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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  
25  
26  
27  
28

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

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

Date: March 9, 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 seventh interim application for approval and  
4 payment of fees and reimbursement of expenses ("Application"). This Application  
5 covers the period from July 1, 2019, through September 30, 2019 ("Seventh  
6 Application Period"), and seeks interim approval of \$69,924.15 in fees and  
7 \$1,045.20 in expenses, and an order authorizing the Receiver to pay, on an interim  
8 basis, 80% of the fees incurred (\$55,939.32) 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. Pursuant to the Appointment Order, the Receiver took control of  
14 PWCG Trust, its bank accounts, assets, and books and records.

15 The Appointment Order confers full powers of an equity receiver, including  
16 full power over all funds, assets, and other property of PWCG Trust, and including  
17 its bank accounts, life insurance policies ("Policies"), books and records, and all  
18 funds and assets controlled or managed by PWCG Trust. The Appointment Order  
19 also authorizes the Receiver to "engage and employ attorneys, accountants, and  
20 other persons" to assist him in the performance of his duties. Dkt. No. 145,  
21 Section III(F).

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

28

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

## 5 II. FEE APPLICATION

6 This fee application should be read in conjunction with the Receiver's Seventh  
7 Interim Report ("Seventh Report") filed on January 7, 2020 (Dkt. No. 289), which  
8 describes in detail the Receiver's activities during the Seventh Application Period.  
9 This Application seeks interim approval of \$60,961.50 in fees for a total of  
10 94.30 hours worked, and payment on an interim basis of 80% of that amount, or  
11 \$48,769.20. The work performed is described task-by-task on Exhibit A and is  
12 broken down into the following categories:

13 Category	Hours	Amount
14 General Receivership	39.60	\$27,681.30
15 Asset Investigation & Recovery	3.30	\$2,560.05
16 Reporting	6.50	\$4,189.95
17 Operations & Asset Sales	4.50	\$2,943.90
18 Claims & Distributions	17.90	\$12,567.60
19 Third Party Recoveries	17.80	\$11,985.75
Pending Litigation	13.20	\$7,995.60
20 Total	102.80	\$69,924.15

21 Allen Matkins has worked diligently and efficiently to assist the Receiver to  
22 address legal issues facing the receivership estate. The firm's work has allowed the  
23 Receiver to preserve and protect the substantial value of receivership estate assets,  
24 including Policies with death benefits totaling over \$160.5 million and cash reserves  
25 of approximately \$14.4 million. Allen Matkins' work has assisted the Receiver in  
26 carrying out his Court-ordered duties and the firm should be compensated on an  
27 interim basis.

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

**A. Categories and Descriptions of Work**

**1. General Receivership**

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

Allen Matkins assisted in analyzing the relevant Internal Revenue Code sections and related regulations, and advising the Receiver on the applicable issues, including providing a legal framework for the Receiver's analysis of potential taxes owed under different scenarios and communicating directly with the Receiver's tax accountants. The taxes owed could have a major impact on the overall projected recovery from the portfolio and could influence the Receiver's decision whether to retain some or all of the policies or sell the policies. Accordingly, this analysis is critical. The reasonable and necessary fees for work in this category total \$27,681.30.

**2. Asset Investigation & Recovery**

Allen Matkins' time in this category focused on assisted in gathering and reviewing critical documents and information for the Receiver's accounting and investigation. The firm also assisted in the Receiver's investigation and evaluation

1 of claims against third parties, including Mills Potoczak & Company ("MPC"). The  
2 reasonable and necessary fees for work in this category total \$2,560.05.

3                   3.     Reporting

4             Allen Matkins' time in this category focused on preparing the Receiver's Sixth  
5 Interim Report, which was filed on August 28, 2019. Dkt. No. 264. The Sixth  
6 Interim Report contains a detailed description of the Receiver's activities during the  
7 second quarter of 2019, sales/surrender of Negative Value Policies, policy  
8 maturities, investor communications, pending litigation, tax issues, and post-  
9 receivership receipts and disbursements. The report also includes the Receiver's  
10 recommendations for the continued administration of the receivership estate. The  
11 reasonable and necessary fees for work in this category total \$4,189.95.

12                   4.     Operations & Asset Sales

13             Allen Matkins' time in this category focused on advising and assisting the  
14 Receiver regarding the anticipated transition from MPC to the Receiver as Trustee  
15 of PWCG Trust. The Receiver plans to file a motion for authority to formally  
16 remove MPC as Trustee shortly. The reasonable and necessary fees for work in this  
17 category total \$2,943.90.

18                   5.     Claims and Distributions

19             Allen Matkins' time in this category focused on analyzing and advising the  
20 Receiver regarding claims against the receivership estate, including large claims  
21 asserted by BroadRiver Asset Management ("BroadRiver"), of behalf of Cook Street  
22 Master Trust ("CSMT"). CSMT entered into a contract with Pacific West Capital  
23 Group, Inc. in July 2017 to purchase "forfeited" interests of investors who failed to  
24 provide funds in response to cash calls issued by PWCG Trust. CSMT also  
25 provided funding to PWCG Trust to cover shortfalls in reserves such that certain  
26 policies would not lapse. Allen Matkins handled direct communications with  
27 counsel for BroadRiver and assisted the Receiver in analyzing CSMT's claims,  
28

1 including reviewing arguments asserted by CSMT and formulating a settlement  
2 proposal.

3 The firm also advised the Receiver on the accounting process, documentation  
4 and data needed for the administration of investor claims. Allen Matkins also  
5 assisted the Receiver in preparing content for the receivership website, including  
6 answers to frequently asked questions and monthly case updates, and assisted in  
7 addressing unique investor inquiries. The reasonable and necessary fees for work in  
8 this category total \$12,567.60.

9 6. Third Party Recoveries

10 Allen Matkins' time in this category focused on the Receiver's claims against  
11 MPC on behalf of PWCG Trust. The firm assisted the Receiver in analyzing the  
12 claims and discussing them with counsel for MPC, as well as counsel for the  
13 investor-plaintiffs in the pending actions in Los Angeles Superior Court. Allen  
14 Matkins prepared a letter to MPC's counsel detailing the Receiver's claims, which  
15 MPC tendered to its insurance carriers. The parties then agreed to participate in a  
16 mediation, which was originally scheduled for January 6, 2020, but was pushed  
17 back due to issues that arose regarding the various insurers and insurance policies  
18 that potentially provide coverage for the Receiver's and the investors' claims.<sup>1</sup> The  
19 mediation is now schedule to take place on April 14, 2020. The reasonable and  
20 necessary fees for work in this category total \$11,985.75.

21 7. Pending Litigation

22 At the time of the Receiver's appointment, there were four civil actions  
23 brought by investors that were pending in Los Angeles Superior Court in which  
24 PWCG Trust (or MPC as its Trustee) is a defendant. Allen Matkins promptly  
25 (a) provided counsel for the parties in these cases with notice of the Receiver's  
26

27  
28 <sup>1</sup> The Receiver has agreed to defer filing a Complaint against MPC until the  
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 appointment and the stay of litigation against PWCG Trust, and (b) filed a notice of  
2 the receivership and the litigation stay in each case.

3 During the Seventh Application Period, Allen Matkins attended two status  
4 conferences held in one of the pending actions (known as the *Shechter* case),  
5 including assisting in preparing required Joint Status Reports. During the status  
6 conferences, counsel for the investor-plaintiffs stated that they intended to seek  
7 relief from the stay in this action, which applies not only to claims against PWCG  
8 Trust, but also its Trustee,<sup>2</sup> which is currently MPC, in order to amend their claims  
9 against MPC. It was later decided in connection with the parties' agreement to  
10 participate in a mediation (as discussed above) that the investor-plaintiffs would  
11 defer such motion. Allen Matkins also assisted in preparing a Joint Status Report in  
12 another pending action (the *Applebaum* case). The reasonable and necessary fees  
13 for work in this category total \$7,995.60.

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

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

Category	Total
E-Discovery	\$450.00
Reprograpnics	\$0.70
Document Searches (incl. PACER, Lexis, Sec. of State)	\$120.00
Messenger/FedEx Fees	\$98.50
Telephonic Court Appearances	\$376.00
TOTAL	\$1,045.20

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

25 From inception of the receivership through September 30, 2019, the Receiver  
26 incurred fees and costs of \$199,249.68, of which amount \$36,720.27 is subject to  
27

28 <sup>2</sup> See Dkt. 145, Section VI.



1 holdback pending approval of the Receiver's final fee application at the conclusion  
2 of the receivership, \$12,585.91 is awaiting the Court's review and approval, and  
3 \$152,168.75 has been approved by the Court and paid to date. During the same time  
4 period, Allen Matkins has incurred fees and costs of \$511,979.43, of which amount  
5 \$101,212.74 is subject to holdback pending approval of Allen Matkins' final fee  
6 application at the conclusion of the receivership, \$70,969.35 is awaiting the Court's  
7 review and approval, and \$353,782.17 has been approved by the Court and paid to  
8 date. Finally, during the same time period, MPC has incurred fees and costs totaling  
9 \$154,603.91, of which amount \$18,282.97 is awaiting the Court's review and  
10 approval, and \$136,320.94 has been approved by the Court and paid to date.

11 **V. THE FEES AND COSTS ARE REASONABLE AND SHOULD BE**  
12 **ALLOWED**

13 "As a general rule, the expenses and fees of a receivership are a charge upon  
14 the property administered." *Gaskill v. Gordon*, 27 F.3d 248, 251 (7th Cir. 1994).  
15 These expenses include the fees and expenses of this Receiver and his professionals,  
16 including Allen Matkins. Decisions regarding the timing and amount of an award of  
17 fees and costs to the Receiver and his Professionals are committed to the sound  
18 discretion of the Court. See *SEC v. Elliot*, 953 F.2d 1560, 1577 (11th Cir. 1992)  
19 (rev'd in part on other grounds, 998 F.2d 922 (11th Cir. 1993)).

20 In allowing fees, a court should consider "the time, labor and skill required,  
21 but not necessarily that actually expended, in the proper performance of the duties  
22 imposed by the court upon the receiver[], the fair value of such time, labor and skill  
23 measured by conservative business standards, the degree of activity, integrity and  
24 dispatch with which the work is conducted and the result obtained." *United States v.*  
25 *Code Prods. Corp.*, 362 F. 2d 669, 673 (3d Cir. 1966) (internal quotation marks  
26 omitted). In practical terms, receiver and professional compensation thus ultimately  
27 rests upon the result of an equitable, multi-factor balancing test involving the  
28 "economy of administration, the burden that the estate may be able to bear, the



1 amount of time required, although not necessarily expended, and the overall value of  
2 the services to the estate." *In re Imperial 400 Nat'l, Inc.*, 432 F.2d 232, 237 (3d Cir.  
3 1970). Regardless of how this balancing test is formulated, no single factor is  
4 determinative and "a reasonable fee is based [upon] all circumstances surrounding  
5 the receivership." *SEC v. W.L. Moody & Co., Bankers (Unincorporated)*,  
6 374 F. Supp. 465, 480 (S.D. Tex. 1974).

7 As a preliminary matter, the Appointment Order confers on the Receiver  
8 substantial duties and powers, including to conduct such investigation and discovery  
9 as is necessary to locate and account for all receivership assets, take such action as is  
10 necessary and appropriate to assume control over and preserve receivership assets,  
11 and employ attorneys and others to investigate and, where appropriate, institute,  
12 pursue, and prosecute all claims and causes of action of whatever kind and nature.  
13 *See* Appointment Order, Section III.

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

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

27 The work performed by Allen Matkins was essential to carrying out the  
28 Receiver's Court-ordered duties. The Receiver and Allen Matkins have worked

1 diligently since the Receiver's appointment to preserve and protect the assets of the  
2 receivership estate, to investigate potential claims against third parties, and to  
3 maximize the funds available for ultimate distribution to investors. Moreover, Allen  
4 Matkins seeks payment of only 80% of fees incurred on an interim basis in  
5 recognition of the fact that its work in assisting the Receiver is ongoing. Payment of  
6 the proposed 20% holdback will be sought at the conclusion of the receivership.  
7 Allen Matkins' fees are fair and reasonable and should be approved and paid on an  
8 interim basis.

9 **VI. CONCLUSION**

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

- 11 1. Approving Allen Matkins' fees, on an interim basis, of \$69,924.15;
- 12 2. Authorizing and directing the Receiver to pay 80% of approved fees, or  
13 \$55,939.32, from the assets of the Receivership Entities;
- 14 3. Approving Allen Matkins' costs in the amount of \$1,045.20 and  
15 authorizing and directing the Receiver to reimburse such costs in full; and
- 16 4. For such other and further relief as the Court deems appropriate.

17  
18 Dated: February 4, 2020

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

19 By: /s/ Edward Fates

20 EDWARD G. FATES  
21 Attorneys for Receiver  
22 THOMAS HEBRANK  
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# EXHIBIT A

**Preliminary Billing Form**

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00002

Matter Name: General Receivership

Date of Last Billing: 04-16-2019

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

Proforma Number 1447622

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
07/09/19	7892904	Prepare for/attend meeting with tax counsel related to the QSF/Trust tax issues (.8). Follow-up re tax issues with counsel to assess data required for the tax issues (.6).	Zaro, David	1.4	1,102.50	1,102.50	WO HD TR_____
07/09/19	7891093	Draft memo re. tax consequences for the trust.	Kraus, Katherine	1.3	848.25	1,950.75	WO HD TR_____
07/10/19	7892150	Draft summary of tax treatment of the trust.	Kraus, Katherine	2.9	1,892.25	3,843.00	WO HD TR_____
07/15/19	7896935	Draft memorandum outlining tax issues for the trust.	Kraus, Katherine	2.8	1,827.00	5,670.00	WO HD TR_____
07/16/19	7898182	Draft summary of tax issues and analysis re. taxation of life insurance and treatment of the trust as a qualified settlement fund.	Kraus, Katherine	2.6	1,696.50	7,366.50	WO HD TR_____
07/18/19	7901289	Call/analysis of the tax issues, email memorandum concerning the analysis of tax issues and strategy (.6).	Zaro, David	0.6	472.50	7,839.00	WO HD TR_____
07/18/19	7899521	Communications with Receiver regarding approach to tax issues and next steps.	Fates, Edward (Ted)	0.2	118.80	7,957.80	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
07/22/19	7903424	Evaluate tax issues relating to status of trust and cash flow planning.	Kraus, Katherine	1.3	848.25	8,806.05	WO HD TR_____
07/23/19	7904668	Analysis of taxes, Trust v. QSF valuation and basis issues/timing (.6). Meeting with tax counsel to evaluate and develop approach to the tax issues faced by receivership and strategy to model outcomes (.8).	Zaro, David	1.4	1,102.50	9,908.55	WO HD TR_____
07/23/19	7905539	Analyze and draft correspondence re. tax issues.	Kraus, Katherine	1.9	1,239.75	11,148.30	WO HD TR_____
07/29/19	7911402	Meeting with tax counsel to briefly address the approach to tax return/additional information (.4).	Zaro, David	0.4	315.00	11,463.30	WO HD TR_____
08/05/19	7919004	Conference with tax counsel related to the open issues, coordination with Receiver tax accountant, timing of next steps re returns (.4).	Zaro, David	0.4	315.00	11,778.30	WO HD TR_____
08/12/19	7928040	Meeting with counsel to address the Receiver accounting, the evaluation of records/emails related to tax accounting (.6). Call with the Receiver and counsel related to tax research and strategy to address tax issues (.3).	Zaro, David	0.9	708.75	12,487.05	WO HD TR_____
08/12/19	7924827	Discuss strategy/approach to application of policy data to tax rules analysis with Receiver.	Fates, Edward (Ted)	0.4	237.60	12,724.65	WO HD TR_____
08/13/19	7926424	Discuss fraudulent/phishing debt collection call regarding SEC judgments with Receiver and G. Rodriguez.	Fates, Edward (Ted)	0.2	118.80	12,843.45	WO HD TR_____
08/21/19	7933323	Discuss status and issues with tax analysis for portfolio with Receiver.	Fates, Edward (Ted)	0.2	118.80	12,962.25	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
09/03/19	7946684	Communications with Receiver regarding analysis of QSF/Trust tax issues.	Fates, Edward (Ted)	0.2	118.80	13,081.05	WO HD TR_____
09/08/19	7950438	Communications with Receiver and Duffy firm regarding tax analysis and data needed.	Fates, Edward (Ted)	0.2	118.80	13,199.85	WO HD TR_____
09/09/19	7953040	Email with counsel, follow-up on email from Receiver related to taxes and accountant's memorandum (.4). Follow-up with tax counsel (.2).	Zaro, David	0.6	472.50	13,672.35	WO HD TR_____
09/10/19	7954678	Tax analysis (.4). Meeting with tax counsel to address memorandum and attendant issues related to tax analysis (.4)	Zaro, David	0.8	630.00	14,302.35	WO HD TR_____
09/10/19	7953439	Review memo by accountants regarding tax treatment of insurance policies.	Kraus, Katherine	0.5	326.25	14,628.60	WO HD TR_____
09/13/19	7959495	Email/call with counsel related to tax issues (.3). Call with counsel re trail and potential Receiver testimony (.3).	Zaro, David	0.6	472.50	15,101.10	WO HD TR_____
09/17/19	7962608	Analysis of the tax issues and call/emails with Receiver and tax counsel (.4). Follow-up meeting/emails with tax counsel to address the accountant issues, legal issues as to characterization of assets and basis (.9).	Zaro, David	1.3	1,023.75	16,124.85	WO HD TR_____
09/17/19	7960920	TC and email with Duffy Kruspodin. Tax research regarding questions raised by Duffy Kruspodin.	Kraus, Katherine	3.3	2,153.25	18,278.10	WO HD TR_____
09/18/19	7962825	Meeting with tax counsel to review issues re: CPA/strategy (.3). Follow-up on the emails with CPAs to	Zaro, David	0.6	472.50	18,750.60	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		address legal analysis of tax strategy (.3).					
09/18/19	7962017	TC and email with Livia Benjamin (Duffy Krosopodin) re. income tax issues.	Kraus, Katherine	0.7	456.75	19,207.35	WO HD TR_____
09/19/19	7966343	Analysis of tax issues and legal strategy to address value and basis for the assets/accountant's issues re background of transaction (.5). Research valuation issues, call with counsel and tax counsel re tax accountant's issues (3.).	Zaro, David	0.8	630.00	19,837.35	WO HD TR_____
09/19/19	7962716	Advise on source data needed for tax analysis.	Fates, Edward (Ted)	0.2	118.80	19,956.15	WO HD TR_____
09/19/19	7963353	Analyze income tax issues. Email with Livia Benjamin.	Kraus, Katherine	0.5	326.25	20,282.40	WO HD TR_____
09/20/19	7967028	Meeting with counsel, emails to address the accounting/case factual background as it pertains to tax accounting and accountant questions (.5). Conference call with tax counsel and tax accountants to address questions and strategy, follow-up email (.6).	Zaro, David	1.1	866.25	21,148.65	WO HD TR_____
09/20/19	7964593	TC and email with Livia Benjamin re. tax issues.	Kraus, Katherine	1.0	652.50	21,801.15	WO HD TR_____
09/24/19	7967931	Emails and conference with tax counsel and Receiver counsel related to the IRS and accounting materials.	Zaro, David	0.4	315.00	22,116.15	WO HD TR_____
09/26/19	7970015	Email with Livia Benjamin re. information received from Potoczak and tax analysis.	Kraus, Katherine	0.3	195.75	22,311.90	WO HD TR_____



Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
09/27/19	7973296	Numerous communications and emails with tax counsel (.4). Follow-up communications with tax counsel/accountants related to tax issues (.3).	Zaro, David	0.7	551.25	22,863.15	WO HD TR_____
09/27/19	7970890	Advise on issues relating to tax returns and timing.	Fates, Edward (Ted)	0.2	118.80	22,981.95	WO HD TR_____
09/27/19	7971097	Email with Livia Benjamin re. 2018 tax returns.	Kraus, Katherine	0.5	326.25	23,308.20	WO HD TR_____
09/28/19	7973325	Analysis of the issues and emails related to the tax returns, the QSF tax analysis, follow-up on amounts, advice to counsel re legal issues and positions.	Zaro, David	0.8	630.00	23,938.20	WO HD TR_____
09/28/19	7971564	TC and emails with Livia Benjamin. Evaluate spreadsheets prepared by Livia Benjamin; tax analysis.	Kraus, Katherine	2.3	1,500.75	25,438.95	WO HD TR_____
09/29/19	7973346	Analysis of the emails related to tax issues, the returns, the accounting issues and respond to counsel.	Zaro, David	0.6	472.50	25,911.45	WO HD TR_____
09/30/19	7975756	Meeting/conference with counsel, follow-up emails and advice concerning returns, nature of trust in light of receivership (.5). Conference call with Receiver and tax counsel (.3). Follow-up to respond to tax counsel as to returns and open issues (.4).	Zaro, David	1.2	945.00	26,856.45	WO HD TR_____
09/30/19	7971811	Analyze and advise on issues relating to tax returns. communications with Receiver regarding same.	Fates, Edward (Ted)	0.4	237.60	27,094.05	WO HD TR_____
09/30/19	7976254	TC with Hebrank re. tax issues. Analyze tax alternatives.	Kraus, Katherine	0.9	587.25	27,681.30	WO HD TR_____

### Disbursements for Matter 377432-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt	Circle	Action
07/01/19	2540765	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge Amy Hogue^9894552	1.00	94.00	WO	HD TR_____
07/01/19	2542684	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for July 2019^61277	1.00	150.00	WO	HD TR_____
07/18/19	2553873	Messenger - - Nationwide Legal, LLC, ^196565	1.00	66.30	WO	HD TR_____
08/01/19	2548632	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge Amy D. Hogue^9984551	1.00	94.00	WO	HD TR_____
08/07/19	2548067	Document Search - - Case Anywhere LLC, System Access Fee (5/1/19 - 7/31/19)^166937	1.00	120.00	WO	HD TR_____
08/14/19	2548929	Reprographics - Color	7.00	0.70	WO	HD TR_____
08/15/19	2551815	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for August 2019^63306	1.00	150.00	WO	HD TR_____
08/19/19	2555222	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge Amy Hogue^9997346	1.00	94.00	WO	HD TR_____
08/23/19	2555221	Telephonic Court Appearance - - CourtCall, LLC, LA Superior Court - Judge Amy Hogue^10009692	1.00	94.00	WO	HD TR_____
08/28/19	2562521	Messenger - - Nationwide Legal, LLC, USDC CENTRAL DISTRICT^198032	1.00	32.20	WO	HD TR_____
09/01/19	2557555	File Conversion - E-Discovery - - CS Disco Inc., Monthly Hosting for September 2019^65081	1.00	150.00	WO	HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	14.6	787.50	11,497.50
001665	Edward (Ted) Fates	2.2	594.00	1,306.80
002372	Katherine Kraus	22.8	652.50	14,877.00
		<u>39.6</u>		<u>27,681.30</u>

Total Fees 27,681.30  
Total Disbursements 1,045.20

### 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 09/30/2019

Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	71,097.16	65,720.70	5,376.46	28,727.55	27,681.30	1,046.25	47,585.66	42,811.20	4,774.46
Unbilled Adj	(396.18)	0.00	(396.18)	(116.85)	0.00	(116.85)	(396.18)	0.00	(396.18)
Billed	18,461.93	15,129.90	3,332.03	7,569.71	6,239.25	1,330.46	18,461.93	15,129.90	3,332.03
Collected	18,461.93	15,129.90	3,332.03	7,569.71	6,239.25	1,330.46	18,461.93	15,129.90	3,332.03
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>WIP Balance</b>	<b>70,866.25</b>	<b>69,017.40</b>	<b>1,848.85</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

### Billing Address

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

12/26/19 15:41:58 PROFORMA STATEMENT FOR MATTER 377432-00003 (#10119) (Thomas C. Hebrank, as Receiver for PWCG Trust) (Asset Investigation & Recovery)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00003

Matter Name: Asset Investigation & Recovery

Date of Last Billing: 08-13-2019

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

Proforma Number 1447623

Client/Matter Joint Group # 377432-1

### **Fees for Matter 377432-00003 (Asset Investigation & Recovery)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
07/24/19	7908850	Follow-up with counsel and Commission as to MPC and possible claims/recovery (.2).	Zaro, David	0.2	157.50	157.50	WO HD TR_____
07/25/19	7905967	Analyze issues regarding potential claims against MPC and timing/strategy.	Fates, Edward (Ted)	0.2	118.80	276.30	WO HD TR_____
08/06/19	7921913	Work with counsel to address Mills Potoczak and analysis of prospective litigation issues/insurance (.4).	Zaro, David	0.4	315.00	591.30	WO HD TR_____
08/07/19	7922005	Conference with Receiver/counsel re asset servicing and interaction with insurers/notice issues (.4).	Zaro, David	0.4	315.00	906.30	WO HD TR_____
08/13/19	7928065	Call with counsel, follow-up on the Mills Potoczak claims issues and strategy.	Zaro, David	0.6	472.50	1,378.80	WO HD TR_____
09/10/19	7954752	Call with SEC counsel concerning accounting and trustee/follow up (.3).	Zaro, David	0.3	236.25	1,615.05	WO HD TR_____
09/11/19	7955872	Review issues related to Receiver's accounting and communication with Receiver, counsel and SEC related to order concerning the trial (.4).	Zaro, David	0.4	315.00	1,930.05	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
09/12/19	7959478	Conference with SEC counsel related to witness and upcoming trial, Receiver accounting (.6). Call with counsel related to the accounting/Mills Potoczak records (.2).	Zaro, David	0.8	630.00	2,560.05	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	3.1	787.50	2,441.25
001665	Edward (Ted) Fates	0.2	594.00	118.80
		<u>3.3</u>		<u>2,560.05</u>
Total Fees				2,560.05
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 09/30/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	134,002.55	133,043.04	959.51	14,677.85	13,718.34	959.51	128,739.80	127,780.29	959.51
Unbilled Adj	(23.10)	(0.09)	(23.01)	(23.01)	0.00	(23.01)	(23.10)	(0.09)	(23.01)
Billed	125,841.65	124,905.15	936.50	68,935.19	67,998.69	936.50	125,841.65	124,905.15	936.50
Collected	125,841.65	124,905.15	936.50	68,935.19	67,998.69	936.50	125,841.65	124,905.15	936.50
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	<i>Total</i>	<i>Fees</i>	<i>Cost</i>
<i>WIP Balance</i>	<i>10,084.05</i>	<i>9,634.05</i>	<i>450.00</i>
<i>AR Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Unalloc Payment</i>	<i>0.00</i>		
<i>Client Trust Balance</i>	<i>0.00</i>		

#### Billing Address

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

12/26/19 15:41:58 PROFORMA STATEMENT FOR MATTER 377432-00004 (Thomas C. Hebrank, as Receiver for PWCG Trust) (Reporting)

**Preliminary Billing Form**

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00004

Matter Name: Reporting

Date of Last Billing: 08-13-2019

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

Proforma Number 1447624

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
07/16/19	7900404	Review/analysis of emails re Receiver report/accounting, call with SEC counsel (.2).	Zaro, David	0.2	157.50	157.50	WO HD TR	_____
07/25/19	7905741	Work on Receiver's 6th interim report.	Fates, Edward (Ted)	1.8	1,069.20	1,226.70	WO HD TR	_____
08/06/19	7919204	Updates to 6th interim report (.4); communications with G. Rodriguez regarding same (.3).	Fates, Edward (Ted)	0.7	415.80	1,642.50	WO HD TR	_____
08/26/19	7938842	Analysis of the Receiver's draft of the report/recommendations, revisions to same (.5). Email/call with counsel related to Receiver's report/recommendations (.2).	Zaro, David	0.7	551.25	2,193.75	WO HD TR	_____
08/26/19	7936032	Communications with Receiver re: 6th interim report, work on same (.8); meet and confer communications with counsel for SEC (.1).	Fates, Edward (Ted)	0.9	534.60	2,728.35	WO HD TR	_____
08/27/19	7939412	Emails/conference with counsel related to draft report, meet and confer with SEC.	Zaro, David	0.3	236.25	2,964.60	WO HD TR	_____
08/27/19	7938304	Work on revisions/updates to 6th interim report (.7); communications with Receiver regarding same (.2); meet and confer communications with	Fates, Edward (Ted)	1.1	653.40	3,618.00	WO HD TR	_____



Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		SEC counsel (.2).					
08/28/19	7942708	Work on issues related to the Receiver report, revise same (.3). Call with counsel, email related to accounting and MP&C (.2).	Zaro, David	0.5	393.75	4,011.75	WO HD TR_____
08/28/19	7939599	Finalize Receiver's 6th interim report.	Fates, Edward (Ted)	0.3	178.20	4,189.95	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	1.7	787.50	1,338.75
001665	Edward (Ted) Fates	4.8	594.00	2,851.20
		<u>6.5</u>		<u>4,189.95</u>
Total Fees				4,189.95
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 09/30/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	23,758.20	23,749.20	9.00	8,692.20	8,692.20	0.00	19,906.20	19,897.20	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	9,848.25	9,848.25	0.00	15,707.25	15,707.25	0.00
Collected	15,707.25	15,707.25	0.00	9,848.25	9,848.25	0.00	15,707.25	15,707.25	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	<i>Total</i>	<i>Fees</i>	<i>Cost</i>
<i>WIP Balance</i>	9,111.15	9,111.15	0.00
<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:

12/26/19 15:41:58 PROFORMA STATEMENT FOR MATTER 377432-00005 (Thomas C. Hebrank, as Receiver for PWCG Trust) (Operations & Asset Sales)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00005

Matter Name: Operations & Asset Sales

Date of Last Billing: 08-13-2019

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

Proforma Number 1447625

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
07/02/19	7887238	Discuss issues with MPC services and costs of same with Receiver, communications with counsel for MPC regarding same.	Fates, Edward (Ted)	0.7	415.80	415.80	WO HD TR_____
07/18/19	7900174	Communications with counsel for MPC regarding policy servicing work and application to approve costs.	Fates, Edward (Ted)	0.2	118.80	534.60	WO HD TR_____
08/20/19	7931378	Advise Receiver on operational issues relating to transition of Trustee role/duties from MPC to Receiver.	Fates, Edward (Ted)	0.3	178.20	712.80	WO HD TR_____
08/21/19	7933051	Advise Receiver on operational issues regarding engagement of tax accountant to prepare Trust tax returns.	Fates, Edward (Ted)	0.4	237.60	950.40	WO HD TR_____
08/23/19	7936646	Email/call with counsel re Mills Potoczak, trustee termination, follow-up concerning strategy/timing and servicing issues that remain outstanding.	Zaro, David	0.6	472.50	1,422.90	WO HD TR_____
08/27/19	7938137	Communications with Receiver regarding policy maturity, death benefit and impact on cash flow, process and timing for removal of	Fates, Edward (Ted)	0.4	237.60	1,660.50	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		MPC as Trustee.					
08/28/19	7939932	Communications with Receiver and counsel regarding portfolio operations, policy notices from carriers, MPC transition and related issues.	Fates, Edward (Ted)	0.6	356.40	2,016.90	WO HD TR_____
08/29/19	7942761	Analysis of issues, call related to the accounting, timing of the analysis related to the trustee/Receiver's assumption of trustee's role/legal issues re same.	Zaro, David	0.8	630.00	2,646.90	WO HD TR_____
09/03/19	7946682	Communications with Receiver regarding MPC transition issues.	Fates, Edward (Ted)	0.2	118.80	2,765.70	WO HD TR_____
09/08/19	7950437	Communications with Receiver regarding MPC issues and motion to remove MPC as Trustee.	Fates, Edward (Ted)	0.3	178.20	2,943.90	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	1.4	787.50	1,102.50
001665	Edward (Ted) Fates	3.1	594.00	1,841.40
		4.5		2,943.90
Total Fees				2,943.90
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 09/30/2019

Fiscal YTD				Calendar YTD				LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement	
Worked	110,903.93	110,901.15	2.78	42,377.93	42,375.15	2.78	100,506.68	100,503.90	2.78	
Unbilled Adj	(2.69)	0.09	(2.78)	(2.78)	0.00	(2.78)	(2.69)	0.09	(2.78)	
Billed	97,560.09	97,560.09	0.00	60,860.70	60,860.70	0.00	97,560.09	97,560.09	0.00	
Collected	97,560.09	97,560.09	0.00	60,860.70	60,860.70	0.00	97,560.09	97,560.09	0.00	
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>WIP Balance</b>	<b>13,935.15</b>	<b>13,935.15</b>	<b>0.00</b>							
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>							
<b>Unalloc Payment</b>	<b>0.00</b>									
<b>Client Trust Balance</b>	<b>0.00</b>									

### 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 &amp; Distributions

Date of Last Billing: 08-13-2019

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

Proforma Number 1447626

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
07/01/19	7888528	Follow-up on the Broad River matter as to the valuation of assets, claims, follow-up call with counsel (.4). Email from receiver concerning a cash flow/recovery analysis and related analysis in order to formulate settlement offer (.4).	Zaro, David	0.8	630.00	630.00	WO HD TR_____
07/02/19	7888572	Analysis of the broad River claim, brief and the Receiver response to issues (.6). Emails/analysis of the Receiver cash flow, assess approach to settlement structure and call with counsel (.6).	Zaro, David	1.2	945.00	1,575.00	WO HD TR_____
07/02/19	7887268	Analyze revised data on investor deposits and disbursements for purposes of potential settlement of BroadRiver claims (.4); communications with 21st as to policy valuation data for same (.2); analyze data provided by 21st (.3).	Fates, Edward (Ted)	0.9	534.60	2,109.60	WO HD TR_____
07/03/19	7889623	Analysis of the issues/21st ITM spreadsheet concerning asset/portfolio of policies (.6). Conference with Receiver and counsel concerning the possible	Zaro, David	1.6	1,260.00	3,369.60	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
		settlement of claims (.4). Several emails to follow-up on the settlement of disputed claim and advice to counsel (.6).						
07/03/19	7888277	Call with Receiver regarding analysis of investor claims data and policy valuation data for formulating BroadRiver settlement proposal (.4); work on correspondence to counsel for BroadRiver with settlement proposal, revise and finalize same (.9); respond to further correspondence from counsel for BroadRiver (.3).	Fates, Edward (Ted)	1.6	950.40	4,320.00	WO	HD TR_____
07/08/19	7891099	Analysis of the issues and accounting re Broad River, Cook claim, follow-up on emails/proposal with counsel (.4). Call with counsel as to strategy (.2).	Zaro, David	0.6	472.50	4,792.50	WO	HD TR_____
07/08/19	7889596	Analyze data on payments from BroadRiver to Trust provided by counsel for BroadRiver, discuss same with Receiver.	Fates, Edward (Ted)	0.4	237.60	5,030.10	WO	HD TR_____
07/10/19	7894674	Call with SEC counsel concerning the records related to Broad River and Receiver's approach to claim (.3).	Zaro, David	0.3	236.25	5,266.35	WO	HD TR_____
07/11/19	7896686	Analysis of strategy for negotiation of settlement with disputed claimant (.3). Call/emails with counsel and Receiver concerning the claims/prospective settlement and strategy (.4).	Zaro, David	0.7	551.25	5,817.60	WO	HD TR_____
07/11/19	7894225	Communications with Receiver regarding analysis of BroadRiver claim and terms of potential settlement, communications with counsel for BroadRiver regarding	Fates, Edward (Ted)	0.8	475.20	6,292.80	WO	HD TR_____



Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
		same.						
07/12/19	7896731	Review of Broad River email concerning settlement and analysis of draft Broad River brief to assess parties legal positions (.7). Conference/email with counsel as to strategy/response (.4).	Zaro, David	1.1	866.25	7,159.05	WO	HD TR_____
07/12/19	7895547	Analyze issues raised in settlement counter-offer from counsel for BroadRiver (.4); prepare draft response to same (.4); discuss same with Receiver (.3).	Fates, Edward (Ted)	1.1	653.40	7,812.45	WO	HD TR_____
07/15/19	7898037	Analysis of Broad River counter as to legal underpinnings for claims, follow-up email (.5). Follow-up on email with counsel, address the strategy to negotiate a settlement of disputed claims (.3). Emails concerning meeting and approach to claims negotiations (.3).	Zaro, David	1.1	866.25	8,678.70	WO	HD TR_____
07/15/19	7896052	Revise and finalize settlement communication to counsel for BroadRiver (.4); revisions to monthly case update to investors (.3).	Fates, Edward (Ted)	0.7	415.80	9,094.50	WO	HD TR_____
07/16/19	7900407	Prepare for the meeting with Broad River counsel and advice as to strategy (.2).	Zaro, David	0.2	157.50	9,252.00	WO	HD TR_____
07/16/19	7898011	Communications with counsel for BroadRiver.	Fates, Edward (Ted)	0.2	118.80	9,370.80	WO	HD TR_____
07/17/19	7901264	Prepare for and attend conference call with counsel for Broad River, address the claim and legal fact issues (.7). Follow-up call with Receiver counsel as to Broad River	Zaro, David	0.9	708.75	10,079.55	WO	HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		counsel (.2).					
07/17/19	7898626	Call with counsel for BroadRiver regarding issues with claims and potential settlement of same.	Fates, Edward (Ted)	0.5	297.00	10,376.55	WO HD TR_____
08/07/19	7922024	Call/follow-up on email concerning the Broad River/Cook claims and Receiver response.	Zaro, David	0.4	315.00	10,691.55	WO HD TR_____
08/07/19	7920838	Address further correspondence from counsel for BroadRiver regarding resolution of claim issues.	Fates, Edward (Ted)	0.4	237.60	10,929.15	WO HD TR_____
08/08/19	7922086	Respond to inquiry from counsel for investor regarding claims process and status of policies.	Fates, Edward (Ted)	0.3	178.20	11,107.35	WO HD TR_____
08/13/19	7926540	Communications with counsel for BroadRiver regarding issues relating to claim in receivership.	Fates, Edward (Ted)	0.3	178.20	11,285.55	WO HD TR_____
08/14/19	7927303	Revisions to monthly case update to investors for receivership website.	Fates, Edward (Ted)	0.3	178.20	11,463.75	WO HD TR_____
08/15/19	7929084	Respond to inquiry from counsel for investor regarding status of policies and investor claims process.	Fates, Edward (Ted)	0.2	118.80	11,582.55	WO HD TR_____
08/22/19	7935069	Call with Broad River's counsel concerning claim and settlement (.3). Assess the approach to Broad River and settlement of disputed claim, call with counsel re same (.4).	Zaro, David	0.7	551.25	12,133.80	WO HD TR_____
08/22/19	7934232	Confer with counsel as to inquiries from counsel for BroadRiver and responses to same .	Fates, Edward (Ted)	0.2	118.80	12,252.60	WO HD TR_____
08/29/19	7942748	Analysis of prior emails re Broad River claims (.2). Call concerning the Receiver claims process/timing (.2).	Zaro, David	0.4	315.00	12,567.60	WO HD TR_____

## Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	10.0	787.50	7,875.00
001665	Edward (Ted) Fates	7.9	594.00	4,692.60
		<u>17.9</u>		<u>12,567.60</u>
Total Fees				12,567.60
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 09/30/2019

Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	60,554.25	60,554.25	0.00	27,973.35	27,973.35	0.00	45,180.00	45,180.00	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Billed	32,612.40	32,612.40	0.00	25,233.75	25,233.75	0.00	32,612.40	32,612.40	0.00
Collected	32,612.40	32,612.40	0.00	25,233.75	25,233.75	0.00	32,612.40	32,612.40	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>WIP Balance</b>	<b>32,220.45</b>	<b>32,220.45</b>	<b>0.00</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

## 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 #: 377432-00007

Matter Name: Third Party Recoveries

Date of Last Billing: 11-09-2018

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

Proforma Number 1447627

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
08/12/19	7928031	Analysis of the issues related to MPC claims (.5). Call with Receiver and counsel related to MPC and strategy concerning the claims, timing, approach and settlement (.4). Follow-up with counsel concerning the MPC claims and next steps (2).	Zaro, David	1.1	866.25	866.25	WO HD TR_____
08/13/19	7925399	Call with counsel for MPC regarding Receiver claims against MPC, termination of MPC as Trustee, investor class claims, insurance coverage and potential mediation with all parties (.5); follow up email communications with MPC counsel regarding Receiver reports as to status of portfolio (.3); advise Receiver regarding same (.2); work on letter to counsel for MPC describing Receiver's claims, mediation, and related issues (4.1).	Fates, Edward (Ted)	5.1	3,029.40	3,895.65	WO HD TR_____
08/14/19	7928578	Work on the Mills Potoczak claims evaluation and research legal foundation for claims (1.1). Call with Receiver/counsel to address strategy, legal analysis (.3).	Zaro, David	1.4	1,102.50	4,998.15	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
08/14/19	7927050	Revisions to letter to counsel for MPC, confer with counsel regarding same.	Fates, Edward (Ted)	1.1	653.40	5,651.55	WO HD TR_____
08/15/19	7929473	Work on the draft letter setting forth MPC claims, addressing prospective settlement discussions and further revisions to draft, follow-up email with counsel as to legal issues (.8). Call with counsel related to MPC claims issues (.3).	Zaro, David	0.4	315.00	5,966.55	WO HD TR_____
08/15/19	7928216	Revisions to letter to counsel for MPC regarding Receiver claims and mediation (.4); communications with Receiver regarding same (.2).	Fates, Edward (Ted)	0.6	356.40	6,322.95	WO HD TR_____
08/20/19	7933113	Analyze, revise letter regarding Receiver claims against MP and pending investor claims (.4). Email/call with counsel, advice to counsel re letter/MP&C servicing transition and the prospective lawsuit (2).	Zaro, David	0.6	472.50	6,795.45	WO HD TR_____
08/20/19	7931371	Discuss revisions to letter to counsel for MPC with Receiver (.4); work on same and finalize letter (.7); call/emails with counsel for investors regarding status of discussions with counsel for MPC, potential mediation, and structure for potential settlement (.8).	Fates, Edward (Ted)	1.9	1,128.60	7,924.05	WO HD TR_____
08/27/19	7939348	Analysis of email and conference with counsel related to the Mills Potoczak and third party class action matters, coordination with Receiver's claims (.3). Follow-up emails related to prospective litigation and replacement	Zaro, David	1.1	866.25	8,790.30	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		of MP&C as trustee, approach to motion (.8).					
08/29/19	7942745	Work with counsel to address issues related to the analysis of claim against MP&C and individuals, follow-up call re insurance issues.	Zaro, David	0.4	315.00	9,105.30	WO HD TR_____
08/30/19	7942458	Communications with counsel for MPC regarding insurance coverage issues and potential mediation (.3); discuss same with Receiver (.2).	Fates, Edward (Ted)	0.5	297.00	9,402.30	WO HD TR_____
09/06/19	7951091	Emails with class counsel and transition of the trustee and Receiver response (.4). Call and follow up with Receiver and counsel related to the class action and trustee issues (.2).	Zaro, David	0.6	472.50	9,874.80	WO HD TR_____
09/11/19	7955871	Several calls with counsel regarding trustee issues and communications with SEC counsel as to trustee/class actions (.6).	Zaro, David	0.6	472.50	10,347.30	WO HD TR_____
09/13/19	7957712	Communications with counsel for MPC regarding potential mediation, terms of same, and preferred mediator.	Fates, Edward (Ted)	0.4	237.60	10,584.90	WO HD TR_____
09/16/19	7959554	Calls with SEC counsel and Receiver as to Mills Potoczak, the trustee removal/replacement and advice as to next steps.	Zaro, David	0.5	393.75	10,978.65	WO HD TR_____
09/19/19	7966561	Emails/call with counsel as to Schechter action, Receiver's claims re Mills Potoczak and related actions, Receiver's claims and prospective mediation (.4). Follow-up as to the mediation, the selection of mediator (.2).	Zaro, David	0.6	472.50	11,451.15	WO HD TR_____



Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
09/19/19	7962479	Call/emails with counsel for MPC and counsel for putative investor class regarding potential global mediation and related issues (.7); update Receiver regarding same (.2).	Fates, Edward (Ted)	0.9	534.60	11,985.75	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	7.3	787.50	5,748.75
001665	Edward (Ted) Fates	10.5	594.00	6,237.00
		<u>17.8</u>		<u>11,985.75</u>
Total Fees				11,985.75
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 09/30/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	12,641.70	12,629.70	12.00	11,997.75	11,985.75	12.00	12,641.70	12,629.70	12.00
Unbilled Adj	(12.00)	0.00	(12.00)	(12.00)	0.00	(12.00)	(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
<b>WIP Balance</b>	<b>Total</b> <b>23,800.50</b>	<b>Fees</b> <b>23,800.50</b>	<b>Cost</b> <b>0.00</b>						

<i>AR Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Unalloc Payment</i>	<i>0.00</i>		
<i>Client Trust Balance</i>	<i>0.00</i>		

**Billing Address**

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

12/26/19 15:41:58 PROFORMA STATEMENT FOR MATTER 377432-00008 (Thomas C. Hebrank, as Receiver for PWCG Trust) (Pending Litigation)

**Preliminary Billing Form**

Billing Atty: 001665 - Edward Fates

Matter #: 377432-00008

Matter Name: Pending Litigation

Date of Last Billing: 08-13-2019

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

Proforma Number 1447628

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
07/08/19	7889783	Attend status conference in pending Shechter action in LA Superior Court action.	Fates, Edward (Ted)	1.2	712.80	712.80	WO HD TR_____
07/15/19	7896382	Communications with counsel for MPC regarding status conference in Shechter case held on 7/8.	Fates, Edward (Ted)	0.4	237.60	950.40	WO HD TR_____
07/16/19	7898006	Communications with counsel for MPC re: notice of change of counsel in pending Names action.	Fates, Edward (Ted)	0.2	118.80	1,069.20	WO HD TR_____
07/17/19	7898664	Review notice of continued status conferences in pending Shechter and Applebaum matters, communications with counsel for MPC regarding same.	Fates, Edward (Ted)	0.3	178.20	1,247.40	WO HD TR_____
08/05/19	7917404	Communications with counsel for MPC and counsel for investor-plaintiffs in pending Shechter action regarding joint status report, call regarding same.	Fates, Edward (Ted)	0.7	415.80	1,663.20	WO HD TR_____
08/08/19	7921856	Analyze issues raised in response from MPC counsel to OSC regarding sanctions issued by LA Superior Court.	Fates, Edward (Ted)	0.3	178.20	1,841.40	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
08/12/19	7924080	Conference call/emails with counsel for putative investor class and counsel for MPC regarding Shechter case and upcoming status conference (.8); discuss same and next steps with Receiver (.4); follow up communications with counsel for MPC (.2).	Fates, Edward (Ted)	1.4	831.60	2,673.00	WO HD TR_____
08/14/19	7927231	Revisions to joint status report in Shechter action (.5); communications with counsel for investors and counsel for MPC regarding same and deadline to file (.3).	Fates, Edward (Ted)	0.8	475.20	3,148.20	WO HD TR_____
08/15/19	7928430	Analyze issues raised by MPC in joint status report regarding personal jurisdiction, modification of stay order, and procedural due process.	Fates, Edward (Ted)	0.3	178.20	3,326.40	WO HD TR_____
08/16/19	7933073	Analysis/confer with counsel concerning the pending state court litigation, Mills Potoczak, strategy and timing of next steps (.4).	Zaro, David	0.4	315.00	3,641.40	WO HD TR_____
08/21/19	7932639	Communications with counsel for investors in pending Applebaum and Shechter actions regarding continuance of status conference in Applebaum case and issues/timing for potential mediation with MPC.	Fates, Edward (Ted)	0.6	356.40	3,997.80	WO HD TR_____
08/22/19	7933808	Attend status conference in pending Shechter action.	Fates, Edward (Ted)	1.4	831.60	4,829.40	WO HD TR_____
08/23/19	7935116	Call with counsel for investors regarding claims against MPC, potential mediation, relief from receivership stay and motion regarding same, insurance coverage	Fates, Edward (Ted)	1.7	1,009.80	5,839.20	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle	Action
		issues, and potential investor/Receiver claims against other third parties (.8); update and advise Receiver regarding same and status conference in Shechter action (.5); communications with counsel for MPC regarding mediation and insurance issues (.4).						
08/27/19	7937541	Analyze issues with requests from counsel for investors in Shechter action, respond to same (.4); communications with Receiver and counsel regarding same and strategy/timing (.5).	Fates, Edward (Ted)	0.9	534.60	6,373.80	WO	HD TR_____
08/28/19	7942721	Analysis/review of email from Schechter counsel, follow-up call with counsel/Receiver as to class action and freeze order and Trustee issues.	Zaro, David	0.4	315.00	6,688.80	WO	HD TR_____
08/29/19	7940634	Communications with counsel for MPC regarding status conference and joint status report in pending Applebaum case.	Fates, Edward (Ted)	0.4	237.60	6,926.40	WO	HD TR_____
09/06/19	7949479	Work on revisions to joint status report in pending Applebaum case (.4); communications with counsel for investors and counsel for MPC regarding same (.2); advise Receiver regarding investors' anticipated motion to modify stay to pursue claims against MPC and strategy/timing issues regarding same (.3).	Fates, Edward (Ted)	0.9	534.60	7,461.00	WO	HD TR_____
09/10/19	7952283	Address issues regarding investor-plaintiffs motion to modify stay in receivership to pursue direct claims	Fates, Edward (Ted)	0.2	118.80	7,579.80	WO	HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		against MPC.					
09/11/19	7954322	Call with counsel for investor-plaintiffs in pending Shechter action re: motion to intervene and seek relief from stay to pursue claims against MPC and possible mediation.	Fates, Edward (Ted)	0.5	297.00	7,876.80	WO HD TR_____
09/30/19	7973120	Communications with counsel for MPC re; upcoming status conference in pending Names action.	Fates, Edward (Ted)	0.2	118.80	7,995.60	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	0.8	787.50	630.00
001665	Edward (Ted) Fates	12.4	594.00	7,365.60
		13.2		7,995.60
Total Fees				7,995.60
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 09/30/2019

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	24,745.05	24,745.05	0.00	9,233.10	9,233.10	0.00	21,579.30	21,579.30	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	8,118.00	8,118.00	0.00	13,583.70	13,583.70	0.00
Collected	13,583.70	13,583.70	0.00	8,118.00	8,118.00	0.00	13,583.70	13,583.70	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total</b>	<b>Fees</b>	<b>Cost</b>
<b>WIP Balance</b>	<b>12,469.35</b>	<b>12,349.35</b>	<b>120.00</b>
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unalloc Payment</b>	<b>0.00</b>		
<b>Client Trust Balance</b>	<b>0.00</b>		

### 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 #: 377432-00010

Matter Name: Write-Offs

Date of Last Billing:

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

Proforma Number 1447629

Client/Matter Joint Group # 377432-1

**Fees for Matter 377432-00010 (Write-Offs)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
07/01/19	7888495	Review/evaluate the tax counsel's research/analysis of the strategy as to trust/QSF accounting (.6).	Zaro, David	0.6	472.50	472.50	WO HD TR_____
07/03/19	7888708	Revisions to Receiver's 5th fee app (.4); meet and confer communications with SEC counsel (.2).	Fates, Edward (Ted)	0.6	356.40	828.90	WO HD TR_____
07/09/19	7891480	Address issues regarding tax treatment of premiums and policy death benefits for purposes of QSF, confer with counsel regarding same.	Fates, Edward (Ted)	0.4	237.60	1,066.50	WO HD TR_____
07/16/19	7900379	Email/call with tax counsel re QSF/trust issues (.4). Analysis of tax memorandum and assess approach to tax issues (.4). Call with counsel related to tax issues and strategy (.3).	Zaro, David	1.1	866.25	1,932.75	WO HD TR_____
07/16/19	7898141	Review/analyze tax issues, confer with counsel re: approach to same.	Fates, Edward (Ted)	0.3	178.20	2,110.95	WO HD TR_____
07/18/19	7900163	Work on proposed orders and notice of hearing for fee applications.	Fates, Edward (Ted)	0.2	118.80	2,229.75	WO HD TR_____
08/09/19	7922506	Initial work on AM 6th fee application.	Fates, Edward (Ted)	0.4	237.60	2,467.35	WO HD TR_____
08/12/19	7924681	Work on AM 6th interim fee application.	Fates, Edward (Ted)	1.4	831.60	3,298.95	WO HD TR_____



Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
08/21/19	7935065	Email/call with counsel to address Receiver administration/tax issues.	Zaro, David	0.3	236.25	3,535.20	WO HD TR_____
09/11/19	7955866	Emails with counsel and Receiver related to taxes and confer with tax counsel (.4).	Zaro, David	0.4	315.00	3,850.20	WO HD TR_____
09/16/19	7959555	Call with the Receiver counsel related to the tax issues.	Zaro, David	0.3	236.25	4,086.45	WO HD TR_____
09/17/19	7959656	Communications with Receiver and counsel regarding status/timing of tax analysis.	Fates, Edward (Ted)	0.2	118.80	4,205.25	WO HD TR_____
09/23/19	7967433	Several emails/calls with counsel and tax counsel as to legal issues re: returns (.4). Further conference with tax counsel related to the Mills Potoczak records (.2).	Zaro, David	0.6	472.50	4,677.75	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David Zaro	3.3	787.50	2,598.75
001665	Edward (Ted) Fates	3.5	594.00	2,079.00
		6.8		4,677.75
Total Fees				4,677.75
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 09/30/2019

Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	15,316.65	15,316.65	0.00	4,677.75	4,677.75	0.00	4,677.75	4,677.75	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Billed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Collected	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>Fees</b>	<b>Cost</b>						
<b>WIP Balance</b>	<b>16,385.85</b>	<b>16,385.85</b>	<b>0.00</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

## 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***