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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 (ASx)

**TWENTY-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: April 14, 2025
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 twenty-seventh interim application for approval
4 and payment of fees and reimbursement of expenses (“Application”). This
5 Application covers the period from October 1, 2024, through December 31, 2024
6 (“Twenty-Eighth Application Period”), and seeks interim approval of \$2,675.25 in
7 fees and \$300.00 in expenses, and an order authorizing the Receiver to pay, on an
8 interim basis, 80% of the fees incurred (\$2,140.20) 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.
28

1 Nos. 150, 152. The Court also approved the Receiver’s proposal to file reports and
2 fee applications on a quarterly basis. *Id.*

3 **II. FEE APPLICATION**

4 This fee application should be read in conjunction with the Receiver’s
5 Twenty-Eighth Interim Report (“Twenty-Eighth Report”) filed on February 6, 2025
6 (Dkt. No. 658), which describes in detail the Receiver’s activities during the
7 Twenty-Eighth Application Period. This Application seeks interim approval of
8 \$2,675.25 in fees for a total of 3.10 hours worked, and payment on an interim basis
9 of 80% of that amount, or \$2,140.20. The work performed is described task-by-task
10 on Exhibit A and is broken down into the following categories:

| Category | Hours | Amount |
|-----------------|-------|------------|
| Reporting | 2.30 | \$2,030.85 |
| Employment/Fees | 0.80 | \$644.40 |
| Total | 3.10 | \$2,675.25 |

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16 Allen Matkins has worked diligently and efficiently to assist the Receiver to
17 address legal issues facing the receivership estate. The firm’s work has allowed the
18 Receiver to preserve and protect the substantial value of receivership estate assets.
19 Allen Matkins’ work has assisted the Receiver in carrying out his Court-ordered
20 duties and the firm should be compensated on an interim basis.

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

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

23 1. Reporting

24 Allen Matkins’ time in this category focused on preparing the Receiver’s
25 Twenty-Seventh Report. Dkt. 652. The report contains detailed descriptions of the
26 Receiver’s activities during the third quarter of 2024, policy maturities, investor
27 communications, pending litigation, and post-receivership receipts and
28 disbursements. The reports also include the Receiver’s recommendations for the

1 continued administration of the receivership estate. The reasonable and necessary
2 fees for work in this category total \$2,030.85.

3 2. Employment/Fees

4 Allen Matkins does not charge for time spent preparing its own fee
5 applications. The firm assisted the Receiver in preparing his Twenty-Seventh
6 Interim Fee Application, which was filed on November 12, 2024. Dkt. 657. The
7 reasonable and necessary fees for work in this category total \$644.40.

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

9 Allen Matkins requests the Court approve reimbursement of \$300.00 in out-
10 of-pocket costs. The itemization of such expenses is summarized below by
11 category.

| Category | Total |
|-------------|-----------|
| E-Discovery | \$300.00 |
| TOTAL | \$ 300.00 |

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

17 From inception of the receivership through December 31, 2024, the Receiver
18 incurred fees and costs of \$761,505.34, of which amount \$142,784.91 is subject to
19 holdback pending approval of the Receiver's final fee application at the conclusion
20 of the receivership, \$9,686.35 is awaiting the Court's review and approval, and
21 \$610,667.23 has been approved by the Court and paid to date. During the same time
22 period, Allen Matkins has incurred fees and costs of \$1,813,535.15, of which
23 amount \$354,062.06 is subject to holdback pending approval of Allen Matkins' final
24 fee application at the conclusion of the receivership, \$2,975.25 is awaiting the
25 Court's review and approval, and \$1,457,032.89 has been approved by the Court and
26 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. Moreover,
15 Allen Matkins wrote off and did not charge for 1.00 hours of work (\$742.50 in fees).

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

26 VI. CONCLUSION

27 Allen Matkins therefore respectfully requests this Court enter an Order:

- 28 1. Approving Allen Matkins' fees, on an interim basis, of \$2,675.25;

- 1 2. Authorizing and directing the Receiver to pay 80% of approved fees, or
- 2 \$2,140.20, from the assets of the Receivership Entities;
- 3 3. Approving Allen Matkins’ costs in the amount of \$300.00 and
- 4 authorizing and directing the Receiver to reimburse such costs in full; and
- 5 4. For such other and further relief as the Court deems appropriate.

6

7 Dated: February 25, 2025

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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9 By: /s/ Edward Fates

10 EDWARD G. FATES
11 Attorneys for Receiver
12 THOMAS HEBRANK
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EXHIBIT A

01/27/25 15:33:45 PROFORMA STATEMENT FOR MATTER 377432.00004 (Thomas C. Hebrank, as Receiver for PWCG) (Reporting)

Preliminary Billing Form

Billing Atty: 001665 - Fates, Edward (Ted) Matter #: 377432.00004 Client Name: Thomas C. Hebrank, as Receiver for PWCG
 Date of Last Billing: 12/16/24 Matter Name: Reporting
 Proforma Number: 1313732
 Client/Matter Joint Group # 377432-1 Client Matter Number:

Fees for Matter 377432.00004.(Reporting)

| Trans Date | Index | Description of Service Rendered | Timekeeper | Hours | Fees | Sum | Circle | Action | | |
|------------|---------|--|---------------------|-------|--------|----------|--------|--------|----|-------|
| 10/24/24 | 9817247 | Work on Receiver's 27th interim report (.8) discuss same with Receiver (.1) | Fates, Edward (Ted) | 0.90 | 724.95 | 724.95 | WO | HD | TR | _____ |
| 10/25/24 | 9818530 | Communications with Receiver re: revisions to 27th interim report (.1) work on same (.2) | Fates, Edward (Ted) | 0.30 | 241.65 | 966.60 | WO | HD | TR | _____ |
| 11/01/24 | 9832891 | Meet and confer communications with SEC counsel regarding Receiver's 27th interim report | Fates, Edward (Ted) | 0.30 | 241.65 | 1,208.25 | WO | HD | TR | _____ |
| 11/12/24 | 9843391 | Meet and confer communications with SEC counsel regarding interim report | Fates, Edward (Ted) | 0.20 | 161.10 | 1,369.35 | WO | HD | TR | _____ |
| 11/12/24 | 9846316 | Evaluate/review and follow-up with counsel concerning the Receiver's report and accounting, follow-up thereon. | Zaro, David | 0.60 | 661.50 | 2,030.85 | WO | HD | TR | _____ |

Disbursements for Matter 377432.00004 (Reporting)

| Trans Date | Index | Type | Quantity | Amt | Circle | Action | | |
|------------|---------|---|----------|--------|--------|--------|----|-------|
| 10/01/24 | 2905271 | EDISC – CS Disco, Inc. - Monthly Hosting for October 2024 | 0.00 | 150.00 | WO | HD | TR | _____ |

01/27/25 15:33:45 PROFORMA STATEMENT FOR MATTER 377432.00004 (Thomas C. Hebrank, as Receiver for PWCG) (Reporting)

Disbursements for Matter 377432.00004 (Reporting)

| Trans Date | Index | Type | Quantity | Amt | WO | HD | TR |
|------------|---------|--|----------|--------|----|----|----|
| 11/01/24 | 2908588 | EDISC – CS Disco, Inc. - Monthly Hosting for November 2024 | 0.00 | 150.00 | | | |

Proforma Summary

Timekeeper

| Number | Timekeeper | Hours | Rate | Amounts |
|---------------------|---------------------|-------------|----------|-------------------|
| 000313 | Zaro, David | 0.60 | 1,102.50 | 661.50 |
| 001665 | Fates, Edward (Ted) | 1.70 | 805.50 | 1,369.35 |
| | | <u>2.30</u> | | <u>\$2,030.85</u> |
| Subtotal Fees | | | | \$2,030.85 |
| Discount | | | | 0.00 |
| Total Fees | | | | 2,030.85 |
| Total Disbursements | | | | 300.00 |

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 6/30/2026: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary – As Of 01/27/25

| | Fiscal YTD | | | Calendar YTD | | | LTD | | |
|--------------|-----------------|-----------------|---------------|--------------|----------|-------|------------|-----------|---------------|
| | Total | Fees | Disb. | Total | Fees | Disb. | Total | Fees | Disbursements |
| Worked | 4,968.90 | 4,968.90 | 0.00 | 1,772.10 | 1,772.10 | 0.00 | 103,777.20 | 96,209.10 | 7,568.10 |
| Unbilled Adj | 9.27 | 9.27 | 0.00 | 0.00 | 0.00 | 0.00 | 9.27 | 9.27 | 0.00 |
| Billed | 3,685.68 | 3,235.68 | 450.00 | 0.00 | 0.00 | 0.00 | 92,396.88 | 92,396.88 | 7,268.10 |
| Collected | 3,685.68 | 3,235.68 | 450.00 | 0.00 | 0.00 | 0.00 | 99,664.98 | 92,396.88 | 7,268.10 |
| AR Write Off | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| WIP | 4,102.95 | 3,802.95 | 300.00 | | | | | | |

01/27/25 15:33:45 PROFORMA STATEMENT FOR MATTER 377432.00004 (Thomas C. Hebrank, as Receiver for PWCG) (Reporting)

| | | | |
|---------------------|-------------|-------------|-------------|
| Balance | | | |
| AR Balance | 0.00 | 0.00 | 0.00 |
| Unalloc | 0.00 | | |
| Payment | | | |
| Client Trust | 0.00 | | |
| Balance | | | |

Billing Address

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

01/27/25 15:33:46 PROFORMA STATEMENT FOR MATTER 377432.00009 (Thomas C. Hebrank, as Receiver for PWCG) (Employment/Fees)

Preliminary Billing Form

Billing Atty: 001665 - Fates, Edward (Ted) Matter #: 377432.00009 Client Name: Thomas C. Hebrank, as Receiver for PWCG
 Date of Last Billing: 12/16/24 Matter Name: Employment/Fees
 Proforma Number: 1313732
 Client/Matter Joint Group # 377432-1 Client Matter Number:

Fees for Matter 377432.00009.(Employment/Fees)

| Trans Date | Index | Description of Service Rendered | Timekeeper | Hours | Fees | Sum | Circle | Action | | |
|------------|---------|--|---------------------|-------|--------|--------|--------|--------|----|-------|
| 11/04/24 | 9833712 | Advise Receiver on preparation and exhibits for 27th interim fee application | Fates, Edward (Ted) | 0.40 | 322.20 | 322.20 | WO | HD | TR | _____ |
| 11/05/24 | 9834782 | Meet and confer communications with SEC counsel regarding interim fee applications | Fates, Edward (Ted) | 0.20 | 161.10 | 483.30 | WO | HD | TR | _____ |
| 11/12/24 | 9844439 | Finalize Receiver fee application, notice of hearing and proposed order | Fates, Edward (Ted) | 0.20 | 161.10 | 644.40 | WO | HD | TR | _____ |

Proforma Summary

| Timekeeper Number | Timekeeper | Hours | Rate | Amounts |
|-------------------|---------------------|-------|--------|----------|
| 001665 | Fates, Edward (Ted) | 0.80 | 805.50 | 644.40 |
| | | 0.80 | | \$644.40 |
| | Subtotal Fees | | | \$644.40 |
| | Discount | | | 0.00 |
| | Total Fees | | | 644.40 |
| | Total Disbursements | | | 0.00 |

Attorney Billing Instructions

() BILL ALL () Hold

01/27/25 15:33:46 PROFORMA STATEMENT FOR MATTER 377432.00009 (Thomas C. Hebrank, as Receiver for PWCG) (Employment/Fees)

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

Billing Instructions

expires 6/30/2026: 10% off standard rates (automatic); no text editing; no conf calls; copies @ .10

Account Summary – As Of 01/27/25

| | Fiscal YTD | | | Calendar YTD | | | LTD | | |
|-----------------------------|---------------|---------------|--------------|--------------|------|-------|-----------|-----------|---------------|
| | Total | Fees | Disb. | Total | Fees | Disb. | Total | Fees | Disbursements |
| Worked | 1,208.25 | 1,208.25 | 0.00 | 0.00 | 0.00 | 0.00 | 16,510.50 | 16,510.50 | 0.00 |
| Unbilled Adj | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7.11 | 7.11 | 0.00 |
| Billed | 860.85 | 860.85 | 0.00 | 0.00 | 0.00 | 0.00 | 15,873.21 | 15,873.21 | 0.00 |
| Collected | 860.85 | 860.85 | 0.00 | 0.00 | 0.00 | 0.00 | 15,873.21 | 15,873.21 | 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 | Costs | | | | | | |
| WIP Balance | 644.40 | 644.40 | 0.00 | | | | | | |
| AR Balance | 0.00 | 0.00 | 0.00 | | | | | | |
| Unalloc | 0.00 | | | | | | | | |
| Payment | | | | | | | | | |
| 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