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11 [Proposed] Attorneys for Receiver
12 KRISTA FREITAG

13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

15
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 vs.

19 INTEGRATED NATIONAL
20 RESOURCES, INC. d/b/a
WEEDGENICS, et al.,

21 Defendants,

22 WEST COAST DEVELOPMENT LLC,
23 et al.,

24 Relief Defendants.
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Case No. 8:23-cv-00855-JWH-KES

**DECLARATION OF KRISTA L.
FREITAG IN SUPPORT OF
RECEIVER'S MOTION FOR ORDER
IN AID OF RECEIVERSHIP**

Date: August 4, 2023

Time: 9:00 a.m.

Ctrm: 9D

Judge: Hon. John W. Holcomb

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1 I, Krista L. Freitag, declare as follows:

2 1. I am the permanent receiver for Defendant Integrated National
3 Resources, Inc. d/b/a WeedGenics ("INR"), and Relief Defendants West Coast
4 Development LLC, INR Consulting LLC (Wyoming entity), Oceans 19 Inc.,
5 Autobahn Performance LLC, One Click General Media Inc., Opus Collective, INR
6 Consulting LLC (California entity), Hidden Springs Holdings Group LLC, Total
7 Solution Construction LLC, Bagpipe Holdings LLC, Bagpipe Multimedia LLC, and
8 INR-CA Investment Holdings, LLC, and their subsidiaries and affiliates
9 (collectively, the "Receivership Entities").

10 2. This declaration is made in support of my *Motion for Order in Aid of*
11 *Receivership* (the "Motion"). I have personal knowledge of the facts set forth herein
12 and, if called as a witness, could and would testify to such facts under oath.

13 3. Pursuant to the terms of this Court's temporary restraining order and
14 preliminary injunction orders, I moved immediately to investigate and secure the
15 assets of the Receivership Entities and preserve their value.

16 4. Given the size and complexity of the estate of the Receivership Entities
17 (the "Receivership Estate"), the number of investors, the locations of investors and
18 estate assets across several states, and the important legal issues facing the
19 Receivership Entities, I am seeking an order in aid of receivership approving and
20 addressing: (a) the employment of Allen Matkins Leck Gamble Mallory & Natsis
21 LLP ("Allen Matkins") as my general receivership counsel; (b) the filing of interim
22 reports and interim fee applications on a quarterly basis; (c) my continued use of the
23 estate-specific receivership website, www.inreceivership.com, to provide notice to
24 interested parties and to generally provide updates on the case, as appropriate; and
25 (d) relief from Local Rule 66-7's requirements regarding providing notices by mail
26 to known creditors (with notice sought to be provided via electronic mail instead). I
27 believe such an order will assist in the efficient and effective administration of the
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1 Receivership Estate, thereby conserving receivership estate resources for the benefit
2 of investors and creditors.

3 **Employment of Allen Matkins**

4 5. Due to the complexity of the Receivership Estate, the relationships
5 between and among the Receivership Entities, the business and financial
6 transactions in which they engaged with their investors and third parties, along with
7 the numerous challenges already faced by me in the absence of global cooperation
8 and access to books and records (requiring nearly all information obtained to date to
9 result from subpoena-related efforts) and the numerous legal issues facing the
10 Receivership Entities, I have determined it is in the best interests of the Receivership
11 Estate to engage well-qualified legal counsel, to assist in, among other things,
12 (a) identifying, recovering, preserving, managing, and appropriately disposing of
13 receivership assets; (b) addressing legal issues related to administration of the
14 Receivership Entities and their business; (c) providing legal advice related to my
15 investigation of the Receivership Entities' financial activities, investments, and
16 potential causes of action against third parties, including issuing subpoenas,
17 undertaking the discovery authorized by the Court's orders and evaluating the
18 strengths and weaknesses of potential claims; (d) pursuing claims and causes of
19 action, including, where appropriate, through litigation; (e) providing legal advice
20 related to investor and creditor claims against the Receivership Estate; (f) providing
21 assistance in formulating and presenting to the Court a plan for administering
22 investor and creditor claims and distributing Receivership Estate assets; and
23 (g) preparing and submitting interim reports and any other materials to this Court
24 and other courts presiding over litigation involving or relating to the Receivership
25 Entities.

26 6. I am not an attorney and do not have attorneys on staff at my company,
27 E3 Realty Advisors, Inc. As such, in order to address one of my most fundamental
28 duties under the Court's preliminary injunction orders (i.e., identifying and

1 recovering assets for the benefit of investors without global cooperation), I required
2 the immediate assistance of counsel and seek this Court's approval of the
3 employment of Allen Matkins as my counsel.

4 7. Allen Matkins is very experienced in complex federal equity
5 receivership matters like this one. As an example, Allen Matkins recently
6 represented me, and continues to represent me, in my capacity as Court-appointed
7 receiver in a case before the U.S. District Court for the Southern District of
8 California, *SEC v. Champion-Cain, et al.* (Case No. 3:19-cv-01628-LAB-AHG),
9 and in associated disgorgement actions. With the assistance of Allen Matkins, led
10 by partner Ted Fates, the Champion-Cain receivership has seen the recovery of over
11 90% of investors' net losses, and recently oversaw an interim distribution of more
12 than \$20 million to approximately 450 investors and creditors with allowed claims.

13 8. I am confident Allen Matkins is best-suited to assist me in handling the
14 complex legal issues facing the Receivership Entities in this matter, and believe that
15 the employment of Allen Matkins is in the best interests of the estate.

16 **Receivership Website and Relief from Local Rule Notice Requirements**

17 9. Consistent with my practice in prior federal equity receiverships, I have
18 established a website for this receivership, which can be found at
19 www.inreceivership.com. Among other things, I have used, and with the Court's
20 approval, will continue to use, the website to keep interested parties apprised of
21 developments arising in connection with the Receivership Estate. I also plan to use
22 the website to post important Court filings. Additionally, I post contact information
23 on the website to facilitate communication with investors and creditors of the
24 Receivership Estate.

25 10. My team and I have worked diligently to identify physical mailing
26 addresses for investors through banking records and to otherwise identify investors
27 through a subpoena to DocuSign — the platform used by investors to sign
28 subscription agreements. In addition to the physical mailing addresses, I believe

1 that I should have an email address for each investor who signed a subscription
2 agreement.

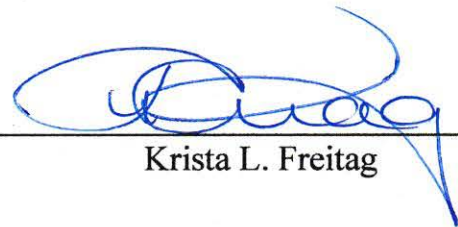
3 11. While, given the nascency of the receivership, the exact number of
4 creditors and defrauded investors remains unknown, I anticipate there will be no
5 fewer than 350. Mailing notices to all investors and creditors on an ongoing basis
6 would cost the Receivership Estate a substantial amount in copying and postage
7 expenses for each such mailing. I am confident that providing such notice via the
8 receivership website and by electronic mail will result in considerable savings for
9 the Receivership Estate.

10 12. I have already mailed letters to over 300 investors, notifying them of
11 the website, and informing them that future pleadings, motions, and general updates
12 will be posted to it, and will continue to do so as additional investors and creditors
13 are identified.

14 13. Should an investor or creditor not wish to use electronic mail, such
15 investor or creditor may contact my office, in writing, and request that a copy of
16 future pleadings be mailed to them. My office is prepared to accommodate such
17 requests.

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

19 Executed on July 6, 2023, at Los Angeles, California.

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Krista L. Freitag