

Richard B. Roper, the Court-appointed Receiver in this action, submits this Sixth Motion for Approval of Interim Fee Application and Brief in Support, seeking the Court's approval to pay invoices for interim fees and expenses, incurred between October 1, 2013 and February 28, 2015, in the amount of \$119,166.24, to the firms that have rendered professional services on behalf of the Receivership Estate, and in the amount of \$12,079.54 for the Receiver's own work ("Fee Application"). The tasks and challenges presented by this Receivership since its inception have been numerous and, in many instances, complex and time-consuming. The primary work of the Receiver's counsel, which comprises the bulk of the fees sought in this Application, has revolved around prosecuting ancillary litigation to "claw back" funds transferred to perpetuate the Ponzi scheme back into the Receivership Estate. In addition, the Receiver and his counsel have continued their significant efforts to communicate with investors and consider the hundreds of claims made by the defrauded victims in this matter. Furthermore, the Receiver and his counsel administered an interim distribution during the above-referenced timeframe, distributing funds to the nearly 600 net losing investors (the "Net Losing Investors") of the Ponzi scheme.

Thompson & Knight LLP, the law firm representing the Receiver and providing primary, daily assistance in seizing and liquidating assets of the Estate, analyzing documents and evidence seized from the Defendants, analyzing the figures and details provided by the forensic accountants, applying knowledge from other evidence to make sense of the accounting itself, analyzing, preparing, and prosecuting "claw-back" and third-party litigation matters, and more, has again provided an aggregate twenty percent (20%) discount to all fees incurred in the course and scope of the firm's still ongoing and extensive work. Furthermore, Thompson & Knight has demonstrated billing judgment by writing off unproductive, possibly excessive and/or redundant work, as well as by waiving significant fees related to the review and analysis required in the

ongoing investor claims process. Additionally, Thompson & Knight has not charged the Estate for attorney time spent preparing any Fee Application, preparing underlying billing statements, or preparing any of the Receiver's Reports filed in this case.

Bingham Greenebaum Doll LLP ("BGD") served as the Receiver's local counsel in the Kentucky bankruptcy court. David Jones, one of the primary brokers working to sell Millennium CD products over the years Wise perpetuated his Ponzi scheme, filed for bankruptcy in Kentucky shortly after the Receiver instituted an ancillary suit against the brokers. BGD assisted the Receiver in the bankruptcy and opposed the discharge of the Receiver's claim. Due in part to the work of BGD, the Kentucky bankruptcy court stayed its own jurisdiction, if any, over the Receiver's claims against Jones, lifted the automatic bankruptcy stay against Jones, and cleared the way for the Receiver to continue to pursue his claims against Jones in this Court. The Receiver obtained a Final Judgment against Jones in this Court and then, with the assistance of BGD, obtained a finding that the Final Judgment was nondischargeable.

Litzler, Segner, Shaw, & McKenney, LLP (LSS&M) is a forensic accounting firm retained by the Receiver in order to assist with the data entry and analysis necessary to develop a forensic picture of the Defendants' cash flow. LSS&M utilized all of the bank records subpoenaed by Receiver's counsel to create a comprehensive analysis of how and when money was taken into and out of the Defendants' accounts. This work was intended to assist the Receiver in determining exactly how much money was invested in the Millennium scheme, how the money was spent, and whether significant assets may be located in places heretofore unknown to the Receiver or available witnesses. Because the record-keeping of the Defendants was exceedingly poor, the task presented to LSS&M was extremely significant to the Receiver's ability to do his work. LSS&M has also prepared the tax returns for the Receivership Estate.

The work of these legal professionals (the “Professionals”) is described in detail in the attached invoices, as well as in the Report of the Receiver Dated May 28, 2015 (the “Report”), which the Receiver submits in support of this application as Exhibit A. The information contained in the invoices and Report demonstrates the necessity for the Professionals’ services and the reasonableness of their fees and expenses in this case.

I. BACKGROUND

To aid the Court’s consideration of this Motion, the Receiver includes the following background section that is substantially similar to the same section filed with the prior fee application and which provides the necessary context for the description of the work included in this Motion.

On March 26, 2009, the Securities and Exchange Commission (the “Commission”) filed this lawsuit alleging that Defendants engaged in a fraudulent “Ponzi scheme” involving the purported sale of Certificates of Deposit with higher-than-legitimate interest rates, through which Defendants obtained at least \$68 million from hundreds of investors. The Receiver now knows that, since 1996, the Defendants took in more than \$100 million of investor money. This Court found that it was both necessary and appropriate to appoint a receiver, who assumed exclusive jurisdiction over all assets and records of the Defendants and any entities they owned or controlled worldwide. Order Appointing Receiver, Doc. 10 at ¶¶ 1-2 and Amended Order Appointing Receiver, Doc. 46 at ¶¶ 1-2 (collectively, the “Orders Appointing Receiver” or the “Orders”). The Orders Appointing Receiver charged the Receiver with the responsibility of acquiring exclusive control and possession over the Receivership Estate including the tangible and intangible, real and personal property of the Defendants (and property of Relief Defendants traceable to the fraud), and performing all acts necessary to conserve, manage, and preserve the Receivership Estate. Orders Appointing Receiver at ¶ 5.

A. SUMMARY OF DEFENDANTS' FRAUD.

The Defendant entities were comprised of Millennium Bank; United Trust of Switzerland S.A.; UT of S, LLC; Millennium Financial Group; Sterling Administration; Sterling Investment Services; and Millennium Aviation. These entities were aligned in a fairly simple infrastructure, and were controlled primarily by Defendant William J. Wise. Wise was the chief architect of the fraud, with the assistance of Defendants Kristi Hoegel and Jacqueline Hoegel. Essentially, Millennium Bank solicited funds from investors, primarily through internet advertising and targeted marketing to individual investors, for the purchase of self-styled "certificates of deposit" promising various guaranteed rates of return, most of which far exceeded the rate of return on a traditional bank certificate of deposit ("CD"). Defendants had two stateside offices, one in Napa, California, and another in Raleigh, North Carolina. The third primary Millennium location was the actual bank itself, located on the island of St. Vincent. All United States offices were closed upon the filing of this lawsuit and the Receiver and his team seized all documents and materials located therein, including computers.

B. HOW INVESTOR FUNDS WERE RECEIVED AND ROUTED.

The following description of the Millennium scheme is largely repeated from the Receiver's First Fee Application, filed on December 4, 2009, but is included here for the sake of completeness. The Defendant entities had very little corporate structure. Investors would simply mail in checks for purchase of CDs to the Napa, California location, typically made payable to UT of S, LLC (though some investors did send checks and wires payable to Sterling and Millennium Bank). Investors often negotiated their purchases through telephone conferences with the Hoegel Defendants and/or other Defendant employees including Scott Christopher, David Jones, and Robert Kelty. Investors were most often instructed by these individuals to make checks payable to UT of S, LLC and mail them to Millennium Bank in St. Vincent and the

Grenadines. Once received by Defendants on the island of St. Vincent, these investor checks would simply be re-routed to Defendants' Napa, California office. Once received in California, Defendants' staff would deposit the funds into a single UT of S, LLC bank account ending 9648 and maintained with Washington Mutual/JP Morgan Chase Bank. Any investor funds delivered by wire transfer were deposited into the same, single UT of S account. Sterling investments were deposited into a WaMu account.

C. MILLENNIUM BANK WAS NOT A TRUE BANK AND INVESTOR MONEY WAS *NEVER* INVESTED.

Neither Millennium Bank nor United Trust of Switzerland, S.A. were banks in the traditional sense, nor were they registered securities dealers. Millennium Bank was chartered in St. Vincent, where investors believed their funds were being used for investment purposes. However, *none* of the funds remitted to Millennium Bank, or other Defendant entities, for the purchase of CDs were invested. Rather, a majority of investor funds were diverted to and misappropriated by the various Defendants. While Defendants were constantly diverting investor dollars to themselves, significant portions of these funds were used to carry on their fraudulent scheme in an attempt to create the appearance of a solvent, legitimate investment business. Specifically, funds received from new investors were utilized to pay redemptions and make interest payments to earlier investors under the terms of an investor's CD. As the Commission has alleged, Defendants sold CDs with guaranteed rates of return. Hence, earlier investors who chose to cash out their investments when the term of a CD concluded were paid the full amount of their investment, plus interest, with later investors' money. Likewise, investors who received interest payments from time to time during the term of one or more CDs were not receiving interest, as there were no underlying investments generating any return.

Rather, they too were simply receiving other investors' money in an amount equal to the interest rate Defendants quoted when the investor purchased the altogether fake CD.

In the 2010 Fee Application, the Receiver noted that a significant amount of investor money, possibly the vast majority of it, was squandered on the Defendants' personal lifestyles and luxuries based on the information available at that time. This sort of spending included, for example, money paid for foreign escorts, multi-thousand-dollar meals, international travel, and \$12,000 weekly allowance payments to Mrs. Wise, which could not be recovered into the Estate. Accountants with LSS&M analyzed Defendants' banking and business records (and worked in conjunction with Receiver's counsel) to conclusively determine, among other things, (a) specific amounts of funds used to pay interest and redemptions to investors; and (b) specific amounts of funds diverted to Defendants and *how* those funds were used. The Receiver's counsel at Thompson & Knight then undertook the process of applying knowledge about the various individuals involved to further ascertain exactly how money was spent and should be characterized. The Receiver's Report of November 22, 2010 details at length how money moved through the Defendants' bank accounts at the direction of William Wise. The accounting analysis confirmed what the Receiver suspected at the time of his last Report to this Court—that the Defendants paid some older investors back with interest over time in order to perpetuate the scheme, and then largely squandered the rest of the money on luxurious lifestyles and purchases. When the Receivership was instituted in March 2009, very little of the amount taken in over the previous years remained in the Defendants' accounts.

D. CONSTITUTION OF THE RECEIVERSHIP ESTATE.

Because the majority of the funds remitted to Defendants by various investors were simply misappropriated for the personal gain of Defendant William J. Wise and other individual

and Relief Defendants, the Receivership Estate was originally comprised primarily of limited cash seized from Defendants' and Relief Defendants' bank accounts, real property holdings, and personal property assets purchased with proceeds of the fraud. Despite investigation by international asset search professionals, accounting analysis, and a thorough review of Defendants' records, the Receiver has not identified or located any significant, still-existing source of funds maintained by or on behalf of Defendants, with the exception of certain fraudulent transfers discussed in the 2010 and 2011 Receiver's Reports and later in this Fee Application.

Upon his appointment, the Receiver seized a total of \$482,237.45 from bank accounts maintained by Defendants and Relief Defendants, which accounts were identified by the Commission and business records and were placed under the Court's Asset Freeze Order. Likewise, the Estate received deposits of cash from the sale of William Wise's stateside wine collection (\$197,280.07); the sale of William and Lynn Wise's home (\$810,780.93); auction of William and Lynn Wise's personal property (\$647,978.25); the liquidation of the Hoegel Defendants' real and personal property (\$43,569.32); cash seized from the Defendants' personal possession (\$15,000.00); proceeds received after an airplane originally purchased by Defendants was surrendered to a secured lien holder (\$100,000.00); proceeds from the sale of a limousine (\$3,000 to date); proceeds from an account maintained by Brijesh Chopra at Bank of China (\$11,015.14); funds traceable to the Defendants' fraud and repatriated in the United States by JPLs at KPMG (\$73,985.90); and proceeds from the sale of an Escalade in which Wise had very little equity (\$7,690.31). The cash on deposit in the Receivership Estate's interest-bearing money market account has only been spent to pay some necessary costs for administration of the

Receivership and those amounts approved in this Court's orders granting the Receiver's First and Second Fee Applications.

The Receiver learned that more than \$5,000,000 had been paid out in fictitious interest to domestic investors who also received all of their principal back. The Receiver sent a demand letter to these "net winning" investors, explained that the "interest" they received was really just money belonging to newer investors, and asked that the net winning investors return the amounts they received beyond the principal they originally invested. As detailed in the April 9, 2012 Report, the Receiver initiated ancillary litigation against these net winning investors to claw back additional fictitious interest, and has either settled the claims or obtained judgments against the various net winners. This process has resulted in a return of over \$2,296,018.67 as of the date of this Fee Application, further increasing the current body of the Receivership Estate. Additionally, the Receiver has compromised claims against certain other ancillary defendants, expected to increase the Estate by several hundred thousand dollars more, and continues to pursue litigation against the non-settling, non-investor ancillary defendants. The Receiver has clawed back a total of \$4,853,037.82 as of the date of this Fee Application.

E. WORK PERFORMED FOR THE BENEFIT OF THE RECEIVERSHIP ESTATE

The bulk of the work performed by the Receiver and his team prior to the work represented by this application was related to (1) locating and securing the assets of the Estate; (2) locating, collecting, organizing, and analyzing necessary information about assets and liabilities of the Estate so that the Receiver can take the appropriate steps to recover and monetize assets, and to properly address claims and liabilities; (3) communicating with investors, cataloging investor claims and investment information, and analyzing investor claim forms and correspondence; (4) obtaining banking records for Defendants and Relief Defendants, reviewing

Defendants' corporate and financial records; (5) negotiating with lien-holders regarding their interests in Estate assets; (6) contacting foreign authorities and financial institutions in an effort to obtain information pertaining to Defendants' assets; (7) preparing an extensive and comprehensive analysis of the manner in which Defendants' funds were expended since the inception of the scheme; (8) performing those tasks necessary to advance both this enforcement action and other ongoing investigations into the activities of the Defendants; and (9) communicating with and considering the claims of numerous investors.

The Receiver has engaged in ancillary litigation with multiple parties, including the net winning investors, to claw back amounts that were transferred to various parties to perpetuate the Ponzi scheme. Because the clawback claims were brought against more than 300 defendants, the prosecution of the ancillary litigation significantly added to the complexity of the Receiver's task and involved three separate lawsuits against various classes of defendants. On February 21, 2012 William Wise was indicted, and on April 17, 2012, Mr. Wise turned himself in. In 2013, the Receiver and his counsel, agents, and representatives facilitated an interim distribution the nearly 600 Net Losing Investors and obtained summary judgments against the Defendant Brokers. In the last twelve months, the Receiver and his counsel, agents, and representatives obtained a nondischargeable judgment against Defendant David Jones, and sought to collect upon judgments obtained in the ancillary Net Winners litigation and Broker litigation. A complete and detailed discussion of the Receiver's work to date is provided in the Receiver's Report filed on May 28, 2015 and attached hereto as Exhibit A.

F. ADDITIONAL WORK REMAINING TO INCREASE THE ASSETS AVAILABLE FOR DISTRIBUTION TO INVESTORS AND COMPLETE A CLAIMS PROCESS

As he has publicly stated several times, the Receiver believes that the total value of the assets of the Estate will be a mere fraction of the millions of dollars that would be needed to pay

all anticipated claims against the Estate. Nevertheless, the amount of value yet to be recovered, as discussed above, is expected to increase the amount now in the Estate's bank account.

Taking all of this into consideration, and pursuant to the Orders Appointing Receiver, the Receiver respectfully requests that this Court approve this sixth interim Fee Application.

**II. REQUEST FOR APPROVAL OF FEES FROM OCTOBER 1, 2013 TO
FEBRUARY 28, 2015**

The fee statements for the work performed by the Receiver and his team of professionals are being provided to the Court *in camera*, with certain work related to the preparation of the Receiver's Report and Fee Application as well as potentially inefficient time deducted from the total amount requested herein. Most of the work apparent on those fee statements is related to collection of judgments obtained in the ancillary litigation. As noted above, the case against the net winners involved over 300 defendants, and the Receiver worked to obtain settlements and/or judgments as to each of those defendants and then collect those amounts. This work included extensive communications, negotiations, and correspondence with defendants, as well as briefing related to motions for summary judgment or default judgments, where those motions were necessary. Finally, the Receiver undertook a suit against the brokers who sold the fraudulent certificates of deposit. This litigation required the Receiver to work to lift a bankruptcy stay against one broker and obtain a finding that the Final Judgment was nondischargeable in his bankruptcy case.

Additionally, the Receiver has continued in extensive communications with various investors involved in the Ponzi scheme as well as cooperated with various government authorities in the related criminal proceedings. That cooperation ultimately resulted in the indictment of both William Wise and Jackie Hoegel in San Francisco, California. William Wise has since been apprehended and is in custody as of the date of this application. It is anticipated

that Hoegel will be tried in 2015. The Receiver has worked to produce any and all evidence and testimony required to effectuate the goals of the U.S. Attorney's office handling this case, and to see that justice may be done on behalf of the defrauded investors involved.

The Orders Appointing Receiver direct and authorize the Receiver to retain and compensate professionals in connection with the administration of the Receivership Estate:

[T]he Receiver is specifically directed and authorized to perform the following acts and duties:

Enter into such agreements in connection with the administration of the Receivership Estate, including, but not limited to, the employment of such managers, agents, custodians, consultants, investigators, attorneys, and accountants as Receiver judges necessary to perform the duties set forth in this Order and to compensate them from the Receivership Assets.

Orders Appointing Receiver ¶ 5(h). Accordingly, shortly after his appointment, the Receiver hired the Professionals discussed herein, who were needed to carry out his Court-ordered duties.

The Amended Orders Appointing Receiver direct the Receiver to “[f]ile with this Court requests for approval of reasonable fees to be paid to the Receiver and any person or any entity retained by him and interim and final accountings for any reasonable expenses incurred and paid pursuant to order of this Court.” Orders Appointing Receiver. ¶ 5(m). Accordingly, the Receiver files this Fee Application and requests that the Court approve the fees and expenses billed by the Receiver and his retained Professionals for work performed from October 1, 2013 through February 28, 2015.

A. BASED UPON THE WELL-SETTLED LAW, THE COURT SHOULD APPROVE THE PAYMENT OF ALL REASONABLE AND NECESSARY PROFESSIONAL FEES AND EXPENSES IN THIS CASE.

Courts examining a request for fees and expenses incurred by a receiver must determine whether the time spent, services performed, expenses incurred, and hourly rates charged are

reasonable and necessary under the factors set forth by the Fifth Circuit.¹ *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717–19 (5th Cir. 1974); *SEC v. Megafund Corp.*, 3:05-CV-1328-L, 2008 WL 2839998, *2 (N.D. Tex. June 24, 2008); *SEC v. Megafund Corp.*, 3:05-CV-1328-L, 2006 WL 42367, *1 (N.D. Tex. Jan. 9, 2006); *SEC v. Funding Res. Group*, 3:98-CV-2689-M, 2003 WL 145411, *1 (N.D. Tex. Jan. 15, 2003).

This examination of reasonableness and necessity should take into account all of the circumstances surrounding the receivership. See *SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff'd*, 519 F.2d 1087 (5th Cir. 1975). Because all receiverships are different, a court's analysis of the fees and expenses must be tailored to the particular case. *Id.*; see *SEC v. Tanner*, No. 05-4057, 2007 WL 2013606, *3 (D. Kan. May 22, 2007). The characteristics cited in the following cases are similar to this Receivership and support an award of the fees and expenses requested herein.

The complexity and difficulty associated with the receivership are highly relevant factors in determining the reasonableness of professional fees. See *SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973) (awarding interim fees and expenses to law firm for role in receivership and noting that it involved wide variety of complex legal matters requiring the time, competence, and diverse resources of a law firm of high caliber); *W.L. Moody & Co.*, 374 F. Supp. at 484 (“An equitable receivership is by its very nature, a legally complex

¹ These factors, often referred to as the *Johnson* factors, are: (1) the time and labor required for the litigation; (2) the novelty and complication of the issues; (3) the skill required to properly litigate the issues; (4) whether the attorney was precluded from other employment by the acceptance of this case; (5) the attorney's customary fee; (6) whether the fee is fixed or contingent; (7) whether the client or the circumstances imposed time limitations; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorney; (10) the “undesirability” of the case; (11) the nature and length of the attorney-client relationship; and (12) awards in similar cases. *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974). In applying the *Johnson* factors, “the district court must explain the findings and the reasons upon which the award is based. However, it is not required to address fully each of the 12 factors.” *Curtis v. Bill Hanna Ford, Inc.*, 822 F.2d 549, 552 (5th Cir. 1987) (citation omitted).

process.”); *Tanner*, 2007 WL 2013606 at *3 (the identification of investors and the location of their funds was made “excruciatingly difficult” by lack of assistance from defendants); *Funding Res. Group*, 2003 WL 145411 at *1 (finding fees and expenses were reasonable in light of difficulties receiver encountered). In the instant case, the Receiver and his team of Professionals have had to conduct their work without meaningful assistance from the Defendants or Relief Defendants and even without significant documentary evidence, as the Defendants maintained inadequate and incomplete accounting records and William Wise disclosed very little detailed information to his employees. Further, the vast number of clawback defendants in the ancillary litigation has added to its complexity, as each defendant’s situation frequently warrants and requires individual attention both to matters of law and fact, as well as efforts at settlement..

The degree of success achieved in solving legal and practical problems should be considered when calculating the fees awarded. See *Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. at 1222; *W.L. Moody & Co.*, 374 F. Supp. at 484-85; *Johnson*, 488 F.2d at 718. In this case, the Receiver and his team of Professionals have worked diligently to wind up Defendants’ businesses, terminate contracts, identify and secure assets, records, and evidence, investigate leads, recover fraudulently transferred assets, communicate with investors, and cooperate with all governmental authorities. This work, while admittedly not resulting in the recovery of significant funds that were frittered away by the Defendants, has allowed the Receiver to determine the scope of the fraud and the status of possible recoveries to the Estate sooner rather than later. Additionally, the Receiver and his counsel and accountants now have determined how Defendants’ funds were spent and have identified several sources of Receivership assets which are now being sought through the ancillary claw back litigation. The early returns of fictitious interest by net winning investors suggest that the Estate will continue to grow as a result of this

pending litigation to claw back monies fraudulently transferred to others in the course of this scheme. The Receiver has prevailed by either default judgment or summary judgment in each of the ancillary suits. The profits from this litigation have exceeded its costs.

Courts examine the credentials, experience, reputation, and other professional qualities required to carry out the Court's orders when assessing the reasonableness of the rates charged for services to a receivership. *See W.L. Moody & Co.*, 374 F. Supp. at 481 (holding that a court should give "considerable weight" to "a receiver's abilities, as required by the tasks of the receivership"); *Tanner*, 2007 WL 2013606 at *3 (granting receiver's fee request, despite investors' concerns over amount requested, in part because the court recognized that the receiver and his counsel were experienced in the relevant areas of law); *SEC v. Aquacell Batteries, Inc.*, No. 6:07-cv-608-Orl-22DAB, 2008 WL 276026, *4 (M.D. Fla. Jan. 31, 2008) ("The Receiver retained well qualified, experienced counsel and such representation does not come cheap.").

Likewise, courts should consider the usual and customary fees charged and the evidence presented to support the application for fees. *See Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. at 1222 (fees awarded in full because based on law firm's usual hourly rate and supported by meticulous records); *see Johnson*, 488 F.2d at 718 (the customary fee for similar work in the community should be considered). In this case, the Receiver and his team of Professionals, including his attorneys, have devoted considerable time to conducting the many tasks required in this case, including conducting legal research, drafting and arguing motions, identifying, securing and liquidating assets, communicating with investors, the media, opposing counsel, the Commission, and government authorities, and more – all at a discounted rate. The Receiver has discounted the gross fees for professional services by 20% and has also reduced the total fees

incurred in this case by \$11,986.40. Hence, all of the above-described factors weigh in favor of approving the request for fees and expenses in this case.

B. THE FEES AND EXPENSES ARE REASONABLE AND NECESSARY IN LIGHT OF THE CIRCUMSTANCES OF THIS CASE.

The Receiver requests approval of fees and expenses for the Professionals identified herein, which have provided the services summarized below, in the amounts noted (which reflect billings for work from October 1, 2013 through February 28, 2015). As noted above, all professionals have agreed to 20% discounts of their customary fees, and the amounts requested reflect those discounts. The time spent, services performed, hourly rates charged, and expenses incurred by the Professionals have been at all times reasonable and necessary, and indeed essential, for the Receiver to perform his Court-ordered duties. Where time spent has been redundant, non-productive, or otherwise excessive in any way, the Receiver has reduced the fees sought by these amounts, shown clearly on the bills provided *in camera*.

1. THOMPSON & KNIGHT LLP SENIOR PARTNER RICHARD ROPER, RECEIVER

Thompson & Knight LLP (“Thompson & Knight”) is a Dallas-based, international full-service law firm in which Richard Roper, the Court-appointed Receiver herein, is a senior partner. Mr. Roper has been licensed to practice law in Texas since 1982. He is the former United States Attorney for the Northern District of Texas, a position in which he served from 2004 until 2008, when he joined Thompson & Knight. Prior to his appointment as United States Attorney, Mr. Roper was a career prosecutor, serving as an Assistant United States Attorney between 1987 and 2004 and, previously, as the Assistant District Attorney for Tarrant County District Attorney’s Office in Fort Worth, Texas from 1982-1987. Mr. Roper’s private practice is concentrated in, among other things, SEC and state securities compliance and enforcement matters. Mr. Roper regularly represents clients on a full range of corporate and securities law

issues. Mr. Roper has previously served as counsel for other court-appointed equity receivers. See *W.L. Moody & Co.*, 374 F. Supp. at 481 (receiver's qualification relevant to fee awarded); *Tanner*, 2007 WL 2013606 at *3; *Aquacell Batteries, Inc.*, 2008 WL 276026 at *4; *Johnson*, 488 F.2d at 718, 719.

The Receiver has had to discharge his duties with little assistance from the individual Defendants. See *Tanner*, 2007 WL 2013606 at *3 (receiver's tasks "excruciatingly difficult" without help from defendants); *Moody*, 374 F. Supp. at 471, 480 (defendant impeded receiver's progress and had to be subpoenaed to testify). Although William Wise, the chief architect and operator of the Ponzi scheme, was indicted on February 21, 2012, he was unwilling to communicate or cooperate with the Receiver. Wise was recently apprehended and has agreed as part of the plea deal to cooperate with the Receiver.

The Receiver delegated tasks appropriately to Professionals, and utilized the information provided by them to develop and execute a plan to maximize the value of a limited-value Receivership Estate while still accomplishing the tasks required of him. See *Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. at 1222; *W.L. Moody & Co.*, 374 F. Supp. at 480; *Mobley*, 2000 WL 1702024 at *2; *Johnson*, 488 F.2d at 718.

The fees charged by Thompson & Knight for Mr. Roper's work as the Court-appointed Receiver include all compensation being paid for his services during the applicable period. A bill for those services from October 1, 2013 through February 28, 2015 is attached as Exhibit B. The Receiver requests approval of payment to Thompson & Knight for \$11,508.00 in fees for his work, and \$571.54 in costs, for a total of \$12,079.54. Complete fee statements for the Receiver's work are being provided to the Court for *in camera* review.

2. THOMPSON & KNIGHT LLP AS COUNSEL REPRESENTING THE RECEIVER.

Thompson & Knight LLP is an international law firm headquartered in Dallas. Thompson & Knight has provided critical legal expertise and manpower for every aspect of this Receivership. The lawyers working on this case have included partners, associates, legal assistants, and support staff as warranted by the relevant tasks. *See Johnson*, 488 F.2d at 718-19 (compensation often reflects degree of experience). While ensuring proper and effective representation, the Receiver has only utilized the services of a limited team of lawyers in order to limit fees and ensure a lean and nimble team of Professionals. The Receiver has further reduced fees by placing primary responsibility for ancillary litigation on senior and mid-level associates.

Thompson and Knight has undertaken numerous tasks to further the goals of the Receivership during the period covered by this Fee Application including, but not limited to:

- Obtaining records through subpoenas and other discovery methods;
- Analyzing bank records and accounting information in the context of known relationships and information related to the scheme in order to determine how and where money was spent by Defendants;
- Determining the source of fraudulent transfers and analyzing the benefit of third-party litigation to retrieve monies believed to be Receivership assets for the benefit of the Receivership Estate;
- Communicating with investors, government agencies, and the media as necessary and warranted;
- Undertaking a claims process for investors who have lost money to the Defendants;
- Analyzing investor account information and relevant banking records to determine the legitimacy and appropriate amounts of investor claims;
- Communicating with investors who received fictitious interest in addition to the full return of their principal to secure repayment of the “interest” to the Receivership Estate for distribution in the claims process and administration of the Estate;

- Undertaking legal research, drafting, and the development of evidence relevant to various litigation against third parties in an effort to return additional monies to the Receivership Estate;
- Seeking to collect upon judgments obtained in the ancillary litigation against more than 100 individuals and entities intended to claw back funds into the Receivership Estate;
- Negotiating settlements of claw back claims with numerous defendants; and
- Distributing funds from the Receivership Estate to the nearly 600 Net Losing Investors.

Thompson & Knight has served as lead trial counsel to the Receiver and has represented the Receiver in all proceedings in this case. Thompson & Knight has also been the Receiver's principal counsel on non-litigation matters. These matters have required expertise in a wide range of legal subject matters, including bankruptcy, marital property rights, labor and employment, securities, landlord-tenant, real estate, banking, trust law, liens, tax law, fiduciary issues, insurance, private equity, and aircraft. *See Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. at 1222 (awarding interim fees and expenses to law firm for role in receivership and noting that it involved wide variety of complex legal matters requiring the time, competence, and diverse resources of a law firm of high caliber); *W.L. Moody & Co.*, 374 F. Supp. at 484; *Tanner*, 2007 WL 2013606 at *3; *Funding Res. Group*, 2003 WL 145411 at *1; *Mobley*, 2000 WL 1702024 at *2; *Johnson*, 488 F.2d at 718 (attorneys should be rewarded for accepting the challenges of a difficult case).

The firm has also made reports to governmental and regulatory agencies and worked diligently to make seized and subpoenaed records, data, information, and equipment available to them in the course of their ongoing investigations. Further, Thompson & Knight prepared and maintains the Receiver's website and has distributed other communications (most of which required detailed knowledge of legal matters) to various constituents such as investors,

claimants, creditors, Defendants, Relief Defendants, lien holders, and others. All such tasks were necessary and essential to the work of the Receiver.

A bill for Thompson & Knight's services from October 1, 2013 through February 28, 2015 is attached as Exhibit C. The complete, unredacted bills have been provided to the Court for *in camera* review. The hours expended and identified as unproductive or redundant have been reduced from the total in calculating the final fees for which the Receiver now seeks approval. *SEC v. AmeriFirst Funding, Inc.*, No. 3:07-CV-1188-D, 2008 U.S. Dist. LEXIS 42166, *7 (N.D. Tex. 2008) (J. Fitzwater); *Saizan v. Delta Concrete Prods. Co.*, 448 F.3d 795, 799 (5th Cir. 2006). Therefore, the Receiver requests approval of payment to Thompson & Knight for \$83,763.90 in fees and \$1,243.81 in expenses, for a total payment of \$85,007.71 for seventeen months' work.

This amount reflects the agreed 20% discount on Thompson & Knight's usual and customary fees, and the fee schedule remains nearly identical to that presented to the Court in the Receiver's first Fee Application.²

3. BINGHAM GREENEBAUM DOLL LLP

Bingham Greenebaum Doll LLP ("BGD") is a law firm in Kentucky that represented the Receiver as local counsel in the Kentucky bankruptcy litigation. BGD assisted the Receiver in staying the Kentucky bankruptcy court's jurisdiction, if any, over the Receiver's claims against Jones, lifting the automatic bankruptcy stay against Jones, clearing the way for the Receiver to continue to pursue his claims against Jones in this Court, and obtaining a nondischargeable judgment against Jones.

² Because certain attorneys have left Thompson & Knight during the pendency of this case, other attorneys have, in some cases, been utilized to perform work where necessary. Each new attorney's rates have been discounted by 20% in accordance with the Receiver's agreement in this matter, and every effort has been made to be as cost-efficient as possible in staffing.

BGD performed work for total fees of \$5,416.83. The total amount invoiced to the Receiver, which is attached as Exhibit D, is \$5,416.83. Thus, the Receiver submits to the Court a request for fees of BGD and submits fee statements of BGD, including invoices with hours and billing rates, for *in camera* review.

4. LSS&M, LLP

LSS&M, LLP (“LSS&M”) is an accounting and insolvency consulting services firm. This firm was engaged by the Receiver to analyze Defendants’ corporate and financial records in order to provide forensic accounting and investigative support services to the Receiver and to prepare the Receivership Estate’s tax returns. LSS&M’s work product helped to determine where and how investor money was spent and what parties should be pursued through claw-back, fraudulent transfer or disgorgement claims.

LSS&M has reviewed, and continues to analyze as needed, company books and records, including electronic and paper-based evidence. They have determined the total number of investors, total number of fictitious CDs, the entities in which investors invested, and the total amount of investor dollars received. They analyzed the amount of “rollover” investments, the total sum of cash paid back out to investors, and numerous banking records and financial statements, and assisted Receiver’s counsel to determine which individual investors qualify as “net winners” and other individuals who may have been complicit in the fraud.

The billable rates for LSS&M’s work is as follows:

- Partner: \$300-\$395/hour
- Senior Associate: \$210-\$295/hour
- Associate: \$160-\$185/hour
- Paraprofessional: \$35-\$135/hour

LSS&M performed work for total fees of \$28,741.70. The total amount invoiced to the Receiver, which is attached as Exhibit E, is \$28,741.70. Thus, the Receiver submits to the Court a request for fees of LSS&M and submits fee statements of LSS&M, including invoices with hours and billing rates, for *in camera* review.

5. Total amounts requested for disbursement from October 2013 to February 2015

Richard Roper, Receiver	\$12,079.54
Thompson & Knight	\$85,007.71
BDG	\$5,416.83
LSS&M	\$28,741.70
TOTAL	\$131,245.78

C. THE FEES REQUESTED BY THE RECEIVER ARE IN LINE WITH OTHER CASES.

The fees associated with complex receivership cases often have been substantial percentages of the total assets found. *SEC v. Megafund Corp., et al.*, 2008 WL 2839998 at *2 (N.D. Tex. 2008); *SEC v. Funding Res. Group*, 2003 WL 145411 at *1 (N.D. Tex. 2003). Courts have noted that compensation to equitable receivers is analogous to compensation to receivers in bankruptcy. *See SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 481 (S.D. Tex. 1974), *aff'd*, 519 F.2d 1087 (5th Cir. 1975). The United States Department of Justice has reported that from 1994 to 2000, in Chapter 7 asset cases, 30% – 40% of total estate receipts were disbursed as fees and expenses to trustees and other professionals. This was true *regardless* of the size of the case. *Id.*

D. THERE ARE SUFFICIENT FUNDS ON DEPOSIT IN THE RECEIVERSHIP ESTATE TO SATISFY THE OUTSTANDING FEES OF THE RECEIVER AND HIS PROFESSIONALS FROM OCTOBER 1, 2013 TO FEBRUARY 28, 2015, AND TO COVER ANTICIPATED FUTURE COSTS AND EXPENSES ASSOCIATED WITH ADMINISTRATION OF THE ESTATE.

As of the filing of this Fee Application, the Estate has sufficient funds to pay all of the Professionals' and Receiver's fees as requested herein. Following a substantial distribution to the defrauded Millennium investors, the Estate currently holds \$458,816.71 in deposits and this Fee Application requests authority to disburse a total amount of \$131,245.78 in fees. The total deposits include those amounts obtained from certain net winning investors as the return of fictitious interest, and additional amounts are expected to be recovered from the litigation of fraudulent transfer claims against other net winning investors and third parties who received funds without consideration. Indeed, the recoveries received to date from ancillary litigation initiated by the Receiver in this case are approximately eighteen times the amount requested herein in fees. This figure does not include several negotiated settlements upon which the Receiver anticipates collection, and does not include over \$1 million in judgments the Receiver has obtained but not yet collected upon.

III. ANTICIPATED FUTURE WORKLOAD FOR RECEIVER AND RETAINED PROFESSIONALS

The work of this Receivership is nearing completion. All additional work to be undertaken, however, will be driven by (a) the costs to the Estate associated with such work; (b) the ability of the Estate to pay for such work; and (c) the likely result to be achieved, and proceeds to be recovered for the Estate, as a result of such work.

The fees and expenses in the early months of this Receivership were substantial. However, those expenses peaked at times when Professionals were engaging in the bulk of their work, such as: forensic imaging of seized computers; review and analysis of corporate records; the seizure, securing, and sale of Estate Assets; and the initial investigation for and litigation to

recover such assets. After these initial “peaks,” the workload of the Receiver and his Professionals leveled out. This type of reduction is typical in receiverships. *SEC v. Aquacell Batteries, Inc.*, No. 6:07-cv-608-Orl-22DAB, 2008 WL 276026, *4 (M.D. Fla. Jan. 31, 2008); *SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 486 (S.D. Tex. 1974), *aff’d*, 519 F.2d 1087 (5th Cir. 1975).

The fees requested in this Application represent the work performed over a twelve month period. As the Court can see, the Receiver has been mindful of keeping fees expended to a minimum following the significant burst of work at the inception of the Receivership, while ensuring that the goals and needs of the Receivership, investors, and ongoing government investigations are met. The Receiver still believes that the funds that might be available for ultimate distribution to those with claims against the Defendants will almost certainly be *far less* than anyone may have hoped for or expected. Indeed, investors stand to recover little cash on their investments. In light of this extremely unfortunate circumstance, the Receiver and his team continue to focus on reducing expenses while maximizing possible recoveries.

The Receiver expects that the work will continue at a reduced pace while conducting work that is necessary and consistent with his duties. Nevertheless, in addition to the work that still must be performed, the Receiver may need to address unforeseen events, crises, and emergencies pursuant to the Court’s requirement that the Receiver prevent any irreparable loss, damage, or injury to the Estate. Orders Appointing Receiver at ¶ 5(g). As stated in the Report, the Receiver anticipates that his major activities and priorities will include, or continue to include:

- Continuing to collect upon judgments in the ancillary litigation to claw back amounts into the Receivership Estate;

- Continuing to search for and secure cash for the Estate from a variety of potential sources including communications with and cooperation from Wise, and determining how unaccounted-for funds were dispersed;
- Assisting, reporting to and responding to governmental and regulatory agencies as appropriate, including inquiries from the Commission, Department of Justice, FBI, U.S. Attorney's Office, and the Internal Revenue Service in connection with their investigations;
- Communicating with this Court, investors, Defendants and Relief Defendants, claimants, other constituents of the Estate, and the public, including through the Receivership website; and
- Distributing the remaining Receivership Estate funds for the benefit of defrauded investors and other claimants.

IV. CONCLUSION

The relief requested herein is necessary and appropriate to carry out the most basic provisions of the Orders Appointing Receiver. Accordingly, the Receiver requests that the Court enter an order approving of the fees and expenses incurred from October 1, 2013 to February 28, 2015.

Respectfully submitted,

THOMPSON & KNIGHT, LLP

/s/ Jennifer Rudenick Ecklund

William L. Banowsky
State Bar No. 01697125

Jennifer Rudenick Ecklund
State Bar No. 24045626

Mackenzie S. Wallace
State Bar No. 24079535

1722 Routh Street
One Arts Plaza, Suite 1500
Dallas, Texas 75201
Tel. (214) 969-1700
Fax (214) 969-1751

CERTIFICATE OF SERVICE

On May 28, 2015, I electronically submitted the foregoing document to the Clerk of the Court for the United States District Court for the Northern District of Texas using the electronic case filing system of the Court. I hereby certify that I have served all counsel and/or pro se parties of record electronically or by other manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Jennifer Rudenick Ecklund
Jennifer Rudenick Ecklund

Richard B. Roper, III (“Receiver”) files this Report to the Court regarding the affairs and findings of the Receivership, respectfully showing as follows:

By order dated March 26, 2009, this Court appointed Richard B. Roper as Receiver for the assets and records of the Defendants and Relief Defendants in the above-referenced case and all entities they own or control. The Receivership Order, and the subsequent orders re-appointing the Receiver, direct the Receiver to prepare and submit written periodic reports to the Court and to the parties. This Report is intended to brief the Court on the status of matters undertaken for the benefit of the Receivership Estate.

I. OVERVIEW

This Receiver’s Report is the sixth substantive update to the Receivership Court of the Receiver’s activities. Because the Receiver’s prior reports have provided significant detail regarding the Receiver’s work in the relevant periods, rather than repeating the extensive contents of those prior reports, each is summarized here to provide both a summary of the Receiver’s work to date and a context for the work performed in the last year.

A. SUMMARY OF DECEMBER 2009 RECEIVER’S REPORT

The Receiver’s Report of December 4, 2009 [Doc. 115] (the “2009 Report”) detailed at length the structure of the Millennium Entities and the manner in which the fraud on the investors occurred. Essentially, Millennium Bank and its related entities functioned as a simple Ponzi scheme, under the direction of Defendant William Wise. Investors in the various entities purchased a “certificate of deposit” for a set term of years, and for a set interest rate. The “interest,” however, was fictitious, as Wise simply paid out matured CDs with the money of new investors who believed they were also

purchasing CDs. The rest of the money was appropriated by Wise and his associates for personal use, in the manner detailed at length later in this Report. It was never invested. The Millennium Entities had very little corporate structure, and maintained a physical presence in Napa, California, Raleigh, North Carolina, and offshore on the island of St. Vincent and the Grenadines.

No actual investment of investor funds has been identified throughout the course of the Receivership. Instead, Wise spent the money on a lavish lifestyle, literally spending tens of millions of dollars for an island resort, airplanes and pilots, an extensive wine collection, boats, luxury automobiles and drivers, world travel, and large sums paid to his wife and various girlfriends, among other things. The findings of the forensic accountants explain the misappropriation of funds as thoroughly as possible in light of the poor recordkeeping of the Millennium businesses and the unavailability of William Wise himself.

The first Receiver's Report discussed tasks and matters undertaken by the Receiver in order to satisfy his appointed duties and responsibilities, such as review, seizure, and relinquishment of Millennium office locations; location-securing, and liquidation of assets; review and analysis of investor claims; and many other tasks and actions related to the litigation of claims by Defendants and Relief Defendants. The bulk of the Receiver's work in locating and liquidating assets had been accomplished as of the December 2009 Report to this Court.

B. SUMMARY OF NOVEMBER 2010 RECEIVER'S REPORT

On November 22, 2010, the Receiver filed an additional Receiver's Report with the Court [Doc. 147] outlining the work undertaken by the Receiver, his agents, and

representatives since the December 2009 Report (“the 2010 Report”). The 2010 Report focused on the Receiver’s substantial work, along with his forensic accountants, to better understand the financial activities of the Millennium Entities. This task was central to the Receivership Estate, both because it provided insight as to how to recoup some of the lost funds and also because the Court, along with investors and other creditors, needed a clear explanation of what happened to those investor funds which cannot be recovered.

The Receiver obtained the assistance of forensic accounting firm Litzler, Segner, Shaw & McKenney LLP (“LSS&M”) in order to analyze the bank deposits and withdrawals of Millennium Bank and its sister entities (the “Millennium Entities”) in an effort to determine how funds were used. LSS&M created a database of all the identifiable bank transactions conducted by the Millennium Entities to allow LSS&M and the Receiver to review the monies moving in and out of the Millennium Entities. This database was instrumental in aiding the Receiver’s understanding of the Millennium Entities’ financial activity. The results of an analysis of this database are covered in significant detail in the 2010 Report.

As detailed in the 2010 Report, the work by LSS&M revealed that the investor funds were deposited into one primary account, and that the money was appropriated by William Wise and his associates to fund a lavish lifestyle and little more, paying off earlier investors in order to perpetuate the scheme. At least \$156.9 million was deposited into accounts of the Millennium Entities since the Ponzi scheme’s inception. All of this \$156.9 million is believed to have come from investor deposits, and \$127.5 million can be traced back directly to the Millennium Entities’ bank records. A detailed explanation

of the spending analysis and the accounting challenges encountered by the Receiver and LSS&M to produce these figures is found at pages 8 to 12 of the 2010 Report.

C. SUMMARY OF APRIL 2012 RECEIVER'S REPORT

On April 9, 2012, the Receiver filed an additional Receiver's Report with the Court [Doc. 192] outlining the work undertaken by the Receiver, his agents, and representatives since the November 2010 Report ("the 2011 Report"). The 2011 Report focused on the Receiver's work in initiating and prosecuting ancillary litigation against various parties that benefited from illegitimate transfers from the Millennium Entities, cooperation with government authorities, and cooperating with the St. Vincent Joint Provisional Liquidators.

In the course of the Receiver's work, some illegitimate transfers of funds came to light. These transactions are deemed illegitimate because no reasonably equivalent exchange was made by the persons or entities who received certain funds from Millennium Bank or any of its sister entities. *See SEC v. Res. Dev. Int'l, LLC*, 487 F.3d 295, 301 (5th Cir. 2007); *Warfield v. Byron*, 436 F.3d 551, 559 (5th Cir. 2006). Because those transactions amount to "fraudulent transfers" under the applicable law, the Receiver sought to recoup those funds paid out to these certain individuals through ancillary litigation, which was prosecuted in accordance with procedures approved by the Court's Order Granting Receiver's Motion to Approve Procedures for Recovery of Receivership Assets in Third-Party Litigation [Doc. 156].

The Receiver commenced three ancillary suits. First, the Receiver determined that while numerous investors have been defrauded and lost most, if not all, of their investment in the Millennium Entities, other investors were paid back in full, with

interest (the “Net Winning Investors”). On March 1, 2011, the Receiver filed his Original Complaint in this Court against those Net Winning Investors who did not respond to the Receiver’s request for repayment or who refused to comply with repayment (*Cause No. 7:11-cv-00031*). The Complaint named 312 Defendants and sought more than \$5,000,000 in net winnings, alleging actual and constructive fraudulent transfer under California’s Uniform Fraudulent Transfer Act, unjust enrichment, and constructive trust. The Receiver spent a considerable amount of time discussing and settling claims with the Net Winning Investors. The Receiver also filed motions for default judgment and motions for summary judgment against the Net Winning Investors.

Second, the Receiver’s investigation revealed that Atlanta Northside Aviation received significant funds from the Millennium Entities during the course of the Ponzi scheme. On March 1, 2011, the Receiver filed his Original Complaint against Atlanta Northside Aviation (“ANA”) in this Court, Cause No. 7:11-cv-00034. The Complaint sought to recover \$800,000 from ANA, alleging actual and constructive fraudulent transfer under Georgia’s Uniform Fraudulent Transfer Act, unjust enrichment, and constructive trust. In January 2012, the Receiver filed his Motion for Summary Judgment against ANA.

Third, the Receiver instituted suit against three of the brokers, Defendants Robert Kelty, David Jones, and Scott Christopher, working to sell Millennium CD products over the years. Because of their relationships with Wise and the Millennium Entities, on March 1, 2011, the Receiver filed his Original Complaint against Defendants David Jones, Robert Kelty, and Scott Christopher in this Court, Cause No. 7:11-cv-00036. Defendant David Jones filed for bankruptcy shortly after commencement of the ancillary

suit. The Receiver, assisted by Kentucky local counsel Bingham Greenebaum Doll LLP (“BGD”), appeared, opposed the discharge, and the Court ultimately stayed its jurisdiction lifting the automatic stay against Defendant David Jones.

D. SUMMARY OF NOVEMBER 2012 RECEIVER’S REPORT

On November 29, 2012, the Receiver filed an additional Receiver’s Report with the Court [Doc. 196] outlining the work undertaken by the Receiver, his agents, and representatives since the April 2012 Report (“the 2012 Report”). The 2012 Report focused on the Receiver’s work on prosecuting and collecting on the ancillary litigation against the Net Winning Investors, Atlanta Northside Aviation, and the Brokers.

The Receiver and his counsel worked diligently to resolve the litigation against the Net Winning Investors through settlement where possible. The Receiver effectively completed settlement of the claims against 104 of the Defendants and dismissed those who completed the terms of their settlement agreements. The Receiver and his counsel spent significant time corresponding with investor defendants and working to resolve the claims against them.

The Court granted summary judgment on March 29, 2012 against 16 of the Defendants. Further, many of the Defendants failed to answer the Receiver’s complaint. On April 9, 2012, the Court granted the Receiver’s default judgment against 57 of the Defendants. Because all of the Net Winning Investors had settled or defaulted or dispositive motions had been resolved in favor of the Receiver, the Court suggested that the case be administratively closed at the April 19, 2012 pre-trial hearing. The Receiver collected over \$1.5 million from the Net Winning Investors. The Receiver began the process of collecting on the default and summary judgments.

Additionally, this Court's ruling on the parties' cross-motions for summary judgment found that ANA was liable to the Receivership Estate for \$445,000 in funds fraudulently transferred to ANA prior to institution of the Receivership. Following settlement discussions that were ultimately unconsummated, the Receiver took steps to finalize that judgment and recover the funds for the benefit of the Receivership Estate. The Receiver filed a Motion for Entry of Final Judgment Against ANA on September 28, 2012. On October 12, 2012, the Court granted the Receiver's Motion for Entry of Final Judgment against ANA [Doc. 40]. The Receiver has since received full payment from ANA in settlement of his claims.

Because of the bankruptcy, the Receiver's claims against the brokers did not move at the same pace as the other ancillary litigation. But the Receiver commenced the discovery phase of the litigation against the Millennium Brokers, following his success in lifting a bankruptcy stay to be able to pursue the litigation.

The parties mediated the case on October 9, 2012. Defendant Robert Kelty and the Receiver reached a tentative agreed resolution, but Defendant Scott Christopher and Defendant David Jones and the Receiver did not settle the claims at issue during the mediation. Defendant Robert Kelty completed the settlement terms and was dismissed from the suit on November 28, 2012 [Doc. 42]. Further, the Court extended the discovery period in this case to allow the Receiver to debrief William Wise.

E. SUMMARY OF NOVEMBER 2013 RECEIVER'S REPORT

On November 5, 2013, the Receiver filed an additional Receiver's Report with the Court outlining the work undertaken by the Receiver, his agents, and representatives since the November 2012 Report ("the 2013 Report"). The 2013 Report focused on the

Receiver's work prosecuting the ancillary litigation and collecting judgments as appropriate against the Net Winning Investors and the Brokers.

Beginning in late November 2012, the Receiver sought approval for a distribution to the nearly 600 Net Losing Investors. To identify Net Losing Investors, the Receiver and his counsel, agents, and representatives reviewed the records and databases recovered from the offices of the Millennium Entities and the claims made by investors. Ultimately, on January 31, 2013, the Court approved the distribution of 2.24% of the total allowed claims to 565 Net Losing Investors [Doc. 201]. Thereafter, on February 4, 2013, the Receiver contacted the Net Losing Investors via e-mail to announce that the Court had approved the Receiver's Request for Interim Distribution. Since that time the Receiver and his counsel, agents, and representatives spent significant time making distributions to the nearly 600 Net Losing Investors and answering various inquiries regarding the distribution process.

Furthermore, after conducting additional discovery, the Receiver filed his Motion for Summary Judgment against Defendants Scott Christopher and David Jones on March 18, 2013 [Doc. 45]. The Receiver asserted that as to both Defendants the payment of "commissions" to them constituted actual fraudulent transfers. On August 2, 2013, the Court granted the Receiver's Motion for Summary Judgment against both Defendants [Docs. 65 and 66].

II. RECENT WORK UNDERTAKEN BY THE RECEIVER

Since the 2013 Report was filed, the Receiver's work has focused on prosecuting the ancillary litigation against the Brokers, collecting on the judgments obtained in the

ancillary litigation against the Net Winning Investors and the Brokers, and responding to various inquiries from law enforcement, investors, and other attorneys, as necessary.

A. BROKERS

On August 2, 2013, the Court granted the Receiver's Motion for Summary Judgment against both Defendants [Docs. 65 and 66]. Specifically, the Court granted the Receiver's Motion for Summary Judgment against Defendant Scott Christopher as to actual fraudulent transfer and ordered that the Receiver is entitled to recover \$358,803.39 [Doc. 65]. The Court also granted the Receiver's Motion for Summary Judgment against Defendant David Jones as to actual fraudulent transfer and ordered that the Receiver is entitled to recover \$800,000.00 [Doc. 66]. On August 22, 2013, the Court entered final judgments against Defendant David Jones for \$800,000 and Defendant Scott Christopher for \$358,803.39 [Doc. 69].

In 2014 the Receiver worked to collect upon both judgments against Defendants. Regarding Defendant David Jones, the Receiver moved for default judgment and summary judgment in the bankruptcy proceeding in Kentucky to obtain a finding that the Final Judgment against Defendant David Jones was nondischargeable. After briefing and a hearing on the matter, the bankruptcy court in Kentucky held that the Final Judgment against Defendant David Jones was nondischargeable. Since that time, the Receiver has performed asset searches to determine the available assets of Defendants David Jones and Scott Christopher so that the Receiver can move to collect the judgments. Further, the Receiver has made efforts and inquiries to determine the most cost-efficient means of collecting on the Broker judgments as well as all remaining Net Winning Investor judgments.

B. NET WINNING INVESTORS

The Receiver and his counsel still spend significant time corresponding with investor defendants and working to resolve the claims against them.

The Receiver has collected over \$2,296,018.67 from the Net Winning Investors. The Receiver is still in the process of collecting on the default and summary judgments.

C. COLLECTION

In 2014 the Receiver performed a cost analysis of what it would cost to move forward in collecting the judgments against the Net Winning Investors and the Brokers. The Receiver had a total of 50 uncollected judgments totaling \$1,786,951.15 against Defendants located in 25 different states. The Receiver evaluated the alternatives of working to collect the judgments himself, hiring a collection agency, selling the judgments to a debt purchaser, or hiring counsel on a contingent fee basis to handle the collections. The Receiver's cost analysis revealed that the most efficient route most likely to lead to successful recoveries for the Net Losing Investors was to hire counsel on a contingent fee to handle the collections. The Receiver obtained multiple proposals and interviewed prospective counsel. The Receiver recently signed a proposal with the chosen counsel to engage in the collections. The Receiver has begun to move forward with the collection process through such counsel.

D. JP MORGAN LITIGATION AND OTHER LAW ENFORCEMENT REQUESTS

In an effort to assist any and all victims of the Millennium Ponzi scheme, the Receiver has been willing, when no significant expense will be endured by the Millennium Bank Receivership, to provide relevant and non-privileged discovery to litigants in Millennium-related disputes. In January 2013, the Receiver provided

discovery to Boston, Massachusetts attorney Keith L. Miller (“Miller”) in connection with Miller’s representation of Millennium Bank Entities’ investors who were plaintiffs in the case styled, *Hollis, et al. v. JPMorgan Chase Bank, N.A.*, Case No. 1:12-cv-10544 (JGD) in the United States District Court for the District of Massachusetts (the “Hollis Action”). The Receiver inadvertently included in the discovery a number of confidential, proprietary, and privileged documents although the Receiver never intended for counsel in the Hollis Action to receive such documents. Pursuant to the Federal Rules of Civil Procedure, the Receiver immediately requested a snap-back of the discovery and later moved to compel the return of such documents. Thereafter, a dispute regarding such documents arose between JPMorgan Chase Bank, N.A. (“Chase”) and the plaintiff’s counsel in the Hollis Action. Ultimately, the ongoing discovery dispute between Chase and the plaintiffs in the Hollis Action caused the Receiver to incur time and efforts of the Receivership when the Receiver goal was simply to assist any and all victims of the Millennium Ponzi scheme.

Similarly, the Receiver responded to multiple law enforcement requests or subpoenas in 2014 that required the Receiver to spend fees and efforts to respond to and resolve.

III. REMAINING TASKS

The primary tasks facing the Receiver to complete his duties are collecting upon the judgments obtained in the ancillary litigation and distributing the funds to defrauded investors and other creditors. Specifically, the Receiver will:

- Continue collections in the Broker and Net Winners litigation; and
- Distribute the remaining funds to nearly 600 Net Losing Investors.

The Receiver's goal is to maximize collection given the scarce resources of the Receivership Estate.

IV. CONCLUSION

The Receiver has devoted the bulk of his time since his last report to this Court to attempting to recoup assets paid out to third parties as fraudulent transfers in order to restore additional funds to the Receivership Estate. The analysis contained in this Report represents the best possible picture of Millennium Bank's financial affairs in light of the extremely poor recordkeeping of the Defendants, the limitations of the bank records provided in response to the Receiver's subpoena, and the unavailability until now of the master of the scheme, William Wise. The Receiver will continue to undertake those tasks required to faithfully and most efficiently administer the Estate. The Receiver asks for such *other and further relief, general or special, at law or in equity, to which he may otherwise be entitled.*

Respectfully submitted,

THOMPSON & KNIGHT, LLP

/s/ Jennifer Rudenick Ecklund

William L. Banowsky
State Bar No. 01697125

Jennifer Rudenick Ecklund
State Bar No. 24045626

Mackenzie S. Wallace
State Bar No. 25079535

1722 Routh Street
One Arts Plaza, Suite 1500
Dallas, Texas 75201
Tel. (214) 969-1700
Fax (214) 969-1751

**COUNSEL FOR THE RECEIVER,
RICHARD B. ROPER**

CERTIFICATE OF SERVICE

On May 28, 2015, I electronically submitted the foregoing document to the Clerk of the Court for the United States District Court for the Northern District of Texas using the electronic case filing system of the Court.

/s/ Jennifer Rudenick Ecklund
Jennifer Rudenick Ecklund

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

ONE ARTS PLAZA
1722 ROUTH STREET • SUITE 1500
DALLAS, TEXAS 75201-2533
(214) 969-1700
FAX (214) 969-1751
www.tklaw.com

AUSTIN
DALLAS
FORT WORTH
HOUSTON
NEW YORK
SAN ANTONIO

ALGIERS
LONDON
MEXICO CITY
MONTERREY
PARIS

TAX ID No. 75-2813604
WWW.TKLAW.COM

February 28, 2015

Millennium Bank, et al
Richard Roper, Receiver
Thompson & Knight
1722 Routh Street, Suite 1500
Dallas, Texas 75201

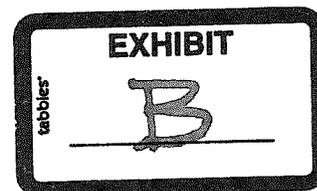
INVOICE SUMMARY

For Services Rendered Through February 28, 2015

Our Matter # 515587.000002
RECEIVERSHIP

Fees for Professional Services*	\$	11,508.00
Reimbursable Costs	\$	571.54
Net Current Billing For This Matter	\$	<u>12,079.54</u>

*Reflects 20% discount on gross fees for professional services.



SUMMARY OF WORK PERFORMED TO DATE

Initial Analysis

- Coordination of resources and establishment of protocols for locating, securing and creating inventory of Receivership Assets and Records
- Consultation and coordination with the SEC, the Department of Justice, and the US Marshals Service regarding initial location and collection of Receivership Assets and Records
- Inspect and secure Raleigh office; inspect and secure Wise residence
- Engage counsel and put team of attorneys and other professionals into place
- Cooperation, communication, and coordination with Securities and Exchange Commission
- Oversee identification and securitization of real and personal property
- Communication with St. Vincent government and Joint Provisional Liquidators appointed there
- Analysis of bankruptcy concerns

Securing of Offices

- Oversaw and directed securing of offices in Napa, California and Raleigh, North Carolina
- Coordinated with local law enforcement in North Carolina and California
- Oversaw process of securing Receiver's jurisdiction in various states where property is or was believed to be located
- Oversaw analysis of Receivership records and equipment
- Fielded and responded to communications from Defendants' vendors regarding leased office equipment and office contracts
- Performed a thorough search of Raleigh office and home and oversaw same in California

Communication with Vendors, Employees and Customers

- Fielded and responded to communications and inquiries from Defendants' vendors regarding retrieval of leased office equipment, status of office service contracts, and liens against real and personal property
- Fielded and responded to communications and inquiries from Defendants' employees and Relief Defendants
- Fielded and responded to communications from investors, media, Department of Justice, United States Attorneys, and other interested parties regarding case status and access to records
- Engaged forensic accountants and conferred with them to develop plan for handling and review of data

Liquidation of Assets

- Oversaw engagement of appraisers and auctioneers
- Oversaw cataloguing of property seized from Defendants

- Reached resolution and obtained Court authority regarding sale and surrender of assets
- Oversaw preparation of evidence and motions and participated in evidentiary hearings concerning sales of seized property
- Negotiated and closed sales of real and personal property, including Wise's North Carolina residence and Hoegel property in California
- Oversaw auction of Wise personal property in Raleigh, North Carolina

Management of Third-Party and Pending Litigation

- Oversaw search for pending pre-Receivership litigation and arbitration matters
- Analyzed strategy and options for proceeding with third party lawsuits including claw backs, fraudulent transfers, and disgorgement
- Fielded inquiries and responded to issues raised by non-parties and unrelated counsel related to pre- Receivership litigation
- Oversaw discovery, including subpoena of records pertinent to Defendants and their business and personal and corporate finances
- Participated in evidentiary hearings, established basis for Court's finding that Defendants did conduct a Ponzi scheme since at least 2004

Advancement of Ancillary Litigation

- Oversaw filing of third party lawsuits against net winning investors, Atlantic Northside Aviation, and the brokers to recover funds for Receivership Estate
- Communicated with hundreds of net winning investors to collect funds for Receivership Estate
- Engaged in settlement negotiations with hundreds of net winning investors to recover over \$900,000 in funds for Receivership Estate
- Oversaw discovery, preparation of motions, and settlement of ancillary litigation
- Oversaw collection of judgments obtained in ancillary litigation

Miscellaneous

- Oversaw investigation and asset search and recovery efforts
- Communicated and negotiated with counsel for Defendants and Relief Defendants
- Analyzed and implemented case management strategy
- Communicated with investors and reviewed correspondence and materials submitted by investors and began process of analyzing claims against the Estate and procedures for handling same
- Provided extensive cooperation to various government authorities and agencies, including the SEC, DOJ, FBI and IRS
- Oversaw work of forensic accountants and analysis of results
- Provided periodic reports to the Court and investors

THOMPSON & KNIGHT LLP

Page 4
February 28, 2015

- Implemented and oversaw distribution procedures

THOMPSON & KNIGHT LLP

Page 5
February 28, 2015

SUMMARY OF FEES

<u>Name</u>	<u>Title</u>	<u>Hours</u>	<u>Discounted Rate/Hr</u>	<u>Amount</u>
Richard Roper	Receiver	27.90	\$420.00	\$11,508.00

Reimbursable Costs

Air fare, lodging, ground transportation, and other vendors (e.g., locksmiths, utility providers, vehicle storage) to complete work performed:

Total Reimbursable Costs	\$	571.54
TOTAL CURRENT FEES AND COSTS FOR THIS MATTER*	\$	12,079.54
NET CURRENT BILLINGS FOR THIS MATTER.....	\$	<u>12,079.54</u>

*Reflects 20% discount on gross fees for professional services

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

ONE ARTS PLAZA
1722 ROUTH STREET • SUITE 1500
DALLAS, TEXAS 75201-2533
(214) 969-1700
FAX (214) 969-1751
www.tklaw.com

TAX ID No. 75-2813604
WWW.TKLAW.COM

AUSTIN
DALLAS
FORT WORTH
HOUSTON
NEW YORK

ALGIERS
LONDON
MEXICO CITY
MONTERREY
PARIS
RIO DE JANEIRO
SÃO PAULO
VITORIA

February 28, 2015

Millennium Bank, et al
Richard Roper, Receiver
Thompson & Knight
1722 Routh Street, Suite 1500
Dallas, Texas 75201

INVOICE SUMMARY

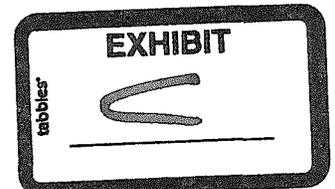
For Services Rendered Through November 30, 2014

Our Matter # 515593.000002
REPRESENTATION OF RECEIVER

Matter Balance Brought Forward	\$	0.00
Total Fees for Professional Services*	\$	95,750.30
Net Fees for Professional Services **		83,763.90
Reimbursable Costs		1,243.81
Net Current Billing For This Matter **	\$	<u>85,007.71</u>
Total Balance Due This Matter	\$	<u>85,007.71</u>

*Reflects 20% discount on gross fees for professional services.

**Net of time recorded, but not billed, for preparation of Fee application, Receiver's Report, and certain paralegal time.



SUMMARY OF WORK PERFORMED

Initial Analysis

- Coordination of resources and establishment of protocols for locating, securing and creating inventory of Receivership Assets and Records
- Research regarding existence of offices to be closed
- Consultation and coordination with the SEC, the Receiver, the Department of Justice and the US Marshals Service regarding initial location and collection of Receivership Assets and Records
- Close offices, secure and transfer records and interview employees and unrepresented Defendants
- Research regarding and confirmation of filings under 28 U.S.C. §754 in each jurisdiction where Thompson & Knight LLP secured Receivership Assets and file same
- Identify and secure real and personal property
- Analysis of bankruptcy concerns
- Review and analyze seized records and equipment

Securing of Offices

- Secured for the Receiver offices in Napa, California and Raleigh, North Carolina
- Coordinated with local law enforcement, where necessary, and property management for access to each office location; changed locks and disabled electronic access where in use; coordinated with property management and private security, where necessary, to assure future access was limited to the Receiver or his representatives
- Prepared detailed written and photographic inventories of assets in each location
- Coordinated with Defendant employees for monitored retrieval of personal items from Defendant offices
- Compiled report containing personal contact information, computer user names and passwords and voice-mail passwords of employees from each office
- Identified and interviewed employees regarding office operations and the location of Receivership assets and records
- Analyzed Receivership records and compiled preliminary list of accounts, players, and company structure
- Compiled inventories of all electronic equipment and coordinated with Stroz Friedberg regarding securing of electronic assets and imaging of office servers and individual computers
- Disposed of perishable items
- Fielded and responded to communications from Defendants' vendors regarding leased office equipment and office contracts
- Performed thorough searches of offices and homes of individual Defendants and Relief Defendants
- Prepared numerous boxes of materials and equipment which were packaged and forwarded to the Receiver

- Coordinated with US Marshals, local police and private security service providers to further secure Receivership assets and records

Communication with Vendors, Employees and Customers

- Fielded and responded to communications and inquiries from Defendants' vendors regarding retrieval of leased office equipment, status of office service contracts, and liens against real and personal property
- Fielded and responded to communications and inquiries from Defendants' employees and Relief Defendants
- Fielded and responded to communications from investors, media, Department of Justice, United States Attorneys, and other interested parties regarding case status and access to records
- Engaged forensic accountants

Communication with Landlords

- Formally notified all landlords/property managers of the Receivership
- Communicated with landlords to forestall lockout and repossession of leased office premises based on lease provisions listing "receivership" as an event of default by the tenant

Closing and Liquidation of Offices and Assets

- Took steps to limit expenses incurred by Defendants in their offices upon determination by the Receiver that Defendants did not operate a viable business
- Coordinated with other professionals hired by the Receiver; closed and began process of liquidating property located in offices
- Coordinated with and supervised employees' final opportunity for access to remove personal belongings
- Monitored employee removal of personal belongings
- Secured all flash drives, compact discs, and other portable media for boxing and shipping to Receiver
- Coordinated the packing of all IT equipment containing data for shipment to Receiver
- Prepared and placed Chain of Custody forms for each box and item to be shipped to Receiver
- Coordinated the transfer of keys and facilitated the eventual return of leased premises to landlords
- Engaged appraisers and auctioneers
- Catalogued property seized from Defendants
- Reached resolution and obtained Court authority regarding sale and surrender of assets
- Negotiated and closed sales of real and personal property

Management of Third-Party and Pending Litigation

- Searched for pending pre-Receivership litigation and arbitration matters

- Analyzed pending matters and conferred with Receiver and counsel regarding strategy and options for proceeding
- Prepared correspondence and communicated with opposing counsel regarding the effect of receivership and of orders entered by the Northern District of Texas
- Fielded inquiries and responded to issues raised by non-parties and unrelated counsel related to pre- Receivership litigation
- Researched and analyzed options regarding pursuit by Receiver of potential claims against third-parties
- Subpoenaed records pertinent to Defendants and their business and personal and corporate finances
- Conducted legal research regarding authority to liquidate property
- Drafted numerous motions and briefs regarding authority to liquidate property
- Conducted evidentiary hearing, resulting in finding that Defendants did conduct a Ponzi scheme since at least 2004
- Communicated with St. Vincent Joint Provisional Liquidators
- Drafted various third party lawsuit in effort to recover funds for Receivership Estate
- Prepared communications to persons holding fraudulently transferred funds to recover same for Estate
- Handled queries and negotiated settlements of more than \$500,000 in fraudulent transfer claims in order to avoid unnecessary and costly litigation
- Addressed contempt issues related to the asset freeze orders entered by the Court and prepared pleadings and negotiation of same with all involved parties
- Filed notice of Receivership in each district that newly discovered property subject to recovery may lie
- Interviewed potential witnesses for clawback litigation to obtain evidence to assist in the recovery of additional Receivership funds
- Developed procedures for use in third-party litigation

Advancement of Ancillary Litigation

- Filed third party lawsuits against net winning investors, Atlanta Northside Aviation, and the brokers to recover funds for Receivership Estate
- Served hundreds of net winning investors with lawsuit to collect funds for Receivership Estate
- Communicated with hundreds of net winning investors to collect funds for Receivership Estate
- Engaged in settlement negotiations with hundreds of net winning investors to recover over \$900,000 in funds for Receivership Estate
- Appeared in the bankruptcy proceedings of broker to protect Receiver's interests in the claims brought against the brokers
- Conducted written discovery to advance claims against net winning investors to collect funds for Receivership Estate

- Conducted written discovery to advance claims against Atlanta Northside Aviation to collect funds for Receivership Estate
- Took deposition of owner of Atlanta Northside Aviation
- Prepared nonsuits with settling net winning investors
- Prepare default judgments against hundreds of non-settling net winning investors
- Prepare motions related to scheduling orders and pretrial materials in ancillary litigation
- Drafted motion for summary judgment against non-settling and net winning investors
- Drafted motion for summary judgment against Atlanta Northside Aviation
- Participated in status conference with court and opposing counsel
- Commenced discovery against the brokers in ancillary litigation
- Drafted motion for summary judgment against Brokers
- Participated in efforts to collect upon judgments obtained in ancillary litigation

Miscellaneous

- Analyzed investor returns in order to discern those persons who held fraudulently transferred funds
- Supervised and analyzed forensic accounting results
- Communicated with and directed the work of forensic accounting firm for specific purposes in ascertaining the location of Receivership monies
- Prepared periodic reports to the Court on the status of the Receivership
- Prepared periodic reports to investors on the work of the Receiver and information pertinent to investors' claims
- Determined the location of monies transferred by Defendants that may be recoverable for Receivership Estate
- Performed extensive analysis of forensic accounting to develop complete picture of cash flow through Defendants' accounts
- Cooperated with various government agencies to assist in their investigation
- Maintained database of investor claims
- Developed information pertinent to the possible location of additional Receivership assets
- Prepare interim distribution list of net losing investors
- Implemented distribution process

SUMMARY OF FEES

<u>Name</u>	<u>Title</u>	<u>Hours</u>	<u>Discounted Rate/Hr</u>	<u>Amount</u>
Bill Banowsky	Partner	1.40	\$460.00	\$644.00
Jennifer Ecklund	Partner	26.10	\$384.00	\$8,793.60
Katie Clark	Partner	19.90	\$384.00	\$7,641.60
Mackenzie Wallace	Associate	155.90	\$272.00	\$34,027.20
Anchi Ku	Legal Assistant	2.00	\$230.00	\$460.00
Linde Pavel	Litigation Support	1.90	\$225.00	\$427.50
Janice Graves	Legal Assistant	194.10	\$170.00	\$30,617.00
Caroline Lemire	Legal Assistant	4.90	\$170.00	\$833.00
Louis Rajsich	Legal Assistant	1.30	\$170.00	\$221.00
Valarie Rodawalt	Library	1.00	\$99.00	\$99.00
TOTAL FEES		408.50		\$83,763.90

Reimbursable Costs

Air fare, lodging, ground transportation, and other vendors (e.g., locksmiths, utility providers, vehicle storage) to complete work performed:

Total Reimbursable Costs	\$ 1,243.81
TOTAL CURRENT FEES AND COSTS FOR THIS MATTER*	\$ 85,007.71
NET CURRENT BILLINGS FOR THIS MATTER.....	<u>\$ 85,007.71</u>

*Reflects 20% discount on gross fees for professional services and netting out of fees for preparation of the Application, Receiver's Report and \$11,986.40 in paralegal fees.

BINGHAM GREENEBAUM DOLL LLP
 3913 Solutions Center
 Chicago, IL 60677--3009
 1-800-436-3644
 I.D. #61-1584266

Richard Roper Receiver
 Attn: Katharine E. Battaia
 Thompson & Knight LLP
 1722 Routh Street, Suite 1500
 Dallas, TX 75201

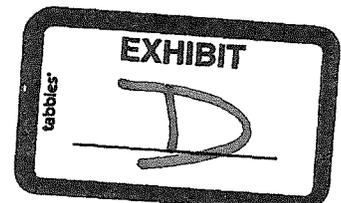
Account No.: 118909.000001
 Invoice No.: 4282229
 Invoice Date: December 9, 2013

DAVID DEAN JONES

FOR PROFESSIONAL SERVICES RENDERED THROUGH NOVEMBER 30, 2013:

DATE	ATTORNEY/ PARALEGAL	DESCRIPTION	HOURS	AMOUNT
11/05/13	AWC2	Review and file Motion for Default Judgment, or in the Alternative, for Summary Judgment with exhibits and proposed orders; service of same; phone call to Judge Stout's chambers regarding attendance at Pre-Trial Conference; e-mails regarding same	0.70	114.80
11/05/13	IB	Communications regarding status hearing and filing of pleadings	0.50	86.00
11/06/13	IB	Review docket; conference call with co-counsel regarding status hearing	0.50	86.00
11/13/13	IB	Travel to and from Owensboro, KY; attend status hearing with the Court	5.50	946.00
11/14/13	AWC2	Receive and review Order for the Defendant to File a response to the Plaintiff's motion for default judgment or, in the alternative, motion for summary judgment; docket response date; update pleadings	0.20	32.80
11/14/13	IB	Conference call with co-counsel; review complaint and attachments	0.60	103.20
11/26/13	AWC2	Review and file Proposed Order of Nondischargeability of Debt per I. Shallcross	0.40	65.60
FEES FOR PROFESSIONAL SERVICES RENDERED				\$ 1,434.40

Indianapolis Jasper Evansville Vincennes, Indiana
 Louisville Lexington Frankfort, Kentucky
 Cincinnati, Ohio



BINGHAM GREENEBAUM DOLL LLP

Richard Roper Receiver
118909.000001

Invoice No.: 4282229
Invoice Date: December 9, 2013
Page 2

OUT-OF-POCKET EXPENSES

8/14/13	Travel - PAID TO: Ivana Babic Shallcross Attend hearing/Owensboro	120.91	
11/13/13	Travel - PAID TO: Ivana Babic Shallcross Attend hearing/Owensboro	120.91	
	Administrative Expense (including telephone, photocopy, & postage)	35.86	
			<u>\$ 277.68</u>
	INVOICE TOTAL		\$ 1,712.08
	PRIOR UNPAID BALANCE		<u>\$ 1,448.94</u>
	BALANCE DUE		<u>\$ 3,161.02</u>

SUMMARY OF PROFESSIONAL SERVICES

ATTORNEY/PARALEGAL	HOURS	RATE	AMOUNT
Ivana B. Shallcross	7.10	172.00	1,221.20
Angela W. Coates	1.30	164.00	213.20
	8.40		1,434.40

BINGHAM GREENEBAUM DOLL LLP

3913 Solutions Center
Chicago, IL 60677-3009
1-800-436-3644
I.D. #61-1584266

Richard Roper Receiver
Attn: Katharine E. Battaia
Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, TX 75201

Account No. 118909.000001
Invoice No. 4282229
Invoice Date December 9, 2013

DAVID DEAN JONES

REMITTANCE PAGE

INVOICE TOTAL	\$ 1,712.08
PRIOR UNPAID BALANCE	<u>\$ 1,448.94</u>
BALANCE DUE	<u>\$ 3,161.02</u>

AGING OF OUTSTANDING INVOICES

DATE	INVOICE	INVOICE AMOUNT	PAYMENT RECEIVED	BALANCE
10/04/13	4276052	739.23	0.00	739.23
11/18/13	4280160	709.71	0.00	709.71
Total				1,448.94

LAST PAYMENT RECEIVED: 12/2/2013

PAYABLE UPON RECEIPT

PLEASE RETURN THIS COPY WITH YOUR PAYMENT

BINGHAM GREENEBAUM DOLL LLP

3913 Solutions Center
 Chicago, IL 60677--3009
 1-800-436-3644
 I.D. #61-1584266

Richard Roper Receiver
 Attn: Katharine E. Battaia
 Thompson & Knight LLP
 1722 Routh Street, Suite 1500
 Dallas, TX 75201

Account No.: 118909.000001
 Invoice No.: 4285796
 Invoice Date: January 16, 2014

DAVID DEAN JONES

FOR PROFESSIONAL SERVICES RENDERED THROUGH DECEMBER 31, 2013:

DATE	ATTORNEY/ PARALEGAL	DESCRIPTION	HOURS	AMOUNT
11/26/13	IB	Attention to communications regarding order; review same	0.50	86.00
12/02/13	IB	Communications regarding response	0.50	86.00
12/02/13	AWC2	Receive and review Response to Motion for Default Judgment/Answer to Amended Complaint; update pleadings; review Order regarding reply to response to Motion for Default/Summary Judgment; e-mail to I. Shallcross regarding same	0.20	32.80
12/03/13	SHM	Review and docket notice of hearing on motion for default judgment	0.10	16.80
12/03/13	AWC2	Receive and review Notice of Hearing regarding Motion for Default Judgment; docket hearing date; update pleadings	0.20	32.80
12/16/13	IB	Discuss notebooks with A. Coates; review index and send to co-counsel	0.50	86.00
12/16/13	AWC2	Review docket sheet; Gather and organize pleadings for hearing notebooks per I. Shallcross; e-mails regarding same	1.00	164.00
12/18/13	IB	Drive to and from Owensboro to attend a hearing; attend a hearing; follow-up with debtor's counsel	6.00	1,032.00
12/18/13	AWC2	Receive and review Order Granting Motion For Summary Judgment against David Dean Jones; update	0.20	32.80

Indianapolis Jasper Evansville Vincennes, Indiana
 Louisville Lexington Frankfort, Kentucky
 Cincinnati, Ohio

BINGHAM GREENEBAUM DOLL LLP

Richard Roper Receiver
118909.000001

Invoice No.: 4285796
Invoice Date: January 16, 2014
Page 2

DATE	ATTORNEY/ PARALEGAL	DESCRIPTION	HOURS	AMOUNT
		pleadings		
12/27/13	VSS	Emails from I. Shallcross and to/from A. Coates re: judgment lien	0.10	18.00
12/27/13	AWC2	Review Order Granting Motion for Summary Judgment; prepare Notice of Filing of Judgment Lien; e-mails to I. Shallcross regarding same	0.50	82.00
12/30/13	VSS	Email to I. Shallcross re: county in which Judgment lien will be filed against David Jones; review various exhibits to U.S. District Court case	0.30	54.00
FEES FOR PROFESSIONAL SERVICES RENDERED				\$ 1,723.20
OUT-OF-POCKET EXPENSES				
12/18/13	Travel - PAID TO: Ivana Babic Shallcross - Attend hearing/Owensboro		124.81	
	Administrative Expense (including telephone, photocopy, & postage)		25.85	
				<u>\$ 150.66</u>
INVOICE TOTAL				\$ 1,873.86
PRIOR UNPAID BALANCE				<u>\$ 3,161.02</u>
BALANCE DUE				<u>\$ 5,034.88</u>

BINGHAM GREENEBAUM DOLL LLP

Richard Roper Receiver
118909.000001

Invoice No.: 4285796
Invoice Date: January 16, 2014
Page 3

SUMMARY OF PROFESSIONAL SERVICES

<u>ATTORNEY/PARALEGAL</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Vicki S. Senior	0.40	180.00	72.00
Ivana B. Shallcross	7.50	172.00	1,290.00
Susan H. Mays	0.10	168.00	16.80
Angela W. Coates	2.10	164.00	344.40
	<u>10.10</u>		<u>1,723.20</u>

BINGHAM GREENEBAUM DOLL LLP

3913 Solutions Center
Chicago, IL 60677-3009
1-800-436-3644
I.D. #61-1584266

Richard Roper Receiver
Attn: Katharine E. Battaia
Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, TX 75201

Account No. 118909.000001
Invoice No. 4285796
Invoice Date January 16, 2014

DAVID DEAN JONES

REMITTANCE PAGE

INVOICE TOTAL	\$ 1,873.86
PRIOR UNPAID BALANCE	\$ <u>3,161.02</u>
BALANCE DUE	\$ <u>5,034.88</u>

AGING OF OUTSTANDING INVOICES

DATE	INVOICE	INVOICE AMOUNT	PAYMENT RECEIVED	BALANCE
10/04/13	4276052	739.23	0.00	739.23
11/18/13	4280160	709.71	0.00	709.71
12/09/13	4282229	1,712.08	0.00	1,712.08
Total				3,161.02

LAST PAYMENT RECEIVED: 12/2/2013

PAYABLE UPON RECEIPT

PLEASE RETURN THIS COPY WITH YOUR PAYMENT

BINGHAM GREENEBAUM DOLL LLP

3913 Solutions Center
 Chicago, IL 60677--3009
 1-800-436-3644
 I.D. #61-1584266

Richard Roper Receiver
 Attn: Katharine E. Battaia
 Thompson & Knight LLP
 1722 Routh Street, Suite 1500
 Dallas, TX 75201

Account No.: 118909.000001
 Invoice No.: 4293670
 Invoice Date: April 9, 2014

DAVID DEAN JONES

FOR PROFESSIONAL SERVICES RENDERED THROUGH MARCH 31, 2014:

DATE	ATTORNEY/ PARALEGAL	DESCRIPTION	HOURS	AMOUNT
01/03/14	IB	Communications regarding judgment lien	0.50	<u>86.00</u>
FEES FOR PROFESSIONAL SERVICES RENDERED			\$	86.00
OUT-OF-POCKET EXPENSES				
		Administrative Expense (including telephone, photocopy, & postage)	1.29	<u>\$ 1.29</u>
INVOICE TOTAL			\$	87.29
PRIOR UNPAID BALANCE			\$	<u>5,329.54</u>
BALANCE DUE			\$	<u><u>5,416.83</u></u>

Indianapolis Jasper Evansville Vincennes, Indiana
 Louisville Lexington Frankfort, Kentucky
 Cincinnati, Ohio

BINGHAM GREENEBAUM DOLL LLP

Richard Roper Receiver
118909.000001

Invoice No.: 4293670
Invoice Date: April 9, 2014
Page 2

SUMMARY OF PROFESSIONAL SERVICES

<u>ATTORNEY/PARALEGAL</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Ivana B. Shallcross	0.50	172.00	86.00
	<u>0.50</u>		<u>86.00</u>

BINGHAM GREENEBAUM DOLL LLP

3913 Solutions Center
 Chicago, IL 60677-3009
 1-800-436-3644
 I.D. #61-1584266

Richard Roper Receiver
 Attn: Katharine E. Battaia
 Thompson & Knight LLP
 1722 Routh Street, Suite 1500
 Dallas, TX 75201

Account No. 118909.000001
 Invoice No. 4293670
 Invoice Date April 9, 2014

DAVID DEAN JONES

REMITTANCE PAGE

INVOICE TOTAL	\$ 87.29
PRIOR UNPAID BALANCE	<u>\$ 5,329.54</u>
BALANCE DUE	<u>\$ 5,416.83</u>

AGING OF OUTSTANDING INVOICES

DATE	INVOICE	INVOICE AMOUNT	PAYMENT RECEIVED	BALANCE
10/04/13	4276052	739.23	0.00	739.23
11/18/13	4280160	709.71	0.00	709.71
12/09/13	4282229	1,712.08	0.00	1,712.08
01/16/14	4285796	1,873.86	0.00	1,873.86
02/17/14	4289049	294.66	0.00	294.66
Total				5,329.54

LAST PAYMENT RECEIVED: 12/2/2013

PAYABLE UPON RECEIPT

PLEASE RETURN THIS COPY WITH YOUR PAYMENT

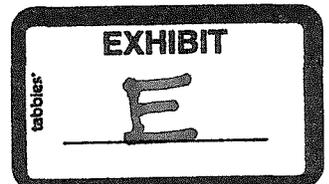
LITZLER, SEGNER, SHAW & MCKENNEY, L.L.P.
 1412 Main Street, 24th Floor
 Dallas, Texas 75202
 (214) 752-0999 * (214) 752-0990
 EIN #: 75-2305990

Millenium
 Richard Roper, Receiver

Page: 1
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

Professional Services Rendered 09/01/11 thru 06/20/14

		Hours	
11/11/11	CJ Claims, Creditors & Lift of Stay: Receipt and review of various emails from Thompson & Knight requesting documents and follow up emails.	0.60	111.00
11/14/11	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from Thompson & Knight regarding additional documentation request and follow up email.	0.10	18.50
11/15/11	CJ Reconstruction Accounting: Continued review of database and bank records for requested information and forward to McKenzie Wallace; various follow up emails with McKenzie Wallace.	2.30	425.50
11/16/11	CJ Reconstruction Accounting: Receipt and review of various emails from McKenzie Wallace; compile requested information and forward.	1.20	222.00
11/17/11	CJ Reconstruction Accounting: Receipt and review of email from McKenzie Wallace and follow up.	0.30	55.50
11/18/11	CJ Reconstruction Accounting: Receipt and review of email from McKenzie Wallace; conference with Reed Nordyke regarding bank records; review of bank records to locate requested information and forward.	0.80	148.00
11/20/11	CJ Reconstruction Accounting: Follow up with McKenzie Wallace and pull additional information requested; update file.	1.60	296.00
11/21/11	CJ Reconstruction Accounting: Follow up and update file.	0.60	111.00
03/05/12	KM Tax Issues: coordinate production of various records required for receivership's tax return.	0.30	88.50



Millenium

Page: 2
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

		Hours	
03/07/12	CJ	Claims, Creditors & Lift of Stay: Telephone conference with Jennifer Eckland of Thompson Knight requesting detail backup for Jack Baugher to be filed with Court; pull query of transaction detail pertaining to Jack Baugher; review bank records for requested information and forward to Jennifer Eckland.	2.30 425.50
03/08/12	CJ	Claims, Creditors & Lift of Stay: Follow up with Jennifer Eckland regarding Jack Baugher information to be filed with Court.	0.20 37.00
03/19/12	CJ	Claims, Creditors & Lift of Stay: Receipt and review of email from Jennifer Ecklund regarding investor research needed.	0.20 37.00
03/22/12	CJ	Claims, Creditors & Lift of Stay: Follow up with Jennifer Ecklund regarding investor research needed.	0.30 55.50
03/23/12	CJ	Claims, Creditors & Lift of Stay: Pull query for transactions relating to Richard Metz and begin review of bank documents to locate backup detail.	1.20 222.00
03/26/12	CJ	Claims, Creditors & Lift of Stay: Follow up emails with Jennifer Ecklund; pull additional queries for Richard Metz.	0.80 148.00
03/27/12	CJ	Claims, Creditors & Lift of Stay: Research bank documents for requested information; various emails with Jennifer Ecklund regarding Richard Metz.	5.30 980.50
03/28/12	CJ	Claims, Creditors & Lift of Stay: Continued work on research project for Robert Metz detail.	4.60 851.00
03/29/12	RN	Document & Computer Data Review: pull and copy documents showing transactions to Metz	3.20 432.00
	CJ	Claims, Creditors & Lift of Stay: Continued work on research project for Richard Metz detail.	4.80 888.00
03/30/12	RN	Document & Computer Data Review: pull and copy documents showing transactions to Metz	2.60 351.00
	CJ	Claims, Creditors & Lift of Stay: Continued work on research project for Richard Metz detail.	5.30 980.50
04/02/12	CJ	Claims, Creditors & Lift of Stay: Various conferences with Reed Nordyke regarding bank detail for Richard Metz research project and continued work on research project.	3.00 555.00
	RN	Document & Computer Data Review: pull and copy	

Millenium

Page: 3

06/23/14

Account No: 19-00010M

Invoice No: 2589

		Hours	
	RBC checks to Metz	5.90	796.50
04/03/12	CJ Claims, Creditors & Lift of Stay: Follow up with Reed Nordyke regarding Metz detail; email to Jenny Ecklund regarding Metz research project.	0.60	111.00
	RN Document & Computer Data Review: pull and copy RBC checks to Metz	3.40	459.00
04/04/12	CJ Claims, Creditors & Lift of Stay: Conference with Reed Nordyke regarding bank detail for Richard Metz research project; go over query to verify all detail had been located and forward all information regarding Richard Metz to Jenny Ecklund.	4.80	888.00
05/21/12	CJ Claims, Creditors & Lift of Stay: conference with Milo Segner regarding status of MB quarterly reports and tax return preparation; email to Jenny Ecklund regarding same.	0.30	55.50
05/22/12	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from Jenny Ecklund and review attachment.	0.40	74.00
05/23/12	CJ Claims, Creditors & Lift of Stay: Conference with Milo Segner regarding response from Jenny Ecklund.	0.10	18.50
10/31/12	CJ Claims, Creditors & Lift of Stay: receipt and review of email from McKenzie Wallace; pull database to review for request; conference with Kelly McCullough regarding same.	0.80	148.00
11/01/12	CJ Claims, Creditors & Lift of Stay: Research bank records for deposit information requested, prepare schedule and forward to McKenzie Wallace.	1.00	185.00
12/10/12	CJ Claims, Creditors & Lift of Stay: Continued work on review of bank records for requested information and follow up email with McKenzie Wallace.	2.70	499.50
12/11/12	CJ Claims, Creditors & Lift of Stay: Continued search of bank records for requested information and follow up emails to McKenzie Wallace.	3.10	573.50
12/12/12	CJ Claims, Creditors & Lift of Stay: Conference with Kelly McCullough regarding research request.	0.10	18.50
12/24/12	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from McKenzie Wallace; review		

Millenium

Page: 4

06/23/14

Account No: 19-00010M

Invoice No: 2589

		Hours	
	bank records database for requested information and follow up.	0.90	166.50
12/31/12	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from McKenzie Wallace regarding end of year items and tax issues; pull file for review.	0.30	55.50
01/07/13	CJ Tax Issues: Conference with Milo Segner regarding preparation of tax returns and various emails with Thompson Knight regarding checkbook ledgers, etc.	0.80	148.00
01/08/13	CJ Tax Issues: Conference with Milo Segner regarding documents needed for preparation of tax returns; review file for needed information; receipt and review of documents from Thompson & Knight; receipt and review of emails from McKenzie Wallace regarding bank records.	1.00	185.00
01/09/13	CJ Claims, Creditors & Lift of Stay: Various telephone conferences with McKenzie Wallace regarding bank document review; review overview and forward to McKenzie Wallace; telephone conference with Reed Nordyke regarding inventory of bank records.	0.80	148.00
01/10/13	CJ Tax Issues: Various conferences with Reed Nordyke regarding bank document request; forward documents requested to McKenzie Wallace and follow up emails.	0.80	148.00
01/22/13	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from MacKenzie Wallace regarding conference call; telephone conference with MacKenzie Wallace regarding bank documents.	0.20	37.00
01/23/13	CJ Tax Issues: Conference with Edward regarding information needed to prepare tax return; review all bank records and follow up emails with Candice McGee; copy all original bank documents and return checkbook to T&K; start working on setting up QB file for Receivership; conference with Milo Segner regarding same.	6.30	1,165.50
01/24/13	CJ Tax Issues: Work on input of data into QB.	5.30	980.50
04/09/13	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from MacKenzie Wallace; pull together extract of payments to Lee Gerwin and forward; telephone conference with MacKenzie Wallace.	2.60	481.00

Millenium

Page: 5
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

		Hours	
09/11/13	CJ Claims, Creditors & Lift of Stay: Receipt and review of email from Mackenzie Wallace; pull requested information and follow up; telephone conference with Mackenzie Wallace.	1.00	185.00
10/23/13	CJ Case Administration: Telephone conference with Mackenzie Wallace regarding various issues; follow up email from Mackenzie Wallace; conference with Jim Shaw and Frances Hernandez regarding tax file; work on queries requested.	2.60	481.00
	JRS Tax Issues: office conference with C. Jones on various tax issues, basis, accounting and data input process to compile necessary documents for return preparation.	1.90	750.50
10/24/13	CJ Case Administration: Research database and work on queries requested.	2.60	481.00
10/25/13	CJ Claims, Creditors & Lift of Stay: Follow up email to Mackenzie Wallace and continued work on research of database and queries requested.	2.30	425.50
10/28/13	CJ Claims, Creditors & Lift of Stay: Receipt and review of email and follow up; work on requested information.	1.60	296.00
10/29/13	CJ Claims, Creditors & Lift of Stay: Work on compiling query of Jackie Hoegel transactions and forward to Mackenzie Wallace as requested.	3.20	592.00
10/31/13	CJ Claims, Creditors & Lift of Stay: Follow up with Mackenzie Wallace regarding requested information.	0.20	37.00
01/10/14	CJ Tax Issues: Work on pulling information together to reconstruct Receivership books to prepare tax return.	2.60	481.00
01/23/14	CJ Tax Issues: Conference with Milo Segner and Jim Shaw regarding tax return for Receivership; work on QB reconstruction; follow up email to MacKenzie Wallace regarding asset information needed.	1.80	333.00
	JRS Tax Issues: conference with M. Segner and C. Jones on tax return preparation for estate, review of documents available and create list of documents to be requested for QuickBooks data input and asset sale gain determination.	2.60	1,027.00
01/24/14	CJ Tax Issues: Continued work on reconstruction of books for preparation of tax return.	5.60	1,036.00
01/26/14	CJ Tax Issues: Research docket and compile list of assets and locate proceeds from sales for preparation of tax returns for Receivership.	4.80	888.00

Millenium

Page: 6
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

		Hours	
01/27/14	CJ Tax Issues: Conference with Jim Shaw regarding status of reconstruction of Receivership books for preparation of tax returns and location of assets; follow up telephone call to MacKenzie Wallace regarding list of assets and information on basis needed; conference with Milo Segner regarding status of tax return preparation.	0.80	148.00
	JRS Accounting for Accuracy of A/R: office conference with C. Jones regarding accounting and data issues.	0.80	316.00
02/13/14	CJ Tax Issues: Receipt and review of email from Mackenzie Wallace regarding assets and work on asset list for preparation of tax return.	1.80	333.00
02/14/14	CJ Tax Issues: Continued work on reconstruction of books for preparation of tax returns.	2.80	518.00
03/05/14	CJ Tax Issues: Continued work on reconstruction of books for tax return preparation.	3.40	629.00
03/14/14	CJ Tax Issues: Worked on researching assets for tax preparation.	2.80	518.00
03/18/14	CJ Tax Issues: Finalize financials for tax years 2009 through 2013 for preparation of estate tax returns.	1.20	222.00
03/19/14	CJ Tax Issues: Various conferences with Jim Shaw regarding missing information and basis calculations for assets of the estate; research all docket entries for information on basis in assets and disposal of assets; finalize asset summary for preparation of tax returns for tax years 2009 through 2013; update to file.	6.40	1,184.00
	JRS Accounting for Accuracy of A/R: review of reconstruction accounting from C. Jones. Review list of documents still needed for asset sale reconciliation.	3.50	1,382.50
	JRS Accounting for Accuracy of A/R: office conference with C. Jones on accounting information missing, sales and accounting for missing basis and return loss structuring.	4.10	1,619.50
03/20/14	CJ Tax Issues: Conference with Jim Shaw regarding status of documentation for preparation of estate tax returns for tax years 2009 through 2013 and information needed for disclosures.	0.30	55.50
	JRS Tax Issues: meeting with C. Jones on tax return preparation.	0.30	118.50
03/21/14	CJ Tax Issues: Work on disclosures for tax returns and begin work on estate tax returns.	2.80	518.00

Millenium

Page: 7
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

		Hours		
03/24/14	CJ	Claims, Creditors & Lift of Stay: Telephone conference with MacKenzie Wallace regarding CMMB accounts; receipt and review of email from MacKenzie Wallace regarding information needed regarding the CMMB accounts at Citi Bank and begin reviewing data for requested information; update to file.	2.80	518.00
03/25/14	CJ	Claims, Creditors & Lift of Stay: Continued research of CMMB transactions for information requested; various conferences with Reed Nordyke regarding CMMB data; follow up telephone call and email to MacKenzie Wallace regarding CMMB data; conference with Milo Segner regarding CMMB research request; update to file.	3.40	629.00
	CJ	Tax Issues: Finalize estate tax returns for tax years 2009 through 2013 and forward to Jim Shaw for review; forward tax disclosures to MacKenzie Wallace for review and comment; conference with Jim Shaw regarding status of tax work.	3.60	666.00
	RN	Document & Computer Data Review: review Caribbean Money Market Brokers account information with Christie	1.30	175.50
03/26/14	CJ	Claims, Creditors & Lift of Stay: Follow up conference with Milo Segner regarding CMMB research request; telephone call to MacKenzie Wallace; conference with Jim Shaw regarding status of disclosures sent to Thompson Knight for review and comment.	0.40	74.00
	JRS	Tax Issues: review of disclosures for all years, make changes and conference with C. Jones on changes. Okay for sending to Thompson Knight.	1.80	711.00
03/27/14	CJ	Tax Issues: Conference with Milo Segner regarding status of returns; follow up with MacKenzie Wallace.	0.20	37.00
03/28/14	JRS	Tax Issues: review of all years tax return preparation, review of NOL generation, carry over and timing, tax attribute issues and potential pitfalls, audit trail and review of disclosures. Returns and changes given back to C. Jones for updating.	2.60	1,027.00
03/31/14	CJ	Tax Issues: conference with Jim Shaw on tax disclosure; various emails with Candice Montgomery regarding information needed for tax disclosures; receipt and review of requested information and finalize tax disclosures and forward to Jim Shaw for review.	0.80	148.00

Millenium

Page: 8
 06/23/14
 Account No: 19-00010M
 Invoice No: 2589

		Hours	
04/01/14	JRS Accounting for Accuracy of A/R: give return to J. Bock to review all data input and yearly working trial balance and adjustments.	0.30	118.50
04/02/14	JB Tax Issues: Review tax returns for 2009, 2010, 2011, 2012 and 2013 and make adjustments to returns, attachments and disclosures.	0.60	105.00
04/07/14	CJ Tax Issues: Conference with Jim Shaw on changes to tax returns; work on revising tax returns to account for asset classification.	1.30	240.50
	JRS Tax Issues: final review of returns and suggested changes to disclosures. Give returns back to C. Jones for final changes and processing.	1.10	434.50
04/08/14	CJ Tax Issues: Continued work on revisions to tax returns to reclassify assets; finalize returns and forward to Jim Shaw for review.	2.80	518.00
05/12/14	CJ Tax Issues: Conference with Jim Shaw regarding tax returns and update to file.	0.60	111.00
05/13/14	CJ Tax Issues: Make final updates to tax returns and prepare for processing; update to file.	2.30	425.50
05/14/14	CJ Tax Issues: Conference with Jim Shaw regarding tax returns; conference with Frances Hernandez regarding processing of tax returns; draft letter to Richard Roper transmitting tax returns; update to file.	0.80	148.00
05/15/14	CJ Case Administration: Reconcile Receivership account and update to file.	0.30	55.50
	JRS Tax Issues: final review of completed returns and sign all forms for all years.	0.70	276.50
	For Current Services Rendered	175.30	35,774.50

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
James R. Shaw	19.70	\$395.00	\$7,781.50
Christi Jones	138.30	185.00	25,585.50
Reed Nordyke	16.40	135.00	2,214.00
Jennifer Bock	0.60	175.00	105.00
Kelly McCullough	0.30	295.00	88.50

Expenses

04/04/12	Delivery Service- made by On Time Couriers.	14.50
01/10/13	Delivery Service - made by On Time Couriers.	21.50
01/23/13	Delivery Service - made by On Time Couriers.	10.50

Millenium

Page: 9
06/23/14
Account No: 19-00010M
Invoice No: 2589

05/14/14	Photocopies - tax returns for tax years of 2009 through 2013.	75.60
	Total Expenses	<u>122.10</u>
	Total Current Work	35,896.60