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8  
 9 **UNITED STATES DISTRICT COURT**  
 10 **NORTHERN DISTRICT OF CALIFORNIA**  
 11 **SAN JOSE DISTRICT**

12 SECURITIES AND EXCHANGE  
 13 COMMISSION,

14 Plaintiff,

15 vs.

16 SMALL BUSINESS CAPITAL CORP.;  
 MARK FEATHERS; INVESTORS PRIME  
 FUND, LLC; and SBC PORTFOLIO  
 17 FUND, LLC,

18 Defendants.

Case No. CV12-03237

**FIFTH INTERIM FEE APPLICATION OF  
 ALLEN MATKINS LECK GAMBLE  
 MALLORY & NATSIS LLP, GENERAL  
 COUNSEL TO THE RECEIVER**

Date: August 1, 2014  
 Time: 9:00 a.m.  
 Ctrm: 4 - 5th Floor  
 Judge: Hon. Edward J. Davila

1 Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), general counsel for  
 2 Thomas A. Seaman, Court-appointed permanent receiver ("Receiver") for Small Business Capital  
 3 Corp. ("SBCC"), Investors Prime Fund, LLC ("IPF"), SBC Portfolio Fund, LLC ("SPF") and their  
 4 subsidiaries and affiliates ("Receivership Entities"), hereby submits this fifth interim application  
 5 for payment of professional fees and reimbursement of costs ("Fifth Fee Application") for the  
 6 period November 1, 2013 through January 31, 2014 ("Fifth Application Period"). Allen Matkins  
 7 seeks interim approval and payment of \$148,757 in fees and \$1,814.68 in expenses incurred during  
 8 the Fifth Application Period.

### 9 I. INTRODUCTION

10 The fees incurred by Allen Matkins during the Fifth Fee Application total \$177,153.75 for  
 11 a total of 376.6 hours of work. However, Allen Matkins seeks interim approval and payment of  
 12 \$148,757 in fees, which represents the number of hours worked multiplied by \$395, the blended  
 13 hourly rate approved by the Court in connection with Allen Matkins' employment application. The  
 14 remaining \$28,396.75 should be held back until the conclusion of the receivership.

15 The work performed, which is discussed in detail below and set forth task-by-task on  
 16 Exhibit A, is categorized as follows:

17 Category	Hours	Fees
18 General Receivership	3.3	\$1,277.55
19 Asset Recovery	0.0	0.00
20 Investigation/Reporting	12.7	6,597.00
21 Investor Communications	0.5	209.25
22 Sale of Assets/Disposition	68.9	36,036.45
23 Pending Litigation	2.5	1,046.25
24 Claims	53.8	26,975.25
25 Third Party Claims	37.2	14,051.25
26 Distribution	48.3	23,460.30
27 Employment/Fees	13.2	5,640.75
28 California Business Bank Litigation	136.2	61,859.70
<b>TOTAL</b>	<b>376.60</b>	<b>\$177,153.75</b>

1 **II. TASKS PERFORMED AND COSTS INCURRED**

2 **A. Introduction**

3 During the Fifth Application Period, Allen Matkins worked diligently to assist the Receiver  
4 with all legal matters pertaining to the receivership.<sup>1</sup> As reflected in the bills attached as  
5 Exhibit A, legal work performed by Allen Matkins' attorneys and staff during the Fifth Application  
6 Period did not overlap with or duplicate the Receiver's work. Exhibit A provides a detailed list of  
7 each and every charge, sorted by category of work, person executing the work, and task  
8 performed.<sup>2</sup>

9 **B. Categories and Descriptions of Work Performed**

10 **1. General Receivership**

11 Allen Matkins' work in this category includes assisting the Receiver in reviewing and  
12 responding to certain of Mr. Feathers' filings in this case and the pending appeal. The reasonable  
13 and necessary fees for work in this category total \$1,277.55

14 **2. Investigation and Reporting**

15 Allen Matkins assisted the Receiver in preparing a detailed summary of his work during the  
16 period July 1, 2013 through September 30, 2013 and drafting his Eighth Interim Report. The firm  
17 also assisted in addressing issues with a consultant retained by the Receivership Entities to assist in  
18 servicing SBA loans (which consultant was terminated), various emails and communications from  
19 Mr. Feathers, as well as issues with servicing the loan portfolios. Allen Matkins' reasonable and  
20 necessary fees for this work total \$6,597.

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23  
24 <sup>1</sup> A detailed description of the status of the case may be found in the Receiver's First, Second,  
25 Third, Fourth, Fifth, Sixth, Seventh, and Eighth Interim Reports, filed in the instant action as  
26 Docket Nos. 30, 53, 77, 167, 386, 581, 618, and 689. Specifically, the Eighth Interim Report  
(Dkt. No. 689) addresses the Receiver's work and the status of the case during the first two  
months of the Fifth Application Period (November and December 2013).

27 <sup>2</sup> While every effort is made to be consistent and accurate in the allocation of activities to the  
28 various categories, certain activities may lend themselves to more than one category or may  
simply be difficult to categorize. Nevertheless, Exhibit A reflects the actual time spent on any  
given activity and contains an accurate description of the services provided.

1                   **3.     Investor Communications**

2           Allen Matkins assisted the Receiver in responding to investor communications, inquiries  
3 and requests. Allen Matkins' reasonable and necessary fees for this work total \$209.25.

4                   **4.     Sale of Assets and Disposition**

5           This category contains Allen Matkins' time providing advice and counsel to the Receiver  
6 regarding the potential sale of the Receivership Entities' SBA lending license and loan portfolio,  
7 including participating in conferences with the SBA to discuss procedures for obtaining SBA  
8 approval of potential bidders, sale procedures, and the ultimate sale. Allen Matkins assisted in  
9 preparing the motion for approval of sale procedures and exhibits, and discussing the procedures  
10 and documents with the SBA and the SEC.

11           The sale procedures motion, exhibits, and supporting declarations were filed on March 12,  
12 2014. Dkt. Nos. 762, 762-1, 762-2. The exhibits, which Allen Matkins prepared, include a  
13 confidentiality agreement for potential purchasers to sign, detailed instructions regarding the  
14 proposed sale procedures for potential purchasers to follow, and two form purchase and sale  
15 agreements – one for the 7(a) loans and SBLC license and one for the 504 and non-SBA loans.  
16 The sale procedures, if approved, will allow the Receiver to market the loans and license for sale,  
17 entertain offers from qualified potential purchasers, obtain their highest and best bids, complete the  
18 sales in a prompt and efficient manner, and maximize the recovery from the assets.

19           Allen Matkins also assisted the Receiver in analyzing various issues relating to the  
20 potential sale, including SBA regulations regarding the transfer of the loans and SBLC license, the  
21 SBA's contingent claim, and the loan participation agreement with California Business Bank.  
22 Finally, the firm assisted in reviewing and revising the proposed listing agreement with broker  
23 Voit Real Estate Services LP. The reasonable and necessary fees for Allen Matkins' work in this  
24 category total \$36,036.45.

25                   **5.     Pending Litigation**

26           In January 2014, the Receiver received a Complaint naming SPF as a defendant in a loan  
27 enforcement/foreclosure action filed by a mechanic's lien creditor of one of SPF's borrowers.  
28 Allen Matkins prepared a letter to the attorney who filed the Complaint, advising him of the

1 litigation injunction contained in the Court's Preliminary Injunction Order and directing him to  
2 dismiss SPF from the lawsuit. The firm followed up with the attorney on several occasions to  
3 confirm SPF had been dismissed entirely from the case. The reasonable and necessary fees for this  
4 work total \$1,046.25.

## 5 **6. Claims**

6 This category contains Allen Matkins' work in reviewing, analyzing, and objecting to  
7 claims submitted by investors and creditors. Allen Matkins prepared a motion for approval of  
8 omnibus and specific claim objections ("Claims Motion") and supporting declaration, which  
9 provided the Receiver's recommended allowed amount of all investor and non-investor claims  
10 submitted to the Receiver. The Claims Motion was filed on November 15, 2013. Dkt. No. 626.

11 Allen Matkins assisted in reviewing, analyzing, and preparing reply briefs to various  
12 oppositions to the Claims Motion, including those from the SBA, Natalie Feathers, and California  
13 Business Bank ("CBB"). Dkt. Nos. 655, 664. In particular, Allen Matkins analyzed and advised  
14 the Receiver on issues relating to the \$24 million contingent claim submitted by the SBA. The  
15 firm assisted the Receiver in negotiating a stipulation with the SBA, under which adjudication of  
16 the SBA claim is deferred until such time as a sale of the loans and SBLC license is approved by  
17 the Court and \$4 million in receivership estate funds is set aside with the SBA claim having  
18 priority to such funds to the extent its claims is allowed.

19 The hearing was held on February 14, 2014, and the Claims Motion, including the  
20 stipulation addressing the SBA claim, was approved by order entered on February 26, 2014. Dkt.  
21 No. 714. Allen Matkins' reasonable and necessary fees for work in this category total \$26,975.25.

## 22 **7. Third Party Claims**

23 Allen Matkins' time in this category focused on researching and analyzing claims against  
24 certain third parties. Allen Matkins assisted the Receiver in preparing an ex parte application  
25 seeking authority to pursue such claims, a form of proposed demand letter to such third parties,  
26 and a form of complaint. The firm also assisted in preparing an administrative motion to file these  
27 documents under seal. The administrative motion was granted on December 20, 2013. The ex  
28 parte application, supporting declaration, and exhibits were filed under seal the same day. The

1 Court has not yet ruled on the ex parte application. Allen Matkins' reasonable and necessary fees  
2 in this category total \$14,051.25.

### 3 **8. Distribution**

4 Allen Matkins' time in this category relates to formulating and drafting the Receiver's  
5 proposed Distribution Plan and his motion for approval. Considerable thought and analysis went  
6 into formulating a plan that treats investor and non-investor claimants fairly and equitably under  
7 the unique circumstances of this case. The Distribution Plan and motion for approval were filed on  
8 November 19, 2013 ("Distribution Motion"). Docket No. 628.

9 The hearing date assigned to the Distribution Motion was April 25, 2014. In light of the  
10 financial hardship the delay in distributions imposes on investors, the Receiver filed an  
11 administrative motion for order shortening time on the Distribution Motion and Claims Motion  
12 discussed above. Dkt. No. 630. The administrative motion was granted and the hearing date was  
13 advanced to January 31, 2014 (Dkt. No. 631), then later continued to February 14, 2014 on the  
14 Court's own motion.

15 Allen Matkins assisted in reviewing and analyzing objections to the Distribution Motion  
16 filed by the SBA, CBB, investor Stephen Hengstler, and investor J. Robert Gilroy. The firm  
17 prepared a reply to the objections, which was filed on December 10, 2013. Dkt. No. 657. Allen  
18 Matkins analyzed the SBA's legal arguments and participated in discussions with the SBA, which,  
19 as noted above, resulted in the Court-approved stipulation. In addition to deferring adjudication of  
20 the SBA claim and setting aside a \$4 million reserve pending such adjudication, the stipulation  
21 also withdrew the SBA's objection to the Distribution Motion. The hearing on the Distribution  
22 Motion was held on February 14, 2014 and the motion was approved by order entered on  
23 February 25, 2014. Dkt. No. 713.

24 The reasonable and necessary fees for this work total \$23,460.30.

### 25 **9. Employment and Fees**

26 Allen Matkins prepared and filed its fourth interim fee application for the reasonable and  
27 necessary fees incurred from August 1, 2013 through October 31, 2013. The fourth interim fee  
28 applications of the Receiver and Allen Matkins were filed on December 4, 2013 (Dkt. Nos. 646,

1 647) and taken under submission on February 14, 2014. The reasonable and necessary fees for  
 2 Allen Matkins' work in this category total \$5,640.75.

### 3 **10. California Business Bank Litigation<sup>3</sup>**

4 Pursuant to the Court's order authorizing the Receiver to pursue claims against CBB and its  
 5 officers and directors (Docket No. 361), the Receiver's Complaint was filed on May 2, 2013.

6 During the Fifth Application Period, Allen Matkins assisted the Receiver in preparing a mediation  
 7 brief and participating in one-day mediation with Court-appointed mediator Ellyn Lazarus. The  
 8 mediation was held in San Francisco on November 19, 2013. The case did not settle at mediation.

9 Allen Matkins prepared a First Amended Complaint, which was filed on December 2,  
 10 2013. CBB filed a motion to dismiss the First Amended Complaint on December 19, 2013. Due  
 11 to the parties' respective holiday and vacation schedules, Allen Matkins assisted in preparing a  
 12 stipulation to adjust the briefing schedule and hearing date for the motion. The stipulation was  
 13 approved on December 29, 2013.

14 Allen Matkins reviewed and analyzed CBB's motion to dismiss the First Amended  
 15 Complaint. The firm assisted the Receiver in preparing an opposition, along with a request for  
 16 judicial notice. In consultation with CBB's counsel, Allen Matkins also prepared a stipulation to  
 17 continue the Case Management Conference set for January 22, 2014, to February 13, 2014, the  
 18 hearing date for the motion to dismiss. Allen Matkins reviewed and analyzed the arguments made  
 19 in CBB's reply brief. In consultation with CBB's counsel, the firm also prepared a Joint Case  
 20 Management Statement, which was filed on January 30, 2014.

21 Considerable time and analysis went into preparing the First Amended Complaint and  
 22 opposition to CBB's motion to dismiss. The action, which was commenced after obtaining Court  
 23 approval, seeks to recover \$990,000 that IPF paid to purchase CBB stock. Allen Matkins'  
 24 reasonable and necessary fees in this category total \$61,859.70.

25  
 26  
 27 <sup>3</sup> The time descriptions contained in the bills for this category of work contain information  
 28 relating to attorney work product and strategy involved in the pending litigation against CBB  
 and its officers and directors. For this reason, these bills are not attached hereto. The Receiver  
 will provide these bills directly to the Court for *in camera* review upon request.

1           **C.       Summary of Costs Requested**

2           Allen Matkins requests the Court approve reimbursement of \$1,814.68 in out-of-pocket  
3 costs. Allen Matkins charges \$.19 per page for copies and \$1.00 per page for outgoing faxes.  
4 There is no charge for incoming faxes. The itemization of such expenses is reflected in the  
5 General Receivership category in **Exhibit A** and is summarized below:

6           Duplication	\$313.86
7           Document Search (incl. PACER, Lexis, Secretary of State)	476.90
8           Federal Express	264.67
9           Messenger	759.25
10 <b>TOTAL COSTS</b>	<b>\$1,814.68</b>

11           **III.     ALLEN MATKINS' FEES AND COSTS SHOULD BE APPROVED**

12           The Receiver was appointed on June 26, 2012. Docket No. 16. He promptly engaged  
13 Allen Matkins as his general counsel and the firm immediately started work to assist the Receiver  
14 in stabilizing the Receivership Entities, addressing urgent legal issues, and reporting to the Court  
15 on the Receiver's activities. Docket No. 30. Allen Matkins promptly sought approval of its  
16 employment, which was granted by the Court on July 10, 2012. Docket Nos. 31 and 36. The  
17 employment application stated that Allen Matkins would achieve a blended hourly rate of \$395  
18 over the entire receivership.

19           Allen Matkins filed its First Interim Fee Application on December 6, 2012. Docket  
20 No. 135. On May 15, 2013, the Court issued its Order Partially Granting First Interim Fee  
21 Applications ("First Fee Order"). Docket No. 463. The Court approved only 59% of the fees  
22 incurred by Allen Matkins during the first 14 weeks of the case (the First Fee Application Period).<sup>4</sup>  
23 The First Fee Order states the primary rationale for the reduction "is that the Court objects to Allen  
24 Matkins' charging a blended hourly rate of \$454.10." *Id.* at p. 7. Rather than reduce the allowed

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26  
27 <sup>4</sup> Although the First Fee Order states that 66% of the requested fees are allowed, the ruling  
28 equates to a 41% reduction in Allen Matkins' fees because the Court applied its 34% reduction  
to the 90% interim payment Allen Matkins requested. Allen Matkins had proposed a 10%  
holdback, and therefore only requested an interim payment of 90% of fees incurred.



1 fees to \$395 per hour, the Court approved only \$269.73 per hour.<sup>5</sup> The Court did not find the  
 2 amount of time billed by Allen Matkins was unreasonable in relation to the tasks completed or the  
 3 quality of work was not satisfactory, but instead stated that receivers' counsel should only be  
 4 modestly compensated in cases where investors stand to recover a fraction of their losses. Allen  
 5 Matkins sought leave to seek reconsideration of the First Fee Order, which was denied.

6 By the time the Court entered the First Fee Order, the Receiver and Allen Matkins had filed  
 7 their Second Interim Fee Applications. Docket Nos. 338, 339. In light of the First Fee Order, the  
 8 Receiver and Allen Matkins sought leave to file a supplement to Allen Matkins' Second Interim  
 9 Fee Application. Leave was granted and Allen Matkins filed a supplemental brief, along with a  
 10 declaration from the Receiver and a request for judicial notice. Docket Nos. 549, 549-1, and  
 11 549-2. The supplemental brief highlighted cases, including those cited by the Court in the First  
 12 Fee Order, which hold that hourly rates for lawyers representing receivers in SEC cases "are  
 13 appropriate if they 'are in line with those prevailing in the community for similar services by  
 14 lawyers of reasonably comparable skill, experience, and reputation.'" *SEC v. Byers*,  
 15 590 F. Supp. 2d 637, 645 (S.D.N.Y. 2008) (quoting *Blum v. Stenson*, 465 U.S. 886, 896 n. 11  
 16 (1984)); *see also SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973).  
 17 The supplemental brief and request for judicial notice also provided citations showing the  
 18 approved hourly rates of law firms representing receivers in other SEC enforcement actions in  
 19 California. These citations demonstrate that \$395 per hour is at the low end of the range of hourly  
 20 rates approved by courts in these cases.

21 On August 16, 2013, the Court entered its Order Partially Granting Second Interim Fee  
 22 Applications ("Second Fee Order"). Docket No. 590. The Court again took issue with the firm's  
 23 blended hourly rate. However, instead of reducing the allowed fees to \$395 per hour (which it  
 24 emphasized the firm should be held to), the Court approved a much lower hourly rate -- only  
 25 \$327 per hour. Again, the Court did not find the amount of time billed by Allen Matkins was  
 26 unreasonable in relation to the tasks completed or the quality of work was not satisfactory, but  
 27

28 <sup>5</sup> It appears the Court may have intended to approve \$300 per hour, but because the 34%  
 reduction was applied to the 90% requested, the approved hourly rate was only \$269.73.

1 instead reiterated that receivers' counsel should only be modestly compensated in cases where  
 2 investors stand to recover a fraction of their losses. Thus, the Court allowed only 67% of the fees  
 3 incurred by the firm.<sup>6</sup>

4 The Receiver and Allen Matkins filed their Third Interim Fee Applications on  
 5 September 20, 2013. On December 19, 2013, the Court entered its Order Partially Granting Third  
 6 Interim Fee Applications ("Third Fee Order"). Docket No. 674. The Court again took issue with  
 7 the firm's blended hourly rate. Instead of allowing fees at the \$395 per hour rate approved in Allen  
 8 Matkins' employment application, the Court approved a much lower hourly rate -- only  
 9 \$355.50 per hour. Again, the Court did not find the amount of time billed by Allen Matkins was  
 10 unreasonable in relation to the tasks completed or the quality of work was not satisfactory, but  
 11 instead reiterated that receivers' counsel should only be modestly compensated in cases where  
 12 investors stand to recover a fraction of their losses. Thus, the Court allowed only 78% of the fees  
 13 incurred by the firm.<sup>7</sup>

14 For the past 21 months, Allen Matkins has diligently and competently represented the  
 15 Receiver with regard to all legal issues in this complex SEC receivership. The results obtained, as  
 16 described in detail in the Receiver's eight interim reports, have been excellent. The Court has  
 17 never identified concerns with the quality of work performed by the Receiver or Allen Matkins.  
 18 At this point, the firm has only been paid approximately 71% of fees incurred during the first  
 19 thirteen months of the case (June 26, 2012 through July 31, 2013). Although the Court approved  
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21  
 22 <sup>6</sup> Although the Second Fee Order indicates that 75% of the fees requested are approved, Allen  
 23 Matkins volunteered to defer payment on 10% of the fees incurred until the conclusion of the  
 24 receivership. When the Court imposed its reduction of 25%, instead of applying the reduction  
 to the total amount incurred (\$127,109.90), it applied the reduction to the 90% requested on an  
 interim basis (\$114,397.11), meaning Allen Matkins was only paid 67% of fees incurred  
 during the Second Application Period.

25 <sup>7</sup> Although the Third Fee Order indicates that 90% of the fees requested are approved, Allen  
 26 Matkins volunteered to defer payment on approximately 13.5% of the fees incurred until the  
 27 conclusion of the receivership (the 13.5% being the difference between the firm's actual  
 blended hourly rate and the \$395 per hour rate approved in the employment application).  
 28 When the Court imposed its reduction of 10%, instead of applying the reduction to the total  
 amount incurred (\$336,009.60), it applied the reduction to the approximately 86.5% requested  
 on an interim basis (\$290,799.00), meaning Allen Matkins was paid only about 78% of fees  
 incurred during the Third Application Period.

1 an hourly rate of \$395 when it approved Allen Matkins' employment, it has only allowed the firm  
2 to be paid a blended rate of \$330.04 thus far.

3 The Receiver and Allen Matkins disagree with the Court's position that receivers and their  
4 counsel should not be paid the fair value of their services simply because investors stand to suffer  
5 losses. Such a rule is unsupported by the weight of authority regarding compensation of receivers  
6 and their counsel and would rapidly drive skilled receivers and law firms away from complex  
7 receiverships. This would substantially impair the ability of federal agencies and courts to protect  
8 assets and provide meaningful recoveries to defrauded investors and consumers.

9 It takes a high degree of skill and business acumen to step into operating companies  
10 accused of securities fraud, rapidly stabilize the businesses, preserve and protect the value of their  
11 assets, conduct a forensic accounting, and provide detailed reports to the Court. Substantially  
12 reducing the fees of receivers and their counsel in cases where, through no fault of the receiver,  
13 investors stand to suffer significant losses (which is the case in almost all securities fraud  
14 receiverships), will severely limit interest in such engagements. Accordingly, the Receiver and  
15 Allen Matkins respectfully request the Court reconsider its position.

16 The Court states that "percentage cuts" are a "practical means of trimming fat from a fee  
17 application." The Receiver and Allen Matkins respectfully submit that arbitrarily reducing fee  
18 requests based on the assumption they contain "fat" is not appropriate or supported by the law.  
19 The Receiver and Allen Matkins properly and accurately record their time in six-minute  
20 increments and only bill time actually worked on the case. The Court does not identify any  
21 improper time entries or explain why it believes the fee applications contain "fat" warranting such  
22 drastic cuts.

23 Finally, the Receiver and Allen Matkins submit it is unfair to reduce Allen Matkins' fees to  
24 hourly rates well below the \$395 hourly rate approved in connection with the firm's employment  
25 application. The Court approved a blended hourly rate at the beginning of the receivership and  
26 affirmed Allen Matkins should be held to that rate, but nevertheless has reduced the firm's fees to  
27 amounts well below the approved rate. The Receiver and Allen Matkins respectfully submit this  
28 and future fee requests of Allen Matkins should be allowed at no less than \$395 per hour. That

1 amount for this application period is \$148,757 (376.6 hours multiplied by \$395). The remaining  
2 \$9,311.05 should be held back until the conclusion of the receivership.

3 **IV. CONCLUSION**

4 WHEREFORE, the Receiver and Allen Matkins request an order:

- 5 1. Approving on an interim basis Allen Matkins' fees totaling \$148,757 for the Fifth  
6 Application Period;
- 7 2. Approving on an interim basis Allen Matkins' reimbursement of costs totaling  
8 \$1,814.68 for the Fifth Application Period;
- 9 3. Authorizing and directing the Receiver to pay Allen Matkins from the assets of the  
10 receivership estate; and
- 11 4. Granting such further and other relief as the Court deems just and proper.

12  
13 Dated: May 6, 2014

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

14  
15 By:                   /s/ Ted Fates                    
16 TED FATES  
17 Attorneys for Receiver Thomas A. Seaman  
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# **EXHIBIT A**

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00002

Matter Name: General Receivership

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153594

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00002 (General Receivership)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/06/13	6047728	Review permanent injunction and monetary judgment against Feathers (.2).	Fates, Edward G.	0.2	83.70	83.70
11/07/13	6049067	Review Feathers' notice of appeal of judgment.	Fates, Edward G.	0.1	41.85	125.55
11/08/13	6049996	Review lengthy email from Feathers regarding appeal.	Fates, Edward G.	0.1	41.85	167.40
11/12/13	6054804	Review status of default papers for Yashoufar and provide update.	Kaup, John T.	0.2	42.30	209.70
11/14/13	6056519	Review filings in Feathers' appeal.	Fates, Edward G.	0.1	41.85	251.55
12/03/13	6073257	Research regarding requirement for service of amended complaint on non-appearing defendant.	Kaup, John T.	0.3	63.45	315.00
12/13/13	6083545	Discuss Feathers ongoing harassment with Receiver.	Fates, Edward G.	0.1	41.85	356.85
12/19/13	6088502	Communications with SEC's counsel regarding Feathers' email (.1); review mandate issued by Ninth Circuit in Feathers' appeal and discuss same with Receiver (.2).	Fates, Edward G.	0.3	125.55	482.40
12/20/13	6089921	Discuss order in Feathers' appeal, fee application order, and Feathers'	Fates, Edward G.	0.2	83.70	566.10

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00002 (General Receivership) 372456-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		emails with SEC's counsel.				
01/29/14	6118065	Review motion regarding reorganization of receivership entities, exhibits, and administrative motion to file under seal filed by M. Feathers and discuss same with Receiver (.6); work on opposition to motion regarding reorganization (.9).	Fates, Edward G.	1.5	627.75	1,193.85
01/31/14	6120066	Review SEC's response to Feathers' motion to file investor proxies under seal.	Fates, Edward G.	0.2	83.70	1,277.55

**Disbursements for Matter 372456-00002 (General Receivership)**

Trans Date	Index	Type	Quantity	Amt
11/04/13	1998014	Duplication	32.00	3.20
11/08/13	2003409	Nationwide - - Other Court Costs USDC/SAN JOSE NORTHERN DISTRICT ^ 125184	1.00	154.00
11/08/13	2003410	Nationwide - - Messenger - LIQUOR LICENSE SERVICES ^ 125184	1.00	12.00
11/12/13	1998016	Duplication	68.00	6.80
11/12/13	2003411	Nationwide - - Other Court Costs USDC/SAN JOSE NORTHERN DISTRICT ^ 125184	1.00	144.00
11/13/13	2003412	Nationwide - - Messenger - LIQUOR LICENSE SERVICES INC. ^ 125184	1.00	153.00
11/15/13	1998015	Duplication	102.00	10.20
11/15/13	1999323	Federal Express - - Messenger - Invoice No: 247405335 Ship To: Clerk of the Court	1.00	12.12
11/19/13	1999322	Federal Express - - Messenger - Invoice No: 247405335 Ship To: Clerk of the Court	1.00	12.12

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00002 (General Receivership) 372456-00002

Trans Date	Index	Type	Quantity	Amt
11/21/13	2003096	Federal Express - - Messenger - Invoice No: 248150334 Ship To: Clerk of the Court	1.00	12.12
11/21/13	2003097	Federal Express - - Messenger - Invoice No: 248150334 Ship To: Mark Feathers	1.00	15.64
11/22/13	2002885	Duplication	1.00	0.10
11/25/13	2002887	Duplication	12.00	1.20
11/27/13	2002886	Duplication	45.00	4.50
12/03/13	2004455	Duplication	879.00	87.90
12/04/13	2004924	Federal Express - - Messenger - Invoice No: 249532046 Ship To: Clerk of the Court	1.00	21.41
12/04/13	2004982	Federal Express - - Messenger - Invoice No: 249556468 Ship To: Mark Feathers	1.00	15.18
12/04/13	2019558	Nationwide - - Other Court Costs USDC/SAN JOSE NORTHERN DISTRICT ^ 125587	1.00	27.00
12/06/13	2004925	Federal Express - - Messenger - Invoice No: 249532046 Ship To: Hon Edward J Davila	1.00	12.07
12/06/13	2004926	Federal Express - - Messenger - Invoice No: 249532046 Ship To: Mark Feathers	1.00	15.57
12/09/13	2004456	Duplication	114.00	21.66
12/10/13	2004457	Duplication	78.00	7.80
12/10/13	2004927	Federal Express - - Messenger - Invoice No: 249532046 Ship To: Clerk of the Court	1.00	12.07
12/13/13	2007415	Federal Express - - Messenger - Invoice No: 250309737 Ship To: Clerk of the Court	1.00	12.07
12/13/13	2007456	Federal Express - - Messenger - Invoice No: 250336680 Ship To: Mark Feathers	1.00	15.18
12/13/13	2019559	Nationwide - - Other Court Costs USDC/SAN JOSE NORTHERN DISTRICT ^ 125587	1.00	43.50



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Trans Date	Index	Type	Quantity	Amt
12/16/13	2010196	Duplication	265.00	26.50
12/17/13	2010197	Duplication	13.00	1.30
12/19/13	2010198	Duplication	8.00	0.80
12/19/13	2010201	Duplication	460.00	46.00
12/20/13	2010200	Duplication	145.00	14.50
12/20/13	2011647	Nationwide - - Other Court Costs - USDC/SAN JOSE NORTHERN DISTRICT ^ 125796	1.00	28.50
12/23/13	2010199	Duplication	264.00	26.40
12/26/13	2011336	Federal Express - - Messenger - Invoice No: 251685234 Ship To: Hon Jon S Tigar	1.00	16.57
12/30/13	2014469	Lexis - Research	1.00	335.30
01/03/14	2011329	Federal Express - - Messenger - Invoice No: 252325028 Ship To: Clerk of the Court	1.00	12.07
01/08/14	2011010	Duplication	63.00	6.30
01/08/14	2014470	Lexis - Research	1.00	22.80
01/08/14	2015185	Document Search Pacer Service 10/01/2013- 12/30/2013^AM0021-Q4201	1.00	16.70
01/08/14	2015186	Document Search Pacer Service 10/01/2013- 12/30/2013^AM0021-Q4201	1.00	0.80
01/08/14	2015187	Document Search Pacer Service 10/01/2013- 12/30/2013^AM0021-Q4201	1.00	48.10
01/13/14	2014471	Lexis - Research	1.00	15.20
01/15/14	2014472	Lexis - Research	1.00	22.80
01/17/14	2013062	Federal Express - - Messenger - Invoice No: 253806486 Ship To: Clerk of the Court	1.00	12.54
01/23/14	2014829	Duplication	2.00	0.20

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Trans Date	Index	Type	Quantity	Amt
01/23/14	2022769	Lexis - Research	1.00	15.20
01/24/14	2014830	Duplication	40.00	4.00
01/24/14	2014831	Duplication	220.00	22.00
01/24/14	2023581	Nationwide - - Messenger - US DISTRICT COURT - NORTHERN DIST. ^ 419434	1.00	225.75
01/29/14	2015945	Duplication	111.00	11.10
01/29/14	2017942	Federal Express - - Messenger - Invoice No: 255241266 Ship To: Darryl Horowitz	1.00	14.36
01/30/14	2015946	Duplication	114.00	11.40
01/30/14	2017887	Federal Express - - Messenger - Invoice No: 255221379 Ship To: Clerk of the Court	1.00	12.54
01/30/14	2017888	Federal Express - - Messenger - Invoice No: 255221379 Ship To: Clerk of the Court	1.00	12.54

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000820	John T. Kaup	0.5	211.50	105.75
001665	Edward G. Fates	2.8	418.50	1,171.80
		<u>3.3</u>		<u>1,277.55</u>
Total Fees				1,277.55
Total Disbursements				1,814.68

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00004

Matter Name: Investigation/Reporting

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153596

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00004 (Investigation/Reporting)**

<b>Trans Date</b>	<b>Index</b>	<b>Description of Service Rendered</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Fees</b>	<b>Sum</b>
11/01/13	6047649	Address the claims/breach by consultant of agreement, email and call with Receiver re same (.7).	Zaro, David R.	0.7	409.50	409.50
11/04/13	6047735	Review emails and call with Receiver re Feathers' disputed 1099/harassing emails, advice as to response/next steps (.4). Call with counsel for consultant re documents concerning work/claims and dispute (.2).	Zaro, David R.	0.6	351.00	760.50
11/04/13	6044969	Review email forwarded by SEC's counsel apparently relating to loan pending at time of TRO.	Fates, Edward G.	0.1	41.85	802.35
11/05/13	6047770	Address issues related to defaulted loans with client and advice to Receiver (.1). Email/call as to servicing issues re CBB loans (.2).	Zaro, David R.	0.3	175.50	977.85
12/12/13	6085103	Email re SBA license/servicing, Mr. Feathers and draft response (.4). Address additional accusations by Mr. Feathers, call/email with Mr. Feathers (.3). Draft email re foregoing and Mr. Feathers' communications (.2).	Zaro, David R.	0.9	526.50	1,504.35
12/13/13	6085246	Several calls/emails with Receiver related to communications with Mr.	Zaro, David R.	0.6	351.00	1,855.35

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00004 (Investigation/Reporting) 372456-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Feathers and follow-up email to address the same/attacks on Receiver (.6).				
12/23/13	6092303	Address issues related to SB Capital servicing (.4). Review with Receiver, the servicing issues re defaulted loans (.2).	Zaro, David R.	0.6	351.00	2,206.35
12/26/13	6092989	Call to Receiver related to Feather's and recent communications (.2). Revise letter to counsel re Bruno and address work-product issues (.3)	Zaro, David R.	0.5	292.50	2,498.85
12/30/13	6095716	Review/evaluate investor email related to Feathers' solicitation (.2). Review of letters from Feathers re solicitation and new venture proposal, call with Receiver re same (.4).	Zaro, David R.	0.6	351.00	2,849.85
01/06/14	6102176	Call related to agreement to terminate contract with consultant (.2). Work on draft agreement to terminate consultant (.7). Revise/finalize letter to counsel re consulting agreement (.4). Review/evaluate the Feathers' letters and response of Receiver to same (.3).	Zaro, David R.	1.6	936.00	3,785.85
01/21/14	6113026	Address the motion filed by Feathers, his request for discovery/documents re IRS audit (.3). Review prior order, emails, call related to the Receiver's report (.4).	Zaro, David R.	0.7	409.50	4,195.35
01/22/14	6115907	Email to Receiver related to the Feathers pleadings and follow-up regarding document request (.2).	Zaro, David R.	0.2	117.00	4,312.35
01/24/14	6117469	Review emails from Receiver and Feathers related to filing, letter to	Zaro, David R.	0.4	234.00	4,546.35

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		investors and address Receiver report (.4).				
01/24/14	6115549	Gather information for Receiver's report.	Fates, Edward G.	0.2	83.70	4,630.05
01/28/14	6117551	Work on Receiver's Eighth Interim Report.	Fates, Edward G.	2.4	1,004.40	5,634.45
01/29/14	6117860	Work on Receiver's Eighth Interim Report; communications with SEC's counsel and Receiver regarding same.	Fates, Edward G.	1.6	669.60	6,304.05
01/30/14	6119051	Finalize Eighth Interim Report and exhibits for filing; communications with Receiver regarding same.	Fates, Edward G.	0.7	292.95	6,597.00

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	7.7	585.00	4,504.50
001665	Edward G. Fates	5.0	418.50	2,092.50
		<u>12.7</u>		<u>6,597.00</u>
Total Fees				6,597.00
Total Disbursements				0.00

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00005

Matter Name: Investor Communications

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153597

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00005 (Investor Communications)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/20/13	6061122	Discuss website posting for investors regarding claims motion and plan approval motion with Receiver.	Fates, Edward G.	0.2	83.70	83.70
12/10/13	6080840	Review investor letter filed with court (.1); forward investor inquiry regarding K-1 to Receiver (.1).	Fates, Edward G.	0.2	83.70	167.40
12/18/13	6087010	Review letter from investor Davidson regarding receiver and fee applications.	Fates, Edward G.	0.1	41.85	209.25

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	0.5	418.50	209.25
		<u>0.5</u>		<u>209.25</u>
Total Fees				209.25
Total Disbursements				0.00

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00006

Matter Name: Sale of Assets/Disposition

Date of Last Billing: 08-20-2013

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153598

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00006 (Sale of Assets/Disposition)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/04/13	6045725	Review recorded sale order.	Fates, Edward G.	0.1	41.85	41.85
11/07/13	6055366	Review/evaluate the draft of the SBA draft application for licensee in connection with sales, contracts and prepare for SBA meeting (1.1); attend meeting with receiver related to sba/sale process/licensee requirements and dba and meeting with sba (1.8).	Zaro, David R.	2.9	1,696.50	1,738.35
11/07/13	6048690	Communications with S. Vavak regarding status of sale procedures for license and portfolio and confidentiality agreement with consultant (.4); assist S. Vavak in obtaining certified copy of receivership order for Whiskey Junction sale (.2).	Fates, Edward G.	0.6	251.10	1,989.45
11/12/13	6053440	Assist in ordering certified copy of order regarding transfer of Whiskey Junction liquor license.	Fates, Edward G.	0.2	83.70	2,073.15
11/15/13	6057693	Discuss issues regarding engagement of consultant with S. Vavak.	Fates, Edward G.	0.1	41.85	2,115.00
11/19/13	6062897	Call to review asset sale approach	Zaro, David R.	0.6	351.00	2,466.00

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		with Receiver (.2). Email/letter with Bruno's counsel related to sale/consulting and reports (.4).				
11/21/13	6063653	Review issues related to response to SBA claim and coordinate with sale issues (.4). Call with Mr. Vavak re sale process issues/coordinate with SBA (.4).	Zaro, David R.	0.8	468.00	2,934.00
11/22/13	6065757	Review of the issues as to due diligence for loans/sale process (.4); call with Receiver and counsel as to the due diligence/SBA process and strategy for the sale and marketing issues (.9).	Zaro, David R.	1.3	760.50	3,694.50
11/25/13	6071503	Calls with counsel and Receiver re SBA/coordination of SBA draft, follow-up by Receiver and timing of the same (.4).	Zaro, David R.	0.4	234.00	3,928.50
12/03/13	6073448	Conference regarding debt to SBA; review comparable IRS tax provisions.	Henning, Thomas W.	0.3	201.15	4,129.65
12/06/13	6078438	Call with Receiver and counsel/SBA as to sale issues and follow-up thereon (.5).	Zaro, David R.	0.5	292.50	4,422.15
12/08/13	6078681	Review email/legal advise regarding Cal Business Bank Opposition and reply brief (.2).	Zaro, David R.	0.2	117.00	4,539.15
12/09/13	6082569	Call with Receiver concerning broker for SBA loan portfolio (.3). Work on issues related to sale of loans/assess legal impact of participation agreements (.4).	Zaro, David R.	0.7	409.50	4,948.65
12/11/13	6082820	Address due diligence/prepare for	Zaro, David R.	0.4	234.00	5,182.65



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		sale and follow-up on same with Receiver (.2). Revise letter to consultant related to retention (.2).				
12/12/13	6085110	Review/evaluate the SBA response to sale issues with Receiver and address draft proposals re same (.3).	Zaro, David R.	0.3	175.50	5,358.15
12/13/13	6085248	Work on draft protocol for sale of assets and license per the SBA outline (.4). Work on the draft agreement/letter related to retention of a third party to assist with sale of assets and address commission structure with Receiver (.5).	Zaro, David R.	0.9	526.50	5,884.65
12/16/13	6086197	Address the issues re sale/email/call to client and Receiver (.2). Work on the sale issues, including the FFN contract proposal sale and servicing issues (.7).	Zaro, David R.	0.9	526.50	6,411.15
12/17/13	6087351	Call/email with receiver related to the sale of 504 loans/follow-up thereon (.3); Review of SBA regulation and follow-up on email as to next steps (.2).	Zaro, David R.	0.5	292.50	6,703.65
12/18/13	6090174	Review/evaluate the issues related to SB Capital asset sale/address broker responses (.4). Call with Receiver re sale marketing strategy (.2).	Zaro, David R.	0.6	351.00	7,054.65
12/20/13	6090436	Analyze issues regarding potential sale of license and loan portfolio and procedures regarding same.	Fates, Edward G.	0.3	125.55	7,180.20
12/23/13	6092397	Review/evaluate the issues re sale, investigate commissions for sale of assets, including servicing routes and proposals from vendors (.4).	Zaro, David R.	0.4	234.00	7,414.20

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
12/26/13	6092995	Review Feathers' letter re purchase/sale of assets and follow-up email (.2). Call with the SEC re Feathers' sale/offer (.2).	Zaro, David R.	0.4	234.00	7,648.20
12/27/13	6094337	Assess email/status and call with Receiver and counsel as to sale issues including SBA's delayed responses/alternative course of action (.4).	Zaro, David R.	0.4	234.00	7,882.20
12/31/13	6097100	Review of the SBA letter and outline of sale issues, assess next steps to move case forward (.6).	Zaro, David R.	0.6	351.00	8,233.20
01/02/14	6098464	Review/evaluate the Feathers' letter related to asset sale (.1). Assess the issues re SBA letter/communications as to SBA licensing issues (.6). Address process/procedure in light of SBA letter/regulations and call with Receiver related to same (1.1). Work on SBA sale issues based on SBA requirements (1.3).	Zaro, David R.	3.1	1,813.50	10,046.70
01/03/14	6099804	Work on draft/outline of the application for authority to sell assets, including draft pleading, terms for sale/process (3.1). Calls with Receiver re sale process issues (.3).	Zaro, David R.	3.4	1,989.00	12,035.70
01/06/14	6102172	Calls with the Receiver re SBA regulations for sale, pre-qualification issues (.5). Work on draft of the procedures for sale of loans/revise same (1.4). Further analysis of SBA regulations, agreements and work on sale issues (.7).	Zaro, David R.	2.7	1,579.50	13,615.20
01/06/14	6099265	Analyze issues and gather	Fates, Edward G.	0.6	251.10	13,866.30

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		documents for potential sale of loans and license, motion for approval of procedures regarding same and motion for approval of engagement of consultant/broker.				
01/07/14	6102272	Work on draft motion, written procedures for sale of loan/portfolio (2.2). Calls with client/receiver re SBA/marketing of assets and follow-up on emails re same (.9).	Zaro, David R.	3.1	1,813.50	15,679.80
01/07/14	6100676	Discuss issues regarding retention and court approval of consultant/broker with S. Vavak.	Fates, Edward G.	0.1	41.85	15,721.65
01/08/14	6103076	Review draft of the proposed broker agreement, provide advice to counsel re same (.6). Call/email with Receiver to address purchase/sale agreement form terms (.3). Work on the draft of the purchase/sale agreement, review/revise same (1.8). Continued revisions to draft motion concerning sale of assets, email re same (.6).	Zaro, David R.	3.3	1,930.50	17,652.15
01/08/14	6101341	Review and revise proposed listing agreement and fee schedule for consultant/broker for loans and license; discuss same with S. Vavak.	Fates, Edward G.	0.9	376.65	18,028.80
01/09/14	6104189	Work on purchase documents, notice materials to support the motion for sale (.9). Work on Receiver's revisions to the motion/procedure and the SBA outline (.4). Emails to address consultant/agreement and motion (.3).	Zaro, David R.	1.6	936.00	18,964.80
01/09/14	6103214	Review and revise admin motion regarding sale process for	Fates, Edward G.	1.7	711.45	19,676.25

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		loans/license and exhibits thereto, discuss same with S. Vavak				
01/10/14	6108132	Call with Receiver/Ms. Vavak as to sale motion/revisions to same (.2). Further revisions to pleadings/documents per Receiver comments (.7). Additional revisions to motion and procedures (1.1) Address consultant agreement revisions and follow-up email re same (.4). Call with SBA counsel in D.C. as to sale motion/next steps (.2).	Zaro, David R.	2.6	1,521.00	21,197.25
01/10/14	6103749	Review and discuss S. Vavak comments on admin motion and exhibits re sale process (.4) draft form of loan sale agreement for sale process motion (4.1) work on ex parte application for authority to engage consultant/broker for sale of loans (.2)	Fates, Edward G.	4.7	1,966.95	23,164.20
01/13/14	6108319	Review of sale motion with counsel, advice as to purchase and sale agreement (.4). Review of the legal requirements for transfer of 7(a) loans/assignments/allonge (.3).	Zaro, David R.	0.7	409.50	23,573.70
01/13/14	6104914	Review revised sale procedures motion, discuss consultant/broker agreement and SBA agreements with S. Vavak (.4) work on form of purchase and sale agreement for sale procedures motion (2.1)	Fates, Edward G.	2.5	1,046.25	24,619.95
01/14/14	6106296	Work on form of loan purchase and sale agreement for sale procedures motion, review SBA agreements and discuss same with S. Vavak (.8) work on request for approval of	Fates, Edward G.	2.2	920.70	25,540.65

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		engagement agreement with consultant/broker (.4) work on form of confidentiality agreement for prospective purchasers (.8) communications with potential purchaser of loan assets (.2)				
01/15/14	6109789	Review/revise the sale motion, documents re issues concerning the SBA regulations (.4). Call/email re the consultant agreement and terms of same (.3). Emails to SBA re the sale motion (.4). Call with Receiver's office as to legal issues related to the SBA sale/closing documents (.6).	Zaro, David R.	1.8	1,053.00	26,593.65
01/15/14	6109958	Communications with potential purchaser of SBA loans and license.	Fates, Edward G.	0.3	125.55	26,719.20
01/16/14	6109844	Call/emails with Receiver and SBA related to sale/conference (.3). Prepare for and attend conference call to review the sale agreements and SBA issues (.6). Follow-up with Receiver as to next steps with SBA (.3).	Zaro, David R.	1.1	643.50	27,362.70
01/16/14	6109995	Communications with potential purchaser of loan assets (.2); calls with SBA's counsel and Receiver regarding procedures and forms for sales of loans and license (1.2); review executed agreement with consultant and broker (.1).	Fates, Edward G.	1.5	627.75	27,990.45
01/17/14	6111779	Call/email with clients related to marketing issues (.2). Call to/from SBA re sale issues (.2). Review agreement related to broker, assess terms, approach and cost-benefit (.9).	Zaro, David R.	1.3	760.50	28,750.95

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/20/14	6113011	Revise draft agreements, as well as procedures following calls with SBA re sale of 7(a) and 504 loans (1.2).	Zaro, David R.	1.2	702.00	29,452.95
01/21/14	6113020	Review of outstanding issues concerning the database and due diligence issues (.4). Letter to counsel related to fee/resolution of claim (.2). Address terms of Voit engagement and marketing plan (.2).	Zaro, David R.	0.8	468.00	29,920.95
01/21/14	6111055	Work on sale procedures motion, supporting declaration, and exhibits; discuss same with S. Vavak.	Fates, Edward G.	2.6	1,088.10	31,009.05
01/22/14	6115959	Review of the draft of the markets plan of Voit and then provide advice as to motion/edits to same (.4).	Zaro, David R.	0.4	234.00	31,243.05
01/22/14	6113170	Work on memo addressing SBA's questions regarding 504 loans and discuss same with Receiver (1.6); review Feathers' filing in response to status report on discussions with SBA (.2); work on loan purchase and sale agreement (.3).	Fates, Edward G.	2.1	878.85	32,121.90
01/23/14	6114028	Work on memo addressing SBA's questions regarding 504 loans and discuss same with Receiver.	Fates, Edward G.	0.6	251.10	32,373.00
01/24/14	6114616	Work on sale procedures motion and request for authority to engage Voit as broker and supporting declaration regarding same.	Fates, Edward G.	0.9	376.65	32,749.65
01/27/14	6117535	Review revised draft of motion, Voit declaration and assess next steps (.4). Call with Receiver related to the sale of assets/SBA negotiations as to license and 7(a) loans (.3). Follow-up	Zaro, David R.	0.8	468.00	33,217.65

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		on the SBA requirement for criminal background check (.1).				
01/27/14	6115888	Work on form of loan and license purchase and sale agreement (1.2); work on sale procedures motion and discuss same with Receiver (.2).	Fates, Edward G.	1.4	585.90	33,803.55
01/28/14	6119332	Review/evaluate the third party lender agreement re 504 loans, the Colson agreement re servicing, First Lien 504 pooling guarantee agreement and address assumption issues (.8). Revise draft purchase and sale agreement (.5).	Zaro, David R.	1.3	760.50	34,564.05
01/28/14	6117273	Revisions to loan purchase and sale agreement and sale procedures motion.	Fates, Edward G.	1.6	669.60	35,233.65
01/29/14	6119355	Review/evaluate the marketing issues, conference with Receiver re same (.4).	Zaro, David R.	0.4	234.00	35,467.65
01/29/14	6118040	Revisions to administrative motion regarding sale procedures; discuss same and loan purchase and sale agreement with S. Vavak.	Fates, Edward G.	0.8	334.80	35,802.45
01/30/14	6120701	Call/email in review of the Bruno documents, address response to SBA as to documents (.4).	Zaro, David R.	0.4	234.00	36,036.45

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	42.8	585.00	25,038.00
001581	Thomas W. Henning	0.3	670.50	201.15
001665	Edward G. Fates	25.8	418.50	10,797.30

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

	<u>68.9</u>	<u>36,036.45</u>
Total Fees		36,036.45
Total Disbursements		0.00



03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00007 (Pending Litigation) 372456-00007

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00007

Matter Name: Pending Litigation

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153599

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00007 (Pending Litigation)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/07/14	6100674	Review complaint filed by creditor of borrower; discuss same with S. Vavak; prepare letter to plaintiff that filed complaint.	Fates, Edward G.	0.9	376.65	376.65
01/08/14	6101992	Draft letter to counsel for plaintiff in action against SPF borrower; discuss letter with S. Vavak.	Fates, Edward G.	0.9	376.65	753.30
01/13/14	6105959	Call with counsel for plaintiff in action against borrower and naming SBC Portfolio regarding dismissal of SBC Portfolio and claims relating to collateral	Fates, Edward G.	0.3	125.55	878.85
01/29/14	6118026	Call with third party creditor of borrower Giarla regarding pending case to enforce third party debt, receivership order, and dismissal of claim to foreclosure on SBC collateral.	Fates, Edward G.	0.4	167.40	1,046.25

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	2.5	418.50	1,046.25
		<u>2.5</u>		<u>1,046.25</u>

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00007 (Pending Litigation) 372456-00007

Total Fees

1,046.25

Total Disbursements

0.00

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00008

Matter Name: Claims

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153600

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00008 (Claims)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/01/13	6047650	Call with Receiver to address the claims motion and analysis of same (.2). Review final draft/revisions and address exhibits/report on claims and emails re same (.7).	Zaro, David R.	0.9	526.50	526.50
11/01/13	6051279	Telephone conference with Ms. Juroe and Mr. Seaman re SB Financial trade creditors and additional information for omnibus objections (.3); revise and expand objections (2.6).	Pedowitz, Loraine L.	2.9	1,331.10	1,857.60
11/03/13	6044889	Review updated omnibus objection to claims.	Fates, Edward G.	0.2	83.70	1,941.30
11/04/13	6047732	Review issues related to California Business Bank claims (.4). Revise draft of the motion to address additional objections to claims (.7). Review of the legal issues re claims/call to advise Receiver re same (1.2).	Zaro, David R.	2.3	1,345.50	3,286.80
11/04/13	6047741	Work with counsel re third party claims issues, follow-up to recover the net winner/profits (.3).	Zaro, David R.	0.3	175.50	3,462.30
11/04/13	6051292	Further revisions to claim objections	Pedowitz, Loraine L.	2.4	1,101.60	4,563.90

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and exhibits to same (2.4).				
11/04/13	6045708	Analysis of CBB's claim and rising tide calculation issues (.4); review revised claim list and communications regarding same (.2).	Fates, Edward G.	0.6	251.10	4,815.00
11/05/13	6047757	Review of additional issues re non-investor claims/legal advice to Receiver re same (.6). Revisions to the claims motion as to the non-investor claims (.8).	Zaro, David R.	1.4	819.00	5,634.00
11/05/13	6051305	Draft further detail on individual objections and basis for same (1.1).	Pedowitz, Loraine L.	1.1	504.90	6,138.90
11/06/13	6061309	Work on revisions to points and authorities and Mr. Seaman's declaration, attention to merits of specific trade creditor claims (1.3).	Pedowitz, Loraine L.	1.3	596.70	6,735.60
11/08/13	6061329	Review revised rising tide calculation (.3).	Pedowitz, Loraine L.	0.3	137.70	6,873.30
11/14/13	6060580	Work on SEC comments related to claims objection motion (.3).	Zaro, David R.	0.3	175.50	7,048.80
11/14/13	6058381	Attention to input from SEC counsel re motion (.2).	Pedowitz, Loraine L.	0.2	91.80	7,140.60
11/14/13	6056702	Revise/update motion seeking approval of claim objections and supporting declaration, discuss same with Receiver and SEC counsel.	Fates, Edward G.	2.8	1,171.80	8,312.40
11/15/13	6058385	Revise Seaman declaration in support of objections, attention to exhibits to same (.4).	Pedowitz, Loraine L.	0.4	183.60	8,496.00
11/15/13	6057063	Revise and finalize motion seeking approval of claim objections, supporting declaration, exhibits, and	Fates, Edward G.	3.9	1,632.15	10,128.15

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		proposed order; discuss same with Receiver.				
11/18/13	6059194	Discuss issues regarding service of claims motion with A. Juroe.	Fates, Edward G.	0.2	83.70	10,211.85
11/19/13	6065332	Attention to service of trade claim objections (.2).	Pedowitz, Loraine L.	0.2	91.80	10,303.65
11/19/13	6059535	Attention to issues regarding service of claims motion; discuss same with A. Juroe.	Fates, Edward G.	0.4	167.40	10,471.05
11/20/13	6062949	Review of the claims issues as to SBA, assess response and evaluate loan level issues/strategy (.5). Call to Receiver related to the SBA claim issues (.2).	Zaro, David R.	0.7	409.50	10,880.55
11/21/13	6063650	Review issues related to response to SBA claim and coordinate with sale issues (.4).	Zaro, David R.	0.4	234.00	11,114.55
11/22/13	6065750	Review with Receiver the SBA claims analysis and approach to the objection.	Zaro, David R.	0.4	234.00	11,348.55
11/27/13	6071720	Review/evaluate the SBA's objection/opposition to claims motion (.4). Call with SBA re opposition/settlement (.2). Emails relate to SBA and claims issues (.2).	Zaro, David R.	0.8	468.00	11,816.55
11/27/13	6068115	Review SBA's opposition and supporting declaration regarding claims motion; analyze issues regarding same; begin work on reply brief.	Fates, Edward G.	0.5	209.25	12,025.80
12/02/13	6073799	Review issues related to objection of the SBA and research issues re same (1.1). Calls with SBA re objection	Zaro, David R.	1.6	936.00	12,961.80

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.2). Calls with Receiver and counsel re SBA objection/reply brief (.3).				
12/02/13	6072012	Analyze SBA's response to claims motion, review SBA claim, and begin work on reply (1.2); review responses to claims motion filed by Mark Feathers and Natalie Feathers (.3).	Fates, Edward G.	1.5	627.75	13,589.55
12/03/13	6073832	Review/evaluate the issues raised by the SBA objections/confer with Receiver (.2). Conference call with Receiver and SBA personnel and counsel as to objections/possible resolution of the same (.7). Address the issues with counsel as to SBA/research of priority issues and impact on the claims/plan motion (.4).	Zaro, David R.	1.3	760.50	14,350.05
12/03/13	6072357	Conference call with Receiver and SBA's counsel regarding SBA's claim, reserve, sale of loan portfolios, and related issues (.8); review SBA audit documents and discuss same with Receiver (.5); draft reply to responses to claims motion (2.1).	Fates, Edward G.	3.4	1,422.90	15,772.95
12/04/13	6077581	Review the draft of the reply in the face of SBA opposition/call with SBA (.4). Follow-up revisions to and call with Receiver to advise on claims dispute (.5).	Zaro, David R.	0.9	526.50	16,299.45
12/04/13	6074122	Work on reply to oppositions to claims motion.	Fates, Edward G.	0.8	334.80	16,634.25
12/05/13	6077611	Review/revise the draft response to the objection to the claims motion and follow-up to finalize document (.5). Call to Receiver to address the claims by certain investors, reconciliation of	Zaro, David R.	0.9	526.50	17,160.75

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		figures and prepare for SBA claims call (.4).				
12/05/13	6075950	Work on reply in support of claims motion.	Fates, Edward G.	0.6	251.10	17,411.85
12/06/13	6078369	Review of issues related to the SBA objection and conference call with SBA, attorneys for SBA and Receiver regarding same (.4); Work on response/reply and strategy with regard to reserves and claims (.5).	Zaro, David R.	0.9	526.50	17,938.35
12/06/13	6076879	Finalize reply in support of claims motion.	Fates, Edward G.	0.1	41.85	17,980.20
12/07/13	6078642	Review of the California Business Bank objection to claims motion and follow-up thereon with counsel (.4).	Zaro, David R.	0.4	234.00	18,214.20
12/07/13	6077987	Review and analyze CBB's response to claim objection.	Fates, Edward G.	1.1	460.35	18,674.55
12/09/13	6082555	Assess objection/issues re claim raised by Dewing and other investor claimants (.4). Review additional opposition by Feathers and California Business Bank (.3). Work on response to the brief filed by California Business Bank/email re same (.8).	Zaro, David R.	1.5	877.50	19,552.05
12/09/13	6086064	Email exchange and telephone conference with Ms. Juroe re investor requested correction (.6).	Pedowitz, Loraine L.	0.6	275.40	19,827.45
12/09/13	6078110	Review investor email regarding claim and receipt of pre-receivership distributions.	Fates, Edward G.	0.1	41.85	19,869.30
12/09/13	6078628	Work on reply to CBB's response to	Fates, Edward G.	1.2	502.20	20,371.50

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		claim objection.				
12/10/13	6082796	Follow-up on issues related to California Business Bank claim, further revisions to reply to opposition and legal advice to counsel re same (.6).	Zaro, David R.	0.6	351.00	20,722.50
12/10/13	6080664	Discuss CBB's claim issues with Receiver; revise reply to CBB's opposition to claims motion and distribution motion.	Fates, Edward G.	1.3	544.05	21,266.55
12/11/13	6082819	Conference with Receiver and address further disputed claim issues, means to resolve the same (.3).	Zaro, David R.	0.3	175.50	21,442.05
12/12/13	6082858	Communications with Receiver regarding reply to CBB's opposition to claims motion and distribution plan motion.	Fates, Edward G.	0.1	41.85	21,483.90
12/13/13	6083547	Discuss reply regarding CBB with Receiver; finalize same.	Fates, Edward G.	0.5	209.25	21,693.15
12/16/13	6085253	Review notice of appearance filed by CBB's counsel.	Fates, Edward G.	0.1	41.85	21,735.00
12/18/13	6090175	Call related to claim of investor, follow-up to resolve disputed amount (.2). Assess email/call from Receiver re Gilroy (.2).	Zaro, David R.	0.4	234.00	21,969.00
12/20/13	6091005	Call regarding SBA claim with counsel/response to Receiver proposed reserves and legal basis for position (.3); Address the regulatory basis for LSBA priority versus limits on actual versus contingent claims/research regarding same (.4).	Zaro, David R.	0.7	409.50	22,378.50



03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

<b>Trans Date</b>	<b>Index</b>	<b>Description of Service Rendered</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Fees</b>	<b>Sum</b>
12/20/13	6089749	Review notice of appearance filed by CBB's counsel.	Fates, Edward G.	0.1	41.85	22,420.35
12/30/13	6095712	Legal analysis of/work on issues related to SBA reserve (.4). Follow-up on SBA claim and distribution reserves with Receiver and counsel (.3).	Zaro, David R.	0.7	409.50	22,829.85
01/10/14	6108137	Call with SBA related to claim reservations and reserves (.2). Email with counsel/Receiver re SBA claim reserves and priority issues (.4).	Zaro, David R.	0.6	351.00	23,180.85
01/13/14	6108328	Address legal issues, lien priority issues re SBA claim/stipulated resolution with SBA (.4).	Zaro, David R.	0.4	234.00	23,414.85
01/14/14	6108372	Review draft of proposed stipulation to address SBA objections/settlement and email re same (.4). Call with Receiver to address negotiations with the SBA and next steps (.2).	Zaro, David R.	0.6	351.00	23,765.85
01/15/14	6109784	Review/revise draft stipulation with SBA re claims, reserve, distribution and resolution re same (.8). Call with SBA counsel re SBA claim (.5).	Zaro, David R.	1.3	760.50	24,526.35
01/16/14	6109849	Call with counsel/Receiver related to the resolution of the claim/distribution (.2). Call with SBA and Receiver/negotiations related to stipulation (.3). Follow-up call with Receiver re SBA claim and objection (.1).	Zaro, David R.	0.6	351.00	24,877.35
01/16/14	6110002	Communications with claimant Foley & Lardner regarding retainer, allowed claim, and distribution.	Fates, Edward G.	0.4	167.40	25,044.75

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/17/14	6111781	Review of matter issues/emails with SBA re stipulation to resolve dispute and call with Receiver (.3). Review of draft stipulation with revisions by the SBA, evaluate issues raised by revisions and \$24 million claim versus \$4 million reserve (.6). Conference/call with SBA (.4).	Zaro, David R.	1.3	760.50	25,805.25
01/21/14	6113022	Work on outstanding issues and further research re SBA's lien priority claim, means to avoid liability of estate, as well as Receiver post-distribution, if claims arises (.4). Calls/emails related to sale motion, the participation agreements and approach to same (.3).	Zaro, David R.	0.7	409.50	26,214.75
01/22/14	6115892	Email/call with counsel as to the SBA claim/plan reserve and prepare for conference call (.2); Review and evaluate the issues related to claim/plan and conference call with SBA and Receiver (.3); Follow-up call with counsel and Receiver related to the SBAS and stipulation of the claim issues and review e-memorandum (.3).	Zaro, David R.	0.8	468.00	26,682.75
01/31/14	6124440	Several emails, conference call with SBA's counsel re SBA claim (.3). Call with Receiver related to the SBA claim and loan documents (.2).	Zaro, David R.	0.5	292.50	26,975.25

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	24.5	585.00	14,332.50

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00008 (Claims) 372456-00008

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000799	Loraine L. Pedowitz	9.4	459.00	4,314.60
001665	Edward G. Fates	19.9	418.50	8,328.15
		<u>53.8</u>		<u>26,975.25</u>
Total Fees				26,975.25
Total Disbursements				0.00

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00009 (Third Party Claims) 372456-00009

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00009

Matter Name: Third Party Claims

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153601

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00009 (Third Party Claims)**

<b>Trans Date</b>	<b>Index</b>	<b>Description of Service Rendered</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Fees</b>	<b>Sum</b>
11/01/13	6044723	Communications with CBB's counsel regarding request to excuse individual defendants from mediation and discuss same and order on motion to dismiss with Receiver (.4); review and revise form of demand letter for return of member profits (.4).	Fates, Edward G.	0.8	334.80	334.80
11/02/13	6047718	Assess net winners/claims for fraudulent conveyance and assess cost/benefit, legal issues and advice to Receiver/counsel (.7). Follow-up calls with Receiver/counsel to address approach to net winners, SEC input and legal advice re same (.5).	Zaro, David R.	1.2	702.00	1,036.80
11/04/13	6045465	Review and revise form of demand letter and complaint for motion for authority to pursue member profits (2.8); analyze issues and strategy regarding pursuit of member profits (.3).	Fates, Edward G.	3.1	1,297.35	2,334.15
11/04/13	6047175	Revise demand letter, analysis of summary judgment order in support of same (.8); legal analysis of personal jurisdiction over net winning	Bui, Kim A.	0.2	53.10	2,387.25

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00009 (Third Party Claims) 372456-00009

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		investors (.2)				
11/05/13	6046191	Communications with A. Juroe regarding data relating to pursuit of investor profits.	Fates, Edward G.	0.2	83.70	2,470.95
11/06/13	6047773	Review and revise forms of demand letter and complaint for investor profits.	Fates, Edward G.	0.7	292.95	2,763.90
11/06/13	6050850	Revisions to Complaint, analysis of Court's order on motion for summary judgment (and finding Ponzi-like scheme) in editing same (.9).	Bui, Kim A.	0.9	238.95	3,002.85
11/07/13	6049334	Work on form of complaint and ex parte application for authority regarding investor profits (.3); analyze issues regarding amended complaint against CBB (.1).	Fates, Edward G.	0.4	167.40	3,170.25
11/07/13	6054239	Analysis of investors residing in California (.4).	Bui, Kim A.	0.4	106.20	3,276.45
11/11/13	6052002	Analyze issues regarding under seal filing of ex parte application.	Fates, Edward G.	0.2	83.70	3,360.15
11/11/13	6053509	Draft administrative motion to file documents under seal, declaration in support thereof, and proposed order granting same (1.8); draft motion for authority to settle claims against third parties and for related relief, declaration in support thereof, and proposed order granting same (3.7); case analysis and legal research in support of both motions (.4)	Bui, Kim A.	5.9	1,566.45	4,926.60
11/12/13	6053122	Review and revise administrative motion for permission to file under seal and proposed order (1.6); review	Fates, Edward G.	4.8	2,008.80	6,935.40

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and revise ex parte application for permission to pursue claims and related relief and proposed order (3.2).				
11/12/13	6053442	Research issues regarding default of codefendant after order granting motion to dismiss with leave filed by other defendants.	Swonetz, Josi	1.0	351.00	7,286.40
11/13/13	6054518	Work on administrative motion to file under seal and ex parte application for authority to pursue claims.	Fates, Edward G.	1.5	627.75	7,914.15
11/13/13	6061499	Analysis and edits to administrative motion to file under seal and motion to pursue claims against net winners (1.8).	Bui, Kim A.	1.8	477.90	8,392.05
11/14/13	6055899	Work on admin motion and ex parte application regarding authority to pursue claims against third parties.	Fates, Edward G.	0.6	251.10	8,643.15
11/18/13	6062420	Work with counsel on strategy for the third party claims/ex parte application for authority (.3).	Zaro, David R.	0.3	175.50	8,818.65
11/18/13	6058379	Analyze issues regarding CBB mediation and amended complaint.	Fates, Edward G.	0.1	41.85	8,860.50
11/19/13	6060652	Attention to status of CBB matter and mediation; analyze issues regarding order on motion to dismiss; begin work on amended complaint.	Fates, Edward G.	0.7	292.95	9,153.45
11/20/13	6061492	Analyze issues regarding motion for authority to pursue third party claims.	Fates, Edward G.	0.2	83.70	9,237.15
11/27/13	6067409	Work on issues regarding potential claims against third parties.	Fates, Edward G.	0.2	83.70	9,320.85
12/02/13	6073802	Address the third party claim motion,	Zaro, David R.	1.6	936.00	10,256.85

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00009 (Third Party Claims) 372456-00009

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		revise the drafts of complaint/ex parte (.9). Revise the draft demand letter and legal advice to counsel re same (.7).				
12/02/13	6072011	Analyze issues regarding potential claims against third parties; discuss moving papers regarding same with Receiver.	Fates, Edward G.	1.1	460.35	10,717.20
12/02/13	6087801	Revise SBC pleadings regarding net winners, including edits to create version without request to waive notice to Feathers (1.1).	Bui, Kim A.	1.1	292.05	11,009.25
12/03/13	6072355	Discuss potential claims against third parties with SEC's counsel; advise Receiver regarding same; finalize administrative motion for permission to file under seal.	Fates, Edward G.	0.6	251.10	11,260.35
12/03/13	6081815	Transmit declaration in support of application to Receiver for his signature (.1)	Bui, Kim A.	0.1	26.55	11,286.90
12/04/13	6073190	Work on administrative motion and ex parte application regarding claims against certain third parties.	Fates, Edward G.	0.8	334.80	11,621.70
12/04/13	6088747	Transmit declarations to Receiver for his signature (.1); coordinate filing of administrative motion (.4).	Bui, Kim A.	0.5	132.75	11,754.45
12/11/13	6081170	Review order denying administrative motion to file under seal; work on revised filing with redacted application, declaration, exhibits, unredacted application, declaration, and exhibits with redacted portions highlighted and new proposed order.	Fates, Edward G.	1.6	669.60	12,424.05

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00009 (Third Party Claims) 372456-00009

<b>Trans Date</b>	<b>Index</b>	<b>Description of Service Rendered</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Fees</b>	<b>Sum</b>
12/11/13	6091760	Coordinate redactions to exhibits to administrative motion to file ex parte application under seal.`	Bui, Kim A.	0.8	212.40	12,636.45
12/12/13	6082866	Final review and revisions to administrative motion for permission to file under seal together with redacted and unredacted copies of ex parte application, supporting declaration, and exhibits.	Fates, Edward G.	0.4	167.40	12,803.85
12/12/13	6091783	Coordinate issues regarding redaction of exhibits to administrative motion.`	Bui, Kim A.	1.5	398.25	13,202.10
12/13/13	6083541	Discuss administrative motion issues with Receiver.	Fates, Edward G.	0.1	41.85	13,243.95
12/17/13	6085887	Review Feathers' opposition to administrative motion for permission to file documents under seal, exhibits, and proposed order.	Fates, Edward G.	0.4	167.40	13,411.35
12/20/13	6091001	Review order of the motion to commence 3rd party actions/follow-up with counsel (.4); Address the collection issues with the Receiver related to profits (.2).	Zaro, David R.	0.6	351.00	13,762.35
12/20/13	6089665	Review order granting administrative motion for permission to file under seal; attention to issues regarding ex parte application and filing same under seal.	Fates, Edward G.	0.5	209.25	13,971.60
12/20/13	6097186	Coordinate filing of ex parte motion (.3)	Bui, Kim A.	0.3	79.65	14,051.25

**Proforma Summary**



03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00009 (Third Party Claims) 372456-00009

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	3.7	585.00	2,164.50
001665	Edward G. Fates	19.0	418.50	7,951.50
002051	Josi Swonetz	1.0	351.00	351.00
002130	Kim A. Bui	13.5	265.50	3,584.25
		<u>37.2</u>		<u>14,051.25</u>
Total Fees				14,051.25
Total Disbursements				0.00

03/24/14 09:25:55 PROFORMA STATEMENT FOR MATTER 372456-00010 (Distribution) 372456-00010

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00010

Matter Name: Distribution

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153602

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00010 (Distribution)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/01/13	6047651	Address the issues related to the Plan with Receiver and call concerning the rising tide analysis (.4). Work with counsel as to the draft plan terms (.3). Address the Plan, revise same to address rising tide, SBA reserve issues, reserve/IRS claims (2.4).	Zaro, David R.	3.1	1,813.50	1,813.50
11/01/13	6044727	Discuss distribution plan and motion for approval with Receiver (.3); revise distribution plan/motion (2.1); analyze distribution calculations and discuss same with Receiver (.4).	Fates, Edward G.	2.8	1,171.80	2,985.30
11/04/13	6045072	Revisions to distribution plan and approval motion.	Fates, Edward G.	0.6	251.10	3,236.40
11/05/13	6046659	Review revisions to claims schedule and claims motion as they pertain to distribution plan and approval motion, analyze issues regarding April hearing date and potential request to advance same, and confer with SEC's counsel regarding same (.9); revisions to distribution plan and motion for approval (.9).	Fates, Edward G.	1.8	753.30	3,989.70
11/06/13	6050699	Confer with counsel as to plan terms and legal advice re same (.2). Work	Zaro, David R.	0.8	468.00	4,457.70

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		on revisions to Plan and motion, follow-up advice to counsel and Receiver (.6).				
11/06/13	6047534	Discuss distribution plan and approval motion with Receiver, revise same, and send same to SEC's counsel for review (.9); discuss hearing date given and potential request for OST with SEC's counsel (.2).	Fates, Edward G.	1.1	460.35	4,918.05
11/07/13	6049227	Review Receiver's revised calculation of rising tide distribution for plan approval motion.	Fates, Edward G.	0.2	83.70	5,001.75
11/08/13	6050476	Revisions to distribution plan approval motion based on revised rising tide calculation; discuss same with Receiver.	Fates, Edward G.	0.7	292.95	5,294.70
11/11/13	6055466	Address the distribution/plan revisions, rising tide issues (.4).	Zaro, David R.	0.4	234.00	5,528.70
11/11/13	6051402	Discuss distribution plan and additions to same and approval motion with Receiver.	Fates, Edward G.	0.4	167.40	5,696.10
11/13/13	6054657	Work on administrative motion to shorten time for claims motion and plan approval motion.	Fates, Edward G.	1.1	460.35	6,156.45
11/14/13	6056308	Discuss distribution plan and SEC comments regarding same with Receiver, revise plan approval motion.	Fates, Edward G.	0.4	167.40	6,323.85
11/18/13	6062403	Work with counsel/Receiver to address revisions to plan terms and advice on shortening time (.3).	Zaro, David R.	0.3	175.50	6,499.35
11/18/13	6058136	Work on distribution plan and	Fates, Edward G.	0.4	167.40	6,666.75

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		approval motion.				
11/19/13	6060038	Finalize plan approval motion; prepare proposed order.	Fates, Edward G.	0.6	251.10	6,917.85
11/20/13	6062950	Review/evaluate issues related to the plan, distribution issues in light of SBA claim/sale issues (.3).	Zaro, David R.	0.3	175.50	7,093.35
11/20/13	6060917	Work on administrative motion for order shortening time on plan approval motion and claims motion; discuss same with Receiver; confer with SEC's counsel regarding proposed hearing date for motions.	Fates, Edward G.	1.5	627.75	7,721.10
11/21/13	6062330	Finalize administrative motion for order shortening time; prepare proposed order.	Fates, Edward G.	0.7	292.95	8,014.05
11/26/13	6066170	Review order shortening time on distribution plan motion and claims motion; advise Receiver regarding same and mailing of pleadings to claimants.	Fates, Edward G.	0.4	167.40	8,181.45
11/27/13	6071732	Assess/evaluate the SBA's objection to distribution plan, assess overall basis for opposition (.4). Call/emails with SBA counsel and Receiver related to opposition and response (.4).	Zaro, David R.	0.8	468.00	8,649.45
11/27/13	6068117	Review SBA's opposition and supporting declaration regarding distribution plan motion; analyze issues regarding same; begin work on reply brief.	Fates, Edward G.	0.5	209.25	8,858.70
12/02/13	6073798	Review issues related to objection of the SBA and research issues re same	Zaro, David R.	1.6	936.00	9,794.70

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(1.1). Calls with SBA re objection (.2). Calls with Receiver and counsel re SBA objection/reply brief (.3).				
12/02/13	6072147	Review response to distribution plan motion filed by investor Hengstler.	Fates, Edward G.	0.2	83.70	9,878.40
12/03/13	6073831	Review/evaluate the issues raised by the SBA objections/confer with Receiver (.2). Conference call with Receiver and SBA personnel and counsel as to objections/possible resolution of the same (.7). Address the issues with counsel as to SBA/research of priority issues and impact on the claims/plan motion (.4).	Zaro, David R.	1.3	760.50	10,638.90
12/03/13	6072365	Research regarding SBA distribution priority issue (.4); work on reply regarding distribution plan motion and discuss same with Receiver (2.8); review lengthy letter regarding distribution plan filed by investor Gilroy (.3).	Fates, Edward G.	3.5	1,464.75	12,103.65
12/04/13	6077579	Review the draft of the reply in the face of SBA opposition/call with SBA (.4). Follow-up revisions to and call with Receiver to advise on claims dispute (.5).	Zaro, David R.	0.9	526.50	12,630.15
12/04/13	6073402	Work on reply to oppositions to distribution plan motion.	Fates, Edward G.	1.9	795.15	13,425.30
12/05/13	6077610	Call with Receiver concerning SBA reserve issues and audit issues (.3). Work on draft revisions in order to address Mr. Gilroy's claims (.4). Review pleadings from Mr. Feathers and assess impact and response (.4). Call to advise Receiver as to reserve	Zaro, David R.	1.2	702.00	14,127.30

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		for SBA (.1).				
12/05/13	6075952	Work on reply in support of distribution plan motion and discuss same with Receiver.	Fates, Edward G.	2.8	1,171.80	15,299.10
12/06/13	6078301	Review of issues related to the SBA objection and conference call with SBA, attorneys for SBA and Receiver regarding same (.4); Work on response/reply and strategy with regard to reserves and claims (.5).	Zaro, David R.	0.9	526.50	15,825.60
12/06/13	6076518	Calls with SBA and Receiver regarding cash reserve, distributions, and loan sale issues.	Fates, Edward G.	0.9	376.65	16,202.25
12/09/13	6078806	Work on reply to responses to distribution plan motion and Receiver's declaration regarding same.	Fates, Edward G.	0.9	376.65	16,578.90
12/10/13	6082803	Work with Receiver on the plan issues raised by SBA and reserves to address pending disputes (.4).	Zaro, David R.	0.4	234.00	16,812.90
12/10/13	6080366	Discuss reply in support of distribution plan motion and supporting declaration regarding same with Receiver; revise and finalize same.	Fates, Edward G.	0.8	334.80	17,147.70
12/12/13	6085104	Address Feathers' objection to plan/motion and email re same (.2). Address remedies for SBA objection and the reserve issues (.4). Follow-up on the CBB objection (.1).	Zaro, David R.	0.7	409.50	17,557.20
12/30/13	6095713	Legal analysis of/work on issues related to SBA reserve (.4). Follow-up on SBA claim and distribution reserves with Receiver and counsel	Zaro, David R.	0.7	409.50	17,966.70

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.3).				
01/03/14	6099692	Call with Mr. Feathers related to distribution/plan alternatives (.2). Call with Receiver as to plan alternatives, if sale of assets is unsuccessful, including addressing liquidating trusts (.3).	Zaro, David R.	0.5	292.50	18,259.20
01/06/14	6102183	Call with Receiver's office re SBA objection to plan/reserves (.2).	Zaro, David R.	0.2	117.00	18,376.20
01/10/14	6104268	Review letter filed with Court by IMRC claimant regarding distribution plan	Fates, Edward G.	0.1	41.85	18,418.05
01/13/14	6105676	Work on proposed stipulation with SBA regarding objection to claims motion and distribution plan motion	Fates, Edward G.	1.3	544.05	18,962.10
01/14/14	6108373	Review draft of proposed stipulation to address SBA objections/settlement and email re same (.4). Call with Receiver to address negotiations with the SBA and next steps (.2).	Zaro, David R.	0.6	351.00	19,313.10
01/14/14	6106175	Work on proposed stipulation with SBA regarding objection to claims motion and distribution plan motion, discuss same with Receiver and S. Vavak	Fates, Edward G.	0.7	292.95	19,606.05
01/15/14	6109047	Analyze issues regarding proposed stipulation resolving SBA objections.	Fates, Edward G.	0.1	41.85	19,647.90
01/16/14	6109851	Call with counsel/Receiver related to the resolution of the claim/distribution issues (.2). Call with SBA and Receiver/negotiations related to stipulation (.3). Follow-up call with Receiver re SBA objections to distribution (.1).	Zaro, David R.	0.6	351.00	19,998.90

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<b>Trans Date</b>	<b>Index</b>	<b>Description of Service Rendered</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Fees</b>	<b>Sum</b>
01/16/14	6110008	Communications with SEC's counsel regarding hearing on distribution motion and claims motion.	Fates, Edward G.	0.1	41.85	20,040.75
01/17/14	6111782	Review of matter issues/emails with SBA re stipulation to resolve dispute and call with Receiver (.3). Review of draft stipulation with revisions by the SBA, evaluate issues raised by revisions and \$24 million claim versus \$4 million reserve for distribution(.6). Conference/call with SBA (.4).	Zaro, David R.	1.3	760.50	20,801.25
01/17/14	6110021	Calls with SBA's counsel and Receiver regarding proposed stipulation to resolve SBA's objections to claims and distribution motions (.6); draft status report to court regarding same and discuss with Receiver (1.6).	Fates, Edward G.	2.2	920.70	21,721.95
01/21/14	6113023	Work on outstanding issues and further research re SBA's lien priority claim, means to avoid liability of estate, as well as Receiver post-distribution, if claims arises (.4). Calls/emails related to sale motion, the participation agreements and approach to same (.3).	Zaro, David R.	0.7	409.50	22,131.45
01/22/14	6115894	Email/call with counsel as to the SBA claim/plan reserve and prepare for conference call (.2); Review and evaluate the issues related to claim/plan and conference call with SBA and Receiver (.3); Follow-up call with counsel and Receiver related to the SBAS and stipulation of the claim issues and review e-memorandum	Zaro, David R.	0.8	468.00	22,599.45



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.3).				
01/23/14	6114592	Review order changing hearing date for claims and distribution motions; forward same to Receiver.	Fates, Edward G.	0.1	41.85	22,641.30
01/29/14	6119359	Review of Feathers' purported plan of reorganization, pleadings, declaration and exhibits (.4). Confer with SEC and Receiver related to response to the plan (.4).	Zaro, David R.	0.8	468.00	23,109.30
01/31/14	6124434	Review/revise draft of opposition to Feathers' motion, review o the SEC's opposition brief (.4). Calls with the SBA and the Receiver re plan (.2).	Zaro, David R.	0.6	351.00	23,460.30

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	19.5	585.00	11,407.50
001665	Edward G. Fates	28.8	418.50	12,052.80
		<u>48.3</u>		<u>23,460.30</u>
Total Fees				23,460.30
Total Disbursements				0.00

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**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00012

Matter Name: Employment/Fees

Date of Last Billing: 01-06-2014

Client Name: Seaman, Thomas/Receiver for SBCC; Mark Feathers

Proforma Number 1153603

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00012 (Employment/Fees)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
11/01/13	6044793	Attention to issue regarding proof of service for fee applications.	Fates, Edward G.	0.1	41.85	41.85
11/06/13	6050840	Work on fee application, narrative and bills (.7).	Zaro, David R.	0.7	409.50	451.35
11/07/13	6049235	Begin work on Allen Matkins' fourth interim fee application.	Fates, Edward G.	0.2	83.70	535.05
11/08/13	6050473	Work on Allen Matkins' fourth interim fee application.	Fates, Edward G.	4.6	1,925.10	2,460.15
11/13/13	6054498	Revisions to Allen Matkins' fourth interim fee application.	Fates, Edward G.	1.0	418.50	2,878.65
11/19/13	6060646	Discuss preparation of fourth interim fee applications with Receiver.	Fates, Edward G.	0.2	83.70	2,962.35
11/20/13	6061519	Work on Allen Matkins' fourth interim fee application.	Fates, Edward G.	0.6	251.10	3,213.45
11/23/13	6064671	Review and revise Receiver fourth interim fee application; send same to SEC for review.	Fates, Edward G.	2.8	1,171.80	4,385.25
12/03/13	6072887	Discuss fee applications with SEC's counsel; work on same.	Fates, Edward G.	0.4	167.40	4,552.65
12/04/13	6073419	Revisions to Receiver's fourth interim fee application (.4); finalize Allen	Fates, Edward G.	1.3	544.05	5,096.70

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Matkins' fourth interim fee application (.5); prepare notice of hearing and proposed orders (.4).				
12/06/13	6077663	Review Feathers' opposition to Receiver's fourth interim fee application.	Fates, Edward G.	0.1	41.85	5,138.55
12/10/13	6080673	Review Feathers' opposition to Allen Matkins' fourth interim fee application.	Fates, Edward G.	0.2	83.70	5,222.25
12/13/13	6083628	Discuss concerns with delay in approval of fees with Receiver.	Fates, Edward G.	0.2	83.70	5,305.95
12/13/13	6084435	Review Feathers' addendum to opposition to fee applications.	Fates, Edward G.	0.2	83.70	5,389.65
12/19/13	6089501	Review order partially granting third fee applications and discuss same with Receiver (.5); review handwritten opposition to fourth fee applications (.1).	Fates, Edward G.	0.6	251.10	5,640.75

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.7	585.00	409.50
001665	Edward G. Fates	12.5	418.50	5,231.25
		<u>13.2</u>		<u>5,640.75</u>
Total Fees				5,640.75
Total Disbursements				0.00