

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

ISC, INC., d/b/a INSURANCE SERVICE CENTER, and  
THE ESTATE OF LOREN W. HOLZHUETER,

ORDER

Defendants,

15-cv-45-jdp

and

HONEFI, LLC, ARLENE HOLZHUETER, and  
AARON HOLZHUETER,

Relief Defendants.

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The Court has considered the Quarterly Fee Application for the Period from January 1, 2017 through March 31, 2017 of: (I) Michael S. Polsky, Esq., Court-Appointed Receiver for ISC, Inc., Honefi, LLC, and the Life Insurance Proceeds; (II) Beck, Chaet, Bamberger & Polsky, S.C. as Counsel to the Receiver; and (III) Cowie Management Group, as Consultant to the Receiver (the “Quarterly Fee Application”) submitted by the Receiver, Beck, Chaet, Bamberger & Polsky, S.C. (“BCBP”), and Cowie Management Group. The parties request fees and costs for work performed for Phase I, fees and costs for work performed for Phase II, and a third category of fees and costs for general case administration tasks. The parties request that the Court award the case administration fees from the Phase I funds. Pursuant to the Court’s receivership order, Dkt. 196, the \$200,000 Phase I set-aside is reserved for fees and costs incurred in performing Phase I tasks, and the court will award the miscellaneous case administration fees from the Phase II funds.

With that in mind, the Court HEREBY ORDERS THAT:

1. Pursuant to this Court's Order Appointing Receiver dated October 20, 2016 (Docket No. 196), Michael S. Polsky, Esq., (the "Receiver") was duly appointed to serve as Receiver for ISC, Inc. ("ISC"), Honefi, LLC ("Honefi"), and the proceeds from the policies insuring Loren W. Holzhueter's life (the "Life Insurance Proceeds") (collectively, the "Receivership Estate"), effective October 20, 2016.
2. Pursuant to the Order Appointing Receiver and the Order Approving the Receiver's Motion to Employ entered January 31, 2017, the Receiver has retained the attorneys and other professionals of BCBP and Cowie Management Group (collectively, the "Retained Personnel") to assist him in performing his duties as Receiver.
3. Before filing, the Receiver submitted the Quarterly Fee Application to the Securities and Exchange Commission (the "Commission") for review, as required by the "Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission" (the "SEC Billing Instructions").
4. During the Subject Quarter, the Receiver and BCBP devoted 542.2 hours and Cowie Management Group devoted 133.1 hours to the performance of necessary and valuable services on behalf of the Receivership Estate which were in the best interests of the beneficiaries of the Receivership Estate.
5. During the period from October 20, 2016 through December 31, 2016 (the "Prior Quarter"), Cowie Management Group devoted 132.6 hours to the performance of necessary and valuable services on behalf of the Receivership Estate which were in the best interests of beneficiaries of the Receivership Estate. Cowie Management

Group did not submit a Fee Application for the Prior Quarter and has not been paid any fees or expenses incurred during the Prior Quarter.

6. Based upon the time, nature, extent, and value of the services performed by the Receiver and the Retained Personnel, the responsibilities assumed by the Receiver, the rates charged by the Receiver and the Retained Personnel, the results achieved to date, and the costs of comparable services, the compensation for services rendered and reimbursement of expenses sought in the Receiver's Quarterly Fee Application are reasonable, necessary and commensurate with the skill and experience required for the activities performed.
7. The fair value of services rendered by the Receiver and BCBP during the Subject Quarter is \$179,052.50. This amount includes \$97,435.00 for services rendered and \$558.63 for expenses incurred in connection with the Phase I Distribution (the "Phase I Fees"). This amount also includes \$81,617.50 for services rendered and \$609.90 for expenses incurred in connection with the Phase II Distribution and other case administration tasks (the "Phase II Fees").
8. The fair value of services rendered by Cowie Management Group during the Subject Quarter is \$19,965.00. This amount includes \$6,255.00 in Phase I Fees and \$13,710.00 in Phase II Fees. The fair value of services rendered by Cowie Management Group during the Prior Quarter is \$19,890.00. This amount includes \$1,230.00 in Phase I Fees and \$18,660.00 in Phase II Fees.
9. Pursuant to the Order Appointing Receiver and the SEC Billing Instructions, the Receiver is authorized to pay the interim Phase I Fees for the Subject Quarter and any unpaid interim Phase I Fees from the Prior Quarter to the Retained Personnel,

subject to a 20% holdback, from the Life Insurance Proceeds, up to \$200,000.00 in aggregate. Specifically, the Receiver is authorized to pay \$78,394.90 to BCBP and \$5,988.00 to Cowie Management Group from the Life Insurance Proceeds.

10. Also pursuant to the Order Appointing Receiver and the SEC Billing Instructions, the Receiver is authorized to pay the interim Phase II Fees for the Subject Quarter and any unpaid interim Phase II Fees for the Prior Quarter to the Retained Personnel, subject to a 20% holdback, from ISC and Honefi assets and/or sale proceeds. Specifically, the Receiver is authorized to pay \$65,781.92 to BCBP and \$25,896.00 to Cowie Management Group from ISC and Honefi assets and/or sale proceeds.

Entered May 8, 2017.

BY THE COURT:

/s/

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JAMES D. PETERSON  
District Judge