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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
12/12/2018 at 09:44:00 AM
Clerk of the Superior Court
By Valeria Contreras, Deputy Clerk

Attorney For
Court-Appointed Receiver Michael Essary

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SALAM RAZUKI, an individual,
Plaintiff,

v.

NINUS MALAN, an individual; CHRIS
HAKIM, an individual; MONARCH
MANAGEMENT CONSULTING, INC. a
California corporation; SAN DIEGO UNITED
HOLDING GROUP, LLC, a California limited
liability company; FLIP MANAGEMENT,
LLC, a California limited liability company;
MIRA ESTE PROPERTIES, LLC, a California
limited liability company; ROSELLE
PROPERTIES, LLC, , a California limited
liability company; BALBOA AVE
COOPERATIVE, a California nonprofit mutual
benefit corporation; CALIFORNIA CANNABIS
GROUP, a California nonprofit mutual benefit
corporation; DEVILISH DELIGHTS, INC., a
California nonprofit mutual benefit corporation;
and DOES 1-100, inclusive,

Defendants.

CASE NO.: 37-2018-00034229-CU-BC-CTL

**RECEIVER MICHAEL ESSARY'S
DECLARATION REGARDING FORENSIC
ACCOUNTANT BRIAN BRINIG'S
UPDATED REPORT**

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: December 14, 2018
Time: 1:30 p.m.

DECLARATION OF RECEIVER MICHAEL ESSARY

1. I, Michael Essary, was appointed as the Receiver in the above-entitled matter by this Court on August 20, 2018. Pursuant to this Court's Appointment Order, I was ordered to take

1 possession and control of the Marijuana Operations, which specifically includes the following
2 entities: San Diego United Holdings Group, LLC, Mira Este Properties, LLC, Balboa Ave
3 Cooperative, California Cannabis Group, Devilish Delights, Inc., and Flip Management, LLC.

4 2. This Court directed me to retain Brian Brinig of Brinig Taylor Zimmer, Inc. to conduct
5 a comprehensive forensic accounting audit of the Marijuana Operations, as well as of all named
6 parties in this matter as it relates to financial transactions between and among such parties related to
7 the issues in dispute.

8 3. At the November 30, 2018 hearing, this Court directed Defendant Ninus Malan to
9 provide supplemental financial documentation to Mr. Brinig no later than December 5, 2018 so that
10 Mr. Brinig could update his Report. It is my understanding Mr. Malan did provide supplemental
11 financial documentation. Mr. Brinig thereafter updated his Report. A true and correct copy of Mr.
12 Brinig's updated report ("Brinig Updated Report") is attached hereto as **Exhibit A**. Mr. Brinig will
13 attend the December 14, 2018 hearing in order to answer questions from the Court and explain his
14 updated report at the Court's request.

15 I declare under penalty of perjury under the laws of the State of California that the foregoing
16 is true and correct. Executed this 12th day of December, 2018, at San Diego, California.


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19 Michael Essary
20 Court Appointed Receiver
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Exhibit A

BRINIG TAYLOR ZIMMER
INCORPORATED
FORENSIC ACCOUNTING AND BUSINESS VALUATION

401 B STREET, SUITE 2150
SAN DIEGO, CALIFORNIA 92101
TEL. (619) 687-2600 FAX (619) 544-0304
www.btzforensics.com

December 11, 2018

BY E-MAIL ONLY

Honorable Eddie C. Sturgeon
Judge of the Superior Court
Department C-67
330 West Broadway
San Diego, CA 92101

Mr. Michael Essary
Court-Appointed Receiver
Calsur Property Management
8304 Clairemont Mesa Blvd., St. 207
San Diego, CA 92111

Re: Razuki v. Malan, et al.
Case No.: 37-2018-00034229-CU-BC-CTL
"LETTER UPDATE" TO NOVEMBER 13, 2018 AMENDED REPORT

Judge Sturgeon, Mr. Essary, Parties and Counsel:

This letter updates the conclusions of my November 13, 2018 Amended Report (the "Amended Report"). At the court hearing on November 30, 2018, Judge Sturgeon ordered that my forensic accounting analysis be updated to consider some additional information to be provided by Mr. Ninus Malan. Mr. Malan provided significant additional information to my offices by the deadline of December 5, 2018 and I have considered that information in this "Letter Update" analysis. In addition, Mr. Hakim has provided clarification of documents that he had previously provided to me.

This Letter Update should be read in conjunction with the November 13, 2018 "Amended Report." I will not restate the premises of the November 13, 2018 Amended Report here; I only include the basis of the changes to the November 13, 2018 Amended Report.

QUALIFICATIONS TO MY ANALYSIS

The parties to this matter have apparently had a business relationship for many years. Based on my understanding of the relationship and my review of hundreds of pages of documents, many agreements and transactions were undertaken informally. It appears that substantial monies (and

properties) are transferred between the parties with insubstantial underlying documentation. In the course of my forensic accounting analysis, I have tried to apply the same level of scrutiny to all transactions. In most cases, if I have included the amount of a transaction, some documentation of the amount has been provided to me. As I have routinely noted, in many transactions, the stated purpose of the transaction is only based on the representation of one of the parties.

UPDATED ANALYSIS

Conclusion. Schedule 8 attached to this Letter Update sets forth my conclusions of the net Contributions from the Principals into Balboa and Mira Este, and also Distributions to the Principals from the Balboa Operations and the Mira Este Operation from the inception of the activity to the end of October 2018.

Discussion. The changes presented in this Update Letter are categorized as follows:

- A. Additional funds contributed by Malan based on new documentation;
- B. Monies Paid by Malan to or on behalf of Razuki, in exchange for Malan's interest in Balboa Entities;
- C. Amounts previously reported as "Unknown Source" determined to be received from Malan based on new documentation;
- D. Amounts previously reported as "Distribution to Malan", recategorized based on new information from Malan;
- E. Monies Paid by Malan to or on behalf of Razuki, in exchange for Malan's interest in Mira Este;
- F. Reconveyance of Malan's property to Razuki in exchange for Razuki's reconveyance of the \$275,000 forgiveness related to the 8863 E and 8861 B Balboa Avenue;
- G. Transfer of funds from Malan to Razuki to provide funds for a \$70,000 deposit into Mira Este escrow;
- H. Additional funds contributed by Hakim based on clarification of prior documents provided;
- I. Additional funds contributed by Hakim based on clarification of prior claim and additional documentation.

Schedule 8 to this Update Letter sets forth the detailed listing of the additional transactions by category that comprise changes to the November 13, 2018 Amended Report. Schedule 8 separates the Balboa Dispensary, the Mira Este facility and the Other Possible Contributions. Similar to the Amended Report, Schedule 8 addresses the financial activity of each principal in each entity, summarizing the Net Contributions, Net Distributions and Net Deficit from Operations.

The changes to the Amended Report are categorized from "A" to "I", as identified above. Category A provides for contributions from Mr. Malan to the Balboa Operations (or real estate)

or the Mira Este Operation based on monies advanced or paid by a Malan entity to or for the benefit of Balboa or Mira Este.

Category B is composed of payments made by a Malan entity to a Razuki entity or on behalf of a Razuki entity in exchange for Malan's interest in the Balboa entities. I have received documentation supporting the amount of each payment, but the purpose of the payment – "in exchange for an interest in the Balboa entities" – is based on the representation of Mr. Malan. I have no way to verify the purpose of the payment; I have relied exclusively on Mr. Malan's representation.

Category C is composed of contributions made by Mr. Malan that were initially categorized as from unknown source, but Mr. Malan was able to provide me with support that the contributions were made from him or one of his entities.

Category D is composed of reclassifications of items that were previously treated as draws to Mr. Malan for which he has provided documentation to show that the amounts disbursed to him were for purposes other than direct draws to him. We have reclassified the items to expenses of the Balboa Operation and/or divided the draws between Mr. Malan and Mr. Hakim.

Category E consists of two payments made by Mr. Malan entity to a Razuki-related entity in exchange for Malan's interest in the Mira Este operation. Similar to Category B, I have received documentation supporting the amount of each payment, but the purpose of the payment – "in exchange for an interest in the Mira Este entity" – is based on the representation of Mr. Malan. I have no way to verify the purpose of these payments; I have relied exclusively on Mr. Malan's representation.

Category F is a \$275,000 contribution allocated to Mr. Malan. In connection with the ownership of 8863 E and 8861 B Balboa Avenue, Mr. Razuki forgave a note receivable in the amount of \$275,000 for which he was given contribution credit. Mr. Malan provided me with grant deed recorded May 18, 2017 whereby American Lending and Holdings, LLC (a Malan entity¹) granted to San Diego Private Investments, LLC (a Razuki entity) real property in the city of La Mesa. Mr. Malan represents that the fair market value of the deeded property was at least \$275,000. I have therefore given Malan credit for a \$275,000 credit.

Category G is a \$64,510.22 contribution allocated to Mr. Malan. In the Amended Report, Mr. Razuki was granted two \$70,000 contributions for the purchase of Mira Este. Mr. Malan subsequently provided me with an escrow statement showing a net borrowing against American Lending and Holdings, LLC (a Malan entity) of \$64,510.22 and an email referencing payment to Razuki Investments.

Category H is composed of amounts paid by Mr. Hakim for improvements to Mira Este. In Mr. Hakim's Second Supplemental Declaration of Defendant Chris Hakim in Support of Ex Parte

¹ The stock certificate of American Lending and Holdings, LLC in the name of Ninus Malan certifies that Mr. Malan is the 100% owner of the LLC as of April 11, 2014. I have been advised, however, that there is litigation between Mr. Malan and Mr. Razuki relating to the ownership of American Lending and Holdings, LLC.

Honorable Eddie C. Sturgeon
Mr. Michael Essary
December 11, 2018
Page 4

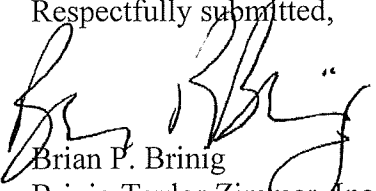
Application to Remove Receiver from Mira Este dated November 29, 2018, Mr. Hakim lists payments he made for improvements at Mira Este totaling \$35,786.67 that he believes he was not given proper credit for. At the time of the Amended Report I had questions regarding the support for these amounts. Based on discussion with Mr. Hakim and other information subsequently provided, it appears that \$30,286.67 should be credited to Mr. Hakim for payments to Mira Este.

Category I is a check Mr. Hakim paid to Mr. Malan in the amount of \$101,500 in settlement of amounts due between the parties related to these entities. Mr. Hakim asserts that this payment relates to the Mira Este property and I have allowed credit to him for this amount as a contribution.

QUALIFICATION TO THE UPDATE LETTER AND SIGNATURE OF WITNESS

I am issuing this Update Letter with the intention that the parties may have numerous comments and questions about the data summaries contained in the Amended Report and the Update Letter. I have been provided with hundreds of pages of documents and many representations by the parties that are not able to be verified with accounting documentation. I have summarized the underlying information to the best of my ability under the circumstances. I must respectfully reserve the right to update and augment this report based on additional information provided to me.

Respectfully submitted,



Brian P. Brinig
Brinig Taylor Zimmer, Inc.

**SCHEDULE 8 ("LETTER UPDATE")
AMENDED SCHEDULE 1 (AS UPDATED)
SUMMARY OF BALBOA COOPERATIVE OPERATIONS AND MIRA ESTE OPERATION**

| | Razuki | Malan | Hakim | SDBV | Operations | Total |
|---|------------------------|------------------------|------------------------|------------------------|--------------------------|------------------------|
| Balboa Ave Cooperative Operations: | | | | | | |
| Net Contributions | \$ 960,625.49 | \$ 427,069.21 | \$ 12,500.00 | \$ 1,555,892.34 | | \$ 2,956,087.04 |
| Net Distributions | \$ (27,224.64) | \$ (188,324.00) | \$ (170,000.00) | \$ - | | (385,548.64) |
| Net Deficit from Operations | \$ 933,400.86 | \$ 238,745.21 | \$ (157,500.00) | \$ 1,555,892.34 | \$ (1,666,026.66) | (1,666,026.66) |
| | | | | | \$ (1,666,026.66) | \$ 904,511.74 |
| Mira Este Operation: | | | | | | |
| Net Contributions | 477,945.72 | 182,500.22 | 420,000.00 | 534,628.50 | | 1,615,074.44 |
| Net Distributions | (72,000.00) | (670,877.00) | (660,926.10) | - | | (1,403,803.10) |
| Net Deficit from Operations | \$ 405,945.72 | \$ (488,376.78) | \$ (240,926.10) | \$ 534,628.50 | \$ (994,959.53) | (994,959.53) |
| | | | | | \$ (994,959.53) | \$ (783,688.19) |
| Total Before Other Possible Contributions | \$ 1,339,346.58 | \$ (249,631.58) | \$ (398,426.10) | \$ 2,090,520.84 | \$ (2,660,986.19) | \$ 120,823.55 |
| Other Possible Contributions | | | | | | |
| Operating Payments From Personal Accounts | | 260,628.84 | | | | 260,628.84 |
| Operating Payments From Personal Accounts | | | 235,474.41 | | | 235,474.41 |
| Transfers to NM Investments/Ninus Malan | 498,219.07 | | 101,500.00 | | | 599,719.07 |
| Sale of Dispensary Business | 1,575,000.00 | | | | | 1,575,000.00 |
| Purchase Mira Este Business Tax Certificate | 200,000.00 | | | | | 200,000.00 |
| Purchase of Balboa 8863E & 8861B CUP [A] | 50,000.00 | | | | | 50,000.00 |
| Reconveyance of Property by Malan to Razuki in exchange for Razuki Reconveyance of \$275,000 debt on Balboa | | 275,000.00 | | | | 275,000.00 |
| Malan Amounts Paid to or on Behalf of Razuki, Malan to be Credited towards his Interest in Balboa or Mira Este entities | | 590,885.00 | | | | 590,885.00 |
| | \$ 2,323,219.07 | \$ 1,126,513.84 | \$ 336,974.41 | \$ - | \$ - | \$ 3,786,707.32 |
| Totals Including Other Possible Contributions | \$ 3,662,565.65 | \$ 876,882.27 | \$ (61,451.69) | \$ 2,090,520.84 | \$ (2,660,986.19) | \$ 3,907,530.87 |

[A] Per discussion with Razuki attorney, payment to Bradford Hartcourt for Balboa CUP, changed from incorrect BTC description

SCHEDULE 9 ("LETTER UPDATE")

DETAIL OF CHANGES

| Balboa Dispensary | | | | | | | | | | Mira Este | | | | | Other Poss. Contributions | | | | | |
|-------------------|----------------|-----------------|----------------|-----------------|-------------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|---------------|-----------------|---------------------------|--|--|--|--|--|
| | Razuki | Malan | Hakim | SDBV | Operations | Razuki | Malan | Hakim | SDBV | Operations | Razuki | Malan | Hakim | Total | | | | | | |
| RT: | \$ 960,625.49 | \$ 164,754.80 | \$ 12,500.00 | \$ 1,555,892.34 | \$ - | \$ 542,455.94 | \$ 65,490.00 | \$ 420,000.00 | \$ 534,628.50 | \$ - | | | | | | | | | | |
| | \$ (27,224.64) | \$ (188,324.00) | \$ (35,000.00) | \$ - | \$ - | \$ (72,000.00) | \$ (670,877.00) | \$ (660,926.10) | \$ - | \$ - | | | | | | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ (1,564,712.25) | \$ - | \$ - | \$ - | \$ - | \$ (994,959.53) | | | | | | | | | | |
| t. | \$ 933,400.86 | \$ (23,569.21) | \$ (22,500.00) | \$ 1,555,892.34 | \$ (1,564,712.25) | \$ 470,455.94 | \$ (605,387.00) | \$ (240,926.10) | \$ 534,628.50 | \$ (994,959.53) | \$ 2,323,219.07 | \$ 159,164.87 | \$ 205,187.74 | \$ 2,729,895.23 | | | | | | |
| D REPORT: | | | | | | | | | | | | | | | | | | | | |
| Ref | | | | | | | | | | | | | | Category | Chg. # | | | | | |
| 2 | | | | | | | | | | | | \$ 25,000.00 | | A | 2 | | | | | |
| 3 | | | | | | | | | | | | \$ 25,000.00 | | A | 3 | | | | | |
| 8 | | | | | | | | | | | | \$ 254.97 | | A | 8 | | | | | |
| 9 | | | | | | | | | | | | \$ 268.00 | | A | 9 | | | | | |
| | | | | | | | | | | | | \$ 5,000.00 | | A | 11 | | | | | |
| 13 | | | | | | | | | | | | \$ 2,000.00 | | A | 13 | | | | | |
| 16 | | | | | | | | | | | | \$ 1,500.00 | | A | 16 | | | | | |
| 17 | | | | | | | | | | | | \$ 1,200.00 | | A | 17 | | | | | |
| 18 | | | | | | | | | | | | \$ 5,000.00 | | A | 18 | | | | | |
| 19 | | | | | | | | | | | | \$ 3,500.00 | | A | 19 | | | | | |
| 21 | | | | | | | | | | | | \$ 1,458.00 | | A | 21 | | | | | |
| 21 | | | | | | | | | | | | \$ 1,458.00 | | A | 21 | | | | | |
| 21 | | | | | | | | | | | | \$ 7,000.00 | | A | 21 | | | | | |
| 22 | | | | | | | | | | | | \$ 700.00 | | A | 22 | | | | | |
| 23 | | | | | | | | | | | | \$ 2,700.00 | | A | 23 | | | | | |
| 24 | | | | | | | | | | | | \$ 5,925.00 | | A | 24 | | | | | |
| 37 | | | | | | | | | | | | \$ 5,000.00 | | A | 37 | | | | | |
| 42 | | | | | | | | | | | | \$ 3,500.00 | | A | 42.1 | | | | | |
| 42 | | | | | | | | | | | | \$ 5,000.00 | | A | 42.2 | | | | | |
| 4 | | | | | | | | | | | | \$ 151,400.00 | | B | 4 | | | | | |
| 5 | | | | | | | | | | | | \$ 50,000.00 | | B | 5 | | | | | |
| 6 | | | | | | | | | | | | \$ 65,000.00 | | B | 6 | | | | | |
| 14 | | | | | | | | | | | | \$ 22,500.00 | | B | 14 | | | | | |
| 35 | | | | | | | | | | | | \$ 150,000.00 | | B | 35 | | | | | |
| 36 | | | | | | | | | | | | \$ 50,000.00 | | B | 36 | | | | | |
| 38 | | | | | | | | | | | | \$ 50,000.00 | | B | 38 | | | | | |
| 41 | | | | | | | | | | | | \$ 36,985.00 | | B | 41 | | | | | |
| 20 | | \$ 1,000.00 | | | | | | | | | | | | C | 20 | | | | | |
| 30 | | | | | | | \$ 25,000.00 | | | | | | | C | 30 | | | | | |
| 31 | | | | | | | \$ 2,500.00 | | | | | | | C | 31 | | | | | |
| 32 | | \$ 5,000.00 | | | | | | | | | | | | C | 32 | | | | | |
| 33 | | | | | | | \$ 25,000.00 | | | | | | | C | 33 | | | | | |
| 1 | | \$ 4,750.00 | | | \$ (4,750.00) | | | | | | | | | D | 1 | | | | | |
| 25 | | \$ 23,010.00 | | | \$ (23,010.00) | | | | | | | | | D | 25 | | | | | |
| 26 | | \$ 6,181.47 | | | \$ (6,181.47) | | | | | | | | | D | 26 | | | | | |
| 27 | | \$ 6,181.47 | | | \$ (6,181.47) | | | | | | | | | D | 27 | | | | | |

SCHEDULE 9 ("LETTER UPDATE")

DETAIL OF CHANGES

| Balboa Dispensary | | | | | | Mira Este | | | | Other Poss. Contributions | | | | | |
|-------------------|--------|---------------|-----------------|------|-----------------|-----------|--------|-------|-------|---------------------------|------------|--------|---------------|-------|-------|
| | Razuki | Malan | Hakim | SDBV | Operations | | Razuki | Malan | Hakim | SDBV | Operations | Razuki | Malan | Hakim | Total |
| RT: | | | | | | | | | | | | | | | |
| 28 | | \$ 6,181.47 | | | \$ (6,181.47) | | | | | | | | | | D |
| 29 | | \$ 50,010.00 | | | \$ (50,010.00) | | | | | | | | | | D |
| 39 | | | | | | | | | | | | | | | D |
| | | \$ 90,000.00 | \$ (65,000.00) | | \$ (5,000.00) | | | | | | | | | | 39 |
| 40 | | \$ 70,000.00 | \$ (70,000.00) | | | | | | | | | | | | D |
| 10 | | | | | | | | | | | | | \$ 10,000.00 | | E |
| 12 | | | | | | | | | | | | | \$ 5,000.00 | | E |
| 34 | | | | | | | | | | | | | \$ 275,000.00 | | F |
| | | | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | | | G |
| 44 | | | | | | | | | | | | | | | |
| 45 | | | | | | | | | | | | | | | |
| | \$ - | \$ 262,314.41 | \$ (135,000.00) | \$ - | \$ (101,314.41) | | | | | | | | | | |
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Withdrawal from SDUH on 4/4/18 recorded as Malan draw. Payr settlement agreement

Withdrawal from SDUH on 3/1/18 recorded as Malan draw. Payr settlement agreement

Withdrawal from SDUH recorded as \$95,030 Malan Draw on 12/1 cashiers checks for 3 returned checks, Austin Legal \$5,000; Chris I Este \$25,000

Draws from Balboa Dispensary of \$140,000 recorded as draws to 50/50 NM and CH

ALH paid \$10,000 in March 2016 to SMR Chevron, Razuki compan interest in Mira Este

ALH paid \$5,000 to Mena Salama, Razuki lawsuit settlement, in ex interest in Mira Este.

In exchange for Razuki reconvening \$275,000 TD on Balboa B&E, reconveyed property with a similar value to Razuki

Funds contributed by ALH to the purchase of Mira Este. Original contributed \$70,000 on May 12, 2016, however that check bounce cash of \$64,510.22 on ALH's J Street property for deposit into Raz the \$70,000 bounced check

Paid by Hakim for improvements to Mira Este

Paid by Hakim to Malan to pay down obligation on Mira Este Loan

SCHEDULE 10 ("LETTER UPDATE")
RECONCILIATION OF SCHEDULE 8 AND SCHEDULE 11
SUMMARY OF BALBOA COOPERATIVE OPERATIONS AND MIRA ESTE OPERATION

| | Razuki | Malan | Hakim | SDBV | Operations | Total |
|---|------------------------|------------------------|-----------------------|------------------------|--------------------------|------------------------|
| Totals Including Other Possible Contributions From Schedule 11 (Amended Report Schedule 1) | \$ 3,727,075.87 | \$ (469,791.34) | \$ (58,238.36) | \$ 2,090,520.84 | \$ (2,559,671.78) | \$ 2,729,895.23 |
| Adjustments | | | | | | |
| Balboa Dispensary Adjustments | \$ - | \$ 262,314.41 | \$ (135,000.00) | \$ - | \$ (101,314.41) | \$ 26,000.00 |
| Mira Este Adjustments | \$ (64,510.22) | \$ 117,010.22 | \$ - | \$ - | \$ - | \$ 52,500.00 |
| Other Possible Contribution Adjustments | | \$ 967,348.97 | \$ 131,786.67 | | | \$ 1,099,135.64 |
| Total Adjustments | \$ (64,510.22) | \$ 1,346,673.60 | \$ (3,213.33) | \$ - | \$ (101,314.41) | \$ 1,177,635.64 |
| Totals Including Other Possible Contributions From Schedule 8 | \$ 3,662,565.65 | \$ 876,882.27 | \$ (61,451.69) | \$ 2,090,520.84 | \$ (2,660,986.19) | \$ 3,907,530.87 |

**SCHEDULE 11 ("LETTER UPDATE")
AMENDED SCHEDULE 1
SUMMARY OF BALBOA COOPERATIVE OPERATIONS AND MIRA ESTE OPERATION**

| | Razuki | Malan | Hakim | SDBV | Operations | Total |
|--|--------------------------|------------------------|------------------------|------------------------|--------------------------|------------------------|
| Balboa Ave Cooperative Operations: | | | | | | |
| Net Contributions | Schedule 2 \$ 960,625.49 | \$ 164,754.80 | \$ 12,500.00 | \$ 1,555,892.34 | | \$ 2,693,772.63 |
| Net Distributions | Schedule 2 (27,224.64) | (188,324.00) | (35,000.00) | | | (250,548.64) |
| Net Deficit from Operations | Schedule 3 | | | | \$ (1,564,712.25) | (1,564,712.25) |
| | \$ 933,400.86 | \$ (23,569.21) | \$ (22,500.00) | \$ 1,555,892.34 | \$ (1,564,712.25) | \$ 878,511.74 |
| Mira Este Operation: | | | | | | |
| Net Contributions | Schedule 4 542,455.94 | 65,490.00 | 420,000.00 | 534,628.50 | | 1,562,574.44 |
| Net Distributions | Schedule 4 (72,000.00) | (670,877.00) | (660,926.10) | | | (1,403,803.10) |
| Net Deficit from Operations | Schedule 5 | | | | \$ (994,959.53) | (994,959.53) |
| | \$ 470,455.94 | \$ (605,387.00) | \$ (240,926.10) | \$ 534,628.50 | \$ (994,959.53) | \$ (836,188.19) |
| Total Before Other Possible Contributions | \$ 1,403,856.80 | \$ (628,956.21) | \$ (263,426.10) | \$ 2,090,520.84 | \$ (2,559,671.78) | \$ 42,323.55 |
| Other Possible Contributions | | | | | | |
| Operating Payments From Personal Accounts | Schedule 6 | \$ 159,164.87 | | | | 159,164.87 |
| Operating Payments From Personal Accounts | Schedule 7 | | \$ 205,187.74 | | | 205,187.74 |
| Transfers to NM Investments | | | | | | \$ 498,219.07 |
| Sale of Dispensary Business | | | | | | 1,575,000.00 |
| Purchase Mira Este Business Tax Certificate ("BTC") | | | | | | 200,000.00 |
| Purchase of Balboa 8863E & 8861B BTC | | | | | | 50,000.00 |
| | \$ 2,323,219.07 | \$ 159,164.87 | \$ 205,187.74 | \$ - | \$ - | \$ 2,687,571.68 |
| Totals Including Other Possible Contributions | \$ 3,727,075.87 | \$ (469,791.34) | \$ (58,238.36) | \$ 2,090,520.84 | \$ (2,559,671.78) | \$ 2,729,895.23 |

1 **PROOF OF SERVICE**

2 *Salam Razuki v. Ninus Malan, et al.*

3 *San Diego County Superior Court Case No. 37-2018-00034229-CU-BC-CTL*

4 I am employed in the County of San Diego, State of California. I am over the age of 18 and
5 am not a party to the within action. I am employed by Griswold Law, APC and my business address
6 is 444 S. Cedros Avenue, Suite 250, Solana Beach, California 92075.

7 On *December 12, 2018* I served the documents described as **RECEIVER MICHAEL**
8 **ESSARY'S DECLARATION REGARDING FORENSIC ACCOUNTANT BRIAN BRINIG'S**
9 **UPDATED REPORT** on each interested party, as follows:

10 **SEE ATTACHED SERVICE LIST**

11 **(VIA MAIL)** I placed a true and correct copy(ies) of the foregoing document in a sealed
12 envelope(s) addressed to each interested party as set forth above. I caused each such envelope, with
13 postage thereon fully prepaid, to be deposited with the United States Postal Service. I am readily
14 familiar with the firm's practice for collection and processing of correspondence for mailing with the
15 United States Postal Service. Under that practice, the correspondence would be deposited with the
16 United States Postal Service on that same day with postage thereon fully prepaid in the ordinary
17 course of business.

18 **(VIA OVERNIGHT DELIVERY)** I enclosed the documents in an envelope or package provided
19 by an overnight delivery carrier and addressed to each interested party. I placed the envelope or
20 package for collection and overnight delivery in the overnight delivery carrier depository at Solana
21 Beach, California to ensure next day delivery.

22 **(VIA ELECTRONIC MAIL)** I caused true and correct copy(ies) of the foregoing document(s)
23 to be transmitted via **One Legal e-service** to each interested party at the electronic service addresses
24 listed on the attached service list.

25 **(BY FACSIMILE)** I transmitted a true and correct copy(ies) of the foregoing documents via
26 facsimile.

27 I declare under penalty of perjury under the laws of the State of California that the foregoing
28 is true and correct. Executed on *December 12, 2018*, in Solana Beach, California.

29 
30 Katie Westendorf

SERVICE LIST

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