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7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
 IN AND FOR KING COUNTY

8 MARK PHILLIPS,

9 Plaintiff,

10 v.

11 CHAD HAROLD RUDKIN AND ELIZABETH
12 RUDKIN, STEPHEN JAMES SCHWEICKERT, and
13 JANE DOES 1 THROUGH 4,

14 Defendants.

15 MARK E. PHILLIPS,

16 Plaintiff,

17 v.

18 HUNTS POINT VENTURES, INC., and
19 HUNTS POINT VENTURE GROUP, LLC,

20 Defendants.

21 In the Receivership of:

22 HUNTS POINT VENTURES, INC., a Washington
23 Corporation,

24 JOYCE P. SCHWEICKERT,

25 Plaintiff,

26 v.

27 HUNTS POINT VENTURES, INC., a Washington
28 Corporation,

29 Defendant.

30 No.: 13-2-07233-5 SEA

31 OBJECTION TO RECEIVER'S MOTION
32 RE: DESTRUCTION OF HPV'S BOOKS
33 AND RECORDS

34 No.: 13-2-20353-7 SEA (consolidated with
35 13-2-07233-5 SEA)

36 No.: 13-2-40014-6 SEA (consolidated with
37 13-2-07233-5 SEA)

38 No.: 13-2-42759-1 SEA (consolidated with
39 13-2-07233-5 SEA)

1 COMES NOW Mark Phillips, Pro Se, in Response to the Receiver's Recent Motion among
2 other things, to terminate the receivership including the destruction of books and records of Hunts
3 Point Ventures ("HPV").

4 Over the past 3 years, Phillips, and all investors, consultants, and loan holders in HPV have
5 brought suit against its corporate counsel, John Du Wors. Du Wors represented Phillips and HPV and
6 operated HPV from spring of 2010 to fall of 2012 to his sole benefit causing the insolvency of HPV.
7 Attorney Du Wors was the highest paid individual and had complete control over HPV's assets
8 including its bank account – which was run out of his IOLTA account. Discovery on Du Wors in the
9 number of actions against him have yielded little to no usable spreadsheet, invoice, and records
10 reconstruction of how Du Wors fleeced HPV, except that \$465,000 went into Du Wors' control or
11 IOLTA based on some claim. (See HPV v. Du Wors Case No. 15-2-06869-5-SEA). Yet, to date, no
12 board resolution, e-mail approval, investor disclosure, or host of other procedures were made available
13 to the litigants. Representations made orally and in the moving papers presented by Receiver of HPV,
14 Mark Calvert, was that he painstakingly reconstructed every penny that went into HPV and out,
15 presumably justifying the \$290,133.39 in Receivership fees from November 2013 through February of
16 2015 and the \$117,914.65 of legal expenses by Karr Tuttle. Presumably, the fruits of this labor were
17 the reconstructed records which demonstrated the bad acts by Mr. Du Wors that justified the
18 settlement of the Receiver's action on behalf of HPV against Mr. Du Wors for the financial damage he
19 caused the company's finances and to the mismanagement of its patent portfolio.
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21 The constellation of HPV civil litigation has now concluded with Du Wors settling with
22 Phillips' bankruptcy estate for \$75,000 and HPV for almost \$280,000. During this time, a bar
23 grievance with the Washington Bar Association has been stayed pending resolution of the civil
24 litigation. The books and records of HPV, the paper trial painfully constructed by the Receiver over
25

1 the course of two years, now is potentially at risk of being destroyed. These records, which cost HPV
2 dearly (with the application of at least 5 creditors seeking six-figure sums, the sole creditor payment to
3 Sandy Hoover received \$28,279.89 from the Receivership after the sale of HPV's intellectual
4 property; the Receiver himself and his attorneys (Receivership billed HPV \$308,040.94 and Karr
5 Tuttle billed \$175,392.07 for a grand total of \$483,433.01) currently seek payment of a generously
6 discounted total of \$229,378.17 or 88% of the total Estate Funds) have been paid nearly a quarter of
7 million dollars to reconstruct what occurred at HPV and their work product should be preserved for the
8 ongoing investigation. This would seem to be a very small burden for the Receivership to bear.

9 The WSBA matter (ODC File No. 13-01639) will re-commence as it was deferred until the
10 pending litigation (Phillips v Du Wors and HPV v Du Wors) concluded. By way of the July 14, 2015
11 letter, disciplinary counsel Mr. Redman wrote to Du Wors and grievant Phillips to "**retain all records,**
12 **files and accounts related to the grievance.**" However, the Receiver now brings this motion to,
13 along with other things, seek "court approval to destroy the books and records of the Receivership
14 immediately following the discharge of the Receiver. It is burdensome to the Receiver to retain these
15 files." (See p. 6, line 19-22, declaration of Mark Calvert). It is unclear why preserving these records
16 is "burdensome." However, if the Court is inclined to grant the request of the Receiver to no longer be
17 the custodian of the files, Phillips' respectfully proposes the following:
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19 The Receiver gather the books and records of HPV in physical form – boxes and files, and
20 seals them and provide hard drive size requirements for the digital records such as QuickBooks, digital
21 invoices, and spreadsheets, and Phillips will provide the hard drive or flash memory. Upon sealing of
22 the aforementioned materials, Phillips and the Receiver will propose a 3rd party, in the event that Mark
23 Kimball and Brandon Wayman of MDK Law are not sufficiently chain of custody custodians, so that
24 the records may be safely stored in the event an investigating body would like access to them.
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In sum, there exists reasons to deny the Receiver's motion in so far as he requests to destroy the books and records of HPV. To the degree it is actually burdensome – to date the receiver has not separately invoiced or shared with the Court the cost of data retention. Nor as he explained whether his attorneys at Karr Tuttle will be retaining a separate client file of these same records. There exists current investigation by the WSBA where a subpoena for the books and records of HPV may be very well contemplated. And finally, although the Receiver has stated under oath that he is making available the intellectual property records and delivered them on or about January 5, 2016 to MDK Law, Ms. Schweickert, who requested those records, requires more time to fully evaluate the completion of the files.

RESPECTIVELY SUBMITTED this 8th day of January, 2016.

markphillips
Mark Phillips, Pro-See