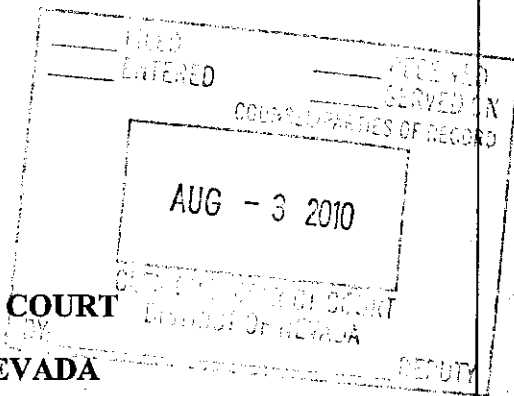


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 2 Michael P. Denver, Ca. Bar No. 199279
 3 **HOLLISTER & BRACE**
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 5 Santa Barbara, CA 93102
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 Attorneys for Plaintiffs Jon and Marie
 Sorrell, and all others similarly situated



7 **UNITED STATES DISTRICT COURT**
FOR THE DISTRICT OF NEVADA

8 Sorrell, et al. and Southwest)
 Exchange, Inc., et al.)
 9)
 10 v.)
 11 Snell & Wilmer, LLP and Patrick G.)
 Byrne)

Case No.: 08-CV-00761 RCJ-(LRL)

**[PROPOSED] ORDER GRANTING
 MOTION FOR PAYMENT OF
 ATTORNEYS FEES AND COSTS OUT
 OF SETTLEMENT PROCEEDS**

13
 14 WHEREAS, Settling Defendants Snell & Wilmer, LLP and Patrick G. Byrne
 15 (collectively, "Snell") entered into a settlement agreement (the "Settlement Agreement") to
 16 pay \$3,100,000 to fully resolve, among other things, the above captioned matter filed against
 17 Snell by the clients of Southwest Exchange, Inc. ("SWX") as well as by the Receiver of SWX.

18 WHEREAS, on March 30, 2010, the Court issued an Order Preliminarily Approving
 19 the Settlement Agreement and setting April 9, 2010 as the deadline by which Hollister &
 20 Brace ("H&B") was required to issue the Court approved notice (the "Notice") to inform all
 21 potential class members of the terms of the Settlement Agreement and their rights related
 22 thereto, including their right to opt-out.

23 WHEREAS, proof that H&B issued the Notice as required by the Preliminary
 24 Approval Order has been filed with the Court.

25 WHEREAS, certain potential Settlement Class members opted-out of the Settlement
 26 Class, but thereafter withdrew their opt-outs and re-joined the Settlement Class. As a result,
 27 all potential Settlement Class members are actually Settlement Class Members.

1 WHEREAS, pursuant to the terms of the Fee Agreements entered into by H&B and
2 each of its 54 clients, H&B requested the Court to award attorneys' fees based upon 25% of
3 the Settlement Class' "Net Settlement".

4 WHEREAS, pursuant to an agreement between H&B and counsel for certain Plaintiffs
5 in the related State Court Action pending before Judge Gonzalez, H&B agreed to request a fee
6 equal to 25% of the Net Settlement, less the amount of fees that would have otherwise been
7 paid by certain Settlement Class Members represented by Holland & Hart who paid for work
8 which helped bring about the settlement. The fee otherwise attributable to those Exchangers
9 totals \$178,567. That amount is carved-out of the instant fee request for payment to the
10 relevant Exchangers or their counsel.

11 WHEREAS, the Net Settlement is the gross portion of the Settlement contribution
12 allocable to the Settlement Class (\$3,100,000), less deductions for approved unreimbursed
13 litigation costs and expenses, which, through April 30, 2010 total \$3,983.12. Thus, the
14 Settlement Class' Net Settlement is \$3,096,016.88.

15 WHEREAS, the requested Class Counsel fee is 25% of that Net Settlement, or
16 (\$774,004.22), less the \$178,567 carve-out, or \$595,437.22.

17 WHEREAS, the Net Settlement (\$3,096,016.88) less the requested fee (\$595,437.22)
18 and the noted \$178,567 carved out, leaves \$2,322,012.66 from the Class portion of the
19 Settlement fund to be distributed to the Settlement Class Members. It is proposed that the
20 \$2,322,012.66 should be distributed to Settlement Class Members on a pro-rata basis with
21 each Member receiving an amount calculated as follows:

$$\frac{\text{(Member's Loss Amount)}^1}{\text{(Total Members' Loss Amounts)}} \times \text{(Amount Available for Distribution)}$$

22
23
24 WHEREAS, Hollister & Brace's Motion for payment of fees and costs was supported
25 by the Declaration of Michael P. Denver of H&B.

26
27 ¹ Individual Exchangers' "Loss Amounts" are calculated based upon the amount of money deposited with SWX
28 (or with SWX's affiliates or subsidiaries QES and Arrow 1031 Exchange, which, along with SWX, are collectively referred to herein as "SWX") by each client which was lost at the time of the failure of SWX.

1 NOW THEREFORE, based upon the submissions of the parties, the pleadings on file,
2 the arguments of counsel and the lack of Objection by parties to this litigation or any other
3 interested parties, the Court hereby GRANTS H&B's Motion regarding the reimbursement of
4 Class Counsel's costs and the payment of a 25% contingency fee. The Court hereby FINDS
5 that the fee request is fair, reasonable and appropriate. It is hereby ORDERED, ADJUDGED
6 and DECREED that the payment of attorneys fees and costs are awarded as follows:

7 The Court finds that through April 30, 2010 reasonable unreimbursed costs of
8 litigation benefitting the Settlement Class have been incurred by H&B in the amount of
9 \$3,983.12. The reimbursement of this amount out of the Settlement proceeds is approved and
10 the QSF Administrator is directed to pay this amount to H&B as soon as practicable.

11 The Court approves the payment of a Class Counsel contingency fee equal to 25% of
12 the Settlement Class' Net Settlement (\$774,004.22), less \$178,567 which shall be paid to
13 Holland & Hart (as agreed by H&B), or \$595,437.22. Payment of the approved Class Counsel
14 fee shall be issued by the QSF Administrator out of the Settlement Class' portion of the
15 Settlement proceeds to H&B as soon as practicable.

16 It is hereby ORDERED, ADJUDGED and DECREED that, as soon as practicable,
17 Larry Bertsch shall distribute the remaining settlement proceeds, after accounting for the
18 payment of the approved fees (\$595,437.22), costs (\$3,983.12), and the \$178,567 carve-out,
19 which remaining funds total \$2,322,012.66, out of the QSF to Settlement Class Members on a
20 *pro-rata* basis calculated as follows:

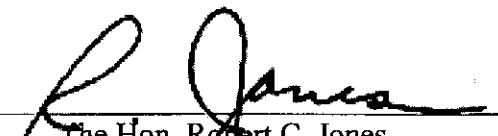
21 $(\text{Member's Loss Amount}) / (\text{Total of Members' Loss Amounts}) \times (\text{Distribution Amount})$.

22 As soon as practicable, Mr. Bertsch shall submit an accounting to the Court
23 demonstrating that the distribution of settlement funds was accomplished in conformity with
24 this Order.

25 IT IS SO ORDERED.

26 Dated: August 3, 2010.

27 By:


The Hon. Robert C. Jones
United States District Court Judge

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