

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No. 8:09-cv-87-T-26TBM

ARTHUR NADEL;
SCOOP CAPITAL, LLC;
SCOOP MANAGEMENT, INC.

Defendants,

SCOOP REAL ESTATE, L.P.;
VALHALLA INVESTMENT PARTNERS, L.P.;
VALHALLA MANAGEMENT, INC.;
VICTORY IRA FUND, LTD;
VICTORY FUND, LTD;
VIKING IRA FUND, LLC;
VIKING FUND, LLC; AND
VIKING MANAGEMENT, LLC

Relief Defendants.

**RECEIVER'S NINETEENTH INTERIM MOTION FOR ORDER
AWARDING FEES, COSTS, AND REIMBURSEMENT OF COSTS
TO RECEIVER AND HIS PROFESSIONALS**

Burton W. Wiand, as Receiver, by and through his undersigned counsel and pursuant to Rule 66 of the Federal Rules of Civil Procedure and the Court's Order Appointing Receiver dated January 21, 2009 (the "**Order Appointing Receiver**"; Doc. 8), respectfully moves this Court for the entry of an order awarding fees, costs, and reimbursement of costs to the Receiver and his professionals. This motion covers all fees and costs incurred for the

six month period from November 1, 2014 through April 30, 2015. The Standardized Fund Accounting Report (“**SFAR**”) for this period is attached hereto as **Exhibit 1**.¹ For the time covered by this Motion, the Receiver and Wiand Guerra King P.A. (“**WGK**”) seek approval to pay total fees and costs of \$233,482.20 for their services (of which \$34,179.78 will be paid exclusively from Quest’s revenues and assets as detailed in the pertinent Sections below). During this same time, the Receiver collected \$599,601.44 in cash from settlements, business income, interest/dividend income, and other miscellaneous income. From the inception of the Receivership through April 30, 2015, the Receiver has collected the net amount of **\$66,599,041.65** in cash from these same sources, as well as business asset liquidation and personal asset liquidation which is less fees, expenses, and tax payments paid during that time. To date, the Receiver has made four distributions totaling approximately **\$57 million**. As of August 25, 2015, the total funds in all Receivership accounts are approximately **\$13,424,295.36**, which includes \$2,803,646.58 being held in reserves for objections in the claims process and \$4,377,456.84 being held in separate accounts until a claim to these funds is resolved.

Since the appointment of the Receiver, he and those he has retained to assist him have engaged in substantial and continuing efforts for the benefit of the Receivership. As of the date of this Motion, among other things, the Receiver and his professionals have done the following:

¹ The Securities and Exchange Commission (the “**Commission**”) provided the Receiver with detailed Billing Instructions for Receivers in Civil Actions Commenced by the Commission (the “**Billing Instructions**”). The SFAR is one of the requirements contained in the Billing Instructions.

- Pursued and/or continue to pursue litigation or post-judgment efforts for (1) the recovery of false profits or other transfers from investors (i.e., from “**Profiteers**”); (2) the recovery of transfers from Receivership Entities to Donald and Joyce Rowe, and certain of their affiliated entities; (3) the recovery of other transfers, such as commissions, from other individuals and/or entities; and (4) the recovery of certain charitable contributions made with scheme proceeds;
- Prevailed on six summary judgment motions in the District Court for the Middle District of Florida resulting in the entry of judgments against Profiteers for a total amount of **\$2,869,015.43**;
- Reached agreements to settle with **159** Profiteers and non-profit organizations and obtained **18** judgments against Profiteers and non-profit organizations for a total combined amount of **\$32,039,502.99** (plus additional non-cash assets) as of August 24, 2015;²
- Obtained two arbitration awards in favor of the Receiver in the total combined amount of **\$2,417,979.83**, which is included in the total amount of settlements and judgments above;
- Obtained full satisfaction of a judgment against a clawback defendant in the amount of **\$2,290,865.60** through extensive collection efforts;
- Prevailed on three appeals in which the Court had granted summary judgment in favor of the Receiver, but denied the Receiver’s request for prejudgment interest; the appellate court affirmed the granting of summary judgment in favor of the Receiver and reversed and remanded the denial of prejudgment interest;
- Reached an agreement to settle, provided notice of the settlement to all potentially interested parties, and obtained an order approving a settlement with Holland & Knight LLP (“**H&K**”) pursuant to which H&K paid **\$25,000,000** to the Receiver;
- Reached an agreement to settle, provided notice of the settlement to all potentially interested parties, and obtained an order approving the settlement between the Receiver and Goldman Sachs Execution & Clearing, L.P. (“**GSEC**”), pursuant to which GSEC paid **\$9,850,000** to the Receiver;
- Reached an agreement to settle, provided notice of the settlement to all potentially interested parties, and obtained an order approving a settlement with Shoreline

² This amount does not include a judgment in the amount of \$4,028,385.00 the Receiver obtained against Don and Joyce Rowe and certain of their affiliated entities (the “**Rowe Judgment**”).

Trading Group, LLC (“**Shoreline**”) pursuant to which Shoreline paid **\$2,500,000** to the Receiver;

- After extensive negotiations, reached a settlement agreement with Donald and Joyce Rowe and related entities (collectively the “**Rowe Defendants**”) pursuant to which (1) the Rows consented to entry of a joint and several judgment against the Rowe Defendants in favor of the Receiver in the amount of **\$4,028,385** on all claims; (2) the Rowe Defendants paid the Receiver **\$250,000**; and (3) the Receiver used his best efforts to enjoin two proceedings against the Rowe Defendants brought by investors in Nadel’s scheme;
- Engaged in significant collection efforts to collect on the Rowe Judgment, which as of August 25, 2015, has resulted in the recovery of **\$2,696,344.43** on this judgment.
- Entered into an agreement with Bonds.com to retire all Bonds.com’s indebtedness to the Receivership in exchange for payment of **\$2,250,000** (which has been received) and, allow Bonds.com to repurchase all approximately 7.5 million shares of stock in exchange for a payment of \$5,000 (which has also been received);
- Sold or reached agreements in principle to sell Receivership assets that should result in approximately **\$10,746,800.97** for the Receivership and the waiver or resolution of more than **\$9.5 million** in debt obligations of Receivership Entities;³
- Filed the appropriate federal tax forms on behalf of Art Nadel, Chris Moody, Neil Moody, Marguerite Nadel, and Sharon Moody and successfully recovered the total amount of approximately **\$5,038,702.93** in federal tax refunds issued for Peg and Art Nadel, Sharon Moody, Neil Moody, and Chris Moody;
- Expanded the Receivership to include **14** additional business entities and one trust, including Quest Energy Management Group, Inc.;
- Obtained possession of additional property in Georgia, North Carolina, Mississippi, Ohio, Colorado, Tennessee, and Florida bringing the Receivership’s

³ The above amount includes \$2,229,463.15 received from the sale of the “Rite-Aid Property” which is being held pending resolution of disputes with Wells Fargo Bank, N.A. (“**Wells Fargo**”), and also includes \$2,147,993.69 which the Receiver collected from the sale of a property in Sarasota, the “Bellasara Property.” The proceeds from the sale of the Bellasara property are subject to potential disputes with banks which loaned money for the purchase of the property, including Wells Fargo, and are being held in a separate account.

current real and personal property holdings to more than 426 acres; one residential property; and other miscellaneous items, including artwork and furniture;

- Assisted the Commission with obtaining the entry of judgments enjoining Neil V. Moody and Christopher D. Moody (at times collectively referred to as the “**Moody’s**”) from further violations of the anti-fraud provisions of the federal securities laws and allowing the Commission to seek disgorgement and/or civil penalties from the Moody’s by motion to the Court;
- Finalized and obtained Court approval of a settlement agreement with Neil Moody to settle claims brought by the Receiver against him individually and in his capacity as Trustee of the Neil Moody Revocable Trust and the Neil Moody Charitable Foundation, which provides in pertinent part, that all of the Receiver’s claims are dismissed without prejudice and with an express waiver of any time bar defenses by Neil Moody in exchange for (1) the transfer of all of Neil Moody’s meaningful assets identified in the settlement agreement, along with a sworn affidavit by Neil Moody verifying the extent of his assets; (2) transfer to the Receiver of his tax refunds, which included a check for \$365,284.99 received March 12, 2012; and (3) cooperation with and assistance to the Receivership in the Receiver’s ongoing efforts to recover monies on behalf of investors subject to Neil Moody’s Fifth Amendment rights;
- Worked on recovering assets in the possession of Neil Moody and Chris Moody;
- Instituted and continue to pursue an action against Wells Fargo to recover damages and fraudulent transfers relating to the bank’s activities in connection with the Ponzi scheme underlying this case;
- Successfully opposed Wells Fargo’s efforts to disqualify the Receiver and his counsel from all Receivership matters;
- Instituted the claims process and published notice of the same by (1) direct mail of more than 1250 packages to known investors and their attorneys, if any, and other known potential creditors of the Receivership estate; (2) global publication on one day in The Wall Street Journal and publication on one day in the Sarasota-Herald Tribune on June 15, 2010; and (3) web access to all pertinent claims process documents on the Receiver’s website, www.nadelreceivership.com;
- Reviewed and analyzed more than 500 Proof of Claim Forms, identified deficiencies in numerous Proof of Claim Forms and sent more than 130 letters to claimants notifying them of deficiencies in their respective Proof of Claim Forms and allowing them an opportunity to timely return an amended Proof of Claim Form to preserve their claims;

- Filed the Receiver's Motion to (1) approve determination and priority of claims, (2) pool Receivership assets and liabilities, (3) approve plan of distribution, and (4) establish objection procedure and included the Receiver's recommended determination and priority of each of the 504 claims submitted, which was granted in all respects except for one claim submitted by Wells Fargo for which the Court reserved ruling;
- Sought and obtained approval of a first interim distribution of approximately \$26 million which provided a 20% recovery of the Allowed Amounts of Claimants entitled to participate in the first interim distribution; 343 checks were mailed to these Claimants in the beginning of May 2012;
- Sought and obtained approval of a second interim distribution of approximately \$22 million which provided a 16.75% recovery of the Allowed Amounts of Claimants entitled to participate in the second interim distribution, bringing these Claimants' total recovery to 36.75% of their Allowed Amounts; 346 checks were mailed to these Claimants in November 2012;
- Sought and obtained approval of a third interim distribution of approximately \$5 million which provided a 3.81% recovery of the Allowed Amounts of Claimants entitled to participate in the third interim distribution, bringing these Claimants' total recovery to 40.56% of their Allowed Amounts; 346 checks were mailed to these Claimants in November 2013;
- Sought and obtained approval of a fourth interim distribution of approximately \$5 million which provided a 3.81% recovery of the Allowed Amounts of Claimants entitled to participate in the fourth interim distribution, bringing these Claimants' total recovery to 44.37% of their Allowed Amounts; 346 checks were mailed to these Claimants in or about April 2014; and
- Continued to operate ongoing businesses, and where possible, enhance the value of those businesses resulting in the generation of more than \$7,125,576.98 in gross business income since the appointment of the Receiver.

Case Background and Status

As of the date of filing this Motion, the Court has appointed Burton W. Wiand as Receiver over the following entities and trust:

- a) Defendants Scoop Capital, LLC; and Scoop Management, Inc.;

- b) Relief Defendants Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Victory IRA Fund, Ltd.; Victory Fund, Ltd.; Viking IRA Fund, LLC; and Viking Fund LLC; Valhalla Management, Inc.; and Viking Management, LLC; and
- c) Venice Jet Center, LLC; Tradewind, LLC; Laurel Mountain Preserve, LLC; Laurel Preserve, LLC; Laurel Mountain Preserve Homeowners Association, Inc.; Marguerite J. Nadel Revocable Trust UAD 8/2/07; Guy-Nadel Foundation, Inc.; Lime Avenue Enterprises, LLC; A Victorian Garden Florist, LLC; Viking Oil & Gas, LLC; Home Front Homes, LLC; Traders Investment Club; Summer Place Development Corporation; Respiro, Inc.; and Quest Energy Management Group, Inc.

(See Docs. 8, 17, 44, 68, 81, 153, 172, 454, 911, 916, 1024.) The foregoing entities and trust are collectively referred to as the “**Receivership Entities.**”

On June 4, 2015, the Receiver filed the Eighteenth Interim Report (Doc. 1181). This Interim Report contains comprehensive and detailed information regarding the case background and status; the recovery and disposition of assets; financial information on Receivership Entities; the proposed course of action to be taken regarding assets in the Receivership estate; the claims process; and related litigation involving Receivership Entities. The Receiver incorporates the Eighteenth Interim Report into this Motion for Fees and has attached a true and correct copy of the Eighteenth Interim Report as **Exhibit 2** for the Court’s convenience. This Interim Report reports on all of the activity which resulted in the fees and costs sought in this Motion. Throughout this Motion, the Eighteenth Interim Report will be referred to as “**Interim Report.**”⁴

Professional Services Rendered and Costs Incurred

Paragraph 4 of the Order Appointing Receiver authorizes the Receiver to

⁴ More information regarding activities relating to Quest may also be found in the Receiver’s Interim Reports on Quest (Docs. 1054, 1117, and 1145).

[a]ppoint one or more special agents, employ legal counsel, actuaries, accountants, clerks, consultants and assistants as the Receiver deems necessary and to fix and pay their reasonable compensation and reasonable expenses, as well as all reasonable expenses of taking possession of the assets and business of the Defendants and Relief Defendants, and exercising the power granted by this Order, subject to approval by this Court at the time the Receiver accounts to the Court for such expenditures and compensation.

Pursuant to this paragraph, the Receiver retained, among others,⁵ (1) PDR Certified Public Accountants (“**PDR**”) to provide accounting services; (2) Riverside Financial Group (“**Riverside**”) to provide financial analyses; (3) E-Hounds, Inc. (“**E-Hounds**”) to provide computer forensic services; (4) Fowler White Boggs P.A. (“**Fowler White**”), and subsequently WGK to provide legal services; and (5) RWJ Group, LLC (“**RWJ**”) to provide asset management services (collectively, the “**Professionals**”).⁶ For a listing of prior Interim Motions for Fees and Costs, including the amounts sought and awarded by the Court, please refer to **Exhibit 3**, attached hereto.

As described above and more fully in the Interim Report, the Professionals have provided services and incurred expenses to investigate the affairs of the Receivership Entities, preserve and sell Receivership assets, attempt to locate and recover additional assets, administer the claims process, and institute and pursue litigation and post-judgment

⁵ The others retained in more limited capacities, which are pertinent to this motion, include: (1) Yip Associates to provide expert assistance in connection with clawback litigation and the litigation against Wells Fargo; (2) Brannock & Humphries to provide expert assistance with an appeal of litigation against Wells Fargo; (3) Scott Douglass & McConnico, L.L.P to assist with regulatory matters involving Quest; and (4) the Law Office of Dick Harris, P.C. and the Law Office of Ashton Anderson to assist with the bankruptcy proceeding initiated by Jeffrey Downey.

⁶ As noted in the Fourth Interim Report (Doc. 240 at n.2), the Receiver and certain of his counsel of record in this case moved from Fowler White Boggs P.A. to Wiand Guerra King P.L.

collection efforts. These services are for the benefit of aggrieved investors, creditors, and other interested parties of the Receivership Entities.

I. The Receiver.

The Receiver requests the Court award him fees for the professional services rendered for the six months from November 1, 2014, through April 30, 2015, in the amount of \$20,545.00. The standard hourly rate which the Receiver charges clients is \$460. However, the Receiver agreed that for purposes of his appointment as the Receiver, his hourly rate would be reduced to \$350 per hour, representing nearly a twenty-four percent (24%) discount off the standard hourly rate which he charges clients in comparable matters. This rate was set forth in the Commission's Emergency Motion for Appointment of Receiver and Memorandum of Law (Doc. 6), which the Court granted on January 21, 2009 (Doc. 8).

The Receiver commenced services immediately upon his appointment. The Receiver has billed his time for these activities in accordance with the Billing Instructions. The Billing Instructions request that this Motion contain a narrative of each "business enterprise or litigation matter" for which outside professionals have been employed. The Billing Instructions identify each such business enterprise or litigation matter as a separate "project." Further, the Billing Instructions request that time billed for each project be allocated to one of several Activity Categories.⁷

⁷ The Activity Categories set forth by the Commission in the Billing Instructions are as follows: (1) Asset Analysis and Recovery, which is defined as identification and review of potential assets including causes of action and non-litigation recoveries; (2) Asset Disposition, which is defined as sales, leases, abandonment and related transaction work (where extended series of sales or other disposition of assets is contemplated, the Billing Instructions provide that a separate category should be established for each major transaction); (3) Business Operations, which is defined as issues related to operation of an

A. The Receivership.

During the relevant period of this Receivership, the work of the Receiver and WGK focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating, pursuing, and recovering additional assets for the Receivership; selling or otherwise disposing of assets in a manner that is in the best interests of the Receivership; administering the claims process and addressing objections; and pursuing litigation and post-judgment efforts to recover false profits and other improper transfers and damages. These activities of the Receiver are set forth in detail in the Interim Report. (Ex. 2.) A copy of the statement summarizing the Receiver's services rendered and costs incurred for the Receivership is attached hereto as **Exhibit 4**. The Receiver's time and fees for services rendered for each Activity Category for the six months from November 1, 2014, through April 30, 2015, are as follows:

Receivership
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	9.80	\$3,430.00
Asset Analysis and Recovery	14.60	\$5,110.00
Business Operations	2.50	\$875.00
Case Administration	2.50	\$875.00
Claims Administration	1.60	\$560.00

ongoing business; (4) Case Administration, which is defined as coordination and compliance activities, including preparation of reports to the court, investor inquiries, etc.; (5) Claims Administration and Objections, which is defined as expenses in formulating, gaining approval of and administering any claims procedure; and (6) Employee Benefits/Pensions, which is defined as reviewing issues such as severance, retention, 401k coverage and continuance of pension plan. The Billing Instructions provide that time spent preparing motions for fees may not be charged to the Receivership Estate. In accordance with these instructions, the Receiver created an additional Activity Category for work on fees motions and has accounted for time spent on such work but has not charged any amount for this work.

TOTAL	31.00	\$10,850.00
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B. Discrete Litigation Matters and Projects.

In conjunction with the Receivership, the following seven discrete litigation matters or projects have been formally commenced by the Receiver.

1. Home Front Homes Litigation.

This was a lawsuit against Brian C. Bishop, a former employee who also had an ownership interest in Home Front Homes, LLC (“**Home Front Homes**”) an operating business. This matter has been resolved. The Receiver did not charge any fees or incur any costs for this matter for the time covered by this Motion.

2. Carolina Mountain Land Conservancy Easement.

This was a project involving the recovery of a conservancy easement that Laurel Mountain Preserve, LLC, had granted to the Carolina Mountain Land Conservancy. This matter has been resolved. The Receiver did not charge any fees or incur any costs for this matter for the time covered by this Motion.

3. Recovery from Investors and Others Including False Profits.

This is a project involving the Receiver’s efforts to primarily recover profits from investors whose purported accounts received monies in an amount that exceeded their investments. (*See also* Ex. 2 § IV.E.1.) These purported profits were false because they were not based on any trading or investment gain, but rather were proceeds of a Ponzi scheme that consisted of funds of new and existing investors. This project also included the Receiver’s efforts to recover charitable contributions made with scheme proceeds. (*See also* Ex. 2 § IV.E.) A copy of the statement summarizing the services rendered and costs incurred

by the Receiver for the six months from November 1, 2014, through April 30, 2015, for this project is attached hereto as **Exhibit 5**. The Receiver's time and fees for services rendered for each Activity Category are as follows:

Recovery from Investors and Others Including False Profits
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	9.30	\$3,255.00
TOTAL	9.30	\$3,255.00

4. Recovery of Assets from the Moodys.

This is a project involving the Receiver's efforts to recover money and other assets from the Moodys. (*See also* Ex. 2 § IV.D.) The Receiver did not charge any fees or incur any costs for this matter for the time covered by this Motion.

5. Recovery from Recipients of Commissions and Other Related Transfers.

This is a project involving the Receiver's efforts to recover commissions and/or other related transfers from individuals and/or entities who received commissions or other improper transfers from the Receivership Entities. (*See* Ex. 2 § IV.E.) A copy of the statement summarizing the Receiver's services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, for this project is attached hereto as **Exhibit 6**. The Receiver's time and fees for services rendered on this matter for each Activity Category are as follows:

Recovery of Commissions and Other Related Transfers
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	1.20	\$420.00
TOTAL	1.20	\$420.00

6. Litigation Against Holland & Knight LLP.

This was a project involving the Receiver's pursuit of malpractice and other claims by the Hedge Funds against H&K which sought to recover the Hedge Funds' losses that occurred after January 1, 2003. The Receiver settled this action for payment of \$25,000,000 by H&K to the Receiver. This matter has been resolved. The Receiver did not charge any fees or incur any costs for this matter for the time covered by this Motion.

7. Quest Energy Management Group, Inc.

This is a project involving the Receiver's investigation, operation, and marketing of Quest Energy Management Group, Inc. ("**Quest**"). (*See* Ex. 2 § IV.A.6; Docs. 1054, 1117, and 1145.) Quest is an oil and gas exploration and production company based in Texas. The Receivership was expanded to include Quest on May 24, 2013 (Doc. 1024). A copy of the statement summarizing the Receiver's services rendered and costs incurred for this project for the six months from November 1, 2014, through April 30, 2015, is attached hereto as **Exhibit 7**. The Receiver will pay these fees exclusively from Quest's assets and funds generated by its operations.⁸ The Receiver's time and fees for services rendered on this matter for each Activity Category are as follows:

⁸ Since the expansion of the Receivership to include Quest, the Receiver has and will continue to maintain a separate accounting of revenues and expenses for Quest. The

Quest Energy Management Group, Inc.
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	3.90	\$1,365.00
Asset Analysis and Recovery	4.10	\$1,435.00
Business Operations	9.20	\$3,220.00
TOTAL	17.20	\$6,020.00

8. Schneiderman Appeal.

This is a project involving the Receiver's appeal of two orders entered in a clawback action. *See Wiand, as Receiver v. Roberta Schneiderman and Robert D. Zimelis, as Co-Executors of the Estate of Herbert Schneiderman and Roberta Schneiderman, individually*, Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (seeking recovery of \$163,660); *see also* Ex. 2 § IV.E.1. This clawback action was compelled to arbitration. The arbitrator entered a final order and award in favor of the respondents before the final hearing without any basis in law or fact resulting in a grave inequity. The Receiver filed a motion to vacate the arbitration award. The Magistrate Judge issued a Report and Recommendation denying the Receiver's motion to vacate, which the District Court adopted. The Receiver filed an appeal of the order referring the matter to arbitration and the order denying his motion to vacate. Due to the amount sought in this matter and the difficulty in vacating an arbitration award, in a motion filed with the court, the Receiver and WGK proposed to handle this matter for a flat fee plus costs, which conferred considerable savings to the Receivership (Motion for Permission to Prosecute Appeal, Doc. 1128). The Court granted this motion on July 16, 2014 (Order, Doc.

Receiver has been able to grow Quest's revenues since that time and believes Quest likely will generate sufficient revenues to cover its expenses.

1129). Pursuant to the flat fee arrangement, the Receiver and WGK received a flat fee of \$15,000.00 plus costs. Nevertheless, a copy of the statement summarizing the Receiver's services rendered for this project for the six months from November 1, 2014, through April 30, 2015, is attached hereto as **Exhibit 8**. The Receiver's time and fees for services rendered on this matter for each Activity Category are as follows:

Schneiderman Appeal
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	1.4	\$490.00
TOTAL	1.4	\$490.00

In connection with the prior motion for fees submitted by the Receiver, the Receiver and WGK have already received full payment of the flat fee of \$15,000 pursuant to the arrangement approved by the Court (*see* Doc. 1129). Accordingly, the Receiver does not seek approval for payment of any of the above fees incurred.

II. Wiand Guerra King P.A. And Other Counsel.

The Receiver requests the Court award WGK fees for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amounts of \$201,595.80 and \$11,341.40, respectively. A categorization and summary of all costs for which WGK seeks reimbursement is attached hereto as **Exhibit 9**.⁹

⁹ Exhibit 9 includes costs incurred in connection with the Schneiderman appeal discussed in Section B.8. above. As set forth in the flat fee arrangement approved by the Court, the Receiver is entitled to recover for costs incurred in connection with this appeal. Accordingly, the Receiver requests the Court award WGK costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amount of \$1,364.72, as summarized in Exhibit 9. A full detail of the costs incurred can be found in Exhibit 18.

As an accommodation to the Receiver, WGK agreed to reduce the hourly rates of the Receiver's counsel in accordance with the discounted fee structure that was in place at Fowler White as provided in the Fee Schedule attached hereto as **Exhibit 10**.¹⁰ WGK began providing services on November 8, 2009. The activities of WGK for the time covered by this Motion are set forth in the Interim Report. (See Ex. 2.) WGK has billed time for these activities in accordance with the Billing Instructions.

A. The Receivership.

As discussed above, during the relevant period of this Receivership, the work of the Receiver and WGK focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating, pursuing, and recovering additional assets for the Receivership; administering the claims process and addressing objections; and pursuing litigation and post-judgment collection efforts as detailed in the Interim Report. (Ex. 2.) A copy of the statement summarizing the services rendered and costs incurred by WGK for the foregoing for the six months from November 1, 2014, through April 30, 2015, is attached hereto as **Exhibit 11**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

¹⁰ Some of the attorneys listed in Exhibit 10 remained at Fowler White, and thus no longer work on Receivership matters. Similarly, WGK attorneys not listed in Exhibit 10 now work on such matters. WGK attorneys who work on Receivership matters but are not listed in Exhibit 10 are billed at hourly rates that are consistent with the discounted fee structure detailed in that exhibit based on their respective level of seniority.

Receivership
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	120.80	\$26,679.00
Asset Analysis and Recovery	22.30	\$6,737.55
Business Operations	14.70	\$2,128.00
Case Administration	35.80	\$10,122.00
Claims Administration	174.80	\$42,281.30
TOTAL	368.40	\$87,947.85

B. Discrete Litigation Matters and Projects.

WGK professionals also provided services in connection with litigation matters and/or projects discussed above.

1. Home Front Homes Litigation.

This was a lawsuit against Brian C. Bishop, a former employee who also had an ownership interest in Home Front Homes, LLC (“**Home Front Homes**”) an operating business. This matter has been resolved. WGK did not charge any fees or incur any costs for this matter for the time covered by this Motion.

2. Carolina Mountain Land Conservancy.

This was a project involving the recovery of a conservancy easement that Laurel Mountain Preserve, LLC, granted to the Carolina Mountain Land Conservancy. This matter has been resolved. WGK did not charge any fees or incur any costs for this matter for the time covered by this Motion.

3. Recovery from Investors and Others Including False Profits.

This is a project involving the Receiver's efforts to primarily recover profits from investors whose purported accounts received monies in an amount that exceeded their

investments. (*See also* Ex. 2 § IV.E.1.) These purported profits were false because they were not based on any trading or investment gain, but rather were fruits of a Ponzi scheme that consisted of funds of new and existing investors. This project also included the Receiver's efforts to recover charitable contributions made with scheme proceeds. (*See also* Ex. 2 § IV.E.) A copy of the statement summarizing WGK's services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, for this project is attached hereto as **Exhibit 12**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

Recovery from Investors and Others Including False Profits
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	295.00	\$75,464.70
TOTAL	295.00	\$75,464.70

4. Recovery of Assets from the Moodys.

This is a project involving the Receiver's efforts to recover money and other assets from the Moodys. (*See also* Ex. 2 § IV.D.) A copy of the statement summarizing WGK's services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, for this project is attached hereto as **Exhibit 13**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

Recovery of Assets from Chris and Neil Moody
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	.30	\$79.00
TOTAL	.30	\$79.00

5. Recovery of Commissions and Other Related Transfers.

This is a project involving the Receiver's efforts to recover commissions and/or other related transfers from individuals and/or entities who received commissions or other improper transfers from the Receivership Entities. (See Ex. 2 § IV.E.) A copy of the statement summarizing WGK's services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, for this project is attached hereto as **Exhibit 14**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

Recovery of Commissions and Other Related Transfers
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	41.20	\$10,906.85
Business Operations	0.40	\$56.00
TOTAL	41.60	\$10,962.85

6. Litigation Against Holland & Knight LLP.

This was a project involving the Receiver's pursuit of malpractice and other claims by the Hedge Funds against H&K which sought to recover the Hedge Funds' losses that occurred after January 1, 2003. The Receiver settled this action for payment of \$25,000,000 by H&K to the Receiver. This matter has been resolved. WGK did not charge any fees or incur any costs for this matter for the time covered by this Motion.

7. Litigation Involving Wells Fargo.

The Receiver determined that it was prudent and necessary to retain separate counsel to represent him in connection with all Receivership matters involving Wells Fargo. (See Doc. 730.) The Receiver retained James, Hoyer, Newcomer & Smiljanich, P.A. ("**James**

Hoyer”) to represent him in connection with matters involving Wells Fargo. These matters include (1) responding to Wells Fargo’s objections and various other motions relating to the claims process; (2) Wells Fargo’s asserted interests in real property held by the Receivership; and (3) Wells Fargo’s attempts to disqualify the Receiver. (*See* Ex. 2 § V.) In an April 25, 2012, Order, the Court concluded that WGK could not represent the Receiver in “matters specifically involving Wells Fargo Bank or its affiliates.” (Doc. 822.)

Further, the Receiver retained James Hoyer to pursue litigation against Wells Fargo and Timothy Ryan Best, Nadel’s relationship manager with the bank, on a contingency fee basis. On February 13, 2012, James Hoyer, on behalf of the Receiver, instituted an action against Wells Fargo and Timothy Best seeking to recover damages in excess of \$168 million relating to the bank’s close and extensive relationship with the Ponzi scheme underlying this Receivership. After extensive motion practice, on February 9, 2015, the District Court granted summary judgment in favor of Wells Fargo on all counts. This unexpected ruling had a significant impact on this Receivership. On March 10, 2015, the Receiver filed a motion to prosecute an appeal of this decision due to the nature of the ruling and the impact it would have on the Receivership to the detriment of innocent victims (Doc. 1162). As part of that motion, the Receiver sought the Court’s permission to retain James Hoyer to litigate the appeal. James Hoyer agreed to be compensated on an hourly fee basis at the same rates as those charged by the Receiver’s primary counsel, WGK. As part of this compensation arrangement, the Receiver and James Hoyer agreed that, should the Receiver’s appeal be successful, and the Wells Fargo litigation result in either a favorable jury verdict or settlement, any contingency fee James Hoyer is awarded will be offset by the hourly fees it

will have been paid to represent the Receiver in the appeal. On March 27, 2015, the Court granted the Receiver's motion to appeal this decision and the retention of James Hoyer on an hourly basis (Doc. 1167).

The Receiver requests the Court award James Hoyer fees for professional services rendered for the six months from November 1, 2014, through April 30, 2015, in the amount of \$75,742.50.¹¹ A copy of the statement summarizing James Hoyer's services rendered for the six months from November 1, 2014, through April 30, 2015, for general Receivership matters involving Wells Fargo is attached hereto as **Exhibit 15**. James Hoyer's time and fees for services rendered on this matter for each Activity Category are as follows:

Receivership Matters Involving Wells Fargo
James Hoyer's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	6.80	\$2,142.00
Claims Administration	27.90	\$8,788.50
TOTAL	34.70	\$10,930.50

A copy of the statement summarizing James Hoyer's services rendered for the six months from November 1, 2014, through April 30, 2015, for pursuing the appeal is attached hereto as **Exhibit 16**. James Hoyer's time and fees for services rendered on this matter for each Activity Category are as follows:

¹¹ As the Receiver previously informed the Court (*see, e.g.*, Doc. 730), although James Hoyer is representing the Receiver in his prosecution of claims against Wells Fargo on a contingency fee basis, in all other Receivership matters involving Wells Fargo, James Hoyer's representation is on an hourly fee basis. However, if claims against Wells Fargo are successful, any contingency fee James Hoyer is awarded will be reduced by the hourly fees it will have been paid for the other Receivership matters.

Wells Fargo Appeal
James Hoyer's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	209.40	\$64,812.00
TOTAL	209.40	\$64,812.00

8. Quest Energy Management Group, Inc.

This is a project involving the Receiver's investigation, operation, and marketing of Quest. (See Ex. 2 § IV.A.6; Docs. 1054 and 1117.) Quest is an oil and gas exploration and production company based in Texas. The Receivership was expanded to include Quest on May 24, 2013 (Doc. 1024). A copy of the statement summarizing WGK's services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, is attached hereto as **Exhibit 17**. The Receiver will pay these fees exclusively from Quest's assets and funds generated by its operations. WGK's time and fees and costs for services rendered on this matter for each Activity Category are as follows:

Quest Energy Management Group, Inc.
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	20.10	\$2,956.00
Asset Analysis and Recovery	30.10	\$8,659.40
Business Operations	103.80	\$14,643.00
Case Administration	2.80	\$701.00
Claims Administration	1.30	\$182.00
TOTAL	158.10	\$27,141.40

In addition, WGK incurred costs of \$1,018.38 in connection with Quest.

9. **Schneiderman Appeal.**

As discussed in Section I.B.8 above, this is a project involving the Receiver's appeal of two orders entered in a clawback action: the order referring the matter to arbitration and the order denying the Receiver's motion to vacate the arbitrator's erroneous award. *See Wiand, as Receiver v. Roberta Schneiderman and Robert D. Zimelis, as Co-Executors of the Estate of Herbert Schneiderman and Roberta Schneiderman, individually*, Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (seeking recovery of \$163,660); *see also* Ex. 2 § IV.E.1. Because of the amount sought and the difficulty in vacating an arbitration award, the Receiver and WGK agreed to handle this matter for a flat fee of \$15,000.00 plus costs, which is a considerable savings to the Receivership. Nevertheless, a copy of the statement summarizing WGK's services rendered and costs incurred for this project for the six months from November 1, 2014, through April 30, 2015, is attached hereto as **Exhibit 18**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

Schneiderman Appeal **WGK's Time and Fees for Services Rendered**

Activity Category	Hours Expended	Fee Amount
Asset Analysis and Recovery	142.90	\$35,561.15
TOTAL	142.90	\$35,561.15

As noted above, the Receiver and WGK have already received full payment of the flat fee of \$15,000 pursuant to the arrangement approved by the Court (*see* Doc. 1129). Accordingly, the Receiver does not seek approval for payment of any of the above fees incurred. However, the Receiver seeks costs of \$1,364.72 incurred in connection with this matter during the time covered by this motion.

III. PDR Certified Public Accountants.

The Receiver requests the Court award PDR fees for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015 in the amount of \$36,156.75. Of this amount, \$7,917.75 was incurred in connection with work related to Quest. The Receiver will pay fees approved by the Court which relate to Quest from Quest's assets and revenues. PDR started providing services for the Receivership on January 22, 2009. PDR has billed time for these services in accordance with the Billing Instructions. Because PDR's work for the period covered by this motion could be allocated to specific Receivership Entities and/or related entities, PDR has billed its time separately for each entity and indicated the appropriate Activity Category for each time entry.¹² Copies of the statements summarizing the services rendered and costs incurred for the pertinent period are attached as composite **Exhibit 19**. The total hours billed by each PDR professional and their respective total amount of billing are set forth on composite Exhibit 19. PDR's

¹² The Activity Categories that apply to PDR and Riverside as set forth in the Billing Instructions for Financial Activities are as follows: (1) Accounting/Auditing, which is defined as activities related to maintaining and auditing books of account, preparation of financial statements and account analysis; (2) Business Analysis, which is defined as preparation and review of company business plan; development and review of strategies; preparation and review of cash flow forecasts and feasibility studies; (3) Corporate Finance, which is defined as review financial aspects of potential mergers, acquisitions and disposition of company or subsidiaries; (4) Data Analysis, which is defined as management information systems review, installation and analysis, construction, maintenance and reporting of significant case financial data, lease rejection, claims, etc.; (5) Status Reports, which is defined as preparation and review of periodic reports as may be required by the Court; (6) Litigation Consulting, which is defined as providing consulting and expert witness services relating to forensic accounting, etc.; (7) Forensic Accounting, which is defined as reconstructing books and records from past transactions and bringing accounting current, tracing and sourcing assets; (8) Tax Issues, which is defined as analysis of tax issues and preparation of state and federal tax returns; and (9) Valuation, which is defined as appraising or reviewing appraisals of assets.

statements also include a summary of the total time spent on each relevant Activity Category in connection with each Receivership Entity (or “project” as identified in the Billing Instructions). For a discussion of entities delineated in the statements, please refer to Sections IV.A and IV.B of the Interim Report.

IV. E-Hounds, Inc.

The Receiver requests the Court award E-Hounds fees for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amount of \$536.25. All of these fees were incurred in connection with work related to Quest. The Receiver will pay fees approved by the Court which relate to Quest from Quest’s assets and revenues. E-Hounds is a computer forensics firm which assists the Receiver in securing and analyzing electronic data. E-Hounds started providing services for the Receivership on January 22, 2009. A copy of the statement summarizing the services rendered and costs incurred for the pertinent period is attached as **Exhibit 20**.

V. The RWJ Group, LLC.

The Receiver requests the Court award RWJ fees for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amount of \$36,912.64. Of this amount, \$1,845.71 was incurred for costs related to Quest. As noted above, the Receiver will pay fees and costs approved by the Court which relate to Quest from Quest’s assets and revenues. RWJ, which is owned and operated by Roger Jernigan, is an asset manager for the Receivership Entities. Mr. Jernigan assists the Receiver with overseeing ongoing business operations and property recovered by the Receiver, including aiding with efforts to sell such businesses and property. His efforts are designed to

ensure that Receivership assets are maintained and/or enhanced to allow for maximum recovery for the Receivership estate. RWJ started providing services for the Receivership on February 1, 2010. Copies of the statements summarizing the services rendered and costs incurred for the pertinent period are attached as composite **Exhibit 21**.

VI. Litigation Experts.

To assist with clawback litigation, the Receiver determined to retain the services of experts Yip Associates. The Receiver requests the Court award Yip Associates fees for professional services rendered for the six months from November 1, 2014, through April 30, 2015, in the amount of \$4,257.00.¹³ Copies of the statements summarizing the services rendered and costs incurred are attached as composite **Exhibit 22**. Further, to assist with the Wells Fargo appeal, the Receiver determined to retain the services of appellate specialists Brannock & Humphries. The Receiver requests the Court award Brannock & Humphries fees and costs for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amounts of \$22,096.00 and \$49.22, respectively. Copies of the statements summarizing the services rendered and costs incurred are attached as composite **Exhibit 23**.

¹³ Included in this total amount is \$2,745.00 for fees and costs incurred by Yip Associates in connection with litigation brought against Wells Fargo in which the Receiver is represented by the James Hoyer firm. Pursuant to the contingency fee agreement between the Receiver and James Hoyer approved by the Court, if James Hoyer uses an expert or consultant who has already been retained by the Receivership, the costs and fees charged by that expert will be paid directly by the Receivership (Doc. 691). Because Yip Associates are experts previously retained by the Receivership, the Receiver requests that these fees and costs also be paid from the Receivership.

VII. Miscellaneous Others.

To assist with regulatory matters involving Quest and the Texas Railroad Commission, the Receiver determined that it would be helpful and more cost-effective to retain the services of Texas counsel specializing in oil and gas regulation. Accordingly, the Receiver requests the Court award Scott Douglass & McConnico, L.L.P. (“**Scott Douglass**”) fees and costs for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amount of \$2,948.00 to be paid by Quest. A copy of the statement summarizing the services rendered and costs incurred for the pertinent period is attached as **Exhibit 24**.

To assist with the protection and recovery of assets in a bankruptcy proceeding initiated by Jeffry Downey and his wife, the Receiver retained the services of local bankruptcy counsel in Abilene, Texas. Accordingly, the Receiver requests the Court award the Law Offices of Dick Harris, P.C. (“**Harris**”) and the Law Office of Ashton Anderson fees and costs for professional services rendered and costs incurred for the six months from November 1, 2014, through April 30, 2015, in the amounts of \$2,464.42 and \$1,210.00, respectively, to be paid by Quest. Copies of the statements summarizing the services rendered and costs incurred for the pertinent period are attached as composite **Exhibit 25**.

MEMORANDUM OF LAW

It is well settled that this Court has the power to appoint a receiver and to award the receiver and those appointed by him fees and costs for their services. *See, e.g., SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (receiver is entitled to compensation for faithful performance of his duties); *Donovan v. Robbins*, 588 F. Supp. 1268, 1272 (N.D. Ill. 1984) (“[T]he

receiver diligently and successfully discharged the responsibilities placed upon him by the Court and is entitled to reasonable compensation for his efforts.”); *SEC v. Custable*, No. 94-C-3755, 1995 WL 117935 (N.D. Ill. Mar. 15, 1995) (receiver is entitled to fees where work was of high quality and fees were reasonable); *SEC v. Mobley*, No. 00-CV-1316, 1317RCC, 2000 WL 1702024 (S.D.N.Y. Nov. 13, 2000) (court awarded reasonable fees for the receiver and his professionals); *see also* (Doc. 8, Order Appointing Receiver, at p. 14). The determination of fees to be awarded is largely within the discretion of the trial court. *See Monaghan v. Hill*, 140 F.2d 31, 34 (9th Cir. 1944). In determining reasonable compensation for the services rendered by the Receiver and his Professionals, the Court should consider the circumstances surrounding the receivership. *See Elliot*, 953 F.2d at 1577.

Here, because of the nature of this case, it was necessary for the Receiver to employ attorneys and accountants experienced and familiar with financial frauds, federal receiverships, securities laws, banking, finance, and trusts and estates. Further, in order to perform the services required and achieve the results obtained to date, the skills and experience of the Receiver and the Professionals in the areas of fraud, securities, computer and accounting forensics, and financial transactions were indispensable.

As discussed above, the Receiver and WGK have discounted their normal and customary rates as an accommodation to the Receivership and to conserve Receivership assets. The rates charged by the attorneys and paralegals are at or below those charged by attorneys and paralegals of comparable skill from other law firms in the Middle District of Florida.

This case has been time-intensive for the Receiver and his Professionals because of the need to resolve many issues rapidly and efficiently. The attached Exhibits detail the time, nature and extent of the professional services rendered by the Receiver and his Professionals for the benefit of investors, creditors, and other interested parties. The Receiver anticipates that additional funds will be obtained through the Receiver's negotiations or litigation with third parties.

Although the Commission investigated and filed the initial pleadings in this case, the Receiver has assumed the primary responsibility for the investigation and forensic analysis of the events leading to the commencement of the pending lawsuits, the efforts to locate and gather investors' money, the determination of investor and creditor claims and any ultimate payment of these claims. While the Receiver is sensitive to the need to conserve the Receivership Entities' assets, he feels that the fees and costs expended to date were reasonable, necessary, and benefited the Receivership. Notably, the Commission has no objection to the relief sought in this motion. *Custable*, 1995 WL 117935, *7 ("In securities law receiverships, the position of the SEC in regard to the awarding of fees will be given great weight.").

CONCLUSION

Under the terms and conditions of the Order Appointing Receiver, the Receiver, among other things, is authorized, empowered, and directed to engage professionals to assist him in carrying out his duties and obligations. The Order further provides that he apply to the Court for authority to pay himself and his Professionals for services rendered and costs incurred. In exercising his duties, the Receiver has determined that the services rendered and

their attendant fees and costs were reasonable, necessary, advisable, and in the best interest of the Receivership.

WHEREFORE, Burton W. Wiand, the Court-appointed Receiver, respectfully requests that this Court (1) award the following sums and direct that payment be made from the Receivership assets:

Burton W. Wiand, Receiver	\$14,525.00
Wiand Guerra King P.A.	\$184,777.42
James, Hoyer, Newcomer & Smiljanich, P.A.	\$75,742.50
PDR Certified Public Accountants	\$28,239.00
RWJ Group, LLC	\$35,066.93
Yip Associates	\$4,257.00
Brannock & Humphries	\$22,145.22

and (2) further awards the following sums and direct that payment be made from Quest's assets and revenues:¹⁴

Burton W. Wiand, Receiver	\$6,020.00
Wiand Guerra King P.A.	\$28,159.78
PDR Certified Public Accountants	\$7,917.75
RWJ Group, LLC	\$1,845.71
E-Hounds, Inc.	\$536.25
Law Office of Dick Harris, P.C.	\$2,464.42
Law Office of Ashton Anderson	\$1,210.00
Scott Douglass & McConnico, L.L.P.	\$2,948.00

LOCAL RULE 3.01(g) CERTIFICATION OF COUNSEL

The undersigned counsel for the Receiver is authorized to represent to the Court that the SEC has no objection to the Court's granting this motion.

¹⁴ A proposed order is attached as **Exhibit 26**.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on August 28, 2015, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

s/Gianluca Morello

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Attorney for the Receiver Burton W. Wiand

RECEIVER'S CERTIFICATION

The Receiver has reviewed this Nineteenth Interim Motion for Order Awarding Fees, Costs, and Reimbursement of Costs to Receiver and His Professionals (the “**Motion**”).

To the best of the Receiver's knowledge, information, and belief formed after reasonable inquiry, the Motion and all fees and expenses herein are true and accurate and comply with the Billing Instructions provided to the Receiver by the Securities and Exchange Commission.

All fees contained in the Motion are based on the rates listed in the Fee Schedule, attached as Exhibit 10. Such fees are reasonable, necessary, and commensurate with (if not below the hourly rate that is commensurate with) the skill and experience required for the activity performed.

The Receiver has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth in the Billing Instructions for photocopies and facsimile transmission).

To the extent the Receiver seeks reimbursement for any service which the Receiver justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Receiver has requested reimbursement only for the amount billed to the Receiver by the third-party vendor and/or paid by the Receiver to such vendor. The Receiver is not making a profit on such reimbursable service.

s/Burton W. Wiand

Burton W. Wiand, as Receiver