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9 Tax Accountants for Receiver
10 Thomas C. Hebrank

11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 LOUIS V. SCHOOLER and FIRST
18 FINANCIAL PLANNING
19 CORPORATION d/b/a WESTERN
20 FINANCIAL PLANNING
21 CORPORATION,

22 Defendants.

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

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

Date: February 2, 2018
Time: 1:30 p.m.
Ctrm: 9D
Judge: Hon. Gonzalo P. Curiel

1 Duffy, Kruspodin & Company, LLP (“Duffy”), tax accountants for
2 Thomas C. Hebrank ("Receiver"), the Court-appointed permanent receiver for First
3 Financial Planning Corporation d/b/a Western Financial Planning Corporation
4 (“Western”), and its subsidiaries and related entities (collectively, “Receivership
5 Entities”), hereby submits this eighth interim application for approval and payment
6 of professional fees and reimbursement of costs for work in preparing the 2016
7 federal and state tax returns for the Receivership Entities, including Real Asset
8 Locators, Inc. and the receivership estate.

9 Duffy incurred \$36,622.07 in fees for this Application Period and seeks
10 interim approval and payment of these fees. Detailed descriptions of the services
11 rendered by entity are contained in Exhibit A attached hereto. Exhibit B is a
12 summary of Duffy's staff's total hours and corresponding rates. During the
13 Application Period, Duffy spent 148.7 hours on behalf of the Receiver at an overall
14 blended billing rate of \$246.28 per hour. Duffy has discounted all fees by 10%
15 from regular hourly billing rates.

16 I. OVERVIEW

17 The Temporary Restraining Order (“TRO”) and the Preliminary Injunction
18 Order vests the Receiver with authority to employ professionals to assist in his
19 efforts. TRO, Dkt. No. 10, Part VII.C. and G; Preliminary Injunction, Dkt. No. 174,
20 Part III.C. and G. Pursuant to that authority, the Receiver engaged Duffy as tax
21 accountants to prepare the 2016 income tax and informational filings for Western,
22 Real Asset and WFP Receivership. The Receiver selected Duffy after a discussion
23 took place regarding the preparation of the tax returns.

24 II. FEE APPLICATION

25 Duffy spent time during the Application Period in preparation of 2016
26 Income Tax Returns for First Financial, Real Asset Locators, WFP Receivership
27 and related entities.
28

1 **A. General Engagement Services**

2 Time in this category pertains to general communication and meetings for
3 the 2016 engagement. Duffy was in contact with the Receiver through phone calls
4 and emails with the purpose of establishing the engagement and to agree upon
5 procedures and reporting timelines. Furthermore, various other emails and phone
6 calls were exchanged between Duffy and the Receiver regarding engagement
7 timing, status, and special circumstances arising from the receivership. Additional
8 time was spent in 2017 due to updates to accounting documents necessary to
9 prepare the tax returns and additional miscellaneous requests for reports or
10 statements.

11 **B. Preparation of 2016 Form 1096 and 1099 Informational Returns**

12 The work in this category involves the preparation of the annual Forms 1096
13 and 1099s for all as required by tax law. The time spent included the following:

- 14 a) verifying accounting fees in comparison to the Western records for 1099
15 reporting;
- 16 b) input of the 2016 Form 1099 amounts and verifying all other
17 informational data included on the form, such as partnership names,
18 addresses, and ID numbers for the receivership entities;
- 19 c) reviewing 1099 recipient's names, addresses, and ID numbers;
- 20 d) and electronic filing of the 1099s for the receivership entities;

21 **C. Preparation of 2016 Income Tax Returns for First Financial, Real**
22 **Asset, WFP Receivership and Related Entities**

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

- 24 a) processing the initial receipt of the Western and Real Asset books and
25 records;
- 26 b) formatting and organizing the files with the current year data;
- 27 c) verifying cash receipts and disbursements for the year and scanning
28 detail for reporting accuracy and consistency;

- d) checking balance sheet account balances variances compared to prior year. When differences were noted, detail of change in current year was reviewed to verify correct application of accounting rules;
- e) verifying and reconciling “investment in” accounts to the related LLC books for Western, which included single member LLCs;
- f) reviewing input sheets of information entered into Lacerte;
- g) manager level review of the above areas, as well as, overall review of tax return forms and input;
- h) manager level verification of reporting accuracy, formatting, and adherence to current federal and state corporate tax laws;
- i) staff and manager communication as needed to answer return discrepancies or additional information needed to complete the tax return;
- j) partner level review of the above areas, as well as, overall review of tax return forms and input;
- k) partner level verification of reporting accuracy, formatting, and adherence to current federal and state partnership tax laws;
- l) finalizing of tax return and accompanying letters and schedules
- m) printing tax return copies for each of the receivership entities and for government filing;
- n) electronic filing of the 2016 corporate returns;
- o) printing acceptance letters for the tax files to verify successful submittal and receipt by government agencies;

	Hours	Fees	Average Hourly Rate
TOTAL	148.7	\$ 36,622.07	\$ 246.28

**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 that the following factors should be considered: (1) the complexity of the task; (2) the fair value of the time, labor, and skill measured by conservative business standards; (3) the quality of work performed, including the results obtained and the benefit to the receivership estate; (4) the burden the receivership estate may safely be able to bear; and (5) the Commission's opposition or acquiescence.

A. Complexity of Tasks

Duffy's preparation of Western, Real Asset and WFP Receivership's tax returns are considered complex in nature. The complexity lies in the numerous transactions in which Western engages in and the transition to the QSF tax return reporting for the Western entities. The volume of data that needs to be verified to ensure accuracy is very vast and the corporation has interrelated account balances with the other Western entities. As a result, it was labor intensive to verify all information on the return.

B. Fair Value of Time, Labor & Skill

There are various levels of staff that worked on the engagement. Thane F. Kelton, CPA, the partner on the engagement, was billed at an hourly rate of \$400 in 2017 and \$375 in 2016, Livia Benjamin, CPA, the manager on the engagement, was billed at an hourly rate of \$255 in 2017 and \$225 in 2016. Andy Nguyen, CPA, Andrew Robinson, CPA, Douglas Shaw, Inessa Stysis, and Jen De Lara, the staff preparers on the engagement, were billed at an hourly rate ranging from \$85 to \$175. The remaining administrative staff that worked on the engagement were billed at a rate of \$70. These rates represent typical rates in California for CPAs of similar experience and expertise. All compensation based on billing rates was

1 discounted by 10%. The blended hourly rate for all services provided by Duffy
2 during the Application Period is \$246.28. A summary of Duffy staff that worked
3 on the engagement is included as Exhibit B.

4 **C. Quality of Work Performed**

5 Duffy has provided the client with quality tax preparation and ancillary
6 services, with a high level of professionalism and excellent customer service.
7 Duffy worked diligently to ensure timely filing and was prompt in its completion of
8 all of the returns for 2016, as applicable, as they were received during one of the
9 busiest times of year. Duffy was able to complete the corporate tax returns for
10 2016, guaranteeing compliance with government agencies.

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

12 Pursuant to the Court's May 25, 2016 Order (Dkt. No. 1304), the assets of the
13 Receivership Entities (Western and the GPs) have been pooled, creating a common
14 pool of receivership estate cash from which mortgages, property taxes, and other
15 operating expenses have been and will continue to be paid. The cash balance has
16 grown and will continue to grow as properties are sold through the Court-approved
17 Modified Orderly Sale Process (Dkt. Nos. 1309, 1359), including the Jamul Valley
18 property, Reno Vista and Reno View properties, Reno Partners property, Honey
19 Springs property, Valley Vista property, Bratton View property, LV Kade property,
20 Silver Springs North property, Park Vegas property, Production Partners property,
21 Washoe V property, Silver State property, and the Western land (Silver Springs),
22 all of which sales have been approved. As a result of these sales (not all of which
23 have yet closed), the receivership estate now holds approximately \$7 million in
24 cash. Therefore, the receivership estate has the ability to pay the fees and costs
25 requested herein.

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

27 Prior to filing, Duffy, through the Receiver's counsel, provided this fee
28 application to counsel for the Commission in substantially final form. Counsel for

1 the Commission advised that the Commission has no opposition to the fees
2 requested.

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

6 **IV. CONCLUSION**

7 Duffy has ensured that First Financial Services, WFP Receivership and Real
8 Asset Locators, Inc. have been able to fulfill their responsibilities to the federal and
9 state governments with respect to their tax filings.

10 WHEREFORE, Duffy respectfully requests an order:

11 1. Approving payment of \$36,622.07 in fees incurred by Duffy during
12 the Application Period, and authorizing payment of \$36,622.07 from receivership
13 estate cash, as discussed above; and

14 2. Granting such other and further relief as is appropriate.

15
16 Dated: December 8, 2017

DUFFY, KRUSPODIN
& COMPANY, LLP

17
18 By: 
19 THANE F. KELTON, CPA
20 Certified Public Accountants
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EXHIBIT INDEX

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EXHIBIT A

EXHIBIT A

SEC - Western Financial
First Financial Planning

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
1/31/2017	Benjamin, CPA	call with Alica regarding 1099s, gave to preparer	0.3	\$ 76.50	\$ 68.85
1/31/2017	De Lara	1099 and 1096 prep, waiting on one more address	0.6	51.00	45.90
1/31/2017	Benjamin, CPA	Reviewed the 1099s for 2016	0.2	51.00	45.90
2/11/2017	Nguyen, CPA	Intake	0.1	14.50	13.05
2/13/2017	Benjamin, CPA	Met with preparer regarding the 2016 prep and information needed	0.2	51.00	45.90
2/13/2017	Nguyen, CPA	Meet with reviewer on open items	0.1	14.50	13.05
2/13/2017	Nguyen, CPA	Look over documents for 2016 return	0.2	29.00	26.10
2/16/2017	Nguyen, CPA	Prepare tax return for review	4.1	594.50	535.05
2/24/2017	Nguyen, CPA	Draft open items list to reviewer	0.2	29.00	26.10
3/3/2017	Kelton, CPA	Review of excel information	3	1,200.00	1,080.00
3/7/2017	Kelton, CPA	Extension and status	0.5	200.00	180.00
3/14/2017	Kelton, CPA	Finalize Extension	1	400.00	360.00
3/16/2017	Kelton, CPA	Analysis of 2016 return	0.5	200.00	180.00
4/8/2017	Kelton, CPA	Analyzed K-1 reconciliation	1.5	600.00	540.00
4/11/2017	Kelton, CPA	2016 tax return review	0.8	320.00	288.00
4/12/2017	Benjamin, CPA	2016 return questions to Geno regarding corp and QSF	2.8	714.00	642.60
4/13/2017	Benjamin, CPA	Spoke to preparer about excel sheet	0.4	102.00	91.80
4/13/2017	Stysis	Recording changes to K-1's	3.8	475.00	427.50
4/18/2017	Benjamin, CPA	Sent Geno voucher for 2017	0.1	25.50	22.95
4/25/2017	Kelton, CPA	Status with Livia	0.3	120.00	108.00
8/8/2017	Benjamin, CPA	Status regarding 2016 returns/update status	0.5	127.50	114.75
8/21/2017	Benjamin, CPA	Status with Thane	0.2	51.00	45.90
8/21/2017	Benjamin, CPA	Emails with Geno regarding status of First Financial and other entities and 2016 filing	0.2	51.00	45.90
8/23/2017	Benjamin, CPA	Completing the First Financial return	0.2	51.00	45.90
8/24/2017	Benjamin, CPA	Call with Geno regarding First Financial entities and when to close the returns whether 12/31/16 or 12/31/17. discussed with Thane	1.2	306.00	275.40
9/7/2017	Kelton, CPA	Reviewed the 2016 tax return with manager	1	400.00	360.00
9/13/2017	Benjamin, CPA	2016 tax return review	3.8	969.00	872.10
9/14/2017	Benjamin, CPA	2016 tax return review	6.2	1,581.00	1,422.90
9/15/2017	Santana	Assembled tax return	0.2	14.00	12.60
9/15/2017	Benjamin, CPA	2016 tax return	5.9	1,504.50	1,354.05
9/27/2017	Benjamin, CPA	Looked at FTB notice and discussed with TFK	0.4	102.00	91.80
10/4/2017	Benjamin, CPA	Form 3520 POA for IRS notice regarding 2006/2007 tax years/penalties	0.2	51.00	45.90
10/6/2017	Benjamin, CPA	Call with FTB regarding notice for 2006/2007 year	0.3	76.50	68.85

10/9/2017	Benjamin, CPA	Call with FTB rep regarding notice for claim for 2006 and 2007	0.4	102.00	91.80
10/10/2017	Benjamin, CPA	POA to MyFTB account, call with FTB representative, call with Geno and discussed with Thane, looked at Docuware and email to receiver to set up call with auditor	1.8	459.00	413.10
10/11/2017	Benjamin, CPA	Met with TFK to discuss FTB notice and call with auditor and Tom, sent conference call details	0.6	153.00	137.70
10/11/2017	Kelton, CPA	Meeting regarding Franchise Tax Board liability and claim against receivership	0.5	200.00	180.00
10/12/2017	Nguyen, CPA	Help Livia with POA for FTB issue	0.2	29.00	26.10
10/12/2017	Benjamin, CPA	Call with Tom and auditor regarding claim notice. Docuware for 2006 and 2007 audit and documentation. Tied out to auditor reports and sent docs to the receiver for review. Claim looks accurate, emails with Tom	4.6	1,173.00	1,055.70
10/12/2017	Kelton, CPA	FTB liability call and meeting	0.5	200.00	180.00
10/16/2017	Benjamin, CPA	Scheduled meeting for FTB claim	0.1	25.50	22.95
10/17/2017	Benjamin, CPA	Prepare FTB claim, call with Ted and Tom and Geno, discussed with Thane	0.9	229.50	206.55
10/17/2017	Kelton, CPA	Meeting regarding FTB amount owed and phone conference	0.8	320.00	288.00
10/19/2017	Benjamin, CPA	FTB claim review of schedules provided from FTB	1.3	331.50	298.35
10/23/2017	Benjamin, CPA	Call with Melissa at FTB regarding notifications of balance due, email to Tom, Ted and Geno with update	0.6	153.00	137.70
10/26/2017	Kelton, CPA	Sign and final review tax return	3.0	1,200.00	1,080.00
10/30/2017	Benjamin, CPA	Emails with Geno regarding K-1 request and fee app	0.2	51.00	45.90
Total before discount			56.5	<u>\$ 15,178.50</u>	
Total discounted invoice amount					<u><u>\$ 13,660.65</u></u>

Summary by Employee:

Benjamin, CPA	33.6	\$ 8,568.00	\$ 7,711.20
De Lara	0.6	51.00	45.90
Kelton, CPA	13.4	5,360.00	4,824.00
Nguyen, CPA	4.9	710.50	639.45
Santana	0.2	14.00	12.60
Stysis	3.8	475.00	427.50
	<u>56.5</u>	<u>\$ 15,178.50</u>	<u>\$ 13,660.65</u>

SEC - Western Financial
Real Asset Locators, Inc.

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
1/30/2017	Shaw	Preparation of form 1099MISC for 2016	0.3	\$ 25.50	\$ 22.95
6/5/2017	Benjamin, CPA	Real Asset Locators - 2016 tax return, email to Geno	0.5	127.50	114.75
6/24/2017	Kelton, CPA	Completion of tax return, sign and final review	0.2	80.00	72.00
Total before discount			1.0	<u>\$ 233.00</u>	
Total discounted invoice amount					<u><u>\$ 209.70</u></u>

Summary by Employee:

Benjamin, CPA	0.5	\$ 127.50	\$ 114.75
Kelton, CPA	0.2	80.00	72.00
Shaw	0.3	25.50	22.95
	1.0	<u>\$ 233.00</u>	<u>\$ 209.70</u>

SEC - Western Financial
Fernley I, LLC

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
2/11/2017	Nguyen, CPA	Intake	0.1	\$ 14.50	\$ 13.05
2/13/2017	Nguyen, CPA	Meet with reviewer on open items	0.1	14.50	13.05
2/24/2017	Nguyen, CPA	Draft open items list to reviewer	0.2	29.00	26.10
4/12/2017	Benjamin, CPA	2016 review, questions to Geno	0.4	102.00	91.80
4/18/2017	Benjamin, CPA	Sent Geno voucher for 2017	0.1	25.50	22.95
9/13/2017	Benjamin, CPA	Made changes, FTB waiver and completed return	0.5	127.50	114.75
9/13/2017	Kelton, CPA	Completion of tax return, sign and final review	0.2	80.00	72.00
9/13/2017	Santana	Assembled tax return	0.2	14.00	12.60
10/10/2017	Esparza	FedEx expense September 13,2017	0	21.49	19.34
Total before discount			1.8	<u>\$ 428.49</u>	
Total discounted invoice amount					<u><u>\$385.64</u></u>

Summary by Employee:

Benjamin, CPA	1.0	\$	255.00	\$	229.50
Esparza	-		21.49		19.34
Kelton, CPA	0.2		80.00		72.00
Nguyen, CPA	0.4		58.00		52.20
Santana	0.2		14.00		12.60
	1.8	\$	428.49	\$	385.64

SEC - Western Financial
P51, LLC

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
1/30/2017	Robinson, CPA	Review of Form 1099	0.1	\$17.50	\$15.75
2/11/2017	Nguyen, CPA	Intake	0.1	14.50	13.05
2/13/2017	Nguyen, CPA	Meet with reviewer on open items for 2016	0.1	14.50	13.05
2/24/2017	Nguyen, CPA	Draft open items list to reviewer	0.2	29.00	26.10
4/12/2017	Benjamin, CPA	2016 review, questions to Geno	0.6	153.00	137.70
4/18/2017	Benjamin, CPA	sent Geno voucher for 2017	0.1	25.50	22.95
9/13/2017	Santana	Assembled tax return	0.2	14.00	12.60
9/13/2017	Benjamin, CPA	Made changes, FTB waiver and completed return	0.5	127.50	114.75
9/13/2017	Kelton, CPA	Completion of tax return, sign and final review	0.2	80.00	72.00
Total before discount			2.1	<u>\$ 475.50</u>	

Total discounted invoice amount

\$ 427.95

Summary by Employee:

Benjamin, CPA	1.2	\$ 306.00	\$ 275.40
Kelton, CPA	0.2	80.00	72.00
Nguyen, CPA	0.4	58.00	52.20
Robinson	0.1	17.50	15.75
Santana	0.2	14.00	12.60
	<u>2.1</u>	<u>\$ 475.50</u>	<u>\$ 427.95</u>

SEC - Western Financial
Santa Fe Venture, LLC

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
1/31/2017	Shaw	Preparation of 2016 1099	0.2	\$ 17.00	\$ 15.30
1/31/2017	Robinson, CPA	Review of Form 1099	0.1	17.50	15.75
2/11/2017	Nguyen, CPA	Intake	0.1	14.50	13.05
2/13/2017	Nguyen, CPA	Meet with reviewer on open items	0.1	14.50	13.05
2/24/2017	Nguyen, CPA	Draft open items list to reviewer	0.2	29.00	26.10
4/12/2017	Benjamin, CPA	2016 tax return	0.6	153.00	137.70
4/18/2017	Benjamin, CPA	Sent Geno voucher for 2017	0.1	25.50	22.95
8/7/2017	Benjamin, CPA	Status 2016	0.1	25.50	22.95
9/13/2017	Santana	Assembled tax return	0.2	14.00	12.60
9/13/2017	Benjamin, CPA	Made changes, FTB waiver and completed return	0.5	127.50	114.75
9/13/2017	Kelton, CPA	Completion of tax return, sign and final review	0.2	80.00	72.00
Total before discount			2.4	<u>\$ 518.00</u>	
Total discounted invoice amount					<u>\$ 466.20</u>

Summary by Employee:

Benjamin, CPA	1.3	\$ 331.50	\$ 298.35
Kelton, CPA	0.2	80.00	72.00
Nguyen, CPA	0.4	58.00	52.20
Robinson, CPA	0.1	17.50	15.75
Santana	0.2	14.00	12.60
Shaw	0.2	17.00	15.30
	2.4	\$ 518.00	\$ 466.20

SEC - Western Financial
SFV II, LLC

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
2/11/2017	Nguyen, CPA	Intake	0.1	\$ 14.50	\$ 13.05
2/13/2017	Nguyen, CPA	Meet with reviewer on open items	0.1	14.50	13.05
2/24/2017	Nguyen, CPA	Draft open items list to reviewer	0.2	29.00	26.10
4/12/2017	Benjamin, CPA	2016 tax return	0.6	153.00	137.70
4/18/2017	Benjamin, CPA	Sent Geno voucher for 2017	0.1	25.50	22.95
8/7/2017	Benjamin, CPA	Status 2016	0.1	25.50	22.95
9/6/2017	Benjamin, CPA	Status with Geno	0.1	25.50	22.95
9/13/2017	Santana	Assembled tax return	0.2	14.00	12.60
9/13/2017	Benjamin, CPA	Made changes, FTB waiver and completed return	0.5	127.50	114.75
9/13/2017	Kelton, CPA	Sign and final review tax return	0.2	80.00	72.00
Total before discount			2.2	<u>\$ 509.00</u>	
Total discounted invoice amount					<u>\$ 458.10</u>

Summary by Employee:

Benjamin, CPA	1.4	\$ 357.00	\$ 321.30
Kelton, CPA	0.2	80.00	72.00
Nguyen, CPA	0.4	58.00	52.20
Santana	0.2	14.00	12.60
	<u>2.2</u>	<u>\$ 509.00</u>	<u>\$ 458.10</u>

SEC - Western Financial
WFP Receivership

Date	Last Name	Memo	Hours		Original Amount	Discounted Amount
5/26/2016	Kelton, CPA	Meeting and work on QSF	3.20	\$	1,200.00	\$ 1,080.00
5/26/2016	Benjamin, CPA	Research regarding QSFs, various calls and discussion with Thane	7.20		1,620.00	1,458.00
5/27/2016	Kelton, CPA	Met with Livia to discuss QSF details	0.50		187.50	168.75
5/27/2016	Benjamin, CPA	Met with Thane about QSF/letters to investors, looked at QSF document	1.80		405.00	364.50
5/31/2016	Benjamin, CPA	Spoke to Wendy/Thane regarding payment/how to apply	0.30		67.50	60.75
5/31/2016	Kelton, CPA	Work on QSF details	0.80		300.00	270.00
6/1/2016	Kelton, CPA	Status of QSF work	0.50		187.50	168.75
6/1/2016	Benjamin, CPA	Met with Wendy to discuss the short year 2016 returns, call with Geno regarding books/timing and other QSF issues, met with TFK and looked at state reporting of partnerships	2.60		585.00	526.50
6/30/2016	Kelton, CPA	Setup and QSF research for partnership returns	3.00		1,125.00	1,012.50
6/30/2016	Benjamin, CPA	Work on K-1 filing/QSF research and call with Tom/Geno/Ted and Thane, phone call with Aaron regarding consulting	5.70		1,282.50	1,154.25
7/1/2016	Kelton, CPA	Research QSF filing for 2016	4.50		1,687.50	1,518.75
7/1/2016	Benjamin, CPA	Research regarding QSFs	4.20		945.00	850.50
7/10/2016	Kelton, CPA	Continued research regarding QSF for 2016	2.00		750.00	675.00
7/11/2016	Benjamin, CPA	Phone call with Geno regarding next steps for QSF, discussed with TFK, talked to Alli about QSF portfolio delivery	1.20		270.00	243.00
7/15/2016	Kelton, CPA	Status of 2016 return	1.00		375.00	337.50
7/15/2016	Benjamin, CPA	Phone call with Geno regarding news on QSF and properties, discussed with Thane/planning for 2016 return	1.70		382.50	344.25
9/29/2016	Kelton, CPA	Phone conference and preparation regarding treatments	1.50		562.50	506.25
9/29/2016	Benjamin, CPA	Research regarding QSF reporting of deductions/Debt conversion to capital, phone call with Geno, Tom and Ted	4.60		1,035.00	931.50
3/21/2017	Robinson, CPA	Discuss project with staff	1.10		192.50	173.25
4/25/2017	Benjamin, CPA	Call with Geno regarding capital accounts, research regarding adjustments	2.80		714.00	642.60
4/26/2017	Benjamin, CPA	2017 planning/research	2.30		586.50	527.85
4/28/2017	Benjamin, CPA	Call with Geno and Tom regarding investment accounts/QSF transfers and distributions, did research on QSF tax reporting and theft loss qualifications	2.30		586.50	527.85
5/2/2017	Benjamin, CPA	Met with Thane about QSF memo and read memo	0.80		204.00	183.60
5/2/2017	Kelton, CPA	QSF for 2016	0.80		320.00	288.00
5/2/2017	Nguyen, CPA	Touch base on consolidation and other items for summer	0.20		29.00	26.10
5/4/2017	Benjamin, CPA	Email to Geno to schedule call regarding Tax Memo for QSF for call	0.90		229.50	206.55
5/9/2017	Benjamin, CPA	QSF research	2.60		663.00	596.70
5/10/2017	Kelton, CPA	Research regarding Matkins letter and conference call regarding various entity questions	3.20		1,280.00	1,152.00
5/10/2017	Benjamin, CPA	Met with Thane to prep for Western call, phone call with Geno regarding QSF questions	2.70		688.50	619.65
5/11/2017	Benjamin, CPA	Research regarding QSF 1099 reporting issues, email to Tom	1.60		408.00	367.20
5/12/2017	Benjamin, CPA	Research regarding QSF, email to Geno/Tom	2.20		561.00	504.90
5/15/2017	Benjamin, CPA	K-1 to Robert Wilhelmsen	0.10		25.50	22.95
6/14/2017	Kelton, CPA	QSF additional research	2.00		800.00	720.00
7/27/2017	Kelton, CPA	Status of the 2016 return	0.50		200.00	180.00

9/8/2017	Benjamin, CPA	Status of fee application with Ted Fates	0.10	25.50	22.95
9/20/2017	Kelton, CPA	Met with Livia regarding the return and fee application	1.00	400.00	360.00
9/20/2017	Benjamin, CPA	Spoke to Thane about Fee application	0.20	51.00	45.90
9/25/2017	Kelton, CPA	Sign and return order to court	0.20	80.00	72.00
9/28/2017	Benjamin, CPA	2016 QSF filing	2.40	612.00	550.80
9/29/2017	Benjamin, CPA	2016 tax return, emails with Geno, research on entity type, court order number, discussed with HCW	2.90	739.50	665.55
10/2/2017	Santana	Assembled tax return	0.10	7.00	6.30
10/2/2017	Benjamin, CPA	Completed 2016 return and sent file out to receiver	1.00	255.00	229.50
10/2/2017	Kelton, CPA	Completion of tax return, sign and final review	0.70	280.00	252.00
10/25/2017	Esparza	Allstate Courier on October 2nd, 2017.	0	46.70	42.03
Total before discount			81.0	<u>\$ 22,952.20</u>	
Total discounted invoice amount					<u><u>\$ 20,656.98</u></u>

Summary by Employee:

Benjamin, CPA	54.2	\$ 12,942.00	\$ 11,647.80
Esparza	-	46.70	42.03
Kelton, CPA	25.4	9,735.00	8,761.50
Nguyen, CPA	0.2	29.00	26.10
Robinson, CPA	1.1	192.50	173.25
Santana	0.1	7.00	6.30
	<u>81.0</u>	<u>\$ 22,952.20</u>	<u>\$ 20,656.98</u>

SEC - Western Financial
WSCC, LLC

Date	Last Name	Memo	Hours	Original Amount	Discounted Amount
2/11/2017	Nguyen, CPA	Intake	0.1	\$ 14.50	\$ 13.05
2/13/2017	Nguyen, CPA	Prepare tax return	0.5	72.50	65.25
4/12/2017	Benjamin, CPA	2016 review	0.2	51.00	45.90
4/18/2017	Benjamin, CPA	Sent Geno voucher for 2017	0.1	25.50	22.95
9/13/2017	Benjamin, CPA	Made changes, FTB waiver and completed return	0.4	102.00	91.80
9/13/2017	Kelton, CPA	Completion of tax return, sign and final review	0.2	80.00	72.00
10/16/2017	Benjamin, CPA	Email to Geno re LLC dissolution	0.2	51.00	45.90
Total before discount			1.7	<u>\$ 396.50</u>	
Total discounted invoice amount					<u>\$ 356.85</u>

Summary by Employee:

Benjamin, CPA	0.9	\$ 229.50	\$ 206.55
Kelton, CPA	0.2	80.00	72.00
Nguyen, CPA	0.6	87.00	78.30
	<u>1.7</u>	<u>\$ 396.50</u>	<u>\$ 356.85</u>

EXHIBIT B

EXHIBIT B

Rate Summary	Hours	Rate/hr	Original Amount	Discounted rate (10%)	Discounted Amount
Andrew Robinson, CPA	1.3	175.00	227.50	157.50	204.75
Andy Nguyen, CPA (2017 rate)	7.3	145.00	1,058.50	130.50	952.65
Crystal Esparza	-	-	68.19	-	61.37
Douglas Shaw	0.5	85.00	42.50	76.50	38.25
Estephene Santana	1.1	70.00	77.00	63.00	69.30
Inessa Stysis	3.8	125.00	475.00	112.50	427.50
Jen De Lara	0.6	85.00	51.00	76.50	45.90
Livia Benjamin, CPA (2016 rate)	29.3	225.00	6,592.50	202.50	5,933.25
Livia Benjamin, CPA (2017 rate)	64.8	255.00	16,524.00	229.50	14,871.60
Thane F. Kelton, CPA (2016 rate)	17.0	375.00	6,375.00	337.50	5,737.50
Thane F. Kelton, CPA (2017 rate)	23.0	400.00	9,200.00	360.00	8,280.00
	<u>148.7</u>		<u>\$ 40,691.19</u>		<u>\$ 36,622.07</u>
Average blended hourly rate			\$ 273.65		
Average blended hourly rate with 10% discount					\$ 246.28