding personal property associated
17 with continued operation of the two golf courses ("Personal Property").

18 4. As discussed in my Second Interim Report, I determined that none of
19 the Receivership Entities, with the exception of the two golf courses, generated any
20 revenue other than funds raised from investors. Accordingly, I ceased operations of
21 the Receivership Entities, other than the golf courses, and terminated their
22 employees. As such, the Personal Property is no longer necessary to the
23 Receivership Entities and continuing to store it is a considerable, unnecessary
24 expense. Thus, I propose to have the Personal Property sold by licensed, qualified
25 auctioneers and I and my staff will use our experience in such sales and business
26 judgment to ensure that the highest and best prices are obtained and that the
27 commissions paid to the auctioneer(s) are at or below industry standard rates.

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1 5. At the outset of the case, I paid particular attention to certain oriental
2 furniture and artwork included in the Personal Property because Defendant Ming Xu
3 claimed that these items carried significant value. However, I have since been
4 informed by an experienced auction company and a separate licensed fine-arts
5 appraiser, that the oriental furniture pieces were, in the aggregate, worth no more
6 than \$10,000. Similarly, the remainder of the Personal Property items which consist
7 mainly of used home furnishings, aged medical equipment, used office furniture,
8 and used office equipment and electronics, appear to contain no items of significant
9 individual value.

10 6. Based on this, I recommend that the Personal Property be sold for the
11 benefit of the Receivership Estate. A summary listing of the Personal Property is
12 attached hereto as Exhibit A for this Court's reference.

13 7. I and my staff have many years of experience in sales of personal
14 property and will utilize this experience in selecting the most suitable auctioneer(s)
15 to maximize the value of the Personal Property at auction. I will also negotiate with
16 the selected auctioneer(s) to ensure the fees and expenses charged are at or below
17 customary rates in the market for such sales. Based on my review of the Personal
18 Property to date, and after consultation with an auctioneer and a separate fine-arts
19 appraiser, I believe that an auction of the Personal Property, including the oriental
20 furniture and artwork, will result in a net recovery of less than \$50,000 (after
21 payment of applicable fees and expenses). That said, prior to their engagement, I
22 will have each auctioneer provide a written estimate of value for the items being
23 auctioned and in the event that any materially valuable item is determined, I will
24 update the Court and the parties, accordingly.

25 8. Based on the above, I recommend and respectfully request the Court
26 enter an order approving and authorizing: (1) engagement of one or more licensed
27 auctioneers to sell the Personal Property; (2) sale of the Personal Property via
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1 auction; and (3) payment of reasonable fees and costs of the auctioneer(s) from the
2 sale proceeds.

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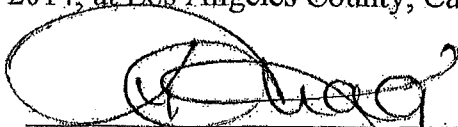
4 I declare under penalty of perjury under the laws of the State of California
5 that the foregoing is true and correct.

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Executed this 9th day of September, 2014, at Los Angeles County, California.

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KRISTA L. FREITAG

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EXHIBIT A

Computers

50 Computers and other Electronic Devices were seized and imaged

**Pasadena Office
150 S - Los Robles Ave, Suite 900, Pasadena, CA 92201**

VALUABLES

Section A

- 2 Cabinets
- 2 Arm Chairs
- 1 Desk Chair
- 1 Sofa
- 1 Table - Child's
- 1 Cabinet - Large
- 1 Credenza
- 1 Desk
- 1 Stool
- 2 End Tables

Section D

- 2 Credenza

Section E

- 1 Screen - Oriental

Section F

- 2 Bookshelves
- 2 Arm Chairs

Additional Items

- 1 Silverware Set
- 2 Video Cameras - Commercial
- 2 Video Tripods
- 2 Candelabras

GENERAL INVENTORY

Section A

- 1 Desk Chair
- 1 Desk

Section B

- 4 Desk Chairs
- 1 Heater/Radiator

Section C

- 2 Chairs
- 2 Desk Chairs

Section D

- 1 Cabinet - Large
- 1 Office Desk

Section E

- 1 Cooler
- 1 Table - Large
- 2 Desk Chairs
- 1 Printer

Section F

- 1 Chair
- 1 Flat Screen 70"
- 1 Conference Table
- 9 Desk Chairs
- 1 Table

Section G

- 1 Desk Chair
- 1 Microwave
- 1 Refrigerator - Small
- 1 Table

Section H

- 2 Cabinets - Small
- 1 Desk Chair
- 3 Plants
- 1 Table - Coffee
- 1 Copler
- 1 File Cabinet - 2-3 Drawer
- 2 Sofas - Loveseat
- 4 Flat Screen TVs with Wall Mounts

El Monte Warehouse
3620 Cypress Ave., El Monte, CA 91731

Reception

- 1 Desk and Work Station
- 1 Sofa
- 2 Coffee Tables
- 2 Desk Chairs
- 1 Wall-mounted Flat Screen TV

Jimmy Zhou's Office

- 1 Desk
- 1 Credenza
- 7 Chairs

Computer Room

- 2 Toshiba Copiers - Studio
- 2 Work Tables
- 2 Chairs
- 2 Monitors and Keyboards
353 and Studio 2330C

Operations/Sales

- 7 File Cabinets
- 7 Desks
- 1 Conference Table
- 18 Chairs
- 1 Refrigerator
- 6 Monitors
- 1 Sofa
- 2 Printers
- 1 Shredder
- Speakers

Warehouse

- 3 File Cabinets with Misc. Supplies
- 2 Ping Pong Tables
- 15 Desks and Pieces
- 74 Chairs
- 2 Large Chinese Vases
- 5 File Cabinets (VIP Stores)
- 2 Conference Tables
- 2 Chinese Antique Furniture
- 34 Boxes with Purses, Belts,
Cubicle and Partition Pieces
Phone Cases, etc.
Water Bottles

Assorted

- 15 Laptops
- 6 Personal Computers
- 1 Large Apple Computer

Lake Elsinore House
16114 Grand Avenue, Lake Elsinore, CA 92530

None

Monrovia House
307 Elmwood Dr. Monrovia, CA 91016

Living Room and Kitchen

- 1 Fish Tank with 2 Fish
- 1 Decorative Side Table
- 2 Chair - Steel Frame
- 6 Stools - Red
- 2 Office Desks
- 4 Couches - Leather
- 1 Coffee Table - Leather and Glass
- 1 Side Table - Wooden
- 1 Flat Screen TV (Sharp)
- 1 Floor Lamp - Metal
- 1 Desk Chair - Manager's

Bedroom One

None

Master Bedroom

- 1 Executive Chair - Leatherette
- 1 Office Desk - Wood
- 1 File Cabinet - Steel 3-Drawer
- 2 Chairs - Steel Frame

Media Closet

- 3 DVD Players
- 3 A/V Selectors
- Various media cables and power strips

Garage

- 3 Chairs - Steel Frame
- 1 Dry Erase Board
- 3 5-Gallon Water Jugs (Empty)
- 19 Floodlights
- 5 Nightlights
- 1 Fire Extinguisher

Guesthouse

- 1 Office Desk - Wooden
- 7 Decorative Pillows
- 1 DVD Player and Remote (Magnavox)
- 1 Entertainment Unit - IKEA Style

Monrovia House
307 Elmwood Dr. Monrovia, CA 91016

Items Returned

- 2 Chairs - Wood - Oriental
- 1 Wall Art
- 1 Massage Chair
- 3 Wall Art
- 1 Wood Art Sculpture

Detached Garage

- 16 Platforms - Wooden
- 1 Shipping Crate - Wooden
- 4 Chairs - Low-Quality Fabric

Garage Furniture

- 4 Armoires - Oriental
- 2 Armoires with Open Top Shelf - Oriental
- 2 Room Dividers - Oriental
- 1 4-Post Bed - Oriental
- 3 Decorative Tables - Oriental
- 1 Recycle Bin
- 1 Garbage Bin

Walnut House
710 Arabian Lane, Walnut, CA 91789

General Inventory

- 1 Large Decorative Table - Wooden
Decorative Plates
Decorative Painting
Decorative Fountain
Small Floor Elephant Sculpture
- 2 Flower Vases

Side Living Room

- 1 Couch
- 1 Sofa - Loveseat
- 2 Sofa Chairs
- 1 Coffee Table
- 2 Decorative Throw Pillows
- 2 Large Decorative Floor Vases
- 2 Granite Pedestals
- 3 Bases with Flowers
- 4 Wall Hanging Art - Asian
- 1 Side Table - Wooden
- 1 Hanging Artwork

Office

- 1 Executive Desk
- 1 Executive Chair - Leather
- 1 Hanging Metal Art - Asian
- 2 Waiting Chairs
- 1 Side Table - Wooden
- 1 Desk Calculator
- 1 Desk Pen Set
- 1 Literature Book
- 1 Desk Vase

Dining Room

- 1 Dining Room Table
- 10 Dining Room Chairs
- 3 Art Pieces - Metal
- 1 Hanging Oil Painting
- 1 Pedestal - Wooden - Asian
- 1 Pot - Asian

Front Bedroom

- 1 Queen Size Bed Frame with Drawers
- 2 Side Tables - Wooden
- 1 Dresser with Mirror
- 1 Decorative Vase with Potted Plant
- 1 Hanging Artwork - Asian
- 1 Small Desk - Wooden
- 1 Small Chair - Leather

Kitchen

- 6 Water Glasses
- 1 Electric Dish Dryer
- Various Small Dishes

Kitchen Nook

- 6 Potted Plants
- 1 Hanging Clock
- 1 Hanging Artwork

Entertainment Room

- 1 Large Hanging Artwork
- 1 Floor Vase with Plant
- 1 Couch
- 2 Sofa Chairs
- 1 Decorative Pillow
- 1 Foot Rest
- 1 Large Standing Pedestal with Ceramic Pot and Plant
- 1 Coffee Table - Glass
- 1 Large Artwork - Asian
- 1 Entertainment Center
- 12 Flat Screen TV (Toshiba)
- 1 DVD Player (Sony)
- 1 DVD Player (Insignia)
- 1 Receiver (Kenwood)
- 1 Amplifier (Kenwood)
- 1 Receiver (JVC)
- 2 Floor Speaker
- 2 Wireless Router (Linksys)
- Various Remote Controls

Small Front Bedroom

- 1 Twin Size Bed with Linens
- 1 Flat Front Television (Sony)
- 2 Stuffed Animals
- 1 Vase with Plant

Laundry

- 1 High-Efficiency Washing Machine (Whirlpool Duet)
- 1 Ultimate Care Dryer (Whirlpool)

Upstairs Entertainment Area

- 4 Stools - Leather
- 2 Sofa Chairs - Blue
- 1 Small Side Table
- 1 Small Vase with Plant
- 1 Mahjong Table
- 4 Mahjong Chairs - Wooden
- 2 Hanging Artwork
- 2 Wall Speakers

Master Bedroom

- 1 King Size Bed with Attached Dresser
- 1 Flat Screen TV (Samsung)
- 1 Entertainment Table
- 1 Hanging Artwork
- 2 Vases
- 1 Desk
- 1 File Drawer
- 1 Chair - Leather
- 1 Wireless DSL Modem
- 1 Lamp
- 1 Memo Board
- 1 Desk Lamp

- 1 Sub-Woofers
- 1 Theater Screen TV
- 1 Laser Karaoke Disk Machine (Pioneer)
- 1 VHS Player (JVC)

Garage

- 1 Standing Punching Bag
- 1 Folding Table
- 1 Bookcase - Wooden
- Various Small House Maintenance Items

Upstairs Bedroom

- 1 Full Size Bed
- 1 Flat Screen TV (Sony)
- 1 Entertainment Center
- 1 Cabinet - Glass
- 1 Side Table - Wooden
- 2 Hanging Artwork
- 3 Bathroom Artwork

Boys Bedroom

- 1 Full Size Bed with Built In Side Tables
- 1 Entertainment Center - Glass
- 2 Large Speakers

Office Extra Bedroom

- 1 Flat Screen TV (Sony)

Storage

- 2 Chairs
- 1 Artwork
- 2 Wall Scrolls
- 2 Bookshelves
- 6 Misc. Pottery
- 1 Statue
- 1 Artwork
- 4 Misc. Bronze Sculptures
- 1 Artwork
- 1 Blue/White Pot
- 1 Screen
- 5 Wall Scrolls
- 2 Cabinets
- 12 Misc. Pottery
- 2 Entry Artwork
- 1 Sterling Silver Silverware Set & Duster
- 3 Wall Scrolls
- 2 Arm Chairs
- 1 Sofa
- 2 End Tables
- 1 Coffee Table
- 7 Misc. Pottery
- 13 Misc. Sculptures
- 7 Small Misc. Sculptures
- 1 Chair
- 1 Desk
- 2 Cabinets
- 1 Stool
- 1 Credenza (against window)
- 1 Credenza (side of desk)
- 2 Video Cameras and Cases
- 4 Cabinets
- 2 Cabinets
- 2 Screens
- 3 Tables
- 1 Poster Bed

Supercare Medical Group, Inc.
808 East Valley, San Gabriel, CA 91776

- 1 Radlation Vest with Hanging Rack
- 1 X-Ray Machine
- 1 DataView Vista CR Radiography Digital Image Printer
- 1 Seimens Ultrasound Machine