

1 JOHN B. BULGOZDY (Cal. Bar No. 219897)  
Email: bulgozdyj@sec.gov  
2 DAVID S. BROWN (Cal. Bar No. 134569)  
Email: browndav@sec.gov  
3

4 Attorneys for Plaintiff  
Securities and Exchange Commission  
Michele Wein Layne, Regional Director  
5 Alka N. Patel, Associate Regional Director  
Amy Jane Longo, Regional Trial Counsel  
6 444 S. Flower Street, Suite 900  
Los Angeles, California 90071  
7 Telephone: (323) 965-3998  
Facsimile: (213) 443-1904  
8

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **Western Division**

12 SECURITIES AND EXCHANGE  
13 COMMISSION,

14 Plaintiff,

15 vs.

16 PAUL HORTON SMITH, SR.;  
17 NORTHSTAR COMMUNICATIONS,  
18 LLC; PLANNING SERVICES, INC.;  
AND EGATE, LLC,

19 Defendants.  
20  
21

Case No. 5:20-cv-01056-PA-SHK

**PLAINTIFF SECURITIES AND  
EXCHANGE COMMISSION'S  
NOTICE OF MOTION AND MOTION  
FOR ORDERS: (1) AWARDING  
FEES AND EXPENSES TO  
PERMANENT RECEIVER;  
(2) DEPOSITING FUNDS WITH THE  
CLERK OF THE COURT;  
(3) RETURNING ITEMS TO  
DEFENDANT; AND  
(4) DISCHARGING PERMANENT  
RECEIVER AND CONCLUDING  
RECEIVERSHIP**

Date: November 2, 2020  
Time: 1:30 p.m.  
Ctrm: 9A  
Judge: Honorable Percy Anderson  
22  
23  
24  
25  
26  
27  
28

1 **TO DEFENDANTS PAUL HORTON SMITH, SR.; NORTHSTAR**  
2 **COMMUNICATIONS, LLC; PLANNING SERVICES, INC.; AND EGATE,**  
3 **LLC:**

4 **PLEASE TAKE NOTICE** that Plaintiff Securities and Exchange Commission  
5 (“SEC”) will, and hereby does, move the Court for Orders: (1) Awarding Fees and  
6 Expenses to Permanent Receiver; (2) Depositing Funds with the Clerk of the Court  
7 pursuant to Fed. R. Civ. P. 67; (3) Returning Items to Defendant; and (4) Discharging  
8 Permanent Receiver for Defendants Northstar Communications, LLC (“Northstar”);  
9 Planning Services, Inc. (“Planning Services”); and eGate, LLC (“eGate”) and  
10 concluding the receivership pursuant to Fed. R. Civ. P. 66.

11 The SEC moves the Court for orders:

12 1. Awarding reasonable and necessary fees of \$41,015.70 and expenses of  
13 \$2,158.15 to the Permanent Receiver, to be paid out of the assets of the receivership  
14 estate;

15 2. Directing the Permanent Receiver to deposit the remaining funds of the  
16 receivership estate, after payment of fees and expenses, with the Clerk of the Court,  
17 and informing third party insurance companies to pay any future commissions earned  
18 by the entity Defendants with the Clerk of the Court, pursuant to Fed. R. Civ. P. 67;

19 3. Directing the Permanent Receiver to return electronic passwords used by  
20 Northstar, Planning Services, and eGate, to Defendant Paul Horton Smith, Sr.  
21 (“Smith”); and forward all mail for the receivership entities to Defendant Smith’s  
22 home address; and

23 4. Discharging the Permanent Receiver for Defendants Northstar, Planning  
24 Services, and eGate and concluding the receivership pursuant to Fed. R. Civ. P. 66,  
25 which shall be effective without further order of the Court upon the Receiver’s filing  
26 of a declaration that she has completed the tasks ordered to close the receivership.

27 The SEC’s motion is based upon the accompanying Memorandum of Points  
28 and Authorities; the Declaration of Krista L. Freitag filed herewith; the filings and

1 records in this action; and any other evidence or argument the SEC may present in  
2 support of the motion.

3 This motion is made in compliance with L.R. 7-3, based on communications  
4 the SEC sent to Smith requesting a meet and confer on September 9, 2020, and again  
5 on September 15, 2020, to which Smith failed to respond. The SEC also met and  
6 conferred with Krista L. Freitag, the Permanent Receiver, who has stated that she  
7 does not oppose this motion.

8 **PLEASE TAKE FURTHER NOTICE** that, if the Court determines a hearing  
9 is necessary, the motion will be heard at 1:30 p.m. on November 2, 2020, or as soon  
10 thereafter as practicable, in Courtroom 9A before the Honorable Percy Anderson,  
11 United States District Judge for the United States District Court for the Central  
12 District of California, at 350 W. 1<sup>st</sup> Street, Courtroom 9A, 9<sup>th</sup> Floor, Los Angeles,  
13 California 90012.

14  
15 Dated: September 29, 2020

Respectfully submitted,

16  
17 /s/ John B. Bulgozdy

John B. Bulgozdy

David S. Brown

Attorneys for Plaintiff

Securities and Exchange Commission

**PROOF OF SERVICE**

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,  
444 S. Flower Street, Suite 900, Los Angeles, California 90071  
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On September 29, 2020, I caused to be served the document entitled **PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S NOTICE OF MOTION AND MOTION FOR ORDERS: (1) AWARDING FEES AND EXPENSES TO PERMANENT RECEIVER; (2) DEPOSITING FUNDS WITH THE CLERK OF THE COURT; (3) RETURNING ITEMS TO DEFENDANT; AND (4) DISCHARGING PERMANENT RECEIVER AND CONCLUDING RECEIVERSHIP** on all the parties to this action addressed as stated on the attached service list:

**OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency’s practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

**PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

**EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

**HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

**UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service (“UPS”) with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

**ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

**E-FILING:** By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

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

Date: September 29, 2020

/s/ John B. Bulgozdy  
John B. Bulgozdy

**SEC v. Paul Horton Smith, Sr., et al.**  
**United States District Court—Central District of California**  
**Case No. 5:20-cv-01056-PA-SHK**

**SERVICE LIST**

Paul Horton Smith Sr.  
[REDACTED]  
Moreno Valley, CA [REDACTED]  
Email: [REDACTED]  
*Pro Se*

Krista Freitag  
E3 Advisors  
355 S. Grand Avenue, Suite 2450  
Los Angeles, CA 90071  
Email: [kgreitag@ethreeadvisorys.com](mailto:kgreitag@ethreeadvisorys.com)  
**Permanent Receiver for Defendants Northstar Communications, LLC,  
Planning Services, Inc., and eGate, LLC**

- 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

# Applications/Ex Parte Applications/Motions/Petitions/Requests

[5:20-cv-01056-PA-SHK Securities and Exchange Commission v. Paul Horton Smith et al](#)

(SHKx),DISCOVERY,MANADR

## UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

### Notice of Electronic Filing

The following transaction was entered by Bulgozdy, John on 9/29/2020 at 1:24 PM PDT and filed on 9/29/2020

**Case Name:** Securities and Exchange Commission v. Paul Horton Smith et al

**Case Number:** [5:20-cv-01056-PA-SHK](#)

**Filer:** Securities and Exchange Commission

**Document Number:** [61](#)

#### Docket Text:

**NOTICE OF MOTION AND MOTION for Order for (1) Awarding Fees and Expenses to Permanent Receiver; (2) Depositing Funds with the Clerk of the Court; (3) Returning Items to Defendant; and (4) Discharging Permanent Receiver and Concluding Receivership filed by Plaintiff Securities and Exchange Commission. Motion set for hearing on 11/2/2020 at 01:30 PM before Judge Percy Anderson. (Attachments: # (1) Memorandum, # (2) Declaration of Krista L. Freitag, # (3) Proposed Order) (Bulgozdy, John)**

#### **5:20-cv-01056-PA-SHK Notice has been electronically mailed to:**

David Stuart Brown    [browndav@sec.gov](mailto:browndav@sec.gov), [LAROFiling@sec.gov](mailto:LAROFiling@sec.gov), [thomasj@sec.gov](mailto:thomasj@sec.gov)

John B Bulgozdy    [bulgozdyj@sec.gov](mailto:bulgozdyj@sec.gov), [irwinma@sec.gov](mailto:irwinma@sec.gov), [kassabguir@sec.gov](mailto:kassabguir@sec.gov),  
[LAROFiling@sec.gov](mailto:LAROFiling@sec.gov), [longoa@sec.gov](mailto:longoa@sec.gov)

#### **5:20-cv-01056-PA-SHK Notice has been delivered by First Class U. S. Mail or by other means BY THE FILER to :**

Krista Freitag  
E3 Advisors  
355 S Grand Avenue Suite 2450  
Los Angeles, CA 90071

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**J:\ENF\LA-05131\LITIGATION FILES\DRAFTS\PLEADINGS & SETTLEMENTS - DRAFTS\Motion to Discharge Receiver\Motion to Discharge Receiver (FINAL) (for filing).pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/29/2020] [FileNumber=30622497-0]  
] [b0f1901e82ee45c8a906d0a99161252092aa9d980c691495c354d34940c40a9a38d  
4efbb09954042ae721a369662fdd78e63e90d00a1d38c399b696b90bf0998]]

**Document description:**Memorandum

**Original filename:**J:\ENF\LA-05131\LITIGATION FILES\DRAFTS\PLEADINGS & SETTLEMENTS - DRAFTS\Motion to Discharge Receiver\P&A in Support of Motion to Discharge Receiver (FINAL) (for filing).pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/29/2020] [FileNumber=30622497-1]  
] [3b6724ac68be4deaeb5a72ec097237f317c6bb40bcc61fa50142ab293927511011f  
3921eb6b05736bf60e5b9142403187fa5eb47ee8b12e6117bd8b4db49c676]]

**Document description:**Declaration of Krista L. Freitag

**Original filename:**J:\ENF\LA-05131\LITIGATION FILES\DRAFTS\PLEADINGS & SETTLEMENTS - DRAFTS\Motion to Discharge Receiver\Freitag Dec (signed) (for filing).pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/29/2020] [FileNumber=30622497-2]  
] [01fc210acecbe573625c085b1a205b7c5dffa356902dad85d78eab904f27c03af0b  
762de95987f0c839884a053014f33bf12a297fa5b48b257782ea19a7d9a23]]

**Document description:**Proposed Order

**Original filename:**J:\ENF\LA-05131\LITIGATION FILES\DRAFTS\PLEADINGS & SETTLEMENTS - DRAFTS\Motion to Discharge Receiver\Proposed Order on Motion to Discharge Receiver (FINAL) (for filing).pdf

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=9/29/2020] [FileNumber=30622497-3]  
] [b8a4ceac6d27925f5a9c0da0f7a2f844bed2cdd63c65825ed6d1fed0c902ba25e14  
8bf9f9b6c6eaa25835d5934499b5ccd4b260d428fde273da241f8d4e9caa8]]