

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

V.

Case 04:17-CV-00336-ALM

THURMAN P. BRYANT, III and
BRYANT UNITED CAPITAL FUNDING,
INC., ARTHUR F. WAMMEL, WAMMEL
GROUP, LLC, CARLOS GOODSPEED
a/k/a SEAN PHILLIPS a/k/a GC d/b/a TOP
AGENT ENTERTAINMENT d/b/a/ MR.
TOP AGENT ENTERTAINMENT,

Defendants,

and

THURMAN P. BRYANT, JR.,

Relief Defendant.

**FIFTH INTERIM FEE APPLICATION
FOR ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES**

Jennifer Ecklund, the Court-appointed Receiver (the “**Receiver**”) for Defendants Thurman P. Bryant, III (“**Bryant**”) and Bryant United Capital Funding, Inc. (“**BUCF**”) (Bryant and BUCF, collectively, the “**Bryant Defendants**”) and Defendant Arthur F. Wammel (“**Wammel**”), Defendant Wammel Group, LLC (the “**Wammel Group**”), and Wammel Group Holdings Partnership (“**WGHP**”) (together Wammel, Wammel Group, and WGHP, the “**Wammel Defendants**”) receivership estates (together, the “**Receivership Estate**” or the “**Receivership**”) in the above-captioned case (the “**Case**”), files this *Fifth Interim Fee*

Application for Allowance of Fees and Reimbursement of Expenses (the “**Fifth Interim Fee Application**”), and in support thereof, respectfully states as follows:

I.
FEE REQUEST SUMMARY

1. This Fifth Interim Fee Application covers the period commencing on April 1, 2018 through June 30, 2018 (the “**Application Period**”) and is submitted in accordance with the Amended Order Appointing Receiver [Dkt. No. 48], the local rules of this Court, the Billing Instructions for Receivers in Civil Actions Commenced by the United States Securities and Exchange Commission (the “**SEC Billing Instructions**”), and other applicable orders of the Court.

2. The Fifth Interim Fee Application Period encompasses a time of continued progress in carrying out the Receiver’s duties under the Receivership Order. As described more fully in the Receiver’s Fifth Quarterly Report (defined below), since April 1, 2018 the Receiver and her team have been working diligently to liquidate assets of the Receivership Estate, analyze potential causes of action against third parties, commence clawback and fraudulent transfer litigation, and actively participate in ancillary litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed. For example, the Receiver and her team: (i) successfully moved to approve the Receiver’s employment of Potts Law Firm as limited counsel to the Receiver effective as of June 22, 2018; (ii) continued liquidation of the remaining Receivership assets in the Receiver’s possession; (iii) prepared for and deposed Brandi Bryant; (iv) prepared for and deposed Carlos Goodspeed; (v) prepared for and participated in the May 14, 2018 Show Cause Hearing related to the Plaintiff’s Motion for Show Cause Order Against Defendant Carlos Goodspeed, and Brief in Support [Dkt. No. 172] and the Receiver’s Motion for Order Compelling Defendants Thurman P. Bryant, III and Carlos Goodspeed to Appear and Show Cause Why They Should Not be Held

in Contempt for Failure to Comply with Order of the Court [Dkt. No. 183]; (vi) prepared for and participated in the mediation in this Case and in the ongoing litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed in Ancillary Civil Action No. 4:17-cv-00856; (vii) worked with a financial consultant to perform forensic accounting and related analysis regarding, among other things, the intricate, overlapping Ponzi scheme operated by the Bryant and Wammel Defendants identified as part of the Receiver's investigation; (viii) satisfied on-going, ordinary course obligations of the Receivership Estate; (ix) reported on the Receiver's activities to the Court and to investors; (x) subpoenaed various individuals and entities; (xi) analyzed and reviewed submitted documentation from investors and non-investor creditors; (xii) negotiated and coordinated settlements with investors and third parties relating to funds received from the Receivership Defendants; and (xiv) commenced litigation against certain Winning Investors and certain Transferees.

3. The following tables summarize the fees and expenses the Receivership Estate, incurred for the Receiver, her counsel, and other professionals, respectively,¹ during the Application Period:

RECEIVER

| TOTAL HOURS WORKED | HOURLY RATE ² | TOTAL FEES AT HOURLY RATE | VOLUNTARY REDUCTION ³ | TOTAL FEES AFTER VOLUNTARY REDUCTION | TOTAL EXPENSE REIMBURSEMENTS INCURRED BY RECEIVER | TOTAL FEES AND EXPENSES |
|--------------------|--------------------------|---------------------------|----------------------------------|--------------------------------------|---|-------------------------|
| 86.0 | \$500.00 | \$43,000.00 | \$1,750.00 | \$41,250.00 | --- | \$41,250.00 |

¹ The fees and expenses incurred by the Receiver and her counsel, T&K, are included in this Fifth Interim Fee Application. The Receiver is a partner at T&K and thus any and all payment for fees and expenses to the Receiver and her counsel will be paid to T&K.

² This rate is a discounted rate from the Receiver's standard hourly rate.

³ This voluntary reduction includes the fees incurred by the Receiver for the preparation of the Fifth Interim Fee Application and the 50% reduction for non-working travel.

RECEIVER'S COUNSEL, THOMPSON & KNIGHT LLP ("T&K")

| TOTAL HOURS WORKED | BLENDED HOURLY RATE (All Timekeepers) ⁴ | TOTAL FEES | VOLUNTARY REDUCTION ⁵ | TOTAL FEES AFTER VOLUNTARY REDUCTION | TOTAL EXPENSE REIMBURSEMENTS | TOTAL FEES AND EXPENSES |
|--------------------|--|--------------|----------------------------------|--------------------------------------|------------------------------|-------------------------|
| 804.3 | \$329.00 | \$243,977.00 | \$58,299.50 | \$185,677.50 | \$4,309.19 | \$189,986.69 |

VERITAS ADVISORY GROUP, INC. ("VERITAS")

| TOTAL HOURS WORKED | BLENDED HOURLY RATE ⁶ | TOTAL FEES AT HOURLY RATE | TOTAL EXPENSES | TOTAL FEES AND EXPENSES ⁷ |
|--------------------|----------------------------------|---------------------------|----------------|--------------------------------------|
| 87.75 | \$266.00 | \$19,255.75 | --- | \$19,255.75 |

4. As further described herein, the Receiver seeks the Court's approval of invoices for interim fees and expenses, incurred between April 1, 2018 and June 30, 2018, in the amount of \$250,492.44, which reflects the voluntary reduction *and* a more than 20% reduction in hourly rates across all timekeepers. The Court previously approved the professional fees and expenses totaling \$765,103.11 in its Order Approving the Second Interim Fee Application, the professional fees and expenses totaling \$219,776.31 in its Order Approving the Third Interim Fee Application, and the professional fees and expenses totaling \$244,207.97 in its Order Approving the Fourth Interim Fee Application.

5. The following tables summarize the total balance of fees and expenses the Receivership Estate incurred for the Receiver, her counsel, and other professionals, respectively:

⁴ The rates underlying the blended rate are at a discount from T&K's standard hourly rates.

⁵ The voluntary reduction is calculated from a reduction (in addition to already reduced hourly rates) by 100% in fees attributed to paralegal services (\$26,391.00) for this Application Period. Not reflected above is the additional reduction that T&K and the Receiver directed for certain billable time based on a consideration of the limited resources of this Receivership Estate. Additionally, this voluntary reduction includes the fees incurred by T&K for the preparation of the Fifth Interim Fee Application and the 50% reduction for non-working travel.

⁶ This rate is a discounted rate from Veritas' standard hourly rates. See Dkt. No. 51 at Exhibit A.

⁷ This amount is subject to the Hold Back (as defined herein).

RECEIVER

| TOTAL FEES AND EXPENSES INCURRED DURING THE APPLICATION PERIOD | MATTER BALANCE BROUGHT FORWARD ⁸ | TOTAL BALANCE DUE THIS MATTER |
|---|--|-------------------------------------|
| \$41,250.00 | \$89,348.21 | \$130,598.21 |

RECEIVER'S COUNSEL, THOMPSON & KNIGHT LLP ("T&K")

| TOTAL FEES AND EXPENSES INCURRED DURING THE APPLICATION PERIOD | MATTER BALANCE BROUGHT FORWARD ⁹ | TOTAL BALANCE DUE THIS MATTER |
|---|--|-------------------------------------|
| \$189,986.69 | \$703,724.57 | \$893,711.26 |

VERITAS ADVISORY GROUP, INC. ("VERITAS")

| TOTAL FEES AND EXPENSES INCURRED DURING THE APPLICATION PERIOD | MATTER BALANCE BROUGHT FORWARD | TOTAL BALANCE DUE THIS MATTER |
|---|-----------------------------------|-------------------------------------|
| \$19,255.75 | \$55,131.70 | \$74,387.45 |

TOTAL (ALL PROFESSIONALS)

| TOTAL FEES AND EXPENSES INCURRED DURING THE APPLICATION PERIOD | MATTER BALANCE BROUGHT FORWARD ¹⁰ | TOTAL BALANCE DUE THIS MATTER |
|---|--|-------------------------------------|
| \$250,492.44 | \$848,204.48 | \$1,098,696.92 |

⁸ This amount includes a portion of the fees incurred during the Second Application Period, the Third Application Period, and the Fourth Application Period. Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, the Receiver is authorized to receive \$29,782.74. This payment has not yet been made to the Receiver and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

⁹ This amount includes a portion of the fees incurred during the Second Application Period, the Third Application Period, and the Fourth Application Period. Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, T&K is authorized to receive \$234,574.86. This payment has not yet been made to T&K and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

¹⁰ This amount includes a portion of the fees incurred during the Second Application Period, the Third Application Period, and the Fourth Application Period. Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, the Receiver and T&K have not yet been paid the authorized amounts of \$29,782.74 and \$234,574.86, respectively. Accordingly, the matter balance brought forward does not reflect a reduction for these authorized payments.

6. The Receiver first requests the Court's **approval** of invoices for interim fees and expenses of *all professionals* covering this Application Period of \$250,492.44. On December 7, 2017, on April 13, 2018, and on July 12, 2018, the Court in its Orders approving the Second Interim Fee Application, Third Interim Fee Application, and Fourth Interim Fee Application approved professional fees and expenses covering the matter balance brought forward of all professionals of \$848,204.48.¹¹ Of the fees and expenses detailed herein, in recognition of the Case status and Receivership resources, at this time the Receiver is *only* seeking authority for **payment** of professional fees and expenses (as defined below) in the following amount:

| Receiver | T&K | Veritas | <u>Total Fees</u> |
|-----------------|----------------|----------------|--------------------------|
| \$25,000.00 | \$225,000.00 | \$19,255.75 | \$269,255.75 |

The above amount of total fees requested for payment represents less than one-third of the total fees outstanding in this matter that have not been authorized for immediate payment. Although the Receiver has funds to cover a more significant portion of fees to the Receiver and her counsel, at this time, in an effort to maximize the value of the estate for a future distribution, the Receiver requests payment of only \$269,255.75 of professional fees and expenses.

7. For the reasons set forth below, the Receiver would respectfully show the following in support of the Fifth Interim Fee Application:

II.

RELEVANT PROCEDURAL BACKGROUND

A. Before the Application Period

8. On May 15, 2017, the Court entered the Order Appointing Receiver [Dkt. No. 17], appointing Jennifer Ecklund as Receiver over the estates of Thurman P. Bryant, III and

¹¹ In its Orders approving the Second Interim Fee Application, the Third Interim Fee Application, and the Fourth Interim Fee Application, the Court approved, on an interim basis, more than \$1.2 million in fees and expenses for all professionals, but this included amounts that were immediately authorized for payment.

Bryant United Capital Funding, Inc. On July 19, 2017, the Court entered the Amended Order Appointing Receiver [Dkt. No. 48] (the “**Receivership Order**”), expanding the Order Appointing Receiver to include the Bryant Defendants and the Wammel Defendants. The Receivership Order did not change the substance of the Receiver’s original powers. Pursuant to the Receivership Order, the Receiver is charged with marshaling and preserving all the assets of the Bryant Defendants and Wammel Defendants. The Receiver is also charged with holding and operating all of the Bryant Defendants’ and Wammel Defendants’ assets pending further order of the Court. Further, the Receivership Order permits “the Receiver . . . to solicit persons and entities (“Retained Personnel”) to assist [her] in carrying out the duties and responsibilities described in [the Receivership Order]. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.” Dkt. No. 48 at ¶ 56.

9. On June 13, 2017, and in accordance with the Receivership Order, the Receiver filed an Application to Employ Thompson & Knight LLP as Counsel to the Receiver Effective as of May 15, 2017 [Dkt. No. 31] (the “**T&K Application**”), attached to which was the Affidavit of Katharine Battaia Clark.

10. On June 30, 2017, the Court entered its Order Granting Employment of Thompson & Knight LLP as Counsel to Receiver Effective as of May 15, 2017 [Dkt. No. 38] (the “**Retention Order**”), approving the T&K Application and the employment of T&K, effective as of May 15, 2017.

11. On July 19, 2017, the Receiver filed her *Ex Parte* Motion to Expand the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction and Brief in Support [Dkt. No. 44]. That same day the Court entered the *Ex Parte* Order Granting Receiver’s *Ex Parte* Emergency Motion to Expand

the Receivership and Asset Freeze Against the Wammel Defendants, for Temporary Restraining Order, and for Preliminary Injunction [Dkt. No. 49].

12. On July 20, 2017, the Receiver filed her Request for Order Approving Receiver's Employment of Veritas Advisory Group, Inc. as Financial Consultant to Receiver Effective as of May 15, 2017 [Dkt. No. 51] (the "**Veritas Application**").

13. On July 25, 2017, Relief Defendants Wammel and Wammel Group filed an Emergency Motion and Brief for Reconsideration of *Ex Parte* TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders (Dkt. Nos. 45-49) [Dkt. No. 53].

14. On July 28, 2017, the Receiver filed a Motion (I) for Order Authorizing Liquidation of Furniture, Fixtures, Equipment, and Other Items and Termination of Certain Leases, (II) to Approve Procedures to Sell Certain Personal Property, and (III) to Release Funds from Certain Frozen Bank Accounts into the Receiver's Account [Dkt. No. 66] (the "**Liquidation Motion**").

15. On July 31, 2017, the Receiver filed her Emergency Motion of Receiver for Expedited Order Authorizing Liquidation of Certain Bryant Defendants Receivership Assets [Dkt. No. 71] (the "**Emergency Motion**") and her Quarterly Report for Receivership Estates of (A) Thurman P. Bryant, III, and (B) Bryant United Capital Funding, Inc. [Dkt. No. 72] (the "**First Quarterly Report**").

16. On August 1, 2017, the Receiver filed her Response to Relief Defendants Wammel and Wammel Group's Emergency Motion and Brief for Reconsideration and Reply in Support of *Ex Parte* TRO, Preliminary Injunction, Asset Freeze, and Receivership Orders [Dkt. No. 73]. The Receiver then prepared for the preliminary injunction hearing before this Court on August 2, 2017, in which the Court extended the *ex parte* temporary restraining order against the

Wammel Defendants to provide the Court with time to issue an order granting the preliminary injunction [Dkt. No. 75].

17. On August 15, 2017, the Court granted the Receiver's Motion for Preliminary Injunction and denied Relief Defendants Wammel and Wammel Group's Motion for Reconsideration [Dkt. No. 89].

18. On August 16, 2017, the Receiver filed the *Amended First Interim Fee Application of Veritas Advisory Group, Inc.* [Dkt. No. 91], in which the Receiver requested authorization of payment of \$91,133.39 for professional fees subject to the Fee Cap and Hold Back, and the *Amended First Interim Fee Application of T&K* [Dkt. No. 92], in which the Receiver requested authorization of payment of \$308,671.85 for professional fees subject to the Fee Cap and Hold Back, covering the period from May 15, 2017 through June 30, 2017 (the **"First Application Period"**).

19. On August 21, 2017, the Bryant Defendants filed a Motion to Dissolve Temporary Restraining Order and Suspend or Dissolve Order Appointing Receiver [Dkt. No. 97] (the **"Bryant Defendants' Motion to Dissolve"**).

20. On August 23, 2017, the Court granted the Receiver's Liquidation Motion and Emergency Motion [Dkt. Nos. 105, 106]. That same day the Court entered its Order Granting Employment of Veritas as Financial Consultant to Receiver as of May 15, 2017 [Dkt. No. 104], approving the Veritas Application and the employment of Veritas, effective as of May 15, 2017.

21. On September 5, 2017, the Receiver filed her Response to the Bryant Defendants' Motion to Dissolve, in which the Receiver explained the significant need of the temporary restraining order and the Receivership [Dkt. No. 113].

22. On September 27, 2017, the Receiver filed her Motion to Request a Copy of the Return on the Search Warrant [Dkt. No. 120] (the “**Search Warrant Motion**”) for the purpose of identifying additional Bryant Defendants’ assets seized by the FBI.

23. On September 29, 2017, the Court granted the Search Warrant Motion [Dkt. No. 123].

24. On October 4, 2017, the Court denied the Bryant Defendants’ Motion to Dissolve and ordered that the preliminary injunction and Receivership shall remain in place until the issuance of a final decision by the Court in this case [Dkt. No. 124].

25. On October 17, 2017, the Receiver filed her Motion to Enter Agreed Order (I) Authorizing Liquidation of Real Property, Aircraft, Vehicles, Furniture, Fixtures, Equipment, and Other Items and Termination of Certain Leases, (II) to Approve Procedures to sell Receivership Assets, and (III) to Release Funds from Certain Frozen Bank Accounts into the Receiver’s Account [Dkt. No. 131] (the “**Motion to Enter Agreed Order**”).

26. On October 30, 2017, the Receiver filed her Second Quarterly Report for the Receivership Estates [Dkt. No. 132] (the “**Second Quarterly Report**”).

27. On November 6, 2017, the Court granted the Motion to Enter Agreed Order [Dkt. No. 133].

28. On November 9, 2017, the Court entered its Order Granting the Plaintiff’s Motion to Compel the Deposition and Discovery Responses from Relief Defendant Carlos Goodspeed [Dkt. No. 135]. The Receiver then prepared for the deposition of Carlos Goodspeed scheduled for November 27, 2017.

29. On November 15, 2017, the Receiver filed her Motion for Leave to File Second Interim Fee Application in Excess of Page Limit [Dkt. No. 136] and her *Second Interim Fee*

Application for Allowance of Fees and Reimbursement of Expenses [Dkt. No. 137] for professional fees and expenses incurred by the Receiver, T&K, and Veritas, in which the Receiver requested approval of \$765,103.11 and authorization of payment of \$475,856.22 for professional fees and expenses subject to the Hold Back, covering the period from July 1, 2017 through September 30, 2017 (the “**Second Application Period**”).

30. On November 20, 2017, the Court granted the Receiver’s Motion for Leave to File Second Interim Fee Application in Excess of Page Limit [Dkt. No. 138].

31. On November 27, 2017, the Receiver’s counsel traveled to Fort Worth, Texas and deposed Carlos Goodspeed. Over the Receiver’s and the Plaintiff’s objections, Carlos Goodspeed prematurely terminated the deposition. The deposition of Carlos Goodspeed was then scheduled to continue on December 4, 2017.

32. On December 1, 2017, the Receiver implemented the claims process for investors in this Case.

33. On December 4, 2017, the Receiver’s counsel again traveled to Fort Worth, Texas to depose Carlos Goodspeed. Carlos Goodspeed never appeared, and a Certificate of Non-Appearance was obtained.

34. On December 7, 2017, the Court entered the Order Approving the Second Interim Fee Application for Allowance of Fees and Reimbursement of Expenses [Dkt. No. 142] (the “**Order Approving the Second Interim Fee Application**”). Pursuant to the Order Approving the Second Interim Fee Application, the Court approved the professional fees and expenses totaling \$765,103.11 and authorized for immediate payment \$475,856.22 of the total approved professional fees and expenses.

35. On December 14, 2017, the Receiver filed her Complaint Against Thurman P. Bryant, Jr. and Carlos Goodspeed, in the Eastern District of Texas, Ancillary Civil Action No. 4:17-cv-00856 [Dkt. No. 1].

36. On January 19, 2018, the Receiver filed her Request to Clerk for Entry of Default Against Carlos Goodspeed [Dkt. No. 8] in Ancillary Civil Action No. 4:17-cv-00856.

37. On January 25, 2018, the Receiver's counsel traveled to Houston, Texas and deposed Poppy Weber.

38. On January 26, 2018, the Plaintiff filed its Unopposed Motion to File First Amended Complaint and Memorandum of Law in Support [Dkt. No. 153] and its First Amended Complaint [Dkt. No. 154], in which the Plaintiff recast Wammel, Wammel Group, and Carlos Goodspeed each as a defendant (from a relief defendant) and asserted claims against them.

39. On January 30, 2018, the Receiver filed her Third Quarterly Report for the Receivership Estates [Dkt. No. 156] (the "**Third Quarterly Report**").

40. On February 1, 2018, the Receiver's counsel traveled to Houston, Texas and deposed Mark Espino.

41. On February 7, 2018, the Court entered its Order Governing Proceedings [Dkt. No. 10] in Ancillary Civil Action No. 4:17-cv-00856. The Receiver then prepared for the Rule 26(f) attorney conference, as required in the Order Governing Proceedings.

42. On February 14, 2018, the Receiver filed her Motion for Leave to File Third Interim Fee Application in Excess of Page Limit [Dkt. No. 162] and her *Third Interim Fee Application for Allowance of Fees and Reimbursement of Expenses* [Dkt. No. 163] for professional fees and expenses incurred by the Receiver, T&K, and Veritas, in which the Receiver requested approval of \$219,776.31 and authorization of payment of \$23,122.00 for

professional fees and expenses subject to the Hold Back, covering the period from October 1, 2017 through December 31, 2017 (the “**Third Application Period**”).

43. On February 15, 2018, the Court granted the Receiver’s Motion for Leave to File Third Interim Fee Application in Excess of Page Limit [Dkt. No. 164].

44. On February 26, 2018, the Receiver and Bryant, Jr. participated in the Rule 26(f) attorney conference in accordance with the Court’s Order Governing Proceedings [Dkt. No. 10] in Ancillary Civil Action No. 4:17-cv-00856. Despite repeated efforts by the Receiver’s counsel to communicate with Carlos Goodspeed regarding his availability and participation in the Rule 26(f) conference, Carlos Goodspeed never responded and did not participate in the Rule 26(f) conference on February 26, 2018.

45. On February 27, 2018, the Court granted the Plaintiff’s Motion for Leave to File First Amended Complaint [Dkt. No. 169].

46. On March 2, 2018, the Receiver filed her Emergency Motion to Approve Private Sale of Real Property Free and Clear of All Liens, Claims, and Encumbrances [Dkt. No. 171].

47. On March 2, 2018, the Plaintiff filed its Motion for Show Cause Order Against Defendant Carlos Goodspeed, and Brief in Support [Dkt. No. 172].

48. On March 6, 2018, the Court granted the Receiver’s Emergency Agreed Motion to Approve Private Sale of Real Property Free and Clear of All Liens, Claims, and Encumbrances [Dkt. No. 174].

49. On March 12, 2018, the Receiver filed her Notice of Initial Disclosures [Dkt. No. 13] in Ancillary Civil Action No. 4:17-cv-00856.

50. On March 14, 2018, the Receiver and Bryant, Jr. filed the Joint Report on Rule 26(f) Conference [Dkt. No. 15] in Ancillary Civil Action No. 4:17-cv-00856.

B. During the Application Period

51. On April 2, 2018, the Plaintiff noticed the deposition of Brandi Bryant. The Receiver then prepared for the deposition of Brandi Bryant scheduled for April 19, 2018, which was later rescheduled for May 3, 2018.

52. On April 4, 2018, the Court entered its Order Setting Show Cause Hearing [Dkt. No. 182], which ordered Carlos Goodspeed to appear before the Court in-person on May 1, 2018 to show cause why he should not be held in contempt.

53. On April 4, 2018, the Court entered its Scheduling Order [Dkt. No. 17] in Ancillary Civil Action No. 4:17-cv-00856.

54. On April 6, 2018, the Receiver filed her Motion for Order Compelling Defendants Thurman P. Bryant, III and Carlos Goodspeed to Appear and Show Cause Why They Should Not be Held in Contempt for Failure to Comply with Order of the Court [Dkt. No. 183].

55. On April 13, 2018, the Court entered the Order Approving the Third Interim Fee Application for Allowance of Fees and Reimbursement of Expenses [Dkt. No. 187] (the “**Order Approving the Third Interim Fee Application**”). Pursuant to the Order Approving the Third Interim Fee Application, the Court approved the professional fees and expenses totaling \$219,776.31 and authorized for immediate payment \$23,122.00 of the total approved professional fees and expenses.

56. On April 25, 2018, the Court entered its Order Setting Show Cause Hearing [Dkt. No. 195], which ordered Thurman P. Bryant, III and Carlos Goodspeed to appear before the Court in-person on May 14, 2018 to show cause why he should not be held in contempt.

57. On April 25, 2018, the Receiver filed her Motion for Leave to File Ancillary Litigation [Dkt. No. 196], which this Court granted on May 15, 2018 [Dkt. No. 225].

58. On April 30, 2018, the Plaintiff filed its Emergency Motion for Expansion of Receivership, Asset Freeze, Preliminary Injunction, and Order to Make Accounting [Dkt. No. 199].

59. On April 30, 2018, the Receiver filed her Fourth Quarterly Report for the Receivership Estates [Dkt. No. 202] (the “**Fourth Quarterly Report**”).

60. On May 1, 2018, the Court entered its Amended Order Referring Case to Mediation [Dkt. No. 204]. The mediation in this Case was scheduled for May 29, 2018 in Sherman, Texas before United States Magistrate Judge Christine A. Nowak.

61. On May 2, 2018, the Plaintiff noticed the continued deposition of Carlos Goodspeed. The Receiver then prepared for the deposition of Carlos Goodspeed scheduled for May 10, 2018.

62. On May 7, 2018, the Receiver filed her Notice of Service of Order Setting Show Cause Hearing [Dkt. No. 195] on Defendant Thurman P. Bryant, III [Dkt. No. 213].

63. On May 8, 2018, the Receiver filed her Emergency Motion for Order Clarifying Liquidation of Aircraft [Dkt. No. 214].

64. On May 14, 2018, the Receiver traveled to Sherman, Texas and participated in the Show Cause Hearing related to the Plaintiff’s Motion for Show Cause Order Against Defendant Carlos Goodspeed, and Brief in Support [Dkt. No. 172] and the Receiver’s Motion for Order Compelling Defendants Thurman P. Bryant, III and Carlos Goodspeed to Appear and Show Cause Why They Should Not be Held in Contempt for Failure to Comply with Order of the Court [Dkt. No. 183].

65. On May 15, 2018, the Receiver commenced litigation against certain Winning Investors, in the Eastern District of Texas, Ancillary Civil Action No. 4:18-cv-00359 [Dkt. No. 1]. The Receiver is actively participating in this ongoing litigation.

66. On May 15, 2018, the Receiver commenced litigation against certain Transferees, in the Eastern District of Texas, Ancillary Civil Action No. 4:18-cv-00360 [Dkt. No. 1]. The Receiver is actively participating in this ongoing litigation.

67. On May 17, 2018, this Court entered its Order Clarifying Liquidation of Aircraft [Dkt. No. 235].

68. On May 25, 2018, the Plaintiff filed its Motion for Partial Summary Judgment and Brief in Support [Dkt. No. 239].

69. On May 29, 2018, the Receiver traveled to Sherman, Texas and participated in the mediation in this Case and in the ongoing litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed in Ancillary Civil Action No. 4:17-cv-00856. At this mediation, the Receiver reached a confidential settlement with Thurman P. Bryant, Jr. and Carlos Goodspeed in Ancillary Civil Action No. 4:17-cv-00856.

70. On May 31, 2018, the Receiver and Thurman P. Bryant, Jr. filed their Agreed Motion to Dismiss Defendant Thurman P. Bryant, Jr. [Dkt. No. 23] in Ancillary Civil Action No. 4:17-cv-00856, which this Court granted on June 4, 2018 [Dkt. No. 24].

71. On June 1, 2018, the Plaintiff filed its Unopposed Motion to Enter Judgment Against Defendant Arthur F. Wammel [Dkt. No. 244], which this Court granted on June 11, 2018 [Dkt. No. 246].

72. On June 1, 2018, the Plaintiff filed its Unopposed Motion to Enter Judgment Against Defendant Thurman P. Bryant, III [Dkt. No. 245], which this Court granted on June 11, 2018 [Dkt. No. 248].

73. On June 11, 2018, this Court entered Judgment as to Defendant Arthur F. Wammel [Dkt. No. 247].

74. On June 11, 2018, this Court entered Judgment as to Defendant Thurman P. Bryant, III [Dkt. No. 249].

75. On June 15, 2018, the Plaintiff filed its Unopposed Motion to Enter Judgment Against Defendant Bryant United Capital Funding, Inc. [Dkt. No. 250], which this Court granted on June 27, 2018 [Dkt. No. 259].

76. On June 15, 2018, the Plaintiff filed its Unopposed Motion to Enter Judgment Against Defendant Wammel Group, LLC [Dkt. No. 251], which this Court granted on June 27, 2018 [Dkt. No. 261].

77. On June 15, 2018, the Plaintiff filed its Unopposed Motion to Stay Litigation [Dkt. No. 252], which this Court granted on June 19, 2018 [Dkt. No. 257].

78. On June 22, 2018, the Receiver filed her Request for Order Approving Receiver's Employment of Potts Law Firm as Limited Counsel to Receiver Effective as of June 22, 2018 [Dkt. No. 258], which this Court granted on July 12, 2018 [Dkt. No. 269].

79. On June 26, 2018, Potts Law Firm filed suit in the Eastern District of Texas, on the Receiver's behalf, against Wells Fargo Bank, N.A. (Case No. 4:18-cv-00452).

80. On June 27, 2018, this Court entered Judgment as to Defendant Bryant United Capital Funding, Inc. [Dkt. No. 260].

81. On June 27, 2018, this Court entered Judgment as to Defendant Wammel Group, LLC [Dkt. No. 262].

82. On June 27, 2018, the Receiver filed her Motion for Appointment of Special Receiver [Dkt. No. 263].

C. After the Application Period

83. On July 11, 2018, non-party Mile High Investments, LLC filed its Emergency Motion to Enforce the Court's Order Clarifying Liquidation of Aircraft and the Aircraft Purchase Agreement [Dkt. No. 267] ("**Mile High Motion**"). The Receiver filed her Response in opposition to the Mile High Motion [Dkt. No. 271] on July 20, 2018. Mile High filed its Reply [Dkt. No. 272] on July 24, 2018.

84. On July 12, 2018, the Court entered the Order Approving the Fourth Interim Fee Application for Allowance of Fees and Reimbursement of Expenses [Dkt. No. 268] (the "**Order Approving the Fourth Interim Fee Application**"). Pursuant to the Order Approving the Fourth Interim Fee Application, the Court approved the professional fees and expenses totaling \$244,207.97 and authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses.

85. On July 16, 2018, the Court entered its Order Governing Proceedings in Ancillary Civil Action No. 4:18-cv-00359 [Dkt. No. 25] and in Ancillary Civil Action No. 4:18-cv-00360 [Dkt. No. 36]. The Receiver then prepared for the Rule 26(f) attorney conferences, as required in the Orders Governing Proceedings.

86. On July 27, 2018, the Receiver filed her Motion for Entry of Agreed Final Judgment and Agreed Asset Freeze Against Defendant Carlos Goodspeed [Dkt. No. 25] in Ancillary Civil Action No. 4:17-cv-00856.

87. On July 30, 2018, the Receiver filed her Fifth Quarterly Report for the Receivership Estates [Dkt. No. 273] (the “**Fifth Quarterly Report**”).

88. The Receivership is ongoing, and the Receiver continues to engage in efforts to liquidate assets belonging to the Receivership Estate as well as actively participate in ongoing litigation against third parties in order to realize the greatest return for creditors.

III. CASE STATUS

A. Cash and Assets on Hand

89. At or near the date the Receiver was appointed, the Receivership Estate held almost no cash on hand. At the end of the First Application Period, the known assets of the Receivership Estate were comprised of: (a) approximately \$30,000 cash on hand in the Receiver’s bank account (the “**Receivership Account**”); (b) funds totaling approximately \$12,425 to be received by the Estate in the near future; (c) illiquid personalty; and (d) potential (and as-yet uninvestigated) causes of action against third parties.¹² See First Quarterly Report at ¶¶ 8, 18.

90. At the end of the Second Application Period, the known assets of the Receivership Estate were comprised of: (a) approximately \$44,000 cash on hand in the Receivership Account; (b) funds totaling approximately \$350,000 to be received by the Estate in the near future; (c) illiquid personalty; (d) personalty and real property seized from the Bryant Defendants and the Wammel Defendants, including more than seven (7) motor vehicles, a 1990 Cessna 650 Citation, and two residential properties with each being over 3,500 square feet; and (e) potential causes of action against third parties (which the Receiver is actively investigating).

¹² At this stage, the Receiver estimates the future fraudulent transfer litigation damages to be several million dollars. As is the case in most litigation, the recovery may differ from the damages sustained.

91. At the end of the Third Application Period, the known assets of the Receivership Estate were comprised of: (a) approximately \$214,000 cash on hand in the Receivership Account; (b) funds totaling approximately \$3,000 to be received by the Estate in the near future;¹³ (c) illiquid personalty; (d) personalty and real property seized from the Bryant Defendants and the Wammel Defendants, including a 1990 Cessna 650 Citation, two residential properties with each being over 2,700 square feet, and various motor vehicles; (e) causes of action against Thurman P. Bryant, Jr. and Carlos Goodspeed; and (f) potential causes of action against third parties (which the Receiver is actively investigating). Of note, although there was approximately \$214,000 cash on hand in the Receivership Account at the end of the Third Application Period, the Receiver prepared three checks during the Application Period totaling \$104,884.68, which were not deposited by the recipients during the Third Application Period.¹⁴

92. At the end of the Fourth Application Period, the known assets of the Receivership Estate were comprised of: (a) approximately \$473,546.98 cash on hand in the Receivership Account; (b) funds totaling approximately \$1,700 to be received by the Estate in the future;¹⁵ (c) illiquid personalty; (d) personalty and real property seized from the Wammel Defendants, including a 1990 Cessna 650 Citation, one residential property – a 3,500 square-foot residence near Houston, and various firearms; (e) causes of action against Thurman P. Bryant, Jr. and Carlos Goodspeed; and (f) potential causes of action against third parties (which the Receiver is

¹³ This amount accounts for the funds that are being transferred from the Bryant Defendants' and the Wammel Defendants' bank accounts.

¹⁴ The three checks totaling \$104,884.68 were the following: (1) check for \$96,339.68 to Veritas pursuant to this Court's Order Approving the Second Interim Fee Application [Dkt. No. 142]; (2) check for \$8,500.00 to Wammel's prior landlord at 3 Mariners Ln., League City, Kemah, Texas 77565; and (3) check for \$45.00 for statutory fees associated with subpoena documentation.

¹⁵ This amount includes frozen accounts where Defendant Bryant was a signatory but the account was in a name other than that of Bryant or Bryant United Capital Funding.

actively investigating).¹⁶ Of note, although there was approximately \$473,546 cash on hand in the Receivership Account at the end of the current Application Period, the Receiver prepared two checks during the Application Period totaling \$9,500.00, which were not deposited by the recipients during the Application Period, and one check totaling \$45.00 prepared during the Third Application Period that still has not been deposited by the recipient.¹⁷

93. At the end of the current Application Period, the known assets of the Receivership Estate include the following: (a) approximately \$735,516.40 cash on hand in the Receivership Account; (b) funds totaling approximately \$1,700, which the Receiver will work to release into the Estate in the future;¹⁸ (c) illiquid personalty; (d) personalty and real property seized from the Wammel Defendants, including a 1990 Cessna 650 Citation and one residential property – a 3,500 square-foot residence near Houston; and (e) causes of action against Carlos Goodspeed, various third parties, and a financial institution.¹⁹ Of note, although there is approximately \$735,516.40 cash on hand in the Receivership Account at the end of the current Application Period, the Receiver prepared one check totaling \$45.00 prepared during the Third Application Period that still has not been deposited by the recipient.²⁰ Attached hereto as **Exhibit A** is the Standardized Fund Accounting Report (the “**SFAR**”) for the Application Period.

¹⁶ The remaining personal and real property seized by the Receiver is estimated to be valued at over \$600,000, collectively.

¹⁷ The two checks totaling \$9,500 were the following: (1) check for \$9,400.00 for payment related to the Wammel Group residence and (2) check for \$100.00 for payment related to the Wammel Group residence. The check for \$45.00 prepared during the Third Application Period is for statutory fees associated with subpoena documentation.

¹⁸ This amount includes frozen accounts where Defendant Bryant was a signatory but the account was in a name other than that of Bryant or Bryant United Capital Funding.

¹⁹ The remaining personal and real property seized by the Receiver is estimated to be valued at over \$600,000, collectively.

²⁰ The check for \$45.00 prepared during the Third Reporting Period is for statutory fees associated with subpoena documentation.

| Summary of Present and Future Cash on Hand in the Receiver's Account | |
|---|-----------------------|
| Cash on Hand in the Receiver's Account (at the end of the current Reporting Period) | \$735,516.40 |
| Checks <u>Prepared</u> by the Receiver But <u>Not Deposited</u> by Recipients During the Reporting Period | (\$45.00) |
| Estimated Future Funds to be Received by the Estate ²¹ | \$600,000.00 |
| Estimated Total of Future Cash on Hand in the Receiver's Account | \$1,335,471.40 |

B. Fees and Expenses

94. Ordinary Course Expenses. During the Application Period, and as detailed in the Fifth Quarterly Report, expenditures made from the Receivership Account were for expenses relating to the Receiver's properties, liquidating the Receiver's former personalty and real property, and banking fees, which totaled \$45,838.51.

95. Pursuant to this Court's Order Approving the Third Interim Fee Application for Allowance of Fees and Reimbursement of Expenses [Dkt. No. 187], the Receiver prepared a check to Veritas during the Application Period for the payment of authorized professional fees and expenses, which totaled \$23,122.00. Veritas deposited this check during the Application Period.

96. Receiver and Retained Professional Fees. During the Application Period, the Retained Professionals (T&K and Veritas) provided services on behalf of the Receiver and the Receivership Estate. Specifically, the fees and expenses for the services of the Receiver, T&K, and Veritas total approximately \$250,492.44 (the "**Application Period Professional Fees**").

97. These Application Period Professional Fees include a voluntary reduction of at least 20% by the Receivership Estate professionals from their standard hourly rates.

²¹ These assets are described in ¶¶ 32 – 41 of the Receiver's Fifth Quarterly Report and are approximately valued at more than \$600,000. Further, this estimated amount does not include the Receiver's potential and ongoing causes of action against third parties.

C. Work Performed for the Benefit of the Receivership Estate²²

98. As further described in the Receiver's First Quarterly Report, Second Quarterly Report, Third Quarterly Report, Fourth Quarterly Report, and Fifth Quarterly Report, the Receiver, assisted by T&K and Veritas, performed numerous tasks in connection with her duties under the Receivership Order. During the Application Period, the Receiver worked diligently to marshal and liquidate assets of the Receivership Estate, analyzed potential causes of action against third parties, commenced litigation against certain Winning Investors and certain Transferees, and actively participated in ancillary litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed. The Receiver's tasks included (i) preserving hard and electronic data, (ii) analyzing thousands of documents, (iii) interviewing numerous creditors and investors, and (iv) working with various individuals and counsel to liquidate assets for distribution to creditors.

99. The date the Case is expected to close is presently unknown. The Receiver expects to continue her efforts to recover assets for the benefit of the Receivership Estate, which may require protracted litigation.

100. During the Third Application Period, the Receiver established a claims process for investors. Investors were notified by mail and electronic distribution. The Receiver and her team continue to review submitted claim notification forms and supporting documentation. During the Fourth Application Period, the Receiver established a claims process for non-investor creditors in this Case. The Receiver and her team continue to review submitted claim notification forms and supporting documentation. Further, the Receiver's Liquidation Plans for the Receivership Defendants provided the Receivership Estate with additional liquid assets, and

²² The Receiver and T&K incorporate the Receiver's First Quarterly Report, Liquidation Plan for the Bryant Defendants, Agreed Order Granting Liquidation Against the Wammel Defendants, Second Quarterly Report, Third Quarterly Report, Fourth Quarterly Report, and Fifth Quarterly Report as if set out fully herein.

the Receiver anticipates additional funds will come into the Receivership Estate once the remaining Receivership assets are liquidated. With additional liquid assets available in the Receivership Estate, the Receiver will be able to propose a distribution scheme to creditors.

101. During the Application Period, Veritas performed many tasks in connection with this Case. Specifically, Veritas continued to update and finalize the net winning and net losing analysis for the BUCF and Wammel Group investors, which included compiling and analyzing all investor funds deposited to Bryant and Wammel, all monthly disbursements paid back to investors, any potential bonus and referral payments made to investors, and documentation submitted by investors. Moreover, Veritas was instrumental in (i) continuing to investigate and research specific transactions to identify potential fraudulent transfers and/or recoverable assets, including transfers to various individuals and entities; (ii) continuing to identify and analyze transactions and parties that could be further investigated for potential fraudulent transfers and/or recoverable assets; (iii) continuing to identify transactions and parties that contained high volume and/or high dollar amounts paid to entities for unknown purposes; (iv) evaluating and compiling relevant documentation supporting the potential fraudulent transfers and net winnings; and (v) preparing summaries of and updating existing documentation regarding potential fraudulent transfers and net winnings for use by the Receiver and her team. Furthermore, Veritas provided the Receiver and T&K with documentation supporting the potential fraudulent transfers and the net winning and net losing analysis for the BUCF and Wammel Group investors. Finally, Veritas conferred with T&K and the Receiver regarding case strategy. All of these activities were done in furtherance of the Receiver identifying Receivership Estate assets and liabilities so that distributions can ultimately be made to investors and non-investor creditors.

102. Similarly, during the Application Period, the bulk of the work performed by T&K was related to (i) successfully moving to approve the Receiver's employment of Potts Law Firm as limited counsel to the Receiver effective as of June 22, 2018; (ii) continuing liquidation of the remaining Receivership assets in the Receiver's possession; (iii) preparing for and deposing Brandi Bryant; (iv) preparing for and deposing Carlos Goodspeed; (v) preparing for and participating in the May 14, 2018 Show Cause Hearing related to the Plaintiff's Motion for Show Cause Order Against Defendant Carlos Goodspeed, and Brief in Support [Dkt. No. 172] and the Receiver's Motion for Order Compelling Defendants Thurman P. Bryant, III and Carlos Goodspeed to Appear and Show Cause Why They Should Not be Held in Contempt for Failure to Comply with Order of the Court [Dkt. No. 183]; (vi) preparing for and participating in the mediation in this Case and in the ongoing litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed in Ancillary Civil Action No. 4:17-cv-00856; (vii) working with a financial consultant to perform forensic accounting and related analysis regarding, among other things, the intricate, overlapping Ponzi scheme operated by the Bryant and Wammel Defendants identified as part of the Receiver's investigation; (viii) satisfying on-going, ordinary course obligations of the Receivership Estate; (ix) reporting on the Receiver's activities to the Court and to investors; (x) subpoenaing various individuals and entities; (xi) analyzing and reviewing submitted documentation from investors and non-investor creditors; (xii) negotiating and coordinating settlements with investors and third parties relating to funds received from the Receivership Defendants; and (xiv) commencing litigation against certain Winning Investors and certain Transferees.

103. Since her appointment, the Receiver and her team have been working diligently to investigate and marshal assets of the Receivership Estate in order to bolster the amount available

for distribution to stakeholders. At the end of the current Application Period, the known assets of the Receivership Estate include the following: (1) a 1990 Cessna 650 Citation and (2) Defendant Wammel Group's residential property – a 3,500 square-foot residence near Houston. As described more fully in the Receiver's Fifth Quarterly Report, in July 2018, the sale of the Aircraft closed and the purchaser submitted its application for registration of the Aircraft to the FAA. The Receiver has not yet received any payment for the sale of the Aircraft and thus maintains possession of this valuable Receivership Asset until the FAA completes the registration process. The Receiver is optimistic that the registration will be completed in the coming weeks. As will be more fully discussed in the next quarterly report, the purchaser recently filed a motion with the Court seeking immediate possession of the Aircraft. The Receiver opposes the purchaser's request and filed papers in opposition with the Court. The Receiver anticipates additional funds will come into the Receivership Estate once the remaining Receivership assets are liquidated.

104. In addition to successfully liquidating Receivership assets, the Receiver and her team spent considerable time and resources (1) analyzing potential claims against third parties, (2) analyzing and reviewing submitted documentation from investors and non-investor creditors, (3) preparing for and deposing Brandi Bryant and Carlos Goodspeed, (4) participating in ongoing litigation against Thurman P. Bryant, Jr. and Carlos Goodspeed in Ancillary Civil Action No. 4:17-cv-00856, (5) preparing for and participating in the May 14, 2018 Show Cause Hearing related to the Plaintiff's Motion for Show Cause Order Against Defendant Carlos Goodspeed, and Brief in Support [Dkt. No. 172] and the Receiver's Motion for Order Compelling Defendants Thurman P. Bryant, III and Carlos Goodspeed to Appear and Show Cause Why They Should Not

be Held in Contempt for Failure to Comply with Order of the Court [Dkt. No. 183], and (6) commencing litigation against certain Winning Investors and certain Transferees.

105. As explained throughout this Fifth Interim Fee Application and as described more fully in the Receiver's Fifth Quarterly Report, the Receiver and her team continued to make significant progress in unraveling the Bryant Defendants' and Wammel Defendants' fraud and in liquidating Receivership assets in order to realize the greatest return for creditors. As a result of these efforts, the Receiver and her team substantially increased the value of the Receivership Estate during the Application Period. As noted above, the Receiver anticipates additional funds will come into the Receivership Estate once the remaining Receivership assets are liquidated.

| Summary of the Liquidation Until the End of the Application Period | |
|---|-----------------------|
| Bryant Funds and Liquidation | \$130,976.39 |
| Wammel Funds and Liquidation | \$711,241.44 |
| Settlements | \$446,000.00 |
| Total | \$1,288,217.83 |

| Summary of the Liquidation of Remaining Receivership Assets | |
|--|---------------------|
| Estimated Future Liquidation | \$600,000.00 |
| Estimated Total²³ | \$600,000.00 |

IV. REQUEST FOR APPROVAL

106. Through this Fifth Interim Fee Application, the Receiver seeks interim approval of the fees and expenses of the Receiver, T&K, and Veritas subject to the Hold Back, as further described below.

107. As noted in the T&K Application, both the Receiver and the T&K professionals and paraprofessionals²⁴ assisting the Receiver on this matter agreed to a voluntary reduction of

²³ This amount does not include the potential future litigation by the Receiver for fraudulent transfer, which accounts for damages to the Receivership of several million dollars. As is the case in most litigation, the recovery may differ from the damages sustained.

their standard hourly rates. The T&K invoices attached hereto reflect that reduction, which represents a significant savings for the Receivership Estate. Further, T&K reviewed its billings, and, in such review, exercised appropriate judgment in an effort to ensure that time and expenses are properly billed and billing adjustments were properly made before generating invoices and filing this Fifth Interim Fee Application. T&K further reduced certain entries in light of the Receiver's limited resources, which reductions are also reflected in its invoices and total over \$55,000 or over 20% of the total fees for the Application Period (as reflected in the Invoices attached hereto).

108. Hold Back. Pursuant to the Receivership Order, interim fee applications also “may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court” (the “**Hold Back**”). Dkt. No. 48 at ¶ 60. The Receivership Order further provides that “[t]he total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.” Dkt. No. 48 at ¶ 60. Thus, the amount requested in this Fourth Interim Fee Application may be subject to the Hold Back.

109. In accordance with the SEC Billing Instructions, the Receiver submitted the Fifth Interim Fee Application to the United States Securities and Exchange Commission (the “**SEC**”) for review prior to submission to the Court. The SEC has reviewed the Fifth Interim Fee Application and advised the Receiver concerning certain formatting issues related to its invoices, and the Receiver has made such changes.

A. Fees of the Receiver and T&K

110. Fee Breakdown by Task. The Receiver and T&K have categorized their services

²⁴ T&K has voluntarily further reduced its paralegals' fees by one hundred (100) percent for this Application Period.

by task. The following tables summarize the respective number of hours incurred relative to each task category by the Receiver and by the T&K professionals and paraprofessionals, respectively, who performed services on behalf of the Receiver during the Application Period:

RECEIVER

| TASK DESCRIPTION | HOURS WORKED | TOTAL FEES, SUBJECT TO THE HOLD BACK |
|---|---------------------|---|
| [B120] ASSET ANALYSIS AND RECOVERY. Identification and review of potential assets including causes of action and non-litigation recoveries. | 39.5 | \$19,750.00 |
| [B110] CASE ADMINISTRATION. Coordination and compliance activities, including preparation of reports to the court, investor inquiries, etc. | 37.4 | \$18,700.00 |
| [B130] ASSET DISPOSITION. Sales, leases, abandonment and related transaction work. Where extended series of sales or other disposition of assets is contemplated, a separate category should be established for each major transaction. | 1.6 | \$800.00 |
| [B195] NON-WORKING TRAVEL. Non-working travel where the court reimburses at less than full hourly rates. Pursuant to the SEC Billing Instructions, fees incurred for task B195 are billed at 50% of the timekeeper's regular billing rate. | 7 | \$1,750.00 |
| [B151] – INVESTOR COMMUNICATIONS. Written or telephone communications with investors in Bryant United Capital Funding. | .5 | \$250.00 |
| <u>TOTAL</u> | 86.0 | \$41,250.00 |

RECEIVER'S COUNSEL

| TASK DESCRIPTION | HOURS WORKED | TOTAL FEES, SUBJECT TO THE HOLD BACK |
|--|---------------------|---|
| [B120] ASSET ANALYSIS AND RECOVERY. Identification and review of potential assets including causes of action and non-litigation recoveries. | 13.4 | \$5,628.00 |

| | | |
|---|-------|--------------|
| [B110] CASE ADMINISTRATION. Coordination and compliance activities, including preparation of reports to the court, investor inquiries, etc. | 685.4 | \$216,584.50 |
| [B130] ASSET DISPOSITION. Sales, leases, abandonment and related transaction work. Where extended series of sales or other disposition of assets is contemplated, a separate category should be established for each major transaction. | 1.9 | \$478.00 |
| [B151] – INVESTOR COMMUNICATIONS. Written or telephone communications with investors in Bryant United Capital Funding. | 30.5 | \$8,784.50 |
| [B111] TK/RECEIVER FEE APPLICATIONS. All work in preparing, supplementing or defending quarterly or final fee applications for Thompson & Knight. This includes review or revision of pro formas, invoices, application exhibits, research, or communications related to the application or application process for TK (including the Receiver). Pursuant to the SEC Billing Instructions, fees incurred for task B111 are not included in the total amount requested by the Receiver. | 120.2 | \$30,578.50 |
| [B112] APPLICATIONS OF OTHER PROFESSIONALS. All work in preparing, supplementing or defending quarterly or final fee applications for non-TK professionals. This includes review or revision of invoices, application exhibits, research, or communications related to the application or application process. Pursuant to the SEC Billing Instructions, fees incurred for task B112 are not included in the total amount requested by the Receiver. | 1.0 | \$280.00 |
| [B195] NON-WORKING TRAVEL. Non-working travel where the court reimburses at less than full hourly rates. Pursuant to the SEC Billing Instructions, fees incurred for task B195 are billed at 50% of the timekeeper's regular billing rate. | 10.9 | \$1,699.00 |

| | | |
|--|--------------|---------------------|
| [B310] CLAIMS ADMINISTRATION AND OBJECTIONS. Expenses in formulating, gaining approval of and administering any claims procedure. | 3 | \$642.00 |
| [B240] TAX ISSUES. Analysis of tax issues and preparation of state and federal tax returns. | 21.4 | \$6,062.00 |
| <u>TOTAL</u> | 887.7 | \$270,736.50 |

111. T&K's and Receiver's Invoice Summaries. Attached hereto as **Exhibit B-1** is the Invoice Summary of the Receiver for the Application Period and as **Exhibit B-2** is the Invoice Summary for T&K for the Application Period.²⁵ Both invoice summaries include a breakdown of actual and necessary expenses incurred during the Application Period. The Receiver has reviewed and approved T&K's time records and invoices and has also undertaken a review of her own fees and expenses. Based on the complexity of the Case, the Receiver respectfully submits that the requested compensation is reasonable.

112. All legal services performed by T&K were performed for and on behalf of the Receiver and not on behalf of any other individual or entity. No agreement or understanding exists between T&K and any other entity for the sharing of compensation to be received for services rendered in connection with this Case. The Receiver and T&K's services have been substantial, necessary, and beneficial to the Receivership Estate.

B. Fees of Veritas

113. Fee Breakdown by Activity. Veritas has maintained the Veritas Fees by activity and by individual professional during the Application Period. Attached hereto as **Exhibit C** is a copy of the Veritas invoices²⁶, which summarizes the respective number of hours incurred relative to each task by Veritas professionals who performed services on behalf of the Receiver

²⁵ Unredacted invoices for the Application Period for the Receiver and for T&K were submitted to the Court and the SEC for in camera review.

during the Application Period.

114. The following table summarizes the task description for the services that Veritas rendered during the Application Period:

| TASK DESCRIPTION | HOURS WORKED | TOTAL FEES, SUBJECT TO THE HOLD BACK |
|----------------------------|--------------|---|
| [F170] Forensic Accounting | 87.75 | \$19,255.75 |

115. Expense Breakdown. Further, Veritas has maintained a description of the Veritas Expenses incurred during the Application Period. Also included in Exhibit C is a summary of all Veritas Expenses incurred during the Application Period.

116. All services performed by Veritas were performed for and on behalf of the Receiver and not on behalf of any other individual or entity. No agreement or understanding exists between Veritas and any other entity for the sharing of compensation to be received for services rendered in connection with this Case. The Receiver and Veritas' services have been substantial, necessary, and beneficial to the Receivership Estate. Based upon the total time expended and the complexity of this Case, the Receiver believes the Veritas Fees and Expenses sought herein to be reasonable and appropriate.

V. MEMORANDUM OF LAW IN SUPPORT OF REQUEST

117. Under governing law, following a determination that services were rendered and costs expended in furtherance of the Receivership, the Court may award compensation for the presented fees and costs. When determining an award of attorneys' fees, the Court should use the lodestar method of multiplying the number of hours reasonably expended by the reasonable hourly rate. *See, e.g., Louisiana Power & Light Co. v. Kellstrom*, 50 F.3d 319, 323-24 (5th Cir. 1995) (citing *Blum v. Stenson*, 465 U.S. 886, 888 (1984)). A reasonable hourly rate is the

²⁶ Veritas did not perform any work for the Receivership in June 2018 and thus there is no June 2018 invoice.

ordinary fee for similar work in the community. *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 718 (5th Cir. 1974).

118. As set out in more detail in the First Quarterly Report, the Second Quarterly Report, the Third Quarterly Report, the Fourth Quarterly Report, and the Fifth Quarterly Report, the Receiver, assisted by T&K and Veritas, has made significant progress in unraveling the Bryant Defendants' and Wammel Defendants' fraud through her seizure, inventory, and investigation of the documents, data, assets, and liabilities of the Receivership Estate. Further, the T&K lead attorneys in this Case have expended significant amounts of time and energy in order to stabilize this Case, such as successfully liquidating the Bryant Defendants' assets and the Wammel Defendants' assets to provide the Receivership Estate with additional assets in order to propose a distribution plan to creditors and instituting ancillary litigation to further recover Receivership assets.

119. Further, the fees and expenses requested in this Fifth Interim Fee Application in connection with, among other things, locating, securing, and liquidating assets of the Receivership Estate in order to propose a distribution scheme to creditors are reasonable compared to the no less than \$23,000,000 investor funds at risk.

120. Other factors support this Court awarding the requested fees and expenses in this Fifth Interim Fee Application. For instance, the fraud is alleged to have been ongoing since at least 2011, which requires extensive review of records and assessment of transfers and alleged business activities. In addition, Defendant Bryant is proceeding *pro se*, which has required additional conferences and investigation than is often needed when a defendant is represented by counsel. Also, the assets of the Receivership consist largely of personalty from the former residences of Defendant Bryant and Defendant Wammel as well as real property seized from the

Wammel Defendants. Further, Defendant Bryant is involved in multiple businesses, all of which have required often tedious investigation across multiple cities.

121. For the reasons set forth above, the Receiver, T&K, and Veritas have incurred reasonable fees and costs consistent with the Receivership Order, and approval of these fees on an interim basis, subject to the Hold Back, is appropriate and warranted in consideration of the above-described services in this Case during the Application Period.

122. Of the fees and expenses detailed herein, in recognition of the Case status and Receivership resources, at this time the Receiver is only seeking authority for payment of less than one-third of the total professional fees and expenses outstanding in this matter that have not been authorized for immediate payment. Although the Receiver has funds to cover a more significant portion of fees to the Receiver and her counsel, at this time, in an effort to maximize the value of the estate for a future distribution, the Receiver requests payment of only \$269,255.75 of professional fees and expenses. The tables below show a breakdown of the fees incurred by the Receiver, T&K, and Veritas during the Application Period:

FEES REQUESTED FOR APPROVAL
(April 1, 2018 – June 30, 2018)

| Receiver | T&K | Veritas | <u>Total Fees</u> |
|-----------------|----------------|----------------|--------------------------|
| \$41,250.00 | \$189,986.69 | \$19,255.75 | \$250,492.44 |

FEES REQUESTED FOR PAYMENT

| Receiver | T&K | Veritas | <u>Total Fees</u> |
|-----------------|----------------|----------------|--------------------------|
| \$25,000.00 | \$225,000.00 | \$19,255.75 | \$269,255.75 |

WHEREFORE, the Receiver respectfully requests that this Court enter an order (i) approving and authorizing, on an interim basis, the Application Period Professional Fees,

totaling \$250,492.44; (ii) authorizing payment of professional fees and expenses, totaling \$269,255.75 and (iii) awarding such other and further relief that this Court deems just and proper.

DATED: August 14, 2018.

Respectfully submitted,

THOMPSON & KNIGHT LLP

By: /s/ Mackenzie S. Wallace

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COUNSEL TO RECEIVER

CERTIFICATION

Pursuant to the SEC Billing Instructions, T&K (the “*Applicant*”) hereby certifies as follows:

1. The Applicant has read the Fifth Interim Fee Application;
2. To the best of the Applicant’s knowledge, information, and belief formed after reasonable inquiry, the Fifth Interim Fee Application and all fees and expenses herein are true and accurate and comply with the SEC Billing Instructions;
3. All fees contained in the Fifth Interim Fee Application are based on the rates listed in the Applicant’s fee schedules attached hereto and such fees are reasonable, necessary, and commensurate with the skill and experience required for the activity performed;
4. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission); and
5. In seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third-party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. The Applicant certifies that the Receiver is not making a profit on such expenses.

/s/ Mackenzie S. Wallace
Mackenzie S. Wallace

CERTIFICATE OF SERVICE

I hereby certify that on August 14, 2018, I electronically filed the foregoing document with the Clerk for the United States District Court, Eastern District of Texas. The electronic case filing system (ECF) will send a Notice of Electronic Filing (NEF) to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. The foregoing document will also be sent to all counsel of record via the method identified below.

/s/ Mackenzie S. Wallace
Mackenzie S. Wallace

Via Electronic Mail:

COUNSEL FOR PLAINTIFF:

Jason P. Reinsch
U.S. SECURITIES AND EXCHANGE COMMISSION
Fort Worth Regional Office
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Telephone: (817) 900-2601
Facsimile: (917) 978-4927
reinschj@sec.gov

PRO SE

By Electronic Mail and by Certified Mail, Return Receipt Requested at both known addresses:

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Treybryant03@gmail.com

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2054 Hidalgo Lane, Frisco, TX 75034

Via Electronic Mail:

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COUNSEL FOR CERTAIN RELIEF DEFENDANTS

PRO SE

By Electronic Mail and by Certified Mail, Return Receipt Requested:

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Via Electronic Mail:

Mark L. Hill

Anna S. Brooks

SCHEEF & STONE, L.L.P.

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Mark.Hill@solidcounsel.com

Anna.Brooks@solidcounsel.com

COUNSEL FOR CARLOS GOODSPEED

CERTIFICATE OF CONFERENCE

Mackenzie M. Salenger, counsel for the Receiver, and counsel for Plaintiff, conferred on August 14, 2018, in compliance with the meet and confer requirement in Local Rule CV-7(h). Counsel for Plaintiff is unopposed to the relief sought in this Motion.

Mackenzie M. Salenger, counsel for the Receiver, and counsel for Certain Relief Defendants conferred on August 14, 2018, in compliance with the meet and confer requirement in Local Rule CV-7(h). Counsel for the Wammel Defendants did not respond regarding whether they are opposed or unopposed to the relief sought in this Motion.

Mackenzie M. Salenger, counsel for the Receiver, and counsel for Carlos Goodspeed conferred August 14, 2018, in compliance with the meet and confer requirement in Local Rule CV-7(h). Counsel for Carlos Goodspeed did not respond regarding whether he is opposed or unopposed to the relief sought in this Motion.

/s/ Mackenzie S. Wallace
Mackenzie S. Wallace

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

V.

Case 04:17-CV-00336-ALM

THURMAN P. BRYANT, III and
BRYANT UNITED CAPITAL FUNDING,
INC., ARTHUR F. WAMMEL, WAMMEL
GROUP, LLC, CARLOS GOODSPEED
a/k/a SEAN PHILLIPS a/k/a GC d/b/a TOP
AGENT ENTERTAINMENT d/b/a/ MR.
TOP AGENT ENTERTAINMENT,

Defendants,

and

THURMAN P. BRYANT, JR.,

Relief Defendant.

ORDER APPROVING FIFTH INTERIM FEE APPLICATION FOR ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES

On this date, the Court considered the Receiver’s *Fifth Interim Fee Application for Allowance of Fees and Reimbursement of Expenses* (the “**Fifth Interim Fee Application**”).¹

The Court, having considering the relief requested in the Fifth Interim Fee Application, the invoices submitted in support, and the Certification included therein, finds that proper and adequate notice of the Fifth Interim Fee Application has been given and that no other or further notice is necessary and that the Application Period Professional Fees, totaling \$250,492.44 (the

¹ All capitalized terms not defined herein shall be given the meanings ascribed to them in the Fifth Interim Fee Application.

“Fees and Expenses”), are reasonable and appropriate for the work performed and the expenses incurred.

The Court further finds that during the time period covered by the Fifth Interim Fee Application, the time spent, services performed, hourly rates charged, and expenses incurred by the Receiver and her retained professionals, Thompson & Knight LLP and Veritas Advisory Group, Inc., were reasonable and necessary for the Receiver to perform her Court-ordered duties.

Therefore, the Court is of the opinion that the relief requested in the Fifth Interim Fee Application should be **GRANTED**.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

- The Fees and Expenses, totaling \$250,492.44, are approved, on an interim basis (the **“Approved Fees and Expenses”**).
- The Court authorizes immediate payment of \$269,255.75 of the total professional fees and expenses outstanding in this matter.
- The Receiver shall apply to the Court for permission to pay any remaining portion of the Approved Fees and Expenses at such time as the Receiver, in her discretion, believes there to be sufficient funds in the Receivership Estate to pay the requested portion of the remaining Approved Fees and Expenses.

IT IS SO ORDERED.

EXHIBIT A

EXHIBIT A

STANDARDIZED FUND ACCOUNTING REPORT

Receivership in SEC v. Thurman P. Bryant III, et al.

Civil Court Docket No. 04:17-CV-00336-ALM

Fifth Quarterly Reporting Period - 04/01/2018 - 06/30/2018

| FUND ACCOUNTING: | | | | |
|------------------|--|---------------------|-----------------------|-----------------------|
| | | Reporting Period | Subtotal Prior Per | Grand Total |
| Line 1 | Beginning Balance (As of 04/01/2018) | \$473,546.98 | \$214,804.64 | \$0.00 |
| | <i>Increases in Fund Balance:</i> | | | |
| Line 2 | Business Income | \$0.00 | \$0.00 | \$0.00 |
| Line 3 | Cash and Securities | \$0.00 | \$423,621.65 | \$423,621.65 |
| Line 4 | Interest/Dividends Income | \$0.00 | \$0.00 | \$0.00 |
| Line 5 | Business Asset Liquidation | \$0.00 | \$0.00 | \$0.00 |
| Line 6 | Personal Asset Liquidation | \$924.00 | \$533,850.62 | \$534,774.62 |
| Line 7 | Third-Party Litigation Income | \$299,000.00 | \$0.00 | \$299,000.00 |
| Line 8 | Miscellaneous - Other | \$31,005.93 | \$105,221.56 | \$136,227.49 |
| Line 8a | Total Funds Available (Lines 1 -8): | \$804,476.91 | \$1,062,693.83 | \$1,393,623.76 |
| | <i>Decreases in Fund Balance:</i> | | | |
| Line 9 | Disbursements to Investors | \$0.00 | \$0.00 | \$0.00 |
| Line 10 | Disbursements for Receivership Operations | \$0.00 | \$0.00 | \$0.00 |
| Line 10a | <i>Disbursements to Receiver or Other Professionals</i> | \$29,853.80 | \$152,881.14 | \$182,734.94 |
| Line 10b | <i>Business Asset Expenses</i> | \$0.00 | \$2,976.87 | \$2,976.87 |
| Line 10c | <i>Personal Asset Expenses</i> | \$39,001.71 | \$94,510.19 | \$133,511.90 |
| Line 10d | <i>Investment Expenses</i> | \$105.00 | \$582.11 | \$687.11 |
| Line 10e | <i>Third-Party Litigation Expenses</i> | | | |
| | 1. Attorney Fees | \$0.00 | \$338,196.54 | \$338,196.54 |
| | 2. Litigation Expenses | \$0.00 | \$0.00 | \$0.00 |
| | <i>Total Third-Party Litigation Expenses</i> | \$0.00 | \$0.00 | \$0.00 |
| Line 10f | Tax Administrator Fees and Bonds | \$0.00 | \$0.00 | \$0.00 |
| Line 10g | Federal and State Tax Payments | \$0.00 | \$0.00 | \$0.00 |
| | Total Disbursements for Receivership Operations | \$68,960.51 | \$589,146.85 | \$658,107.36 |
| Line 11 | Disbursements for Distribution Expenses Paid by the Fund: | | | |
| Line 11a | <i>Distribution Plan Development Expenses:</i> | | | |
| | 1. Fees: | | | |
| | Fund Administration | \$0.00 | \$0.00 | \$0.00 |
| | Independent Distribution Consultant (IDC) | \$0.00 | \$0.00 | \$0.00 |
| | Distribution Agent | \$0.00 | \$0.00 | \$0.00 |
| | Consultants | \$0.00 | \$0.00 | \$0.00 |
| | Legal Advisers | \$0.00 | \$0.00 | \$0.00 |
| | Tax Advisers | \$0.00 | \$0.00 | \$0.00 |
| | 2. Administrative Expenses | \$0.00 | \$0.00 | \$0.00 |
| | 3. Miscellaneous | \$0.00 | \$0.00 | \$0.00 |
| | <i>Total Plan Development Expenses</i> | \$0.00 | \$0.00 | \$0.00 |
| Line 11b | <i>Distribution Plan Implementation Expenses</i> | | | |
| | 1. Fees | | | |
| | Fund Administration | \$0.00 | \$0.00 | \$0.00 |
| | Independent Distribution Consultant (IDC) | \$0.00 | \$0.00 | \$0.00 |
| | Distribution Agent | \$0.00 | \$0.00 | \$0.00 |
| | Consultants | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|----------|---|---------------------|---------------------|---------------------|
| | Legal Advisers | \$0.00 | \$0.00 | \$0.00 |
| | Tax Advisers | \$0.00 | \$0.00 | \$0.00 |
| | 2. Administrative Expenses | \$0.00 | \$0.00 | \$0.00 |
| | 3. Investor Identification: | | | |
| | Notice/Publishing Approved Plan | \$0.00 | \$0.00 | \$0.00 |
| | Claimant Identification | \$0.00 | \$0.00 | \$0.00 |
| | Claims Processing | \$0.00 | \$0.00 | \$0.00 |
| | 4. Fund Administrator Bond | \$0.00 | \$0.00 | \$0.00 |
| | 5. Miscellaneous | \$0.00 | \$0.00 | \$0.00 |
| | 6. Federal Account for Investor Restitution (FAIR) Reporting Expenses | \$0.00 | \$0.00 | \$0.00 |
| | <i>Total Plan Implementation Expenses</i> | \$0.00 | \$0.00 | \$0.00 |
| | Total Disbursements for Distribution Expenses Paid by the Fund | \$0.00 | \$0.00 | \$0.00 |
| Line 12 | Disbursements to Court/Other | | | |
| Line 12a | <i>Investment Expenses/Court Registry Investment</i> | | | |
| | System (CRIS) Fees | \$0.00 | \$0.00 | \$0.00 |
| Line 12b | Federal Tax Payments | \$0.00 | \$0.00 | \$0.00 |
| | Total Disbursement to Court/Other: | \$0.00 | \$0.00 | \$0.00 |
| | Total Funds Disburses (Line 9 - 11): | \$68,960.51 | \$589,146.85 | \$658,107.36 |
| Line 13 | Ending Balance (As of 06/30/2018): | \$735,516.40 | \$473,546.98 | \$735,516.40 |
| Line 14 | Ending Balance of Fund - Net Assets: | | | |
| Line 14a | Cash & Cash Equivalents | \$735,516.40 | \$473,546.98 | \$735,516.40 |
| Line 14b | Investments | \$0.00 | \$2,053.87 | \$0.00 |
| Line 14c | Other Assets or Uncleared Funds (Frozen Accounts) | \$1,700.00 | \$360,899.09 | \$1,700.00 |
| | Total Ending Balance of Fund - Net Assets | \$737,216.40 | \$836,499.94 | \$737,216.40 |

| OTHER SUPPLEMENTAL INFORMATION: | | Reporting Period | Subtotal Prior Pe | Grand Total |
|---------------------------------|---|------------------|-------------------|---------------|
| Line 15 | Report of Items NOT To Be Paid by the Fund: | | | |
| Line 15a | Disbursements for Plan Administration Expenses Not Paid by the Fund: | | | |
| | <i>Plan Development Expenses Not Paid by the Fund:</i> | | | |
| | 1. Fees | \$0.00 | \$0.00 | \$0.00 |
| | Fund Administrator | \$0.00 | \$0.00 | \$0.00 |
| | IDC | \$0.00 | \$0.00 | \$0.00 |
| | Distribution Agent | \$0.00 | \$0.00 | \$0.00 |
| | Consultants | \$0.00 | \$0.00 | \$0.00 |
| | Legal Advisers | \$0.00 | \$0.00 | \$0.00 |
| | Tax Advisers | \$0.00 | \$0.00 | \$0.00 |
| | 2. Administrative Expenses | \$0.00 | \$0.00 | \$0.00 |
| | 3. Miscellaneous | \$0.00 | \$0.00 | \$0.00 |
| | <i>Total Plan Development Expenses Not Paid by the Fund</i> | \$0.00 | \$0.00 | \$0.00 |
| Line 15b | Plan Implementation Expenses Not Paid by the Fund: | | | |
| | 1. Fees | | | |
| | Fund Administrator | \$0.00 | \$0.00 | \$0.00 |
| | IDC | \$0.00 | \$0.00 | \$0.00 |
| | Distribution Agent | \$0.00 | \$0.00 | \$0.00 |
| | Consultants | \$0.00 | \$0.00 | \$0.00 |
| | Legal Advisers | \$0.00 | \$0.00 | \$0.00 |
| | Tax Advisers | \$0.00 | \$0.00 | \$0.00 |
| | 2. Administrative Expenses | \$0.00 | \$0.00 | \$0.00 |
| | 3. Investor Identification: | | | |
| | Notice/Publishing Approved Plan | \$0.00 | \$0.00 | \$0.00 |
| | Claimant Identification | \$0.00 | \$0.00 | \$0.00 |
| | Claims Processing | \$0.00 | \$0.00 | \$0.00 |
| | Web Site Maintenance/Call Center | \$0.00 | \$0.00 | \$0.00 |
| | 4. Fund Administrator Bond | \$0.00 | \$0.00 | \$0.00 |
| | 5. Miscellaneous | \$0.00 | \$0.00 | \$0.00 |
| | 6. FAIR Reporting Expenses | \$0.00 | \$0.00 | \$0.00 |
| | Total Plan Implementation Expenses Not Paid by the Fund | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|----------|--|--------|--------|--------|
| Line 15c | <i>Tax Administrator Fees & Bonds Not Paid by the Fund</i> | \$0.00 | \$0.00 | \$0.00 |
| | Total Disbursements for Plan Administration Expenses Not Paid by the Fund | \$0.00 | \$0.00 | \$0.00 |
| Line 16 | Disbursements to Court/Other Not Paid by the Fund | | | |
| Line 16a | Investment Expenses/CRIS Fees | \$0.00 | \$0.00 | \$0.00 |
| Line 16b | Federal Tax Payments | \$0.00 | \$0.00 | \$0.00 |
| | Total Disbursements to Court/Other Not Paid by Fund: | \$0.00 | \$0.00 | \$0.00 |
| Line 17 | DC & State Tax Payments | \$0.00 | \$0.00 | \$0.00 |
| Line 18 | No. of Claims: | | | |
| Line 18a | # of Claims Received This Reporting Period | 0 | 84 | 84 |
| Line 18b | # of Claims Received Since Inception of Fund | 84 | 84 | 84 |
| Line 19 | No of Claimants/Investors | | | |
| Line 19a | # of Claimants/Investors Paid This Reporting Period | 0 | 0 | 0 |
| Line 19b | # of Claimants/Investors Paid Since Inception of Fund | 0 | 0 | 0 |

EXHIBIT B-1

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

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SÃO PAULO
VITORIA

August 14, 2018

SEC v. Thurman P. Bryant, III, et al.
Jennifer Ecklund, Receiver
Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201

INVOICE SUMMARY

For Services Rendered During The Application Period April 1, 2018 through June 30, 2018

Our Matter # 524661.000002
RECEIVERSHIP

| | | | |
|---|----|--------------------------|-----------|
| Matter Balance Brought Forward* | | \$ | 89,348.21 |
| Total Fees for Professional Services** | \$ | 43,000.00 | |
| Voluntary Reduction (Travel) | | (1,750.00) | |
| Voluntary Reduction (Applications) | | --- | |
| Net Fees for Professional Services *** | | 41,250.00 | |
| Reimbursable Costs | | --- | |
| Net Current Billing For This Matter *** | \$ | 41,250.00 | |
| Total Balance Due This Matter | \$ | <u>130,598.21</u> | |

*Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, the Receiver is authorized to receive \$29,782.74. This payment has not yet been made to the Receiver and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

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

***Net of time recorded, but not billed, for preparation of Fee Application.

SUMMARY OF WORK PERFORMED

Securing and Maintaining Receivership Assets

- Oversaw and directed maintenance of the Wammel Defendants' assets
- Coordinated with local law enforcement in Texas
- Oversaw analysis of Receivership records
- Fielded and responded to communications with owners and/or landlords of leased premises

Interactions with Vendors, Investors, and Creditors

- Fielded and responded to communications from investors, creditors, media, United States Attorneys, and other interested parties regarding case status and access to records
- Worked with forensic accountants to analyze and review data
- Maintained a line of communication with investors by updating the Receiver's website (<http://bucfreceivership.tklaw.com>)

Liquidation of the Receivership Assets

- Oversaw coordination with appraisers and auctioneers
- Obtained Court authority regarding liquidation of assets
- Accomplished liquidation of the Receivership assets in the Receiver's possession
- Oversaw preparation of emergency motion for order clarifying liquidation of aircraft

Miscellaneous

- Analyzed strategy and options for proceeding with third party lawsuits including claw backs, fraudulent transfers, and disgorgement
- Oversaw and directed the preparation of the Complaint against certain winning investors
- Oversaw and directed the preparation of the Complaint against certain transferees
- Oversaw preparation for the May 14, 2018 Show Cause Hearing
- Oversaw mediation in this Case and in Ancillary Civil Action No. 4:17-cv-00856
- Oversaw preparation of request for order approving employment of Potts Law Firm as limited counsel to the Receiver effective as of June 22, 2018
- Oversaw discovery, including subpoenaing records pertinent to the Bryant Defendants and the Wammel Defendants and their business and personal and corporate finances
- Oversaw preparation for the deposition of Brandi Bryant
- Oversaw preparation for the deposition of Carlos Goodspeed
- Oversaw investigation and asset search and recovery efforts

- Oversaw and directed negotiations and settlement
- Communicated with counsel for Defendants
- Analyzed and implemented case management strategy
- Communicated with investors and reviewed correspondence and materials submitted by investors
- Provided extensive cooperation to various government authorities and agencies, including the SEC
- Oversaw work of forensic accountants and analysis of results
- Provided periodic reports to the Court and investors
- Oversaw the continued analysis of submitted documentation from investors and non-investor creditors
- Oversaw the implementation of the claims process for non-investor creditors

SUMMARY OF FEES

| <u>Name</u> | <u>Title</u> | <u>Hours</u> | <u>Discounted Rate/Hr</u> | <u>Amount</u> |
|--------------------|---------------------|---------------------|--------------------------------------|----------------------|
| Jennifer Ecklund | Receiver | 86.0 | \$500.00 | \$43,000.00 |

Reimbursable Costs

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

| | | |
|---|-----------|--------------------------|
| Total Reimbursable Costs | \$ | --- |
| TOTAL VOLUNTARY REDUCTIONS | \$ | (1,750.00) |
| NET CURRENT BILLINGS FOR THIS MATTER*** | \$ | 41,250.00 |
| TOTAL BALANCE DUE THIS MATTER**** | \$ | <u>130,598.21</u> |

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

**Net of time recorded, but not billed, for preparation of Fee Application.

****Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, the Receiver is authorized to receive \$29,782.74. This payment has not yet been made to the Receiver and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

EXHIBIT B-2

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

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August 14, 2018

SEC v. Thurman P. Bryant, III, et al.
Jennifer Ecklund, Receiver
Thompson & Knight LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201

INVOICE SUMMARY

For Services Rendered During The Application Period April 1, 2018 through June 30, 2018

Our Matter # 524662.000002
REPRESENTATION OF RECEIVER

| | |
|--|----------------------|
| Matter Balance Brought Forward* | \$ 703,724.57 |
| Total Fees for Professional Services** | \$ 272,435.50 |
| Voluntary Reduction (Travel) | (1,050.00) |
| Voluntary Reduction (Applications) | (30,858.50) |
| Voluntary Reduction (Additional 100% Paralegal Time) | (26,391.00) |
| Voluntary Reduction (Time Under 25 Hours Held Back) | (28,458.50) |
| Net Fees for Professional Services *** | 185,677.50 |
| Reimbursable Costs | 4,309.19 |
| Net Current Billing For This Matter ** | <u>\$ 189,986.69</u> |
| Total Balance Due This Matter | <u>\$ 893,711.26</u> |

* Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, T&K is authorized to receive \$234,574.86. This payment has not yet been made to T&K and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

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

***Net of time recorded, but not billed, for preparation of Fee Application, and certain paralegal time.

SUMMARY OF WORK PERFORMED

Case Administration

- Continued review of produced documentation pertinent to the Bryant Defendants and the Wammel Defendants and their business and personal and corporate finances
- Researched and analyzed options regarding pursuit by Receiver of potential claims against third-parties
- Subpoenaed records pertinent to the Bryant Defendants and the Wammel Defendants as well as their business and personal and corporate finances
- Drafted emergency motion for order clarifying liquidation of aircraft
- Drafted request for order approving employment of Potts Law Firm as limited counsel to the Receiver effective as of June 22, 2018
- Drafted Complaint against certain winning investors
- Drafted Complaint against certain transferees
- Prepared for and participated in the May 14, 2018 Show Cause Hearing
- Conducted research as to persons and entities of interest, including the Defendants and companies owned (beneficially or otherwise) or operated by Defendant Wammel, based on the Receiver's investigation
- Conducted research as to persons and entities of interest, including the Relief Defendant, Defendants, and companies owned or operated by Defendant Bryant, based on the Receiver's investigation
- Sought and/or reviewed information from named Relief Defendant, Defendants, and other persons and entities of interest based on the Receiver's investigation
- Drafted various third-party lawsuits in effort to recover funds for Receivership Estate
- Prepared for and participated in mediation in this Case and in Ancillary Civil Action No. 4:17-cv-00856
- Prepared for and deposed Brandi Bryant
- Prepared for and deposed Carlos Goodspeed
- Communicated with *pro se* Defendant Bryant regarding his obligations and duties during the Receivership
- Conferred with Defendant Wammel's counsel to discuss going-forward issues
- Maintained the Receiver's bank account in accordance with the Receivership Order
- Satisfied on-going, ordinary course obligations of the Receivership Estate in order to maintain the status quo
- 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
- Cooperated with various government agencies to assist in their investigation

- Maintained database of investor and non-investor creditor claims
- Developed information pertinent to the possible location of additional Receivership assets

Maintaining Receivership Assets

- Coordinated with owners and/or landlords of leased premises
- Analyzed Receivership records and continued to compile list of accounts, players, and company structures

Interactions with Vendors, Investors, and Creditors

- Worked with Veritas to perform forensic accounting and coordinated appropriate follow-up with respect to various identified accounts and/or persons or entities of interest discovered, as well as to investigate and determine identifying information as to the BUCF Investors and Wammel Group Investors, including amounts invested
- Worked with Veritas to perform forensic accounting and related analysis regarding, among other things, the intricate, overlapping Ponzi scheme operated by the Bryant and Wammel Defendants identified as part of the Receiver's investigation
- Communicated with and directed the work of forensic accounting firm for specific purposes in ascertaining the location of Receivership monies
- Supervised and analyzed forensic accounting results
- Determined the location of monies transferred by the Bryant Defendants and the Wammel Defendants that may be recoverable by the Receivership Estate
- Performed extensive analysis of forensic accounting to develop complete picture of cash flow through the Bryant Defendants' and the Wammel Defendants' accounts
- Fielded and responded to communications from investors, non-investor creditors, and third parties
- Reviewed information submitted by investors in furtherance of the Receiver's duties pursuant to the Receivership Order
- Maintained a line of communication with investors by updating the Receiver's website (<http://bucfreceivership.tklaw.com>)

Liquidation of the Receivership Assets

- Coordinated with relevant valuation consultants regarding inventoried personalty, including on-line auction house and gun consultant
- Coordinated with appraisers and auctioneers
- Obtained Court authority for sale of aircraft
- Accomplished liquidation of the Receivership assets in the Receiver's possession

SUMMARY OF FEES*

| <u>Name</u> | <u>Title</u> | <u>Hours</u> | <u>Discounted Rate/Hr</u> | <u>Amount</u> |
|--------------------|---------------------|---------------------|--------------------------------------|----------------------|
| Timothy Hudson | Partner | 80.40 | 475.00 | 38,190.00 |
| Mackenzie Wallace | Associate | 111.40 | 420.00 | 46,788.00 |
| Mackenzie Salenger | Associate | 377.30 | 280.00 | 105,644.00 |
| Sydne Collier | Associate | 96.30 | 280.00 | 26,964.00 |
| Eduardo Sanchez | Paralegal | 138.90 | 190.00 | 26,391.00 |
| TOTAL FEES | | 804.30 | | \$243,977.00 |

Reimbursable Costs

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

| | |
|---|----------------------|
| Total Reimbursable Costs | \$ 4,309.19 |
| TOTAL VOLUNTARY REDUCTIONS | \$ (58,299.50) |
| NET CURRENT BILLING FOR THIS MATTER** | \$ 189,986.69 |
| TOTAL BALANCE DUE THIS MATTER**** | \$ 893,711.26 |

*Net of time for timekeepers with time under 25 hours per month.

**Reflects 20% discount on gross fees for professional services and netting out of fees for preparation of the Application.

***Pursuant to the Order Approving the Fourth Interim Fee Application, the Court authorized for immediate payment \$305,565.57 of the total approved professional fees and expenses. Of the \$305,565.57 authorized for immediate payment, T&K is authorized to receive \$234,574.86. This payment has not yet been made to T&K and thus the matter balance brought forward does not reflect a reduction for the authorized payment.

EXHIBIT C



May 9, 2018

Jennifer R. Ecklund, Esq.
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201

Re: Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.

Dear Ms. Ecklund:

Enclosed is our billing for professional assistance in the above-referenced matter for the period of April 1, 2018 through April 30, 2018 for your review and payment.

Should you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink that reads "Brandi N. Kleinman". The signature is fluid and cursive, with a long horizontal flourish at the end.

Brandi N. Kleinman
Tax ID #68-0530157

Enclosure

BNK/ad



May 9, 2018

Jennifer R. Ecklund, Esq.
 Thompson & Knight LLP
 One Arts Plaza
 1722 Routh Street, Suite 1500
 Dallas, Texas 75201

**Re: Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.
 THO-01-60-01-01**

Professional fees and expenses in connection with the above-referenced matter for the period of April 1, 2018 through April 30, 2018:

Professional Fees:

| <u>Name</u> | <u>Staff Level</u> | <u>Hours</u> | <u>Rate</u> | <u>Total</u> |
|---------------------------------|--------------------|--------------|-------------|---------------------|
| Brandi N. Kleinman | Vice President | 9.25 hrs. @ | \$325 | \$ 3,006.25 |
| Paul A. Forbes | Senior Consultant | 37.75 hrs. @ | \$207 | \$ 7,814.25 |
| Total Professional Fees* | | | | \$ 10,820.50 |

*As of the date of this invoice, the outstanding balance of prior invoices is \$162,763.17.



Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.

*Description of Activities for Task Code F170 Forensic Accounting
(April 1, 2018 through April 30, 2018)*

| Date | Activity | Kleinman | Forbes |
|-------------|---|-----------------|---------------|
| 4/9 | Update calculation of net winners and losers based on additional information | 2.00 | |
| 4/9 | Compile fraudulent transfer backup documentation. | | 2.00 |
| 4/10 | Update calculation of net winners and losers based on additional information | 1.00 | |
| 4/11 | Update calculation of net winners and losers based on additional information | 1.00 | |
| 4/11 | Review bank account statements. | | 8.00 |
| 4/12 | Update calculation of net winners and losers based on additional information. | 2.00 | |
| 4/13 | Update calculation of net winners and losers based on additional information | 1.00 | |
| 4/16 | Update calculation of net winners and losers based on additional information. | 0.75 | |
| 4/16 | Prepare updated exhibits. | | 2.00 |
| 4/17 | Update calculation of net winners and losers based on additional information. | 1.50 | |
| 4/17 | Review and analyze bank account statements. | | 2.50 |
| 4/18 | Review and analyze bank account statements. | | 6.50 |
| 4/19 | Review and analyze bank account statements. | | 7.00 |
| 4/23 | Review and analyze bank account statements. | | 6.00 |
| 4/24 | Review and analyze bank account statements. | | 2.25 |
| 4/24 | Conference call to review net winner analysis. | | 1.50 |
| | Total | 9.25 | 37.75 |



May 9, 2018

April 1, 2018
to
April 30, 2018

Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.

THO-01-60-01-01 - 5/9

REMITTANCE COPY

*****PLEASE RETURN WITH PAYMENT*****

Remitted By:

Jennifer R. Ecklund, Esq.
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201

Current Invoice Total: **\$ 10,820.50**

Balance prior to this invoice: \$ 162,763.17

If previous balance is unpaid as of receipt of this invoice, please pay: \$ 173,583.67

Please make check payable to:

Veritas Advisory Group, Inc.

Mailing address:

Veritas Advisory Group, Inc.
1601 Elm Street, Suite 3600
Dallas, Texas 75201



June 13, 2018

Jennifer R. Ecklund, Esq.
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201

Re: Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.

Dear Ms. Ecklund:

Enclosed is our billing for professional assistance in the above-referenced matter for the period of May 1, 2018 through May 31, 2018 for your review and payment.

Should you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink that reads "Brandi N. Kleinman".

Brandi N. Kleinman
Tax ID #68-0530157

Enclosure

BNK/ad



June 13, 2018

Jennifer R. Ecklund, Esq.
 Thompson & Knight LLP
 One Arts Plaza
 1722 Routh Street, Suite 1500
 Dallas, Texas 75201

**Re: Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.
 THO-01-60-01-01**

Professional fees and expenses in connection with the above-referenced matter for the period of May 1, 2018 through May 31, 2018:

Professional Fees:

| <u>Name</u> | <u>Staff Level</u> | <u>Hours</u> | <u>Rate</u> | <u>Total</u> | |
|---------------------------------|--------------------|--------------|-------------|--------------|--------------------|
| Paul A. Forbes | Senior Consultant | 40.75 hrs. @ | \$207 | \$ 8,435.25 | |
| Total Professional Fees* | | | | | \$ 8,435.25 |

*As of the date of this invoice, the outstanding balance of prior invoices is \$173,583.67.



**Securities Exchange Commission v. Bryant United Capital Funding,
Inc., et al.**

*Description of Activities for Task Code F170 Forensic Accounting
(May 1, 2018 through May 31, 2018)*

| Date | Activity | Forbes |
|-------------|---|---------------|
| 5/1 | Review and analyze additional bank account statements. | 4.00 |
| 5/8 | Review and analyze additional bank account statements. | 4.00 |
| 5/11 | Prepare summary exhibits and compile backup documentation for aircraft purchase and other potential fraudulent transfers. | 8.00 |
| 5/14 | Prepare summary exhibits and compile backup documentation for aircraft purchase and other potential fraudulent transfers. | 3.50 |
| 5/15 | Prepare summary exhibits and compile backup documentation for aircraft purchase and other potential fraudulent transfers. | 4.25 |
| 5/23 | Compile cash transaction data for Counsel. | 4.75 |
| 5/24 | Compile cash transaction data for Counsel. | 8.00 |
| 5/25 | Compile cash transaction data for Counsel. | 4.25 |
| | Total | 40.75 |



June 13, 2018

May 1, 2018
to
May 31, 2018

Securities Exchange Commission v. Bryant United Capital Funding, Inc., et al.

THO-01-60-01-01 - 6/13

REMITTANCE COPY

*****PLEASE RETURN WITH PAYMENT*****

Remitted By:

Jennifer R. Ecklund, Esq.
Thompson & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201

Current Invoice Total: \$ 8,435.25

Balance prior to this invoice: \$ 173,583.67

If previous balance is unpaid as of receipt of this invoice, please pay: \$ 182,018.92

Please make check payable to:

Veritas Advisory Group, Inc.

Mailing address:

Veritas Advisory Group, Inc.
1601 Elm Street, Suite 3600
Dallas, Texas 75201