

September 10, 2025.

Respectfully submitted,

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UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I certify that on September 10, 2025, I electronically filed the foregoing document with the Clerk of the Court for the Northern District of Texas, Dallas Division, using the CM/ECF system. The ECF system will send a “Notice of Electronic Filing” to all counsel of record who has consented in writing to accept service of this document by electronic means.

A paper copy of this motion has also been sent to Defendant Robert Allen Stanford at the address for him on the Bureau of Prisons “Inmate Locator” website, as follows:

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s/ Jason J. Rose
Jason J. Rose

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL
BANK, LTD., *et al.*,

Defendants.

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Civil Action No.: 3:09-CV-0298-N

**PLAINTIFF'S RESPONSE TO RECEIVER'S MOTION FOR
SUPPLEMENTAL AWARD OF PROFESSIONAL FEES AND EXPENSES**

November 8, 2024.

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UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

EXHIBIT

A

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SUMMARY

The Receiver asks the Court to award the Receivership professionals: (1) \$29.5 million of held-back fees and expenses; (2) a \$10.3 million inflation adjustment to the holdback amount; (3) \$1.6 million for preparing fee applications; and (4) a \$400,000 inflation adjustment to the fee application work. The Receiver also seeks the removal of the holdback going forward, as well as contemporaneous compensation for the preparation of all future fee applications.

Plaintiff Securities and Exchange Commission (“SEC”) opposes the Receiver’s requests because: (1) he has failed to show that the professionals have been paid below-market compensation to date; (2) the professionals’ current rates, in fact, significantly exceed those billed in other receiverships overseen by the U.S. District Court for the Northern District of Texas; (3) the anticipated investor recovery does not justify awarding additional compensation to the professionals; (4) equity supports awarding the held-back funds to investors rather than the professionals; and (5) the professionals will be more than adequately compensated going forward under the present fee and holdback structure.

BACKGROUND

Both the SEC and the Examiner have scrutinized the Receivership’s fees and expenses since the Receiver’s first fee application. Docs. 437, 452. On June 4, 2009, the SEC asked the court to impose a 20% holdback to the Receivership professionals’ fees, citing their high billing rates. Doc. 437. The SEC also argued that such a discount was warranted due to the practical impossibility of evaluating the minutia of voluminous fee applications, like those submitted during the course of the Receivership. *Id.* The Examiner joined the SEC’s request that the Court impose a percentage holdback until the Receivership’s ultimate recovery had been determined. Doc. 452. On September 10, 2009, the Court held a hearing regarding the Receiver’s first and

second fee applications and approved the requested fees, subject to a 20% holdback that the Court stated would continue during the course of the Receivership. Sept. 10, 2009 Hearing Tr. at 39:16-22, 46:6-21, 47:4-22.

On March 9, 2012, the Receiver moved the Court to allow the Receivership professionals to bill at 2012 rates less a 10% discount (a request opposed by the SEC and partially opposed by the Examiner) and to reduce the holdback to 10% (a request unopposed by both the SEC and the Examiner).¹ Docs. 1543, 1551, 1553. On April 4, 2012, the Court allowed the Receivership professionals to bill at 2012 rates, subject to a 20% discount, and reduced the holdback to 10% percent as requested. Doc. 1565.

On April 18, 2014, the Receiver asked the Court to release a portion of the held-back fees, which the SEC and the Examiner opposed. Docs. 1998, 2016, 2017. On July 2, 2014, the Court denied the Receiver's motion as being premature. Doc. 2033.

On July 16, 2015, the Receiver moved the Court to allow the Receivership professionals to bill at 2015 rates, less a 20% discount and subject to the 10% holdback. Doc. 2175. Neither the SEC nor the Examiner objected to this request and the Court granted the motion on September 1, 2015. Doc. 2238.

On June 22, 2021, the Receiver sought Court approval to permit the Receivership professionals to bill at 2021 rates, less a 30% discount and subject to the 10% holdback. Doc. 3088. The SEC opposed this request, but the Examiner did not object to it. Docs. 3094, 3095. On July 21, 2021, the Court granted the motion. Doc. 3099.

¹ The Court granted the Receiver's third and fourth fee applications, subject to a 35% holdback (Doc. 994); and held back 22% from the amount requested in the fifth fee application. Doc. 1069. The Court approved the Receiver's sixth through sixteenth fee applications, less a 20% holdback. Docs. 1111, 1151, 1175, 1203, 1302, 1339, 1410, 1455, 1478, 1500, 1560.

LEGAL STANDARD

The Court’s February 16, 2009 Order Appointing Receiver directed the Receiver to file requests for approval of reasonable fees and expenses incurred by him and the Receivership professionals. Doc. 10. The Fifth Circuit uses the lodestar method to determine the reasonableness of fee awards. *Smith & Fuller, P.A. v. Cooper Tire & Rubber Co.*, 685 F.3d 486, 490 (5th Cir. 2012). This is true even in the context of awarding fees and expenses in SEC receiverships. *SEC v. Millennium Bank*, No. 7:09-CV-050-O, 2009 WL 10689052, at *2 (N.D. Tex. Dec. 31, 2009) (“The application for fees and expenses in this matter are governed by the lodestar method of calculation.”); *see also SEC v. Narayan*, No. 3:16-CV-1417-M, 2019 WL 13074285, at *1 (N.D. Tex. Sept. 30, 2019).

The lodestar is calculated by multiplying the number of hours that an attorney reasonably spent on the case by a reasonable hourly rate. *Narayan*, 2019 WL 13074285, at *1 (citing *Smith & Fuller*, 685 F.3d at 490). The applicant bears the burden of establishing both the reasonableness of the hours billed and the prevailing market rate. *Millennium Bank*, 2009 WL 10689052, at *3.

“There is a ‘strong presumption that the lodestar award is the reasonable fee[.]’” *Smith & Fuller*, 685 F.3d at 490 (quoting *Heidtman v. County of El Paso*, 171 F.3d 1038, 1044 (5th Cir. 1999)). But, after first determining the lodestar, courts may increase or decrease that amount considering twelve factors enumerated in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 718 (5th Cir. 1974). *Heidtman*, 171 F.3d at 1043. However, many of the *Johnson* factors “usually are subsumed within the initial calculation of hours reasonably expended at a reasonable hourly rate.” *Hensley v. Eckerhart*, 461 U.S. 424, 434 n. 9 (1983).

ARGUMENT

A. The fees paid to the Receivership professionals exceed the prevailing market rate.

As discussed above, to calculate the lodestar the Court should multiply the number of hours reasonably worked by a “reasonable hourly rate.” *Narayan*, 2019 WL 13074285, at *1. “A reasonable hourly rate is the prevailing market rate in the relevant legal community for similar services by lawyers of reasonably comparable skills, experience, and reputation.” *Id.* The relevant legal community is the community in which the district court sits. *Tollett v. City of Kemah*, 285 F.3d 357, 368 (5th Cir. 2002). The applicant must submit evidence to establish the proposed rate, “typically through affidavits of other attorneys practicing in the community.” *Millenium Bank*, 2009 WL 10689052, at *3. “Absent such evidence, the Court may rely upon its expertise and judgment to independently assess the valuation of the asserted rate.” *Id.* (citing *Davis v. Board of Sch. Comm’rs of Mobile Cnty.*, 526 F.2d 865, 868 (5th Cir. 1976)).

As an initial matter, the SEC objects to the Receiver’s motion because it does not cite evidence supporting the prevailing market rate. Due to this lack of evidence, the Receiver provides the Court no facts from which to calculate the lodestar.² Instead, the Receiver’s motion focuses on the percentage of total Receivership fees and expenses versus the anticipated investor recovery. By doing so, the Receiver has failed to satisfy his burden.

The SEC further objects because the Receivership professionals’ rates exceed the prevailing market rate.³ The table below compares the current rates charged in this case to those

² The only support provided for a lodestar amount is a brief reference in the Declaration of Kevin M. Sadler relating to the Receiver’s request for \$2.1 million for the preparation of fee applications. Doc. 3423, at 35 ¶ 14.

³ Because the Receiver does not attempt to demonstrate the prevailing market rate for any of the law firms, accounting firms, or other professionals he has retained, this response examines the rates charged by his primary counsel, Baker Botts L.L.P. The fees sought for Baker Botts are, by far, the largest of the 44 Receivership professionals subject to the holdback.

charged in 2023 and 2024 by receivers and their primary counsel in other SEC receiverships supervised by this Court.⁴

Case Name	Summary	Hourly Rates	Source
<i>SEC v. Stanford International Bank, Ltd., et al.</i>	Securities enforcement action in which the SEC alleged an approximately \$8 billion fraudulent scheme to sell “certificates of deposit” issued by an offshore bank.	<i>Receiver:</i> \$550 <i>Primary Counsel:</i> <ul style="list-style-type: none"> • Partners: \$711-\$973 • Special Counsel: \$714 • Senior Associates: \$616-\$658 • Associates: \$382-\$567 • Staff Lawyers: \$294-\$472 	Docs. 3088, 3089, 3099, 3406, 3407.
<i>SEC v. Agridime, et al.</i> , Case No. 4:23-cv-1224-P (N.D. Tex.) (Pittman, J.)	Securities enforcement action in which the SEC alleged an approximately \$191 million fraudulent scheme to sell unregistered securities in the form of “contracts” to buy and raise cattle.	<i>Receiver:</i> \$450 ⁵ <i>Primary Counsel:</i> <ul style="list-style-type: none"> • Partners: \$475-\$575 • Associates: \$355-\$375 	<i>Agridime</i> Docs. 127, 129. APP. 0003-0004. ⁶
<i>SEC v. Timothy Barton, et al.</i> , Case No. 3:22-cv-2118-X (N.D. Tex.) (Starr, J.)	Securities enforcement action in which the SEC alleged an approximately \$26 million offering fraud involving real estate investments.	<i>Receiver:</i> \$385 <i>Primary Counsel:</i> <ul style="list-style-type: none"> • Partners: \$385 • Associates: \$200-\$300 	<i>Barton</i> Docs. 539, 553. APP. 0020, 0022.

⁴ This list is a representative sample of receiverships and is not meant to be an exhaustive list of all comparable receiverships in the U.S. District Court for the Northern District of Texas.

⁵ The *Agridime* receiver’s initial rate, to which the SEC objected, was \$1,395.

⁶ All “APP.” references refer to the Appendix in Support of Plaintiff’s Response, filed herewith.

<i>SEC v. Boron Capital, LLC, et al.</i> , Case No. 5:22-cv-0114-C (N.D. Tex.) (Cummings, J.)	Securities enforcement action in which the SEC alleged an approximately \$18.7 million offering fraud scheme involving real estate backed investments.	Receiver: \$360 Primary Counsel: • Shareholder: \$500 • Senior Attorney: \$289	<i>Boron Capital</i> Docs. 63, 64, 65. APP. 0046, 0088.
<i>SEC v. Christopher A. Faulkner, et al.</i> , Case No. 3:16-cv-01735-D (N.D. Tex.) (Fitzwater, J.)	Securities enforcement action in which the SEC alleged an approximately \$80 million scheme involving the sale of unregistered and fraudulent working interest investments in oil and gas prospects.	Receiver: \$395 Primary Counsel: \$210	<i>Faulkner</i> Docs. 712, 714. APP. 0146, 0169.
<i>SEC v. William Neil “Doc” Gallagher, et al.</i> , Case No. 3:19-cv-575-C (N.D. Tex.) (Cummings, J.)	Securities enforcement action in which the SEC alleged an approximately \$19.6 million offering fraud that targeted elderly investors’ retirement funds.	Receiver: \$350 Primary Counsel: • Partner: \$340 • Associates: \$250-\$290	<i>Gallagher</i> Docs. 337, 340, 341, 342. APP. 0193, 0195, 0221, 0223.
<i>SEC v. The Heartland Group Ventures, LLC, et al.</i> , Case No. 4:21-cv-1310-BP (N.D. Tex.) (O’Connor, J.)	Securities enforcement action in which the SEC alleged an approximately \$122 million offering fraud involving unregistered oil and gas interests.	Receiver: \$675 Primary Counsel: • Members: \$350-\$648 • Senior Counsel: \$544.50-\$553.50 • Associate: \$330	<i>Heartland</i> Docs. 574, 583. APP. 0295.

As this table demonstrates, Baker Botts’s rates significantly exceed the prevailing market rate. Baker Botts’s highest rate (\$973) is 44% more than the next highest rate (\$675), which is charged in the ongoing *Heartland* matter. The firm’s lowest partner rate (\$711) also exceeds the next closest amount; and its senior associates bill up to at a rate (\$658) that is only slightly less than *Heartland*’s top rate. Even the highest rates charged by Baker Botts’s associates (\$567) and staff lawyers (\$472) are comparable to, or higher than, the majority of the rates shown above.

The Receiver provides no evidence establishing why the services provided by his counsel and other professionals are not comparable to those rendered in other receiverships overseen by this Court. Admittedly, the size and scope of the Stanford fraud was significantly larger than the others cited above. However, that distinction is compensated for by the massive number of hours billed by the Receivership professionals—more than 540,000 to date. The Receiver fails to demonstrate which of those hours may have been spent on highly specialized tasks that could not have been performed at the lower rates cited above. Instead, the motion lumps together the work of 44 teams of professionals and compares that cumulative amount to the anticipated total recovery. And while the motion does describe several broad categories of work provided by a handful of the professionals, many of which are common to almost all SEC receiverships,⁷ it does not attempt to assign a prevailing market rate to any of the services provided by those professionals.

B. The anticipated result of the Receivership does not justify releasing the holdback.

By comparing the total fees to the expected recovery, and by citing the contingency fees previously approved by the Court, the motion suggests that it would be appropriate for the Court to determine the fees' reasonableness through a percentage-of-recovery analysis. However, the Fifth Circuit uses the lodestar method to calculate fee awards. *Heidtman*, 171 F.3d at 1043.⁸ “A lodestar is calculated by multiplying the number of hours reasonably expended by an appropriate

⁷ For example: estate administration; litigation supervision; government production; preservation and liquidation of receivership estate assets; claims and distribution work; general receivership matters; and cash management and receivership accounting.

⁸ In common fund cases involving contingency fee agreements, courts frequently grant percentage-of-recovery awards subject to “lodestar checks” to avoid windfall fees. *See, e.g., In re Enron Corp. Sec., Derivative & ERISA Litig. (Newby v. Enron Corp.)*, 586 F. Supp. 2d 732, 745-753, 778-786 (S.D. Tex. 2008); *see also* Docs. 2231, 2364, 2366, 2567, 2702, 2820, 3279, 3305, 3333, 3334, 3335.

hourly rate in the community for such work. After making this calculation, the district court may decrease or enhance the lodestar based on the relative weights of the twelve factors set forth in *Johnson*.” *Id.* (cleaned up). Enhancements to lodestar amounts are exceptional and require “specific record evidence and detailed findings” by the lower court, while reductions are not subject to these stringent requirements. *Rodney v. Elliott Sec. Sols., L.L.C.*, 853 F. App’x 922, 925 (5th Cir. 2021). And because the “lodestar calculation is the linchpin of the reasonable fee,” the Fifth Circuit has rejected fee awards that failed to include them. *Hoenninger v. Leasing Enters., Ltd.*, No. 21-50301, 2022 WL 340593, at *4 (5th Cir. Feb. 4, 2022) (quoting *McClain v. Lufkin Indus., Inc.*, 649 F.3d 374, 381 (5th Cir. 2011)).⁹

Moreover, if any of the Receivership professionals whose fees were subject to the holdback had wished to be compensated on a percentage-of-recovery basis, or by any other alternative billing structure, they could have pursued such an arrangement long ago. In 2012, the Court, due to its concerns regarding the ratio of fees to recovery, even suggested that the Receiver explore an alternative fee arrangement with Baker Botts or bid its work out to obtain lower rates. Apr. 4, 2012 Hearing Tr. at 30:3-31:23. The Receiver and his primary counsel elected not to pursue either path.

However, the Official Stanford Investors Committee (“OSIC”) *did* retain contingency fee counsel to pursue lawsuits for the investors’ benefit. These lawsuits have accounted for the *bulk*

⁹ The Receiver cites *Megafund* and *Funding Resources Group* to support his percentage-of-recovery analysis. Neither case states that courts may disregard the lodestar components. “Although no investors have objected to this request, the court nevertheless must carefully examine the fee application to determine whether the time spent, services performed, hourly rates charged, and expenses incurred by the Receiver are justified under the factors set forth in *Johnson*....” *SEC v. Megafund Corp.*, No. 3:05-CV-1328-L, 2008 WL 2839998, at *2 (N.D. Tex. June 24, 2008); *see also SEC v. Funding Res. Grp.*, No. 3:98-CV-2689-M, 2003 WL 145411, at *1 (N.D. Tex. Jan. 15, 2003).

of the \$2.6 billion dollars obtained by the Receivership. The SEC did not object to those fees because of the substantial investor recoveries achieved and the risk of non-payment undertaken by contingency fee counsel. Although some of the Receivership professionals assisted those efforts to various degrees, they did not assume the financial risk undertaken by OSIC's counsel. Moreover, the motion fails to specify which of the held-back fees relate to those lawsuits, or other successful litigation, versus the more day-to-day aspects of the Receivership. Accordingly, it would be inappropriate to award the Receivership professionals the held-back fees because, as previously demonstrated, they have already been compensated significantly above the prevailing market rate.

C. Equity supports not releasing the holdback.

Ultimately, the determination of the amount of a fee award is an equitable judgment within the court's discretion. *Hensley*, 461 U.S. at 437. But courts have recognized the need to closely scrutinize professional fees in situations analogous to the Receivership. "In considering applications for compensation by receivers and their attorneys, the courts have long applied a rule of moderation, recognizing that 'receivers and their attorneys engaged in the administration of estates in the courts of the United States...should be awarded only moderate compensation.'" *SEC v. Byers*, 590 F. Supp. 2d 637, 645 (S.D.N.Y. 2008) (quoting *In re New York Invs., Inc.*, 79 F.2d 182, 185 (2d Cir. 1935)). "Courts are not to award receivers and their attorneys 'extravagant fees,' but only 'moderate ones.'" *Id.* "Courts should take particular care to scrutinize fee applications 'to avoid even the appearance of a windfall.'" *Id.* (quoting *SEC v. Goren*, 272 F. Supp. 2d 202, 206 (E.D.N.Y. 2003)). "As a policy matter, the rule of moderation makes particular sense in circumstances such as those here, where hundreds of investors and creditors have been defrauded, and victims are likely to recover only a fraction of their losses." *Id.*; see also *SEC v.*

Lauer, No. 03-80612-CIV-MARRA/HOPKINS, 2016 WL 3225216, at *2-3 (S.D. Fla. Mar. 31, 2016) (applying the rule of moderation to deny a request for fees held-back during a 13-year receivership in which investors received a small fraction of their claims).

Not releasing the held-back fees is a pragmatic means to ensure that the Receivership professionals do not receive a windfall at the investors' expense. As the Court has previously acknowledged when imposing the holdback:¹⁰ "In light of the voluminous nature of fee applications, 'courts have recognized that it is unrealistic to expect a trial judge to evaluate and rule on every entry in an application. These courts have endorsed percentage cuts as a practical means of trimming fat from a fee application.'" *Byers*, 590 F. Supp. 2d at 648 (quoting *New York State Ass'n for Retarded Children, Inc. v. Carey*, 711 F.2d 1136, 1146 (2d Cir. 1983)).¹¹ Accordingly, equity and the rule of moderation support awarding the holdback to the investors rather than the Receivership professionals.

D. The Court should deny the Receiver's other requests.

The Receiver asks the Court to apply the Consumer Price Index ("CPI") to the held-back fees to increase their fee award by more than *ten million* dollars. The Court should deny this request. At the outset, and for the reasons described above, the holdback should not be paid to the Receivership professionals. Accordingly, they are not entitled to an inflation adjustment to those fees. And if the Court were to award the holdback, or a portion of it, neither the receivership order nor the Court's numerous orders relating to the holdback provide for an "inflation adjustment" to the held-back fees.

¹⁰ See Docs. 994, 1069, 1111.

¹¹ Beginning with the Receiver's sixth fee application, the Court has awarded the full amounts sought with the exception of the holdback.

Furthermore, the logic underlying the requested inflation adjustment erodes the investor recovery projections used by the Receiver to justify his requested fee awards. The motion notes that, according to the CPI, \$1.00 in 2009 is equivalent to \$1.46 in 2024. But the Receiver does not use that same analysis to assess the present value of the investors' claims, which also date back to 2009. Were he to do so, the anticipated recovery percentages cited in the motion to support his requests would be materially lower.¹²

The Court should also deny the Receiver's requests for fees related to the preparation of fee applications (and a CPI adjustment to that amount) dating back to January 2010. The Receiver failed to seek those fees when he submitted fee applications covering the applicable time periods. It is inappropriate to ask the Court, or the SEC and the Examiner, to evaluate almost 15 years of time entries that comprise 344 pages of the Receiver's appendix. As the Court and *Byers* have stated, it is unrealistic to expect trial judges to evaluate and rule on every entry in a fee application. *See* Docs. 994, 1069, 1111; *see also Byers*, 590 F. Supp. 2d at 648. The Receiver's delay in seeking these fees compounds this problem. Additionally, seeking compensation for the preparation of fee applications is contrary to SEC policy. The SEC's receivership billing instructions require receiver candidates to acknowledge that "[t]ime spent preparing fee applications, or any documentation in support thereof, may not be charged to the receivership estate."¹³ For these reasons, the Court should not award the Receiver this compensation.

¹² Using this calculation—and assuming for the sake of simplicity that all prior and future distributions occurred in 2024—the \$2.6 billion recovered by the Receivership to date equates to \$1.78 billion in 2009 dollars.

¹³ The billing instructions are posted online at <https://www.sec.gov/files/billinginstructions.pdf>.

Concerning the motion's request for the contemporaneous award of fees associated with preparing future fee applications, assuming the Court were to conclude that the Receivership is analogous to a bankruptcy proceeding for this purpose, the Court should, at most, approve such fees at substantially reduced rates. "Any compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application." *Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. 121, 131-32 (2015) (quoting 11 U.S.C. § 330(a)(6)). The preparation of fee applications is not a task demanding the above-market rates currently paid to the Receiver's primary counsel.

Finally, the Court should keep the holdback in place going forward because the Receivership professionals have received, and will continue to receive, more than reasonable compensation for their work. The Receiver estimates that his work will continue *through the end of 2029*, with no significant additional recoveries anticipated except for the inflow of the Société Générale Private Banking (Suisse) S.A. settlement funds. According to the Receiver, his work during the next five years will primarily consist of claims administration, distributions, wind-up activities, and the preparation of fee applications. These tasks are common to virtually all SEC receiverships and do not justify the current billing rates, let alone a de facto rate increase by eliminating the holdback.

CONCLUSION

For the foregoing reasons, the SEC respectfully requests that the Court deny the Receiver's motion.

November 8, 2024.

Respectfully submitted,

s/ Jason J. Rose
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UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I certify that on November 8, 2024, I electronically filed the foregoing document with the Clerk of the Court for the Northern District of Texas, Dallas Division, using the CM/ECF system. The ECF system will send a “Notice of Electronic Filing” to all counsel of record who has consented in writing to accept service of this document by electronic means.

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s/ Jason J. Rose
Jason J. Rose

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**STANFORD INTERNATIONAL
BANK, LTD., et al.,**

Defendants.

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Civil Action No.: 3:09-CV-0298-N

**APPENDIX IN SUPPORT OF PLAINTIFF'S RESPONSE
TO RECEIVER'S MOTION FOR SUPPLEMENTAL
AWARD OF PROFESSIONAL FEES AND EXPENSES**

EXHIBIT	DESCRIPTION	APPENDIX CITATION
A-1	<i>Agridime</i> – Receiver's 2024 Q2 Fee Application, Doc. 127, 10/25/24	APP. 0001 - 0015
A-2	<i>Agridime</i> – Order, Doc. 129, 10/28/24	APP. 0016
B-1	<i>Barton</i> – Receiver's Renewed, Partially Unopposed Third Quarterly Fee Application, Doc. 539, 7/26/24	APP. 0017 - 0034
B-2	<i>Barton</i> – Order Granting Receiver's Third Quarterly Fee Application, Doc. 553, 8/20/24	APP. 0035 - 0036
C-1	<i>Boron Capital</i> – Receiver's Fourth Interim Fee Application, Doc. 63, 8/30/23	APP. 0037 - 0043
C-2	<i>Boron Capital</i> – Appendix in Support of Receiver's Fourth Interim Fee Application, Doc. 64, 8/30/23	APP. 0044 - 0093

C-3	<i>Boron Capital</i> – Order on Fourth Interim Fee Application, Doc. 65, 9/5/23	APP. 0094
D-1	<i>Faulkner</i> – Receiver’s Motion for Entry of Order Approving Final Payment of Fees and Expenses to Professionals and Other Relief, Doc. 712, 6/30/23	APP. 0095 - 0188
D-2	<i>Faulkner</i> – Order Approving Final Payment of Fees and Expenses to Professionals and Other Relief, Doc. 714, 7/24/23	APP. 0189 - 091
E-1	<i>Gallagher</i> – Receiver’s Unopposed Twenty-Second Quarterly Fee Application, Doc. 337, 8/14/24	APP. 092 - 219
E-2	<i>Gallagher</i> - Receiver’s Unopposed Twenty-Third Quarterly Fee Application, Doc. 340, 10/30/24	APP. 0220 - 0246
E-3	<i>Gallagher</i> – Order, Doc. 341, 11/4/24	APP. 0247 - 0248
E-4	<i>Gallagher</i> – Order, Doc. 342, 11/4/24	APP. 0249
F-1	<i>Heartland</i> – Receiver’s Fee Application for Services Performed Between April 1, 2024 and June 30, 2024, and Brief in Support, Doc. 574, 7/24/24	APP. 0250 - 0556
F-2	<i>Heartland</i> – Order Approving Receiver’s Fee Application for Services Performed Between April 1, 2024 and June 30, 2024 and Brief in Support, Doc. 583, 8/16/24	APP. 0557 - 0559

November 8, 2024.

Respectfully submitted,

s/ Jason J. Rose
JASON J. ROSE
Texas Bar No. 24007946
B. DAVID FRASER
Texas Bar No. 24012654

U.S. Securities and Exchange Commission
Fort Worth Regional Office
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
(817) 978-1408 (jlr)
(817) 978-4927 (fax)

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I certify that on November 8, 2024, I electronically filed the foregoing document with the Clerk of the Court for the Northern District of Texas, Dallas Division, using the CM/ECF system. The ECF system will send a “Notice of Electronic Filing” to all counsel of record who has consented in writing to accept service of this document by electronic means.

A paper copy of this motion has also been sent to Defendant Robert Allen Stanford at the address for him on the Bureau of Prisons “Inmate Locator” website, as follows:

R. Allen Stanford, Pro Se
Inmate #35017183
Coleman II USP
Post Office Box 1034
Coleman, FL 33521

s/ Jason J. Rose
Jason J. Rose

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**AGRIDIME LLC, JOSHUA LINK, and
JED WOOD,**

Defendants.

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Civil Action No. 4:23-cv-1224-P

RECEIVER’S 2024 Q2 FEE APPLICATION

Steve Fahey, in his capacity as the Court-appointed Receiver (“Receiver”) for the Estates of the Receivership Defendants,¹ by and through his counsel, submits the following 2024 Q2 Fee Application (“Fee Application”), and would respectfully show the Court as follows:

**I.
INTRODUCTION**

Pursuant to the Order Appointing Receiver (the “Order”) entered by the Court on December 11, 2023, the Receiver and Retained Personnel are required to submit quarterly fee applications for authorization to pay the fees and expenses incurred by the Receiver and all personnel hired by the Receiver, including counsel to the Receiver. ECF No. 15, ¶ 60.² This Fee Application covers the second quarter of 2024—April 1, 2024 through June 30, 2024 (“Application Period”). The Receiver seeks Court-approval to pay the sum of \$324,108.58, consisting of

¹ “Receivership Defendants” are Agridime LLC (“Agridime”), Joshua Link, and Jed Wood. ECF No. 15, ¶¶ 1-2. Unless otherwise indicated, capitalized terms used herein retain the same meaning as provided in ECF No. 15.

² Receiver notes that the Fee Application is being filed more than 45 days after the end of Q2, as provided in the Order. ECF No. 15 at ¶ 60. To the extent necessary, the Receiver seeks leave of court and approval to submit this Fee Application beyond the 45-day deadline.

\$135,354.11 in legal fees and \$188,754.47 in accounting (including forensic accounting) fees incurred during the Application Period.³

This Fee Application covering Q2 includes fees related to the continued operation of Agridime's business, which created daily challenges for the Receiver and his Retained Professionals. Additionally, while the Court has now approved an asset sale, this Fee Application includes fees related to a prospective asset sale of Agridime. Finally, this Fee Application includes fees incurred in continued ancillary legal proceedings associated with this receivership, including the prosecution of a motion for a Ponzi scheme finding.

Despite these challenges, this Fee Application represents a reduction from the Receiver's first fee application, as the Receiver continues to take steps to limit the fees incurred to maximize recovery for investors and creditors.

II. CASE STATUS

A. Summary of Administration of the Case.

The Receiver incorporates and restates his Summary of Administration of the Case as set forth in the Receiver's First Quarterly Fee Application. ECF No. 99. Additionally, the SEC has obtained settlement agreements with Link and Wood, which included agreed judgments as to both. Accordingly, the Court has entered Final Judgments against Link and Wood. ECF Nos. 92, 93.

The Receiver is unable to provide an estimate of when this case is expected to close.

B. Summary of Creditor Claims Proceedings.

The Receiver restates and incorporates by reference his previous Summary of Creditor Claims Proceedings in the First Quarterly Fee Application. ECF No. 99.

³ This Fee Application and supporting invoices were provided to the SEC in accord with the Order, ¶ 60.

C. Description of Assets.

The Receiver restates and incorporates by reference his previous Description of Assets in the First Quarterly Fee Application. ECF No. 99.

D. Description of Liquidated and Unliquidated Claims Held by the Receiver.

The Receiver restates and incorporates by reference his previous Description of Liquidated and Unliquidated Claims Held by the Receiver in the First Quarterly Fee Application. ECF No. 99.

**III.
FEES AND EXPENSES INCURRED**

A. Receiver Fees and Expenses (\$28,647.00)

By this Fee Application, the Receiver requests authority to pay \$28,647 in Receiver fees incurred during the Application Period. The Receiver provided 41.42 hours of services to the Receivership during this period at a blended hourly rate of \$691 (representing \$1,395.00 per hour while the Receiver billed at his prior firm, Kirkland and Ellis, LLP and \$450.00 per hour while the Receiver billed at his new firm, Law Office of Steve Fahey, PLLC). This computation of hours does not include time the Receiver spent on non-legal matters, such as many hours answering hundreds of email and telephone questions from investors/victims and ministerial business tasks, such as daily calls with Agridime's financial institution to approve all bank transactions.

The Receiver notes that for the first month of this Application Period, the Receiver was a partner at the law firm Kirkland and Ellis, LLP ("K&E"). During the final two months of the Application Period, the Receiver billed at his new law firm, Law Office of Steve Fahey, PLLC. The Receiver's new rate of \$450.00 per hour will benefit investors as it represents a significant reduction from the Receiver's K&E rate.

The services provided by the Receiver for the Application Period are set forth in the invoices attached hereto as **Exhibit A**. Where appropriate, the Receiver has redacted privileged

information and information that is likely to prejudice the Receivership if publicly disclosed at this time. The services may be further summarized in the Receiver's 2024 Q2 Status Report.

In sum, the Receiver seeks authority to pay a total of \$28,647 in Receiver fees and expenses incurred during the Application Period.

B. Receiver's Counsel Fees and Expenses (\$106,707.11)

1. Wick Phillips Gould & Martin, LLP

The law firm of Wick Phillips Gould & Martin, LLP ("Wick Phillips") serves as primary counsel for the Receiver. By this Application and pursuant to the Order, the Receiver requests authority to pay Wick Phillips \$84,664.61 in fees billed for work by Wick Phillips during the Application Period. The attorneys at Wick Phillips who provided services to the Receiver during this period, their billable rates, and the hours billed are summarized as follows:

Attorney	Hours Billed	Discounted Billable Rate/Hour	Total Billed
<i>Name (Partner or Associate or Paralegal)</i>			
Brant C. Martin	11.6	\$575	\$6,670
David J. Drez	4.5	\$575	\$2,587.50
Chris E. Kirkpatrick	1.7	\$575	\$977.50
Aidan H. Yamada	6.9	\$375	\$2,587.50
Kathleen Wease (paralegal)	.2	\$225	\$45.00
Jacob T. Fain	27.2	\$575	\$15,640
Paul T. Elkins	.3	\$475	\$142.50
Steven D. Rubin	23.1	\$575	\$13,282.50
Timothy S. Comer	25.1	\$575	\$14,432.50
Colin P. Benton	52.2	\$375	\$19,575
Barbara di Castro Young	22	\$355	\$7,810
TOTAL/AVG. RATE	175.1	\$483.52 (blended)	\$84,664.61

The attorneys representing the Receiver have agreed to steeply discounted hourly rates in this matter. ECF Nos. 33, 34. The Receiver and Wick Phillips strove to pass along work to less-expensive associates or paralegals where appropriate. This allocation of work is not a reflection of

the work that was performed and should in no way minimize or call into question any of the work performed by the Receiver's counsel. To the contrary, the Receiver and his team are seeking to minimize the expense to the Receivership Estate where possible.

Wick Phillips provided valuable services to the Receiver during the Application Period. A description of these services is set forth in the invoices attached hereto as **Exhibit B**. Where appropriate, the Receiver has redacted privileged information and information that may prejudice the Receivership if publicly disclosed at this time. The services may be further summarized in the Receiver's 2024 Q2 Status Report.

2. Sprouse Shrader Smith

The law firm of Sprouse Shrader Smith ("Sprouse Shrader") serves as additional counsel for the Receiver for agricultural-specific legal matters. ECF Nos. 50-52. By this Application and pursuant to the Order, the Receiver requests authority to pay Sprouse Shrader \$22,042.50 in fees billed for work by Sprouse Shrader during the Application Period. The attorneys at Sprouse Shrader who provided services to the Receiver during this period, their billable rates, and the hours billed are summarized as follows:

Attorney	Hours Billed	Discounted Billable Rate/Hour	Total Billed
<i>Name (Partner or Associate or Paralegal)</i>			
John Massouh	38.1	\$575	\$21,907.50
Sherida Stone	0.6	\$225	\$135.00
TOTAL/AVG. RATE	38.70	\$569.57 (blended)	\$22,042.50

Similar to the Receiver, the attorneys representing the Receiver have agreed to steeply discounted hourly rates in this matter. ECF No. 50. If possible, Sprouse Shrader strove to pass along work to less-expensive associates or paralegals where appropriate. Again, the Receiver and his team are seeking to minimize the expense to the Receivership Estate where possible.

Sprouse Shrader provided valuable services to the Receiver during the Application Period. A description of these services is set forth in the invoices attached hereto as **Exhibit C**. Where appropriate, the Receiver has redacted privileged information and information that is likely to prejudice the Receivership if publicly disclosed at this time. The services may be summarized in the Receiver's Initial and Q1 Status Report.

In sum, the Receiver seeks authority to pay Wick Phillips the total of \$84,664.61 and to pay Sprouse Shrader the total of \$22,042.50 for fees and expenses incurred during the Application Period.

C. Receiver's Accountant Fees and Expenses (\$188,754.47)

The accounting firm of Ahuja & Consultants, Inc. ("Accountants") serves as the Receiver's accounts. The Accountants submitted the invoice attached hereto as **Exhibit D** for the accounting services rendered during the Application Period. During that time, the Accountants logged 715.20 (categorized between Tax Issues and Forensic Accounting) of labor hours or \$184,600.00 in fees to the Receivership Estate. As may be detailed more fully in the Receiver's Status Report, the Accountants' efforts are largely related to forensic accounting gathering, sorting, comparing, and analyzing bank records and books and records of Agridime. The purposes of this work include assistance to the Receiver to trace investor funds and payments and analyze issues related to a potential Ponzi scheme. The Accountants have also performed work to assist the Receiver with certain personnel and tax issues associated with Agridime's business operations and Receivership Defendants.

The Accountants incurred \$4,154.47 in Receivership expenses during the Application Period, the majority of which are related to obtaining Agridime's various financial transactions.

In sum, the Receiver seeks authority to pay the Accountants the total of \$188,754.47 for fees and expenses incurred during the Application Period.

* * * *

Based on the foregoing, the Receiver believes the services rendered to the Receivership by the Receiver and his Retained Professionals were valuable and that the rates charged to the Receivership were fair and reasonable. Moreover, the expenses incurred for the Receivership were also reasonable and necessary. The Order provides that Quarterly Fee Applications “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.” ECF No. 15, ¶ 62. Given the substantial reductions already taken (and outlined above), the Receiver respectfully requests that no holdback occur in this case.

IV. DISCUSSION OF GUIDELINES FOR PAYMENT OF RECEIVERSHIP FEES AND EXPENSES

A. Legal Fees

In reviewing the total fees of the Receiver and his Counsel, for which approval is sought in this Application (collectively, \$135,354.11), divided by the hours worked (255.22 hours), the lodestar average rate per hour is \$530.34. In accordance with the law governing calculation of the lodestar rate, the lodestar rate for which approval is sought in this case is reasonable and does not merit any adjustment.

1. Legal Standard.

The “lodestar” method of evaluating the reasonableness of fees, which has been expressly approved by the United States Supreme Court, requires this Court to look into the prevailing market rates in the relevant community and compare the prevalent rates with the average rate charged in the matter in issue. *Perdue v. Kenny A. ex rel. Winn*, 559 US. 542, 543-44, 130 S. Ct. 1662, 1673 (2010). The lodestar method also includes most of the relevant factors constituting a “reasonable” fee but does not expressly require the “subjective” *Johnson* factor analysis (although the Johnson factors are addressed herein). *Id.*

The Court calculates the lodestar by determining the number of hours reasonably expended by an appropriate hourly rate in the community. *Louisiana Power & Light Co. v. Kellstrom*, 50 F.3d 319, 324 (5th Cir. 1995). The movant bears the burden of proving that the compensation requested is reasonable, and satisfaction of this burden requires that the movant present records from which the court may determine the nature of the work done, the need for it, and the amount of time reasonably required. *Id.* In evaluating whether requested fees are reasonable, the court may use its own expertise and judgment to independently assess the value of an attorney's services. *Davis v. Bd. Of Sch. Comm'rs of Mobile County*, 526 F.2d 865, 868 (5th Cir. 1976). The Court also looks for evidence of "billing judgment," or the attorney or receiver's decision to discount or write off time that was unproductive or duplicative. *Saizan v. Delta Concrete Prods. Co.*, 448 F.3d 795, 799 (5th Cir. 2006). The amount of the award, and any reduction of the requested fee award, is within the trial court's discretion. *See, e.g., United States Football League v. National Football League*, 887 F.2d 408, 415 (2d Cir. 1989).

Additional considerations are also relevant in the context of an equity receivership. *First*, the agreement or opposition of the Commission to the fee application is entitled to great weight. *See, e.g., SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973). *Second*, given the public service nature of equity receiverships, courts also consider the amounts recovered or other results obtained by the receiver in determining what constitutes a "reasonable fee." *SEC v. Goren*, 272 F. Supp. 2d 202, 207 (E.D.N.Y. 2003). *Third*, examination of reasonableness and necessity should take into account all circumstances surrounding the receivership. *See SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff'd*, *SEC v. W.L. Moody & Co.*, 519 F.2d 1087 (5th Cir. 1975). The complexity and difficulty associated with the receivership are highly relevant factors in determining the reasonableness of professional fees. *See Fifth Ave. Coach Lines*, 364 F. Supp. at 1222 (awarding interim fees and expenses to law firm

for role in receivership and noting that it involved wide variety of complex legal matters requiring the time, competence, and diverse resources of a law firm of high caliber). *Fourth*, courts examine the credentials, experience, reputation, and other professional qualities required to carry out a court's orders when assessing the reasonableness of the rates charged for services to a receivership. *See W.L. Moody & Co.*, 374 F. Supp. at 481 (holding that a court should give "considerable weight" to "a receiver's abilities, as required by the tasks of the receivership"); *see also Fifth Ave. Coach Lines*, 364 F. Supp. at 1222 (awarding fees in full because they were based on law firm's usual hourly rate and supported by meticulous records).

The Receiver submitted detailed descriptions of the matters on which services were rendered, the number of hours billed by each professional, the rates charged by each, and the lodestar calculation for the fees submitted in this Application. Further, the Receiver's invoices and this Application demonstrate that billing judgment was exercised in the reduction of the standard rates charged by the Receiver and the retained professionals, in staffing the work, performing it efficiently, and in writing off time and further reducing rates where necessary.

The request for approval of the disbursements is also consistent with the factors set forth by the Fifth Circuit Court of Appeals in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). Based on the lodestar calculation and the *Johnson* factors, the Receiver believes that the fees submitted are appropriate, just, and reasonable.

2. The Time and Labor Required.

The Receiver respectfully directs the Court's attention to the foregoing summary of unpaid fees and expenses, which identifies the total number of hours billed by the Receiver and his counsel (255.22) for the Application Period. Considerable portions of the hours expended by the Receiver and his counsel have resulted from unique challenges arising due to a business involving livestock and frozen beef, as well as Receivership Defendants' poor business practices. These practices

include financing cattle in Agridime's name, subject to competing claims by various ranchers. Finally, the Receiver and his counsel have incurred time performing legal work associated with due diligence and other aspects of an asset sale. Again, Receivership Defendants' poor business practices have made this process difficult than a typical asset sale.

3. The Novelty and Difficulty of the Questions.

Federal equity receiverships require extensive effort to act swiftly and efficiently in securing assets, obtaining documents and data from computers to find additional assets, and to communicate with investors and other parties. To date, the Receiver and his personnel have effectively gained control of the Defendants' assets and begun the process of interfacing with the investors, financial institutions, creditors, and persons in possession of information necessary for the Receiver to accomplish his mandate.

This receivership has been particularly labor-intensive given the underlying product Agridime trades in is live cattle and frozen beef. Livestock require significant time and labor to ensure they are being finished (*i.e.*, slaughtered and sold) at their peak value. Frozen beef carries challenges related to storage and distribution and sale. Finally, the USDA and P&S division regulate aspects of the cattle industry, so the Receiver has retained counsel with a practice focused in agricultural law.

Also detailed above, considerations related to a Ponzi scheme are being explored, which can encompass novel legal questions.

Lastly, the receivership was approached about a potential asset sale, which required legal work, including due diligence/investigation concerning Agridime's real property and personalty

and drafting various correspondence and transactional documents. Finally, fees have been incurred to comply with applicable statutes governing the same of receivership property.⁴

4. The Requisite Skill to Perform the Service.

The Receiver believes the services performed in this case to date required individuals possessing considerable skill in the administration of receiverships, asset seizure, collection, litigation, and a potential asset purchase and sale. The Receiver and Counsel have considerable skill and experience in such areas.

5. The Preclusion of Other Employment Due to Acceptance of the Case.

Neither the Receiver, Counsel, nor the Accountants have declined any representation solely because of their services in this case. However, performing all of the work necessary since the inception of the Receivership has substantially limited the Receiver's and Receiver's counsel's available time to dedicate to other pending matters for which their rates were not reduced and which were not subject to a write-off.

6. The Customary Fee.

The hourly rates sought herein for the Receiver and his counsel are *substantially* lower than the rates charged by other practitioners of similar experience levels in Texas. Indeed, the per hour rates charged by the Receiver's counsel whose fees are included herein are substantially lower than the rates currently charged on other receiverships pending in Texas. The lodestar rate of \$530.34 per hour also demonstrates that when appropriate the Receiver is having work performed by less expensive attorneys or legal assistants or is otherwise reducing the amounts billed to the Receivership Estate.

⁴ As of the date of filing this fee application, the asset sale has been submitted and approved by the Court. ECF No. 124.

7. Whether the Fee is Fixed or Contingent.

The Receiver's fees and his counsel's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees, but payment of the fees and expenses is subject to approval by the Court.

8. Time Limitations Imposed by the Client or Other Circumstances.

Performing the Order's mandate has been extremely time-sensitive given the nature of the appointment, the underlying product/good being live cattle and frozen meat, Defendants' contracts and transfers of funds, and other related concerns. Likewise, deadlines for the Receiver related to reporting, duties related to asset recovery, and management and liquidation are generally time sensitive. And identifying and tracing investor payments as well as communicating with investors is extremely time-sensitive and labor intensive. Receiver has attempted to be as responsive as possible to keep potential investor victims reasonably informed about the status of the receivership.

9. The Amount Involved and the Results Obtained.

The fees for which payment is sought were for work summarized previously, which monies were obtained directly through the efforts of the Receiver and the personnel he retained. Moreover, the Receiver has already begun the process of identifying and securing additional sources of recovery.

10. The Experience, Reputation and Ability of the Attorneys.

The Receiver's experience as a federal prosecutor involving similar financial schemes during his tenure at the U.S. Attorney's Office is detailed above. Wick Phillips and Sprouse Shrader have extensive experience in representation of receivers and claims involving receivership estates. Both the Receiver, Wick Phillips, and Sprouse Shrader have extensive experience in litigation in federal and state courts in and around the Northern District of Texas. Wick Phillips has extensive experience in asset purchase and sale agreements, and Sprouse Shrader has extensive experience in agricultural law.

11. The Undesirability of the Case.

Representation of the Receiver incident to this case has not been undesirable. However, as explained above, the case has been labor-intensive given the underlying cattle business and involving both live cattle and frozen beef. However, the Receiver believes many of these issues are reaching resolution

12. The Nature and Length of the Professional Relationship with the Client.

Counsel has not previously represented the Receiver in any other receivership.

13. Awards in Similar Cases.

The Receiver believes the fees requested in this case for his counsel are less than or equal to those which have been awarded in similar cases in federal courts in Texas.

**V.
CERTIFICATION**

In light of the foregoing and attachments hereto, the Receiver represents and certifies that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership, or any sharing thereof.

**VI.
PRAYER**

Therefore, the Receiver respectfully requests that the Court enter an order approving the fees and expenses requested in this 2024 Q2 Fee Application, for the period April 1, 2024 through June 30, 2024.

Dated: October 25, 2024.

Respectfully submitted,

RECEIVER STEPHEN P. FAHEY

/s/ Stephen P. Fahey

Stephen P. Fahey, as Court Appointed Receiver
State Bar No. 24101249
steve@sfaheyllaw.com

LAW OFFICES OF STEVE FAHEY, PLLC

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Fax: (817) 332-7789

**ATTORNEYS FOR STEVE FAHEY, IN HIS
CAPACITY AS COURT-APPOINTED
RECEIVER FOR AGRIDIME LLC**

CERTIFICATE OF CONFERENCE

This is to certify that the Receiver conferred with counsel for the Commission, who indicated that the Commission is unopposed to the relief requested herein.

/s/ Colin P. Benton

Colin P. Benton

CERTIFICATE OF SERVICE

This is to certify that on October 25, 2024, a true and correct copy of the foregoing document was filed and served in accordance with the Federal Rules of Civil Procedure via the CM/ECF filing system on all counsel of record.

/s/ Colin P. Benton

Colin P. Benton

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

No. 4:23-cv-1224-P

AGRIDIME LLC ET AL.,

Defendants.

ORDER

Before the Court is Steve Fahey, in his capacity as the Court-appointed Receiver's ("Receiver") 2024 Second Quarter Fee Application ("Application"). ECF No. 127. Having considered the Application and supporting appendix, relevant docket entries, and applicable law, the Court finds that the Application should be and hereby is **GRANTED**.

Therefore, it is **ORDERED** that the Receiver is **AUTHORIZED** to pay from the Receivership assets the following fees and expenses:

1. The sum of \$28,647 shall be paid to Stephen Fahey for his services as Receiver from April 1, 2024, through June 30, 2024;
2. The sum of \$84,664.61 shall be paid to Wick Phillips Gould & Martin, LLP for its services as counsel for the Receiver from April 1, 2024, through June 30, 2024;
3. The sum of \$22,042.50 shall be paid to Sprouse Shrader Smith for its services as counsel for the Receiver related to agricultural-specific legal matters from April 1, 2024, through June 30, 2024; and
4. The sum of \$188,754.47 shall be paid to Ahuja & Consultants, Inc. for its accounting services rendered for the Receiver and expenses incurred from April 1, 2024, through June 30, 2024.

SO ORDERED on this **28th day of October 2024**.



Mark T. Pittman

UNITED STATES DISTRICT JUDGE

EXHIBIT

A-2

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

No. 3:22-cv-2118-X

**TIMOTHY BARTON,
CARNEGIE DEVELOPMENT, LLC,
WALL007, LLC,
WALL009, LLC,
WALL010, LLC,
WALL011, LLC,
WALL012, LLC,
WALL016, LLC,
WALL017, LLC,
WALL018, LLC,
WALL019, LLC,
HAOQIANG FU (A/K/A MICHAEL FU),
STEPHEN T. WALL,**

Defendants,

**DJD LAND PARTNERS, LLC, and
LDG001, LLC,**

Relief Defendants.

**RECEIVER’S RENEWED, PARTIALLY UNOPPOSED
THIRD QUARTERLY FEE APPLICATION**

Pursuant to the Order Appointing Receiver [Dkt. 29] entered by the Court on October 18, 2022 (the “Initial Receivership Order”) and a second Order Appointing Receiver [Dkt. 417] entered by the Court on November 29, 2023 (the “Second Receivership Order” or simply “Receivership Order” or “RO”), the Receiver is required to submit quarterly fee applications for authorization to pay the fees and expenses incurred by the Receiver and all personnel hired by the Receiver, including counsel to the Receiver. These fee applications must be submitted “[w]ithin

EXHIBIT

B-1

forty-five (45 days) after the end of each calendar quarter.” Initial Receivership Order ¶ 64; Second Receivership Order ¶ 64.

On August 14, 2023, in accordance with the Initial Receivership Order, the Receiver originally filed his Third Quarterly Fee Application [Dkt. 300], which covers April 1, 2023 through June 30, 2023. On August 31, 2023, the Court entered an Order [Dkt. 306] denying without prejudice all pending motions—including the Third Quarterly Fee Application—and instructed the parties that they may “refile all such motions after the Court resolves the SEC’s motion for entry of a new receivership order.”

On November 3, 2023, and then again on February 14, 2024, and May 15, 2024, the Receiver filed Motions for Extension of Time, asking the Court to extend the deadline for filing his Third, Fourth, Fifth, and Sixth Fee Applications. The Court granted each of these motions.

As of the date of this Fee Application, the Receiver and his professional team have not been compensated for any time expended or reimbursed for any expenses incurred on or after April 1, 2023. As detailed in the Receiver’s Seventh Quarterly Status Report [Dkt. 491], to date the Receiver has been unable to close on the sale of any of the real estate assets that are part of the Receivership, resulting in a continued dearth of available cash. Indeed, to date, the Receiver has been unable to service any of the extensive debt that encumbers the Receivership’s real estate assets. While significant equity remains in many of the assets held by the Receivership, the continued delay of the Receiver’s proposed (and previously approved) sales continues to cost the Receivership between \$2 million and \$3 million annually. *See* Seventh Quarterly Report [Dkt. 491] at 15. At the same time, the Receiver and his retained personnel necessarily continue to expend significant time and resources administering the Receivership.

The sale of the real estate assets within the Receivership are expected to bring considerable sums into the Receivership, once those sales close. In the interim, the Receiver has been able to settle certain litigation matters, which not only served to generate income, but also addressed concerns, complaints, and challenges asserted by creditors and interested parties whose interests are affected by the litigation stay included in the Receivership Order. . As will be detailed more fully in the Receiver's Quarterly Report for the Second Quarter of 2024, which will be filed on July 30, between April and June 2024, the Receiver deposited, among other things, the second payment from his settlement with HNGH (\$50,000) and a settlement payment related to the Lost Creek litigation (\$210,000). By this Fee Application, the Receiver accordingly seeks approval to pay a total of \$427,849.67 in professional fees and expenses. While the Receiver will still be unable to service debt and pay certain property taxes for certain properties, his professionals did not agree to serve the receivership with accounts receivable exceeding a full calendar year. To the extent the Court is inclined to further delay or trim payments, the Receiver respectfully requests that the Court further delay or trim his time alone and not the time of his accountants or attorneys, because the Receivership will be unable to properly function if his accountants or attorneys must cease offering services due to non-payment (and the Receiver is doubtful he would be able to find replacements given the history of non-payment here).

In accordance with the Receivership Order, the Receiver originally provided the Securities and Exchange Commission (the "Commission") a complete copy of the proposed Application, together with all exhibits and relevant billing information. The Receiver has now provided the renewed Third Fee Application to the Commission. The Commission has indicated that it once again does not object to the relief sought in the application, with the exception of the 20% holdback

discussed below. Defendant Barton originally indicated that he was opposed to this Application but has not responded to the latest conference. He is thus deemed opposed.

This Third Quarterly Fee Application covers April 1, 2023 through June 30, 2023. Fee Applications covering subsequent quarters will be filed at a later date.¹

I. FEES AND EXPENSES INCURRED

A. SFAR

A copy of the Standardized Fund Accounting Report for the period April 1, 2023 through June 30, 2023 is attached as Exhibit A.

B. Receiver Fees & Expenses (\$81,283.19).

Fees. By this Third Quarterly Fee Application, the Receiver requests authority to pay \$69,363.50 in Receiver fees incurred from April 1, 2023 through June 30, 2023. The Receiver provided 208.4 hours of service to the Receivership during this period, which, if the Receiver were to bill at his standard hourly rate, would otherwise result in a bill of \$114,620.²

Moreover, the Receiver has also voluntarily reduced or otherwise written-off portions of his work on top of the steeply discounted hourly rate. For example, the Receiver has written off the entirety of his time related to drafting the prior quarter's fee application, bi-weekly meetings with the Amerigold property manager to drop off paychecks, and regular maintenance of the extensive email and correspondence generated by the Receivership, among other things. This resulted in write-offs of 25.4 total hours (\$9,779 in savings) that would have otherwise been billed

¹ Notably, because the Receiver and his team were forced to spend considerable time between July 1, 2023 and the present, significant administrative expenses (in the form of professional services) have continued to accrue. The Receiver anticipates filing a motion to extend his deadline to file the Fourth, Fifth, Sixth, and Seventh Fee Applications on or before the current deadline of August 14, 2024.

² The Receiver's discounted hourly rate for this matter is \$385 per hour. Mr. Thomas' regular billing rate at the time for non-receivership matters is \$550 per hour (a discount of 30%).

to the Receivership Estate. The Receiver also reduced his rate from \$385 per hour to \$200 per hour for certain work that he needed to undertake but that ordinarily could otherwise be performed by a less expensive member of his team. This work included meetings at 2999 Turtle Creek, as well as lengthy internal meetings with counsel, totaling 5.9 hours at the reduced rate (\$1,091.50 in savings).

The Receiver's application of a steeply reduced hourly rate and the other reductions and write-offs should not be interpreted as implying that the Receiver's work that is the subject of these reductions had no or little value, was in any manner subject to an objection, or otherwise not worthy of reasonable compensation. To the contrary, the Receiver believes that most attorneys or receivers would charge for these services and not agree to such steep discounting. Instead, these voluntary, steep reductions reflect the Receiver's concern for the investors and other creditors impacted by this Receivership, and his desire to minimize the administrative expense to the Receivership where appropriate, among other things. Defendant Barton's continuing practice of challenging many of the Receiver's efforts during the Second Quarter of 2023 (and in the months since) has once again necessitated significant time and attention by both the Receiver and, more predominantly, his counsel.

The services provided by the Receiver from April 1, 2023 through June 30, 2023, as well as itemized reductions and write-offs, are set forth in the invoices attached hereto as **Exhibit B**. Where appropriate, the Receiver has redacted privileged information and information that is likely to prejudice the Receivership if publicly disclosed at this time. If the Court desires, the Receiver will submit unredacted copies of this and prior invoices for *in camera* review. The services are also summarized in the Receiver's Fourth Status Report [Dkt. 299], which was filed on July 31, 2023.

Expenses. In addition, to assist the Receivership Estate, the Receiver incurred expenses in the amount of \$11,919.69 between April 1, 2023 through June 30, 2023. *See* Ex. B at 5-6. These expenses included moving costs related to the movement of documents from 2999 Turtle Creek to the Receivership's storage units, entity-related searches with the Texas Secretary of State, PACER fees, and postage fees for mail forwarding, among other things. The Receiver did not seek reimbursement for any mileage fees.

In sum, pursuant to the Receivership Order, the Receiver seeks authority to pay a total of \$81,283.19 in Receiver fees and expenses incurred during the Second Quarter of 2023.

C. Receiver's Counsel Fees and Expenses (\$208,628.50).

Fees. The law firm of Brown Fox PLLC ("Brown Fox") serves as primary counsel for the Receiver. By this Application and pursuant to the Receivership Order, the Receiver requests authority to pay Brown Fox \$208,628.50 in non-receiver fees billed for work by Brown Fox from April 1, 2023 through June 30, 2023.

The attorneys and paralegals of Brown Fox who provided services to the Receiver during this period, their billable rates, and the hours billed are summarized as follows:

Attorney/Paralegal	Hours Billed	Discounted Billable Rate	Total Billed
Charlene Koonce (Partner)	281.4	\$385	\$108,339.00
Margaret Mead (Partner)	.30	\$385	\$115.50
Tim Wells (Associate)	363.7	\$200	\$65,494.00
Alan Carrillo (Associate)	92	\$300	\$26,100.00
Shannon Latham (Paralegal)	35	\$110	\$3,850.00
Joshua Mahaffey (Associate)	17.2	\$275	\$4,730.00
TOTALS: (blended rate)	789.60		\$208,628.50

Similar to the Receiver, the attorneys representing the Receiver have agreed to steeply discounted hourly rates in this matter. Moreover, the Receiver's counsel has also agreed to write-offs of time incurred during the Second Quarter of 2023. The Receiver and his primary attorney, Charlene Koonce, have continued to strive to pass along any work that did not merit their expertise to less-expensive associates or paralegals. This has continued to result in substantial work by associate Tim Wells in particular. For certain tasks performed by Mr. Wells, Brown Fox has further agreed to reduce his hourly rate to that of a paralegal (\$110 total) for certain tasks that either took longer than anticipated or that did not justify billing at Mr. Wells' full hourly rate. Brown Fox has agreed to write-down approximately 61.4 hours of Mr. Wells' time from the Second Quarter of 2023 (\$5,526 in savings), the vast majority of which involved coordinating the movement of documents from 2999 Turtle Creek to the Receivership's storage facilities. Brown Fox has also agreed to write-off the entirety of 13.6 hours of associate work during the Second Quarter of 2023 attending a mediation and other miscellaneous receivership items (\$3,220 in savings). Once again, these reductions and write-offs are not a reflection of the work that was performed and should in no way minimize or call into question any of the work performed by the Receiver's counsel. To the contrary, the Receiver and his team are seeking to minimize the expense to the Receivership Estate where possible.³

Brown Fox provided valuable services to the Receiver during the Second Quarter of 2023. A description of these services is set forth in the invoices attached hereto as **Exhibit C**. Where appropriate, the Receiver has redacted privileged information and information that is likely to

³ Defendant Barton has previously complained of the Receiver's efforts in connection with Barton's appeal of several of the Court's Orders to the Fifth Circuit. Because these appeals stem from motions filed by the Receiver and because there was uncertainty whether the SEC would dedicate Agency resources to defending the resulting Orders, the Receiver believes that his efforts were (and continue to be) necessary and reasonable.

prejudice the Receivership if publicly disclosed at this time. If the Court desires, the Receiver will submit unredacted copies of this and prior invoices for *in camera* review. The services are also summarized in the Receiver's Fourth Status Report [Dkt. 299], which was filed on July 31, 2023.

Expenses. Brown Fox did not incur any separate non-receiver expenses during the Second Quarter of 2023.

In sum, pursuant to the Receivership Order, the Receiver seeks authority to reimburse Brown Fox the total of \$208,628.50 for fees and expenses incurred between April 1, 2023 through June 30, 2023.

D. Receiver's Accountant Fees and Expenses (\$137,937.98).

The accounting firm of Ahuja & Clark, PLLC ("Ahuja & Clark") serves as the Receiver's accountants. Ahuja & Clark submitted the invoice attached hereto as **Exhibit D** for the accounting services rendered during the period from April 1, 2023 through June 30, 2023. During the Second Quarter of 2023, the accountants logged 577.60 labor hours for \$116,303.00 in fees to the Receivership Estate.

As detailed more fully in the Receiver's Fourth Status Report [Dkt. 299], the Accountants' efforts during the Second Quarter of 2023 related to examination of the miscellaneous QuickBooks files and tax documents obtained by the Receiver, preparing certain Receivership tax filings, and beginning a forensic accounting to determine funds received by the Receivership Entities and identify potential fraudulent transferees, among other things. The Receiver's accountants have additionally voluntarily agreed to write-off an additional \$10,707.00 related to internal discussions and background information on the various Receivership Entities.

Expenses. In addition, to assist the Receivership Estate, Ahuja & Clark incurred expenses in the amount of \$21,634.98 between April 1, 2023 through June 30, 2023. *See* Ex. E at 2, 4.

These expenses included fees to QuickBooks for certain online accounts and software fees in conjunction with the forensic accounting.

Pursuant to the Receivership Order, the Receiver seeks authority to pay Ahuja & Clark the total of \$137,937.98 for fees and expenses incurred during the Second Quarter of 2023.

E. Veracity's Fees and Expenses (\$9,891.36).

The Receiver retained Veracity Forensics ("Veracity") to assist in securing the various digital assets located at 2999 Turtle Creek and with establishing the Receivership Website. Veracity submitted the invoices attached hereto as **Exhibit E** for fees and expenses rendered during the period from April 1, 2023 through June 30, 2023. These services included creating forensic images of additional digital assets recovered at 2999 Turtle Creek, storage of devices and images, and imaging of certain online servers the Receiver gained access to during the Second Quarter of 2023.

Pursuant to the Receivership Order, the Receiver seeks authority to pay Veracity the total of \$9,892.36 for fees and expenses incurred during the Second Quarter of 2023.

* * * *

Based on the foregoing, the Receiver believes the services rendered to the Receivership by the Receiver, the Receiver's law firm Brown Fox, the Receiver's accountant Ahuja & Clark, and the Receiver's IT Professional Veracity were valuable and that the rates charged to the Receivership were fair and reasonable. Moreover, the expenses incurred for the Receivership were also reasonable and necessary. As of the filing of this Application, the Receiver has not yet closed on the previously approved sales of several properties, which collectively are expected to bring several million dollars into the Receivership Estate. As outlined in the Receiver's prior Quarterly Reports, until sales begin to close, the Receiver anticipates that the Receivership will continue to

be cash-strapped, although certain settlements of litigation matters is expected to continue generating some income.

The Receivership Order provides that “Quarterly Fee Applications *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.” RO ¶ 66 (emphasis added). Given the substantial reductions already taken (and outlined above), combined with the delays that have resulted in a 100% holdback for over a year, the Receiver once again respectfully requests that no holdback occur in this case. The SEC has indicated that it believes it would be appropriate to impose a holdback in the amount of 20% of the amount of fees and expenses for each quarterly fee application filed with the Court as described in the Order and in accordance with the SEC’s standard receivership billing procedures. Again, however, the holdback is unnecessary here, where, for example, the Receiver has already voluntarily discounted his own fees by approximately 40% (\$69,363.50 billed versus \$114,620 if no discounts were applied).

In accordance with the Receivership Order, the attorneys for the Securities and Exchange Commission previously reviewed the invoices of the Receiver, Brown Fox, Ahuja & Clark, and Veracity and have no objection to the invoices.

II. LEGAL DISCUSSION OF GUIDELINES FOR PAYMENT OF RECEIVERSHIP FEES AND EXPENSES

In reviewing the total fees (not including expenses) of the Receiver, the Receiver’s counsel, and the Receiver’s accountants for which approval is sought in this Application (collectively, \$394,295.00), divided by the hours worked (1,575.60 hours), the lodestar average rate per hour is

\$250.25.⁴ In accordance with the law governing calculation of the lodestar rate, the lodestar rate for which approval is sought in this case is reasonable and does not merit any adjustment.

The “lodestar” method of evaluating the reasonableness of fees, which has been expressly approved by the Supreme Court, requires the court to look into the prevailing market rates in the relevant community and compare the prevalent rates with the average rate charged in the matter in issue. *Perdue v. Kenny*, 130 S.Ct. 1662, 1673 (2010). The lodestar method also includes most of the relevant factors constituting a “reasonable” fee but does not expressly require the “subjective” *Johnson* factor analysis.⁵ *Id.*

The Court calculates the lodestar by determining the number of hours reasonably expended by an appropriate hourly rate in the community.⁶ *Louisiana Power & Light Co. v. Kellstrom*, 50 F.3d 319, 324 (5th Cir. 1995). In evaluating whether requested fees are reasonable, the court may use its own expertise and judgment to independently assess the value of an attorney’s services. *Davis v. Bd. of Sch. Comm’rs of Mobile County*, 526 F.2d 865, 868 (5th Cir. 1976). The Court also looks for evidence of “billing judgment,” or the attorney or receiver’s decision to discount or write off time that was unproductive or duplicative. *Saizan v. Delta Concrete Prods. Co.*, 448 F.3d 795, 799 (5th Cir. 2006). The amount of the award, and any reduction of the requested fee award, is within the trial court’s discretion. *See, e.g., United States Football League v. National Football League*, 887 F.2d 408, 415 (2d Cir. 1989).

⁴ As of June 30, 2023, the Receiver, Receiver’s counsel, and Receiver’s accountants have billed at a cumulative lodestar average rate of \$268.05.

⁵ These *Johnson* factors are nevertheless addressed herein. *See infra*.

⁶ The movant bears the burden of proving that the compensation requested is reasonable, and satisfaction of this burden requires that the movant present records from which the court may determine the nature of the work done, the need for it, and the amount of time reasonably required. *Louisiana Power*, 50 F.3d at 324.

Additional considerations are also relevant in the context of an equity receivership. First, the agreement or opposition of the Commission to the fee application is entitled to great weight. *See, e.g., SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973). Further, given the public service nature of equity receiverships, courts also consider the amounts recovered or other results obtained by the receiver in determining what constitutes a “reasonable fee.” *SEC v. Goren*, 272 F. Supp. 2d 202, 207 (E.D.N.Y. 2003). Additionally, examination of reasonableness and necessity should take into account all circumstances surrounding the receivership. *See SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff’d*, *SEC v. W.L. Moody & Co.*, 519 F.2d 1087 (5th Cir. 1975). The complexity and difficulty associated with the receivership are highly relevant factors in determining the reasonableness of professional fees. *See Fifth Ave. Coach Lines*, 364 F. Supp. at 1222 (awarding interim fees and expenses to law firm for role in receivership and noting that it involved wide variety of complex legal matters requiring the time, competence, and diverse resources of a law firm of high caliber). Further, Courts examine the credentials, experience, reputation, and other professional qualities required to carry out a court’s orders when assessing the reasonableness of the rates charged for services to a receivership. *See W.L. Moody & Co.*, 374 F. Supp. at 481 (holding that a court should give “considerable weight” to “a receiver’s abilities, as required by the tasks of the receivership”); *see also Fifth Ave. Coach Lines*, 364 F. Supp. at 1222 (fees awarded in full because they were based on law firm’s usual hourly rate and supported by meticulous records).

The Receiver submitted detailed descriptions of the matters on which services were expended, the number of hours billed by each professional, the rates charged by each, and the lodestar calculation for the fees submitted in this Application. Further, the Receiver’s invoices and this Application demonstrate that billing judgment was exercised in the reduction of the

standard rates charged by the Receiver and the retained professionals, in staffing the work, performing it efficiently, and in writing off time and further reducing rates where necessary. Finally, the Receiver requests that the Court judicially notice the much higher lodestar and hourly rates approved in other receiverships in Texas.⁷

The request for approval of the disbursements is also consistent with the *Johnson* factors set forth by the Fifth Circuit Court of Appeals in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). Based on the lodestar calculation and the *Johnson* factors, the Receiver believes that the fees submitted are appropriate, just, and reasonable:

A. The Time and Labor Required. The Receiver respectfully directs the Court's attention to the foregoing summary of unpaid fees and expenses, which identifies the total number of hours billed by the Receiver, the Receiver's attorneys, and accountants (1,575.60 hours total) for the period April 1, 2023 through June 30, 2023. Considerable portions of the hours expended by the Receiver and his counsel continued to result from various challenges by Defendant Barton to the Receiver's efforts. While substantial work remains to be completed, the Receiver remains hopeful that such challenges (and the resulting expense to the Receivership Estate) will be less prevalent in future quarters.

B. The Novelty and Difficulty of the Questions. Federal equity receiverships require extensive effort in order to act swiftly and efficiently in securing assets, obtaining documents and

⁷ See, e.g., *SEC v. Agridime LLC, et al.*, Case No. 4:23-cv-1224, (N.D. Tex.) (\$1,395 hourly rate for receiver); *SEC v. AriseBank*, No. 3:18-CV-00186 (N.D. Tex) (approving receiver's fee of \$525 per hour and counsel's fee of \$525 per hour [Dkt. 92]); *SEC v. Narayan*, No. 3:16-CV-1417, 2018 WL 11361757 (N.D. Tex. June 19, 2018) (approving receiver's fee of \$445 per hour and noting that standard rates for the attorneys in the case, including the receiver, were discounted 10% and capped at \$450); *SEC v. Stanford Int'l Bank Ltd.*, No. 3:09-CV-00298 (N.D. Tex) (approving receiver's fee of \$550 per hour [Dkt.3161]); *SEC v. Correll*, No. 4:05-CV-472 (E.D. Tex.) (approving Receiver fees of \$400 per hour and lead counsel fees of \$585 per hour); *SEC v. Amerifirst Funding, Inc., et al.*, No. 3:07-CV-1188 (N.D. Tex.) (noting in Dkt. 117 that Receiver's counsel's rates, discounted by 10–20% is \$420 per hour); *SEC v. W Financial Group, LLC, et al.*, No. 3:08-CV-0499-N (N.D. Tex.) (noting in Dkt. 65 that Receiver's counsel's rate is \$510 per hour, and \$165 per hour for a law clerk); and *CFTC v. Pousa*, No. 1:12-cv-00862 (W.D. Tex.) (approving Receiver fees in excess of \$600 per hour).

data from computers to find additional assets, and to communicate with investors and other parties. Additionally, as set forth in the Receiver's prior status reports, the majority of properties subject to this Receivership face substantial legal challenges. To date, the Receiver and his personnel have effectively gained control of the Defendants' assets and continued the process of interfacing with the investors, financial institutions, creditors, and persons in possession of information necessary for the Receiver to accomplish his mandate.

C. The Requisite Skill to Perform the Service. The Receiver believes the services performed in this case to date required individuals possessing considerable skill in the administration of receiverships, asset seizure, collection, and litigation. The Receiver, Brown Fox, and Ahuja & Clark have considerable skill and experience in such areas.

D. The Preclusion of Other Employment Due to Acceptance of the Case. Neither the Receiver, Brown Fox, nor Ahuja & Clark have declined any representation solely because of their services in this case. However, performing all of the work necessary since the inception of the Receivership has substantially limited the Receiver's and Receiver's counsel's available time to dedicate to other pending matters for which their rates were not reduced and which were not subject to write-off or delayed payment (which delays have been significant).

E. The Customary Fee. The hourly rates sought herein for the Receiver and the Receiver's attorneys and accountants are *substantially* lower than the rates charged by other practitioners of similar experience levels in Texas. Indeed, the per hour rates charged by the Receiver's counsel whose fees are included herein are substantially lower than the rates currently charged on other receiverships pending in Texas.⁸ The lodestar rate of \$250.25 per hour (and \$268.05 cumulatively) also demonstrates that when appropriate the Receiver is having work

⁸ See footnote 7, *supra*.

performed by less expensive attorneys or legal assistants or is otherwise reducing the amounts billed to the Receivership Estate.

F. Whether the Fee is Fixed or Contingent. The Receiver's fees and his counsel's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees, but payment of the fees and expenses is subject to approval by the Court. Moreover, as detailed in the Receiver's Status Reports filed to date, until the Receiver's settlement with DLP, it was unclear whether and when substantial funds would be secured to pay the Receiver and counsel's fees in this case. Similarly, appeals and other challenges have delayed the Receiver's ability to bring other significant sums into the Receivership. Brown Fox has agreed to consider a separate contingency engagement for certain ancillary litigation or other work incident to this engagement, should the need arise.

G. Time Limitations Imposed by the Client or Other Circumstances. Performing the mandate of the Receivership Order has been extremely time-sensitive given the nature of the appointment, the on-going concerns of many of the properties, the absence of funds to administer the estate, and other related concerns. Likewise, deadlines for the Receiver related to reporting, duties related to asset recovery, management and liquidation are generally time sensitive. And identifying and communicating with investors, primarily through the Receivership Website, is extremely time-sensitive. Finally, Defendant Barton's litigation conduct to-date has resulted in a multitude of time-sensitive and extensive briefing with the District Court and the Fifth Circuit Court of Appeals.

H. The Amount Involved and the Results Obtained. The fees for which payment is sought were for work summarized previously. The Receiver's attorneys contributed significantly to the Receiver's recovery of settlement funds that were obtained directly through the

efforts of the Receiver and the personnel he retained. Moreover, the Receiver has continued the process of identifying and securing additional sources of recovery and has entered into agreements that should result in several million dollars coming into the Receivership Estate within the coming months.

I. The Experience, Reputation and Ability of the Attorneys. Both the Receiver, and his primary counsel, Charlene Koonce at Brown Fox, have extensive experience in representation of equity receivers in federal securities or commodities enforcement cases. Ms. Koonce has done so for more than twenty years. The reputation of Brown Fox, PLLC is recognized and respected in these fields. Both the Receiver and Ms. Koonce also have extensive experience in litigation in federal and state courts in and around the Northern District of Texas.

J. The Undesirability of the Case. The representation of the Receiver incident to this case has not been undesirable. Defendant's blatant disregard for the requirements imposed on him by the Receivership Order, his frequent mischaracterizations of the work performed by the Receiver, and the resulting challenges have considerably increased the complexity and challenges of the appointment.

K. The Nature and Length of the Professional Relationship with the Client. Brown Fox and Ahuja & Clark have previously represented the Receiver in one other receivership.

L. Awards in Similar Cases. The Receiver believes the fees requested in this case for his counsel are less than or equal to those which have been awarded in similar cases in federal courts in Texas.

III. **CONCLUSION**

In conclusion, the Receiver represents and certifies that: (i) he has personally reviewed the entire contents of this Fee Application; (ii) the fees and expenses included in this Application were

incurred in the best interests of the Receivership Estate; and, (iii) the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof. The Receiver respectfully requests that the Court enter an order approving the fees and expenses requested in this Third Quarterly Fee Application, for the period from April 1, 2023 through June 30, 2023.

Dated: July 26, 2024

Respectfully submitted,

RECEIVER CORTNEY C. THOMAS

/s/ Cortney C. Thomas

Cortney C. Thomas

State Bar No. 24075153

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Dallas, Texas 75225

Telephone: (214) 327-5000

Fax: (214) 327-5001

CERTIFICATE OF CONFERENCE

I hereby certify that this Application and copies of the invoices that are exhibits to this Application were provided to counsel for the Securities and Exchange Commission by agreement and in accordance with the Receivership Order on July 15, 2023. The Receiver subsequently conferred with counsel for the Securities and Exchange Commission, who indicated that the SEC does not object to the relief sought in the application; provided that, the SEC believes it would be appropriate to impose a holdback in the amount of 20% of the amount of fees and expenses for each quarterly fee application filed with the Court as described in the Order and in accordance with the SEC's standard receivership billing procedures. The Receiver also provided a copy of this Application to counsel for all Defendants on August 11, 2023. Defendant Barton previously indicated that he was opposed to the relief requested herein but has not responded to a more recent conference request.

/s/ Cortney C. Thomas

Cortney C. Thomas

CERTIFICATE OF SERVICE

Pursuant to Fed. R. Civ. P. 5(d)(1)(B), as amended, no certificate of service is necessary because this Quarterly Fee Application is being filed with the Court's electronic-filing system.

/s/ Cortney C. Thomas

Cortney C. Thomas

ACCORDINGLY, it is hereby ORDERED that the Receiver is authorized to pay from the receivership assets recovered by the Receiver the following fees and expenses:

1. The sum of \$81,283.19 shall be paid to Cort Thomas for his services as Receiver and expenses incurred from April 1, 2023 through June 30, 2023.
2. The sum of \$208,628.50 shall be paid to Brown Fox, PLLC for its services as counsel to the Receiver from April 1, 2023 through June 30, 2023.
3. The sum of \$137,937.98 shall be paid to Ahuja & Clark, PLLC for its services as accountant to the Receiver and expenses incurred from April 1, 2023 through June 30, 2023.
4. The sum of \$9,891.36 shall be paid to Veracity Forensics LLC for its services as digital asset and discovery advisor to the Receiver from April 1, 2023 through June 30, 2023.

SO ORDERED this 20th day of August, 2024.



BRANTLEY STARR
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	Civil Action No. 5:22-cv-114-C
V.	§	
	§	
BORON CAPITAL, LLC, et al.	§	

RECEIVER'S FOURTH INTERIM FEE APPLICATION

TO THE HONORABLE UNITED STATES DISTRICT COURT:

Receiver Albert C. Black III ("Receiver") submits this Fourth Interim Fee Application, respectfully stating:

Amount Sought

1. This Application seeks the Court's approval of the fees and expenses incurred during the period of April 1, 2023 through June 30, 2023.

2. During this period, the Receiver, his accountants, other administrative personnel and his counsel have incurred fees and expenses totaling \$51,548.02.

Services Provided

3. In summary, the work during the second quarter of 2023 pertained to addressing certain litigation against a receivership defendant, addressing a suit by a receivership defendant, continuing to make reports and addressing administrative matters, working through disputes as to the marketing of the Fairwood property, working on the implementation of the distribution plan order as to the Dallas Oasis, managing the Dallas Oasis, providing accounting support, and interacting regularly with the Defendants and the Plaintiff.

4. For further detail, the Receiver has provided in an accompanying appendix invoices for the professional services rendered that detail the work done, the time spent, the rates,



and the amount charged. The Receiver incorporates these invoices by reference. The invoices are summarized as follows:

Firm	Month	Amount
Receiver (New Horizons)	April	2,520.00
Receiver (New Horizons)	May	2,412.00
Receiver (New Horizons)	June	3,546.00
New Horizons	April	8,670.66
New Horizons	May	13,772.16
New Horizons	June	7,310.80
Munsch Hardt	April	1,610.00
Munsch Hardt	May	8,406.40
Munsch Hardt	June	3,300.00
		<u>51,548.02</u>

Application of Johnson Factors

5. The primary concern in regard to professional fees is that the fee awarded be reasonable. *Blum v. Stenson*, 465 U.S. 886, 893 (1984). In this Circuit, the applicable test is set forth in *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). Under that test, a court must first determine the loadstar amount by multiplying the reasonable number of hours billed by a reasonable billing rate. That amount can then be adjusted by various factors.

6. The following reviews this Application with regard to each of the *Johnson* factors:

(a) The time and labor required. The time and labor required are set forth in detail in the statements contained in the accompanying appendix.

(b) The novelty and difficulty of the questions. The questions addressed by the professionals herein are common to enforcement receiverships generally, but they are not easy issues to assess, and the level of difficulty of the issues was such that many of them required the attention of a more senior professional.

(c) The requisite skill to perform the service. The Receiver believes that the services performed in this case have required individuals possessing considerable experience in business transactions, investment fraud, litigation, equity receiverships and liquidations. The Receiver, his counsel, his accountants and support staff have considerable experience in these areas.

(d) The preclusion of other employment due to the acceptance of the case. The Receiver and his professionals have not declined any representation solely because of their services as Receiver and counsel for the Receiver.

(e) The customary fee. The hourly rates sought herein are at least commensurate with the rates charged by other practitioners of similar experience levels in the Northern District of Texas and in the case of the Receiver and his professionals. Both the Receiver and his counsel have discounted their standard rates by ten percent, and have agreed to cap this first request.

(f) Whether the fee is fixed or contingent. The Receiver and his professionals' fees are fixed insofar as monies exist by way of receivership assets from which to pay such fees. Payment of such fees, however, is subject to Court approval, and is contingent upon the availability of receivership assets.

(g) Time limitations imposed by the Client or other circumstances. The time requirements during the period covered by this Application have been substantial, although they have decreased from the emergent nature of the first few weeks of the receivership.

(h) The amount involved and the results obtained. The amount involved in this case can be measured in a number of ways. First, this case involves invested funds of approximately \$27 million. Second, the remaining assets have a presently estimated market value of approximately \$10 million, and a consensual distribution plan has been presented that

addresses the unique circumstances of this case and maximizes the return to investors with full disclosure to investors.

(i) The experience, reputation and ability of the attorneys. Munsch Hardt is a broad-based commercial firm with substantial experience in the handling of matters generally related to civil trial law, dispute resolution, bankruptcy and general workout matters. The practice of the attorneys specifically in this case regularly includes the representation of investors and other persons involved in business transactions in which the investors or other parties are victims or aggrieved in some fashion. The Receiver and his counsel have also served as receivers or participated in other receiverships. The reputations of the Receiver and his counsel are recognized and respected in their community and area of practice.

(j) The undesirability of the case. The service as Receiver and the representation of the Receiver incident to this case has not been undesirable.

(k) The nature and length of the professional relationship with the client. This is not a factor with regard to this engagement.

(l) Award in similar cases. The Receiver submits that the fees requested in this case are commensurate with awards approved in comparable cases in this district.

Certification

The undersigned hereby certifies that the fees and expenses incurred herein and reflected on this Application were incurred in the best interests of the Receivership Estate; and (with the exception of the Billing Instructions agreed to with the Commission) the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation to be paid or to be paid from the Receivership Estate, or any sharing thereof. Additionally, as required by the Billing Instructions, the undersigned hereby additionally certifies that he has read this Application, that to the best of his knowledge,

information and belief formed after a reasonable inquiry, the Application and all fees and expenses herein are true and accurate and comply with the Billing Instructions, that all fees contained in the Application are based on the rates listed in the Applicant's original fee schedule and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed, that he 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 such may exist in the permitted allowable amounts set forth in the Billing Instructions with regard to photocopies), and in seeking reimbursement for a service which was justifiably purchased or contracted for a professional from a third party, he requests reimbursement only for the amount billed by and paid to the vendor and he is not making a profit on any reimbursable services provided by him.

Conclusion

WHEREFORE, PREMISES CONSIDERED, the Receiver requests that this Court approve the fees and expenses as set forth herein and approve payment in the amount requested.

Respectfully submitted,

/s/ Dennis Roossien

Dennis L. Roossien, Jr.

Tex. Bar No. 00784873

MUNSCH HARDT KOPF & HARR, P.C.

3800 Lincoln Plaza

500 North Akard Street

Dallas, TX 75201-6659

(214) 740-5108

(214) 855-7584 (facsimile)

CERTIFICATE OF CONFERENCE

I hereby certify that the required 30-day notice has been given to the Securities and Exchange Commission, and Defendants’ counsel, despite inquiry, has not stated a position on this motion.

/s/ Dennis Roossien

Dennis Roossien

CERTIFICATE OF SERVICE

I hereby certify that on August 30, 2023, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sent a “Notice of Electronic Filing” to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

/s/ Dennis Roossien

Dennis Roossien

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION

SECURITIES AND EXCHANGE COMMISSION §
V. § Civil Action No. 5:22-cv-114-C
BORON CAPITAL, LLC, et al. §
§
§

APPENDIX IN SUPPORT OF RECEIVER’S FOURTH INTERIM FEE APPLICATION

Respectfully submitted,

/s/ Dennis Roossien

Dennis L. Roossien, Jr.
Tex. Bar No. 00784873
MUNSCH HARDT KOPF & HARR, P.C.
3800 Lincoln Plaza
500 North Akard Street
Dallas, TX 75201-6659
(214) 740-5108
(214) 855-7584 (facsimile)

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed this document with the clerk of the court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sends a “Notice of Electronic Filing” to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

/s/ Dennis Roossien

Dennis Roossien

EXHIBIT

C-2



ASSET MANAGEMENT SERVICES

For Professional Services through April 2023

Total Professional Fees	\$2,520.00
Total Fees, Expenses and Charges	\$0.00
Total Invoice Balance Due	\$2,520.00



ASSET MANAGEMENT SERVICES

April 30, 2023

Invoice submitted to:
Securities and Exchange Commission v. Boron Capital, LLC,
BC Holdings 2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C

Invoice No: 007

In reference to: BILLING FOR THE MONTH OF April 30, 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
4/3/23	TB	Cash management meeting to discuss depleting cash balance	1.3	\$468.00
4/6/23	TB	Paid payroll and reviewed cash balances	0.50	\$180.00
4/7/23	TB	Weekly internal meeting to receive update of boron operation	0.30	\$108.00
4/11/23	TB	Visited with finance/accounting personnel regarding payroll acct and Dallas Oasis activity	0.75	\$270.00
4/13/23	TB	Reviewed information regarding insurance litigation	0.70	\$252.00
4/14/23	TB	Weekly internal meeting to receive update of Boron operation	0.40	\$144.00
4/17/23	TB	Weekly internal meeting to receive update of Boron operation	0.60	\$216.00
4/18/23	TB	Cash management meeting to discuss depleting cash balance	0.55	\$198.00
4/20/23	TB	Processed payroll for Boron entities	0.15	\$54.00
4/21/23	TB	Reviewed and signed checks for Boron and related entities	0.30	\$108.00
4/24/23	TB	Discussed minor Fairwood property make ready updated	0.25	\$90.00
4/28/23	TB	Weekly internal meeting to receive update of Boron operation	1.20	\$432.00

Total Time and Rate of \$360 p/h for Receiver, Tré Black 7.00 \$2,520.00



ASSET MANAGEMENT SERVICES

For Professional Services through May 31, 2023

Total Professional Fees	\$2,412.00
Total Fees, Expenses and Charges	\$0.00
Total Invoice Balance Due	\$2,412.00



ASSET MANAGEMENT SERVICES

May 31, 2023

Invoice submitted to:
Securities and Exchange Commission v. Boron Capital, LLC,
BC Holdings 2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C

Invoice No: 008

In reference to: BILLING FOR THE MONTH OF May 31, 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
5/1/23	TB	Call with Ahuja & Clark regarding tax matters	1.40	\$504.00
5/2/23	TB	Cash management meeting to discuss depleting cash balance	0.25	\$90.00
5/3/23	TB	Visited with finance/accounting personnel regarding payroll acct and Dallas Oasis activity	0.30	\$108.00
5/4/23	TB	Reviewed and signed checks for Boron	0.10	\$36.00
5/5/23	TB	Weekly internal meeting to receive update of Boron operation	1.50	\$540.00
5/8/23	TB	Discussed distribution plan execution timeline	1.20	\$432.00
5/9/23	TB	Call with Ahuja & Clark regarding tax matters	0.70	\$252.00
5/10/23	TB	Discussed listing of Fairwood and the staging of property	1.10	\$396.00
5/12/23	TB	Reviewed and signed checks for Boron	0.15	\$54.00
Total Time and Rate of \$360 p/h for Receiver, Tré Black			6.70	\$2,412.00



ASSET MANAGEMENT SERVICES

For Professional Services through June - July 15, 2023

Total Professional Fees	\$3,546.00
Total Fees, Expenses and Charges	\$0.00
Total Invoice Balance Due	\$3,546.00



ASSET MANAGEMENT SERVICES

June 30, 2023

Invoice submitted to:
Securities and Exchange Commission v. Boron Capital, LLC,
BC Holdings 2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C

Invoice No: 009

In reference to: BILLING FOR THE MONTH OF June and July 15, 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
5/31/23	TB	Cash management meeting to discuss depleting cash balance	0.45	\$162.00
6/2/23	TB	Reviewed and signed checks for Boron	0.30	\$108.00
6/7/23	TB	Cash management meeting to discuss depleting cash balance	0.20	\$72.00
6/9/23	TB	Reviewed Boron payables regarding wedding venue and ranch	1.50	\$540.00
6/13/23	TB	Visited with Linda regarding remaining Fairwood matters, including GC fee	1.30	\$468.00
6/19/23	TB	Prepared key items for receives report	0.55	\$198.00
6/27/23	TB	Discussed insurance mediation matter and next steps	0.75	\$270.00
6/28/23	TB	Cash management meeting to discuss depleting cash balance	0.30	\$108.00
6/30/23	TB	Reviewed and signed checks for Boron	0.10	\$36.00
7/5/23	TB	Visited with Linda regarding Fairwood property	1.15	\$414.00
7/6/23	TB	Cash management meeting to discuss depleting cash balance	0.80	\$288.00
7/7/23	TB	Reviewed and signed checks for Boron	0.50	\$180.00
7/11/23	TB	Discussed Fairwood appraisals	0.65	\$234.00
7/12/23	TB	Cash management meeting to discuss depleting cash balance	1.20	\$432.00
7/14/23	TB	Reviewed and signed checks for Boron	0.10	\$36.00
Total Time and Rate of \$360 p/h for Receiver, Tré Black			9.85	3,546.00



ASSET MANAGEMENT SERVICES

For Professional Services through April 30, 2023

Total Professional Fees	\$8,381.45
• Lorene Smith	\$402.50
• Scott Sessions	\$69.00
• Kenneth Weithers	\$1,840.00
• Georgie Cornelius	\$1,902.45
• LaToya Ellzey	\$577.50
• Robert Novak	\$3,330.00
• Stephanie Bartlett	\$260.00
Total Fees, Expenses and Charges	\$289.21
• Postage	
○ UPS Delivery	\$85.21
○ UPS Store totals	\$193.80
○ USPS Weekly Mail	\$10.20
Total Invoice Balance Due	\$8,670.66



ASSET MANAGEMENT SERVICES

April 30, 2023

Invoice submitted to:
Mr. Tré Black. Receiver

Invoice No: 011

In reference to: Securities and Exchange Commission v. Boron Capital, LLC, BC Holdings
2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C
BILLING FOR THE MONTH OF APRIL 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
4/7/23	LS	Process bi-weekly payroll. Pay date: 4/7/2023	0.75	\$172.50
4/21/23	LS	Process bi-weekly payroll. Pay date: 4/21/2023	0.50	\$115.00
4/28/23	LS	Weekly meeting with Tre Black, Blake Templeton, Zach Morrow and to discuss personnel and HR matters	0.50	\$115.00

Timekeeper Summary and Rate

Lorene Smith, Executive, HR / Compliance – Rate: \$230	1.75	\$402.50
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DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
4/11/23	SS	Participate in conference call with Ahuja & Clark re: preparation of 3/31/23 financial reports of Midland Corporate Ranch	0.30	\$69.00

Timekeeper Summary and Rate

Scott Sessions, Executive, HR / Compliance – Rate: \$230	0.30	\$69.00
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DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Accounting / Auditing				
4/3 – 4/10	KW	Meetings with receiver to discuss accounting status, recordkeeping; meetings with staff, Robert and Stephanie on documentation/bookkeeping and statements	1.50	\$345.00
4/11/23	KW	Began researching and compiling Interim Cash Report for all entities as of 04/10	1.25	\$287.50

1133 South Madison Avenue - Dallas, TX 75208

TEL: 800-TARGET-5 FAX: 214-941-4509

www.otsl.com

APP. 0072

APP. 0052



ASSET MANAGEMENT SERVICES

4/13/23	KW	E-mails and telephones conversations with Blake, including Marsha on transferring funds from various accts	0.50	\$115.00
4/20/23	KW	Communications with Truist Bank Concerning Paycor's reverse wire for Dallas Oasis and Boron Capital payrolls	0.50	\$115.00
		Updated Excel file with most recent Truist Bank transaction data for all entities and e-mailed to all parties	0.50	\$115.00
		Handled and resolved payroll funding problem to Paycor when reverse wire from 04/21 Truist did not go thru. Did a manual transfer and employees were paid late Friday.	2.50	\$575.00
4/25/23	KW	Teleconference call with Marsha and Stacey on update of (1) transaction of accounting roles and (2) status of 03/31/2023 financial statements	0.25	\$57.50
4/26/23	KW	Responded and researched on various e-mails and messages on bank transactions	0.50	\$115.00
4/28/23	KW	Updated, corrected, and issued Excel file containing Truist Bank transactions for all entities	0.50	\$115.00

Timekeeper Summary and Rate

Kenneth Weithers, Controller – Rate: \$230 8.00 \$1,840.00

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
4/3/23	GLC	Email with Blake Templeton RE: reimbursement for Dallas Oasis marketing	0.10	\$16.50
4/4/23	GLC	Email with accounting team and Blake Templeton RE: reimbursement for Dallas Oasis Marketing	0.10	\$16.50
4/5/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.50	\$82.50
		Weekly conference call with Linda Barckow RE: Fairwood property, final repairs, clean up and matters of concern to share with Receiver	0.50	\$82.50
		Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.75	\$123.75
4/13/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.50	\$82.50
		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.10	\$16.50
		Weekly conference call with Linda Barckow RE: Fairwood property, final repairs, clean up and matters of concern to share with Receiver	0.30	\$49.50



ASSET MANAGEMENT SERVICES

		Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
4/14/23	GLC	Email correspondence with Blake Templeton RE: Weekly meeting with OTSL Support team and Receiver	0.10	\$16.50
4/17/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.50	\$82.50
		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.10	\$16.50
4/19/23	GLC	Weekly conference call with Linda Barckow RE: Fairwood property and matters of concern to share with Receiver; repairs at Midland Corporate Ranch and wrapping up at Fairwood	1.25	\$206.25
		Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
		Email with Linda Barckow and Lorene Smith RE: Ms. Barckow's payroll not being deposited into her account	0.50	\$82.50
4/20/23	GLC	Email with Dennis Roossien and Lisa Garrett RE: 3 rd Interim Receiver's report	0.20	\$33.00
4/24/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.50	\$82.50
		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.10	\$16.50
4/26/23	GLC	Weekly check-in via email with Linda Barckow RE: Fairwood property and matters of concern to share with Receiver.	1.50	\$247.50
		Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
4/28/23	GLC	Conference with Receiver, Blake Templeton, and Zach Morrow to discuss outstanding administrative issues	0.18	

Case Administration

5/1/23	GLC	Prepared Receiver, Tré Black's invoice and expenses for the month of April 2023	0.75	\$123.75
		OTSL Support Services reports to the Receiver and made corrections for March	0.50	\$82.50
		Completed April 2023 billing for OTSL Support Services Team	1.00	\$165.00

Timekeeper Summary and Rate

Georgie Cornelius, Director Admin. Services – Rate: \$165 11.53 \$1,902.45

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Asset Analysis</i>				



ASSET MANAGEMENT SERVICES

4/4/23	LE	Researched investor files in order to locate specific investors per the Receiver's request	2.00	\$330.00
4/5/23	LE	Continued to research investor files	1.50	\$247.50

Timekeeper Summary and Rate

LaToya Ellzey, Support Services Manager – Rate: \$165 **3.50** **\$577.50**

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
4/11/23	SB	Verified receipts of funds for Dallas Oasis for commission purposes	1.30	\$130.00
4/19/23	SB	Worked on compiling a list of commercial appraisers for MCR and Dallas Oasis	1.50	\$100.00
4/20/23	SB	Worked on compiling a list of commercial appraisers for MCR and Dallas Oasis	0.30	\$30.00

Timekeeper Summary and Rate

Stephanie Bartlett, Accounting Support Staff- Rate: \$100 **3.10** **\$260.00**

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
4/3/23	RN	Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.75	\$175.00
		Met with T Black to sign Dallas Oasis checks 4786 - 4791, 4793 and Boron Capital check 13569.	0.25	\$25.00
		Met with Ashlee from Dallas Oasis to pick up signed checks 4783 - 4784, 4786 - 4791	0.08	\$8.00
4/4/23	RN	Email correspondence with B Templeton and K Weithers updating status of reimbursement checks sent to Lubbock via UPS.	0.08	\$8.00
4/5/23		Review checks received from M Swink. Dallas Oasis checks 4792, 4794 - 4802 and BC Holdings check 9510. Log check information into excel.	1.08	\$108.00
		Met with T Black to sign Dallas Oasis checks 4792, 4794 - 4802 and BC Holdings check 9510.	0.25	\$25.00
		Update Truist outstanding checks list for BC Holdings (5707), Dallas Oasis (5723).	0.67	\$67.00
4/6/23	RN	Met with S Gifford from Dallas Oasis to pick up signed checks 4792, 4794 - 4800 and 4802	0.08	\$8.00
		Prepared UPS envelopes for mailing Dallas Oasis check 4801 to B Templeton and BC Holdings check 9510 to L Barckow. Dropped off envelopes at UPS Access Point 150 E Illinois Ave Dallas, TX 75216	0.50	\$50.00



ASSET MANAGEMENT SERVICES

		Paid AT&T invoices online for Midland Corporate Ranch units 1-10	0.75	\$75.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with L Barckow requesting approval of Midland Corporate invoices received.	0.75	\$75.00
4/10/23	RN	Email correspondence with J Wallace confirming Midland Corporate Ranch check 1343 to DCS Janitorial printed.	0.08	\$8.00
		Download Midland Corporate Ranch Ambit Energy invoices for units 1 - 10 and email correspondence with L Barckow requesting payment approval for these invoices	0.47	\$47.00
4/13/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with M Swink notifying her of the Boron Capital, BC Holdings and Dallas Oasis invoices in the secure folder for payment. Email correspondence	2.00	\$200.00
		Review checks received from M Swink. Dallas Oasis checks 4803 - 4810 and Boron Capital checks 13570 - 13575. Log check information into excel.	3.00	\$300.00
4/14/23	RN	Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.00	\$100.00
		Email correspondence with J Wallace to print Midland Corporate Ranch checks	0.08	\$8.00
		Met with T Black and K Weithers to discuss SEC cash reports and for T Black to sign Dallas Oasis checks 4803 - 4810, Boron Capital checks 13570 - 13575 and Midland Corporate Ranch checks 1343 -1348, 1350	0.50	\$50.00
		Scanned signed checks for Dallas Oasis checks 4803 - 4810, Boron Capital checks 13570 - 13575 and Midland Corporate Ranch checks 1343 -1348, 1350 to the SEC folder.	0.25	\$25.00
		Paid Midland Corporate Ranch AT&T invoice online and download confirmation to SEC secure folder.	0.17	\$17.00
		Phone call to Michael Berg Insurance Agency to pay Foremost County Mutual policies 7750-09 and 7751-09 for Midland Corporate Ranch units 1 -10. Download payment confirmation to secure folder.	0.25	\$25.00
		Met with A Maclin from Dallas Oasis to pick up checks 4803 - 4809.	0.08	\$8.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.00	\$100.00



ASSET MANAGEMENT SERVICES

		Prepared UPS envelopes for mailing Dallas Oasis check 4810 to B Templeton and Boron Capital checks 13570 - 13572, 13574 - 13575 and Midland Corporate Ranch check 1343 to L Barckow. Take envelopes to Telecom for UPS pickup.	0.25	\$25.00
		Prepared envelopes to mail checks via USPS for Boron Capital check 13573 and Midland Corporate Ranch checks 1343 - 1345, 1347 - 1348 and 1350.	0.17	\$17.00
4/17/23	RN	Phone call with L Barckow to discuss rent payments for Midland Corporate Ranch units 1-10 and BC Holdings units Washington, Jefferson and Lincoln.	0.38	\$38.00
		Research rent payments made to Midland Corporate Ranch by Lightning, Oil States and Team Housing for units 1-10. Print bank statements to verify deposits.	1.00	\$100.00
		Research rent payments made to BC Holdings by Ryan Construction and Team Housing for Washington and Lincoln units. Print bank statements to verify deposits.	1.00	\$100.00
		Research rent payments made to Boron Capital for Hanger and 4804 60th St properties. Print bank statements to verify deposits.	0.50	\$50.00
		Email correspondence with J Wallace to notify her that the Midland Corporate Ranch Truist statement for 04/05/2023 is available in the secure folder.	0.08	\$8.00
		Email correspondence with J Wallace to answer questions related to Midland Corporate Ranch Truist bank transactions on 03/10/2023 and 03/13/2023.	0.17	\$17.00
		Email correspondence with J Wallace to provide information requested regarding Midland Corporate Ranch payments to Foremost County Mutual on 03/15/2023	0.17	\$17.00
		Email correspondence with L Barckow requesting current rent rates for Oil States for Midland Corporate Ranch units 6 - 8.	0.08	\$8.00
		Email correspondence with B Templeton to answer rent roll questions.	0.08	\$8.00
		Email correspondence with L Barckow to follow up on Oil States rental at Midland Corporate Ranch and to request a summary from Team Housing for Midland Corporate Ranch/BC Holdings rental since receivership began.	1.08	\$108.00
4/18/23	RN	Check availability of AT&T invoices online for Midland Corporate Ranch units 1-10.	0.25	\$25.00
		Email correspondence with L Barckow to confirm Ryan Construction rent deposit to BC Holdings October 2022.	0.08	\$8.00
		Email correspondence with L Barckow to request BC Holdings Washington unit March 2023 rent information for Team Housing.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Email correspondence with L Barckow to asking if the BC Holdings Washington unit was occupied from June 2022 to October 2022	0.08	\$8.00
4/19/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with M Swink notifying her of the Boron Capital, BC Holdings and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate invoices received.	1.50	\$150.00
		Phone call with Jeremy at Affordable Pest Control to discuss Midland Corporate Ranch check 1323 issued 01/26/2023 and BC Holdings check issued 01/25/2023.	0.13	\$13.00
		Follow up phone call with Rusty at Affordable Pest Control to discuss Midland Corporate Ranch check 1323 issued 01/26/2023 and BC Holdings check issued 01/25/2023.	0.17	\$17.00
4/20/23	RN	Email correspondence with J Wallace to print Midland Corporate Ranch checks	0.08	\$8.00
		Email correspondence with J Wallace to confirm that Midland Corporate Ranch check 1351 had printed correctly.	0.08	\$8.00
		Scan documentation requested by M Swink to the SEC secure drive for completion of SEC financials.	0.67	\$67.00
		Review checks received from M Swink. Dallas Oasis checks 4811 - 4821 and Boron Capital checks 13576 - 13577. Log check information into excel.	1.00	\$100.00
		Email correspondence with S Gifford requesting information about Dallas Oasis checks 4813 - 4814, 4816 and 4919 for wedding planner luncheon on 04/26/2023.	0.17	\$17.00
		Email correspondence with S Gifford requesting a picture of the gate construction to support Dallas Oasis check 4815 to a Oasis Landscaping invoice number 6295.	0.08	\$8.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	0.75	\$75.00
4/21/23	RN	Met with T Black to sign Dallas Oasis checks 4811 - 4821, Midland Corporate Ranch check 1351 and Boron Capital check 13576. Boron Capital check 13577 held for review per T Black.	0.17	\$17.00
		Scanned signed checks for Dallas Oasis checks 4811 - 4821, Boron Capital check 13576 and Midland Corporate Ranch checks 1351 to the SEC folder.	0.20	\$20.00
		Met with S Gifford to pick up Dallas Oasis checks 4811 - 4820.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Prepared UPS envelope for mailing Dallas Oasis check 4821 to B Templeton. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
		Prepared envelopes to mail checks via USPS for Boron Capital check 13576 and Midland Corporate Ranch 1351.	0.17	\$17.00
		Email correspondence with L Barckow requesting information about BC Holdings Washington unit rent for April 2023.	0.08	\$8.00
		Email correspondence with B Templeton, T Black and D Roossien with a link to the 2023 rent roll for Midland Corporate Ranch and BC Holdings 2017.	0.08	\$8.00
4/25/23	RN	Download AT&T invoices for Midland Corporate Ranch units 2-10. Email correspondence with L Barckow to approve the AT&T invoices.	1.00	\$100.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	2.00	\$200.00
		Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate invoices received.		
4/27/23	RN	Email correspondence with J Wallace to print Midland Corporate Ranch checks	0.08	\$8.00
		Review checks received from M Swink. Dallas Oasis checks 4822 - 4834 and Boron Capital checks 13578. Log check information into excel.	1.25	\$125.00
		Email Correspondence with M Swink concerning the need to possibly void Dallas Oasis check number 4833 to Culligan Water since this vendor is on auto draft.	0.08	\$8.00
		Email correspondence with J Wallace to confirm that Midland Corporate Ranch check 1352 had printed correctly. Requested that this check be voided and re-issued with an invoice date of 04/27/2023	0.08	\$8.00
		Email correspondence with J Wallace to confirm that Midland Corporate Ranch check 1353 had printed correctly.	0.08	\$8.00
4/28/23	RN	Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.50	\$150.00
		Download AT&T invoice for Midland Corporate Ranch unit 1. Email correspondence with L Barckow to approve the AT&T invoices.	0.17	\$17.00
		Met with T Black to sign Dallas Oasis checks 4822 - 4834, Midland Corporate Ranch check 1353 and Boron Capital check 13578.	0.25	\$25.00

ASSET MANAGEMENT SERVICES

Scanned signed checks for Dallas Oasis checks 4822 - 4834, Boron Capital check 13578 and Midland Corporate Ranch checks 1353 to the SEC folder.	0.17	\$17.00
Met with Bailey to pick up Dallas Oasis checks 4822 - 4833.	0.08	\$8.00
Prepared UPS envelope for mailing Dallas Oasis check 4834 to B Templeton. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
Email correspondence with L Barckow for approval of Midland Corporate Ranch AT&T invoice for unit 1.	0.08	\$8.00

Timekeeper Summary and Rate

Robert Novak, Accounting Support Staff – Rate: \$100	33.30	\$3,330.00
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ASSET MANAGEMENT SERVICES

For Professional Services through May 31, 2023

Total Professional Fees	\$13,077.75
• Lorene Smith	\$1,955.00
• Scott Sessions	\$115.00
• Kenneth Weithers	\$3,382.50
• Georgie Cornelius	\$1,014.75
• LaToya Ellzey	\$3,283.50
• Robert Novak	\$3,117.00
• Stephanie Bartlett	\$210.00
Total Fees, Expenses and Charges	\$694.41
• Postage	
○ UPS Delivery	\$200.46
○ UPS Store totals	\$484.95
○ USPS Weekly Mail	\$9.00
Total Invoice Balance Due	\$13,772.16



ASSET MANAGEMENT SERVICES

May 31, 2023

Invoice submitted to:
Mr. Tré Black. Receiver

Invoice No: 012

In reference to: Securities and Exchange Commission v. Boron Capital, LLC, BC Holdings
2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C
BILLING FOR THE MONTH OF May 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
5/1/23	LS	Emails with Marsha Swink regarding additional pay runs in January and February. Attempting to reconcile transactions made by Paycor.	0.75	\$175.50
5/3/23	LS	Processed bi-weekly payroll. Pay date: 05/05/2023	1.00	\$230.00
5/5/23	LS	Email with Serena Gifford regarding payroll matters. Process additional pay run.	0.50	\$115.00
5/8/23	LS	Phone call with Paycor regarding first quarter payroll transactions	0.75	\$172.50
5/10/23	LS	Emails with Marsha Swink and Ken Weithers regarding bank reconciliation items for Boron	1.00	\$230.00
5/11/23	LS	Researching Paycor first quarter payroll transactions	2.50	\$575.00
5/16/23	LS	Processed bi-weekly payroll. Pay date: 05/19/2023	0.50	\$115.00
5/30/23	LS	Processed bi-weekly payroll. Pay date: 06/02/2023	0.50	\$115.00
	LS	Emails with Marsha Swink and research regarding charges from Paycor in April	1.00	\$230.00

Timekeeper Summary and Rate

Lorene Smith, Executive, HR / Compliance – Rate: \$230 **8.50** **\$1,955.00**

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
5/24/23	SS	Conference call with Ahuja & Clark re: financial statements preparation and related matters	0.50	\$115.00

Timekeeper Summary and Rate

Scott Sessions, Executive, HR / Compliance – Rate: \$230 **0.50** **\$115.00**



ASSET MANAGEMENT SERVICES

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Accounting / Auditing</i>				
5/3/23	KW	Requested Truist Bank to transfer funds and provide confirmation draw down for reverse wire to Paycor was made	0.50	\$115.00
5/4/23	KW	Received bank account transaction detail; updated bank balance file; emails file to Marsha, Stacey and Blake	0.50	\$115.00
5/10/23	KW	Researched and submitted to Marsha and Stacey details for various Paycor payrolls	0.75	\$172.50
5/11/23	KW	Received bank account transaction detail; updated bank balance file; emails file to Marsha, Stacey and Blake	0.50	\$115.00
5/23/23	KW	Received Fin. Stmt from Marsha and Stacey and began compiling 1st quarter for all Blake Templeton entities	4.50	\$1,125.00
		Communications and meeting with forensic accountant engaged by the Receiver	0.50	\$115.00
5/24/23	KW	Continued work on compiling 1st QTR financial statements for all Blake Templeton entities	2.00	\$500.00
5/25/23	KW	Received bank account transaction detail; updated bank balance file; emails file to Marsha, Stacey and Blake	0.50	\$125.00
		Continued work on compiling 1st QTR financial statements for all Blake Templeton entities	1.25	\$312.50
		Began developing Interim Cash reports for 1st QTR and for YTD period ended 05/25	2.00	\$500.00
5/26/23	KW	Finalized combined financial statements and interim cash reports and submitted same to Receiver and attorney	0.75	\$187.50
<i>Timekeeper Summary and Rate</i>				
Kenneth Weithers, Controller – Rate: \$230			13.75	\$3,382.50

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
5/1/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.33	\$54.45
5/3/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.75	\$123.75
5/8/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.08	\$13.20
5/10/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.33	\$54.45
5/15/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25



ASSET MANAGEMENT SERVICES

		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.08	\$13.20
5/17/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
5/22/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
		Weekly discussion with UPS store manager, Dakota Beaudoin regarding mail forwarding to Dallas	0.08	\$13.20
5/24/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
5/31/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
		Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50

Case Administration

6/1/23	GLC	Prepared Receiver, Tré Black's invoice and expenses for the month of May 2023	1.00	\$165.00
		Completed May 2023 billing for OTSL Support Services Team	1.00	\$165.00

Timekeeper Summary and Rate

Georgie Cornelius, Director Admin. Services – Rate: \$165 6.15 \$1,014.75

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Asset Analysis				
5/1/23	LE	Gathering time sheets from the team and going over progress from the previous week	0.80	\$132.00
5/9/23	LE	Gathering time sheets from the team and going over progress from the previous week	0.80	\$132.00
5/15/23	LE	Gathering time sheets from the team and going over progress from the previous week	0.80	\$132.00
5/22/23	LE	Scanned files into folders, oversight of team, removal and put away of scanned files	4.00	\$660.00
5/23/23	LE	Scanned files into folders, oversight of team, removal and put away of scanned files	4.00	\$660.00
5/24/23	LE	Scanned files into folders, oversight of team, removal and put away of scanned files	4.00	\$660.00
5/25/23	LE	Scanned files into folders, oversight of team, removal and put away of scanned files	5.50	\$907.50

Timekeeper Summary and Rate

LaToya Ellzey, Support Services Manager – Rate: \$165 19.90 \$3,283.50



ASSET MANAGEMENT SERVICES

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
5/4/23	SB	Went through paperwork from beginning of receivership looking for anything referencing Kimberly Honorof or her investments.	1.00	\$100.00
5/8/23	SB	Went through paperwork from beginning of receivership looking for anything referencing Kimberly Honorof or her investments.	0.50	\$50.00
5/17/23	SB	Upgraded Quickbooks to 2023 in order to continue working with the MCR Data QB file.	0.30	\$30.00
5/23/23	SB	Installed updates for QuickBooks	0.30	\$30.00
<i>Timekeeper Summary and Rate</i>				
Stephanie Bartlett, Accounting Support Staff- Rate: \$100			2.10	\$210.00

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
5/1/23	RN	Email correspondence with R Dienda requesting invoice copies for the Lubbock office rental covering 03/01, 04/01 and 05/01.	0.08	\$8.00
		Email correspondence with M Swink notifying her that the BC Holdings 2017, LLC Truist bank statement for 04/24/2023 is available in the Boron secure folder.	0.08	\$8.00
5/3/23	RN	Email correspondence with M Swink notifying her that the Fleming Investments invoices are available in the Boron secure folder.	0.08	\$8.00
5/4/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate invoices received.	1.00	\$100.00
		Review checks received from M Swink. Dallas Oasis checks 4835 - 4841, BC Holdings checks 9511 - 9512, and Boron Capital checks 13579 - 13582. Log check information into excel.	2.00	\$200.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch vendor Greater Gardendale WSC is approved for payment.	0.08	\$8.00
		Email correspondence with L Barckow requesting approval of Midland Corporate Ranch vendor invoices for DCS Janitorial.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.50	\$150.00
		Email correspondence with S Gifford requesting pictures of work completed by Dallas Oasis vendor A Oasis Landscaping for invoice numbers 6322 and 6237.	0.08	\$8.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch vendor Greater DCS Janitorial is approved for payment.	0.08	\$8.00
5/5/23	RN	Met with T Black to sign Dallas Oasis checks 4835 - 4841, BC Holdings 2017, LLC checks 9511 - 9512 and Boron Capital checks 13579 - 13582.	0.25	\$25.00
		Scanned signed checks for Dallas Oasis checks 4835 - 4841, BC Holdings 2017, LLC checks 9511 - 9512 and Boron Capital checks 13579 - 13582 to the SEC folder.	0.20	\$20.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 05/03/2023 were ready to be picked up.	0.08	\$8.00
		Met with Ashlee to pick up Dallas Oasis checks 4835 - 4840.	0.08	\$8.00
		Email correspondence with J Wallace to print Midland Corporate Ranch checks	0.08	\$8.00
		Email correspondence with J Wallace to confirm that Midland Corporate Ranch check 1354 -1355 had printed correctly.	0.08	\$8.00
		Prepared UPS envelope for mailing Dallas Oasis check 4841 to B Templeton. Prepared UPS envelope for mailing Boron Capital checks 13579 - 13581 to L Barckow. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
		Email correspondence with L Barckow confirming new mailing address and listing Boron Capital checks to be mailed to her.	0.17	\$17.00
		Paid AT&T invoices online for Midland Corporate Ranch units 1-10.	1.00	\$100.00
		Email correspondence with J Wallace notifying her that payment confirmations for AT&T Midland Corporate Ranch units 1-10 are in the secure folder.	0.08	\$8.00
5/8/23	RN	Email correspondence with M Swink notifying her that that Truist statements Boron Digital Large Cap Fund (6249), Boron Capital (4882) and Dallas Oasis (4866) were available in the Boron and Dallas Oasis secure folder.	0.08	\$8.00
5/9/23	RN	Log into Ambit Energy to check if invoices were available for Midland Corporate Ranch units 1-10	0.17	\$17.00
5/10/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	1.50	\$150.00



ASSET MANAGEMENT SERVICES

		Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment.		
		Log into Ambit Energy to download invoices for Midland Corporate Ranch units 1-10.	0.50	\$50.00
		Email correspondence with L Barckow requesting approval of Ambit Energy invoices and invoices received from Lubbock.	0.08	\$8.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch invoices are approved for payment.	0.08	\$8.00
		Email correspondence with J Wallace confirming that Midland Corporate Ranch checks 1356 -1358 printed correctly.	0.08	\$8.00
5/11/23	RN	Prepare Midland Corporate Ranch checks 1356 - 1358 for approval by T Black by attaching invoice copies and L Barckow's approval.	0.50	\$50.00
		Review checks received from M Swink. Dallas Oasis checks 4835 - 4841, BC Holdings checks 9511 - 9512, and Boron Capital checks 13579 - 13582. Log check information into excel.	2.00	\$200.00
5/12/23	RN	Met with T Black to sign Dallas Oasis checks 4843 - 4846, Boron Capital checks 13583 - 13584 and Midland Corporate Ranch checks 1354 - 1358.	0.25	\$25.00
		Scanned signed checks for Dallas Oasis checks 4843 - 4846, Boron Capital checks 13583 - 13584 and Midland Corporate Ranch checks 1354 - 1358 to the SEC folder	0.20	\$20.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 05/10/2023 were ready to be picked up.	0.08	\$8.00
		Prepared UPS envelope for mailing Dallas Oasis check 4846 to B Templeton. Prepared UPS envelope for mailing Midland Corporate Ranch check 1355 to L Barckow. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
		Prepared envelopes for mailing Boron Capital checks 13583 -13584 and Midland Corporate Ranch checks 1354, 1356 - 1358 via USPS.	0.25	\$25.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.50	\$150.00
		Email correspondence with D Denison requesting a copy of Ahuja & Clark's W-9.	0.08	\$8.00
		Email correspondence with D Bragg requesting a copy of Millard & Bragg's W-9.	0.08	\$8.00
		Scanned Ahuja & Clark invoice numbers 8694 and 8228 to secure folder and attach a W-9 to each invoice.	0.17	\$17.00



ASSET MANAGEMENT SERVICES

		Met with Ashlee from Dallas Oasis to pick up checks 4843 -4845	0.08	\$8.00
		Email correspondence with L Barckow notifying her that Midland Corporate Ranch check 1355 is being sent to her via UPS.	0.08	\$8.00
		Email correspondence with R Dienda notifying her that Boron Capital check number 13582 was issued for payment of the March, April and May 2023 rent for suite 600/612.	0.08	\$8.00
5/15/23	RN	Phone call to Benchmark Insurance Group of Texas. Spoke with Kimberly requesting renewal information for policy BPGMO22053-00 expiring 06/07/2023 for Boron properties.	0.22	\$22.00
		Update S Sessions via Teams on the insurance policy renewal for the Boron properties.	0.08	\$8.00
		Phone call to Michael Berg Insurance Agency to pay Foremost County Mutual premiums for Midland Corporate Ranch units 1-10 policies 7550-09 and 7551-09. Spoke with Pat Davis. The system was slow and unable to process the payments.	0.08	\$8.00
		Email correspondence with M Swink to follow up on her request for a W-9 for Millard & Bragg.	0.08	\$8.00
5/16/23	RN	Phone call to Millard & Bragg requesting a W-9.	0.03	\$3.00
		Phone call to Michael Berg Insurance Agency to pay Foremost County Mutual premiums for Midland Corporate Ranch units 1-10 policies 7550-09 and 7551-09. Saved email confirmations from Foremost County Mutual for Midland Corporate Ranch units 1-10 policies 7550-09 and 7551-09 to the SEC secure drive.	0.18	\$18.00
		Email J Wallace notifying her of the confirmations from Foremost County Mutual for Midland Corporate Ranch units 1-10 policies 7550-09 and 7551-09 being saved to the SEC secure drive.	0.08	\$8.00
		Email M Swink notifying her that the W-9 for Millard & Bragg is in the SEC secure folder.	0.08	\$8.00
		Log into AT&T to pay invoice for Midland Corporate Ranch warehouse. Save confirmation to SEC secure drive.	0.08	\$8.00
5/17/23	RN	Email to Benchmark Insurance Group of Texas following up on the request for renewal information for policy BPGMO22053-00 expiring 06/07/2023 for Boron properties.	0.17	\$17.00
		Email correspondence with M Swink notifying her Ahuja & Clark invoices are approved for payment and are located in the Boron secure folder as well as a copy of their W-9.	0.17	\$17.00



ASSET MANAGEMENT SERVICES

		Email correspondence with D Denison at Ahuja & Clark requesting if extensions referenced on invoice 8228.Bor were completed.	0.08	\$8.00
		Email correspondence with M Swink providing requested information related for check issued to Millard & Bragg.	0.08	\$8.00
		Scanned Midland Corporate Ranch Truist statement 05/03/2023 to SEC secure drive. Email correspondence with J Wallace notifying her that the statement is available.	0.17	\$17.00
		Email correspondence with J Wallace providing information requested for April 2023 Paycor transactions.	0.25	\$25.00
		Meeting with K Weithers to discuss cash balances for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731) and the need to transfer cash to Dallas Oasis (4866).	0.50	\$50.00
5/17/23	RN	Scanned Boron Fund 8 Truist Statement to the secure drive per Marsha's request	0.08	\$8.00
5/18/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate Ranch invoices.	2.00	\$200.00
		Review checks received from M Swink. Dallas Oasis checks 4847 - 4852, BC Holdings checks 9513 - 9514, and Boron Capital checks 13586. Log check information into excel.	1.25	\$125.00
5/18/23	RN	Email correspondence with J Wallace confirming information provided for Paycor was what she needed.	0.08	\$8.00
5/19/23	RN	Met with T Black to sign Dallas Oasis checks 4847 - 4852 Boron Capital checks 13586 and BC Holdings checks 9513 - 9514.	0.25	\$25.00
		Scanned signed checks for Dallas Oasis checks 4847 - 48452 Boron Capital check 13586 and BC Holdings checks 9513 - 9514 to the SEC folder	0.13	\$13.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.00	\$100.00
		Prepared UPS envelope for mailing Dallas Oasis check 4852 to B Templeton. Prepared UPS envelope for mailing BC Holdings check 9514 to L Barckow. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
		Prepared envelopes for mailing Boron Capital check 13586 and BC Holdings 2017 LLC check 9513 via USPS.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 05/17/2023 were ready to be picked up.	0.08	\$8.00
		Met with Ashlee from Dallas Oasis to pick up checks 4847-4851	0.08	\$8.00
		Email correspondence with J Wallace confirming that Midland Corporate Ranch check 1359 printed correctly.	0.08	\$8.00
		Phone call to Benchmark Insurance group of Texas. Left a message concerning an update for policy renewal for Boron Capital.	0.03	\$3.00
5/22/23	RN	Follow up phone call to Benchmark Insurance Group of Texas. Spoke with Kimberly requesting renewal information for policy BPGMO22053-00 expiring 06/07/2023 for Boron properties. Call transferred to Austin who would email the renewal information.	0.17	\$17.00
		Save IRS extension information to Boron secure folder.	0.17	\$17.00
		Email correspondence with M Swink notifying her of the availability of the extensions.		
5/23/23	RN	Copy Paycor Payroll Summary spreadsheets for 2022 and 2023 to Midland Corporate Ranch Secure drive. Follow up email correspondence with J Wallace requesting if the spreadsheets are sufficient or if she needs actual Paycor journal reports.	0.50	\$50.00
		Email correspondence with L Smith requesting copies of Paycor Payroll Journals for Midland Corporate Ranch.	0.08	\$8.00
		Follow up on Teams the status of Benchmark Insurance renewal for Boron Capital	0.08	\$8.00
		Email correspondence with B Templeton requesting a copy of the Benchmark Insurance renewal. B Templeton received the renewal by email from Benchmark.	0.08	\$8.00
		Benchmark sent a follow up email to disregard the renewal. The email and renewal were deleted.		
		Left voicemail Benchmark Insurance to return call.	0.03	\$3.00
		Phone call to Benchmark Insurance. Spoke with Austin to request resending insurance renewal information that was not received Monday. Information to be emailed to OTSL and B Templeton.	0.15	\$15.00
5/24/23	RN	Email correspondence with B Templeton requesting a copy of the Benchmark Insurance renewal.	0.08	\$8.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	2.00	\$200.00
		Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L		



ASSET MANAGEMENT SERVICES

		Barckow requesting approval of Midland Corporate Ranch invoices.		
		Download AT&T invoices for Midland Corporate Ranch units 2-10. Email correspondence with L Barckow to approve the AT&T invoices.	1.00	\$100.00
		Met with T Black to sign Midland Corporate Ranch check 1359. Scan check to SEC folder. Prepared envelope for mailing.	0.25	\$25.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch invoices are approved for payment.	0.08	\$8.00
5/25/23	RN	Review checks received from M Swink. Dallas Oasis checks 4853 - 4859 and BC Holdings checks 9515. Log check information into excel.	1.00	\$100.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.00	\$100.00
		Email correspondence with J Wallace confirming that Midland Corporate Ranch check number 1360 printed correctly.	0.08	\$8.00
5/26/23	RN	Met with T Black to sign Dallas Oasis checks 4853 - 4859, Midland Corporate Ranch check 1360 and BC Holdings check 9515. Reviewed Boron interim cash report.	0.25	\$25.00
		Scanned Dallas Oasis checks 4853 - 4859 Midland Corporate Ranch check 1360 and BC Holdings check 9515 to SEC Boron folder.	0.25	\$25.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 05/24/2023 were ready to be picked up.	0.08	\$8.00
		Met with S Gifford from Dallas Oasis to pick up checks 4853- 4859	0.08	\$8.00
		Prepared envelopes for mailing BC Holdings check number 9515 and Midland Corporate Ranch check number 1360.	0.17	\$17.00
5/30/23	RN	Follow up phone call to Benchmark Insurance Group of Texas. Spoke with Mitchell requesting renewal information for policy BPGMO22053-00 expiring 06/07/2023 for Boron properties.	0.13	\$13.00
		Email with S Sessions providing Benchmark insurance renewal information.	0.08	\$8.00
		Email correspondence with M Swink requesting prior year payment amount to Benchmark insurance for Lubbock and Midland properties.	0.08	\$8.00
		Email Correspondence with Mitchell at Benchmark Insurance notifying him that we are ready to proceed with renewing the insurance for 2023 - 2024	0.08	\$8.00



ASSET MANAGEMENT SERVICES

Timekeeper Summary and Rate

Robert Novak, Accounting Support Staff – Rate: \$100

31.17 \$3,117.00

ASSET MANAGEMENT SERVICES

For Professional Services through June 30, 2023

Total Professional Fees	\$6,884.70
• Lorene Smith	\$747.50
• Scott Sessions	\$391.00
• Kenneth Weithers	\$1,667.50
• Georgie Cornelius	\$788.70
• Stephanie Bartlett	\$590.00
• Robert Novak	\$2,700.00
Total Fees, Expenses and Charges	\$426.10
• Postage	
○ UPS Delivery	\$31.77
○ UPS Store totals	\$385.33
○ USPS Weekly Mail	\$9.00
Total Invoice Balance Due	\$7,310.80



ASSET MANAGEMENT SERVICES

June 30, 2023

Invoice submitted to:
Mr. Tré Black. Receiver

Invoice No: 013

In reference to: Securities and Exchange Commission v. Boron Capital, LLC, BC Holdings
2017, LLC, United BNB Fund 2018, LLC, and Blake Robert Templeton
Civil Action No. 5-22-cv-114-C
BILLING FOR THE MONTH OF June 2023

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
6/5/23	LS	Emails with Marsha Swink and Paycor regarding Texas Workforce Commission tax notice for 1Q23	0.15	\$34.50
6/9/23	LS	Meeting with Receiver to discuss payroll related issues	0.50	\$115.00
6/13/23	LS	Processed bi-weekly payroll. Pay date: 06/16/2023	1.00	\$230.00
		New hire onboarding in Paycor. Bryanna Gilgreen	0.30	\$69.00
6/20/23	LS	Email and discussion with Controller regarding banking issues related to payroll	0.20	\$46.00
6/23/23	LS	Call with Controller regarding payroll for staff	0.10	\$23.00
6/27/23	LS	Meeting with Receiver to discuss issues with past due payroll	0.50	\$115.00
	LS	Processed bi-weekly payroll. Pay date: 06/30/2023	0.50	\$115.00
Timekeeper Summary and Rate				
		Lorene Smith, Executive, HR / Compliance – Rate: \$230	3.25	\$747.50

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Case Administration				
6/14/23	SS	Receipt and review of Dallas Oasis insurance renewal	0.50	115.00
6/19/23	SS	Meeting with T. Black and support team re: closing status of receivership, Dallas Oasis insurance renewal and related matters	0.50	\$115.00
6/26/23	SS	Receipt/review Order Approving Fees (2nd Interim Fee Application); meeting with internal accounting team re: reconciling fees to be paid with booked invoices to date	0.70	\$161.00
Timekeeper Summary and Rate				
		Scott Sessions, Executive, HR / Compliance – Rate: \$230	1.70	\$391.00

1133 South Madison Avenue - Dallas, TX 75208

TEL: 800-TARGET-5 FAX: 214-941-4509

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APP. 0074



ASSET MANAGEMENT SERVICES

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Accounting / Auditing</i>				
6/8/23	KW	Researched to find and submit banks Truist statements from paper to PDF for accountants' use, Marsha and Stacey	2.50	\$575.00
6/22/23	KW	Discussion with Truist on new set-up of Boron et all accounts, (1) Treasury Management and (2) Business checking	0.50	\$115.00
6/2-6/28/23	KW	Periodic transfer of funds; updating transactions by accounts; communications with Truist	1.75	\$402.50
6/28/23	KW	Deposits funds for Boron Capital and Boron Fund 8 at Truist Bank	0.50	\$115.00
6/30/23	KW	Began compiling monthly Interim Cash Report for all Boron entities	2.00	\$460.00

Timekeeper Summary and Rate

Kenneth Weithers, Controller – Rate: \$230 7.25 \$1,667.50

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
<i>Business Operations</i>				
6/2/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.10	\$16.50
6/5/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.20	\$33.00
6/7/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.10	\$16.50
		Email with Linda Barckow RE: Cleaning service fee adjustment	0.10	\$16.50
6/12/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.33	\$54.45
6/14/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
6/19/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
6/21/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
6/26/23	GLC	Weekly receipt of and opening of mailed shipped from UPS store; distributed to OTSL Support Staff	0.50	\$82.50
6/26/23	GLC	Scheduled a meeting for the Receiver and Linda Barckow RE: pay adjustment for cleaning staff at Midland Corporate Ranch	0.10	\$16.50
		Scheduled meeting with Linda Barckow and Receiver RE: Cleaning service fee adjustment	0.10	\$16.50



ASSET MANAGEMENT SERVICES

6/28/23	GLC	Weekly review of emails on behalf of Receiver regarding investor requests and concerns	0.25	\$41.25
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Case Administration

6/30/23	GLC	Prepared Receiver, Tré Black's invoice and expenses for the month of May 2023	1.00	\$165.00
		Completed June 2023 billing for OTSL Support Services Team	1.00	\$165.00

Timekeeper Summary and Rate

Georgie Cornelius, Director Admin. Services – Rate: \$165	4.78	\$788.70
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DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Business Operations				
6/15/23	SB	Sent emails regarding appraisal for 3910 Fairwood Ct. Midland, TX 79707	1.50	\$150.00
6/16/23	SB	Filing for Dallas Oasis and MCR, corresponding with appraisers regarding the Fairwood property in Midland, TX	2.00	\$200.00
6/26/23	SB	Communicated with Marsha regarding transition of Boron QBooks file to On-Target Servers	0.30	\$30.00
6/27/23	SB	Reviewed plans with Ken regarding transitioning of the Boron books to Ahuja & Clark	0.30	\$30.00
6/28/23	SB	Reviewed invoices in GP with regards to how payments should be applied, copied files into a shared OneDrive folder for Ahuja & Clark to access for Boron and Dallas Oasis	0.30	\$30.00
6/29/23	SB	Worked on getting the QuickBooks files admin settings moved over to On-Target, worked on getting the file imported into QuickBooks and shared the QBox with A&C	1.50	\$150.00

Timekeeper Summary and Rate

Stephanie Bartlett, Accounting Support Staff- Rate: \$100	5.90	\$590.00
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DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
Accounting / Auditing				
6/1/23	RN	Review checks received from M Swink. Dallas Oasis checks 4860 - 4862, 4864 - 4868 and Boron Capital checks 13587 - 13588. Log check information into excel.	1.00	\$100.00
6/2/23	RN	Met with T Black to sign Dallas Oasis checks 4860 - 4862, 4864 - 4868 and Boron Capital checks 13587 - 13588.	0.17	\$17.00



ASSET MANAGEMENT SERVICES

		Scanned Dallas Oasis checks 4860 - 4862, 4864 - 4868 and Boron Capital checks 13587 - 13588 to SEC folder.	0.25	\$25.00
		Email correspondence with K Calhoun at Truist requesting detail for accounts Boron Fund 8 (9741), Boron Capital (4262), BC Holdings 2017 (5707), Midland Corporate Ranch (5731) and Dallas Oasis (5723)	0.08	\$8.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	0.50	\$50.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 05/31/2023 were ready to be picked up.	0.08	\$8.00
		Prepared envelopes for mailing Boron Capital checks 13587 – 13588	0.05	\$5.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	1.00	\$100.00
		Email correspondence with M Swink notifying her of the Boron Capital and Dallas Oasis invoices in the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate Ranch invoices.		
		Met with S Gifford from Dallas Oasis to pick up checks 4860- 4868	0.02	\$2.00
6/5/23	RN	Log onto AT&T to pay invoices for Midland Corporate Ranch units 1-10. Save payment confirmations for secure folder.	0.75	\$75.00
		Email correspondence with J Wallace notifying her that the AT&T payments were made online, and the confirmations are in the secure folder.	0.08	\$8.00
		Phone call to Michael Berg Insurance Agency to pay Midland Corporate Ranch quarterly premium. They were unable to log into the account.	0.10	\$10.00
6/6/23	RN	Phone call with Michael Berg Insurance Agency to pay Midland Corporate Ranch quarterly premium.	0.08	\$8.00
		Phone call to Austin Conant at Benchmark Insurance of Texas. Left a voicemail to return my call concerning the Boron Capital Real Estate insurance renewal.	0.03	\$3.00
		Phone call to Benchmark Insurance Group of Texas. Discussed the need for emailed renewal digital signature. Was promised that the documentation would be sent.	0.12	\$12.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	1.00	\$100.00
		Email correspondence with L Barckow requesting approval of Midland Corporate Ranch invoices.		



ASSET MANAGEMENT SERVICES

		Email correspondence with J Wallace notifying her that Midland Corporate Ranch invoices are approved for payment.	0.08	\$8.00
6/7/23	RN	Email correspondence with J Wallace confirming that Midland Corporate Ranch check numbers 1361, 1362 printed correctly.	0.08	\$8.00
		Phone call to Benchmark Insurance Group of Texas. Spoke with Mitchell concerning not receiving renewal documentation.	0.08	\$8.00
		Email correspondence with Benchmark Insurance Group of Texas requesting that the electronic signature for the policy renewal be changed from Blake Templeton to Albert C. Black III Receiver.	0.10	\$10.00
		Email correspondence with S Gifford requesting an invoice from A Oasis to pay for repair rather than the proposal.	0.08	\$8.00
6/8/23	RN	Review checks received from M Swink. Dallas Oasis checks 4869 - 4878, 4880 and Boron Capital checks 13589 - 13594. Log check information into excel.	1.33	\$133.00
		Phone call to Benchmark Insurance Group of Texas to inquire on the billing of the renewed policy.	0.13	\$13.00
		Email correspondence with K Calhoun requesting Truist screenshots for Boron associated accounts.	0.08	\$8.00
6/9/23	RN	Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.00	\$100.00
		Met with T Black to sign Dallas Oasis checks 4869 - 4878, 4880, Boron Capital checks 13589 - 13594 and Midland Corporate checks 1361 - 1362.	0.25	\$25.00
		Scan Dallas Oasis checks 4869 - 4878, 4880, Boron Capital checks 13589 - 13593 and Midland Corporate checks 1361 - 1362 to SEC folder.	0.25	\$25.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 06/07/2023 were ready to be picked up.	0.08	\$8.00
		Met with S Gifford from Dallas Oasis to pick up checks 4869- 4878, 4880.	0.08	\$8.00
		Prepared envelopes for mailing Midland Corporate Ranch checks 1361 - 1362.	0.08	\$8.00
6/12/23	RN	Log onto AT&T to pay invoices for Midland Corporate Ranch unit 5. Save payment confirmation for secure folder.	0.08	\$8.00
		Email correspondence with L Barckow requesting approval of DCS Janitorial invoices for Midland Corporate Ranch May 2023.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Log onto Ambit Energy to download Midland Corporate Ranch invoices for units 1 - 10.	0.50	\$50.00
		Email correspondence with L Barckow requesting approval of Ambit Energy Midland Corporate Ranch invoices for units 1 - 10.	0.08	\$8.00
		Prepare UPS envelope to send Boron Capital checks 13589 - 13593 to L Barckow. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch invoices for Ambit Energy and DCS Janitorial are approved for payment.	0.08	\$8.00
		Phone call with Michael Berg Insurance Agency to pay Midland Corporate Ranch monthly premium. They took my message and phone number and would call back.	0.02	\$2.00
		Scan Midland Corporate Ranch Truist Statement 5731 06/05/2023 to secure drive. Email correspondence with J Wallace notifying her that the statement is available.	0.08	\$8.00
6/13/23	RN	Phone call with M Hutchins from Benchmark Insurance Group of Texas to discuss the electronic signature for no losses or accidents at Boron properties between 06/07/2023 - 06/13/2023.	0.03	\$3.00
		Phone call with Michael Berg Insurance Agency to pay Midland Corporate Ranch premiums for policies 5770-09 and 5771-09	0.12	\$12.00
		Email correspondence with J Wallace to confirm that Midland Corporate Ranch checks 1363 -1364 printed correctly.	0.08	\$8.00
		Email correspondence with J Wallace to notify her that Midland Corporate Ranch premiums for policies 5770-09 and 5771-09 had been paid by phone that that approved invoice copies and payment confirmations were scanned to the secure folder.	0.08	\$8.00
6/14/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with M Swink notifying her of invoices scanned to the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate Ranch invoices.	1.50	\$150.00
		Email correspondence with L Barckow requesting approval of Midland Corporate Ranch AT&T invoice for the warehouse.	0.08	\$8.00
		Pay Midland Corporate Ranch AT&T Warehouse account online	0.08	\$8.00
6/15/23	RN	Email correspondence with J Wallace notifying her that the Midland Corporate Ranch AT&T Warehouse account	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		had been paid online and that the payment confirmation is saved to the secure drive.		
		Review checks received from M Swink. Dallas Oasis checks 4881 - 4887, BC Holdings check \$1,263.00 and Boron Capital check 13595. Log check information into excel.	1.50	\$150.00
		Email correspondence with Vanessa DeLagarza at Truist requesting weekly transaction details for BNF Boron Fund 8 (9741) BNF Boron Capital (4262) BNF BC Holdings 2017, LLC (5707) BNF Midland Corporate Ranch (5731) BNF Dallas Oasis (5723) Boron Capital (4882) Midland Corporate Ranch (4874) and Dallas Oasis (4866)	0.08	\$8.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	1.50	\$150.00
6/19/23	RN	Met with T Black to sign Dallas Oasis checks 4881 - 4887, BC Holdings check 9516, Boron Capital checks 13594 - 13595 and Midland Corporate Ranch checks 1363 - 1367.	0.08	\$8.00
		Scanned Dallas Oasis checks 4881 - 4887, BC Holdings check 9516, Boron Capital checks 13594 - 13595 and Midland Corporate Ranch checks 1363 - 1366 to the SEC folder.	0.50	\$50.00
		Prepared envelopes for mailing Midland Corporate Ranch checks 1363, 1365 - 1366	0.25	\$25.00
6/20/23	RN	Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 06/14/2023 were ready to be picked up.	0.08	\$8.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	0.25	\$25.00
		Met with S Gifford from Dallas Oasis to pick up checks 4869- 4878, 4880.	0.08	\$8.00
		Scan Midland Corporate Ranch Truist bank statements (4874) for February and March to secure folder. Email correspondence with J Wallace to notify her that the statements are available.	0.17	\$17.00
		Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder.	0.50	\$50.00
		Email correspondence with M Swink notifying her of invoices scanned to the secure folder for payment.		
		Reply to email correspondence with S Huser, M Swink, K Weithers and J Wallace concerning payment of Midland Corporate Ranch 2022 Property Taxes.	0.08	\$8.00



ASSET MANAGEMENT SERVICES

		Downloaded updated 2022 property tax statements from Midland Central Appraisal District for the Midland Corporate Ranch properties.	0.22	\$22.00
		Email correspondence with J Wallace concerning voiding Midland Corporate Ranch check 1321 and re-issuing a new check for property taxes.	0.17	\$17.00
		Email correspondence with J Wallace confirming that Midland Corporate Ranch check 1368 printed correctly.	0.08	\$8.00
6/21/23	RN	Email correspondence with D Denison requesting Ahuja & Clark invoices for Boron Capital, Mercury and PetroRock.	0.08	\$8.00
		Email correspondence with J Wallace notifying her that Boron Capital invoices from Ahuja & Clark were approved and ready to be paid.	0.08	\$8.00
		Review checks received from M Swink. Dallas Oasis checks 4888 - 4896 and Boron Capital checks 13596 - 13597. Log check information into excel.	1.50	\$150.00
6/22/23		Meeting with Vanessa DeLagarza and K Weithers to discuss online access to accounts Secure Purpose (5758) Boron Capital (4262) BC Holdings 2017 (5707) Boron Holding (5715) Boron fund 8 (9741) Midland Corporate ranch (5731) Dallas Oasis (5723) Boron Capital	0.50	\$50.00
		Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	0.50	\$50.00
		Email correspondence with J Wallace confirming that Midland Corporate Ranch check 1369 printed correctly.	0.08	\$8.00
6/23/23	RN	Met with T Black to sign Dallas Oasis checks 4888 - 4896, Boron Capital checks 13596 - 13597 and Midland Corporate Ranch checks 1368 - 1369.	0.25	\$25.00
		Scan Dallas Oasis checks 4888 - 4896, Boron Capital checks 13596 - 13597 and Midland Corporate Ranch checks 1368 - 1369 to SEC Boron folder.	0.50	\$50.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 06/20/2023 were ready to be picked up.	0.08	\$8.00
		Met with S Gifford from Dallas Oasis to pick up checks 4888 - 4896.	0.08	\$8.00
		Prepared envelopes for mailing Boron Capital checks 13596 - 13597 and Midland Corporate Ranch check 1369.	0.17	\$17.00
		Prepared UPS envelope for mailing Midland Corporate Ranch check 1368 to the Midland Central Appraisal District. Take envelope to Telecom for UPS pickup.	0.25	\$25.00
6/26/23	RN	Download AT&T invoices for Midland Corporate Ranch units 1-10. Email correspondence with L Barckow to approve the AT&T invoices.	1.00	\$100.00



ASSET MANAGEMENT SERVICES

		Log onto Ambit Energy to confirm Midland Corporate Ranch check number 1363 had been applied to the account and that no balance was due.	0.17	\$17.00
		Email correspondence with V DeLagarza requesting transaction activity for Truist accounts Boron Capital (4882), Dallas Oasis (4866) and Midland Corporate Ranch (4874).	0.08	\$8.00
6/27/23	RN	Email correspondence with M Swink concerning Boron Capital check numbers 13595 and 13596 issued to Ted Gilmore.	0.08	\$8.00
		Left voicemail with Austin Barnard concerning a payment to reopen the email server to access Voyager. Follow up the voicemail with an email.	0.17	\$17.00
6/28/23	RN	Reviewed invoices forwarded to Dallas from Lubbock to determine the business unit that each invoice belonged to. Scanned invoices to the appropriate SEC secure folder. Email correspondence with S Huser and M Swink notifying them of invoices scanned to the secure folder for payment. Email correspondence with L Barckow requesting approval of Midland Corporate Ranch invoices.	1.50	\$150.00
		Email correspondence with J Wallace notifying her that Midland Corporate Ranch invoices for DIRECTV are approved for payment.	0.08	\$8.00
6/29/23	RN	Review checks received from M Swink. Dallas Oasis checks 4897 - 4907. Log check information into excel.	1.50	\$150.00
		Email correspondence with Vanessa DeLagarza at Truist requesting weekly transaction details for BNF Boron Fund 8 (9741) BNF Boron Capital (4262) BNF BC Holdings 2017, LLC (5707) BNF Midland Corporate Ranch (5731) BNF Dallas Oasis (5723) Boron	0.08	\$8.00
6/30/23	RN	Update Truist outstanding checks list for Boron Capital (4262), BC Holdings (5707), Dallas Oasis (5723) and Midland Corporate Ranch (5731).	0.25	\$25.00
		Met with T Black to sign Dallas Oasis checks 4897 - 4907	0.10	\$10.00
		Scanned Dallas Oasis checks 4897 - 4907 to the SEC folder.	0.08	\$8.00
		Email correspondence with S Gifford notifying her that Dallas Oasis checks issued 06/28/2023 were ready to be picked up.	0.08	\$8.00

Timekeeper Summary and Rate

Robert Novak, Accounting Support Staff – Rate: \$100 27.01 \$2,701.00



DALLAS / HOUSTON / AUSTIN

Ross Tower
500 N. Akard Street, Suite 3800
Dallas, Texas 75201-6659
Main 214.855.7500
Fax 214.855.7584
munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: April 12, 2023
Invoice Number: 10496523
Matter Number: 004856.00021

*For Professional Services through **March 31, 2023***

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$	5,700.00
Total Amount Due This Invoice	\$	5,700.00

ACH and Wire Instructions:

BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAKUS44

Remittance Address:

Accounting
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201-6659

Credit Card or eCheck: <https://www.munsch.com/payment>

Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.

Munsch Hardt Kopf & Harr, P.C.
Matter Number: 004856.00021
Invoice Number: 10496523
Matter Description: Boron

2 of 4
April 12, 2023

Fee Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/23	DLR	Correspondence to defendants and counsel regarding responses of investors to distribution plan motion and inquiring as to TDO response.	0.20	100.00
03/02/23	DLR	Review and approve TDO comments; raise Fairwood issue with counsel for same.	0.30	150.00
03/03/23	DLR	Preparation of Third Interim Report; respond to inquiry from authorities; respond to inquiry from Lloyds case counsel.	0.80	400.00
03/06/23	DLR	Communications with Lloyds case lead counsel; review correspondence relative to distribution motion; review information supplied by Receiver and update response to authorities; various correspondence following up to seek to complete resolution of TDO approach to McCarty and Womble.	0.50	250.00
03/07/23	DLR	Review response from WOTO counsel; advise Defendants regarding same; respond to further inquiry from authorities; coordinate production of material to same; assess next steps relative to distribution plan motion; correspondence to Defendants detailing alternatives; review responses.	1.20	600.00
03/08/23	DLR	Communications with client regarding appraisers; receive documents from client and supplement response to authorities.	0.20	100.00
03/09/23	DLR	Telephone conference with investor counsel.	0.10	50.00
03/14/23	DLR	Confer with Defendant regarding status of open TDO items.	0.10	50.00
03/15/23	DLR	Confer further with Defendant regarding status of open TDO items.	0.10	50.00
03/16/23	DLR	Various correspondence with Defendants regarding distribution motion and related matters; continue preparation of Third Interim Report; various communications with Receiver regarding distribution motion and information needed for report; review and analyze Dallas Oasis accountings and inquire regarding discrepancies; work to gather necessary information on certain assets for Third Interim Report.	1.00	500.00
03/17/23	DLR	Review responses to information requests to Receiver's team; confer with Mr. Wei	0.40	200.00
03/21/23	DLR	Continue preparation of Third Interim Report; address correspondence from Defendants; address correspondence from WoTo; final revisions to distribution motion; correspondence to SEC regarding position on motion; add a certificate of conference; revise draft proposed order; final review and proof of motion and order; direct filing.	4.30	2,150.00
03/22/23	DLR	Confer with SEC counsel regarding motion to approve distribution plan; revise proposed order; respond to investor counsel inquiries; direct filing of motion and order.	0.70	350.00

Munsch Hardt Kopf & Harr, P.C.
 Matter Number: 004856.00021
 Invoice Number: 10496523
 Matter Description: Boron

3 of 4
 April 12, 2023

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/29/23	DLR	Preparation of memorandum regarding cryptocurrency.	1.50	750.00
Total			11.40	5,700.00

Timekeeper Summary

<u>Timekeeper Title</u>	<u>Name</u>	<u>Initials</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Shareholder	Dennis Roossien	DLR	500.00	11.40	5,700.00
Total				11.40	\$5,700.00

MUNSCH HARDT

DALLAS / HOUSTON / AUSTIN

Ross Tower
500 N. Akard Street, Suite 3800
Dallas, Texas 75201-6659
Main 214.855.7500
Fax 214.855.7584
munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: April 12, 2023
Invoice Number: 10496523
Matter Number: 004856.00021

For Professional Services through **March 31, 2023**

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$ 5,700.00
Total Amount Due This Invoice	\$ 5,700.00

ACH and Wire Instructions:

BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAOKUS44

Remittance Address:

Accounting
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201-6659

Credit Card or eCheck: <https://www.munsch.com/payment>

Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.



DALLAS / HOUSTON / AUSTIN

Ross Tower
500 N. Akard Street, Suite 3800
Dallas, Texas 75201-6659
Main 214.855.7500
Fax 214.855.7584
munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: May 8, 2023
Invoice Number: 10498831
Matter Number: 004856.00021

*For Professional Services through **April 30, 2023***

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$	1,610.10
Total Amount Due This Invoice	\$	1,610.10

ACH and Wire Instructions:

BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAKUS44

Remittance Address:

Accounting
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201-6659

Credit Card or eCheck: <https://www.munsch.com/payment>

Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.

Munsch Hardt Kopf & Harr, P.C.
Matter Number: 004856.00021
Invoice Number: 10498831
Matter Description: Boron

2 of 4
May 8, 2023

Fee Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
04/03/23	DLR	Confer with client regarding open matters and next steps.	0.20	100.00
04/07/23	DLR	Preparation of materials for Fourth Interim Report; correspondence to Receiver regarding items needed; review response regarding Fairwood property; telephone conference with WOTO counsel regarding status and proposed course of action.	0.80	400.00
04/12/23	DLR	Telephone conference with client regarding Oasis suit.	0.10	50.00
04/13/23	DLR	Respond to inquiry from Defendant; put together correspondence to Plaintiffs' counsel in Dallas Oasis suit and direct Ms. Wise regarding follow-up attention to same; continue to monitor and assess Bitcoin developments and analyst views regarding same; review response from Plaintiffs' counsel to filed notice of stay; request from client documentation requested by Plaintiffs' counsel.	0.80	400.00
04/13/23	KEW	Preparation of Notice of Stay of Dallas County civil proceeding related to Dallas Oasis, LLC.	0.90	260.10
04/16/23	DLR	Check Bitcoin status and forecasts.	0.20	100.00
04/17/23	DLR	Exchange correspondence with Defendant regarding Fairwood; exchange correspondence with SEC regarding distribution plan.	0.20	100.00
04/18/23	DLR	Telephone conference with SEC regarding potential resolutions of claims against receivership defendants.	0.30	150.00
04/26/23	DLR	Telephone conference with Receiver regarding status and proposed course of action.	0.10	50.00
Total			3.60	1,610.10

Timekeeper Summary

<u>Timekeeper Title</u>	<u>Name</u>	<u>Initials</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Shareholder	Dennis Roossien	DLR	500.00	2.70	1,350.00
Senior Attorney	Kelly E. Wise	KEW	289.00	0.90	260.10
Total				3.60	\$1,610.10



DALLAS / HOUSTON / AUSTIN

Ross Tower
500 N. Akard Street, Suite 3800
Dallas, Texas 75201-6659
Main 214.855.7500
Fax 214.855.7584
munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: May 8, 2023
Invoice Number: 10498831
Matter Number: 004856.00021

For Professional Services through **April 30, 2023**

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$ 1,610.10
Total Amount Due This Invoice	\$ 1,610.10

ACH and Wire Instructions:

BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAOKUS44

Remittance Address:

Accounting
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201-6659

Credit Card or eCheck: <https://www.munsch.com/payment>

Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.



Ross Tower
500 N. Akard Street, Suite 3800
Dallas, Texas 75201-6659
Main 214.855.7500
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munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: June 20, 2023
Invoice Number: 10502106
Matter Number: 004856.00021

*For Professional Services through **May 31, 2023***

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$	8,400.00
Total Costs	\$	<u>6.40</u>
Total Amount Due This Invoice	\$	8,406.40

ACH and Wire Instructions:
BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAKUS44

Remittance Address:
Accounting
Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
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Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.

Munsch Hardt Kopf & Harr, P.C.
Matter Number: 004856.00021
Invoice Number: 10502106
Matter Description: Boron

2 of 5
June 20, 2023

Fee Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
05/01/23	DLR	Brief legal research to support reply brief; communications with investor counsel; work on negotiating agreed order; draft and direct filing of reply.	4.10	2,050.00
05/02/23	DLR	Confirm filing of reply; update client regarding developments and intended next steps; follow-up with Receiver staff regarding needed financials; preparation of second fee application; circulate to counsel for certificate of conference purposes; review and consider investor counsel response.	1.40	700.00
05/03/23	DLR	Handle investor inquiry.	0.70	350.00
05/05/23	DLR	Review and consider McCarty sur-reply; draft motion to bifurcate and new proposed orders; correspondence to McCarty counsel regarding same; telephone conference with same; address Lloyds matter; work on documenting McCarty agreement.	1.40	700.00
05/08/23	DLR	Work through Honorof claim; receive update and review order on distribution motion; update client; correspondence Defendants regarding same and next steps to implement same; telephone conference with SEC regarding possible depositions; address Fairwood matters.	1.30	650.00
05/09/23	DLR	Communications with Mr. Templeton regarding Fairwood.	0.40	200.00
05/10/23	DLR	Review and consider inquiry from Defendant; communications with counsel for same; respond to further inquiry from Defendant; confer with client; further call with Defendant and defense counsel.	0.90	450.00
05/15/23	DLR	Confer with client regarding next report and fee application; review materials from same; communications with investor; correspondence to client regarding initial implementation of distribution order.	0.40	200.00
05/16/23	DLR	Preparation of fee application.	0.30	150.00
05/17/23	DLR	Review correspondence from McCarty counsel; correspondence with Defendant and client regarding same; exchange further correspondence regarding Fairwood sale status; review and respond to TDO counsel inquiry; draft motion to approve sale; correspondence to Defendants regarding same.	2.30	1,150.00
05/19/23	DLR	Respond to defendant inquiry; consideration of steps needed to complete TDO closing; call with TDO counsel regarding same; preparation of motion to confirm sale; circulate same to TDO counsel.	1.30	650.00
05/23/23	DLR	Telephone conference with McCarty counsel regarding sale procedures motion.	0.20	100.00
05/25/23	DLR	Receive correspondence relative to additional Fairwood item; check with client regarding same; analysis of particular investor claim; confer with SEC regarding same.	0.70	350.00

Munsch Hardt Kopf & Harr, P.C.
Matter Number: 004856.00021
Invoice Number: 10502106
Matter Description: Boron

3 of 5
June 20, 2023

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
05/26/23	DLR	Receive update regarding financials available for Third Interim Report; pull additional background regarding investor claim and supplement report to SEC; attend call with SEC; communications with TDO relative to investor addresses; compile and provide list to same.	1.40	700.00
Total			16.80	8,400.00

Time3eeper kummarS

<u>Time3eeper Title</u>	<u>Name</u>	<u>Initials</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Shareholder	Dennis Roossien	DLR	500.00	16.80	8,400.00
Total				16.80	\$8,400.00

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
04/13/23	FileTime LLC - Filing Fee - Submission# 74610337. DC-23-03742. Dallas County - 14th District Court. Albert Black. Dennis Roossien	6.40
Total		\$6.40

Cost kummarS

<u>Description</u>	<u>Amount</u>
Filing Fee	6.40
Total	\$6.40



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Main 214.855.7500
Fax 214.855.7584
munsch.com

Albert C. Black, III, Receiver
1133 S. Madison Avenue
Dallas, TX 75208

Invoice Date: June 20, 2023
Invoice Number: 10502106
Matter Number: 004856.00021

For Professional Services through **May 31, 2023**

Client: Securities and Exchange Commission
Matter: Boron

Total Fees	\$	8,400.00
Total Costs	\$	6.40
Total Amount Due This Invoice	\$	8,406.40

ACH and Wire Instructions:

BOKF, NA (FFC Bank of Texas, NA)
ABA Routing Number: 111014325
Account Number: 2880510762
Swift Code: BAOKUS44

Remittance Address:

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Dallas, TX 75201-6659

Credit Card or eCheck: <https://www.munsch.com/payment>

Client or Matter Number and Invoice Number Required.

Federal ID Number: 75-2096964

For billing inquiries, please contact accounting@munsch.com or (214) 740-5198.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION

SECURITIES AND EXCHANGE COMMISSION,

V.

BORON CAPITAL, LLC, et al.

§
§
§
§
§

Civil Action No. 5:22-cv-114-C

ORDER ON FOURTH INTERIM FEE APPLICATION

BEFORE THE COURT is the Receiver's Fourth Interim Fee Application, and the Court, finding the motion well-taken based upon the grounds stated and the evidence submitted, grants the motion. The Receiver is hereby authorized to pay \$51,548.02 to himself and his professionals according to the table provided in the application, as compensation for services rendered during the period April 1, 2023 through June 30, 2023.

SO ORDERED.

Signed this 5th day of Sept., 2023.



SAM R. CUMMINGS
SENIOR UNITED STATES DISTRICT JUDGE

EXHIBIT

C-3

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

VS.

Civil Action No. 3:16-CV-1735-D

CHRISTOPHER A. FAULKNER,
BREITLING ENERGY CORPORATION,
JEREMY S. WAGERS, JUDSON F.
("RICK") HOOVER, PARKER R.
HALLAM, JOSEPH SIMO, DUSTIN
MICHAEL MILLER RODRIGUEZ,
BETH C. HANDKINS, GILBERT
STEEDLEY, BREITLING OIL & GAS
CORPORATION, CRUDE ENERGY,
LLC, PATRIOT ENERGY, INC.,

Defendants,

and

TAMRA M. FREEDMAN and
JETMIR AHMEDI,

Relief Defendants.

RECEIVER'S MOTION FOR ENTRY OF ORDER:

(1) APPROVING FINAL PAYMENT OF FEES AND EXPENSES TO PROFESSIONALS; (2) APPROVING FINAL DISTRIBUTION OF RECEIVERSHIP ASSETS; (3) ASSIGNING PAYMENTS DUE UNDER RECEIVERSHIP JUDGMENTS AND CLAIMS TO THE U.S. SECURITIES AND EXCHANGE COMMISSION; (4) PERMITTING FINAL DISPOSITION OF BOOKS AND RECORDS OF THE RECEIVERSHIP ESTATE; AND (5) CLOSING THE RECEIVERSHIP ESTATE AND DISCHARGING THE RECEIVER

AND BRIEF IN SUPPORT

EXHIBIT

D-1

APP. 0115

APP. 0095

THE TAYLOR LAW OFFICES, PC

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COUNSEL FOR RECEIVER

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<i>SEC v. Am. Capital Investments, Inc.</i> , 98 F.3d 1133 (9th Cir. 1996), <i>abrogated by Steel Co. v. Citizens for a Better Env't</i> , 523 U.S. 83, 118 S. Ct. 1003, 140 L. Ed. 2d 210 (1998)	9
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Thomas L. Taylor III (“Receiver”), Court-appointed Temporary Receiver in the above-styled action (the “Enforcement Action”) gives notice of and submits this Motion for the entry of an Order (1) approving the final payment of fees and expenses to engaged professionals, (2) approving the final distribution of Receivership Assets, (3) assigning payments due under certain Receivership Estate judgments and claims to the U.S. Securities and Exchange Commission (the “Commission” or “SEC”), (4) permitting final disposition of the books and records of the Receivership Estate, and (5) closing the Receivership Estate and discharging the Receiver (the “Motion for Discharge”).

The Receiver has completed his work pursuant to the Court’s appointment Orders [ECF No. 108, as modified by ECF Nos. 142, 320, 418 and 496] (the “Order Appointing Receiver”), including his efforts to liquidate and recover assets for distribution to investors and creditors, concluding agreement/closure with taxing authorities, identifying claimants to the Receivership Estate, and conducting an interim distribution of Receivership Assets. The Receiver has determined that there is no further material benefit to be derived from the continuation of the Receivership, except as to the matters subsumed by the present Motion for Discharge and Proposed Order.

The Receiver is now prepared to pay outstanding invoices of engaged professionals (pursuant to the Final Application to Pay Fees Incurred by the Receiver and Other Professionals, detailed *infra* at §II (the “Final Fee Application”)), to make a final distribution of Receivership Assets to Estate claimants pursuant to the Plan of Distribution approved by this Court [ECF No. 541] (“Plan”), to assign payments due arising from certain Receivership claims and final judgments to the Staff of the Commission, to abandon or destroy all books and records of the Receivership Estate under his control, to file a final accounting of the Receivership with the Court,

and to close the Receivership. The Receiver respectfully seeks leave of this Court to proceed accordingly and thereafter to be discharged of his responsibilities and any liability under the Order Appointing Receiver.

The Receiver has provided the present Motion for Discharge and Final Fee Application to counsel for Plaintiff Commission, who are not opposed to the relief requested herein.

I. ARGUMENT AND AUTHORITIES

A. Appointment of the Receiver

Upon motion by the Commission, this Court entered its Order Appointing Receiver in the above-styled action on September 25, 2017 [ECF No. 142] (“September 25 OAR”), finding the appointment of a receiver “necessary and appropriate for the purposes of marshaling and preserving all assets—in any form or of any kind whatsoever—owned, controlled, managed, or possessed by defendants Christopher A. Faulkner [(“Faulkner”)], Breitling Oil & Gas Corporation (“BOG”), and Breitling Energy Corporation (“BECC”) (collectively, the “Receivership Defendants”), directly or indirectly (“Receivership Assets”).” *Id.* p. 1.¹ Pursuant to the September 25 OAR Thomas L. Taylor III was “appointed to serve without bond as temporary receiver (the “Receiver”) for the estates of the Receivership Defendants and the Receivership Assets.” *Id.* ¶2.²

Upon subsequent motions by the Receiver to expand the Receivership Estate, this Court amended its Orders Appointing Receiver to include defendant Patriot Energy, Inc. (“Patriot”) and

¹ The Court had initially appointed the Receiver *ex parte* on August 14, 2017 [ECF No. 108 (“August 14 OAR”)] with respect to Faulkner, BOG and BECC’s “oil-and-gas related assets,” subsequently expanding the Receivership Estate (in the September 25 OAR) to encompass “all assets” of the Receivership Defendants following notice to the Defendants and briefing by parties to the Enforcement Action.

² In its Memorandum and Opinion and Order [ECF No. 141] this Court expressly held that “Faulkner’s assets [vis-à-vis the asset freeze and the Receiver’s control] ... encompass[] entities controlled by Faulkner to which the un rebutted evidence indicates he may have redistributed either BOG’s or BECC’s investors’ assets—including the Breitling Royalties Corporation.” *Id.* at 8.

non-parties Breitling Royalties Corporation (“BRC”), Breitling Ventures Corporation (“BVC”), Breitling Holdings Corporation (“BHC”), Breitling Operating Corporation (“Breitling Ops”), Inwood Investments, Inc. (“Inwood”) and Grand Mesa Investments, Inc. (“Grand Mesa”) [ECF No. 320, “First Amended OAR”]; defendant Crude Energy, LLC (“Crude Energy”) and non-party Crude Royalties, LLC (“Crude Royalties”) [ECF No. 418, “Second Amended OAR”]; and non-parties Breitling Energy Companies, Inc. (“BECOS”) and Breitling Royalty Funds, LLC (“BRF”) [ECF No. 496, “Third Amended OAR”] (collectively with BOG and BECC, the “Receivership Entities”).³

B. Summary of Interim and Proposed Final Distributions

The Receiver proposes to effect a final distribution of approximately \$4,394,457.50 (the “Final Distribution”) pursuant to the Plan of Distribution previously approved by this Court. ECF No. 541. The Final Distribution will be made on a *pro rata* basis to those parties who have sustained a net out-of-pocket loss resulting from investments in, or loans to, Receivership Entities BOG, BRC, BECC, Crude Energy, Crude Royalties or Patriot (the “Final Claimants”). The Receiver estimates that upon the Final Distribution, the Final Claimants will have received distributions totaling approximately 12.5% of their respective claims.

Pursuant to this Court’s Order dated April 19, 2023 [ECF No. 656], in April 2023 the Receiver effected an interim distribution of \$9,539,857 to Final Claimants.

³ The term “Receivership Assets” as used hereinbelow has the same definition given to it in ECF No. 496. The term “Receivership Defendants” as used hereinbelow means Faulkner, BOG, BECC, Crude Energy and Patriot.

C. Procedural Posture of Underlying Enforcement Action

The only remaining matter to be adjudicated in the Enforcement Action is the resolution of the Commission's outstanding claims for civil remedies against the Receivership Defendants BOG, BECC, Crude Energy, and Patriot arising from the allegations contained in the Commission's First Amended Complaint [ECF No. 22]. The Commission's Staff and the Receiver negotiated, then executed and submitted to the Commission, written settlement proposals that would resolve all of the Commission's claims against the entity Receivership Defendants. Since only the Commission⁴ -- as distinct from its Staff -- has authority to settle an enforcement action, the Staff is required to present any prospective settlements to the Commission for its review and approval. The Staff of the Commission presented the Receivership Defendants' settlement offers to the Commission, which approved them on or about June 12, 2023. Counsel for Plaintiff Commission has moved this Court [ECF No. 705] to approve the settlements with the entity Receivership Defendants, which motion is presently pending.

D. Administration of the Receivership Estate

1. Receiver's Plan of Distribution and Identification of Claimants

On March 28, 2019, this Court conditionally approved the Receiver's proposed Plan of Distribution. The Court entered an Order [ECF No. 424] (the "March 28 Order") requiring that the Receiver give notice to interested parties providing an opportunity to present any objections to the Plan. A number of objections were filed pursuant to procedures established by the Court. By Memorandum Opinion and Order dated April 28, 2020 [ECF No. 541] (the "April 28 Order"), this

⁴ The Commission consists of five Commissioners, appointed by the President, with the advice and consent of the Senate. *See* Section 4(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78d(a)]. A securities law enforcement action may only be commenced by the Commission itself (*see* Exchange Act § 21(d)(1) [15 U.S.C. § 78u(d)(1)]), as distinct from the Commission's staff, who are appointed under Section 4(b) of the Exchange Act [15 U.S.C. § 78d(b)].

Court overruled all objections, determined that the Receiver's proposed Plan was fair, reasonable, and equitable, and granted the Receiver's motion. Also therein the Court ordered the Receiver to submit a proposed Order covering actions that the Receiver deemed necessary to carry out any part of the Plan that had not already been implemented (*e.g.*, setting the claim bar date). Pursuant to this Court's instructions, the Receiver submitted a proposed Order Implementing Plan of Distribution which this Court entered on May 11, 2020 [ECF No. 542] (the "Implementation Order").

Consistent with the Implementation Order, the Receiver initiated communication with more than 1,300 individuals and entities appearing in the Receivership books and records and otherwise known to the Receivership as potential claimants. The Receiver successfully established communication with more than 1,000, some with multiple claims. Because of the complexity of the claims process and the analysis of documents connected to the claims, the Receiver engaged an outside firm, Pannell Kerr Forster of Texas, P.C. ("PKF"), to handle the associated clerical work. At the outset, potential claimants were supplied with and requested -- but not required -- to submit an eight-page form outlining supplemental documentation to be submitted by each potential claimant by November 30, 2020. As of that date, PKF had received 406 information packages. Based upon the initial information submitted, significant communication with those claimants was required in order to reconcile the Receivership's records with information submitted by them as prescribed in the Implementation Order.

Based on the books and records of the Receivership Estate, PKF initially prepared Notional Claim Amounts for 575 potential claimants who had not submitted supplemental documentation. Subsequently, additional Notational Claim Amounts were calculated for claimants based upon books and records of the Receivership Estate and further communications with claimants. Pursuant

to the Implementation Order, at the end of the Fourth Quarter of 2020, the Receiver began to transmit Notional Claim Amounts to potential claimants. More than 1,000 Notional Claim Amounts were sent to investors.

On January 20, 2023 the Receiver filed his Motion for Leave to Disallow Claims of Certain Claimants that Cannot be Located (as amended on February 3, 2023, the “Motion to Disallow”), seeking leave to disallow the claims of certain potential claimants that the Receiver had been unable to locate despite substantial efforts to do so. The Court granted the Motion to Disallow by Order entered March 7, 2023. ECF No. 695.

Pursuant to the Plan of Distribution, Receivership Assets are to be distributed to those investors who had sustained a “net out-of-pocket loss” resulting from their investments in or through BOG, BRC, BECC, Crude Energy, Crude Royalties and Patriot (the “Offering Entities”). Receivership Assets would be distributed to these investors on a *pro rata* basis based upon the “net out-of-pocket loss” of each as a percentage of the total “net out-of-pocket losses” of all investor claimants -- without regard to the manner by which the investments were made. Each claimant’s “net out-of-pocket loss” was calculated as (1) the total amount invested in or through the Offering Entities; less (2) any amounts, or the value of any assets, received with respect to the investment (e.g., payments or assets transferred from a Receivership Entity, payments from a third-party oil and gas operating company, the sale of any oil and gas interest received from an Offering Entity, or the sale of any shares of BECC stock).

The Plan of Distribution subordinated the claims of trade creditors and other similarly situated unsecured creditors to the claims of investors. *See, e.g., CFTC v. PrivateFX Global One*, 778 F.Supp. 2d 775, 786-87 (S.D. Tex. 2011) (citing *Quilling v. Trade Partners, Inc.*, No. 1:03-CV-0236, 2006 WL 3694629, at *1-2 (W.D. Mich. Dec. 14, 2006) (finding that the equitable

doctrine of constructive trust gave defrauded investors a “priority of right” over other claimants)).⁵ Since the distributions of Receivership Assets are a small fraction of the investor-claimants’ claims, there were no funds distributed to unsecured or trade creditors.

The interim distribution approved by this Court [ECF No. 656] was calculated as prescribed by the Plan of Distribution; the Final Distribution amounts for each claimant have been derived from that calculation applied as to each claim to the remaining assets to be distributed.

2. Disposition of Oil and Gas Assets

At the inception of the Receivership, the Staff of the Commission provided the Receiver with information which had been developed during their investigation regarding working interests and royalty interests known to have been held by the Receivership Entities. Most of the identified oil and gas operators associated with these interests were served with the Order Appointing Receiver. To the fullest extent possible, the Receiver initiated communication with these oil and gas operators directing that all revenue and other assets (including assets held in suspense) be remitted to the Receivership Estate.

The Receiver from inception -- and pending sale -- administered the oil and gas assets identified and the revenue associated with those assets. The Receiver and his staff assembled -- based upon incoming correspondence and royalty checks available -- a schedule of oil and gas assets which were subject to the Order Appointing Receiver and throughout the Receivership reported to this Court revenue from those assets on Quarterly Status Reports. A total of \$6,381,949.03 was received by the Receivership Estate as income from oil and gas assets during the pendency of the Receivership Estate.

⁵ As of this date, the Receiver is not aware of any debts or claims secured by Receivership Assets.

On July 26, 2019, the Court entered its Order Granting Receiver (1) Authority to Sell Oil and Gas Interests; (2) Authority to Retain Sales and Marketing Firm; and (3) Approval of Sales Procedures [ECF No. 463] (the “Sales Procedure Order”). The Receiver sought leave to sell the portfolio of oil and gas interests included within the Receivership Estate, employing EnergyNet.com, LLC (“EnergyNet”) -- a reputable and professional internet-based oil and gas marketing firm in Amarillo, Texas -- to assist the Receiver in marketing and selling these assets pursuant to prescribed procedures (including procedures for Court review and confirmation of each sale). The Receiver executed an agreement with EnergyNet conforming to the Sales Procedures Order and proceeded to market all of the Estate’s oil and gas assets through that firm.

a. December 2019 Auction of Working Interests

On or about November 25, 2019, the Receiver posted notice related to the sale of EnergyNet Lot 62414, consisting of various non-operated working interests located in multiple counties across North Dakota, Oklahoma and Texas. A total of 224 unique EnergyNet users visited the “data room” for Lot 62414 prior to auction. During the auction, eight bids were placed by four unique bidders, although none exceeded the minimum bid reserve price. Subsequently the Receiver authorized EnergyNet personnel to negotiate a sale price with auction participants, eventually agreeing with the ultimate buyer on a sale price of \$82,500. Upon motion by the Receiver, the Court confirmed the sale of the Lot 62414 assets free and clear of all liens, claims and encumbrances on February 3, 2020. ECF No. 511.

b. October 2021 Auction of Royalty Interests

In application of the equitable principles embodied in the Plan of Distribution, the Receiver, in connection with implementation of the Plan of Distribution, asked the Court to

invalidate certain conveyance instruments executed by Offering Entities in favor of some investors.⁶ The Receiver sought to invalidate these conveyances through summary proceedings before the Court, affording notice and opportunity to respond to all affected parties.⁷ Invalidation of these conveyances was necessary for the Receiver to cure and recover title to these oil and gas assets and liquidate them for the benefit of all investor-claimants. Notably, the conveyances were defective in any event, causing virtually all potential revenue to be held in suspense by operators -- which is to say the interests were worthless to the nominal holders. Such action effectively returned these interests to the entities in Receivership which previously held title, after which the Receiver was in a position (1) to receive funds held in suspense by operators and (2) to liquidate the oil and gas interests under the supervision of this Court -- for the benefit of all defrauded investors under the Receiver's Plan. On November 13, 2020, this Court granted the Receiver's Motion to Invalidate Certain Conveyances in Furtherance of the Court-Approved Plan of Distribution. ECF No. 574.

Upon entry of this Court's Order the Receiver consulted with EnergyNet with respect to steps necessary to ensure that the invalidation of the conveyances was perfected and, hence, to establish marketable title to the royalty interests which were to be auctioned through that firm. Upon the advice of EnergyNet, the Receiver engaged oil and gas counsel at Sprouse Shrader Smith

⁶ In this regard, relying upon extensive forensic work of the SEC Staff in the Enforcement Action, the Receiver demonstrated to the Court that investor funds of various Offering Entities had been extensively commingled, rendering it inequitable to permit some investors to claim assets which had been acquired with funds of other investors.

⁷ See *SEC v. Amerifirst Funding, Inc.*, No. 3:07-CV-1188-D, 2008 WL 282275, at *15 (N.D. Tex. Feb. 1, 2008) (Fitzwater, J.), *aff'd in part, vacated & remanded in part, on other grounds*, 570 F.3d 268 (5th Cir. 2009) ("[A] district court may employ summary rather than plenary proceedings to adjudicate the rights to property allegedly within the receivership estate. Such summary proceedings related to receiverships do not offend the parties' due process rights 'so long as there is adequate notice and opportunity to be heard.'" (quoting *SEC v. Am. Capital Investments, Inc.*, 98 F.3d 1133, 1146 (9th Cir. 1996), *abrogated by Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 118 S. Ct. 1003, 140 L. Ed. 2d 210 (1998)) (citing *SEC v. Wencke*, 783 F.2d 829, 838 (9th Cir. 1986); *SEC v. Universal Fin. Services*, 760 F.2d 1034, 1037 (9th Cir. 1985)) (footnote omitted).

PLLC in Amarillo, Texas to assist in curing and recovering title to the royalty interests covered by the applicable conveyances. Oil and gas counsel assisted in preparing Affidavits of Fact which were recorded in the counties where the interests lay. The Affidavits of Fact set forth facts concerning the Enforcement Action, including but not limited to: (i) the identities of the Defendants; (ii) the purpose of the action; (iii) the appointment of the Receiver; and (iv) details regarding the Motion to Invalidate Certain Conveyances in Furtherance of the Court-Approved Plan of Distribution and subsequent Order. The Affidavits of Fact were recorded in each county in which an invalidated conveyance was originally recorded. Per advice of counsel, these Affidavits of Fact were necessary to place operators of the interests and all other pertinent parties on notice that the subject conveyances were invalidated in accordance with the Order and that the Receiver held title to these interests. By taking these steps the Receiver was able to (1) recover funds held in suspense by operators and (2) liquidate the oil and gas interests described in the invalidated conveyances through auction at EnergyNet.

The auction bid window for the royalty interests sale closed on October 5, 2021. Nine bidders submitted sealed bids for the royalty interests. At the close of the auction period, the highest bid received was for \$2,300,000. Many of the submitted bids were at lower values and were from qualified and often successful bidders on EnergyNet. Accordingly, the final sales price for the royalty interests achieved market or above-market value. The Receiver authorized EnergyNet personnel to continue to negotiate the sale price with auction participants, and ultimately secured an offer for \$2,500,000 from Elm Creek Energy, LLC and John & Theresa Hillman Family Properties, LP, which offer was accepted by the Receiver. The Receiver moved the Court to confirm the sale of the royalty interests on October 14, 2021, which the Court granted by order entered November 5, 2021. ECF No. 640.

c. *May 2023 Auction of Working Interests*

In certain instances, the Receiver questioned the standing of certain investors' claims upon the Receivership Estate because of side deals and other irregular transactions which occurred during the operation of the Breitling entities. The Receiver negotiated and achieved an agreement with respect to the reconveyance of remaining outstanding interests. Consequently, the referenced assets were reconveyed to the Receivership Estate. The Receiver made efforts to cause the operators involved to record the assets in the name of Breitling Energy Companies, Inc., and therefore enabled the offer of these assets for sale in a final working interest auction on EnergyNet.

The preparation of the online "data room" for these working interest assets (Lot 97381) was completed and opened to the public on or about March 15, 2023. EnergyNet marketed this asset to their bidder base of over 35,000 registered bidders including direct calls to key decision makers, targeted emails, mass email campaigns, and auto generated emails based on buyers' unique pre-selected preferences. Ten bidders submitted 20 bids for these assets during the auction. At the close of the auction period, the highest bid received was for \$150,000, which exceeded the minimum reserve price set by the Receiver. This purchase price represented approximately 28 months of the monthly average net income for these assets, an amount consistent with the average lot listed on EnergyNet with similar attributes.

The Receiver moved the Court to confirm the sale of these working interests on April 11, 2023, which the Court granted by order entered May 3, 2023. ECF No. 704.

3. Resolution of Ad Valorem and Other Oil and Gas-Related Tax Issues

At the inception of the Receivership, the Receiver initiated contact with law firms which regularly represent taxing authorities in the affected jurisdictions in order to determine whether and where potential tax liabilities associated with known oil and gas interests might exist. From

inception, the Receiver engaged in extensive efforts to identify and to negotiate with respect to tax penalties and other fees which might impact the Receivership Estate's oil and gas interests. The Receiver was able to determine these tax liabilities (1) by review of past and ongoing correspondence from taxing authorities; (2) by communication with law firms predominantly representing taxing authorities in various jurisdictions; and (3) by research regarding outstanding tax litigation/judgments against the various Receivership entities.

The Receiver initiated efforts to calculate and to settle amounts owed for ad valorem taxes on oil and gas assets owned by the Receivership Entities. It was the Receiver's position that payments of the ad valorem taxes would not include attorneys' fees or statutory penalties pursuant to the Third Amended OAR. One firm representing taxing authorities in certain counties of which the Receivership Entities then held assets, Perdue Brandon Fielder Collins & Mott LLP, complied with the Receiver's request to remove attorney's fees and litigation costs from amounts owed, and payment in the amount of \$216,148.97 was made for the outstanding taxes due (some dating back to 2014). On November 22, 2021, a second firm, McCreary Veselka Bragg & Allen PC complied with the Receiver's request and payment in the amount of \$16,017.63 was made. Extensive communications with a third firm, Linebarger Goggan Blair & Sampson, were undertaken with respect to its client-taxing authorities. In December 2022, payment in the amount of \$207,446 was made for outstanding taxes due to Linebarger clients.

In June 2022, a fourth firm, Reid, Strickland, & Gillette, L.L.P. initiated litigation -- in violation of the Order Appointing Receiver -- for the collection of outstanding taxes (some dating back to 2014) on behalf of their clients Goose Creek CISD and Lee College District. Through counsel, the City of Baytown intervened in that litigation -- also in violation of the Order

Appointing Receiver. Upon demand by the Receiver the litigation was dismissed and in December 2022 payment was made to these taxing authorities in the amount of \$91,124.

As of the date of this Motion for Discharge, final tax payments to various taxing authorities throughout Texas and in other states and associated with the Receivership's oil and gas royalty interests held by the Receivership Entities and sold at auction have been completed. The sale of the Receivership Estate's royalty interests implicated *pro rata* sharing of some of the obligations with the buyer. The Receivership Estate, as Seller was obligated to retire all tax liabilities prior to 2021. Because of provisions of the purchase and sale agreement, the buyer was required to initiate certain payments (for periods 2021 and going forward) followed by proration between the Receivership Estate and the buyer of 2021 obligations. The buyer concluded required payments and calculated this *pro rata* share for 2021 taxes. The Receivership Estate remitted payment to the buyer on April 24, 2023.

4. Disposition of Additional Assets

a. *Initial Efforts to Identify Receivership Assets*

At the inception of the Receivership, Staff of the SEC had learned that Defendant Faulkner had diverted the mail of the Receivership entities to a mail facility near Dallas and that certain royalty payments had been received in that facility from various oil and gas interests. The only other assets identified to the Receivership Estate consisted of inconsequential amounts on deposit in several banking institutions.

On September 2, 2017, the Receiver filed with this Court a Motion for Order to Show Cause re Contempt [ECF No. 123] detailing efforts to obtain information necessary to the administration of the Receivership Estate. On September 6, this Court granted the Receiver's Motion [ECF No. 125]. On October 22, 2017, the Receiver filed a Motion to Amend the Order to

Show Cause with respect to Faulkner and his mother, non-party Carole A. Faulkner (“Carole Faulkner”), and their efforts to conceal and withdraw proceeds which had been paid to Faulkner’s nominee entity, U.S. Property Investments, Inc. (“USPI”) from the sale of RackAlley, LLC (“RackAlley”), an enterprise in which Faulkner had owned a significant interest. The Receivership Defendants and non-parties Carole Faulkner and USPI were ordered to appear before this Court to show cause why they should not be held in contempt. *See* ECF No. 180. The Receiver filed a Second Motion to Amend Order to Show Cause re: Contempt on November 20, 2017 [ECF No. 203] with respect to Carole Faulkner and USPI, who -- in violation of the September 25 OAR -- filed a lawsuit against the Receiver in California State court. The Receiver’s Order to Show Cause as Amended came before the Court for evidentiary hearing on December 14, 2017. Following the hearing, this Court took the matter under submission and rendered its Memorandum Opinion and Order on February 13, 2018 (“Contempt Order”) [ECF No. 247].

This Court required in its Contempt Order that Faulkner make a corporate representative for BECC, BOG and BRC available for deposition. On March 22, 2018, the corporate entities presented Chris Sapia for deposition as their corporate representative. Mr. Sapia testified that he was a personal friend of Jeremy Wagers, the former general counsel of BECC. He testified that he was being compensated for his appearance for a fee of \$5,000 which was paid by a personal check from Carole Faulkner. Mr. Sapia also testified that his source of knowledge regarding the corporate entities consisted of conversations with Faulkner and a review of documents which the Receiver had supplied to counsel as a non-exhaustive body of documents about which the witness might be examined. Although, for obvious reasons, Mr. Sapia’s knowledge of facts and circumstances related to the corporate entities was not extensive, he provided limited useful information --

particularly regarding transfers of funds from the Breitling entities to Grand Mesa, which were used for Faulkner's personal expenses.

In connection with compliance with the Contempt Order, the Receiver requested that Faulkner account for a series of internet domain names which had been under his control in a GoDaddy account and which were likely acquired with Breitling assets. In response, Faulkner through counsel, provided a list of the domain names and advised that the proceeds of the sale for one of these domains had been deposited into one of the known Citibank accounts in or about 2016.

b. Proceeds from the Sale of RackAlley

The Receiver sought adjudication of contempt regarding the disposition of proceeds from the Sale of RackAlley LLC which, the Receiver asserted, was an asset under the control of Faulkner. Prior to the hearing of the matter, \$150,000 of the proceeds were transferred to the Receivership Estate by Bank of America over the stringent objections of Carole Faulkner. Of the remaining \$60,000, \$50,000 was held at Bank of the West and \$10,000 had come into the possession of Carole Faulkner. Upon presentation of this Court's Contempt Order to Bank of the West, it remitted the \$50,000 to the Receivership Estate. Carole Faulkner remitted \$10,000 to the Receivership Estate on or about March 12, 2018, as ordered.

c. Receiver's Motion for Attorney's Fees Arising from Contempt Proceedings

On February 13, 2018, this Court held defendants Faulkner, BOG, and BECC, and non-parties Carole Faulkner, BRC, and USPI in civil contempt for violating three Court orders: the August 14 OAR and the August 14 Asset Freeze Order [ECF No. 107] (collectively, the "August 14 Orders"), and the September 25 OAR. The Court held that Faulkner, BOG, and BECC -- knowingly aided and abetted by BRC -- violated the August 14 Orders by diverting Receivership

assets, failing to produce required documents, and failing to produce required corporate representatives. The Court also held that Faulkner -- knowingly aided and abetted by Carole -- violated the September 25 OAR by failing to turn over proceeds from the sale of RackAlley. Finally, the Court held that Carole Faulkner and USPI had aided and abetted Faulkner in violating the September 25 OAR by commencing a lawsuit against the Receiver in California state Court without leave of this Court.

In addition to holding these defendants and non-parties in civil contempt, the Court held that the Receiver was “entitled to recover his reasonable and necessary attorney’s fees incurred in prosecuting the instant contempt motion.” ECF No. 247 at 42. On March 13, 2018, the Receiver applied for award of attorney’s fees consistent with the Court’s Contempt Order and requested award of these attorney’s fees be allocated according to the culpability of the various contemnors. ECF Nos. 258, 259.

On June 7, 2018, this Court approved the Receiver’s application and awarded him the total sum of \$183,376.34 in attorney’s fees and costs. The Court held that, of this sum, Faulkner, BECC, BOG, and BRC were jointly and severally liable for \$65,285.82 in attorney’s fees and costs; Faulkner and Carole Faulkner were jointly and severally liable for \$59,195.82; and Carole Faulkner and USPI were jointly and severally liable for \$58,894.70. Pursuant to this Court’s order, payment of these sums was due no later than 30 days after the Memorandum Opinion and Order was filed.

No amounts were paid pursuant to the Court’s Order. On or about August 3, 2018, the Receiver moved this Court for Entry of Final Judgment upon the foregoing amounts. In open court, the Receiver withdrew that motion and the Court proceeded to hear evidence on the Receivers’ Motion for Order to Show Cause Why Carole Faulkner Should Not be Held in Contempt of the

Court's Fee Order. ECF No. 299. On January 22, 2019, this Court entered its Memorandum Opinion and Order adjudicating Carole Faulkner to be in contempt. ECF No. 397.

The Court found by clear and convincing evidence that Carole Faulkner violated its previously entered "Fee Award" for roughly \$118,000 in attorney's fees, and that she did not meet her burden of showing that compliance was impossible. *Id.* at 5, 10. The Court held Carole Faulkner in civil contempt and ordered her to pay the Receiver \$118,090.52 by April 22, 2019. If she failed to do so, the Court would impose a coercive, nonpunitive fine of \$250 per day thereafter. *Id.* at 13-14.

On August 24, 2018, the Receiver moved for an order approving his Application for Attorney's Fees and Costs Pursuant to Sanctions Order. ECF No. 307. On November 13, 2018, the Court granted the Receiver's motion requiring Carole Faulkner to pay an additional \$10,045.50 in attorney's fees and expenses within 30 days. ECF No. 336. On June 24, 2019, the Receivership received \$128,132 from Carole Faulkner in full payment of both fee awards.

d. Frost Bank Cashier's Checks

In 2018, the Receiver sought the return from Frost Bank ("Frost") of \$840,000 in funds derived from proceed from the sale of Faulkner's personal residence, which Faulkner had purchased in January 2013 using wrongfully-diverted investor assets. *See SEC v. Faulkner (Faulkner VI)*, 2018 WL 4362729, at *5 (N.D. Tex. Sept. 12, 2018) (Fitzwater, J.).⁸ The sales proceeds had been converted to cashier's checks issued by Frost. Six of the cashier's checks, with

⁸ Faulkner sold the residence in July 2017 -- after the SEC initiated the Enforcement Action, but before the court first appointed a receiver on August 14, 2017.

a total face value of \$780,000, were later located in the possession of Beniammine “Benny” Kheir (“Kheir”), a resident of Lebanon, who refused to turn over the checks to the Receiver.⁹

Frost declined to comply with the Receiver’s demands for the return of these funds, contending that the cash was not a Receivership Asset and that Frost could be subjected to liability if it later dishonors the cashier’s checks. The Receiver moved the Court for a turnover order with respect to these funds. ECF No. 341. The Court held that the funds used to purchase the cashier’s checks were not, at the time the checks were purchased, Receivership Assets, and -- declining to rule whether the checks themselves were Receivership Assets -- that the funds that Frost might use to satisfy the cashier’s checks were not Receivership Assets. ECF No. 403, at 4.

On August 5, 2022 the Receiver and Frost jointly moved the Court to order the turnover of \$50,000 to the Receiver [ECF No. 666], which funds were related to the cashier’s check dishonored by Frost after being presented to a foreign bank for payment. The Court ordered the turnover of these funds on August 8, 2022 [ECF No. 668], and Frost subsequently transferred these funds to the Receiver’s account.

e. Assets Seized by United States Government and Remitted to the Receivership

The United States Attorney for the Northern District of Texas executed certain seizure warrants upon Defendants in the Enforcement Action. The Receiver advised the United States Attorney’s office that the Receivership Estate would accept custody of these assets for the benefit of defrauded investors.¹⁰ These assets are as follows:

⁹ Frost had dishonored one check in the amount of \$50,000 that was presented to a foreign bank for payment.

¹⁰ It was determined that the assets were actually in the custody of the Criminal Division of the Internal Revenue Service which was involved in the investigation of Faulkner/Breitling.

1. Two large custom oil field paintings by Alec Monopoly;
2. \$43,513.78 seized from Bank of America Account xxx6648;
3. \$122,387.11 seized from Wells Fargo Account xxx9160; and
4. \$85,093.05 seized from BB&T Account xxxx6091.

The two Alex Monopoly paintings were transferred to the Receivership Estate and were consigned to Dallas Auction Gallery in Dallas for sale. The two paintings were sold at auction by Dallas Auction Gallery in Dallas for \$10,000 and \$11,000. The sale proceeds, net of commissions, were transferred to the Receivership Estate. The cash assets also were transferred to the Receiver's account.

On or about July 27, 2022, Craig Clotfelter, Special Agent in the Financial Crimes Investigative Unit of the Internal Revenue Service ("IRS"), informed the Receiver that the IRS held additional amounts, aggregating more than \$280,000, which could be transferred after a Petition to Transfer Assets was submitted to the Treasury Executive Office of Asset Forfeiture. The Receiver and IRS staff jointly prepared and submitted on August 5, 2022 such a petition. This petition is pending approval by the Financial Crimes Investigative Unit's division counsel. The Receiver has been advised that the transfer will likely receive the required approval in the near term but that the actual transfer could not be made before 90 – 120 days following approval. Accordingly, it is clear that the funds will not be transferred prior to final distribution and discharge of the Receiver. As detailed *infra*, at §I.E, the Receiver asks that the Court authorize the Commission to accept the payment of these funds and carry out the collection and distribution of these assets.

f. Assets in Possession of Christopher Faulkner Upon his Arrest

On or about June 18, 2018 FBI and IRS agents arrested Faulkner as he was boarding an aircraft at Los Angeles International Airport destined for the United Kingdom. The United States