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Attorney for
TIFFANY L. CARROLL
ACTING UNITED STATES TRUSTEE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re: CASHCALL, INC.. Debtor-in-Possession.	Case No.: 26-03102-JBM11 ACTING UNITED STATES TRUSTEE'S RESPONSE TO SUPPLEMENTAL BRIEF IN SUPPORT OF APPLICATION TO EMPLOY MANATT, PHELPS & PHILLIPS LLP AS COUNSEL TO THE DEBTOR PURSUANT TO THE ORDER DIRECTING SUPPLEMENTAL BRIEFING RE APPLICATION TO EMPLOY MANATT, PHELPS & PHILLIPS, LLP AS DEBTOR'S COUNSEL Date: November 4, 2026 Time: 10:00 A.M. Dept: Two (2) Judge: J. Barrett Marum

Introduction

The Acting United States Trustee ("UST") files this Response ("Response") to Supplemental Brief in Support of Application to Employ Manatt, Phelps & Phillips LLP as Counsel to the Debtor Pursuant to the Order Directing Supplemental Briefing re Application to Employ Manatt, Phelps & Phillips, LLP as Debtor's Counsel.

Chronology of Events

On July 20, 2026, CashCall, Inc. ("Debtor") voluntarily filed this case.

2603102261019000000000004

On August 5, 2026, Manatt, Phelps & Phillips, LLP ("Manatt") filed and submitted its Application for Entry of an Order (I) Authorizing Retention and Employment of Manatt, Phelps & Phillips LLP as Counsel to the Debtor; and (II) Granting Related Relief (the "Application") filed as Docket No. 42.

On August 19, 2026, the UST filed her timely Statement of Position ("SOP") objecting to the Application as Docket No. 65.

On August 20, 2026, the Court set a hearing on the Application to be heard on September 17, 2026.

On August 25, 2026, Manatt filed its Reply to UST's SOP as Docket No. 94.

On September 16, 2026, the Court issued a tentative ruling as Docket No. 136 regarding the Application. The tentative ruling requested, among other information, the following:

- What was the date on which Manatt withdraw [sic] from representing Mr. Reddam?
- The Orange County Superior Court register of actions does not reflect that Manatt has been substituted out or withdrawn from its representation of Mr. Reddam in that action. If Manatt is still counsel of record for Mr. Reddam in the fraudulent transfer lawsuit, how does that jive with its representations that he is a former client?

On September 17, 2026, the Court held a hearing (the "Hearing") and heard from Manatt and the UST regarding the Application. Manatt represented at the Hearing that it orally terminated representation of Mr. Reddam based on Mr. Wood's law firm signing engagement letter back in July 2026.

On September 18, 2026, the Court entered its Order Directing Supplemental Briefing re Application to Employ Manatt, Phelps & Phillips, LLP as Debtor's Counsel (the "Order") as Docket No. 152. The Order directed Manatt to "file documentary evidence showing that Manatt is no longer counsel of record in the Orange County fraudulent transfer action" by "a state court-file stamped copy of a notice of substitution or a notice of withdrawal of counsel filed in that matter even if the Orange County Superior Court has not yet acted on it." Order, Docket No. 152, ¶1(a).

The Order set the deadline for Manatt to respond as September 25, 2026.

The Order directed Dundon Advisors LLC ("Dundon") to file a supplemental declaration by September 25, 2026.

The Order directed the UST to file a response to Manatt's supplemental brief by October 2, 2026.

On September 22, 2026, a Notice of Executed and Filed Substitution of Attorney ("Substitution Notice") was filed as Docket No. 161.

On October 1, 2026, a Stipulation to Extend Deadlines and Continue Hearing on the Application ("Stipulation") between Manatt and the UST was filed as Docket No. 188. The Stipulation extended the deadline for Manatt and Dundon Advisors LLC to respond to the Order to October 7, 2026. The Stipulation extended the deadline for UST to file a response to October 20, 2026.

On October 2, 2026, the Court entered its Order approving the Stipulation ("Stipulation Order") as Docket No. 189.

On October 7, 2026, Manatt filed its Supplemental Brief in Support of Application ("Manatt Supp Brief") as Docket No. 194 and Supplemental Declaration of Schuyler G. Carroll in Support of Application ("Carroll Supp Dec") as Docket No. 195. Supplemental Declaration of Peter Hurwitz Regarding the Debtor's Assets ("Hurwitz Dec") was filed as Docket No. 196.

Legal Arguments

Pursuant to the Order and Stipulation Order, the UST files this Response. Manatt bears the burden to prove that it can be employed under 11 U.S.C. § 327.[1] *See In re Rosenblum*, 2019 Bankr.LEXIS 1159 at *8 (Bankr.D.Nev. 2019)(holding that "professional seeking approval of its employment by a bankruptcy estate has the burden of proving that he or she meets the requirements under Section 327"). Manatt failed to meet its burden. The Court ordered Manatt to file documentary

[1] Unless otherwise noted, all sections refer to the Bankruptcy Code and all rules refer to the Federal Rules of Bankruptcy Procedure.

evidence of its withdrawal of Mr. Reddam's representation but that has not happened. Based on inconsistent disclosures, the Court cannot make a clear finding of fact that Manatt does not have actual conflict of interest. Manatt has "a conflict of interest… that is central to the debtor's reorganization" that cannot be cured by utilization of a conflicts counsel. *In re Project Orange Assocs. LLC*, 431 B.R. 363, 375 (Bankr.S.D.N.Y. 2010). Manatt's cases on utilization of conflicts of counsel are distinguishable.

1. Manatt's Representation of Mr. Reddam

Manatt recognized that it would have an actual conflict of interest to represent both this Debtor and Mr. Reddam by representing to the Court that Mr. Reddam is a former client as of July 2026. But Manatt carries the burden to prove that Mr. Reddam is a former client. Manatt represented at the Hearing that it orally terminated representation of Mr. Reddam as of July 2026. Yet, on August 11, 2026, Manatt filed a Notice of Stay of Proceedings ("Stay Notice") on behalf of both Mr. Reddam and the Debtor in *Eduardo De La Torre v. John Paul Reddam, CashCall, Inc., et al*, Orange County Superior Court Case No. 30-2024-01421309 ("Fraudulent Conveyance Action"). Attached hereto as **Exhibit 1** is a copy of the file-stamped copy of the first page of the Stay Notice.

Moreover, the Order directed a filing of "a state court-file stamped copy of a notice of substitution or a notice of withdrawal of counsel." But what is filed as Docket No. 161 is not "a state-court file stamped copy." There is no stamp. The register of actions for the Fraudulent Conveyance Action as of October 14, 2026 does not reflect any filing of Substitution of Attorney by Manatt or David Wood. The most recent filing is by the clerk on September 15, 2026, and the register of action reflects Manatt as counsel for both Mr. Reddam and the Debtor. Attached hereto as **Exhibit 2** is a copy of the first two pages of the Fraudulent Conveyance Action's register of action as of October 19, 2026.

According to Section 284 of California Code of Civil Procedure, "[t]he

attorney in an action … may be changed at any time before or after judgment of final determination, as follows: 1. Upon the consent of both client and attorney, **filed with the clerk**, or entered upon the minutes." (emphasis added). Without filing the substitution of, change of attorney for Mr. Reddam did not formally occur in the Fraudulent Conveyance Action.

The Court gave Manatt time to provide documentary evidence. Manatt was given more time than the Order allowed through Stipulation. But Manatt still failed to meet its burden and remains attorney of record for Mr. Reddam in the Fraudulent Conveyance Action. Thus, Manatt has an actual conflict of interest.

2. **Manatt's Representation of Absolutely Zero Corporation**

Carroll Supp Dec indicates that Manatt also represented Absolutely Zero Corporation from 2019 until July 2, 2026. Carroll Supp Dec., Docket No. 195, ¶2b. This was not previously disclosed. Absolutely Zero Corporation is 100% owned entity of Mr. Reddam, lender of the Debtor-in-Possession financing ("DIP Loan"), and purchaser of more than $1,000,000 of loans from the Debtor one to two months prior to the filing of this case. Amended Statement of Financial Affairs, Docket No. 124, Line 13. According to Carroll Supp Dec, it would appear that Manatt may have been representing Absolutely Zero Corporation when it (1) purchased loans from the Debtor which may be subject to avoidance actions and (2) may have been contemplating providing the DIP Loan to the Debtor. If Manatt represented Absolutely Zero Corporation in these transactions, Manatt may have an additional conflict of interest.

3. **Conflicts Counsel Cannot be Employed to Cure Conflict**

The record reflects Manatt has an actual conflict of interest. Manatt argues that the utilization of conflicts counsel for "Estate's causes of action against Mr. Reddam and his affiliated entities," Supp. Brief, Docket No. 194, pge 9, lines 20-21, can cure the issue because the conflict involves a successive client. And that what is proposed for the employment of special conflicts counsel is not "central" to

the estate. Manatt's argument fails because cases with respect to defining "professional person" under §327 are not germane to the question of what is central to the reorganization of the estate. *In re Project Orange Assocs. LLC and WM Distribution Inc.* are relevant cases and dictate that Manatt's conflict cannot be cured by conflicts counsel.

In *Project Orange Assocs.*, 431 B.R. 363 (Bankr.S.D.N.Y. 2010), the proposed counsel DLA Piper sought to represent the debtor, while DLA Piper represented GE affiliates in matters unrelated to the bankruptcy. Furthermore, the GE affiliate was not a client of DLA Piper but DLA Piper's affiliate DLA Piper International, LLP. *Id.* at 368. Regardless, the debtor hired separate counsel for matters for which DLA Piper could not represent the debtor, including issues regarding GE's affiliate. *Id.* at 369. DLA Piper attempted to argue that it would not litigate directly adverse to GE and obtained conflict waiver and conflicts counsel but the bankruptcy court was not persuaded. *Id.* at 372. The court distinguished *In re Dynamark*, 137 B.R. 380 (Bankr.S.D.Cal. 1991) by pointing out that the debtor had pending litigation with GE before the bankruptcy filing. *Id.* at 373. In rejecting DLA Piper's use of conflicts counsel, the court reasoned that the "proposed general bankruptcy counsel as a conflict of interest with a creditor that is central to the debtor's reorganization." *Id.* at 375. Even if the conflicts counsel performed all work related to GE, the court found that the conflicts counsel's work would not be so limited. *Id.* at 375-76. In *In re WM Distrib. Inc.*, 571 B.R. 866 (Bankr.D.N.M. 2017) the bankruptcy court found that using conflicts counsel "is not appropriate where the adverse interests of the debtors represented by the same general bankruptcy counsel are central to the reorganization efforts of either debtor or to other resolution of the chapter 11 case or where the adverse interests are so extensive that each debtor should have its own independent general bankruptcy counsel." *Id.* at 873. These two courts reviewed facts of the cases before them to specify what is central to the reorganization efforts of the debtors.

The legal holding of these cases is if the proposed general counsel has conflict on issues central to the reorganization of the debtor, then conflicts counsel cannot cure the issue.

That is so here. Manatt claims that special conflicts counsel can simply cure Manatt's conflict by investigating and litigating any issues not related to Mr. Reddam and his related entities. But based on UST's analysis of Hurwitz declaration, Schedules, Statement of Financial Affairs, and pleadings, the potential assets that the Debtor can gain by investigating and pursuing against Mr. Reddam and his related entities could be **$52,540,839.26**. The potential assets unrelated to Mr. Reddam and his related entities - **$1,431,849.06**. *See* Declaration of Michelle M. Kainen in Support of the Response ("Kainen Dec"). Unlike *Project Orange* and *WM Distrib*, the central issues to reorganize the Debtor in this case are not negotiating with creditors. For this case, the central issue to reorganize this Debtor is pursuing Mr. Reddam and his related entities based on asset valuation. And thus, employment of conflicts counsel cannot cure Manatt's conflict of interest.

4. <u>Manatt's Legal Authorities Are Distinguishable</u>

Manatt relies on several cases that are distinguishable or irrelevant to the issue before this Court. *In re Kobra Props.,* 406 B.R. 396 (Bankr.E.D.Bankr. 2009) is distinguishable from this case. The counsel in that case switched from representing the official committee of unsecured creditors to chapter 11 trustee after the committee consented and waived all conflicts of interest when the chapter 11 trustee could not find any legal representation in the Eastern District of California. And unlike here, all creditors and principals of the jointly-administered debtors supported the change in counsel. *Id.* at 400 and 405. The chapter 11 trustee was appointed based on rejection of CRO employment by stipulation of the debtors, the creditors' committee, and a creditor. *Id.* at 401. The court noted practical handicaps of the chapter 11 trustee's efforts to employ counsel. *Id.* In the end, approximately four to five months after the petition, creditors' committee

counsel was proposed to become the chapter 11 trustee's counsel after full disclosure and waiver. *Id.* The court noted that the counsel obtained informed consent and creditors and debtors' principals supported the employment. *Id.* at 405. Moreover, the court noted that the chapter 11 trustee and committee of unsecured creditors are not likely to have a conflict of interest. *Id.* at 406. The court noted how early in the stage of chapter 11 case the switch occurred such that the committee likely did not have the type of confidential communication between the committee and its counsel that would cause adversity. *Id.* For disqualification related to successive representation, the court noted "substantial relationship exists if the subject of the representations make it likely that the attorney, who did not obtain the informed written consent of the former client, acquired confidential information that is relevant and material to the subsequent representation." *Id.* at 404-405.

As shown above, Manatt has not clearly shown that it is not attorney of record for the Fraudulent Conveyance Action. Moreover, *Kobra* is unlike this case in that the counsel switching clients represented the former client for a few months before switching – at the behest of all parties involved. Even if Mr. Reddam is considered only a former client, Manatt has represented Mr. Reddam and his related entities for years prior to bankruptcy. It is more likely than not, given the length of relationship, that Manatt acquired confidential relationship that is relevant and material to representation in this bankruptcy case.

Other cases are also distinguishable. In *In re Guy Apple Masonry Contractor, Inc.*, the counsel failed to obtain an order approving employment. The court ultimately allowed retroactive approval because the court concluded the conflict was "not so materially adverse." *In re Guy Apple Masonry Contractor, Inc.*, 45 B.R. 160, 167. (Bankr.D.Ariz. 1984). Furthermore, the objection was posed late in the case, and counsel represented that a plan to pay 100% to creditors could be proposed. *Id.* But the court also denied compensation to counsel for

failure to disclose until 100% payment to creditors can be achieved. *Id.* at 168-69. The point of this case was that there is no prejudice to creditors if 100% plan could be proposed to allow counsel to finish the case with potentially employment of conflicts counsel. And the court was displeased with counsel's failure to obtain an employment order early in the case by conditioning attorney's fees based on actually proposing 100% plan to creditors. In *In re Gilbertson's Rests LLC*, 2004 WL 1724878 (Bankr.N.D.Iowa 2004), the court noted that there was no actual conflict of interest based on inter-company claims. Thus, the court took a "wait and see" approach to determine if potential conflict of interest would develop into actual conflict. *Id.* at *5. In *In re Rockaway Bedding, Inc.*, 2007 WL 1461319 at *4 (Bankr.D.N.J. 2002), there were no active litigations but only potential conflict of interest. In *In re Caldor, Inc.*, 193 B.R. 165 (Bankr.S.D.N.Y. 1996), the case did not involve debtor's general counsel but counsels for official committee of unsecured creditors in two different cases. None of these cases stand for the proposition that conflicts counsel can cure proposed general counsel's conflict when the central issue to reorganization relates to avoidance actions against conflicted insider and insider's entities that make up virtually all of the estate's assets.

Manatt also cites to cases purporting to define what is "central" to the bankruptcy case. But *In re That's Eng. Mktg. Grp., Inc.*, 168 B.R. 226, 230 (N.D.Cal. 1994) was reviewing what constitutes a "professional person" who requires approval under § 327 and noted that the status of "professional" is focused on duties that is "central to the administration of the estate." *Id.* That is a different inquiry than what is central to the reorganization of the case for purposes of determining whether the general counsel has conflict that cannot be cured by conflicts counsel. *Project Orange* and *WM Distrib* cases were focused on substantive issues specific to each case, not the duties each professional may have

to conduct, that became "central" for the debtor to achieve reorganization.[2]

Conclusion

Manatt bears the burden to prove that it can be employed under § 327 but failed to meet that burden. The United States Trustee requests that the Court deny employment of Manatt so that the Debtor could expeditiously choose another counsel to be employed as general counsel.

Respectfully submitted,

TIFFANY L. CARROLL
ACTING UNITED STATES TRUSTEE

Dated: October 19, 2026

By: /s/ Haeji Hong
Haeji Hong,
Attorney for the Acting United States Trustee

[2] With respect to other cases cited, in *In re Running Horse, LLC*, 371 B.R. 446 (Bankr.E.D.Cal. 2007), the court ultimately denied employment of the proposed special counsel. The court found that the proposed "special" counsel's scope was not specific, special. or substantially unrelated to the reorganization effort. *Id.* at 452. *In re Goldstein*, 383 B.R. 496 (Bankr.C.D.Cal. 2007) was related to employing divorce attorneys, not conflicts counsel.

Exhibit 1

Case 26-03102-JBM11 Filed 10/19/26 Entered 10/19/26 14:51:12 Desc Main Pg. 12 of 15
Electronically Filed by Superior Court of California, County of Orange, 10/19/2026 4:05:11 PM.
30-2024-01421309-CU-NP-NJC - ROA # 215 - DAVID H. YAMASAKI, Clerk of the Court By T. Wojnar, Deputy Clerk.

CM-180

ATTORNEY OR PARTY WITHOUT ATTORNEY *(Name, State Bar number, and address):*	FOR *COURT USE ONLY*
Brad W. Seiling (SBN CA 143515); Donald R. Brown (SBN CA 156548); * MANATT, PHELPS & PHILLIPS, LLP /*Brandon Wong (SBN CA 327372) 2049 Century Park East, Suite 1700 Los Angeles, CA 90067 TELEPHONE NO.: (310) 312-4000 FAX NO. *(Optional):* (310) 312-4224 E-MAIL ADDRESS *(Optional):* bseiling@manatt.com; dbrown@manatt.com ATTORNEY FOR *(Name):* JOHN PAUL REDDAM and CASHCALL, INC.	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE STREET ADDRESS: 1275 N. Berkeley Avenue MAILING ADDRESS: 1275 N. Berkeley Avenue CITY AND ZIP CODE: Fullerton, CA 92838 BRANCH NAME: North Justice Center	
PLAINTIFF/PETITIONER: EDUARDO DE LA TORRE DEFENDANT/RESPONDENT: JOHN PAUL REDDAM; CASHCALL, INC., etc. et al.	
NOTICE OF STAY OF PROCEEDINGS	CASE NUMBER: 30-2024-01421309-CU-NP-NJC JUDGE: Hon. Nathan N. Vu DEPT.: N15

To the court and to all parties:

1. Declarant *(name):* Brad W. Seiling
   a. ☒ is ☐ the party ☒ the attorney for the party who requested or caused the stay.
   b. ☐ is ☐ the plaintiff or petitioner ☐ the attorney for the plaintiff or petitioner. The party who requested the stay has not appeared in this case or is not subject to the jurisdiction of this court.
2. This case is stayed as follows:
   a. ☒ With regard to all parties.
   b. ☐ With regard to the following parties *(specify by name and party designation):*
3. Reason for the stay:
   a. ☒ Automatic stay caused by a filing in another court. *(Attach a copy of the Notice of Commencement of Case, the bankruptcy petition, or other document showing that the stay is in effect, and showing the court, case number, debtor, and petitioners.)*
   b. ☐ Order of a federal court or of a higher California court. *(Attach a copy of the court order.)*
   c. ☐ Contractual arbitration under Code of Civil Procedure section 1281.4. *(Attach a copy of the order directing arbitration.)*
   d. ☐ Arbitration of attorney fees and costs under Business and Professions Code section 6201. *(Attach a copy of the client's request for arbitration showing filing and service.)*
   e. ☐ Other:

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

Date: August 11, 2026

BRAD W. SEILING
(TYPE OR PRINT NAME OF DECLARANT)

/s/ Brad W. Seiling
(SIGNATURE)

Form Adopted for Mandatory Use
Judicial Council of California
CM-180 [Rev. January 1, 2007]

NOTICE OF STAY OF PROCEEDINGS

Cal. Rules of Court, rule 3.650
www.courtinfo.ca.gov

Exhibit 2

2024-01421309, EDUARDO DE LA TORRE VS. JOHN PAUL REDDAM

CA Superior - Orange

Orange County

This case was retrieved on 10/19/2026

Header

Case Number: 2024-01421309
Date Filed: 08/21/2024
Date Full Case Retrieved: 10/19/2026
Status: Unknown
Misc: (47) NON-PI/PD/WD TORT - OTHER; CIVIL - UNLIMITED

Details

Uniform Case Number: 30-2024-01421309-CU-NP-NJC

Participants

Litigants	Attorneys
Eduardo De La Torre **Plaintiff**	Law Office of Arthur D. Levy ATTORNEY arthur@yesquire.com; The Gould Law Firm ATTORNEY Aarin@wageandhourlaw.com;
Cashcall, Inc. **Defendant**	Manatt, Phelps & Phillips, LLP ATTORNEY bseiling@manatt.com; dbrown@manatt.com;
John Paul Reddam **Defendant**	Manatt, Phelps & Phillips, LLP ATTORNEY bseiling@manatt.com; dbrown@manatt.com;

Calendar

Date	Time	Description	Room	Judge
2026-12-10	10:30	REVIEW HEARING	N15	VU

Proceedings

Date	#	Proceeding Text	Details
10/15/2026	220	E-FILING TRANSACTION NUMBER 21922879 REJECTED.	
09/15/2026	219	CLERK'S CERTIFICATE OF MAILING/ELECTRONIC SERVICE	
09/15/2026	218	MINUTES FINALIZED FOR CHAMBERS	

2024-01421309, EDUARDO DE LA TORRE VS. JOHN PAUL REDDAM

Date	#	Proceeding Text	Details
		WORK 09/15/2026 09:05:00 AM.	
09/15/2026	217	THE REVIEW HEARING IS SCHEDULED FOR 12/10/2026 AT 10:30 AM IN DEPARTMENT N15.	
08/11/2026	215	NOTICE OF STAY (BANKRUPTCY) FILED BY CASHCALL, INC. ON 08/11/2026	
09/11/2026	214	E-FILING TRANSACTION 42080354 RECEIVED ON 08/11/2026 04:43:25 PM.	
08/11/2026	213	E-FILING TRANSACTION NUMBER 31890011 REJECTED.	
11/03/2025	212	PROPOSED ORDER (NOT SIGNED) FILED BY SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE ON 11/03/2025	
07/15/2026	211	E-FILING TRANSACTION 11573080 RECEIVED ON 11/03/2025 07:51:09 PM.	
07/14/2026	210	CLERK'S CERTIFICATE OF MAILING/ELECTRONIC SERVICE	
07/10/2026	209	MINUTES FINALIZED FOR UNDER SUBMISSION RULING 07/10/2026 04:30:00 PM.	
05/11/2026	208	MINUTES FINALIZED FOR MOTION FOR SUMMARY JUDGMENT AND/OR ADJUDICATION 05/11/2026 09:00:00 AM.	
05/11/2026	207	THE COURT TAKES THIS MATTER UNDER SUBMISSION.	
04/30/2026	206	RESPONSE FILED BY CASHCALL, INC.; REDDAM, JOHN PAUL ON 04/30/2026	
04/30/2026	205	E-FILING TRANSACTION 21841437 RECEIVED ON 04/30/2026 08:05:11 PM.	
04/30/2026	204	NOTICE OF LODGING FILED BY CASHCALL, INC.; REDDAM, JOHN PAUL ON 04/30/2026	
04/30/2026	203	E-FILING TRANSACTION 21841436 RECEIVED ON 04/30/2026 08:05:06 PM.	
04/30/2026	202	DECLARATION IN SUPPORT FILED BY CASHCALL, INC.; REDDAM, JOHN PAUL ON 04/30/2026	
04/30/2026	201	E-FILING TRANSACTION 31843036 RECEIVED ON 04/30/2026 08:05:06 PM.	
04/30/2026	200	OBJECTION FILED BY CASHCALL, INC.; REDDAM, JOHN PAUL ON 04/30/2026	
04/30/2026	199	E-FILING TRANSACTION 21841435 RECEIVED ON 04/30/2026 08:05:05 PM.	
04/30/2026	198	PROOF OF SERVICE FILED BY CASHCALL, INC.; REDDAM, JOHN PAUL ON 04/30/2026	

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Attorney for
TIFFANY L. CARROLL
ACTING UNITED STATES TRUSTEE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re: CASHCALL, INC., Debtor-in-Possession,	Case No.: 26-03102-JBM11 DECLARATION OF MICHELLE M. KAINEN IN SUPPORT OF THE ACTING UNITED STATES TRUSTEE'S RESPONSE TO SUPPLEMENTAL BRIEF IN SUPPORT OF APPLICATION TO EMPLOY MANATT, PHELPS & PHILLIPS LLP AS COUNSEL TO THE DEBTOR PURSUANT TO THE ORDER DIRECTING SUPPLEMENTAL BRIEFING RE APPLICATION TO EMPLOY MANATT, PHELPS & PHILLIPS, LLP AS DEBTOR'S COUNSEL Date: November 4, 2026 Time: 10:00 a.m. Dept: Two (2) Judge: Hon. J. Barrett Marum

I, Michelle M. Kainen, declare as follows:

1. I am a Bankruptcy Supervisory Auditor employed by the United States Department of Justice in the Office of the United States Trustee ("United States Trustee"), San Diego office. I have a Master of Science degree in Accountancy from San Diego State University. I am licensed as a Certified Public

Accountant by the California Board of Accountancy. I am also a Certified Insolvency and Restructuring Advisor (CIRA).

2. As part of my duties as a Bankruptcy Supervisory Auditor, I am responsible for the supervision of Chapter 11 cases in the Office of the United States Trustee, Region 15. This supervision includes monitoring Chapter 11 cases; reviewing petitions, schedules, statements, and related documents, and pleadings filed by a Chapter 11 debtor and other parties in interest; conducting the Initial Debtor Interview and requesting documents related to the Interview; reviewing Monthly Operating Reports; monitoring plans and disclosure statements; and such other actions as the United States Trustee deems appropriate.

3. On August 24, 2026, I conducted the Initial Debtor Interview ("IDI") in this case. During the IDI, the Debtor's general counsel, Dan Baren, informed me that the following entities referenced in the Debtor's Statement of Financial Affairs are solely owned by John Paul Reddam: Ralis Services Corporation, Servicing Solutions, LLC, Jasper, Lender's Choice Escrow, Rebate Media Buyers, Lenders National Real Estate Solutions, Loan Exchange, LLC, and Absolutely Zero Corp.

4. Also during the IDI, the Debtor's Chief Financial Officer, Del Meeks, explained that in May and June 2026, the Debtor sold three tranches of loans to Absolutely Zero. When I inquired about the basis for selecting which loans would be sold versus retained, Mr. Meeks stated that the loans sold were those meeting specific performance criteria, and that the loans retained did not meet those criteria. There was no independent valuation performed of the tranches of loans sold.

5. At my request, the Debtor provided **Exhibit 1**, which includes a further breakdown of the amount listed on Schedule A/B, Line 11.

6. Pursuant to the Court's Order Directing Supplemental Briefing re Application to Employ Manatt, Phelps & Phillips, LLP as Debtor's Counsel ("Order") entered on September 18, 2026 as Docket No. 152, Dundon Advisors LLC ("Dundon") was directed to file a supplemental declaration addressing the Debtor's potential to monetize its loan portfolio and the additional assets identified during the September 17, 2026 hearing.

7. On October 7, 2026, Peter Hurwitz submitted the required declaration on behalf of Dundon (the "Hurwitz Declaration").

8. The Hurwitz Declaration did not identify the declarant's qualifications. The Hurwitz Declaration also omitted any discussion of the Debtor's largest asset (a fraudulent conveyance action) and did not address the potential monetization of most of the remaining assets. The chart below sets forth the assets identified in the Hurwitz Declaration:

Assets	Amount
Loan Portfolio - Principal Balance, accrued interest and fees - no liquidation	1,226,500.00
California Finance Lender License	Unvalued
Website, Doman Name and Telephone	Unvalued
Customer lists	Unvalued
Data, AI	Unvalued
Residual Interest in Hudson Cove Portfolio vested as of 8/31/26,	36,200.00
Tax Attributes	No value
Remnant Asset - intangible assets and payment rights	"Discussions regarding the potential for sale were recently begun."
Total	$ 1,262,700.00

9. In addition to the assets discussed in the Hurwitz Declaration, I reviewed the schedules, statements, and pleadings filed in this matter and determined that the estate may have additional assets beyond that which was identified in the Hurwitz Declaration.

10. Based on the schedules, statements, pleadings, information provided during the IDI, and **Exhibit 1**, I have categorized those potential assets as related or unrelated to John Paul Reddam, as follows:

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Source	Description	Potential Value Reddam-related	Potential Value Unrelated to Reddam
Schedule A/B Part 1	Cash and accounts		149,064.84
Schedule A/B Part 7	Furniture, fixtures and equipment		Unknown
Sch. A/B, Part 3, Line 11b Exhibit	Accounts Receivable - Misc. (Funds provided to Absolutely Zero for CFPB case)	2,546,025.05	
Sch. A/B, Part 3, Line 11b Exhibit	Accounts Receivable - Ralis	5,531.57	
Sch. A/B, Part 3, Line 11b Exhibit	Accounts Receivable - Servicing Solutions (Texas Rent)	590,661.95	
Sch. A/B, Part 3, Line 11b Exhibit	Accounts Receivable - Absolutely Zero	2,426.89	
ECF 18 page 2	Fraudulent transfer action - *De La Torre v. John Paul Reddam* , Orange County Superior Court 30-2024-01421309-CU-NP-NJC	45,293,217.90	
SOFA Line 3.1	Payment to Ralis Services	292,760.44	
SOFA Line 4.1	Ralis Services Corporation	1,107,289.51	
SOFA Line 4.2	Servicing Solutions, LLC	132,035.00	
SOFA Line 4.3	Absolutely Zero Corp.	903,623.09	
SOFA Line 4.4	Jasper	379,985.44	
SOFA Line 4.5	Law Office of Jordana Gilden		5,470.20
SOFA Line 4.6	Lender's Choice Escrow	555.00	
SOFA Line 4.7	Rebate Media Buyers	104,478.56	
SOFA Line 4.8	Lenders National Real Estate Solutions	112.00	
SOFA Line 4.9	Loan Exchange, LLC	630.00	
SOFA Line 4.10	Dan Baren		14,614.02
SOFA Line 13.1	Absolutely Zero Corp.	273,856.67	
SOFA Line 13.2	Absolutely Zero Corp.	62,292.38	
SOFA Line 13.3	Absolutely Zero Corp.	845,357.81	
	Total	$ 52,540,839.26	$ 169,149.06

11. Based on the above charts, the breakdown between Reddam-related assets and non-Reddam-related assets is as follows:

Source	Potential Value Reddam-related	Potential Value Unrelated to Reddam
Assets from Hurwitz Declaration	$ -	$ 1,262,700.00
Additional assets from statements, schedules and pleadings	52,540,839.26	169,149.06
Total	**$ 52,540,839.26**	**$ 1,431,849.06**

I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Executed this 15th day of October, 2026 in Concord, NH.

Michelle Kainen
Supervisory Auditor

EXHIBIT 1

EXHIBIT

Schedule A/B, Part 3, Line 11b - Accounts Receivable Over 90 Days Old

Reconciliation of Reported Net Book Value of $4,402,653.56 as of the Petition Date

Description	Amount ($)	Subtotal ($)	Reference / Notes
Residual Loan Portfolio (Loans Receivable)			
Mortgage	24,439.79		
Small Business Loans (SBL)	42,534.81		
Consumer	1,265,669.50		
Face amount of residual loan portfolio	*1,332,644.10*		Face Value
Less: Fair Market Value adjustment	(74,636.00)		
Net residual loan portfolio		**1,258,008.10**	
Booked Accounts Receivable			
Accounts Receivable – Misc	2,546,025.05		Funds provided to Absolutely Zero for CFPB case
Accounts Receivable – Ralis	5,531.57		
Accounts Receivable – Servicing Solutions	590,661.95		Texas rent
Accounts Receivable – Absolutely Zero	2,426.89		
Total booked accounts receivable		**3,144,645.46**	
Reported net book value		**4,402,653.56**	

Note: The residual loan portfolio is reported at a face amount of $1,332,644.10, against which the Debtor has recorded a Fair Market Value adjustment of $74,636.00, yielding a net amount of $1,258,008.10. That net amount, when consolidated with booked Accounts Receivable of $3,144,645.46, results in the reported net book value of $4,402,653.56. This presentation reflects the Debtor's historical charge-off and reserve policies and is not an admission that any portion of the portfolio is uncollectible; the Debtor reserves all rights to collect, sell, or otherwise realize upon the portfolio. Loan sales completed before the Petition Date are disclosed in response to SOFA Question 13, and the gain recognized on those sales is reported in response to SOFA Question 2. Amounts ultimately collected may differ materially from net book value.