

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

CHARLES P. COPELAND, COPELAND  
WEALTH MANAGEMENT, A FINANCIAL  
ADVISORY CORPORATION, AND  
COPELAND WEALTH MANAGEMENT, A  
REAL ESTATE CORPORATION,

Defendants.

) CASE NO. CV 11-8607-R  
)  
) ORDER GRANTING IN PART AND  
) DENYING IN PART HURON  
) CONSULTING GROUP’S APPLICATION  
) FOR ALLOWANCE OF  
) COMPENSATION AND  
) REIMBURSEMENT OF EXPENSES  
)  
)  
)  
)  
)  
)  
)  
)  
)

Before the Court is the “Final Application of Huron Consulting Group for Allowance of Compensation and Reimbursement of Expenses as Consultant for Thomas C. Hebrank, Permanent Receiver” (“Application”), which was filed on November 22, 2013. No oppositions to the Application have been filed. Finding the matter suitable for decision on the papers, the Court took it under submission on December 18, 2013.

Huron requests approval of \$23,687.50 in fees and \$12.48 in expenses. “The court

1 appointing the receiver has full power to fix the compensation of such receiver and the  
2 compensation of the receiver’s attorney or attorneys” and other professionals. *In re Alpha Telecom,*  
3 *Inc.*, 2013 WL 840065, at \*16 (D. Or. 2013). Any award should “reasonably, but not excessively,  
4 compensate the professionals for their efforts.” *Id.* at 17.

5 Huron provided consulting services for the Receiver pursuant to a letter agreement  
6 (“Agreement”). Appl., Ex. 1. The Agreement sets out the fees to be charged for collection of  
7 computer units, servers, etc., as well as for services rendered by professionals. The Agreement  
8 does not set forth the specific fees to be charged for processing and producing data. Despite this,  
9 under a section entitled “Processing,” Huron’s invoice states that 49.60 gigabytes of data was  
10 “ingested,” and bills at \$125 per gigabyte for this service for a charge of \$6,250. Appl., Ex. 2. The  
11 invoice also states that 40 gigabytes of data were “produced,” and bills at \$200 per gigabyte for  
12 this service for a charge of \$8,000. *Id.* The invoice does not specify that any professional  
13 performed these tasks.

14 The hourly fees charged for “Processing” are not contemplated by the Agreement, as  
15 nowhere in the Agreement are the \$125 and \$200 hourly fees for ingesting and producing data,  
16 respectively, provided for. The Agreement does not even contain the numbers 125 and 200.  
17 Therefore it is not clear that the Receiver actually agreed to pay these fees.

18 Huron has not provided adequate information to this Court to allow it to make a  
19 determination that payment of the processing fees is justified. The Agreement does not specify the  
20 terms on which these fees would be paid and no other documentation or declaration testimony  
21 submitted with the Application explains why the processing fees are reasonable. In light of this  
22 dearth of information, the Court declines to award Huron the \$14,250 in processing fees. There is  
23 also no evidence to support the claimed \$12.48 in postage expenses. The decision not to approve  
24 these inadequately supported requests is in line with the general policy of moderation in  
25 receivership cases, where “investors and creditors have been defrauded, and victims are likely to  
26 recover only a fraction of their losses.” *S.E.C. v. Byers*, 590 F.Supp.2d 637, 645 (S.D.N.Y 2008).

27 //

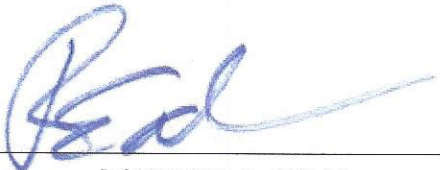
28 //

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

The remaining \$9,437.50 in fees are adequately documented and are approved

**IT IS HEREBY ORDERED** that the Application is granted in part and denied in part as stated herein.

Dated: January 16, 2014.



---

MANUEL L. REAL  
UNITED STATES DISTRICT JUDGE