

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA
Civil No. 08-5348 ADM/JSM

UNITED STATES OF AMERICA,)
)
Plaintiff,)
v.)
)
1. THOMAS JOSEPH PETTERS;)
PETTERS COMPANY, INC.,)
PCI; PETTERS GROUP WORLDWIDE, LLC;)
2. DEANNA COLEMAN aka DEANNA MUNSON;)
3. ROBERT WHITE;)
4. JAMES WEHMHOFF;)
5. LARRY REYNOLDS dba)
NATIONWIDE INTERNATIONAL RESOURCES)
aka NIR;)
6. MICHAEL CATAIN dba)
ENCHANTED FAMILY BUYING COMPANY;)
7. FRANK E. VENNES JR., dba)
METRO GEM FINANCE,)
METRO GEM INC.,)
GRACE OFFERINGS OF FLORIDA LLC,)
METRO PROPERTY FINANCING, LLC,)
38 E. ROBINSON, LLC,)
55 E. PINE, LLC,)
ORLANDO RENTAL POOL, LLC,)
100 PINE STREET PROPERTY, LLC,)
ORANGE STREET TOWER, LLC,)
CORNERSTONE RENTAL POOL, LLC,)
2 SOUTH ORANGE AVENUE, LLC,)
HOPE COMMONS, LLC,)
METRO GOLD, INC.;)
)
Defendants.)
)
DOUGLAS A. KELLEY,)
Receiver,)
)
GARY HANSEN,)
Receiver.)

ORDER FOR AUTHORIZATION TO MAKE PAYMENTS

This matter is before the Court pursuant to the requests of Receivers Douglas A. Kelley (“Receiver Kelley”) and Gary Hansen (“Receiver Hansen”) [Docket Nos.191, 195] seeking an order authorizing them to make the following interim payments:

Receiver Kelley seeks authorization to make payments for the following attorney fee categories:

1. Legal work performed by local counsel for the Receivership;
2. Legal work performed on behalf of present and former employees of various Petters entities who are not named defendants in this matter, but who were brought into legal proceedings as a consequence of their present or former employment; and
3. Legal work performed in the representation of Defendant Thomas Joseph Petters (“Defendant Petters”), Defendant James Wehmhoff (“Defendant Wehmhoff”), Defendant Larry Reynolds (“Defendant Reynolds”), and Defendant Michael Catain (“Defendant Catain”), (collectively, “the Individual Defendants”).

The United States has filed a Response [Docket No. 212] to Receiver Kelley’s Application for Attorney Fees. Attorneys for Defendant Petters have requested an opportunity to reply to Plaintiff’s Response. The Response is directed to concerns about payment to counsel for Individual Defendants and does not contest the payments that are the subject of this Order.

Receiver Hansen seeks authorization to make payment for legal work performed in connection with the representation of Defendant Frank E. Vennes, Jr. (“Defendant Vennes”). No objections to Receiver Hansen’s application have been filed.

Based on the Receivers’ recommendations, the pleadings contained herein, and the invoices submitted for the Court’s *in camera* review,

IT IS HEREBY ORDERED THAT:

1. Receiver Kelley is authorized to make payments to local counsel for the Receivership as follows:

a. Husch, Blackwell, Sanders, LLP	\$914.96
b. Pretzel & Stouffer, Chartered	\$3,695.50
c. Winstead, P.C.	\$8,082.49
d. Berger Singerman, P.A.	\$2,951.53
e. Mullen & Henzell, LLP	\$8,004.84
f. Neal, Gerber & Eisenberg, LLP	\$38,412.27

2. Receiver Kelley is authorized to make payments to attorneys performing legal work on behalf of present and former employees of Petters’ entities as follows:

a. Peter B. Wold, P.A.	\$17,188.00
b. James E. Ostgard	\$6,800.00
c. Birrell & Newmark, Ltd.	\$19,237.50
d. Best & Flanagan, LLP	\$18,163.02
e. Sands & Moskowitz, P.A.	\$5,000.00

3. Because counsel for Defendant Petters, the Felhaber, Larson, Fenlon & Vogt Law Firm, has requested additional time to respond to the Response of the United States, the approval of fees for counsel for Individual Defendants is reserved. A reply must be filed by attorneys for Defendant Petters no later than 12:00 noon on Monday, March 23, 2009.
4. Receiver Hansen is authorized to make the following payment:

Faegre & Benson LLP	\$181,256.69
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5. The Receivers are directed to seek reimbursement of the foregoing sums to the extent possible under applicable insurance policies, including directors and officers liability policies maintained by Petters Company Inc., Petters Group Worldwide, LLC or any other related entity.

BY THE COURT:

 s/Ann D. Montgomery
ANN D. MONTGOMERY
U.S. DISTRICT JUDGE

Dated: March 20, 2009.