

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

INTEGRATED NATIONAL
RESOURCES, INC. dba
WEEDGENICS, ROLF MAX
HIRSCHMANN aka "MAX
BERGMANN," and
PATRICK EARL WILLIAMS,

Defendants, and

WEST COAST DEVELOPMENT
LLC, INR CONSULTING LLC
(WYOMING ENTITY),
OCEANS 19 INC.,
AUTOBAHN PERFORMANCE LLC,
ONE CLICK
GENERAL MEDIA INC.,
OPUS COLLECTIVE,
JOHN ERIC FRANCOM,
INR-CA INVESTMENT HOLDINGS,
LLC,
MICHAEL DELGADO, TOTAL
SOLUTION CONSTRUCTION
LLC,
BAGPIPE HOLDINGS LLC,
BAGPIPE MULTIMEDIA LLC,
TYLER CAMPBELL.

Case No. 8:23-cv-00855-JWH-KES

**ORDER REGARDING
RECEIVER'S UNOPPOSED
APPLICATIONS FOR PAYMENT
OF FEES AND REIMBURSEMENT
OF EXPENSES [ECF Nos. 396 &
397] AND RECEIVER'S
UNOPPOSED MOTION FOR
ORDER OF APPROVAL [ECF
No. 392]**

1 INR CONSULTING LLC
2 (CALIFORNIA ENTITY),
3 HIDDEN SPRINGS HOLDINGS
4 GROUP LLC, and
5 ALEXANDRIA PORTER BOVEE aka
6 "AIA MONTGOMERY,"
7
8 Relief Defendants.
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 Before the Court are two unopposed Applications of Receiver Krista L
2 Freitag (the “Receiver”) for Payment of Fees and Reimbursement of Expenses¹
3 and the Receiver’s unopposed motion of for an order approving the Receiver’s:
4 (1) recommended treatment of claims; (2) distribution methodology;
5 (3) proposed distribution plan; and (4) interim distribution.² The Court
6 concludes that these matters are appropriate for resolution without a hearing.
7 *See* Fed. R. Civ. P. 78; L.R. 7-15. After considering the Applications and
8 Motion, in the absence of any opposition, the Court **GRANTS** the Receiver’s
9 unopposed Applications and Motion.

10 I. BACKGROUND

11 In May 2023 Plaintiff Securities and Exchange Commission (the “SEC”)
12 filed a Complaint seeking a preliminary injunction against Defendants Integrated
13 National Resources Inc. dba WeedGenics (“INR”), Rolf Max Hirschmann aka
14 “Max Bergmann,” and Patrick Earl Williams (collectively, “Defendants”) as
15 well as various Relief Defendants, including Alexandria Porter Bovee, West
16 Coast Development LLC, INR Consulting LLC (Wyoming Entity), Oceans 19
17 Inc., Autobahn Performance LLC, One Click General Media Inc., and Opus
18 Collective (collectively, “Relief Defendants”), and seeking the appointment of a
19 permanent receiver over INR and the entity-Relief Defendants.³ On the same
20 day, the SEC filed a Memorandum of Points and Authorities, together with
21 supporting declarations and exhibits, seeking the same relief initially on a
22

23 ¹ Receiver’s Appl. for Payment of Fees and Reimbursement of Expenses
24 (the “Ninth Interim Application”) [ECF No. 396]; Receiver’s Appl. for
25 Payment of Fees and Reimbursement of Expenses (the “Ninth Interim Fee
Application”) [ECF No. 397].

26 ² Receiver’s Mot. for Approval Order (the “Motion for Approval Order”)
27 [ECF No. 392].

28 ³ *See* Compl. (the “Complaint”) [ECF No. 1].

1 temporary basis via a Temporary Restraining Order (“TRO”).⁴ Three days
2 later, the Court entered the TRO.⁵

3 In June 2023 the Court granted the Receiver’s request for a preliminary
4 injunction and issued orders (1) freezing Defendants’ and Relief Defendants’
5 assets; (2) appointing Ms. Freitag as Permanent Receiver; (3) requiring
6 accountings from Defendants and Relief Defendants; and (4) prohibiting the
7 destruction of documents.⁶ After it entered those initial orders, the Court issued
8 many follow-on orders variously extending and adjusting the scope of the TRO
9 and preliminary injunction. Ultimately, the parties stipulated to, and the Court
10 issued, Judgment with respect to Defendant INR and Relief Defendants.⁷ In
11 March 2025 the Court approved the Receiver’s Motion for Order (1) Approving
12 Procedures for the Administration of Claims Against the Receivership Estate;
13 (2) Setting Claims Bar Date; and (3) Approving Claims Bar Date Notice and
14 Proof of Claim Forms.⁸ The Receiver subsequently effectuated the claims
15 process, undertook an analysis of all claims submitted, and created a plan for
16 distributing receivership estate funds.⁹

17
18
19 ⁴ SEC’s Mem. of P. & A.; Supporting Declarations [ECF Nos. 4-10.]

20 ⁵ TRO & Orders [ECF No. 17].

21 ⁶ Prelim. Inj. With Respect to Certain Defs. & Relief Defs. & Orders [ECF
22 No. 33].

23 ⁷ See Stipulation for J. as to Def. INR [ECF No. 230]; Stipulation for J. as to
24 Relief Defs. [ECF No. 231]; J. as to Def. INR [ECF No. 237]; J. as to Relief
25 Defs. [ECF No. 238].

26 ⁸ Order Approving Procedures for the Administration of Claims Against
27 the Receivership Estate, Setting Claims Bar Date, and Approving Claims Bar
28 Date Notice and Proof of Claims Form (the “Claims Approval Order”) [ECF
No. 335].

⁹ Motion for Approval Order 5:21-6:10.

1 In November 2025 the Receiver filed the instant Motion for Approval
2 Order, and in December 2025 the Receiver filed her instant Applications for
3 Reimbursement.¹⁰

4 **A. Claims and Distribution**

5 The Motion for Approval seeks the Court’s approval of the Receiver’s
6 characterization and treatment of the claims, including two disputed claims and
7 five investors who failed to file a claim. The two disputing claimants are
8 apparently dissatisfied with the Receiver’s money-in, money-out (“MIMO”)
9 net loss calculation, which the Court approved in its Claims Approval Order.
10 The Receiver also seeks approval for a distribution plan based on the “Rising
11 Tide Distribution” methodology, which takes into account the disparate
12 amounts already recovered by investors. That method has substantial support in
13 case law.¹¹ Finally, the Receiver seeks the Court’s approval to distribute a
14 portion of the receivership funds in an interim distribution.¹²

15 **B. Applications for Fees and Expenses**

16 The Ninth Interim Application covers the period from April 1 through
17 June 30, 2025, and it seeks the approval of \$145,203.97 in fees and \$2,533.28 in
18 expenses incurred by the Receiver, as well as an order authorizing her to pay, on
19 an interim basis, 80% of the fees incurred (\$116,163.18) and 100% of the expenses
20 incurred (\$2,533.28).¹³ The Ninth Interim Fee Application covers the same
21 period, and it seeks the approval of \$74,809.35 in fees and \$5,673.36 in expenses
22 incurred by the Receiver’s general counsel, Allen Matkins Leck Gamble Mallory
23 & Natsis LLP (“Allen Matkins”), as well as an order authorizing the Receiver to
24

25 ¹⁰ Ninth Interim Application; Ninth Interim Fee Application.

26 ¹¹ Motion for Approval Order 18:16-21.

27 ¹² *Id.* at 14:15-15:22.

28 ¹³ Ninth Interim Application 5:10-14.

1 pay, on an interim basis, 80% of those fees (\$59,847.48) and 100% of those
2 expenses (\$5,673.36).¹⁴ No party objected to either Application.

3 II. ANALYSIS

4 In view of the lack of opposition to the Receiver's Motion for Approval,
5 and the evident equity and fairness of the Receiver's treatment of claims and
6 proposed distribution plan, the Court **GRANTS** that Motion. Furthermore,
7 because no party objected to either Application and because the fees and costs in
8 each appear well documented and reasonable, the Court **GRANTS** those two
9 Applications.

10 III. DISPOSITION

11 For the foregoing reasons, the Court hereby **ORDERS** as follows:

12 1. The Receiver's two Applications for Reimbursement [ECF
13 Nos. 396 & 397] are **GRANTED**.

14 2. The Receiver's fees and costs for the Ninth Application Period are
15 **ALLOWED** and **APPROVED**, on an interim basis, in the amounts of
16 \$145,203.97 and \$2,533.28, respectively.

17 3. The Receiver is **AUTHORIZED** and **DIRECTED** to pay herself
18 \$116,163.18 in fees and \$2,533.28 in costs from assets of the receivership estate,
19 which amount reflects an interim payment of 80% of the allowed fees and 100%
20 of the allowed costs.

21 4. Allen Matkins's fees and costs for the Ninth Application Period are
22 **ALLOWED** and **APPROVED**, on an interim basis, in the amounts of
23 \$74,809.35 and \$5,673.36, respectively.

24 5. The Receiver is **AUTHORIZED** and **DIRECTED** to pay Allen
25 Matkins \$59,847.48 in fees and \$5,673.36 in costs from assets of the receivership
26

27
28 ¹⁴ Ninth Interim Fee Application 5:11-15.

1 estate, which amounts reflect an interim payment of 80% of the allowed fees and
2 100% of the allowed costs.

3 6. The Receiver’s Motion for Approval Order [ECF No. 392] is
4 **GRANTED.**

5 7. The Receiver’s proposed allowed claim amounts, as listed on
6 Exhibits C and E to the Declaration of Krista L. Freitag (the “Freitag
7 Declaration”) [ECF No. 392-2], are **ALLOWED** and **APPROVED.**

8 8. The claims as set forth on Exhibit D to the Freitag Declaration are
9 **DISALLOWED.**

10 9. The Distribution Plan attached as Exhibit A to the Freitag
11 Declaration is **ALLOWED** and **APPROVED.**

12 10. The Receiver is **AUTHORIZED** and **DIRECTED** to make an
13 interim distribution of \$9 million to the holders of Allowed Claims pursuant to
14 the Distribution Plan.

15 **IT IS SO ORDERED.**



16
17 Dated: February 23, 2026

18 John W. Holcomb
19 UNITED STATES DISTRICT JUDGE
20
21
22
23
24
25
26
27
28