

UNITED STATES DISTRICT COURT
for the
NORTHERN DISTRICT OF ILLINOIS

Securities and Exchange Commission,
Plaintiff,
vs.
Richard J. Collins, d/b/a Capital Investment Concepts, Ltd., Cutting Edge Marketing, Light of the World, and Midwest Financial Funds,
Bill Wilson, Jerome Copping, The Gateway Association, and The Gateway Association (Illinois),
Defendants,
and
David Morgenstern, Willaim J. Windsor, Linda A. Fehl, Malcolm Silverman,
Relief Defendants.

Case Number: 01: 01-CV-03085

Judge Matthew F. Kennelly

Magistrate Judge Nan R. Nolan

FIRST AND FINAL MOTION FOR COMPENSATION
OF JAMES A. KNAUER AS RECEIVER

James A. Knauer, the appointed and acting Receiver herein, moves the Court for an Order authorizing the payment of fees for his services as the Receiver in these proceedings and in support thereof, states as follows:

- 1. On October 19, 2001, James A. Knauer was appointed as the Receiver for Richard J. Collins, Jerome Copping, The Gateway Association, The Gateway Association (Illinois), David Morgenstern, William J. Windsor, Linda A. Fehl, Malcolm Silverman and any other Defendant or Relief Defendant that may have judgments entered against them in this matter in the future, which now includes Bill Wilson (collectively, the "Defendants").

2. Since the date of his appointment the Receiver has performed the duties of his office and, accordingly, requests the court to authorize payment of interim compensation for his services.
3. This Motion seeks an award of compensation for services of the Receiver from November 21, 2002 through and including the 30th day of November, 2005 and the Receiver believes that all such work performed and services rendered were proper and necessary in order to administer the Receivership estate.
4. The Receiver has performed various services all of which are described in detail in the report of work in process, a copy of which is attached hereto and incorporated by reference herein and marked as Exhibit "A" to this Application. The services performed by the Receiver for and on behalf of the Receivership include, but are not limited to, the following:
 - a. Participated in numerous telephone calls and conferences with investors and their counsel;
 - b. Oversaw the maintenance of a Website with information for investors concerning the administration of the Receivership;
 - c. Assumed control of the assets of the Receivership and investigated the collection of judgments and the likelihood of success of collection of third party claims;
 - d. Evaluated, with the assistance of the Receivership counsel, each of the claims filed against the Receivership for validity;
5. The *Receiver's First Report of Acts and Transactions* filed February 21, 2003 contains a detailed narrative of the activities that the Receiver and his counsel had undertaken as of that date in pursuit of their responsibilities in conducting the affairs of this receivership. An updated report will be filed prior to the hearing on this Motion and both such reports are incorporated herein by reference:

(H.I.).
6. Exhibit "A" to this Application provides a detail of the time expended by the Receiver in this cause.

7. The Receiver has allocated the work performed by him into three categories as follows:
- a. Organization and Administration of the Receivership. Includes setting up files; preparing filings with the court on matters which are not the subject of specific categories; fielding investor inquiries; working with accountants for the Receiver; reviewing files of the Defendants; organizing and ultimately maintaining the investor website; meeting with the Securities and Exchange Commission and other federal investigative agencies; setting up bank accounts; investigating each of the Defendants' companies with regard to its organization, assets and liabilities; investigating claims of the receivership estate against third parties; preparing reports on activities of the Receiver for filing with the court.
 - b. Collection of Assets and Investigation. Includes matters related to collecting funds of the estate, and investigating recovery of the judgments entered in this case and claims against third parties;
 - c. Claims Administration. Includes the process of developing a methodology for calculating creditor claims in the Receivership; arranging for a bar date and the publication of notices to creditors of the existence of the Receivership and the claims filing deadline; arrangements for receiving creditor claims; the process of negotiation of claim issues and, if necessary, the process of preparing, filing and litigating claims objections of the Receiver and, ultimately, the distribution of Receivership funds to the holders of allowed claims in the Receivership.
8. Set forth below is a summary of the work performed by the Receiver by category:

WORK ALLOCATION

<i>Description</i>	<i>Amount Requested</i>
A. Organization and Administration of Receivership	\$8,800.00
B. Collection of Assets and Investigation	\$3,200.00

C. Claims Administration	\$9,462.50
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9. For services to date, the Receiver requests compensation for 88.65 hours at an hourly rate of \$250.00 per hour, or the sum of \$21,462.50.
10. In order to make a first and final distribution to all claimants, the Receiver requests that he be allowed compensation at his designated hourly rate for his anticipated time in completing and closing this estate as follows:

<i>Description</i>	<i>Time</i>	<i>Amount</i>
Appearing at the final claims hearing on December 15, 2005	7.0	\$1,750
Overseeing the distribution of the funds in the Receivership estate to claimants and overseeing the preparation and distribution of 1099's to claimants following the distributions	2.0	\$ 500
Preparing and filing with the Court a final accounting, a supplemental report and appropriate orders approving the final accounting, the supplemental final report and closing the estate;	5.0	\$1,250
TOTAL	14.0	\$3,500

11. Thus the total fee request of the Receiver is the sum of his time to date - \$21,462.50 and his anticipated time - \$3,500, a total of \$24,962.50.
12. No agreement or understanding exists between the Receiver and any other person for the sharing of compensation to be received for services rendered in connection with this case other than members of the Receiver's law firm.

THEREFORE, James A. Knauer, as Receiver for the Defendants, requests that the Court award him an allowance of compensation for services in the amount of \$24,962.50, or such sum as deemed proper by the Court.

_____/s/ James A. Knauer_____
 James A. Knauer, Receiver
 Indiana Attorney #5436-49

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing has been served upon the following parties by the Court's Electronic Case Filing System or by depositing a copy of same in the United States Mail, first class, postage prepaid, on this 9th day of December, 2005:

Konstantina K. Diamantopoulos
Barry Isenman
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_____/s/ James A. Knauer _____
James A. Knauer, Receiver
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