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9 Tax Accountants for Receiver
10 Thomas C. Hebrank

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

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

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

26 Defendants,

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

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

Date: September 12, 2022

Time: 10:00 a.m.

Ctrm: 9C

Judge: Hon. Dean D. Pregerson

22 Duffy Kruspodin, LLP ("Duffy"), tax accountants for Thomas C. Hebrank
23 ("Receiver"), the Court-appointed receiver for PWCG Trust, hereby submits this
24 fourth interim application for approval and payment of professional fees for work in
25 preparing the 2021 federal and state tax returns for PWCG and related research. This
26 Application covers the period from January 1, 2022 through April 30, 2022
27 ("Application Period").
28

Duffy incurred \$2,514.60 in fees for this Application Period and seeks interim approval and payment of these fees. Detailed descriptions of the services are contained in Exhibit A attached hereto. Exhibit B is a summary of Duffy staff total hours and corresponding rates. During the Application Period, Duffy spent 7.3 hours on behalf of the Receiver at an overall blended billing rate of \$344.47 per hour. Duffy has discounted all fees by ten percent (10%) from regular hourly billing rates.

I. FEE APPLICATION

Duffy's work during the Application Period focused on preparation of 2021 Income Tax Returns for PWCG Trust.

A. PWCG Trust 2021 Income Tax Returns:

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

- a) processing the initial receipt of the PWCG Trust books and records;
- b) formatting and organizing the files with the current year data;
- c) verifying cash receipts and disbursements for the year and scanning detail for reporting accuracy and consistency;
- d) reviewing input sheets of information entered into Axxess Tax;
- e) partner level review of the above areas, as well as, overall review of tax return forms and input;
- f) partner level verification of reporting accuracy, formatting, and adherence to current federal and state tax laws;
- g) finalizing of tax return and accompanying letters and schedules;
- h) printing tax return copies for the receivership entity and for government filing;
- i) electronic filing of the 2021 return to Receiver for signature.

	Hours	Fees	Average Hourly Rate
TOTAL	7.3	\$2,514.60	\$344.4

II. THE REQUESTED FEES ARE REASONABLE AND SHOULD BE ALLOWED

In considering interim requests for payment of fees in federal receivership matters, the following factors have been considered by other Courts: (1) the complexity of the tasks performed; (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 Securities and Exchange Commission's opposition or acquiescence. *See SEC v. Schooler*, S.D. Cal., Case No. 12-cv-02164-GPC-JMA (March 7, 2013), Dkt. 169.

A. Complexity of Tasks

Duffy's preparation of PWCG Trust tax returns are considered complex in nature. The complexity lies in the structure of the trust and the determination of proper filing for the 2021 tax year dependent on the highly unique circumstances in this court proceeding.

B. Fair Value of Time, Labor & Skill

There are various levels of staff that worked on the engagement, but mostly highly experienced and skilled CPAs versed in tax research and trust filings. For this fee application, the 2021 rates were used for all staff levels. Thane F. Kelton, CPA, the partner on the engagement, was billed at an hourly rate of \$600, Livia Benjamin, CPA, the manager on the engagement, was billed at an hourly rate of \$385. The remaining administrative staff that worked on the engagement were billed at a rate of \$100 to 110. These rates represent typical rates in California for CPAs of similar experience and expertise for the 2022 year. All compensation based on billing rates was discounted by ten percent (10%). The blended hourly rate for all services

1 provided by Duffy during the Application Period is \$344.47. A summary of Duffy
2 staff that worked on the engagement is included as Exhibit B.

3 **C. Quality of Work Performed**

4 Duffy has provided the client with quality tax preparation and ancillary
5 services, with a high level of professionalism and excellent customer service. Duffy
6 worked diligently to ensure it was prompt in its completion of all of the returns for
7 2021 based on the Receivers requests.

8 **D. Commission's Opposition of Acquiescence**

9 Prior to filing, Duffy, through the Receiver's counsel, provided this fee
10 application to counsel for the Commission in substantially final form. Counsel for the
11 Commission advised that the Commission has no opposition to the fees requested.

12 Accordingly, the five considerations identified by the Court for considering
13 interim fee applications all support interim approval and payment of the requested
14 fees and costs.

15 **III. CONCLUSION**

16 Duffy has ensured that PWCG Trust has been able to fulfill their
17 responsibilities to the federal and state governments with respect to their tax filings.

18 WHEREFORE, Duffy respectfully requests an order:

19 1. Approving payment of \$2,514.60 in fees incurred by Duffy during the
20 Application Period, and authorizing payment of \$2,514.60 from receivership estate
21 cash, as discussed above; and

22 2. Granting such other and further relief as is appropriate.
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1 Dated: August 5, 2022

2
3 By:



4 THANE F. KELTON, CPA
5 DUFFY KRUSPODIN, LLP
6 Certified Public Accountants
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EXHIBIT A

EXHIBIT A

PWCG Trust
2021 Return Preparation

Date	Staff ID	Memo	Hours	Original Amount	Discounted Amount
2/15/2022	LM2	2021 information, email to Tom	0.4	154	\$ 138.60
3/16/2022	LM2	2021 tax return	0.4	154	138.60
3/16/2022	TK1	2021 tax return	0.3	180	162.00
4/15/2022	LM2	2021 tax return	2.8	1078	970.20
4/16/2022	LM2	2021 revisions to return	0.6	231	207.90
4/17/2022	LM2	2021 Final review tax return	1.8	693	623.70
4/18/2022	IO1	Assembled 2021 tax return.	0.2	20	18.00
4/18/2022	KL3	Review assembly	0.1	11	9.90
4/18/2022	TK1	Sign and final return	0.4	240	216.00
4/19/2022	KL3	Deliver return	0.1	11	9.90
4/21/2022	KL3	Efile return	0.1	11	9.90
4/21/2022	MS10	Efiled	0.1	11	9.90

Total before discount 7.3 2,794.00

Total discounted invoice amount \$ 2,514.60

Summary by Employee:

Olivera-Hernandez (IO1)	0.2	20.00	\$ 18.00
Legaspi (KL3)	0.3	33.0	\$ 29.70
Benjamin, CPA (LM2)	6.0	2,310.0	\$ 2,079.00
Sanchez (MS10)	0.1	11.0	\$ 9.90
Kelton, CPA (TK1)	0.7	420.0	\$ 378.00
	7.3	\$ 2,794.00	\$ 2,514.60

EXHIBIT B

EXHIBIT B

<i>Rate Summary</i>	Hours	Rate/hr	Original Amount	Discounted rate (10%)	Discounted Amount
Ivonne Olivera-Hernandez	0.2	100.00	20.00	90.00	18.00
Karla Legaspi	0.3	110.00	33.00	99.00	29.70
Livia Benjamin, CPA	6.0	385.00	2,310.00	346.50	2,079.00
Mary Sanchez	0.1	110.00	11.00	99.00	9.90
Thane F. Kelton, CPA	0.7	600.00	420.00	540.00	378.00
	<u>7.3</u>		<u>\$ 2,794.00</u>		<u>\$ 2,514.60</u>
Average blended hourly rate			\$ 382.74		
Average blended hourly rate with 10% discount					\$ 344.47