

**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.

**UNOPPOSED RECEIVER'S TWENTY-FOURTH 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 months from May 1, 2018, through October 31, 2018. 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 \$117,562.55 for their services (of which \$57,968.84 will be paid exclusively from Quest’s revenues and assets as detailed in the pertinent Sections below). During this same time, the Receiver collected **\$607,285.46** in cash from business income, interest/dividend income, business asset liquidation, and miscellaneous income. From the inception of the Receivership through October 31, 2018, the Receiver has collected the net amount of **\$66,358,533.78** in cash from these same sources, as well as cash and securities, personal asset liquidation, and third-party litigation income which is less fees, expenses, and tax payments paid during that time. To date, the Receiver has made seven distributions totaling approximately **\$67 million**. As of November 26, 2018, the total funds in all Receivership accounts are approximately \$672,026.44 which includes approximately \$22,897.37 for three interim distribution checks which have not been negotiated yet.

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;

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.

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 December 3, 2018, the Receiver filed the Twenty-Third Interim Report (Doc. 1376). 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 Twenty-Third Interim Report into this Motion for Fees and has attached a true and correct copy of the Twenty-Third 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 Twenty-Third Interim Report will be referred to as “**Interim Report.**”

Professional Services Rendered and Costs Incurred

Paragraph 4 of the Order Appointing Receiver authorizes the Receiver to

[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,² (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**”).³ 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**.

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

² The others retained in more limited capacities, which are pertinent to this motion, include Stichter, Riedel, Blain & Prosser P.A. to provide assistance with a bankruptcy proceeding initiated by judgment-debtor Vernon Lee and matters involving Wells Fargo.

³ 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.A.

I. The Receiver.

The Receiver requests the Court award him fees for the professional services rendered for the six months from May 1, 2018, through October 31, 2018, in the amount of \$14,875.00. 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.⁴

⁴ 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 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,

A. The Receivership.

During the relevant period of this Receivership, the work of the Receiver and WGK focused on 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 May 1, 2018, through October 31, 2018, are as follows:

Receivership
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	7.20	\$2,520.00
Asset Analysis and Recovery	.10	\$35.00
Business Operations	2.10	\$735.00
Case Administration	11.20	\$3,920.00
TOTAL	20.60	\$7,210.00

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.

B. Discrete Litigation Matters and Projects.

In conjunction with the Receivership, the following eight 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 Receiver’s services rendered and costs incurred for the Receivership is attached hereto as **Exhibit 5**. The Receiver’s time and

fees for services rendered for each Activity Category for the six months from May 1, 2018, through October 31, 2018, 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	6.30	\$2,205.00
Case Administration	.10	35.00
TOTAL	6.40	\$2,240.00

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.) A copy of the statement summarizing the Receiver's services rendered and costs incurred for the Receivership is attached hereto as **Exhibit 6**. The Receiver's time and fees for services rendered for each Activity Category for the six months from May 1, 2018, through October 31, 2018, are as follows:

Recovery of Assets from the Moodys
Receiver's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	1.30	\$455.00
Asset Analysis and Recovery	1.60	\$560.00
TOTAL	2.90	\$1,015.00

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.) The Receiver did not charge any fees or incur any costs for this matter for the time covered by this Motion.

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.5; 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 May 1, 2018, through October 31, 2018, is attached hereto as **Exhibit 7**. The Receiver will pay these fees exclusively from Quest's assets and funds generated by its operations.⁵ The Receiver's time and fees for services rendered on this matter for each Activity Category are as follows:

⁵ 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 Receiver has been able to grow Quest's revenues since that time and believes Quest likely will generate sufficient revenues to cover its expenses.

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

Activity Category	Hours Expended	Fee Amount
Asset Disposition	7.00	\$2,450.00
Business Operations	2.30	\$805.00
Case Administration	.30	\$105.00
Claims Administration	3.00	\$1,050.00
TOTAL	12.60	\$4,410.00

8. Schneiderman Appeal.

This was 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* Receiver's Nineteenth Interim Report at § IV.E.1. 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.

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 May 1, 2018, through October 31, 2018, in the amounts of \$100,574.00 and \$2,113.55, respectively. A categorization and summary of all costs for which WGK seeks reimbursement is attached hereto as **Exhibit 8**.

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 9**. 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, 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 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 May 1, 2018, through October 31, 2018, is attached hereto as **Exhibit 10**. WGK's time and fees for services rendered on this matter for each Activity Category are as follows:

Receivership
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	50.80	\$7,692.50
Asset Analysis and Recovery	2.60	\$364.00
Business Operations	6.30	\$882.00
Case Administration	75.50	\$18,515.40
Claims Administration	8.60	\$1,542.00
TOTAL	143.80	\$28,995.90

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 May 1, 2018, through October 31, 2018, for this project is attached hereto as **Exhibit 11**. 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 Disposition	3.80	\$940.50
Asset Analysis and Recovery	28.70	\$6,382.25
Case Administration	.70	\$98.00
TOTAL	33.20	\$7,420.75

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 May 1, 2018, through October 31, 2018, 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 of Assets from the Moodys
WGK's Time and Fees for Services Rendered

Activity Category	Hours Expended	Fee Amount
Asset Disposition	.20	\$28.00
Asset Analysis and Recovery	70.10	\$10,736.60
Case Administration	.90	\$229.50
TOTAL	71.20	\$10,994.10

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.) WGK did not charge any fees or incur any costs for this matter for the time covered by this Motion

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 included (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. All of these matters have been resolved. James Hoyer did not charge any fees or incur any costs for this matter for the time covered by this Motion.

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.5; 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 May 1, 2018, through October 31, 2018, is

attached hereto as **Exhibit 13**. The Receiver will pay these fees exclusively from Quest's assets and funds generated by its operations. WGK's time and fees 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	26.50	\$3,989.50
Asset Analysis and Recovery	13.90	\$1,946.00
Business Operations	88.10	\$12,334.00
Case Administration	2.00	\$306.00
Claims Administration	141.10	\$34,587.75
TOTAL	271.60	\$53,163.25

In addition, WGK incurred costs of \$395.59 in connection with Quest.

9. Schneiderman Appeal.

This was 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* Receiver's Nineteenth Interim Report at § IV.E.1. 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.

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 May 1, 2018, through October 31, 2018, in the

amount of \$14,142.50. Of this amount, \$6,832.50 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.⁶ Copies of the statements summarizing the services rendered and costs incurred for the pertinent period are attached as composite **Exhibit 14**. The total hours billed by each PDR professional and their respective total amount of billing are set forth on composite Exhibit 14. PDR's 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

⁶ 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.

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 May 1, 2018, through October 31, 2018, in the amount of \$195.00. 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 15**.

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 May 1, 2018, through October 31, 2018, in the amount of \$14,984.97. Of this amount, \$10,784.59 was incurred in connection with work and 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 16**.

VI. Miscellaneous Others.

To assist with the protection and recovery of assets in a bankruptcy proceeding initiated by Vernon Lee, the Receiver determined that it would be in the Receivership's best interest to retain the services of counsel specializing in bankruptcy law. The Receiver also determined it would be beneficial to use this same firm to assist with the Wells Fargo matter as it related to its claims against certain properties. Accordingly, the Receiver requests the Court award Stichter, Riedel, Blain & Prosser P.A. ("**Stichter Riedel**") fees and costs for professional services rendered and costs incurred for the six months from May 1, 2018, through October 31, 2018, in the amounts of \$5,387.00 and \$33.49, respectively. Copies of the statements summarizing the services rendered and costs incurred for the pertinent period are attached as composite **Exhibit 17**.

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	\$10,465.00
Wiand Guerra King P.A.	\$49,128.71
PDR Certified Public Accountants	\$7,310.00
RWJ Group, LLC	\$4,200.38
Stichter Riedel Blain & Postler, P.A.	\$5,420.49

and (2) further awards the following sums and direct that payment be made from Quest's assets and revenues:⁷

Burton W. Wiand, Receiver	\$4,410.00
Wiand Guerra King P.A.	\$53,558.84
PDR Certified Public Accountants	\$6,832.50
RWJ Group, LLC	\$10,784.59
E-Hounds, Inc.	\$195.00

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.

⁷ A proposed order is attached as **Exhibit 18**.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on December 14, 2018, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

s/Jared J. Perez

Jared J. Perez, FBN 0085192

Email: jperez@wiandlaw.com

WIAND GUERRA KING P.A.

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Attorney for the Receiver Burton W. Wiand

RECEIVER'S CERTIFICATION

The Receiver has reviewed this Twenty-Fourth 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 9. 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