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9 Tax Accountants for Receiver  
10 Thomas C. Hebrank

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**UNITED STATES DISTRICT COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**SOUTHERN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

LOUIS V. SCHOOLER and FIRST  
FINANCIAL PLANNING  
CORPORATION d/b/a WESTERN  
FINANCIAL PLANNING  
CORPORATION,

Defendants.

Case No. 3:12-cv-02164-GPC-JMA

**FOURTH INTERIM APPLICATION  
FOR APPROVAL AND PAYMENT  
OF FEES AND COSTS TO DUFFY,  
KRUSPODIN & COMPANY, LLP,  
AS TAX ACCOUNTANTS FOR  
RECEIVER**

Date: September 25, 2015  
Time: 1:30 p.m.  
Ctm: 9D  
Judge: Hon. Gonzalo P. Curiel

1 Duffy, Kruspodin & Company, LLP ("Duffy"), tax accountants for Thomas C.  
2 Hebrank ("Receiver"), the Court-appointed permanent receiver for First Financial  
3 Planning Corporation d/b/a Western Financial Planning Corporation ("Western"),  
4 and related entities, including Real Asset Locators, Inc. ("Real Asset"), hereby  
5 submits this fourth interim application for approval and payment of professional fees  
6 and reimbursement of costs for preparing 2013 federal and state tax returns for  
7 Western and Real Asset ("Application").

8 Duffy incurred \$22,843.48 in fees for this Application and seeks interim  
9 approval and payment of these fees. Detailed descriptions of the services rendered  
10 by entity are contained in Exhibit A attached hereto. Exhibit B is a summary of  
11 Duffy's staff's total hours and corresponding rates, as well as hours and total cost by  
12 billing category. Duffy spent 125.4 hours on behalf of the Receiver at an overall  
13 blended billing rate of \$182.16 per hour. Duffy has discounted all fees by 10% from  
14 regular hourly billing rates.

## 15 I. OVERVIEW

16 The Temporary Restraining Order ("TRO") and the Preliminary Injunction  
17 Order vests the Receiver with authority to employ professionals to assist in his  
18 efforts. TRO, Dkt. No. 10, Part VII.C. and G; Preliminary Injunction, Dkt. No. 174,  
19 Part III.C. and G. Pursuant to that authority, the Receiver engaged Duffy as tax  
20 accountants to prepare the 2013 income tax filings for Western and Real Asset. The  
21 Receiver selected Duffy after a bid was submitted and an initial discussion took place  
22 to discuss preparation of the tax returns.

## 23 II. FEE APPLICATION

24 Duffy's time spent for this Application falls under the following categories:

- 25 A. General Engagement Services
  - 26 B. Preparation of 2013 Income Tax Returns
- 27  
28

1           **A. General Engagement Services**

2           Time in this category pertains to general communication and meetings for the  
3 2013 tax return engagement. Duffy was in contact with the Receiver through phone  
4 calls and emails with the purpose of establishing the engagement and to agree upon  
5 procedures and reporting timelines to fulfill the expectations of the Receiver.  
6 Furthermore, there were various other emails and phone calls between Duffy and the  
7 Receiver regarding engagement timing, court submissions, status, and special  
8 circumstances arising from the receivership.

	Hours	Fees	Average Hourly Rate
TOTAL	32.5	\$6,497.55	\$199.92

11           **B. Preparation of 2013 Income Tax Returns**

12           Time in this category was spent preparing the income tax returns as follows:

- 13           a)     processing initial receipt of the Western and Real Asset books  
14                 and records;
- 15           b)     formatting and organizing files with the current year data;
- 16           c)     verifying cash receipts and disbursements for the year and  
17                 scanning detail for reporting accuracy and consistency;
- 18           d)     checking balance sheet account balances for assets, loan  
19                 receivables, and loan payables for variances compared to prior  
20                 year; when differences were noted, detail of change in current  
21                 year was reviewed to verify correct application of accounting  
22                 rules;
- 23           e)     verifying and reconciling "investment in" accounts to the related  
24                 LLC books for Western, which included single member LLCs;
- 25           f)     preparation of the 263A calculation with reconciling  
26                 spreadsheets;
- 27           g)     reviewing input sheets of information entered into Lacerte;

- h) manager level review of the above areas, as well as, overall review of tax return forms and input;
- i) manager level review of the 263A calculation and spreadsheets;
- j) manager level verification of reporting accuracy, formatting, and adherence to current federal and state corporate tax laws;
- k) staff and manager communication as needed to answer return discrepancies or additional information needed to complete the tax return;
- l) partner level review of the above areas, as well as, overall review of tax return forms and input;
- m) partner level review of the 263A calculation and spreadsheets;
- n) partner level verification of reporting accuracy, formatting, and adherence to current federal and state partnership tax laws;
- o) finalizing of tax return and accompanying letters and schedules
- p) printing tax return copies for each of the receivership entities and for government filing;
- q) electronic filing of the 2013 corporate returns;
- r) printing acceptance letters for the tax files to verify successful submittal and receipt by government agencies;

	<b>Hours</b>	<b>Fees</b>	<b>Average Hourly Rate</b>
<b>TOTAL</b>	92.9	\$16,345.93	\$175.95

### **III. THE REQUESTED FEES ARE REASONABLE AND SHOULD BE ALLOWED**

In its Order Granting in Part First Interim Fee Applications, the Court analyzed the case law regarding approval of interim fee applications in regulatory receiverships and determined the following factors should be considered: (1) the complexity of the task; (2) the fair value of the time, labor, and skill measured by

1 conservative business standards; (3) the quality of work performed, including the  
2 results obtained and the benefit to the receivership estate; (4) the burden the  
3 receivership estate may safely be able to bear; and (5) the Commission's opposition  
4 or acquiescence.

5 **A. Complexity of Tasks**

6 Duffy's preparation of Western and Real Asset's corporate tax returns are  
7 considered complex in nature. The complexity lies in the numerous transactions in  
8 which Western engages in and the Section 263A calculation needed per IRS  
9 regulations. The volume of data that needed to be verified to ensure accuracy was  
10 very vast and the corporation had interrelated account balances with the other  
11 Western entities. As a result, it was labor intensive to verify all information on the  
12 return and ensure proper treatment under Section 263A of the Internal Revenue  
13 Code.

14 **B. Fair Value of Time, Labor & Skill**

15 There are various levels of staff that worked on the Western engagement.  
16 Thane F. Kelton, CPA, the partner on the engagement, was billed at an hourly rate of  
17 \$375 and Livia Benjamin, CPA, the manager on the engagement, was billed at an  
18 hourly rate of \$195. The staff preparers on the engagement were billed at an hourly  
19 rate of \$145 to \$160 and were as follows: Freda Fiedler, CPA and Kimberly  
20 Thornton, EA. The remaining administrative staff that worked on the Western  
21 engagement billed at rates ranging from \$50 to \$130.

22 There are various levels of staff that worked on the Real Asset tax return.  
23 Thane F. Kelton, CPA, the partner on the engagement, was billed at an hourly rate of  
24 \$375 and Livia Benjamin, CPA, the manager on the engagement, was billed at an  
25 hourly rate of \$195. The staff preparers on the engagement were billed at an hourly  
26 rate of \$130 to \$160 and were as follows: Bejan Noorani, CPA, Kimberly  
27 Thornton, EA, and Joshua Tuttle, CPA. The remaining administrative staff that  
28 worked on the Real Asset engagements billed at rates ranging from \$50 to \$75.

1 These rates represent typical rates in California for CPAs and EAs of similar  
2 experience and expertise. All compensation based on billing rates was discounted by  
3 10%. The blended hourly rate for all services provided by Duffy for this Application  
4 is \$182.16. A summary of Duffy's staff that worked on the engagement is included  
5 as Exhibit B.

6 **C. Quality of Work Performed**

7 Duffy has provided the client with quality tax preparation and ancillary  
8 services, with a high level of professionalism and excellent customer service. Duffy  
9 worked diligently to ensure timely filing during one of the busiest times of year.  
10 Duffy was able to complete the corporate tax returns for 2013, guaranteeing  
11 compliance with government agencies and providing investors with timely K-1s that  
12 they could use to prepare their individual returns without delay.

13 **D. Receivership Estate's Ability to Bear Burden of Fees**

14 The Receiver proposes the approved fees and costs be paid from Western's  
15 assets as cash is available. As directed by the Court, the Receiver continues efforts  
16 to collect loans the GPs owe Western through billings sent to investors. The  
17 Receiver also continues efforts to collect the LinMar loans through enforcement of  
18 the judgments entered against the LinMar Defendants. Western's land parcels have  
19 been listed for sale and at some point its equity interests in the GPs will be  
20 liquidated. Approved fees and costs will likely have to be paid in increments over  
21 time as funds are collected and cash is available. The fees and costs should  
22 nevertheless be approved.

23 **E. Commission's Opposition of Acquiescence**

24 Prior to filing, Duffy, through the Receiver's counsel, provided this fee  
25 application to counsel for the Commission in substantially final form. Counsel for  
26 the Commission advised the Commission has no opposition to the fees and costs  
27 requested.

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1 Accordingly, the five considerations identified by the Court for considering  
2 interim fee applications all support interim approval and payment of the requested  
3 fees and costs.

4 **IV. CONCLUSION**

5 Duffy has helped ensure that Western and Real Asset have fulfilled their  
6 federal and state tax filing requirements.

7 WHEREFORE, Duffy respectfully requests an order:

- 8 1. Approving payment of \$22,843.48 in fees incurred by Duffy for this  
9 Application, and authorizing payment of \$22,843.48 from available assets; and  
10 2. Granting such other and further relief as is appropriate.

11  
12 Dated: July 8, 2015

DUFFY, KRUSPODIN &  
COMPANY, LLP

13  
14 By: 

15 THANE F. KELTON, CPA  
16 Tax Accountants for Receiver  
17 THOMAS A. HEBRANK  
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**EXHIBIT INDEX**

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# EXHIBIT A

# EXHIBIT A

SEC - Western Financial  
First Financial Planning

Date	Personnel	Description of Services	Hours	Total Fees	Discounted Total Fees	Billing Category Allocation		
						A	B	C
10/24/2014	Benjamin, CPA	Updated invoices to the receiver	0.9	\$ 175.50	\$ 157.95	0.9		
9/26/2014	Benjamin, CPA	1099 preparation - vendor list and questions to Traci	1.6	312.00	280.80	1.6		
9/24/2014	Benjamin, CPA	Emails with Geno and Traci regarding 2013 1099s/2012 1099 copies	0.4	78.00	70.20	0.4		
9/23/2014	Benjamin, CPA	Phone call with Traci regarding 1099 prep, looked at GI detail/sorted vendor list	1.6	312.00	280.80	1.6		
9/22/2014	Benjamin, CPA	Scanned GI for payments in need of 1099s for 2013, email to Traci for 2012 copy and total paid for 2013	0.8	156.00	140.40	0.8		
9/17/2014	Benjamin, CPA	Emails with Traci regarding adjustments for 2013, GI needed for 1099 prep	0.6	117.00	105.30			0.6
9/16/2014	Benjamin, CPA	Mailed out return	0.1	19.50	17.55			0.1
9/16/2014	Benjamin, CPA	Sent client soft copy per request	0.1	19.50	17.55			0.1
9/15/2014	Kelton, CPA	Completion of tax return, sign and final review	0.8	300.00	270.00			0.8
9/15/2014	Shelton	Assemble tax returns	0.2	26.00	23.40			0.2
9/15/2014	Benjamin, CPA	Completed the 2013 tax return, file into assembly, emails to Geno	0.9	175.50	157.95			0.9
9/15/2014	Kelton, CPA	Final tax return review	1.0	375.00	337.50			1.0
9/13/2014	Benjamin, CPA	2013 tax return- finished review/263A adjustment	4.4	858.00	772.20			4.4
9/13/2014	Kelton, CPA	Review return and various issues	4.0	1,500.00	1,350.00			4.0
9/12/2014	Benjamin, CPA	Call with Traci regarding 2013 books, looked at AR related to partnerships, reviewed the 2013 tax return	6.4	1,248.00	1,123.20			6.4
9/12/2014	Thornton, EA	Met with Livia re loan balances - showed Jamie how to confirm balances - reviewed work	0.6	96.00	86.40			0.6
9/12/2014	Noble	Balance sheet project	1.0	75.00	67.50			1.0
9/12/2014	Kelton, CPA	Status and review preliminary numbers	1.4	525.00	472.50			1.4
9/11/2014	Benjamin, CPA	Looked at trial balance, discussed with Thane and sent Traci questions	6.3	1,228.50	1,105.65			6.3
9/11/2014	Fiedler	Prepare 2013 corporate income tax return	5.0	725.00	652.50			5.0
9/10/2014	Benjamin, CPA	Emails with Traci regarding 2013 books, sent accrual entries and emails with Geno, discussed with TFK	1.1	214.50	193.05			1.1
9/10/2014	Kelton, CPA	Tax return and accounting matters	2.5	937.50	843.75			2.5
9/9/2014	Benjamin, CPA	2013 bookkeeping - accrual of expenses and K-1 adjustment	7.8	1,521.00	1,368.90			7.8
9/8/2014	Benjamin, CPA	Traci's questions re 2013 books, emailed responses, phone calls with TK and Traci, Called Geno for more info, forwarded info to Traci and discussed accrued exp for receiver costs and what has been paid	3.6	702.00	631.80			3.6
9/6/2014	Benjamin, CPA	Reviewed the K-1 adjustment worksheet for 2013	1.6	312.00	280.80			1.6
9/6/2014	Sylis	Preparation of K-1 adjustment worksheet for 2013	2.3	115.00	105.50			2.3
9/5/2014	Benjamin, CPA	Spreadsheet setup, discussed worksheet preparation with Inessa	1.8	351.00	315.90			1.8
9/5/2014	Sylis	Preparation of K-1 adjustment worksheet for 2013	7.0	350.00	315.00			7.0
9/4/2014	Benjamin, CPA	Phone call with Traci, emails with Traci/Geno regarding 2013 books, met w/ TFK and Inessa to go over partnership reconciliation/printing K-1s	1.6	312.00	280.80			1.6
9/4/2014	Kelton, CPA	Speak with Livia re status and wtb regarding investments	1.8	675.00	607.50			1.8
9/2/2014	Noble	Printed Documents and Separated to be mailed	0.3	22.50	20.25			0.3
9/2/2014	Benjamin, CPA	Emails with Traci and Jamie re package delivery	0.5	97.50	87.75			0.5
8/29/2014	Benjamin, CPA	Status with Geno, phone call with Traci and email to Geno for additional info needed, fedex to Traci	0.7	136.50	122.85			0.7
8/28/2014	Kelton, CPA	Discuss and review status	0.4	150.00	135.00			0.4
8/27/2014	Noble	Printed Bank Statements and Arranged by month ending and account to be mailed	0.4	30.00	27.00			0.4
8/27/2014	Benjamin, CPA	Received 2013 bank statements from Geno, sent to admin to print and reviewed before sending to Traci, emails with Traci re additional info, sent Geno sample of WSCC report needed	0.8	156.00	140.40			0.8
8/26/2014	Benjamin, CPA	Phone calls with Traci and Geno regarding 2013 books, met w/ TFK and email to Geno with info needed	1.7	331.50	298.35			1.7
8/20/2014	Benjamin, CPA	Email to Geno for update on 2013 info	0.1	19.50	17.55			0.1
8/18/2014	Benjamin, CPA	Met w/ TFK to discuss 2013 books, phone call with Traci and email to Geno	1.4	273.00	245.70			1.4
8/18/2014	Kelton, CPA	Meet regarding status of books	1.4	525.00	472.50			1.4
8/15/2014	Benjamin, CPA	Looked at 2013 books, various accounts tie out, email to Thane	2.8	546.00	491.40			2.8
8/13/2014	Benjamin, CPA	Spoke to Geno regarding 2013 tax return preparation/book adjustments, discussed with TFK, looked at file/GI, follow up email with Geno. Discussed possible loss with Stuart Hurwitz	3.3	643.50	579.15			3.3
5/9/2014	Benjamin, CPA	Email to Geno regarding the 2012 payroll notice	0.2	39.00	35.10	0.2		
4/9/2014	Benjamin, CPA	Emails with T Fates regarding filing of second billing with court	0.2	39.00	35.10	0.2		
2/27/2014	Thornton, EA	Efile 2013 s-corp extension - mail \$800 pymt voucher to client	0.1	16.00	14.40			0.1
2/27/2014	Vetter	S-Corp Extension	0.2	10.00	9.00			0.2
2/14/2014	Kelton, CPA	Status of court fee submission with Livia and finalized	1.0	375.00	337.50	1.0		
2/14/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset locators	2.8	546.00	491.40	2.8		
2/13/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset locators	0.8	156.00	140.40	0.8		

SEC - Western Financial  
First Financial Planning

Date	Personnel	Description of Services	Hours	Total Fees	Discounted		Billing Category Allocation		
					Total Fees		A	B	C
2/6/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	0.7	136.50	122.85		0.7		
2/5/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	0.7	136.50	122.85		0.7		
2/5/2014	Kelton, CPA	Status of court fee submission with Livia	1.6	600.00	540.00		1.6		
2/4/2014	Benjamin, CPA	Phone call with Ted Fates regarding second interim bill, discussed with TPK	0.6	117.00	105.30		0.6		
2/3/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	4.7	916.50	820.85		4.7		
2/2/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	2.8	546.00	491.40		2.8		
2/1/2014	Kelton, CPA	Status of court fee submission with Livia	1.9	712.50	641.25		1.9		
2/1/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	4.8	936.00	842.40		4.8		
1/31/2014	Benjamin, CPA	Worksheets and other work related to court fee submission for First Financial and Real Asset Locators	3.6	702.00	631.80		3.6		
1/21/2014	Kelton, CPA	Met with Livia to discuss court fees	0.4	150.00	135.00		0.4		
1/21/2014	Benjamin, CPA	Discussed tax return and prescribed billing for 2012	0.4	78.00	70.20		0.4		
Total Services			110.5	22,954.50	20,659.05		32.50	78.00	-
9/12/2014	Shelton	Fedex package sent 8.29.14		20.31	20.31				
9/12/2014	Shelton	Fedex package sent 9.2.14		15.86	15.86				
9/12/2014	Shelton	Fedex package sent 8.27.14		12.11	12.11				
Total before discount				\$ 23,002.78					
Total discounted invoice amount				\$ 20,707.33					

## Summary by Employee:

Benjamin, CPA	75.2	\$ 14,664.00	\$ 13,197.60	\$ 4,843.80	\$ 8,353.80	\$ -
Fiedler	5.0	725.0	652.5	-	652.5	-
Kelton, CPA	18.2	6,825.0	6,142.5	1,653.8	4,488.8	-
Noble	1.7	127.5	114.8	-	114.8	-
Shelton	0.2	26.0	23.4	-	23.4	-
Shelton N/A		48.3	48.3	-	48.3	-
Slysis	9.3	465.0	418.5	-	418.5	-
Thornton, EA	0.70	112.00	100.80	-	100.80	-
Vetter	0.20	10.00	9.00	-	9.00	-
	110.5	\$ 23,002.78	\$ 20,707.33	\$ 6,497.55	\$ 14,209.78	\$ -

SEC - Western Financial  
Fernley I, LLC

Date	Last Name	Memo	Hours	Total Fees	Discounted	Billing Category Allocation		
					Total Fees	A	B	C
9/13/2014	Kelton, CPA	Completion of tax return, sign and final review	0.2	\$ 75.00	\$ 67.50		0.2	
9/13/2014	Hernandez	Reviewed 2013 assembly	0.1	7.00	6.30		0.1	
9/13/2014	Meskimen	Assembled 2013 Tax Return.	0.1	7.00	6.30		0.1	
9/13/2014	Benjamin, CPA	2013 tax review	0.5	97.50	87.75		0.5	
9/12/2014	Fiedler	Review 2013 SM LLC income tax return.	0.3	43.50	39.15		0.3	
9/11/2014	Stysis	2013 tax preparation	1.0	50.00	45.00		1.0	
9/11/2014	Thornton, EA	Answered Inessa's questions on LLC return	0.1	16.00	14.40		0.1	
9/11/2014	Benjamin, CPA	Tied out capital, gave to intern	0.1	19.50	17.55		0.1	
4/11/2014	Thornton, EA	Review 2013 CA SMLLC \$800 letter; mail to client	0.1	16.00	14.40		0.1	
4/11/2014	Vetter	2013 Extension	0.1	5.00	4.50		0.1	
Total before discount			2.6	<u>\$ 336.50</u>		-	2.6	-
Total discounted invoice amount					<u>\$ 302.85</u>			

Summary by Employee:

Benjamin, CPA	0.6	\$ 117.00	\$ 105.30	\$ -	\$ 105.30	\$ -
Hernandez	0.1	7.00	6.30	-	6.30	-
Fiedler	0.3	43.50	39.15	-	39.15	-
Kelton, CPA	0.2	75.00	67.50	-	67.50	-
Meskimen	0.1	7.00	6.30	-	6.30	-
Stysis	1.0	50.00	45.00	-	45.00	-
Thornton, EA	0.2	32.00	28.80	-	28.80	-
Vetter	0.1	5.00	4.50	-	4.50	-
	2.6	\$ 336.50	\$ 302.85	\$ -	\$ 302.85	\$ -

SEC - Western Financial  
P51, LLC

Date	Last Name	Memo	Hours	Discounted Category Allocation				
				Total Fees	Total Fees	A	B	C
9/13/2014	Kelton, CPA	Completion of tax return, sign and final review	0.2	\$ 75.00	\$ 67.50		0.2	
9/13/2014	Hernandez	Reviewed 2013 assembly	0.1	7.00	6.30		0.1	
9/13/2014	Smith	Assembled tax return	0.1	7.50	6.75		0.1	
9/13/2014	Benjamin, CPA	2013 tax review	0.5	97.50	87.75		0.5	
9/12/2014	Fiedler	Review 2013 single member LLC tax return.	0.4	58.00	52.20		0.4	
9/11/2014	Stysis	2013 tax preparation	1.0	50.00	45.00		1.0	
9/11/2014	Thornton, EA	Answered Inessa's questions on LLC return	0.1	16.00	14.40		0.1	
9/11/2014	Benjamin, CPA	Tied out capital, gave to intern	0.1	19.50	17.55		0.1	
4/11/2014	Thornton, EA	Review 2013 CA SMLLC \$800 letter; mail to client	0.1	16.00	14.40		0.1	
4/11/2014	Vetter	2013 Extension	0.1	5.00	4.50		0.1	
Total before discount			2.7	<u>\$ 351.50</u>		-	2.7	-
Total discounted invoice amount					<u><u>\$ 316.35</u></u>			

Summary by Employee:

Benjamin, CPA	0.6	\$ 117.00	\$ 105.30	\$ -	\$ 105.30	\$ -
Fiedler	0.4	58.00	52.20	-	52.20	-
Hernandez	0.1	7.00	6.30	-	6.30	-
Kelton, CPA	0.2	75.00	67.50	-	67.50	-
Smith	0.1	7.50	6.75	-	6.75	-
Stysis	1.0	50.00	45.00	-	45.00	-
Thornton, EA	0.2	32.00	28.80	-	28.80	-
Vetter	0.1	5.00	4.50	-	4.50	-
	2.7	<u>\$ 351.50</u>	<u>\$ 316.35</u>	<u>\$ -</u>	<u>\$ 316.35</u>	<u>\$ -</u>



SEC - Western Financial  
Santa Fe Venture, LLC

Date	Last Name	Memo	Hours	Discounted Category Allocation			C
				Total Fees	Total Fees	A	
9/13/2014	Kelton, CPA	Completion of tax return, sign and final review	0.2	\$ 75.00	\$ 67.50		0.2
9/13/2014	Hernandez	Reviewed 2013 assembly	0.1	7.00	6.30		0.1
9/13/2014	Lancaster	Assembled return	0.1	7.00	6.30		0.1
9/13/2014	Benjamin, CPA	2013 tax review	0.5	97.50	87.75		0.5
9/12/2014	Fiedler	Review 2013 SM LLC tax return.	0.3	43.50	39.15		0.3
9/11/2014	Stysis	2013 tax preparation	0.6	30.00	27.00		0.6
9/11/2014	Thornton, EA	Answered Inessa's questions on LLC return	0.1	16.00	14.40		0.1
9/11/2014	Benjamin, CPA	Tied out capital, gave to intern	0.1	19.50	17.55		0.1
7/17/2014	Benjamin, CPA	Looked at NM filing req and potential amended return	1.7	331.50	298.35		1.7
7/14/2014	Benjamin, CPA	Looked at emails/file re amendment, email to TFK	0.2	39.00	35.10		0.2
4/11/2014	Thornton, EA	Review 2013 CA SMLLC \$800 letter; mail to client	0.1	16.00	14.40		0.1
4/11/2014	Vetter	2013 Extension	0.1	5.00	4.50		0.1
Total before discount			4.1	<u>\$ 687.00</u>		-	4.1
Total discounted invoice amount					<u>\$ 618.30</u>		

Summary by Employee:

Benjamin, CPA	2.5	\$ 487.50	\$ 438.75	\$ -	\$ 438.75	\$ -
Fiedler	0.3	43.50	39.15	-	39.15	-
Hernandez	0.1	7.00	6.30	-	6.30	-
Kelton, CPA	0.2	75.00	67.50	-	67.50	-
Lancaster	0.1	7.00	6.30	-	6.30	-
Stysis	0.6	30.00	27.00	-	27.00	-
Thornton, EA	0.2	32.00	28.80	-	28.80	-
Vetter	0.1	5.00	4.50	-	4.50	-
	<u>4.1</u>	<u>\$ 687.00</u>	<u>\$ 618.30</u>	<u>\$ -</u>	<u>\$ 618.30</u>	<u>\$ -</u>

SEC - Western Financial  
SFV II, LLC

Date	Last Name	Memo	Hours	Total Fees	Discounted	Billing Category Allocation		
					Total Fees	A	B	C
9/13/2014	Kelton, CPA	Completion of tax return, sign and final review	0.2	\$ 75.00	\$ 67.50		0.2	
9/13/2014	Hernandez	Reviewed 2013 assembly	0.1	7.00	6.30		0.1	
9/13/2014	Meskimen	Assembled 2013 Tax Return.	0.1	7.00	6.30		0.1	
9/13/2014	Benjamin, CPA	2013 tax review	0.5	97.50	87.75		0.5	
9/12/2014	Fiedler	Review 2013 SM LLC income tax return.	0.3	43.50	39.15		0.3	
9/11/2014	Stysis	2013 tax preparation	0.5	25.00	22.50		0.5	
9/11/2014	Thornton, EA	Answered Inessa's questions on LLC return	0.1	16.00	14.40		0.1	
9/11/2014	Benjamin, CPA	Tied out capital, gave to intern	0.1	19.50	17.55		0.1	
7/14/2014	Benjamin, CPA	Looked at emails/fife, email to TFK	0.2	39.00	35.10		0.2	
4/11/2014	Thornton, EA	Review 2013 CA SMLLC \$800 letter; mail to client	0.1	16.00	14.40		0.1	
4/11/2014	Vetter	2013 Extension	0.1	5.00	4.50		0.1	
Total before discount			2.3	<u>\$ 350.50</u>		-	2.3	-
Total discounted invoice amount					<u>\$ 315.45</u>			

Summary by Employee:

Benjamin, CPA	0.8	\$ 156.00	\$ 140.40	\$ -	\$ 140.40	\$ -
Fiedler	0.3	43.50	39.15	-	39.15	-
Hernandez	0.1	7.00	6.30	-	6.30	-
Kelton, CPA	0.2	75.00	67.50	-	67.50	-
Meskimen	0.1	7.00	6.30	-	6.30	-
Stysis	0.5	25.00	22.50	-	22.50	-
Thornton, EA	0.2	32.00	28.80	-	28.80	-
Vetter	0.1	5.00	4.50	-	4.50	-
	<u>2.3</u>	<u>\$ 350.50</u>	<u>\$ 315.45</u>	<u>\$ -</u>	<u>\$ 315.45</u>	<u>\$ -</u>

SEC - Western Financial  
Real Asset Locators, Inc.

Date	Last Name	Memo	Hours	Total Fees	Discounted Total Fees	Billing Category Allocation		
						A	B	C
11/11/2014	Kelton, CPA	Completion of tax return, sign and final review	0.3	\$ 112.50	\$ 101.25		0.3	
11/11/2014	Hernandez	Reviewed 2013 assembly	0.1	7.00	6.30		0.1	
11/13/2014	Smith	Assembled Tax Return	0.2	15.00	13.50		0.2	
11/11/2014	Noble	Assembled FED Return to be mailed	0.2	15.00	13.50		0.2	
11/11/2014	Benjamin, CPA	Emails with Kim regarding 2013 tax return mailing	0.1	19.50	17.55		0.1	
11/11/2014	Thornton, EA	Update address on return - email copy to tom hebrank	0.2	32.00	28.80		0.2	
11/7/2014	Benjamin, CPA	Reviewed the 2013 tax return, put file into assembly	0.4	78.00	70.20		0.4	
11/5/2014	Noorani, CPA	Tax preparation 2013	0.4	52.00	46.80		0.4	
10/29/2014	Benjamin, CPA	Emails with Traci regarding 2013 return	0.1	19.50	17.55		0.1	
10/23/2014	Benjamin, CPA	Emails to Traci and Geno for info to prepare 2013 return	0.2	39.00	35.10		0.2	
10/20/2014	Tuttle, CPA	Sending out reminder email about tax return due dates.	0.1	13.00	11.70		0.1	
5/13/2014	Tuttle, CPA	Sending out reminder email to file extension.	0.1	13.00	11.70		0.1	
5/6/2014	Thornton, EA	Prepare and File 2013 extension	0.2	32.00	28.80		0.2	
5/5/2014	Tuttle, CPA	Reminder email for due date of return.	0.1	13.00	11.70		0.1	
2/3/2014	Kelton, CPA	Planning for tax year 2013	0.5	187.50	168.75		0.5	
Total before discount			3.2	\$ 648.00		-	3.2	-
Total discounted invoice amount					\$ 583.20			

Summary by Employee:

Benjamin, CPA	0.8	\$ 156.00	\$ 140.40	\$ -	\$ 140.40	\$ -
Hernandez	0.1	7.00	6.30	-	6.30	-
Kelton, CPA	0.8	300.00	270.00	-	270.00	-
Noble	0.2	15.00	13.50	-	13.50	-
Noorani, CPA	0.4	52.00	46.80	-	46.80	-
Smith	0.2	15.00	13.50	-	13.50	-
Thornton, EA	0.4	64.00	57.60	-	57.60	-
Tuttle, CPA	0.3	39.00	35.10	-	35.10	-
	3.2	\$ 648.00	\$ 583.20	\$ -	\$ 583.20	\$ -



# EXHIBIT B

# EXHIBIT B

<i>Rate Summary</i>	Hours	Rate/hr	Original Amount	Discounted rate (10%)	Discounted Amount
Livia Benjamin, CPA	80.5	195.00	\$ 15,697.50	175.50	\$ 14,127.75
Freda Fiedler	6.3	145.00	913.50	130.50	822.15
Jacque Hernandez	0.5	70.00	35.00	63.00	31.50
Thane F. Kelton, CPA	19.8	375.00	7,425.00	337.50	6,682.50
Wade Lancaster	0.1	70.00	7.00	63.00	6.30
Nathan Meskimen	0.2	70.00	14.00	63.00	12.60
Jamie Noble	1.9	75.00	142.50	67.50	128.25
Bejan Noorani	0.4	130.00	52.00	117.00	46.80
Wendy Shelton	0.2	130.00	26.00	117.00	23.40
Allison Smith	0.3	75.00	22.50	67.50	20.25
Inessa Stysis	12.4	50.00	620.00	45.00	558.00
Kimberly Thornton, EA	1.9	160.00	304.00	144.00	273.60
Joshua Tuttle, CPA	0.3	130.00	39.00	117.00	35.10
Billy Vetter	0.6	50.00	30.00	45.00	27.00
FedEx Costs	-	-	48.28	-	48.28
	<u>125.4</u>		<u>\$ 25,376.28</u>		<u>\$ 22,843.48</u>
Average blended hourly rate			\$ 202.36		
Average blended hourly rate with 10% discount					\$ 182.16

<i>Billing Category Summary</i>	Total Hours	First Financial	SMLLCs	Real Asset	Total
A - General Engagement Services	32.5	\$ 6,497.55	-	-	\$ 6,497.55
B - Preparation of 2012 Income Tax Returns	92.9	\$ 14,209.78	1,552.95	583.20	\$ 16,345.93
Total:	<u>125.4</u>				<u>22,843.48</u>