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10 Attorneys for Receiver
11 THOMAS HEBRANK

12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**

14
15 SECURITIES AND EXCHANGE
COMMISSION,

16 Plaintiff,

17 v.

18 PACIFIC WEST CAPITAL GROUP,
19 INC.; ANDREW B CALHOUN IV;
PWCG TRUST; BRENDA CHRISTINE
20 BARRY; BAK WEST, INC.; ANDREW B
CALHOUN JR.; ERIC CHRISTOPHER
21 CANNON; CENTURY POINT, LLC;
MICHAEL WAYNE DOTTA; and
22 CALEB AUSTIN MOODY (dba SKY
STONE),

23 Defendants.
24

Case No. 2:15-cv-02563-DDP-FFM

**EIGHTH INTERIM APPLICATION
OF ALLEN MATKINS LECK
GAMBLE MALLORY &
NATSIS, LLP, GENERAL
COUNSEL TO THE RECEIVER,
FOR PAYMENT OF FEES AND
REIMBURSEMENT OF
EXPENSES**

Date: May 18, 2020
Time: 10:00 a.m.
Ctrm.: 9C
Judge: Hon. Dean D. Pregerson

1 Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"),
2 general counsel to Thomas Hebrank ("Receiver"), the Court-appointed receiver for
3 PWCG Trust, hereby submits this eighth interim application for approval and
4 payment of fees and reimbursement of expenses ("Application"). This Application
5 covers the period from October 1, 2019, through December 31, 2019 ("Eighth
6 Application Period"), and seeks interim approval of \$39,951.90 in fees and \$893.45
7 in expenses, and an order authorizing the Receiver to pay, on an interim basis, 80%
8 of the fees incurred (\$31,961.52) and 100% of expenses incurred.

9 I. INTRODUCTION

10 This equity receivership was established pursuant to the Consent of
11 Defendant PWCG Trust filed on February 12, 2018, and the Judgment as to
12 Defendant PWCG Trust ("Appointment Order") entered on February 16, 2018. Dkt.
13 Nos. 143, 145. The Appointment Order confers full powers of an equity receiver,
14 including full power over all funds, assets, and other property of PWCG Trust, and
15 including its bank accounts, life insurance policies ("Policies"), books and records,
16 and all funds and assets controlled or managed by PWCG Trust. The Appointment
17 Order also authorizes the Receiver to "engage and employ attorneys, accountants,
18 and other persons" to assist him in the performance of his duties. Dkt. No. 145,
19 Section III(F).

20 The Receiver promptly determined that his experienced staff at E3 Realty
21 Advisors, Inc., dba E3 Advisors ("E3"), as well as experienced, qualified counsel
22 was critical due to the number of people involved, the amount at stake for investors,
23 the transactional volume, and the complex issues facing PWCG Trust. Accordingly,
24 the Receiver has cost-effectively used his team at E3 to assist in carrying out
25 receivership duties, as well as Allen Matkins as his counsel.

26 In an abundance of caution, the Receiver sought specific Court approval of
27 Allen Matkins' employment, which was approved on April 10, 2018. Dkt. Nos. 150,
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1 152. The Court also approved the Receiver's proposal to file reports and fee
2 applications on a quarterly basis. *Id.*

3 **II. FEE APPLICATION**

4 This fee application should be read in conjunction with the Receiver's Seventh
5 Interim Report ("Eighth Report") filed on March 12, 2020 (Dkt. No. 323), which
6 describes in detail the Receiver's activities during the Eighth Application Period.
7 This Application seeks interim approval of \$39,951.90 in fees for a total of
8 59.90 hours worked, and payment on an interim basis of 80% of that amount, or
9 \$31,961.52. The work performed is described task-by-task on Exhibit A and is
10 broken down into the following categories:

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Category	Hours	Amount
General Receivership	29.00	\$19,922.85
Reporting	1.80	\$1,069.20
Operations & Asset Sales	1.60	\$1,027.80
Claims & Distributions	6.40	\$4,614.30
Third Party Recoveries	19.30	\$12,248.55
Pending Litigation	1.80	\$1,069.20
Total	59.90	\$39,951.90

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18 Allen Matkins has worked diligently and efficiently to assist the Receiver to
19 address legal issues facing the receivership estate. The firm's work has allowed the
20 Receiver to preserve and protect the substantial value of receivership estate assets,
21 including Policies with death benefits totaling over \$160.3 million and cash reserves
22 of approximately \$13.6 million. Allen Matkins' work has assisted the Receiver in
23 carrying out his Court-ordered duties and the firm should be compensated on an
24 interim basis.

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1 **III. SUMMARY OF TASKS PERFORMED AND COSTS INCURRED**

2 **A. Categories and Descriptions of Work**

3 1. General Receivership

4 Work in this category focused on assisting the Receiver in analyzing tax
5 issues that are critical to the preservation of receivership estate assets and to
6 maximizing the ultimate recovery for investors. Tax treatment of life insurance
7 policies is unique and significantly different than real estate or other personal
8 property assets. In addition, the appointment of the Receiver and the Court's
9 approval of the Receiver's proposal to pool the reserves and death benefits for
10 purposes of making premium payments potentially affect the tax treatment and
11 appropriate return filings. It is often the case, although not always, that receivership
12 estates such as this one are treated as a "Qualified Settlement Fund" or "QSF" for
13 tax purposes. The Receiver obtained an extension of the April 15, 2019 deadline to
14 file returns for PWCG Trust such that this important analysis could be completed.

15 Allen Matkins assisted in analyzing the relevant Internal Revenue Code
16 sections and related regulations, and advising the Receiver on the applicable issues,
17 including providing a legal framework for the Receiver's analysis of potential taxes
18 owed under different scenarios and communicating directly with the Receiver's tax
19 accountants. The taxes owed could have a major impact on the overall projected
20 recovery from the portfolio and could influence the Receiver's decision whether to
21 retain some or all of the policies or sell the policies. Accordingly, this analysis is
22 critical. The reasonable and necessary fees for work in this category total
23 \$19,922.85.

24 2. Reporting

25 Allen Matkins' time in this category focused on preparing the Receiver's
26 Seventh Interim Report, which was filed on January 7, 2020. Dkt. No. 289. The
27 Seventh Interim Report contains a detailed description of the Receiver's activities
28 during the third quarter of 2019, sales/surrender of Negative Value Policies, policy

1 maturities, investor communications, pending litigation, tax issues, and post-
2 receivership receipts and disbursements. The report also includes the Receiver's
3 recommendations for the continued administration of the receivership estate. The
4 reasonable and necessary fees for work in this category total \$1,069.20.

5 3. Operations & Asset Sales

6 Allen Matkins' time in this category focused on advising and assisting the
7 Receiver regarding the anticipated transition from MPC to the Receiver as Trustee
8 of PWCG Trust. The Receiver filed a stipulation and proposed order authorizing
9 him to formally remove MPC as Trustee on February 11, 2020, which was approved
10 by the Court on February 12, 2020. Dkt. 313, 314. The reasonable and necessary
11 fees for work in this category total \$1,027.80.

12 4. Claims and Distributions

13 Allen Matkins' time in this category focused on analyzing and advising the
14 Receiver regarding claims against the receivership estate, including large claims
15 asserted by BroadRiver Asset Management ("BroadRiver"), of behalf of Cook Street
16 Master Trust ("CSMT"). CSMT entered into a contract with Pacific West Capital
17 Group, Inc. in July 2017 to purchase "forfeited" interests of investors who failed to
18 provide funds in response to cash calls issued by PWCG Trust. CSMT also
19 provided funding to PWCG Trust to cover shortfalls in reserves such that certain
20 policies would not lapse. Allen Matkins handled direct communications with
21 counsel for BroadRiver and assisted the Receiver in analyzing CSMT's claims,
22 including reviewing arguments asserted by CSMT and formulating a settlement
23 proposal.

24 The firm also advised the Receiver on the accounting process, documentation
25 and data needed for the administration of investor claims. Allen Matkins also
26 assisted the Receiver in preparing content for the receivership website, including
27 answers to frequently asked questions and monthly case updates, and assisted in
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1 addressing unique investor inquiries. The reasonable and necessary fees for work in
2 this category total \$4,614.30.

3 5. Third Party Recoveries

4 Allen Matkins' time in this category focused on the Receiver's claims against
5 MPC on behalf of PWCG Trust. The firm assisted the Receiver in analyzing the
6 claims and discussing them with counsel for MPC, as well as counsel for the
7 investor-plaintiffs in the pending actions in Los Angeles Superior Court. Allen
8 Matkins prepared a letter to MPC's counsel detailing the Receiver's claims, which
9 MPC tendered to its insurance carriers. The parties then agreed to participate in a
10 mediation, which was originally scheduled for January 6, 2020, but was pushed
11 back due to issues that arose regarding the various insurers and insurance policies
12 that potentially provide coverage for the Receiver's and the investors' claims.¹ The
13 mediation is now schedule to take place on April 14, 2020. The reasonable and
14 necessary fees for work in this category total \$12,248.55.

15 6. Pending Litigation

16 At the time of the Receiver's appointment, there were four civil actions
17 brought by investors that were pending in Los Angeles Superior Court in which
18 PWCG Trust (or MPC as its Trustee) is a defendant. Allen Matkins promptly
19 (a) provided counsel for the parties in these cases with notice of the Receiver's
20 appointment and the stay of litigation against PWCG Trust, and (b) filed a notice of
21 the receivership and the litigation stay in each case.

22 During the Eighth Application Period, Allen Matkins attended a status
23 conference held in one of the pending actions (known as the *Names* case) and
24 assisted in preparing a required Joint Status Report in another action (known as the
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27 ¹ The Receiver has agreed to defer filing a Complaint against MPC until the
28 April 14, 2020 mediation has occurred and has signed a Tolling Agreement with
MPC regarding all statutes of limitations and other time-based defenses.

1 *Shechter* case). The reasonable and necessary fees for work in this category total
2 \$1,069.20.

3 **B. Summary of Expenses Requested for Reimbursement**

4 Allen Matkins requests the Court approve reimbursement of \$1,045.20 in out-
5 of-pocket costs. The itemization of such expenses is summarized below by
6 category.

7 Category	Total
8 E-Discovery	\$450.00
9 Document Searches (incl. PACER, Lexis, Sec. of State)	\$120.00
10 Messenger/FedEx Fees	\$121.80
11 Filing Fees	\$13.65
12 Telephonic Court Appearances	\$188.00
TOTAL	\$ 893.45

13 **IV. FEES AND COSTS INCURRED AND PAID TO DATE**

14 From inception of the receivership through December 31, 2019, the Receiver
15 incurred fees and costs of \$248,116.33, of which amount \$46,152.45 is subject to
16 holdback pending approval of the Receiver's final fee application at the conclusion
17 of the receivership, \$48,866.65 is awaiting the Court's review and approval, and
18 \$162,529.41 has been approved by the Court and paid to date. During the same time
19 period, Allen Matkins has incurred fees and costs of \$552,824.78, of which amount
20 \$109,203.12 is subject to holdback pending approval of Allen Matkins' final fee
21 application at the conclusion of the receivership, \$40,845.35 is awaiting the Court's
22 review and approval, and \$410,766.69 has been approved by the Court and paid to
23 date. Finally, during the same time period, MPC has incurred fees and costs totaling
24 \$170,219.37, of which amount \$15,615.46 is awaiting the Court's review and
25 approval, and \$154,603.91 has been approved by the Court and paid to date.

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1 and employ attorneys and others to investigate and, where appropriate, institute,
2 pursue, and prosecute all claims and causes of action of whatever kind and nature.
3 *See* Appointment Order, Section III.

4 The Receiver promptly determined that experienced, qualified counsel was
5 necessary due to the size and complexity of the receivership estate and the Court
6 agreed, specifically approving Allen Matkins' employment. Dkt. No. 152. The
7 Court also approved the Receiver's proposal to file interim reports and fee
8 applications on a quarterly basis. *Id.*

9 Allen Matkins has submitted a detailed fee application which describes the
10 nature of the services rendered, and the identity and billing rate of each individual
11 performing each task. *See* Exhibit A. Allen Matkins has endeavored to staff matters
12 as efficiently as possible, while remaining cognizant of the complexity of issues.
13 The request for fees is based on Allen Matkins' customary billing rates charged for
14 comparable services provided in other matters, less a 10% discount. In addition, the
15 firm has written off and not charged for 3.3 hours of time (\$1,856.25) during the
16 Fifth Application Period.

17 The work performed by Allen Matkins was essential to carrying out the
18 Receiver's Court-ordered duties. The Receiver and Allen Matkins have worked
19 diligently since the Receiver's appointment to preserve and protect the assets of the
20 receivership estate, to investigate potential claims against third parties, and to
21 maximize the funds available for ultimate distribution to investors. Moreover, Allen
22 Matkins seeks payment of only 80% of fees incurred on an interim basis in
23 recognition of the fact that its work in assisting the Receiver is ongoing. Payment of
24 the proposed 20% holdback will be sought at the conclusion of the receivership.
25 Allen Matkins' fees are fair and reasonable and should be approved and paid on an
26 interim basis.

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VI. CONCLUSION

Allen Matkins therefore respectfully requests this Court enter an Order:

1. Approving Allen Matkins' fees, on an interim basis, of \$39,951.90;
2. Authorizing and directing the Receiver to pay 80% of approved fees, or \$31,961.52, from the assets of the Receivership Entities;
3. Approving Allen Matkins' costs in the amount of \$893.45 and authorizing and directing the Receiver to reimburse such costs in full; and
4. For such other and further relief as the Court deems appropriate.

Dated: April 15, 2020

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Edward Fates
EDWARD G. FATES
Attorneys for Receiver
THOMAS HEBRANK

EXHIBIT A

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00002

Matter Name: General Receivership

Date of Last Billing: 01-23-2020

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456171

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00002 (General Receivership)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/01/19	7978379	Several emails/calls with counsel/tax counsel re accounting as to returns, next steps, QSF Trust analysis and treatment of entities (.4). Follow-up emails concerning the tax analysis and issue concerning QSF/IRS (.2).	Zaro, David	0.6	472.50	472.50	WO HD TR_____
10/01/19	7978613	Evaluate tax consequences for alternative approaches.	Kraus, Katherine	3.6	2,349.00	2,821.50	WO HD TR_____
10/02/19	7981214	Emails/call with counsel and tax counsel, emails re returns/accounting issues, and analysis (.2). Call with counsel/tax counsel to address tax analysis (.5).	Zaro, David	0.7	551.25	3,372.75	WO HD TR_____
10/02/19	7978318	Analyze proper treatment of trust for tax purposes, potential impact of taxes on cash flow, and related issues, confer with counsel regarding same.	Fates, Edward (Ted)	0.3	178.20	3,550.95	WO HD TR_____
10/02/19	7978996	Analyze tax issues.	Kraus, Katherine	2.8	1,827.00	5,377.95	WO HD TR_____
10/03/19	7979850	Analyze trust income tax issues.	Kraus, Katherine	2.0	1,305.00	6,682.95	WO HD TR_____
10/04/19	7981419	Call/emails with counsel and tax counsel as to the returns, analysis of	Zaro, David	0.7	551.25	7,234.20	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		DOF v. QSF v. Trust.					
10/07/19	7982989	Call/email with counsel concerning analysis of the tax issues and advice concerning strategy.	Zaro, David	0.4	315.00	7,549.20	WO HD TR_____
10/07/19	7981773	Advise on issues relating to tax analysis and impact on cash flow projections.	Fates, Edward (Ted)	0.6	356.40	7,905.60	WO HD TR_____
10/07/19	7981958	Tax analysis of trust.	Kraus, Katherine	0.9	587.25	8,492.85	WO HD TR_____
10/08/19	7983233	TC and email with Livia Benjamin re. tax issues.	Kraus, Katherine	1.4	913.50	9,406.35	WO HD TR_____
10/09/19	7984234	Call with Receiver to advise on tax analysis, tax returns, and impact on cash flow projections for portfolio.	Fates, Edward (Ted)	0.6	356.40	9,762.75	WO HD TR_____
10/09/19	7985290	Tax analysis and TC with Receiver re. tax status of trust.	Kraus, Katherine	0.9	587.25	10,350.00	WO HD TR_____
10/10/19	7986085	Communications with SEC counsel and Receiver regarding trial date and Receiver's appearance as a witness.	Fates, Edward (Ted)	0.2	118.80	10,468.80	WO HD TR_____
10/14/19	7992301	Emails related to SEC testimony, follow-up with receiver counsel.	Zaro, David	0.3	236.25	10,705.05	WO HD TR_____
10/16/19	7992771	Meeting with counsel concerning the tax issues, pending issues (.3).	Zaro, David	0.3	236.25	10,941.30	WO HD TR_____
10/16/19	7991211	Communications with Receiver regarding trial date and availability to provide witness testimony.	Fates, Edward (Ted)	0.3	178.20	11,119.50	WO HD TR_____
10/17/19	7994802	Call with SEC counsel related to the Receiver testimony/scope and follow-up email/call with counsel (.4).	Zaro, David	0.4	315.00	11,434.50	WO HD TR_____
10/21/19	7998558	Follow-up on tax analysis related to PWCG Trust, assess the accountant's	Zaro, David	0.4	315.00	11,749.50	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		tasks, call with counsel re same.					
10/21/19	7995122	Discuss tax analysis and issues regarding same with Receiver.	Fates, Edward (Ted)	0.3	178.20	11,927.70	WO HD TR_____
10/22/19	7998632	Follow-up with SEC counsel and Receiver counsel related to Receiver testimony, trial and records (.4).	Zaro, David	0.4	315.00	12,242.70	WO HD TR_____
10/28/19	8003092	Several emails and call related to the tax issues with Receiver counsel and tax counsel (.6).	Zaro, David	0.6	472.50	12,715.20	WO HD TR_____
10/28/19	8002364	Prepare overview of key tax issues that affect Trust's income tax liabilities.	Kraus, Katherine	2.1	1,370.25	14,085.45	WO HD TR_____
10/29/19	8004256	Conference with tax counsel, follow-up email related to the tax issues (.4).	Zaro, David	0.4	315.00	14,400.45	WO HD TR_____
10/30/19	8006885	Several calls with counsel re tax issues, follow-up call with SEC counsel.	Zaro, David	0.3	236.25	14,636.70	WO HD TR_____
10/30/19	8004658	Advise Receiver regarding deposition to be taken in ongoing SEC litigation.	Fates, Edward (Ted)	0.3	178.20	14,814.90	WO HD TR_____
11/05/19	8013394	Conference with tax counsel, review of the tax analysis, address next steps as to returns/overall tax analysis (.4).	Zaro, David	0.4	315.00	15,129.90	WO HD TR_____
11/06/19	8013287	Advise Receiver regarding trial continuance and related scheduling issues.	Fates, Edward (Ted)	0.1	59.40	15,189.30	WO HD TR_____
11/13/19	8024047	Call with tax counsel as to status of QSF/Trust accounting issues (.3).	Zaro, David	0.3	236.25	15,425.55	WO HD TR_____
11/18/19	8029453	Call with counsel for the SEC related to the trial and prospective discovery request, Receiver accounting.	Zaro, David	0.4	315.00	15,740.55	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
11/22/19	8032019	Email with Receiver re. tax analysis.	Kraus, Katherine	0.3	195.75	15,936.30	WO	HD TR_____
12/02/19	8043882	Call with SEC related to the Receiver/receivership, accounting and follow-up with counsel for Receiver as to accounting/trial and witness (.4).	Zaro, David	0.4	315.00	16,251.30	WO	HD TR_____
12/06/19	8048606	Follow-up with tax counsel related to accounting, asset analysis/valuation issues.	Zaro, David	0.4	315.00	16,566.30	WO	HD TR_____
12/09/19	8048469	Analyze policy data for call on tax issues.	Fates, Edward (Ted)	0.4	237.60	16,803.90	WO	HD TR_____
12/10/19	8050036	Review tax analysis prepared by Hebrank	Kraus, Katherine	0.6	391.50	17,195.40	WO	HD TR_____
12/11/19	8053675	Analysis of the results of the Receiver tax review and assess the strategy/approach to the taxes, coordinate with distribution/claim plan, follow-up with counsel (.7). Conference with counsel concerning IRS/prompt determination (.4).	Zaro, David	1.1	866.25	18,061.65	WO	HD TR_____
12/11/19	8050743	Calls with Receiver and tax accountants regarding analysis of tax treatment, preparation of tax returns, and related issues.	Fates, Edward (Ted)	0.8	475.20	18,536.85	WO	HD TR_____
12/11/19	8051762	TC with Hebrank and Livia Benjamin re. tax issues. [0.7 hr] Review tax analysis prepared by Hebrank. [0.2 hr]	Kraus, Katherine	0.9	587.25	19,124.10	WO	HD TR_____
12/12/19	8056818	Work on issues related to the IRS with tax counsel (.4). Call related to IRS counsel and IRS options (.2).	Zaro, David	0.6	472.50	19,596.60	WO	HD TR_____
12/12/19	8052990	Conference re. tax issues	Kraus, Katherine	0.5	326.25	19,922.85	WO	HD TR_____

Disbursements for Matter 377432-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt	Circle	Action
10/01/19	2566844	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for October 2019^68645	1.00	150.00	WO	HD TR _____
10/11/19	2567911	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge George W. Alarcon^10117495	1.00	94.00	WO	HD TR _____
10/16/19	2567918	Filing Fees - - One Legal, LLC, Superior Court of CA, LA County - Response^12074778	1.00	13.65	WO	HD TR _____
11/01/19	2576299	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for November 2019^70762	1.00	150.00	WO	HD TR _____
11/04/19	2576439	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge Gregory W. Alarcon - 11/4/19^10167081	1.00	94.00	WO	HD TR _____
11/07/19	2575344	Document Search - - Case Anywhere LLC, System Access Fee (8/1/19 - 10/31/19)^174201	1.00	120.00	WO	HD TR _____
11/22/19	2587442	Messenger - - Nationwide Legal, LLC, USDC CENTRAL DISTRICT^202205	1.00	60.30	WO	HD TR _____
11/25/19	2587443	Messenger - - Nationwide Legal, LLC, USDC CENTRAL DISTRICT^202205	1.00	61.50	WO	HD TR _____
12/01/19	2582957	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for December 2019^73061	1.00	150.00	WO	HD TR _____

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	9.1	787.50	7,166.25
001665	Edward (Ted) Fates	3.9	594.00	2,316.60
002372	Katherine Kraus	16.0	652.50	10,440.00
		<u>29.0</u>		<u>19,922.85</u>
	Total Fees			19,922.85
	Total Disbursements			893.45

Attorney Billing Instructions

() BILL ALL () Hold
 () BILL FEES ONLY () Write Off
 () BILL COST ONLY () Transfer All

Billing Instructions

expires 6/30/2020: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary- As Of 12/31/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	79,721.16	73,451.25	6,269.91	32,135.50	30,640.05	1,495.45	50,993.61	45,769.95	5,223.66
Unbilled Adj	(396.18)	0.00	(396.18)	0.00	0.00	0.00	(396.18)	0.00	(396.18)
Billed	18,461.93	15,129.90	3,332.03	11,319.20	10,717.20	602.00	29,781.13	25,847.10	3,934.03
Collected	18,461.93	15,129.90	3,332.03	11,319.20	10,717.20	602.00	29,781.13	25,847.10	3,934.03
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	Fees	Cost						
WIP Balance	61,431.30	59,285.25	2,146.05						
AR Balance	0.00	0.00	0.00						
Unalloc Payment	0.00								
Client Trust Balance	0.00								

Billing Address

Thomas C. Hebrank, as Receiver for PWCG Trust
 c/o E3 Advisors
 501 West Broadway, Suite 800
 San Diego, CA 92101
 ATTN:

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00004

Matter Name: Reporting

Date of Last Billing: 01-23-2020

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456173

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00004 (Reporting)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
11/14/19	8024137	Advise Receiver regarding reassignment of case and issues/strategy regarding upcoming quarterly report.	Fates, Edward (Ted)	0.4	237.60	237.60	WO HD TR _____
12/10/19	8048906	Work on Receiver's 7th interim report.	Fates, Edward (Ted)	1.4	831.60	1,069.20	WO HD TR _____

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward (Ted) Fates	1.8	594.00	1,069.20
		<u>1.8</u>		<u>1,069.20</u>
Total Fees				1,069.20
Total Disbursements				0.00

Attorney Billing Instructions

<input type="checkbox"/> BILL ALL	<input type="checkbox"/> Hold
<input type="checkbox"/> BILL FEES ONLY	<input type="checkbox"/> Write Off
<input type="checkbox"/> BILL COST ONLY	<input type="checkbox"/> Transfer All

Billing Instructions

expires 6/30/2020: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary- As Of 12/31/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	24,827.40	24,818.40	9.00	9,423.45	9,423.45	0.00	20,637.45	20,628.45	9.00
Unbilled Adj	(9.00)	0.00	(9.00)	0.00	0.00	0.00	(9.00)	0.00	(9.00)
Billed	15,707.25	15,707.25	0.00	3,852.00	3,852.00	0.00	19,559.25	19,559.25	0.00
Collected	15,707.25	15,707.25	0.00	3,852.00	3,852.00	0.00	19,559.25	19,559.25	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	Fees	Cost						
WIP Balance	8,432.55	8,432.55	0.00						
AR Balance	0.00	0.00	0.00						
Unalloc Payment	0.00								
Client Trust Balance	0.00								

Billing Address

Thomas C. Hebrank, as Receiver for PWCG Trust
 c/o E3 Advisors
 501 West Broadway, Suite 800
 San Diego, CA 92101
 ATTN:

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00005

Matter Name: Operations & Asset Sales

Date of Last Billing: 01-23-2020

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456174

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00005 (Operations & Asset Sales)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/24/19	8001575	Several emails/call related to the Mills Potoczak accounting, production and fee application (.4).	Zaro, David	0.4	315.00	315.00	WO HD TR _____
10/24/19	7998824	Address operational issues with MPC and remaining tasks, discuss same with Receiver.	Fates, Edward (Ted)	0.6	356.40	671.40	WO HD TR _____
10/30/19	8004491	Advise Receiver on operational and service transitions issues relating to MPC.	Fates, Edward (Ted)	0.4	237.60	909.00	WO HD TR _____
12/30/19	8067908	Communications with counsel for MPC.	Fates, Edward (Ted)	0.2	118.80	1,027.80	WO HD TR _____

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	0.4	787.50	315.00
001665	Edward (Ted) Fates	1.2	594.00	712.80
		<u>1.6</u>		<u>1,027.80</u>
	Total Fees			1,027.80
	Total Disbursements			0.00

Attorney Billing Instructions

() BILL ALL () Hold
 () BILL FEES ONLY () Write Off
 () BILL COST ONLY () Transfer All

Billing Instructions

expires 6/30/2020: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary- As Of 12/31/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	111,931.73	111,928.95	2.78	50,859.08	50,856.30	2.78	108,987.83	108,985.05	2.78
Unbilled Adj	(2.69)	0.09	(2.78)	0.00	0.00	0.00	(2.69)	0.09	(2.78)
Billed	97,560.09	97,560.09	0.00	10,397.25	10,397.25	0.00	107,957.34	107,957.34	0.00
Collected	97,560.09	97,560.09	0.00	10,397.25	10,397.25	0.00	107,957.34	107,957.34	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	Fees	Cost						
WIP Balance	9,020.70	9,020.70	0.00						
AR Balance	0.00	0.00	0.00						
Unalloc Payment	0.00								
Client Trust Balance	0.00								

Billing Address

Thomas C. Hebrank, as Receiver for PWCG Trust
 c/o E3 Advisors
 501 West Broadway, Suite 800
 San Diego, CA 92101
 ATTN:

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00006

Matter Name: Claims & Distributions

Date of Last Billing: 01-23-2020

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456175

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00006 (Claims & Distributions)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
10/14/19	7988408	Revisions to monthly case update for receivership website and investors(.3); respond to investor inquiry regarding claims process and distributions (.2).	Fates, Edward (Ted)	0.5	297.00	297.00	WO	HD TR_____
11/18/19	8027184	Revisions to monthly case update for investors.	Fates, Edward (Ted)	0.2	118.80	415.80	WO	HD TR_____
11/19/19	8031976	Several emails with the Receiver concerning the Cook Street claims, advice as to the claim issues (.4).	Zaro, David	0.4	315.00	730.80	WO	HD TR_____
11/19/19	8028354	Address issues relating to BroadRiver claims, advise Receiver regarding same.	Fates, Edward (Ted)	0.4	237.60	968.40	WO	HD TR_____
11/20/19	8031980	Emails with Receiver related to Cooks/Broad River claims, prospective settlement (.3). Several emails and call with counsel related to accounting issues/claims process (.2).	Zaro, David	0.5	393.75	1,362.15	WO	HD TR_____
11/26/19	8039494	Email/analysis of the Broad River claim and call with the Receiver (.4). follow-up on Broad River/review of records and strategy (.2).	Zaro, David	0.6	472.50	1,834.65	WO	HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
11/26/19	8035642	Advise Receiver on issues relating to BroadRiver claims, communications with BroadRiver regarding potential settlement of claims, and BroadRiver demands for documents.	Fates, Edward (Ted)	0.3	178.20	2,012.85	WO HD TR_____
11/27/19	8039634	Review of the transactional records related to Cook/Broad River investment/loans to PWCG enterprise and follow-up with counsel as to the claims (.6).	Zaro, David	0.6	472.50	2,485.35	WO HD TR_____
12/11/19	8053651	Analysis of Broad River issues/claim, prepare for/attend call with Broad River counsel (.7). Follow-up on the call with counsel for Broad River, evaluate Receiver response to claim/discovery (.4). Analysis of the approach to the Receiver's claims process, review approach, timing with counsel (.4).	Zaro, David	1.5	1,181.25	3,666.60	WO HD TR_____
12/11/19	8051137	Advise on issues and strategy for potential resolution of Cook Street claims.	Fates, Edward (Ted)	0.3	178.20	3,844.80	WO HD TR_____
12/12/19	8056813	Call with claimant concerning claims process disputes as to MIMO and follow-up call with counsel (.4).	Zaro, David	0.4	315.00	4,159.80	WO HD TR_____
12/12/19	8052650	Respond to direct inquiry from investor	Fates, Edward (Ted)	0.2	118.80	4,278.60	WO HD TR_____
12/20/19	8062513	Discuss content/revisions to monthly update to investors with Receiver.	Fates, Edward (Ted)	0.3	178.20	4,456.80	WO HD TR_____
12/30/19	8070106	Email with counsel related to hearing and follow-up as to claims process (.2).	Zaro, David	0.2	157.50	4,614.30	WO HD TR_____

San Diego, CA 92101
ATTN:

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00007

Matter Name: Third Party Recoveries

Date of Last Billing: 11-09-2018

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456176

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00007 (Third Party Recoveries)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/01/19	7977562	Communications with counsel for MPC re mediation and insurance coverage issues.	Fates, Edward (Ted)	0.2	118.80	118.80	WO HD TR_____
10/02/19	7978348	Communications with counsel for investors and Receiver regarding potential dates for mediation.	Fates, Edward (Ted)	0.2	118.80	237.60	WO HD TR_____
10/10/19	7985897	Call with counsel for MPC regarding mediation and issues with insurance carrier.	Fates, Edward (Ted)	0.3	178.20	415.80	WO HD TR_____
10/11/19	7987396	Conference call with counsel for MPC and counsel for investors regarding mediation, insurance coverage issues, and procedural steps to address same.	Fates, Edward (Ted)	0.7	415.80	831.60	WO HD TR_____
10/18/19	7993455	Calls/emails with counsel for investors and counsel for MPC regarding mediation and insurance coverage issues (.9); advise Receiver regarding same (.4).	Fates, Edward (Ted)	1.3	772.20	1,603.80	WO HD TR_____
10/21/19	7998561	Work on the issues related to the MP&C motion for authority, the insurance company response, settlement and mediation (.6).	Zaro, David	0.6	472.50	2,076.30	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/23/19	7997649	Communications with counsel for putative investor class, counsel for MPC, and Receiver regarding potential dates for mediation.	Fates, Edward (Ted)	0.3	178.20	2,254.50	WO HD TR_____
10/24/19	8001572	Review/analysis of the legal underpinnings for Receiver/Trust claims as to damages/claims related to the Mills Potoczak matter, preparation for the anticipated mediation, including discovery/accounting plan (.5). Call/email re damages, insurance and Receiver accounting (.3).	Zaro, David	0.8	630.00	2,884.50	WO HD TR_____
10/24/19	7998726	Communications with counsel for MPC, counsel for investors, and Receiver regarding MPC insurance coverage issues.	Fates, Edward (Ted)	0.4	237.60	3,122.10	WO HD TR_____
10/28/19	8001657	Communications with Receiver and counsel for MPC regarding scheduling of mediation.	Fates, Edward (Ted)	0.3	178.20	3,300.30	WO HD TR_____
10/30/19	8006892	Work with counsel to assess issues re discovery/Receiver's accounting, MP&C mediation (.8).	Zaro, David	0.8	630.00	3,930.30	WO HD TR_____
10/31/19	8009239	Follow-up on the discovery request and Receiver accounting damage analysis and call with counsel (.3).	Zaro, David	0.3	236.25	4,166.55	WO HD TR_____
10/31/19	8006332	Analyze proposed fee arrangement from mediator for MPC mediation.	Fates, Edward (Ted)	0.2	118.80	4,285.35	WO HD TR_____
11/04/19	8012454	Call/email related to the Mills Potoczak claims and mediation.	Zaro, David	0.4	315.00	4,600.35	WO HD TR_____
11/04/19	8010765	Review proposed mediator agreement and fee schedule; advise Receiver regarding same.	Fates, Edward (Ted)	0.3	178.20	4,778.55	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
11/06/19	8013264	Communications with counsel for MPC regarding mediation.	Fates, Edward (Ted)	0.2	118.80	4,897.35	WO	HD TR_____
11/11/19	8023995	Work with counsel concerning the state court MP&C litigation, status conference and related response (.4).	Zaro, David	0.4	315.00	5,212.35	WO	HD TR_____
11/19/19	8028707	Review notice from mediator regarding scheduling and procedures for 1/6 mediation, advise Receiver regarding same.	Fates, Edward (Ted)	0.2	118.80	5,331.15	WO	HD TR_____
11/20/19	8029679	Discuss issues relating to mediation with MPC and investor putative class with Receiver and information needed for same.	Fates, Edward (Ted)	0.8	475.20	5,806.35	WO	HD TR_____
11/21/19	8033045	Analysis of approach to the mediation damage analysis, follow-up emails from Receiver and counsel.	Zaro, David	0.4	315.00	6,121.35	WO	HD TR_____
11/21/19	8030949	Communications with Receiver, counsel for putative investor class, and counsel for MPC regarding upcoming mediation and calculation of investor losses for same.	Fates, Edward (Ted)	0.6	356.40	6,477.75	WO	HD TR_____
11/27/19	8040261	Review and respond to emails and prepare mediation disclosure.	Kaup, John	0.8	234.00	6,711.75	WO	HD TR_____
11/27/19	8035693	Work on mandatory mediation disclosure to Receiver (.2); discuss same with Receiver (.1).	Fates, Edward (Ted)	0.3	178.20	6,889.95	WO	HD TR_____
12/06/19	8046897	Communications with counsel for investor putative class regarding mediation issues.	Fates, Edward (Ted)	0.3	178.20	7,068.15	WO	HD TR_____
12/10/19	8050567	Review/evaluate the issues re mediation and strategy, including review/evaluate draft joint private	Zaro, David	1.6	1,260.00	8,328.15	WO	HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
		common interest agreement (1.1). Conference and email with counsel related to the common interest agreement (.5).						
12/10/19	8049264	Conference call with counsel for putative investor class regarding claims against MPC, insurance policy limits demand, mediation, damages analysis and related issues (.7); analyze proposed form of joint prosecution agreement (.5); communications with Receiver and JAMS regarding mediation fees (.3).	Fates, Edward (Ted)	1.5	891.00	9,219.15	WO	HD TR_____
12/11/19	8050111	Work on brief for 1/6/20 mediation of claims against MPC.	Fates, Edward (Ted)	2.3	1,366.20	10,585.35	WO	HD TR_____
12/13/19	8053311	Work on brief for 1/6/20 mediation of claims against MPC (1.6); call with counsel for putative investor class regarding insurance coverage issues (.3).	Fates, Edward (Ted)	1.9	1,128.60	11,713.95	WO	HD TR_____
12/16/19	8055542	Analyze insurance coverage issues raised by counsel for MPC and request to push back mediation (.1); advise Receiver regarding same (.1).	Fates, Edward (Ted)	0.2	118.80	11,832.75	WO	HD TR_____
12/18/19	8058427	Advise Receiver regarding MPC request to push back mediation date and issues regarding same.	Fates, Edward (Ted)	0.3	178.20	12,010.95	WO	HD TR_____
12/19/19	8061264	Communications with Receiver, counsel for investors, counsel for MPC, and mediator regarding change of mediation date to 4/14.	Fates, Edward (Ted)	0.4	237.60	12,248.55	WO	HD TR_____

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	5.3	787.50	4,173.75
000820	John Kaup	0.8	292.50	234.00
001665	Edward (Ted) Fates	13.2	594.00	7,840.80
		<u>19.3</u>		<u>12,248.55</u>
Total Fees				12,248.55
Total Disbursements				0.00

Attorney Billing Instructions

()	BILL ALL	()	Hold
()	BILL FEES ONLY	()	Write Off
()	BILL COST ONLY	()	Transfer All

Billing Instructions

expires 6/30/2020: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary- As Of 12/31/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	24,890.25	24,878.25	12.00	12,260.55	12,248.55	12.00	12,904.50	12,892.50	12.00
Unbilled Adj	(12.00)	0.00	(12.00)	0.00	0.00	0.00	(12.00)	0.00	(12.00)
Billed	643.95	643.95	0.00	0.00	0.00	0.00	643.95	643.95	0.00
Collected	643.95	643.95	0.00	0.00	0.00	0.00	643.95	643.95	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WIP Balance	26,086.95	26,086.95	0.00						
AR Balance	0.00	0.00	0.00						
Unalloc Payment	0.00								
Client Trust Balance	0.00								

Billing Address

Thomas C. Hebrank, as Receiver for PWCG Trust
 c/o E3 Advisors
 501 West Broadway, Suite 800
 San Diego, CA 92101

ATTN:

Preliminary Billing Form

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00008

Matter Name: Pending Litigation

Date of Last Billing: 01-23-2020

Client Name: Thomas C. Hebrank, as Receiver for PWCG Trust

Proforma Number 1456177

Client/Matter Joint Group # 377432-1

Fees for Matter 377432-00008 (Pending Litigation)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/15/19	7990372	Prepare response to OSC regarding dismissal in pending Names case.	Fates, Edward (Ted)	0.4	237.60	237.60	WO HD TR_____
11/04/19	8010596	Attend status conference in pending Names v. PWCG action.	Fates, Edward (Ted)	0.8	475.20	712.80	WO HD TR_____
11/06/19	8013428	Communications with counsel for MPC regarding status conference in Names action (.2); revisions to joint status report to be filed in Shechter action (.2).	Fates, Edward (Ted)	0.4	237.60	950.40	WO HD TR_____
12/12/19	8052146	Address issues regarding change of date for status conference in pending Names matter, communications with counsel for MPC regarding same.	Fates, Edward (Ted)	0.2	118.80	1,069.20	WO HD TR_____

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward (Ted) Fates	1.8	594.00	1,069.20
		<u>1.8</u>		<u>1,069.20</u>
Total Fees				1,069.20
Total Disbursements				0.00

Attorney Billing Instructions

() BILL ALL () Hold
 () BILL FEES ONLY () Write Off
 () BILL COST ONLY () Transfer All

Billing Instructions

expires 6/30/2020: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary- As Of 12/31/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	25,814.25	25,814.25	0.00	5,472.45	5,472.45	0.00	17,818.65	17,818.65	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Billed	13,583.70	13,583.70	0.00	3,165.75	3,165.75	0.00	16,749.45	16,749.45	0.00
Collected	13,583.70	13,583.70	0.00	3,165.75	3,165.75	0.00	16,749.45	16,749.45	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	Fees	Cost						
<i>WIP Balance</i>	10,569.00	10,449.00	120.00						
<i>AR Balance</i>	0.00	0.00	0.00						
<i>Unalloc Payment</i>	0.00								
<i>Client Trust Balance</i>	0.00								

Billing Address

Thomas C. Hebrank, as Receiver for PWCG Trust
 c/o E3 Advisors
 501 West Broadway, Suite 800
 San Diego, CA 92101
 ATTN: