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6 Attorneys for Receiver  
7 THOMAS A. SEAMAN

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  
17 FUND, LLC; and SBC PORTFOLIO  
FUND, LLC,

18 Defendants.

Case No. CV12-03237

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

Date: August 22, 2014  
Time: 9:00 a.m.  
Dept: 4 - 5th Floor  
Judge: Hon. Edward J. Davila

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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 sixth interim application  
 5 for payment of professional fees and reimbursement of costs ("Sixth Fee Application") for the  
 6 period February 1, 2014 through April 30, 2014 ("Sixth Application Period"). Allen Matkins seeks  
 7 interim approval and payment of \$80,619.50 in fees and \$1,225.02 in expenses incurred during the  
 8 Sixth Application Period.

### 9 I. INTRODUCTION

10 The fees incurred by Allen Matkins during the Sixth Fee Application total \$102,084.75 for  
 11 a total of 204.10 hours of work. However, Allen Matkins seeks interim approval and payment of  
 12 \$80,619.50 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 \$21,465.25 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	22.6	\$11,744.10
19 Asset Recovery	2.6	1,602.90
20 Investigation/Reporting	4.7	2,307.15
21 Investor Communications	.1	44.55
22 Sale of Assets/Disposition	58.2	30,288.60
23 Pending Litigation	1.0	445.50
24 Claims	20.4	11,003.40
25 Third Party Claims	.4	178.20
26 Distribution	35.9	17,823.15
27 Employment/Fees	14.8	6,696.00
28 California Business Bank Litigation	43.4	19,951.20
<b>TOTAL</b>	<b>204.10</b>	<b>\$102,084.75</b>

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

2 **A. Introduction**

3 During the Sixth Application Period, Allen Matkins worked diligently to assist the  
4 Receiver 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 Sixth  
6 Application Period did not overlap with or duplicate the Receiver's work. Exhibit A provides a  
7 detailed list of each and every charge, sorted by category of work, person executing the work, and  
8 task performed.<sup>2</sup>

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

10 **1. General Receivership**

11 The majority of Allen Matkins' work in this category focused on reviewing and responding  
12 to Mr. Feathers' numerous emails, letters, and filings in this case and the pending appeals. In  
13 particular, the Receiver prepared an opposition to Mr. Feathers' motion to compel the Receiver to  
14 produce books and records and for a budget for an accountant. Dkt. No. 834. The firm  
15 participated at the hearing on the motion to compel telephonically on May 16, 2014. At the  
16 conclusion of the hearing and in his minute order, Judge Grewal told Mr. Feathers what Allen  
17 Matkins had been telling him for months – if he cannot specifically identify documents he wants  
18 the Receiver to produce, he can come to the storage facility where they are located, search for the  
19 documents himself, and have them copied. Judge Grewal also denied Mr. Feathers' request for a  
20 budget for an accountant.

21 Allen Matkins also assisted the Receiver in preparing an administrative motion for  
22 approval of a monthly budget for loan servicing work, which was filed on May 6, 2014.

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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, Eighth and Ninth Interim Reports, filed in the instant  
26 action as Docket Nos. 30, 53, 77, 167, 386, 581, 618, 689 and 908. Specifically, the Ninth  
Interim Report (Dkt. No. 908) addresses the Receiver's work and the status of the case during  
the first two months of the Sixth Application Period (February and March 2014).

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 Dkt. No. 889. The administrative motion, which requests that the Receiver be permitted to pay  
2 fees for servicing work up to the monthly budgeted amount so he is not forced to finance the  
3 Receivership Entities' servicing operations for long periods of time from his personal funds, is still  
4 pending. The reasonable and necessary fees for work in this category total \$11,744.10.

## 5 **2. Asset Recovery**

6 Allen Matkins' work in this category focused on legal issues relating to servicing certain  
7 watch list loans, including loans to borrowers 3AM, LLC and Kallapa Rampur. The reasonable  
8 and necessary fees for work in this category total \$1,602.90.

## 9 **3. Investigation and Reporting**

10 Allen Matkins assisted the Receiver in responding to a request for an audit letter from the  
11 firm conducting the required audit of SBC LLC. Allen Matkins' reasonable and necessary fees for  
12 this work total \$2,307.15.

## 13 **4. Investor Communications**

14 Allen Matkins assisted the Receiver in responding to investor communications, inquiries  
15 and requests. Allen Matkins' reasonable and necessary fees for this work total \$44.55.

## 16 **5. Sale of Assets and Disposition**

17 This category contains Allen Matkins' time providing advice and counsel to the Receiver  
18 regarding the anticipated sales of the Receivership Entities' SBA lending license and loan  
19 portfolio, including formulating proposed sale procedures and preparing the motion, declarations,  
20 and exhibits for obtaining Court approval of the sale procedures. The sale procedures motion,  
21 exhibits, and supporting declarations were filed on March 12, 2014. Dkt. Nos. 762, 762-1, 762-2.  
22 The exhibits, which Allen Matkins prepared, include a confidentiality agreement for potential  
23 purchasers to sign, detailed instructions regarding the proposed sale procedures for potential  
24 purchasers to follow, and two detailed forms of purchase and sale agreements – one for the 7(a)  
25 loans and SBLC license and one for the 504 and non-SBA loans.

26 Allen Matkins reviewed the oppositions and other responses to the sale procedures motion  
27 and prepared a response to Mr. Feathers' opposition. The firm also represented the Receiver at the  
28 hearing on the sale procedures motion held on April 25, 2014. The sale procedures, which were

1 approved on May 9, 2014, provide a clear timeline and roadmap for the Receiver to market the  
2 loans and license for sale, entertain offers from qualified potential purchasers, obtain their highest  
3 and best bids, complete the sales in a prompt and efficient manner, and maximize the recovery  
4 from the assets.

5 As part of the process of formulating the sale procedures and preparing the proposed  
6 instructions and sale forms, Allen Matkins participated on several conference calls with  
7 representatives of the SBA, reviewed and discussed the SBA's comments on certain pleadings and  
8 forms, and discussed issues relating to the sale and transfer of the SBA loans to the buyers. Allen  
9 Matkins also assisted in gathering and reporting information on certain 504 loans to the SBA.

10 Allen Matkins assisted the Receiver in analyzing various issues relating to the potential  
11 sale, including SBA regulations regarding the transfer of the loans and SBLC license, the SBA's  
12 contingent claim, and the loan participation agreement with California Business Bank. The firm  
13 also fielded several inquiries from potential buyers and forwarded them to the Receiver and the  
14 broker.

15 The reasonable and necessary fees for Allen Matkins' work in this category total  
16 \$30,288.60.

## 17 **6. Pending Litigation**

18 In January 2014, the Receiver received a Complaint naming SPF as a defendant in a loan  
19 enforcement/foreclosure action filed by a mechanic's lien creditor of one of SPF's borrowers.  
20 Allen Matkins prepared a letter to the attorney who filed the Complaint, advising him of the  
21 litigation injunction contained in the Court's Preliminary Injunction Order and directing him to  
22 dismiss SPF from the lawsuit. The firm followed up with the attorney on several occasions to  
23 confirm SPF had been dismissed entirely from the case. The reasonable and necessary fees for this  
24 work total \$445.50.

## 25 **7. Claims**

26 This category contains Allen Matkins' work in reviewing, analyzing, and objecting to  
27 claims submitted by investors and creditors. During the prior fee application period, Allen  
28 Matkins prepared a motion for approval of omnibus and specific claim objections ("Claims

1 Motion") and supporting declaration, which provided the Receiver's recommended allowed  
2 amount of all investor and non-investor claims submitted to the Receiver. Dkt. No. 626. During  
3 the Sixth Application Period, Allen Matkins represented the Receiver at the hearing on the claims  
4 motion held on February 14, 2014.

5 Allen Matkins also analyzed and advised the Receiver on issues relating to the \$24 million  
6 contingent claim submitted by the SBA and participated in discussions with the SBA regarding the  
7 claim. The firm assisted the Receiver in negotiating a stipulation with the SBA, under which  
8 adjudication of the SBA claim is deferred until such time as a sale of the loans and SBLC license is  
9 approved by the Court and \$4 million in receivership estate funds is set aside with the SBA claim  
10 having priority to such funds to the extent its claims is allowed. The stipulation, which was signed  
11 by the Receiver and the SBA, was filed on February 11, 2014.

12 Pursuant to the Court's instructions at the hearing, Allen Matkins assisted the Receiver in  
13 preparing an amended proposed order on the Claims Motion, which was filed after the conclusion  
14 of the 10-day period during which the Court instructed all investors who had not yet submitted  
15 claims to do so. Dkt. No. 712. The Claims Motion, including the stipulation addressing the SBA  
16 claim, was approved by order entered on February 26, 2014. Dkt. No. 714. Errors in the claim  
17 schedule attached to the order were then corrected by an amended order entered on April 15, 2014.  
18 Dkt. No. 845.

19 Finally, Allen Matkins assisted the Receiver in reviewing and analyzing Mr. Feathers' and  
20 Natalie Feathers' various requests for reconsideration, opposition to entry of the amended order  
21 denying Natalie Feathers' claims, and appeal of the amended order. Dkt. Nos. 743, 745, 750, 755,  
22 868. Allen Matkins' reasonable and necessary fees for work in this category total \$11,003.40.

### 23 **8. Third Party Claims**

24 Allen Matkins' time in this category focused on the Receiver's pending motion to pursue  
25 claims against certain third parties, and Mr. Feathers' request for reconsideration of the order  
26 allowing the motion to be filed under seal. The motion was filed under seal on December 20,  
27 2014. Dkt. No. 678. Mr. Feathers' request for reconsideration was filed on February 27, 2014.  
28 Dkt. No. 716. Allen Matkins' reasonable and necessary fees in this category total \$178.20.

1                   **9.       Distribution**

2           Allen Matkins' time in this category relates to the Receiver's Distribution Plan and his  
3 motion for approval. Distribution Plan and motion for approval were filed on November 19, 2013  
4 ("Distribution Motion"). Docket No. 628. During the Sixth Application Period, Allen Matkins  
5 assisted the Receiver in discussions with the SBA to resolve its objection to the Distribution  
6 Motion. Ultimately, the Receiver and the SBA stipulated that the initial distribution would total  
7 \$15 million and that \$4 million would be set aside to address the SBA's contingent claim.

8           Allen Matkins represented the Receiver at the February 14, 2014 hearing on the  
9 Distribution Motion. Pursuant to the Court's rulings at the hearing, Allen Matkins assisted the  
10 Receiver in preparing an amended proposed order, which was signed by the Court on February 26,  
11 2014.

12           Allen Matkins also assisted the Receiver in analyzing and addressing numerous e-mails and  
13 filings from Mr. Feathers regarding his purported reorganization plan, his request for a stay of  
14 distributions, and his request for reconsideration and appeal of the amended order approving the  
15 Distribution Motion. Allen Matkins prepared oppositions to Mr. Feathers' request for a stay of  
16 distributions, request for reconsideration, and motion concerning a hearing to discuss a  
17 reorganization plan. All three motions were denied by the Court. Dkt. Nos. 761, 897, 899. The  
18 firm also assisted the Receiver in responding to another request from Mr. Feathers for leave to sue  
19 the Receiver. The request was again denied by the Court. Dkt. No. 761.

20           The firm also reviewed various filings and orders in Mr. Feathers' appeal, including an  
21 Order to Show Cause re: Dismissal from the Ninth Circuit and Mr. Feathers response to the OSC.  
22 Finally, Allen Matkins assisted the Receiver in responding to investor inquiries regarding  
23 distributions. The reasonable and necessary fees for this work total \$17,823.15.

24                   **10.       Employment and Fees**

25           Allen Matkins prepared and filed its fifth interim fee application for the reasonable and  
26 necessary fees incurred from November 1, 2013 through January 31, 2014, and assisted in  
27 preparing the Receiver's fifth interim fee application. The fifth interim fee applications of the  
28 Receiver and Allen Matkins were filed on May 6, 2015 (Dkt. Nos. 884, 885) and are set for



1 hearing on August 1, 2014. The reasonable and necessary fees for Allen Matkins' work in this  
2 category total \$6,696.00.

### 3 **11. 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 Sixth Application Period, Allen Matkins represented the Receiver with regard to the  
7 February 13, 2014 hearing on CBB's motion to dismiss the First Amended Complaint. Prior to the  
8 hearing, counsel for Defendant N. Aaron Yashouafar requested the Receiver stipulate to allow him  
9 to join CBB's motion to dismiss. The Receiver agreed and the joint stipulation was approved by  
10 the Court on February 7, 2014.

11 Allen Matkins analyzed the legal issues raised in CBB's motion to dismiss in preparation  
12 for the February 13, 2014 hearing and represented the Receiver at the hearing. On April 2, 2014,  
13 the District Court granted CBB's motion, dismissing the Receiver's federal claims with prejudice  
14 and refusing to exercise jurisdiction over the Receiver's state law claims. Allen Matkins then  
15 assisted the Receiver in preparing and filing a complaint in Los Angeles Superior Court asserting  
16 state law claims. The Superior Court complaint was filed on May 8, 2014. Allen Matkins'  
17 reasonable and necessary fees in this category total \$19,951.20.

#### 18 **C. Summary of Costs Requested**

19 Allen Matkins requests the Court approve reimbursement of \$1,225.02 in out-of-pocket  
20 costs. Allen Matkins charges \$.19 per page for copies and \$1.00 per page for outgoing faxes.  
21 There is no charge for incoming faxes. The itemization of such expenses is reflected in the  
22 General Receivership category in **Exhibit A** and is summarized below:

23 Duplication	\$164.20
24 Document Search (incl. PACER, Lexis, Secretary of State)	40.50
25 Federal Express	217.22
26 Court Fees	81.00

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	Transportation/Parking	260.10
2	Airfare	462.00
3	<b>TOTAL COSTS</b>	<b>\$1,225.02</b>

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

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

12 Allen Matkins filed its First Interim Fee Application on December 6, 2012. Docket  
13 No. 135. On May 15, 2013, the Court issued its Order Partially Granting First Interim Fee  
14 Applications ("First Fee Order"). Docket No. 463. The Court approved only 59% of the fees  
15 incurred by Allen Matkins during the first 14 weeks of the case (the First Fee Application Period).<sup>4</sup>  
16 The First Fee Order states the primary rationale for the reduction "is that the Court objects to Allen  
17 Matkins' charging a blended hourly rate of \$454.10." *Id.* at p. 7. Rather than reduce the allowed  
18 fees to \$395 per hour, the Court approved only \$269.73 per hour.<sup>5</sup> The Court did not find the  
19 amount of time billed by Allen Matkins was unreasonable in relation to the tasks completed or the  
20 quality of work was not satisfactory, but instead stated that receivers' counsel should only be  
21 modestly compensated in cases where investors stand to recover a fraction of their losses. Allen  
22 Matkins sought leave to seek reconsideration of the First Fee Order, which was denied.

23 By the time the Court entered the First Fee Order, the Receiver and Allen Matkins had filed  
24 their Second Interim Fee Applications. Docket Nos. 338, 339. In light of the First Fee Order, the

25 \_\_\_\_\_  
26 <sup>4</sup> Although the First Fee Order states that 66% of the requested fees are allowed, the ruling  
27 equates to a 41% reduction in Allen Matkins' fees because the Court applied its 34% reduction  
28 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.

<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 Receiver and Allen Matkins sought leave to file a supplement to Allen Matkins' Second Interim  
 2 Fee Application. Leave was granted and Allen Matkins filed a supplemental brief, along with a  
 3 declaration from the Receiver and a request for judicial notice. Docket Nos. 549, 549-1, and  
 4 549-2. The supplemental brief highlighted cases, including those cited by the Court in the First  
 5 Fee Order, which hold that hourly rates for lawyers representing receivers in SEC cases "are  
 6 appropriate if they 'are in line with those prevailing in the community for similar services by  
 7 lawyers of reasonably comparable skill, experience, and reputation.'" *SEC v. Byers*,  
 8 590 F. Supp. 2d 637, 645 (S.D.N.Y. 2008) (quoting *Blum v. Stenson*, 465 U.S. 886, 896 n. 11  
 9 (1984)); *see also SEC v. Fifth Ave. Coach Lines. Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973).  
 10 The supplemental brief and request for judicial notice also provided citations showing the  
 11 approved hourly rates of law firms representing receivers in other SEC enforcement actions in  
 12 California. These citations demonstrate that \$395 per hour is at the low end of the range of hourly  
 13 rates approved by courts in these cases.

14 On August 16, 2013, the Court entered its Order Partially Granting Second Interim Fee  
 15 Applications ("Second Fee Order"). Docket No. 590. The Court again took issue with the firm's  
 16 blended hourly rate. However, instead of reducing the allowed fees to \$395 per hour (which it  
 17 emphasized the firm should be held to), the Court approved a much lower hourly rate -- only  
 18 \$327 per hour. Again, the Court did not find the amount of time billed by Allen Matkins was  
 19 unreasonable in relation to the tasks completed or the quality of work was not satisfactory, but  
 20 instead reiterated that receivers' counsel should only be modestly compensated in cases where  
 21 investors stand to recover a fraction of their losses. Thus, the Court allowed only 67% of the fees  
 22 incurred by the firm.<sup>6</sup>

23 The Receiver and Allen Matkins filed their Third Interim Fee Applications on  
 24 September 20, 2013. On December 19, 2013, the Court entered its Order Partially Granting Third  
 25

26 <sup>6</sup> Although the Second Fee Order indicates that 75% of the fees requested are approved, Allen  
 27 Matkins volunteered to defer payment on 10% of the fees incurred until the conclusion of the  
 28 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.

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

9 The Receiver and Allen Matkins filed their Fourth Interim Fee Applications on  
 10 December 4, 2013. On May 9, 2014, the Court entered its Order Partially Granting Fourth Interim  
 11 Fee Applications ("Fourth Fee Order"). Docket No. 896. Again, instead of allowing fees at the  
 12 \$395 per hour rate approved in Allen Matkins' employment application, the Court approved a  
 13 much lower hourly rate -- only \$355.50 per hour. Again, the Court did not find the amount of time  
 14 billed by Allen Matkins was unreasonable in relation to the tasks completed or the quality of work  
 15 was not satisfactory, but instead reiterated that receivers' counsel should only be modestly  
 16 compensated in cases where investors stand to recover a fraction of their losses. Thus, the Court  
 17 allowed only 81% of the fees incurred by the firm.<sup>8</sup>

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 21 <sup>7</sup> Although the Third Fee Order indicates that 90% of the fees requested are approved, Allen  
 22 Matkins volunteered to defer payment on approximately 13.5% of the fees incurred until the  
 23 conclusion of the receivership (the 13.5% being the difference between the firm's actual  
 24 blended hourly rate and the \$395 per hour rate approved in the employment application).  
 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.

25 <sup>8</sup> Although the Fourth Fee Order indicates that 90% of the fees requested are approved, Allen  
 26 Matkins volunteered to defer payment on approximately 9.4% of the fees incurred until the  
 27 conclusion of the receivership (9.4% being the difference between the firm's actual blended  
 28 hourly rate and the \$395 per hour rate approved in the employment application). When the  
 Court imposed its reduction of 10%, instead of applying the reduction to the total amount  
 incurred (\$99,292.05), it applied the reduction to the approximately 90.6% requested on an  
 interim basis (\$89,981.00), meaning Allen Matkins was paid only about 81% of fees incurred  
 during the Fourth Application Period.

1 For the past 24 months, Allen Matkins has diligently and competently represented the  
2 Receiver with regard to all legal issues in this complex SEC receivership. The results obtained, as  
3 described in detail in the Receiver's nine interim reports, have been excellent. The Court has never  
4 identified concerns with the quality of work performed by the Receiver or Allen Matkins. At this  
5 point, the firm has only been paid approximately 72.9% of fees incurred during the first 16 months  
6 of the case (June 26, 2012 through October 31, 2013). Although the Court approved an hourly rate  
7 of \$395 when it approved Allen Matkins' employment, it has only allowed the firm to be paid a  
8 blended rate of \$333.84 thus far.

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

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

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

1 Finally, the Receiver and Allen Matkins submit it is unfair to reduce Allen Matkins' fees to  
2 hourly rates well below the \$395 hourly rate approved in connection with the firm's employment  
3 application. The Court approved a blended hourly rate at the beginning of the receivership and  
4 affirmed Allen Matkins should be held to that rate, but nevertheless has reduced the firm's fees to  
5 amounts well below the approved rate. The Receiver and Allen Matkins respectfully submit this  
6 and future fee requests of Allen Matkins should be allowed at no less than \$395 per hour. That  
7 amount for this application period is \$148,757 (376.6 hours multiplied by \$395). The remaining  
8 \$28,396.75 should be held back until the conclusion of the receivership.

9  
10 **IV. CONCLUSION**

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

- 12 1. Approving on an interim basis Allen Matkins' fees totaling \$80,619.50 for the Sixth  
Application Period;
- 13 2. Approving on an interim basis Allen Matkins' reimbursement of costs totaling  
14 \$1,225.02 for the Sixth Application Period;
- 15 3. Authorizing and directing the Receiver to pay Allen Matkins from the assets of the  
16 receivership estate; and
- 17 4. Granting such further and other relief as the Court deems just and proper.

18  
19 Dated: July 9, 2014

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

20  
21 By:           /s/ Ted Fates            
22 TED FATES  
23 Attorneys for Receiver Thomas A. Seaman  
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# **EXHIBIT A**

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00002 (General Receivership) 372456-00002

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00002

Matter Name: General Receivership

Date of Last Billing: 05-13-2014

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

Proforma Number 1166293

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/06/14	6219760	Call to Receiver to address SBA's issues related to collateral on six loans and response to same (.2).	Zaro, David R.	0.2	123.30	123.30
02/19/14	6138009	Review SEC's administrative case filing against M. Feathers (.1); review Feathers' email and SEC's response regarding intervention motion (.1); review notice of Feathers' bankruptcy discharge (.1).	Fates, Edward G.	0.3	133.65	256.95
02/24/14	6143166	Assess issues related to Feathers' threats of litigation/emails concerning same (.4). Call from Mr. Feathers to address claims/threats and follow-up with Receiver (.4).	Zaro, David R.	0.8	493.20	750.15
02/24/14	6142408	Review N. Feathers motion to intervene and request for order shortening time.	Fates, Edward G.	0.3	133.65	883.80
02/25/14	6144969	Call with Receiver, review new emails from Feathers and Receiver related to motion to sue the Receiver/counsel and intervention (.4). Assess the issues, response to Feathers and email re same (.3).	Zaro, David R.	0.7	431.55	1,315.35
02/25/14	6143565	Review pleadings and exhibits filed	Fates, Edward G.	0.3	133.65	1,449.00



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		by Feathers regarding intervention motion.				
02/26/14	6145747	Review of several intervention motions, follow-up calls with counsel for the SEC related to response and follow-up with Receiver re same (.3).	Zaro, David R.	0.3	184.95	1,633.95
02/27/14	6146864	Emails from Mr. Feathers related to intervention, as well a reconsideration of prior motion regarding under seal issues (.3).	Zaro, David R.	0.5	308.25	1,942.20
02/28/14	6146571	Review SEC's opposition to N. Feathers' administrative motion for order shortening time on motion to intervene (.1); review letter to Feathers with checks attached (.2).	Fates, Edward G.	0.3	133.65	2,075.85
03/01/14	6150363	Review several emails/investor letter and follow-up with Receiver concerning alternatives and responses (.4).	Zaro, David R.	0.4	246.60	2,322.45
03/04/14	6151248	Review order denying N. Feathers' request for order shortening time (.1); review SEC's letter to court requesting abstracts of judgment (.1).	Fates, Edward G.	0.2	89.10	2,411.55
03/05/14	6153170	Review filings by Mr. Feathers' re Receiver, litigation filings (.3). Call with Mr. Feathers related to litigation/Receiver (.1). Call to Receiver to follow-up on Feathers' demands (.1). Address with the SEC and counsel the issues re Feathers' several court filings and Receiver's response thereto (.4). Revise declaration and email to counsel re same (.5).	Zaro, David R.	1.3	801.45	3,213.00

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/05/14	6219722	Review SEC's response to N. Feathers motion to intervene (.2).	Fates, Edward G.	0.2	89.10	3,302.10
03/06/14	6152825	Discuss information for QSF tax return with K. Janulewicz (.3); review SEC's letter to court clerk regarding abstracts of judgment (.1).	Fates, Edward G.	0.4	178.20	3,480.30
03/07/14	6155423	Review email communications from Feathers (.2) and communications from court regarding transcript of 2/14 hearing (.1).	Fates, Edward G.	0.3	133.65	3,613.95
03/10/14	6158665	Review/evaluate the SB Capital matter, the intervention motion filed by Feathers and follow-up with counsel re same (.4). Review of the issues concerning claims against Receiver, pending motion re lawsuit (.2).	Zaro, David R.	0.6	369.90	3,983.85
03/11/14	6158122	Review SEC's consolidated opposition to four motions filed by Feathers.	Fates, Edward G.	0.2	89.10	4,072.95
03/18/14	6164820	Assess the issues re the SEC's abstracts of judgment, lien on assets, confer with SEC re collection (.3).	Zaro, David R.	0.3	184.95	4,257.90
03/19/14	6164919	Discuss Feathers issues with SEC's counsel (.2); review latest Feathers' filings (.3).	Fates, Edward G.	0.5	222.75	4,480.65
04/04/14	6219734	Review of Feathers' filings/emails concerning documents/records and follow-up with Receiver (.4).	Zaro, David R.	0.4	246.60	4,727.25
04/04/14	6181350	Review Feathers' motion regarding files for IRS audit (.2); review order denying Feathers' motions in appeal (.1).	Fates, Edward G.	0.3	133.65	4,860.90

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/04/14	6181481	Discuss potential administrative motion regarding approval of monthly servicing budget with Receiver.	Fates, Edward G.	0.4	178.20	5,039.10
04/07/14	6185446	Address emails/filing by Feathers and call with Receiver to address background of tax issues/response (.4).	Zaro, David R.	0.4	246.60	5,285.70
04/07/14	6182139	Review order changing hearing date for Feathers' motion to compel (.1); review Feathers' letter to court regarding SSN on exhibit (.1); review Feathers' reply regarding request for stay (.2).	Fates, Edward G.	0.4	178.20	5,463.90
04/08/14	6185465	Address Feathers' demands for documents/tax issues and follow-up emails (.6). Call with SEC related to administrative proceeding and tax claims issues (.3).	Zaro, David R.	0.9	554.85	6,018.75
04/08/14	6183836	Discuss administrative motion regarding servicing budget with Receiver; review data regarding same.	Fates, Edward G.	0.3	133.65	6,152.40
04/08/14	6183837	Review communications with Feathers regarding request for documents.	Fates, Edward G.	0.1	44.55	6,196.95
04/09/14	6185060	Work on administrative motion regarding servicing budget.	Fates, Edward G.	0.4	178.20	6,375.15
04/10/14	6185739	Work on administrative motion for approval of loan servicing budget.	Fates, Edward G.	1.9	846.45	7,221.60
04/11/14	6187123	Work on administrative motion for approval of monthly servicing budget; discuss same with Receiver.	Fates, Edward G.	1.6	712.80	7,934.40

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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>
04/13/14	6187347	Work on administrative motion regarding servicing budget.	Fates, Edward G.	0.6	267.30	8,201.70
04/14/14	6190146	Review/evaluate and attempt to address Feathers' questions re taxes, including 3/12 and 3/13 emails, follow-up with Receiver re same (.6).	Zaro, David R.	1.0	616.50	8,818.20
04/14/14	6187790	Work on response to Feathers' motion regarding 2012 IRS audit.	Fates, Edward G.	1.3	579.15	9,397.35
04/15/14	6188746	Review order denying four Feathers' motions for reconsideration (.2); work on response to Feathers' motion regarding IRS audit and production of books and records and discuss same with Receiver (.9).	Fates, Edward G.	1.1	490.05	9,887.40
04/16/14	6190156	Review order advancing hearing on Feathers' motion regarding books and records.	Fates, Edward G.	0.1	44.55	9,931.95
04/18/14	6193575	Call/emails with Receiver and counsel re Feathers document production demands and response (.4). Review draft response and advice re discovery motion (.3).	Zaro, David R.	0.7	431.55	10,363.50
04/18/14	6192703	Work on opposition to Feathers' motion for books and records regarding IRS audit; discuss same with Receiver.	Fates, Edward G.	1.1	490.05	10,853.55
04/22/14	6199807	Address discovery requests, quick books production to address Feathers' demands (.2).	Zaro, David R.	0.2	123.30	10,976.85
04/28/14	6201266	Address the issues with counsel and Receiver concerning the quick books accounting and discovery, production of records re SBCapital Corp and	Zaro, David R.	0.7	431.55	11,408.40

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		follow-up with counsel (.7).				
04/28/14	6200222	Discuss Feathers' reorganization-related filings with Receiver.	Fates, Edward G.	0.2	89.10	11,497.50
04/29/14	6203147	Review draft letter to Mr. Feathers related to the discovery demands/quick books re IRS audit (.4).	Zaro, David R.	0.4	246.60	11,744.10

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

Trans Date	Index	Type	Quantity	Amt
02/03/14	2018877	Duplication	8.00	0.80
02/11/14	2018878	Duplication	82.00	8.20
02/11/14	2019288	Federal Express - - Messenger - Invoice No: 255943827 Ship To: Mark Feathers	1.00	16.34
02/11/14	2019289	Federal Express - - Messenger - Invoice No: 255943827 Ship To: Clerk of the Court	1.00	12.65
02/12/14	2020991	Reprographics - Color	48.00	12.00
02/13/14	2025634	Parking fees for travel to San Francisco for court hearing. (Note: flight sat on tarmac and never actually left for San Francisco. Airfare was reapplied for flight on February 14.)' -----` Supplier = San Diego Airport`	1.00	10.00
02/13/14	2030601	Southwest - travel to appear/argue at hearing CMC and motion on fee applications	1.00	462.00
02/14/14	2025625	Parking at airport during travels to San Jose for court hearing.	1.00	28.00
02/14/14	2030603	Hertz - to attend/appear/argue at CMC, hearing on fee applications	1.00	176.10
02/14/14	2030604	Parking at the airport in connection with hearing (CMC) and fee application hearing	1.00	46.00

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Trans Date	Index	Type	Quantity	Amt
02/21/14	2024866	Federal Express - - Messenger - Invoice No: 257437627 Ship To: USDC Northern District Calif	1.00	17.40
02/24/14	2024683	Duplication	47.00	4.70
02/24/14	2032242	Transcript - - Irene Rodriguez - Transcript of Proceedings held on 2/14/14	1.00	81.00
02/25/14	2024865	Federal Express - - Messenger - Invoice No: 257437627 Ship To: Clerk of the Court	1.00	12.65
02/26/14	2024684	Duplication	33.00	3.30
02/27/14	2024685	Duplication	10.00	1.00
03/04/14	2026604	Duplication	51.00	5.10
03/05/14	2026887	Federal Express - - Messenger - Invoice No: 258914257 Ship To: Clerk of the Court Ship Dt: 03/05/14 Airbill: 798124550820	1.00	12.65
03/07/14	2026885	Federal Express - - Messenger - Invoice No: 258914257 Ship To: Clerk of the Court Ship Dt: 03/07/14 Airbill: 798144757616	1.00	12.65
03/07/14	2026886	Federal Express - - Messenger - Invoice No: 258914257 Ship To: Mark Feathers Ship Dt: 03/07/14 Airbill: 798144875364	1.00	33.94
03/10/14	2026605	Duplication	142.00	14.20
03/11/14	2026888	Federal Express - - Messenger - Invoice No: 258914257 Ship To: Edward Davila Ship Dt: 03/11/14 Airbill: 798181514196	1.00	12.65
03/12/14	2026606	Duplication	405.00	40.50
03/12/14	2031404	Federal Express - - Messenger - Invoice No: 259675824 Ship To: Hon Edward J Davila	1.00	18.23
03/17/14	2027341	Duplication	203.00	20.30
03/18/14	2027342	Duplication	64.00	6.40
03/18/14	2031403	Federal Express - - Messenger - Invoice No: 259675824 Ship To: Clerk of the Court	1.00	12.65
03/27/14	2032170	Duplication	122.00	12.20



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Trans Date	Index	Type	Quantity	Amt
03/28/14	2033972	Federal Express - - Messenger - Invoice No: 261182358 Ship To: Attn Auditors	1.00	13.77
03/31/14	2040215	Document Search Pacer Service 01/01/2014- 03/31/2014^AM0021-Q1201	1.00	17.30
03/31/14	2040216	Document Search Pacer Service 01/01/2014- 03/31/2014^AM0021-Q1201	1.00	18.80
03/31/14	2040217	Document Search Pacer Service 01/01/2014- 03/31/2014^AM0021-Q1201	1.00	4.40
04/02/14	2033553	Duplication	110.00	11.00
04/02/14	2034190	Federal Express - - Messenger - Invoice No: 261901928 Ship To: Clerk of the Court	1.00	12.65
04/04/14	2033554	Duplication	20.00	2.00
04/07/14	2033555	Duplication	84.00	8.40
04/15/14	2035006	Duplication	20.00	2.00
04/18/14	2035007	Duplication	116.00	11.60
04/18/14	2035008	Reprographics - Color	2.00	0.50
04/18/14	2037472	Federal Express - - Messenger - Invoice No: 263427106 Ship To: Clerk of the Court	1.00	12.65
04/21/14	2037473	Federal Express - - Messenger - Invoice No: 263427106 Ship To: Mark Feathers	1.00	16.34
04/24/14	2046554	lodging - attend/appear at hearing re Feathers' reorganization plan`	1.00	375.94
04/24/14	2046555	travel to attend hearing at USDC, Northern District of Calif (San Jose) in connection with hearing on Feathers' reorganization motion`	1.00	207.92
04/25/14	2046556	NO RECEIPT - out of office Meal`	1.00	9.50
04/25/14	2046557	lunch after attending hearing on Feather's reorganization motion`	1.00	16.34



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Trans Date	Index	Type	Quantity	Amt
04/25/14	2046558	American Airlines - fee for ticket change`	1.00	25.20
04/25/14	2046559	luncheon beverage`	1.00	7.00
04/25/14	2046560	fee to park vehicle during travel to Kentucky and back`	1.00	19.00
04/29/14	2043818	Federal Express - - Messenger - Invoice No: 264144683 Ship To: Mark Feathers	1.00	18.78

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	9.8	616.50	6,041.70
001665	Edward G. Fates	12.8	445.50	5,702.40
		<u>22.6</u>		<u>11,744.10</u>
Total Fees				11,744.10
Total Disbursements				1,904.70

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00003 (Asset Recovery) 372456-00003

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00003

Matter Name: Asset Recovery

Date of Last Billing: 05-13-2014

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

Proforma Number 1166294

Client/Matter Joint Group # 372456-1

**Fees for Matter 372456-00003 (Asset Recovery)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/18/14	6219730	Follow-up with Receiver re servicing issues/SBA costs and management fee re same (.4).	Zaro, David R.	0.4	246.60	246.60
03/25/14	6172157	Address issues related to 3AM default, foreclosure process/timing and estimated recovery/SBA guaranty (.3).	Zaro, David R.	0.3	184.95	431.55
03/26/14	6172174	Follow-up on 3AM foreclosure and SBA issues/response (.2). Review status of the Kallpa Rampur loan with Receiver and workout strategy re same/document review (.6). Address 3AM loan default and foreclosure (.2).	Zaro, David R.	1.0	616.50	1,048.05
04/02/14	6182087	Address issues related to servicing/loan defaults, follow-up with Receiver and advice related to same (.4).	Zaro, David R.	0.4	246.60	1,294.65
04/04/14	6182100	Call/email related to servicing/SBA regulations, approach to ex parte application with Receiver (.3).	Zaro, David R.	0.3	184.95	1,479.60
04/14/14	6219741	Address Receiver questions re servicing (.2).	Zaro, David R.	0.2	123.30	1,602.90

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**Proforma Summary**

<b>Timekeeper Number</b>	<b>Timekeeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Amounts</b>
000313	David R. Zaro	<u>2.6</u>	616.50	<u>1,602.90</u>
		2.6		1,602.90
Total Fees				1,602.90
Total Disbursements				0.00

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00004 (Investigation/Reporting) 372456-00004

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00004

Matter Name: Investigation/Reporting

Date of Last Billing: 05-13-2014

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

Proforma Number 1166295

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/07/14	6130470	Review Feathers' opposition to Eighth Interim Report.	Fates, Edward G.	0.3	133.65	133.65
03/25/14	6172152	Review audit letter request, emails related to audit response (.3). Call with Receiver re audit letter response/emails re same (.2).	Zaro, David R.	0.5	308.25	441.90
03/26/14	6172179	Conference with counsel re audit letter response and draft of same (.4). Work with Receiver re report/accounting issues (.2). Follow-up on audit response letter (.1).	Zaro, David R.	0.7	431.55	873.45
03/26/14	6172448	Legal analysis regarding audit letter standards and status regarding receivership matters.	Thames, Stephen R.	0.5	303.75	1,177.20
03/27/14	6177111	Work on revisions, draft of audit response letter (.4). Call/email re discovery issues and advice to Receiver (.3).	Zaro, David R.	0.7	431.55	1,608.75
03/27/14	6176864	Conduct due diligence and prepare draft audit letter.	Cramton, Sara R.	1.4	333.90	1,942.65
03/27/14	6177026	Draft revisions to letter regarding modification to request.	Thames, Stephen R.	0.6	364.50	2,307.15

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00004 (Investigation/Reporting) 372456-00004

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

Trans Date	Index	Type	Quantity	Amt
04/25/14	2046539	American Airlines - return from San Jose re hearing on Feathers reorganization motion	1.00	529.50

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	1.9	616.50	1,171.35
000616	Sara R. Cramton	1.4	238.50	333.90
001640	Stephen R. Thames	1.1	607.50	668.25
001665	Edward G. Fates	0.3	445.50	133.65
		<u>4.7</u>		<u>2,307.15</u>
Total Fees				2,307.15
Total Disbursements				529.50

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00005 (Investor Communications) 372456-00005

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00005

Matter Name: Investor Communications

Date of Last Billing: 05-13-2014

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

Proforma Number 1166296

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/21/14	6193334	Review investor letter filed with court.	Fates, Edward G.	0.1	44.55	44.55

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	0.1	445.50	44.55
		<u>0.1</u>		<u>44.55</u>
Total Fees				44.55
Total Disbursements				0.00

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

**Preliminary Billing Form**

Billing Atty: 000313 - Zaro

Matter #: 372456-00006

Matter Name: Sale of Assets/Disposition

Date of Last Billing: 05-13-2014

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

Proforma Number 1166297

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
02/04/14	6128462	Call with SBA, email related to SBA sale motion (.4).	Zaro, David R.	0.4	246.60	246.60
02/04/14	6125550	Review revised memo from R. Garcia addressing SBA's questions and communications with S. Vavak and R. Garcia regarding same (.6); review SBA's comments on sale procedures motion and exhibit A (.2); review broker comments to loan purchase and sale agreement and revise same (.6).	Fates, Edward G.	1.4	623.70	870.30
02/05/14	6130187	Call/email with Receiver/SBA related to status of sale (.2). Review the SBA issues as to 504 loan sales (.4). Confer with counsel, follow-up to address 504 loan terms/declarations and SBA email re modifications (.5).	Zaro, David R.	1.1	678.15	1,548.45
02/05/14	6126570	Communications with Receiver and R. Garcia regarding memo addressing 504 loans and communications with title regarding same (.5); work on sale procedures motion and exhibits to same and discuss with S. Vavak (.6).	Fates, Edward G.	1.1	490.05	2,038.50



06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

<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>
02/06/14	6130283	Review documents as well as issues related to 504 loans, First Lien Position Loan Pool Agreement, SBA's demands related to qualify/terms of sale eof 504 loans (.7). Confer with counsel as to further revisions to the draft purchase agreement and issues as to 504 loan (.4).	Zaro, David R.	1.1	678.15	2,716.65
02/06/14	6128186	Work on memo and exhibits addressing SBA's questions on 504 loan files and send same to SBA's counsel (1.1); revisions to sale procedures motion and exhibits per SBA's comments and discuss sale procedures and declarations supporting motion with S. Vavak (1.8); analysis of 504 loan transfer documents, revisions to loan purchase and sale agreement, and discuss same with Receiver (.6).	Fates, Edward G.	3.5	1,559.25	4,275.90
02/07/14	6130043	Communications with broker regarding 504 loan transfer issues (.5); communications with Receiver regarding sale procedures and notices and revisions to sale procedures motion (.9); work on loan purchase and sale agreement and discuss same with Receiver (1.8); communications with SBA and Receiver regarding questions about 504 loan files and additional documents requested and analyze issues regarding same (.9).	Fates, Edward G.	4.1	1,826.55	6,102.45
02/08/14	6130774	Work on 504 loan purchase and sale agreement, instructions to potential purchasers, and sale procedures	Fates, Edward G.	1.8	801.90	6,904.35

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		motion (1.6); communications with Receiver regarding exhibits and declarations for sale procedures motion (.2).				
02/10/14	6132912	Prepare for/attend SBA call re sales issues with Receiver and SBA (.4). Review of issues re sale with Receiver, follow-up call with SBA (.3). Further advice to counsel and Receiver as to SBA sale issues (.2).	Zaro, David R.	0.9	554.85	7,459.20
02/11/14	6132472	Discuss revisions to declaration and 504 loan transfer issues with broker (.3); work on Receiver's declaration regarding sale procedures motion (.8).	Fates, Edward G.	1.1	490.05	7,949.25
02/13/14	6137397	Review of additional payoff information re loans/impact on sale of portfolio and marketing issues (.4).	Zaro, David R.	0.4	246.60	8,195.85
02/14/14	6137418	Review/evaluate the SBA issues re sale motion, 504 issues based on SBA's demands/documentation (.4). Calls with counsel and Receiver to address the 504 loan issues (.3).	Zaro, David R.	0.7	431.55	8,627.40
02/18/14	6137444	Analyze issues regarding sale procedures motion.	Fates, Edward G.	0.2	89.10	8,716.50
02/19/14	6139906	Review/revise the draft motion to sell assets, retain Voit and revise the drafts of the instructions (2.2). Prepare draft of Seaman declaration in support of the sale motion (1.1).	Zaro, David R.	3.3	2,034.45	10,750.95
02/20/14	6140704	Review/evaluate the Seaman draft declaration, revisions to same (.8). Revise motion as to SBA 504 instructions (.6). Call with	Zaro, David R.	2.1	1,294.65	12,045.60

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver/counsel re sale (.2). Emails to SBA and Receiver re sale documents (.4).				
02/21/14	6140517	Review and revise sale procedures motion and supporting declarations.	Fates, Edward G.	1.1	490.05	12,535.65
02/24/14	6141615	Revisions to forms of 7(a)/License and 504/non-SBA purchase and sale agreements (.5); work on sale procedures motion and request for order shortening time regarding same (.4).	Fates, Edward G.	0.9	400.95	12,936.60
02/25/14	6143152	Work on administrative motion for order shortening time on sale procedures motion and proposed OST (.9); communications with SBA's counsel regarding sale procedures motion and form of purchase and sale agreement (.2).	Fates, Edward G.	1.0	445.50	13,382.10
02/26/14	6145722	Prepare for conference call with the SBA and call with Receiver re sale (.4). Call with the SBA, counsel, and Receiver re sale motion (.4).	Zaro, David R.	0.8	493.20	13,875.30
02/27/14	6146838	Review open issues re sale motion, form contracts/instruction (.4). Attend call with Receiver and counsel as to terms of agreements and instructions (.3). Review changes to the agreement, call/email to address SBA suggested revisions (.7).	Zaro, David R.	1.4	863.10	14,738.40
02/27/14	6145411	Review SBA's comments to sale procedures motion, instructions, and form of purchase and sale agreement (.3); revisions to motions, declarations, and exhibits (1.3); confer with SEC's counsel regarding	Fates, Edward G.	2.1	935.55	15,673.95

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00006 (Sale of Assets/Disposition) 372456-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		sale procedures motion (.2); work on motion for order shortening time on sale procedures motion (.3).				
02/28/14	6147453	Revisions to Receiver and broker declarations in support of sale procedures motion.	Fates, Edward G.	0.2	89.10	15,763.05
03/03/14	6151017	Call related to the sale motion, issues raised by the SBA (.2). Review/revise 504 instructions (.4). Call with Receiver re sale, revise Receiver declaration and follow-up (.8).	Zaro, David R.	1.4	863.10	16,626.15
03/03/14	6150261	Discuss declaration and exhibits for sale procedures motion with Receiver and broker; revisions to same.	Fates, Edward G.	1.1	490.05	17,116.20
03/04/14	6150683	Confer with SEC's counsel regarding sale procedures motion and hearing date for same (.1); confer with broker regarding declaration (.2); revisions to sale procedures motion and exhibits (.4).	Fates, Edward G.	0.7	311.85	17,428.05
03/10/14	6158666	Work with counsel to address finalizing the sale motion, exhibits and instructions (.3).	Zaro, David R.	0.3	184.95	17,613.00
03/11/14	6160094	Call/email with SEC re sale terms, follow-up with counsel re same (.3).	Zaro, David R.	0.3	184.95	17,797.95
03/11/14	6157174	Review and revise schedule of loan interests for sale procedures motion (.5); confer with SEC's counsel, revisions to sale procedures motion, discuss same with Receiver, and send exhibits to SEC's counsel (2.1); prepare proposed order on sale procedures motion (.2).	Fates, Edward G.	2.8	1,247.40	19,045.35

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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>
03/12/14	6160131	Review issues related to sale raised by the Commission, follow-up to revise draft motion to address open issues re Receiver option to withdraw (.6). Email to respond to SEC question related to sale motion (.2).	Zaro, David R.	0.8	493.20	19,538.55
03/12/14	6158436	Revise and finalize sale procedures motion, exhibits and declarations and send same to Receiver for final review (2.8); respond to inquiry from potential purchaser (.2).	Fates, Edward G.	3.0	1,336.50	20,875.05
03/13/14	6162691	Review/evaluate the email from SBA, sale motion, change request and emails re same (.3).	Zaro, David R.	0.3	184.95	21,060.00
03/18/14	6163363	Communications with potential bidder for loans regarding sale procedures motion.	Fates, Edward G.	0.4	178.20	21,238.20
03/24/14	6167922	Review investor oppositions to sale procedures motion; forward same to Receiver.	Fates, Edward G.	0.5	222.75	21,460.95
03/26/14	6172192	Review pleadings/filings re sale motion from investors, Feathers and the Commission (.6). Call with Commission and Receiver re same (.2).	Zaro, David R.	0.8	493.20	21,954.15
03/26/14	6170464	Review N. Feathers and other investor oppositions to sale procedures motion and forward same to Receiver (.4); review SEC's response in support of sale procedures motion (.2); review Feathers' opposition to sale procedures motion (.5).	Fates, Edward G.	1.1	490.05	22,444.20

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/27/14	6177085	Review/evaluate the issues/objection to sale and reply brief re sale motion (.2). Call with Receiver re sale motion (.2).	Zaro, David R.	0.4	246.60	22,690.80
03/27/14	6171390	Work on response to Feathers' opposition to sale procedures motion.	Fates, Edward G.	0.4	178.20	22,869.00
03/29/14	6173730	Draft reply to Feathers' opposition to sale procedures motion.	Fates, Edward G.	2.6	1,158.30	24,027.30
03/31/14	6177455	With with Receiver and counsel re draft reply to the opposition re sale motion and calls with Receiver and counsel (.4).	Zaro, David R.	0.4	246.60	24,273.90
03/31/14	6173899	Discuss reply to Feathers' opposition to sale procedures motion with Receiver; revisions to same.	Fates, Edward G.	0.4	178.20	24,452.10
04/02/14	6179055	Revise and finalize reply in support of sale procedures motion; discuss same with Receiver.	Fates, Edward G.	1.1	490.05	24,942.15
04/06/14	6181573	Respond to inquiry from counsel for potential buyer of loans.	Fates, Edward G.	0.1	44.55	24,986.70
04/07/14	6185442	Address the sale issues related to SBA regulations, follow-up call with Receiver re broker's preliminary work (.3).	Zaro, David R.	0.3	184.95	25,171.65
04/11/14	6188316	Several calls with Receiver as to asset pricing/value one (.4). Review issues re the SBA and potential buyers with counsel and Receiver (.4).	Zaro, David R.	0.8	493.20	25,664.85
04/14/14	6190163	Confer with counsel/Receiver and review additional letters, opposition to sale motion (.3).	Zaro, David R.	0.3	184.95	25,849.80



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/16/14	6191260	Review/evaluate the letter/filings re sale motion (.4). Call/email with Receiver related to SBA request for data (.5).	Zaro, David R.	0.9	554.85	26,404.65
04/17/14	6193547	Work on anticipated disputed issues in anticipation of hearing on motion, confer with Receiver re recent filings and SBA request (.3)	Zaro, David R.	0.3	184.95	26,589.60
04/22/14	6198258	Confer with Receiver re cost benefit analysis of alternative sales process (.4).	Zaro, David R.	0.4	246.60	26,836.20
04/22/14	6199765	Review the issues/filings related to the sale, address questions raised as to the instructions (.8). Call with Receiver related to sale motion, follow-up to address Voit/platform for due diligence (.5). Review of letters related to sale motion (.2).	Zaro, David R.	1.5	924.75	27,760.95
04/24/14	6199846	Prepare for the sale motion hearing, call related to sale motion and email/call re SBA issues (1.1).	Zaro, David R.	1.1	678.15	28,439.10
04/25/14	6199863	Prepare for the hearing on sale motion and Feathers' alternative motion related to disposition of assets (.8). Attend and argue at hearing on sale/other disposition of assets (1.4). Address the new issues related to sale raised by SBA, follow-up with Receiver to address timing and next steps (.6).	Zaro, David R.	2.8	1,726.20	30,165.30
04/28/14	6201215	Review additional filings, email from Feathers concerning the plan/the sale and follow-up to assess response (.2). Follow-up on issues raised by	Zaro, David R.	0.2	123.30	30,288.60



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		the SBA re transfer of notes/allonge (.2).				

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	25.5	616.50	15,720.75
001665	Edward G. Fates	32.7	445.50	14,567.85
		<u>58.2</u>		<u>30,288.60</u>
Total Fees				30,288.60
Total Disbursements				0.00

06/04/14 13:58:35 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 1166298

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/05/14	6126151	Communications with counsel for mechanic's lien creditor of borrower Giarla regarding lawsuit and foreclosure and dismissal of SBC Portfolio Fund pursuant to injunction order.	Fates, Edward G.	0.4	178.20	178.20
02/11/14	6132284	Communications with counsel for creditor of borrower Giarla regarding dismissal of SBC Portfolio from pending case against Giarla.	Fates, Edward G.	0.2	89.10	267.30
02/25/14	6142704	Communications with creditor of borrower Giarla regarding dismissal of SBC Portfolio from foreclosure lawsuit; review complaint and request for dismissal.	Fates, Edward G.	0.4	178.20	445.50

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	1.0	445.50	445.50
		<u>1.0</u>		<u>445.50</u>
Total Fees				445.50
Total Disbursements				0.00

06/04/14 13:58:35 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: 05-13-2014

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

Proforma Number 1166299

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/05/14	6130207	Review SBA claim issues, work with Receiver on response to the SBA re 6 loans/collateral issues (.2). Advice as to reserve and follow-up with counsel to address stipulation (.2).	Zaro, David R.	0.4	246.60	246.60
02/05/14	6130208	Review SBA claim issues, work with Receiver on response to the SBA re 6 loans/collateral issues (.2). Advice as to reserve and follow-up with counsel to address stipulation (.2).	Zaro, David R.	0.4	246.60	493.20
02/06/14	6130277	Call to Receiver to address SBA's issues related to collateral on six loans and response to same (.2). Review/evaluate the response to Feathers' motion and email as to the claims purchasers and alternative plan (.3). Call with SEC counsel re plan/claim issues (.2).	Zaro, David R.	0.7	431.55	924.75
02/07/14	6131566	Review of the issues related to SBA claims as to collateral/memo response (.4). Confer with Receiver and counsel as to SBA claim (.2). Call with claimant Yu as to claim (.3).	Zaro, David R.	0.9	554.85	1,479.60
02/10/14	6132893	Call with SBA/Eric Adams re claim (.1). Email related to claims issues	Zaro, David R.	1.7	1,048.05	2,527.65

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and SBA (.2). Further review/revisions re agreement with regard to the SBA claim (.4). Attend the SBA conference call re claims issues (.6). Follow-up on the SBA claim issues with Receiver and counsel, follow-up call with SBA (.4).				
02/12/14	6137275	Several emails/calls to address objection to the motions/strategy for the hearing and follow-up with Receiver (.4).	Zaro, David R.	0.4	246.60	2,774.25
02/13/14	6137399	Prepare for hearing on claims motion, including response to Feathers/subordination issues further legal analysis (1.1). Address orders/SBA Stipulation and claims/MIMO calculations with Receiver and SEC (.5). Follow-up calls re claims adjustments (.2).	Zaro, David R.	1.8	1,109.70	3,883.95
02/13/14	6219765	Emails/calls with counsel related to CBB claim/resolution (.4).	Zaro, David R.	0.4	246.60	4,130.55
02/13/14	6135303	Prepare for February 14 hearing on claims motion; prepare amended proposed order.	Fates, Edward G.	1.1	490.05	4,620.60
02/18/14	6138774	Call with Receiver and counsel re claims motion (.4). Call re order on claims motion (.2).	Zaro, David R.	0.6	369.90	4,990.50
02/18/14	6137188	Discuss issues regarding investors who have not submitted claims and amended proposed orders with Receiver and A. Juroe.	Fates, Edward G.	0.5	222.75	5,213.25
02/19/14	6138595	Review email from Feathers; communications with A. Juroe regarding list of claimants who have	Fates, Edward G.	0.4	178.20	5,391.45

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		not responded; send email to Feathers regarding same.				
02/20/14	6140710	Review/evaluate draft order, follow-up on outstanding claimants (.1). Call re SBA claim (.1).	Zaro, David R.	0.2	123.30	5,514.75
02/20/14	6139464	Prepare amended proposed order on claims motion and discuss same with Receiver (.3); draft cover letter to investors regarding final chance to submit claim forms (.3).	Fates, Edward G.	0.6	267.30	5,782.05
02/21/14	6141356	Send amended proposed order on claims motion to CBB's counsel.	Fates, Edward G.	0.1	44.55	5,826.60
02/24/14	6143080	Call with Receiver, revise order following call with Receiver re reserves for claims and interim distribution (.4).	Zaro, David R.	0.4	246.60	6,073.20
02/24/14	6141657	Revisions to proposed order on claims motion, discuss same with Receiver and review revised claims spreadsheet (.6); communications with CBB's counsel regarding amended order (.1).	Fates, Edward G.	0.7	311.85	6,385.05
02/25/14	6143569	Review order approving claims motion; revise amended proposed order on motion to include provision vacating same.	Fates, Edward G.	0.2	89.10	6,474.15
03/04/14	6153000	Emails/call with Receiver and SEC re Ms. Feathers' claims/order (.3).	Zaro, David R.	0.3	184.95	6,659.10
03/04/14	6151372	Communications with SEC'S counsel and Receiver regarding errors in approved claims schedule, actions to correct same, work on administrative motion regarding same.	Fates, Edward G.	1.4	623.70	7,282.80

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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>
03/05/14	6152327	Work on administrative motion to correct claim schedule and second amended order regarding same; review corrected claims schedule.	Fates, Edward G.	1.2	534.60	7,817.40
03/06/14	6156690	Several emails/calls re claims motion, follow-up with counsel re amended order/administrative motion (.4).	Zaro, David R.	0.4	246.60	8,064.00
03/06/14	6152964	Discuss administrative motion regarding claims schedule with Receiver and finalize same.	Fates, Edward G.	0.4	178.20	8,242.20
03/10/14	6158088	Review/assess emails/pleadings related to claims from Mr. and Mrs. Feathers, address necessity of any response to the same (.2). Assess issues related to new claims pleadings by Feathers, address response to the same (.6).	Zaro, David R.	0.8	493.20	8,735.40
03/10/14	6155518	Review Feathers' opposition papers regarding administrative motion for entry of second amended order on claims motion (.3); review N. Feathers opposition to administrative motion regarding second amended order and prepare response to same (1.3).	Fates, Edward G.	1.6	712.80	9,448.20
03/11/14	6160060	Review Feathers emails, call/email with Receiver and counsel (.2). Call with Commission counsel re pleadings (.1).	Zaro, David R.	0.3	184.95	9,633.15
03/11/14	6157054	Finalize response to N. Feathers' opposition to administrative motion regarding second amended order (.3); review further filings by M. Feathers regarding second amended order (.2).	Fates, Edward G.	0.5	222.75	9,855.90

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/18/14	6193582	Several emails concerning Natalie Feathers reconsideration motion re her claim (.4). Review originals motion, assess the Receiver's response to the motion (.3). Review of numerous emails from Mr. and Mrs. Feathers, advice to Receiver re same (.4).	Zaro, David R.	1.1	678.15	10,534.05
04/22/14	6199808	Address Feathers' appeals, appellate court's orders and follow-up to address timing of response (.4).	Zaro, David R.	0.4	246.60	10,780.65
04/25/14	6198302	Review appeal related documents and follow on documents filed by M. Feathers and N. Feathers.	Fates, Edward G.	0.4	178.20	10,958.85
04/29/14	6200860	Review filings in appeal filed by N. Feathers.	Fates, Edward G.	0.1	44.55	11,003.40

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	11.2	616.50	6,904.80
001665	Edward G. Fates	9.2	445.50	4,098.60
		20.4		11,003.40
Total Fees				11,003.40
Total Disbursements				0.00



06/04/14 13:58:35 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: 05-13-2014

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

Proforma Number 1166300

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/13/14	6134521	Attention to status and issues regarding ex parte application for authority to pursue claims against third parties.	Fates, Edward G.	0.2	89.10	89.10
02/27/14	6145473	Review Feathers' motion for reconsideration of order allowing under seal filings related to claims against third parties.	Fates, Edward G.	0.2	89.10	178.20

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	0.4	445.50	178.20
		<u>0.4</u>		<u>178.20</u>
Total Fees				178.20
Total Disbursements				0.00



06/04/14 13:58:35 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: 05-13-2014

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

Proforma Number 1166301

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/06/14	6130278	Review/evaluate the response to Feathers' motion and email as to the claims purchasers and alternative plan (.3). Call with SEC counsel re plan/claim issues (.2).	Zaro, David R.	0.5	308.25	308.25
02/06/14	6128673	Review SEC's response to Feathers' motion for hearing to discuss reorganization (.2); analyze issue raised by SEC's counsel regarding potential release and distribution of segregated funds for Feathers' legal expenses (.1).	Fates, Edward G.	0.3	133.65	441.90
02/06/14	6128842	Work on stipulation and proposed order resolving SBA's objections to claims and distribution plan motions (.7); communications with SBA's counsel and SEC's counsel regarding same (.2).	Fates, Edward G.	0.9	400.95	842.85
02/11/14	6132514	Review communications regarding SBA stipulation and execution of same (.4); work on status report addressing SBA stipulation and related issues (.5); finalize same and SBA stipulation for filing (.4).	Fates, Edward G.	1.3	579.15	1,422.00

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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>
02/12/14	6137278	Several emails/calls to address objection to the motions/strategy for the hearing and follow-up with Receiver (.4).	Zaro, David R.	0.4	246.60	1,668.60
02/13/14	6137401	Meeting with Receiver to address the remaining distribution issues and recalculation re reserves, following SBA stipulation and receipt of funds (.6). Work on order and issues re same, including the reserves (.8).	Zaro, David R.	1.4	863.10	2,531.70
02/13/14	6135302	Prepare for February 14 hearing on distribution motion.	Fates, Edward G.	0.8	356.40	2,888.10
02/14/14	6137430	Review of next steps/timing for distribution following hearing on the distribution plan motion, court's granting of the motion, and advice to counsel re form of order (.3).	Zaro, David R.	0.3	184.95	3,073.05
02/14/14	6136878	Review pleadings and prepare for hearing (1.2); attend hearing on claims motion and distribution motion (3.2); travel to and from hearing (4.5).	Fates, Edward G.	8.9	3,964.95	7,038.00
02/18/14	6137445	Attention to transcript order for February 14 hearing.	Fates, Edward G.	0.1	44.55	7,082.55
02/19/14	6219719	Review Feathers' reply regarding motion to discuss reorganization (.2).	Fates, Edward G.	0.2	89.10	7,171.65
02/20/14	6139466	Prepare amended proposed order on distribution motion (.2); discuss same with Receiver (.1).	Fates, Edward G.	0.3	133.65	7,305.30
02/20/14	6140148	Review Feathers' filings regarding reorganization plan, investor claims, reserves, and declaration and transcript order.	Fates, Edward G.	0.2	89.10	7,394.40

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00010 (Distribution) 372456-00010

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/21/14	6143044	Address the status of the order/plan issues (.3). Address Feathers' emails and court filings, follow-up to address response (.4). Call with Receiver re distribution (.2).	Zaro, David R.	0.9	554.85	7,949.25
02/21/14	6140803	Review lengthy email from Feathers' regarding distribution and confer with SEC's counsel regarding same.	Fates, Edward G.	0.3	133.65	8,082.90
02/21/14	6141357	Send amended proposed order on distribution motion to CBB's counsel.	Fates, Edward G.	0.1	44.55	8,127.45
02/24/14	6143081	Call with Receiver, revise order following call with Receiver re reserves for claims and interim distribution (.4).	Zaro, David R.	0.4	246.60	8,374.05
02/24/14	6141653	Revisions to proposed order on distribution motion.	Fates, Edward G.	0.2	89.10	8,463.15
02/25/14	6143571	Review order approving distribution motion (.1); revise amended proposed order on motion to include provision vacating same (.1).	Fates, Edward G.	0.2	89.10	8,552.25
02/26/14	6145726	Review the revised distribution order, follow-up with counsel re same (.4). Assess distribution issues in light of Feathers' appeal (.2). Emails re appeal and follow-up with the SEC re appeal of distribution plan order/response (.3).	Zaro, David R.	0.9	554.85	9,107.10
02/26/14	6144435	Review amended order on distribution motion and address issues regarding same (.3); discuss amended claims order, amended distribution order, reserves, and related issues with Receiver (.5).	Fates, Edward G.	0.8	356.40	9,463.50

06/04/14 13:58:35 PROFORMA STATEMENT FOR MATTER 372456-00010 (Distribution) 372456-00010

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/27/14	6145652	Review Feathers' notice of appeal of claims and distribution orders.	Fates, Edward G.	0.1	44.55	9,508.05
02/28/14	6149219	Calls with Receiver related to distribution, address pending appeal and impact of notice (.3).	Zaro, David R.	0.3	184.95	9,693.00
03/03/14	6151056	Review/evaluate Feathers' motion for reconsideration of plan order, emails re same (.4). Calls with SEC and counsel re same (.2).	Zaro, David R.	0.6	369.90	10,062.90
03/03/14	6150502	Review Feathers' motion for reconsideration and investor declarations regarding same; prepare response to motion.	Fates, Edward G.	1.8	801.90	10,864.80
03/04/14	6152961	Review of the issues re distribution plan from Mr. Feathers and email re same (.2). Email/calls with SEC, Receiver and counsel re appeal, threats by Feathers and fling (.2). Review/revise the opposition to the ex parte application re reconsideration, revisions to same (.4). Call related to Mr. Feathers/investor figures (.1).	Zaro, David R.	0.9	554.85	11,419.65
03/05/14	6151986	Review Feathers' ex parte motion for hearing dates and leave to sue receiver, discuss arguments raised in same with Receiver, work on response to same, and confer with SEC's counsel regarding same (2.6); finalize response to Feathers' ex parte application for reconsideration of distribution order (.5).	Fates, Edward G.	3.1	1,381.05	12,800.70
03/10/14	6157020	Review various motions and declarations filed by M. Feathers and N. Feathers regarding intervention	Fates, Edward G.	0.5	222.75	13,023.45

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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and response to same with Receiver; revise and finalize same.				
03/18/14	6163819	Discuss status of distribution checks and update for receivership website regarding same with A. Juroe.	Fates, Edward G.	0.2	89.10	16,860.60
03/21/14	6168216	Call with Receiver following review of emails re distribution, assess overall strategy in light of Feathers' actions/threats and Commission's comments (.4). Address investor emails related to distribution issues (.2).	Zaro, David R.	0.6	369.90	17,230.50
03/25/14	6172148	Confer with counsel/Receiver re investor questions re distribution (.4).	Zaro, David R.	0.4	246.60	17,477.10
03/29/14	6173724	Review Feathers' brief to Ninth Circuit regarding OSC regarding dismissal of appeal.	Fates, Edward G.	0.3	133.65	17,610.75
04/28/14	6201214	Review additional filings, email from Feathers concerning the plan/the sale and follow-up to assess response (.2).	Zaro, David R.	0.2	123.30	17,734.05
04/30/14	6202122	Review filings in appeals (.1); review correspondence between SEC's counsel and Feathers regarding payments on Judgment (.1).	Fates, Edward G.	0.2	89.10	17,823.15

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	10.7	616.50	6,596.55
001665	Edward G. Fates	25.2	445.50	11,226.60
		<u>35.9</u>		<u>17,823.15</u>
Total Fees				17,823.15
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: 05-13-2014

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

Proforma Number 1166302

Client/Matter Joint Group # 372456-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/13/14	6135304	Prepare for February 14 hearing on fee applications.	Fates, Edward G.	0.4	178.20	178.20
03/03/14	6150266	Begin work on Fifth Interim Fee Applications; discuss same with Receiver.	Fates, Edward G.	0.3	133.65	311.85
03/13/14	6162688	Review/evaluate the fees and bills to prepare for next application for period Nov 2013 thru Jan 2014, follow-up with Receiver and counsel (.6).	Zaro, David R.	0.6	369.90	681.75
03/13/14	6159951	Work on Allen Matkins' Fifth Interim Fee Application.	Fates, Edward G.	1.1	490.05	1,171.80
03/17/14	6162558	Work on Allen Matkins' fee application and request for OST regarding same.	Fates, Edward G.	0.2	89.10	1,260.90
03/18/14	6163367	Work on Allen Matkins' fifth interim fee application.	Fates, Edward G.	3.2	1,425.60	2,686.50
03/19/14	6164363	Work on Allen Matkins' fifth interim fee application (2.1); work on administrative motion for OST on fee applications and proposed OST (1.1); analyze and discuss servicing budget issue with Receiver (.4).	Fates, Edward G.	3.6	1,603.80	4,290.30
03/24/14	6167969	Revisions to Allen Matkins' fifth	Fates, Edward G.	0.4	178.20	4,468.50



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Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		interim fee application.				
03/31/14	6173895	Discuss Receiver's fee application, servicing budget, and related issues with Receiver.	Fates, Edward G.	0.2	89.10	4,557.60
04/03/14	6180045	Review and revise Receiver's fifth fee application; discuss same with Receiver.	Fates, Edward G.	2.2	980.10	5,537.70
04/09/14	6185050	Work on Receiver's fifth interim fee application; discuss same with Receiver.	Fates, Edward G.	0.5	222.75	5,760.45
04/13/14	6187352	Work on Receiver's fifth interim fee application.	Fates, Edward G.	0.3	133.65	5,894.10
04/14/14	6187443	Work on administrative motion for order shortening time on fifth interim fee applications (.6); work on Receiver's fifth interim fee application (.6); send fee applications and administrative motion to SEC's counsel for review (.2).	Fates, Edward G.	1.4	623.70	6,517.80
04/28/14	6200225	Follow up communications with SEC's counsel regarding fee applications and related pleadings.	Fates, Edward G.	0.2	89.10	6,606.90
04/30/14	6203088	Discuss Receiver's fee application with SEC's counsel.	Fates, Edward G.	0.2	89.10	6,696.00

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.6	616.50	369.90
001665	Edward G. Fates	14.2	445.50	6,326.10
		<u>14.8</u>		<u>6,696.00</u>
Total Fees				6,696.00
Total Disbursements				0.00