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11 Attorneys for Receiver
12 Krista L. Freitag

13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA
15 SOUTHERN DIVISION

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 AMERICAN HOME SERVICING
CENTER, LLC,

20 CAPITAL HOME ADVOCACY
CENTER,

22 NATIONAL ADVOCACY CENTER,
LLC,

23 JAIME ABURTO, a/k/a James Aburto
24 and Jamie Aburto, individually, as an
officer of American Home Servicing
25 Center, LLC and National Advocacy
Center, LLC. and d/b/a A.H.S.C.,
26 American Home Servicing Center, Local
Page, NAC, National Servicing Center,
27 NSC Processing, and Secured
Processing,
28

Case No. 8:18-cv-00597-JLS-KES

**DECLARATION OF KRISTA L.
FREITAG IN SUPPORT OF
SUPPLEMENTAL BRIEF IN
SUPPORT OF FIRST INTERIM FEE
APPLICATIONS OF KRISTA
FREITAG, RECEIVER, AND ALLEN
MATKINS LECK GAMBLE
MALLORY & NATSIS LLP,
COUNSEL FOR RECEIVER**

Date: September 21, 2018

Time: 2:30 p.m.

Ctrm: 10A

Judge: Hon. Josephine L. Staton

1 MARCUS FIERRO, JR., individually, as
2 a member of American Home Servicing
3 Center, LLC and National Advocacy
Center, LLC, and d/b/a A.H.S.C. and
American Home Servicing Center,

4 EVE CHRISTINE RODRIGUEZ, a/k/a
5 Elizabeth Davis, Elizabeth Powers,
6 Christina Rodriguez, Christine
7 Rodriguez, and Elizabeth Rodriguez,
8 individually, as a manager of American
Home Servicing Center, LLC, a member
of Capital Home Advocacy Center, and
d/b/a National Advocacy Group, and

9 SERGIO LORENZO RODRIGUEZ,
10 a/k/a Sergio Lawrence, individually, as a
11 manager of American Home Servicing
Center, LLC, a member of Capital Home
Advocacy Center, and d/b/a National
Advocacy Group,

12 Defendants.

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1 I, Krista L. Freitag, declare:

2 1. I am the Court-appointed permanent receiver for American Home
3 Servicing Center, LLC ("American Home"), Capital Home Advocacy Center
4 ("Capital Home"), and National Advocacy Center, LLC ("National Advocacy"), and
5 their subsidiaries and affiliates (collectively, "Receivership Entities"). I make this
6 declaration in support of my Supplemental Brief in Support of First Interim Fee
7 Applications of Krista Freitag, Receiver, and Allen Matkins Leck Gamble Mallory &
8 Natsis LLP, Counsel for Receiver. I have personal knowledge of the facts set forth
9 herein and, if called as a witness, could and would testify to such facts under oath.

10 2. In her declaration, which was filed with the August 10, 2018 objection
11 to the First Interim Fee Applications filed by Sergio Rodriguez and Eve Christine
12 Rodriguez, Ms. Rodriguez makes false and misleading statements, including, but not
13 limited to, those relating to my sale of personal property located at the former Capital
14 Home offices.

15 3. Regarding operations, on numerous occasions, including at the outset of
16 the April 16, 2018 takeover, I encouraged Ms. Rodriguez to review the Court's order
17 carefully. I also explained to Ms. Rodriguez that there was no money with which to
18 operate *lawfully* or profitably, hence the operations had to cease. Furthermore, I told
19 Ms. Rodriguez that any consumer payments received would not be deposited and
20 would be returned to the paying consumers.

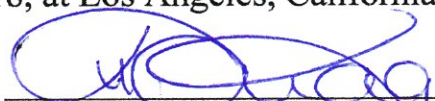
21 4. Regarding personal property, as previously mentioned, electronic
22 inventories were taken, and the personal property consisted of CPUs, computer
23 monitors, cubicles, and other miscellaneous office furniture (*e.g.*, Ikea), fixtures and
24 equipment. With no money to pay rent, storage, or even to move out of nearly 9,000
25 square feet of office space (it was estimated that a move would cost between \$10,000
26 and \$15,000), I, through my staff, reached out to several professional, local auction
27 companies and provided electronic inventories to them to determine an approximate
28 value for the personal property. I am advised and believe that auctioneers expressed

1 that the market for general office equipment was very low and one commented that
2 he would likely monetize the cubicles and file cabinets for scrap metal value.
3 Ultimately, it was determined that the best approach would be to have the auction
4 company purchase the vast majority of the personal property because they would
5 necessarily take on the costs of moving the personal property. The best offer
6 received was from one auction company that was willing to vacate the offices in
7 exchange for paying the estate \$1,500. It is also important to note that removing the
8 personal property swiftly from the office allowed me to negotiate with the landlord
9 for a recovery of the \$6,295 deposit on the Capital Home office lease, despite the fact
10 the lease was terminated before the end of the lease term.

11 5. Regarding the tires, I did express to Ms. Rodriguez that the six tires (not
12 two full sets) had been removed from the premises, but did not represent that the tires
13 had been sold (in fact, those items are yet to be sold). I also expressed to
14 Ms. Rodriguez that the Capital Home accounting showed thousands of dollars of
15 auto expenses paid by the company. Also, I allowed Ms. Rodriguez to create a wish
16 list for the personal property items she wanted to retrieve from the Capital Home
17 premises. I then worked with Ms. Rodriguez and allowed her to take the items on
18 that list deemed to have limited value to the estate. As an example, the items not
19 allowed to be taken were a large screen television and big screen projector. It is also
20 important to note that no evidence was presented to me reflecting personal payment
21 for said items and that the items allowed to be taken were more than could fit into
22 two sport utility vehicles.

23 I declare under penalty of perjury under the laws of the United States of
24 America that the foregoing is true and correct.

25 Executed this 22nd day of August 2018, at Los Angeles, California.

26 
27 _____
28 KRISTA L. FREITAG