

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Linda F. Cantor (CA Bar No. 153762) Pachulski Stang Ziehl & Jones LLP 10100 Santa Monica Boulevard, 13th Floor Los Angeles, CA 90067 Telephone: 310/277-6910 Facsimile: 310/201-0760 Email: lcantor@pszjlaw.com</p> <p>Attorneys for R. Todd Neilson, Chapter 7 Trustee</p> <p><input checked="" type="checkbox"/> <i>Attorney for Movant</i> <input type="checkbox"/> <i>Movant(s) appearing without an attorney</i></p>	<p>FOR COURT USE ONLY</p>
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION</p>	
<p>In re:</p> <p>THE TULVING COMPANY, INC., a California corporation,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:14-bk-11492-ES CHAPTER: 7</p> <p>NOTICE OF MOTION AND MOTION UNDER LBR 2016-2 FOR APPROVAL OF CASH DISBURSEMENTS BY THE TRUSTEE; OPPORTUNITY TO REQUEST HEARING; AND DECLARATION OF TRUSTEE</p> <p style="text-align: center;">[No hearing unless requested under LBR 9013-1(o)]</p>

TO PARTIES IN INTEREST:

PLEASE TAKE NOTICE that the duly-appointed chapter 7 trustee has filed the following motion for court approval of the trustee's request to make cash disbursements. The court may grant the motion authorizing expenditure of estate funds without a hearing unless you file with the court and serve upon the trustee and the United States trustee a written objection to the motion explaining all of the reasons for the opposition WITHIN 14 DAYS AFTER THE DATE OF SERVICE OF THIS NOTICE OF MOTION AND MOTION, plus 3 additional days if you were served by mail, electronically, or pursuant to F.R.Civ.P. 5(b)(2)(D), (E), or (F). If an objection is timely filed, the trustee will set the matter for hearing and notify you of the date and time of the hearing. Failure to object may be deemed consent to interim authorization of the expenses requested by the trustee.

The trustee moves for an order authorizing cash disbursements from property of the estate as follows:

1. A brief summary of the case is attached as Exhibit A.
2. The estimated date for submitting a final report is unknown at this time.

3. Cash disbursements period: December 1, 2015 to December 1, 2016
4. A detailed analysis and justification of the trustee's expenses is included in Exhibit B.
5. Final approval of all expenditures will be sought when the trustee files a Final Account and Report (including those paid in accordance with LBR 2016-2).

Date: Nov. 18, 2015

/Linda F. Cantor

Linda F. Cantor

Attorneys for R. Todd Neilson, Chapter 7 Trustee

DECLARATION OF TRUSTEE

I, R. Todd Neilson, the duly appointed chapter 7 trustee, have prepared the foregoing motion to make cash disbursements and believe the amounts specified in each category are reasonable and necessary for an effective and efficient administration of the estate. If this motion proves to be inaccurate or infeasible, I will submit corrected motions as necessary.

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

Nov. 17, 2015
Date

R. Todd Neilson
Printed Name

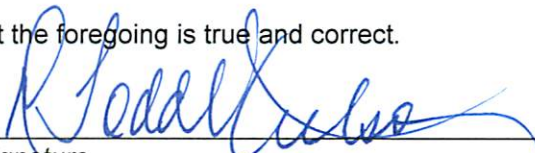

Signature

EXHIBIT A

EXHIBIT A

BRIEF SUMMARY OF CASE:

This cash disbursement motion is filed pursuant to LBR 2016-2 of the United States Bankruptcy Court, Central District of California.

The Tulving Company, Inc. ("Debtor") is a California corporation. The Debtor was in the business of selling and purchasing gold, silver, coins, bullion, and other precious metals through its internet website or by phone. Prior to the filing of the bankruptcy, customer complaints concerning delayed or undelivered orders were increasingly made to the Better Business Bureau against the Debtor and in early March, 2014, a class-action lawsuit was filed against the Debtor and Hannes Tulving, Jr., the Debtor's principal ("Tulving") in the United States District Court, Northern District of California. A criminal investigation of the Debtor and Tulving by the Government was also being pursued at that time.

The Debtor ceased operations on or about March 3, 2014. On March 8, 2014, Special Agents of the United States Secret Service executed a Search Warrant on the Debtor's offices on probable cause that the Debtor and Tulving were engaged in fraud. The execution of the Search Warrant resulted in the seizure of rare coins and other valuable items of the Debtor (the "Seized Coins").

The Debtor commenced this case by the filing of a voluntary petition for relief under chapter 11 of the Bankruptcy Code on March 10, 2014. In light of the pending criminal investigation and other ongoing litigation against the Debtor, on March 18, 2014, the United States Trustee filed a *Stipulation Appointing Chapter 11 Trustee* [Docket No. 15] (the "Stipulation"), which was signed by both the Debtor and its attorney. The Stipulation was approved by the Bankruptcy Court on March 18, 2014 [Docket No. 16] and an Order was entered by the Court on March 21, 2014 approving the *U.S. Trustee's Application for the Appointment of a Chapter 11 Trustee, appointing R. Todd Neilson as Trustee of the Debtor's estate* [Docket No. 22]. Two months later, upon notice and hearing, the Trustee determined to convert this case to a chapter 7 and R. Todd Neilson was appointed and continues to serve as the chapter 7 Trustee [Docket 108].

The Trustee is in the process of administering the property of the estate and pursuing claims and other causes of action held by the estate. With respect to the criminal proceedings against Tulving and the Debtor (the "Criminal Case"), Tulving signed a Plea Agreement on behalf of himself and the Debtor, whereby they each agreed to plead guilty to 18 U.S.C. § 1343 wire fraud charges set forth in a Bill of Information in the Western District of North Carolina. Among other things, the Plea Agreements contain agreements about restitution to victims of the Debtor's and Tulving's fraud.

Based on the Government's review, the list of creditors that filed approximately 381 claims against the Debtor's estate are substantially or wholly identical to the victims identified for purposes of restitution in the Criminal Case. Given the overlap of creditors and victims, and the advantages of the pending bankruptcy case for administering creditor claims, the Trustee has been in discussions with counsel for the Acting United States Attorney for the Western District of North Carolina on behalf of the United States (the "Government") regarding the disposition of the Seized Coins. These discussions resulted in the Debtor, the Government and Tulving entering into an agreement (the "Coordination Agreement") which provides for, *inter alia*, the distribution of the Seized Coins from the Government to the Trustee for distribution to the victims of creditors. Pursuant to an order entered July 22, 2015 [Dkt. No. 264], the Bankruptcy Court authorized Tulving, on behalf of himself and the Debtor, to enter into the Coordination Agreement.

Pursuant to the Coordination Agreement, the Trustee is proposing to the Government a procedure for the liquidation of the Seized Coins and the distribution to creditors / victims of fraud. Provided the Trustee's proposal is acceptable to the Government, the Trustee will be filing a motion with the Court on or about November 20, 2015, for authorization to implement the procedures which will include the sale of certain of the Seized Coins and the distribution of property to creditors / victims of fraud.

The Seized Coins are currently being held in the Federal Depository in Wilmington, Delaware. The Trustee's proposal to administer the Seized Coins requires that they be transferred from Wilmington, Delaware to Orange County, California or another designated location. The cost to transfer the coins is approximately \$9,500 with potentially other related costs for handling, storage and the like. Therefore, the Trustee is hereby seeking authorization to disburse funds totaling \$12,000.

In addition to the above amounts, the Trustee is also seeking authorization to disburse funds in the amount of \$2,400 for document storage fees, and \$1,200 in bond fees for the period January 1, 2016 through December 31, 2016. The Trustee previously obtained authorization to disburse funds for storage and bond fees during calendar year 2015 by Order entered February 9, 2015 [Dkt. No. 214].

As of November 17, 2015, there is a total of \$444,447.87 in funds held by the estate. There are no known secured claims against the estate's assets and no party has asserted an interest in cash collateral. In addition to cash on hand, the estate holds substantial accounts receivable against former clients of the Debtor, as well as potentially valuable causes of action and other claims against third parties, including, but not limited to, certain avoidance actions, and other claims which must be liquidated for the benefit of creditors.

Attached hereto as Exhibit B is the Disbursement Budget, outlining the necessity for the expenditures as set forth thereon.

Exhibit B

DISBURSEMENT BUDGET

2 Month Budget

I. Disbursement Budget for the period from December 1, 2015 through December 1, 2016

<u>Expense</u>	<u>2015 Dec</u>	<u>2016 Jan</u>	<u>Note</u>
Transporting Seized Coins from Delaware to Auction	\$9500		
Related costs	\$2500		

Estimated Recurring Monthly Expenses During the Cash Disbursement Period

\$200 Storage Fees for Documents

\$100 Bond Fees (to be paid in one annual payment of \$1,200)

GRAND TOTAL: \$15,600

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF MOTION AND MOTION UNDER LBR 2016-2 FOR APPROVAL OF CASH DISBURSEMENTS BY THE TRUSTEE; OPPORTUNITY TO REQUEST HEARING; AND DECLARATION OF TRUSTEE** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document on **November 18, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **November 18, 2015**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **November 18, 2015**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via Federal Express

The Honorable Erithe A. Smith
United States Bankruptcy Court
Central District of California
Ronald Reagan Federal Building and Courthouse
411 West Fourth Street, Suite 5040
Santa Ana, CA 92701-4593

Service information continued on attached page

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

November 18, 2015
Date

MYRA KULICK
Printed Name

/s/ Myra Kulick
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Wesley H Avery wamiracle6@yahoo.com, wavery@rpmlaw.com
- Candice Bryner candice@brynerlaw.com
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- Jason S Pomerantz jspomerantz@pszjlaw.com, jspomerantz@pszjlaw.com
- Nanette D Sanders becky@ringstadlaw.com
- Richard C Spencer rspencer@rspencerlaw.com
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL:

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Laguna Beach, CA 92651

Accountants for Landlord

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Interested Party

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Harlene Miller, Esq.
Harlene Miller Law
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Irvine, CA 92614

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San Clemente, CA 92672