

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

UNITED STATES COMMODITY
FUTURES TRADING COMMISSION,

Plaintiff,

v.

Civil Action No. A-12-CV-0862-LY

SENEB POUSA, INVESTMENT
INTELLIGENCE CORPORATION,
DBA PROPHETMAX MANAGED FX,
JOEL FRIANT, MICHAEL DILLARD, and
ELEVATION GROUP, INC.,

Defendants.

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**RECEIVER'S UNOPPOSED MOTION FOR APPROVAL OF
FIRST INTERIM FEE APPLICATION AND BRIEF IN SUPPORT**

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ATTORNEYS FOR RECEIVER
GUY M. HOHMANN

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Guy M. Hohmann, the Court-appointed Receiver in this action, files this Unopposed Motion for Approval of First Interim Fee Application and Brief in Support (“Motion”) and requests the Court’s approval to pay invoices for interim fees and expenses of \$90,256.39 to the Receiver and retained professionals who rendered services to the ProphetMax Receivership Estate from September 18, 2012 to September 30, 2012.

I. BACKGROUND

On September 18, 2012, the U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”) filed this action in the Western District of Texas against Defendants Investment Intelligence Corporation, *dba* ProphetMax Managed FX (“ProphetMax”), Senen Pousa, and Joel Friant (collectively, “Defendants”). According to the Commission’s Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief (“Complaint”) [Docket #1] and Motion for Ex Parte Statutory Restraining Order, Order for Temporary Receiver, and Order to Show Cause re Preliminary Injunction (“Motion for Restraining Order”) [Docket #2], Defendants allegedly operated a fraudulent scheme that solicited clients to provide ProphetMax with discretionary authority to engage in leveraged foreign currency transactions on their behalf. Under this scheme, Defendants allegedly accepted at least \$53 million dollars from as many as 960 clients worldwide, including clients in the United States, Australia, the United Kingdom, Canada, Germany, the Netherlands and Singapore, among other countries.

In response to the Commission’s Complaint and Motion for Restraining Order, the Court entered a Statutory Restraining Order (“Order”) [Docket #4] and appointed Guy M. Hohmann to serve as the Receiver for certain Defendants, assets and records (the “ProphetMax Receivership Estate” or “Estate”). *See* Order ¶ 19. Under the Order, the Receiver was given broad powers

and duties to assume responsibility for the Estate, which consists of both domestic and foreign Defendants.¹

To aid the performance of his Court-ordered duties, the Receiver has engaged a small, qualified team of professionals, including attorneys and tax accountants, as authorized under the Order. *See id.* ¶ 20.i. The Receiver's close collaboration with his team of professionals has enabled him to perform his duties, which are complicated by the fact that some Defendants, assets, and records are located overseas with little known information.

Under paragraph 25 of the Order, “[t]he Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by the Defendants.” The Order directs the Receiver to file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation. *Id.*

Accordingly, pursuant to paragraph 25 of the Order, this Motion and its supporting evidence detail the time spent, services performed, hourly rates charged, and expenses incurred by the Receiver and his counsel, and establish that the efforts associated with those costs were reasonable and necessary, and indeed essential, for the Receiver to perform his Court-ordered

¹ Under paragraphs 19-20 of the Order, the Receiver was given the following general powers and duties: (i) assume full control of ProphetMax and its business entities; (ii) take exclusive custody, control, and possession of all funds, property, mail and other assets of Defendants; (iii) assume full power to sue for, collect, receive and take possession of Defendants' goods, chattels, rights, moneys, land, books, and records; (iv) take all steps necessary to secure Defendants' residential and business premises; (v) preserve, hold and manage all assets of the Estate, and perform all acts necessary to preserve the value of those assets, in order to prevent any loss, damage or injury to Defendants' customers or clients; (vi) prevent the withdrawal or misapplication of funds entrusted to Defendants; (vii) manage and administer Defendants' assets; (viii) collect all money owed to Defendants; (ix) initiate, defend, compromise, or become a party to any actions or proceedings necessary to preserve or increase Defendants' assets; (x) engage and employ attorneys, accountants, appraisers, and other technical specialists, as the Receiver deems advisable or necessary; (xi) issue subpoenas and conduct discovery to obtain documents and records pertaining to the Estate; (xii) open bank accounts as designated depositories for Defendants' funds; and (xiii) make payments and disbursements from the Estate that are necessary or advisable.

duties. *See Johnson v. Georgia Highway Exp., Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974). As set forth in detail in this Motion, the professionals and service vendors that comprise the Receiver's team were selected because they possess special expertise required to fulfill the Court's orders. The professionals' work is summarized below and described in detail in the redacted invoice filed with the Court, which the Receiver submits as Exhibit A in support of this Motion.²

A. Initial Efforts and Accomplishments of the ProphetMax Receivership Estate

Most of the initial work performed by the Receiver and his team has related to locating, securing, and attempting to recover assets of the ProphetMax Receivership Estate and communicating with investor victims. This work was necessary to marshal assets of the Estate, to determine what assets may be available for potential distribution to claimants, and to maximize the final value of any distribution.

Upon appointment by the Court, the Receiver and his legal counsel (collectively, the "Receiver Team") reviewed the court papers filed by the CFTC in this action and those filed by the Securities and Exchange Commission ("SEC") in Civil Action No. 1:12-cv-863-LY, *Securities and Exchange Commission v. Senen Pousa and Investment Intelligence Corporation Pty LLC*, which is a separate but related action currently pending in this Court. The Receiver Team also met with the CFTC and SEC to discuss the ongoing investigations conducted by the CFTC and SEC, and the Receiver Team continues to correspond and coordinate with the CFTC and SEC as these investigations proceed. As part of this effort, and to begin the process of

² The detailed invoice reflecting the work of professionals has been redacted to protect the attorney-client privilege and any other applicable privileges, to preserve the confidentiality of attorney work product, and to protect sensitive and confidential information related to ongoing investigations. *See S.E.C. v. Bilzerian*, 127 F. Supp. 2d 232, 234 (D.D.C. 2000) *aff'd*, 75 Fed. Appx. 3 (D.C. Cir. 2003); *F.T.C. v. Direct Benefits Group, LLC*, 2011 WL 3654469 *9 (M.D. Fla. Aug. 19, 2011).

identifying and locating Defendants' assets and records, the Receiver Team reviewed a substantial number of documents concerning the alleged fraud and Defendants' purported business activities.

To expand the CFTC's and SEC's ongoing investigations and continue the search for assets of the Estate, the Receiver Team contacted several regulators and other authorities in the United States and numerous foreign jurisdictions to collaborate and coordinate ongoing investigations in several countries. The Receiver Team also provided information about the ProphetMax Receivership Estate to foreign regulators to begin the process of coordinating efforts to identify and obtain Defendants' assets and records outside the United States.

To begin the process of securing and controlling assets and records of the Estate, the Receiver Team drafted and filed notices of the Order and the CFTC's Complaint in other federal district courts under 28 U.S.C. § 754. The Receiver Team also drafted and sent notices of the Receiver and the Estate to persons and financial entities that may retain assets or records of the Estate, and coordinated with various regulators to obtain these assets and records. The Receiver Team continues to send additional notices to new persons or financial institutions that are identified in various investigations, and the Receiver Team continues to coordinate with various regulators to obtain assets and records from these persons or institutions.

The ongoing investigations of the Receiver Team and various regulators are continuing to develop new information concerning the alleged fraud, Defendants' purported business activities, and potential assets and records of the Estate. Although the Receiver cannot publicly disclose the details of any investigation at this time, early indications suggest there have been positive developments concerning the potential seizure of assets of the Estate in foreign jurisdictions. For example, in a press release dated July 27, 2012, the Australian Securities & Investments

Commission publicly disclosed that it was investigating Defendants ProphetMax and Senen Pousa and had secured approximately \$3.4 million in funds held in ProphetMax accounts. *See* Press Release, “12-175MR ASIC freezes suspect funds held by unlicensed financial mentoring company” (July 27, 2012), <http://www.asic.gov.au/asic/asic.nsf/byheadline/12-175MR+ASIC+freezes+suspect+funds+held+by+unlicensed+financial+mentoring+company>.

The Receiver Team also began the process of seizing funds, financial records and account information for domestic assets of the Estate. For example, the Receiver Team started negotiations with a domestic Defendant to maintain and preserve certain real and personal property and to secure and image the Defendant’s electronic devices. The Receiver Team has also been involved in securing and obtaining the return of funds that were received by Elevation Group, Inc. (“Elevation”) as commissions for membership fees paid to ProphetMax by certain of Elevation’s clients.³ The Receiver Team also started negotiations with the former United States attorneys of a foreign Defendant to obtain that Defendant’s files, records, and related documents.

B. Management of the ProphetMax Receivership Estate

Despite the difficulties posed by the international nature of the alleged fraud and the seizure of assets and records in foreign jurisdictions, the Receiver Team made considerable progress in locating and securing assets between September 18, 2012 and September 30, 2012. As of the date of this Motion, the Estate currently has \$400,011.43 of cash in a bank account for the Estate under the Receiver’s sole control, approximately \$2,850 of additional cash or securities in Defendants’ frozen accounts in the United States, and additional personal and real property in the United States, including but not limited to an automobile, residential property, and rental property. Additionally, the Receiver expects to receive at least \$350,000 in additional

³ Elevation is a defendant in the CFTC action but it is not part of the ProphetMax Receivership Estate. *See generally* Order.

cash plus interest over the next several months. These funds and other assets are in addition to any assets that may be recovered from foreign jurisdictions. The Receiver Team will continue to collaborate with foreign regulators and other authorities to coordinate investigative efforts and explore the potential release of foreign assets to the Receiver for the benefit of the Estate.

Upon appointment by the Court, the Receiver and his counsel also provided timely and relevant information to the Court, the CFTC, the SEC, and the public, including investor victims. The Receiver Team also reviewed and responded to a substantial number of inquiries about the Estate and related matters from investor victims. To streamline this process and provide further information to investor victims and the public, the Receiver Team established a public email account for the Receiver, receiver@prophetmaxreceivership.com, a website for the Estate, www.prophetmaxreceivership.com, created a Facebook page for the Estate entitled "ProphetMax Receivership," and joined other social media forums related to the alleged ProphetMax fraud where appropriate. The Estate's website, which was created just days after the Receiver's appointment, provides general information regarding the litigation, including links to selected court filings, the investigation, the Receiver, the Estate, and answers to frequently asked questions from investor victims. The Receiver Team continues to update the website periodically to provide additional information to the public concerning the progress of the Estate and its administration.

II. REQUEST FOR APPROVAL OF FEES FROM SEPTEMBER 18, 2012 TO SEPTEMBER 30, 2012

The Order directs and authorizes the Receiver to retain and compensate professionals:

The Receiver is directed and authorized to accomplish the following:

Choose, engage and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the

Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order.

Order ¶ 20(i). Accordingly, the Receiver engaged a small, qualified team of professionals, including attorneys and tax accountants, to assist his administration of the ProphetMax Receivership Estate. *See, e.g.*, Notice of Appearance of Counsel for Receiver [Docket #7]. The Receiver Team has been working diligently to conduct the investigation, locate and marshal assets of the Estate, and overcome various obstacles caused by the international nature of the alleged fraud.

Under paragraph 25 of the Order, the Receiver must “file with the Court and serve on the parties, including Plaintiff Commission, periodic requests for the payment of such reasonable compensation.” The Receiver files this Motion under this provision and requests that the Court approve the fees and expenses billed by the Receiver and his retained professionals for services rendered to the Estate from September 18, 2012 to September 30, 2012.

A. THE COURT SHOULD APPROVE THE PAYMENT OF ALL REASONABLE AND NECESSARY PROFESSIONAL FEES AND EXPENSES

Courts examining a request to pay fees and expenses incurred by a receiver must determine whether the time spent, services performed, expenses incurred, and hourly rates charged are reasonable and necessary according to the following “Johnson” factors established by the Fifth Circuit: (1) the time and labor required for the litigation; (2) the novelty and complication of the issues; (3) the skill required to properly litigate the issues; (4) whether the attorney was precluded from other employment by the acceptance of this case; (5) the attorney’s customary fee; (6) whether the fee is fixed or contingent; (7) whether the client or the circumstances imposed time limitations; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorney; (10) the “undesirability” of the case; (11) the

nature and length of the attorney-client relationship; and (12) awards in similar cases. *See Johnson*, 488 F.2d at 717-19. *See also SEC v. Megafund Corp.*, 3:05-CV-1328-L, 2008 WL 2839998, *2 (N.D. Tex. June 24, 2008); *S.E.C. v. Megafund Corp.*, 3:05-CV-1328-L, 2006 WL 42367, *1 (N.D. Tex. Jan. 9, 2006); *SEC v. Funding Res. Group*, 3:98-CV-2689-M, 2003 WL 145411, *1 (N.D. Tex. Jan. 15, 2003).⁴

The court's examination of reasonableness and necessity should take into account all circumstances surrounding the receivership. *See SEC v. W. L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974). Additionally, because all receiverships are different, a court's analysis of the fees and expenses must be tailored to the particular case. *Id.* *See also SEC v. Tanner*, No. 05-4057, 2007 WL 2013606, *3 (D. Kan. May 22, 2007). There is little authority in this district concerning a federal equity receiver's fees and expenses, but recent precedent can be found in nearby districts where courts applied the Johnson factors. When examining those factors, the courts primarily focused on the complexities of the case, the difficulties encountered by the receiver, and the results obtained for defrauded investors. *See Megafund Corp.*, 2008 WL 2839998 at *2; *Funding Res. Group*, 2003 WL 145411 at *1.

Courts consider the difficulties posed by the receivership and the relative complexities of the case in determining the reasonableness of professional fees. *See W.L. Moody & Co.*, 374 F. Supp. At 484 (awarding fees to the receiver and his attorneys and noting that an equitable receivership is "by its very nature, a legally complex process"); *Tanner*, 2007 WL 2013606 at *3 (the identification of investors and the location of their funds was made "excruciatingly difficult" by lack of assistance from defendants and the fact that funds were located in multiple institutions

⁴ When applying the Johnson factors, "the district court must explain the findings and the reasons upon which the award is based. However, it is not required to address fully each of the 12 factors." *Curtis v. Bill Hanna Ford, Inc.*, 822 F.2d 549, 552 (5th Cir. 1987) (citation omitted).

around the world); *SEC v. Mobley*, No. 00 CV 1316, 2000 WL 1702024, *2 (S.D.N.Y. Nov. 13, 2000) (where defendant funneled investors' money throughout the world and Receiver had few, if any, verifiable financial records to reference, fees requested in early stages of receivership were not excessive); *Funding Res. Group*, 2003 WL 145411 at *1 (finding fees and expenses were reasonable in light of difficulties encountered by receiver). *See also Johnson*, 488 F.2d at 718 (attorneys should be rewarded for accepting the challenges of a difficult case).

The Receiver's approach to solving legal and practical problems should also be considered in the Court's fee calculation. *See Tanner*, 2007 WL 2013606 at *2 (actions of receiver returned more money to investors than if defendant had continued its business); *SEC v. Aquacell Batteries, Inc.*, No. 6:07-cv-608-Orl-22DAB, 2008 WL 276026, *3 (M.D. Fla. Jan. 31, 2008) ("The Receiver and all professionals . . . should limit their work to that which is reasonable and necessary.").

The credentials, experience, reputation, and other professional qualities required to carry out a court's orders are relevant when assessing the reasonableness of the rates charged for services to a receivership. *See W.L. Moody & Co.*, 374 F. Supp. at 481 (holding that a court should give "considerable weight" to "a receiver's abilities, as required by the tasks of the receivership"); *Aquacell Batteries, Inc.*, 2008 WL 276026 at *4 ("The Receiver retained well qualified, experienced counsel and such representation does not come cheap."); *Tanner*, 2007 WL 2013606 at *3 (granting receiver's fee request, despite investors' concerns over amount requested, in part because the court recognized that the receiver and his counsel were "extremely experienced in this area of law"); *Johnson*, 488 F.2d at 718, 719 (trial judge should closely observe attorney's work product, preparation, and ability before the court).

A fee award should also reflect a full-time receivership that prevents professionals from accepting other engagements. *See W.L. Moody & Co.*, 374 F. Supp. at 483-84, 486 (discussing factors supporting reasonable compensation and observing that receivership matter prevented receiver “from undertaking any other full time assignment”); *see Johnson*, 488 F.2d at 718 (once employment is undertaken, time devoted to engagement cannot be used to serve other clients).

A court should also consider the usual and customary fees charged for receivership matters and the evidence presented to support the receiver’s application for payment of fees. *See Johnson*, 488 F.2d at 718 (the customary fee for similar work in the community should be considered); *SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973) (fees awarded where application supported by meticulous records).

All of these factors, including the complexities of the alleged ProphetMax fraud, the inherent difficulties attendant to such an international scheme, and the Receiver’s early results for injured investors, support an award of the fees and expenses requested in this Motion.

B. THE FEES AND EXPENSES ARE REASONABLE AND NECESSARY

To limit fees and expenses, the Receiver retained a small team of qualified professionals with the special expertise necessary to help the Receiver fulfill his Court-ordered duties. *See Johnson*, 488 F.2d at 718. Additionally, the Receiver and his small team of professionals have carefully coordinated tasks to communicate effectively and manage the Estate efficiently without duplicating efforts. *See Aquacell Batteries, Inc.*, 2008 WL 276026 at *3 (“Billing judgment means . . . knowing how to properly staff a matter, in proportion to the task at hand.”); *Mobley*, 2000 WL 1702024 at *2 (awarding fees and noting that receiver was adhering to his duties effectively where he employed a core group of five attorneys and one paralegal, and specialists as required). The time spent, services performed, hourly rates charged, and expenses incurred by the Receiver and his professionals were not only reasonable, they were essential for the Receiver

to perform his Court-ordered duties. The Receiver requests that the Court approve the payment of fees and expenses for the Receiver and his professionals as described below for services rendered to the Estate from September 18, 2012 to September 30, 2012.

1. The Receiver and the Law Firm of Hohmann, Taube & Summers, L.L.P.

Mr. Hohmann currently serves as the Court-appointed Receiver. He has been licensed to practice law in Texas since 1983 and is also a licensed C.P.A. He has broad experience in commercial litigation and arbitration arising out of state and federal securities laws. Mr. Hohmann has represented numerous receivers in insolvency litigations over the previous 28 years. Mr. Hohmann's experience is further described in his *curriculum vitae* which is attached as Exhibit B. *See W.L. Moody & Co.*, 374 F. Supp. at 481 (receiver's qualifications relevant to fee awarded); *Tanner*, 2007 WL 2013606 at *3; *Aquacell Batteries, Inc.*, 2008 WL 276026 at *4; *Johnson*, 488 F.2d at 718, 719. To assist his administration of the Estate, the Receiver has engaged the law firm of Hohmann, Taube & Summers, L.L.P., an Austin-based civil litigation firm with a broad national practice and a strong reputation for representing clients in complex, high-stakes legal disputes.

Upon appointment by the Court, the Receiver was given exclusive custody, control, and possession of the assets and records of domestic and foreign individuals and business entities. *See* n.1 above (summarizing the Receiver's powers and duties). Given the broad powers and duties of the Receiver and the international nature of the alleged ProphetMax fraud, the administration of this Estate has commanded the Receiver's nearly full-time attention to the exclusion of any other major employment. *See Johnson*, 488 F.2d at 718. Although the dollar value of the alleged fraud perpetrated by Defendants is not as significant as some other cases requiring a receiver, the largely foreign nature of this case has made it particularly complex. The

Receiver and his legal professionals have been trying to trace investor funds that were scattered throughout the world, without any assistance from the foreign Defendants and little assistance from the domestic Defendants. *See Mobley*, 2000 WL 1702024 at *2 (noting the difficulties posed to the receiver in recovering investor funds that were transferred throughout the world with little record); *W.L. Moody & Co.*, 374 F. Supp. At 480 (discussing notability of receiver's success given lack of assistance from defendant).

The Receiver's current investigation suggests that his pursuit of foreign assets is in the best interests of the Estate because Defendants' domestic assets are limited and may not provide a substantial recovery for the Estate. Thus far, the Receiver has only been able to rely on the jurisdictional power of domestic courts, so the Receiver and his legal professionals have been collaborating and coordinating with foreign regulators and other authorities in numerous countries to potentially seize foreign assets for the Estate. For domestic assets, which are located in various states, the Receiver and his legal professionals have also solicited the aid of local professionals instead of incurring expenses for the Receiver or a representative to travel.

The legal professionals engaged by the Receiver have acted as indispensable members of the Receiver Team. They have been involved in nearly all aspects of managing the Estate in their appropriate capacities, and have provided the necessary legal expertise and manpower to help the Receiver fulfill his Court-ordered duties. The Receiver carefully selected just a few members of Hohmann, Taube & Summers, L.L.P. to provide legal counsel, including a senior associate, a junior associate, and two legal assistants. In the first few weeks of the receivership, these professionals devoted a substantial amount of time to the Estate to ensure that the Receiver could quickly notify appropriate persons and entities about the ProphetMax Receivership Estate and begin the process of securing and recovering assets in the United States and throughout the

world. These professionals have also been instrumental in assisting the Receiver's investigation, including facilitating and participating in discussions with the CFTC, SEC, and foreign regulators. They have also performed necessary legal research and assisted the Receiver's negotiations with defense counsel regarding matters affecting the Estate. Further, they have helped the Receiver manage administrative and financial matters affecting the Estate.

From September 18, 2012 to September 30, 2012, the Receiver rendered services to the Estate averaging approximately 6.1 hours per business day. He also provided an additional 7.7 hours of services over two weekends during this period. At Hohmann, Taube & Summers, L.L.P., the senior associate and junior associate who served as counsel for the Receiver devoted an average of 5.5 and 5.0 hours, respectively, per business day to the Estate. Paralegals and other support staff also devoted approximately 45 total hours to the Estate. *See* Exhibit A.

The following items provide a general summary of the services rendered by the Receiver and his counsel:

1. Participating in informational conferences with a Defendant and his counsel.
2. Assisting and collaborating with governmental and regulatory investigations as appropriate, including ongoing investigations by the CFTC and SEC.
3. Reviewing court papers filed in this action and the related SEC action.
4. Negotiating an agreement with counsel for Defendants Michael Dillard and Elevation regarding the return of commissions for the benefit of the Estate.
5. Coordinating with counsel for Defendants Michael Dillard and Elevation regarding communications with injured investors.
6. Creating a public email account for the Receiver, a website for the Estate, a Facebook page, and joining other appropriate social media forums.
7. Reviewing factual investigation documents obtained from various federal agencies and certain Defendants.

8. Drafting and sending notices of the Receiver and the Estate to certain persons and financial institutions identified in the investigation, and drafting the Receiver's letter of authority to financial institutions.
9. Drafting and filing notices of the Receiver and the Estate in other federal courts by filing copies of the Complaint and the Statutory Restraining Order.
10. Drafting and filing the Notice of Appearance of Counsel for Receiver.
11. Reviewing and responding to inquiries from injured investors regarding investment losses, the Receiver, and the Estate.
12. Organizing and posting pleadings on the Estate website.
13. Investigating Defendants and their records to identify and track down potential assets, including correspondence with a professional computer imaging company to inspect Defendants' hard drives and other electronic devices.
14. Securing and organizing paper files, documents, and electronic records.
15. Communicating and coordinating with foreign regulators and other authorities to further ongoing investigations and potentially seize foreign assets.
16. Creating a database to document and organize information from injured investors and other potential claimants to the Estate.
17. Coordinating with the Internal Revenue Service and a bank to open a bank account that can receive and distribute funds for the Estate.
18. Retaining a tax accountant to assist with the Internal Revenue Service and advise the Receiver of any tax obligations affecting the Estate.
19. Communicating and coordinating with the CFTC and SEC for their respective cases against one or more Defendants, including matters related to the Court's future hearing(s) on restraining orders and possible preliminary injunctions in those cases.
20. Corresponding with various domestic and foreign persons and financial institutions regarding the Order, the appointment of the Receiver, the Estate, and the assets and records of the Estate.
21. Communicating with defense counsel regarding ongoing compliance with the Order.

In complex receivership cases, the associated fees are often substantial percentages of the total assets recovered. *See, e.g., Megafund Corp.*, 2008 WL 2839998 at *2 (approving receiver's final request for fees and expenses comprising 22.4% of total recovery in light of complexities of case, difficulties in tracing proceeds, and results obtained); *Funding Res. Group*, 2003 WL 145411 at *1 (costs of administration totaled 21% of cash and assets ultimately recovered by receiver). Here, the largely foreign nature of the alleged fraud and the ProphetMax Receivership Estate has made the process of securing and recovering assets complex and unique, requiring a more nuanced approach to recovery than receiverships over domestic assets. *See Tanner*, 2007 WL 2013606 at *3. The Receiver is conscious of the unique nature of this Estate and has chosen to maintain a lean and capable group of professionals to keep fees comparable to or below the level of fees requested in other complex receiverships. The fees charged by Hohmann, Taube & Summers, L.L.P. includes all compensation requested for Mr. Hohmann's services as the Receiver, as well as for the services of his legal professionals, during the relevant period. The Receiver requests the Court's approval to pay Hohmann, Taube & Summers, L.L.P. for his services and those of his legal professionals totaling \$86,986.87 in fees and \$852.62 in expenses.

2. Flashback Data

Headquartered in Austin, Texas, Flashback Data is an industry leader in data recovery, computer forensics, media and data conversions, and other data services. Flashback Data also provides sensitive incident investigation and forensic data recovery services to clients around the world, including corporations, law firms, litigation support firms, and governments in the United States and abroad. Flashback Data's laboratory is ISO/IEC 17025:2005 compliant and accredited by the American Society of Crime Laboratory Directors under the same program as the Federal

Bureau of Investigation and state law enforcement (ASCLD/LAB International). *See generally* Flashback Data's website at <http://www.flashbackdata.com/about-flashback.html>.

Flashback Data's services were critical to the Receiver and his efforts to fulfill his Court-ordered duties. Flashback Data helped the Receiver obtain and preserve electronic data from several Defendants that will allow the Receiver to further his investigation and identify potential assets and records of the Estate. As of the date of this Motion, Flashback Data has collected over 2 terabytes of electronically stored information, including email correspondence and financial records. An invoice reflecting services rendered by Flashback Data on September 19 and 20, 2012 is attached hereto as Exhibit C. The \$2,416.90 in fees and expenses charged by Flashback Data are already included in the expenses listed in Exhibit A.

III. ANTICIPATED FUTURE WORKLOAD FOR RECEIVER AND RETAINED PROFESSIONALS

At this early stage of the ProphetMax Receivership Estate, the Receiver and his team of professionals have made considerable progress in locating and securing assets, but there is still a substantial amount of work ahead to continue this process and investigate the alleged ProphetMax fraud in order to identify additional potential sources of domestic and foreign assets. Additionally, the Receiver Team faces the ongoing responsibility of administering the Estate, including the management and preservation of the Estate's assets and records. The Receiver anticipates that the pattern of fees for this Estate will be similar to other complex receiverships, where fees generally peak after several months and then begin to fall. *See Aquacell Batteries, Inc.*, 2008 WL 276026 at *4 ("The first step . . . is, of course, identifying the assets. The [r]eport indicates that the [r]eceiver (and his professionals) had a particularly difficult time in doing so here, and the fees and expenses claimed reflect that difficulty."); *W.L. Moody & Co.*, 374 F. Supp. At 486 ("The bulk of this legal advice was provided during the first two months of the receivership . . .").

The Receiver anticipates that his priorities and major time commitments for the coming months will include efforts to continue tracing assets that have been transferred throughout the world, and working with foreign regulators and authorities to potentially secure those assets. More importantly, the Receiver will continue to work with foreign regulators to facilitate the potential liquidation and recovery of foreign assets for the benefit of the Estate. The Receiver and his team of professionals will also continue to focus on maintaining an appropriate level of reasonable fees and expenses for their services throughout these early stages of the Estate.

IV. CONCLUSION

For all the reasons set forth above, the fees and expenses requested herein were both reasonable and necessary for the Receiver to fulfill his Court-ordered duties, and the Receiver requests that the Court enter the proposed Order filed with this Motion to approve the payment of \$90,256.39 in total fees and expenses incurred from September 18, 2012 through September 30, 2012.

Respectfully submitted,

HOHMANN, TAUBE & SUMMERS, LLP

By: /s/ Christopher W. Ahart

Christopher W. Ahart
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(512) 472-5248 (Fax)

ATTORNEY FOR GUY M. HOHMANN,
IN HIS CAPACITY AS RECEIVER FOR
THE PROPHETMAX RECEIVERSHIP ESTATE

CERTIFICATE OF CONFERENCE

Counsel for the Receiver conferred with Timothy Mulreany, counsel for the CFTC, who stated that the CFTC does not oppose this Motion nor the relief sought herein. Counsel for the Receiver also conferred with James George, counsel for Defendant Joel Friant, who stated that Mr. Friant does not oppose this Motion nor the relief sought herein. Counsel for the Receiver also conferred with Brent Baker and Steve Korotash, counsel for Defendants Michael Dillard and Elevation Group, Inc., who stated that Mr. Dillard and Elevation Group, Inc. do not oppose this Motion nor the relief sought herein. No other Defendant has appeared in this action, nor has any counsel filed a notice of appearance on behalf of any other Defendant. Additionally, counsel for the Receiver also conferred with Chris Davis, counsel for the SEC, which has filed a related action in this court, and Mr. Davis stated that the SEC does not oppose this Motion nor the relief sought herein. The Motion, therefore, is unopposed.

/s/ Christopher W. Ahart
Christopher W. Ahart

CERTIFICATE OF SERVICE

On November 6, 2012, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Western District of Texas, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Christopher W. Ahart
Christopher W. Ahart

Hohmann, Taube & Summers, LLP
 100 Congress Ave 18th Floor
 Austin, TX 78701

Phone: (512)-472-5997 www.hts-law.com Fax: (512) 472-5248

MR. GUY M. HOHMANN
 100 CONGRESS AVE STE 1800
 AUSTIN, TX 78701-4042

Invoice Number 49406
 Invoice Date 10/09/2012
 Activity Billed Through 09/30/2012

Prior Balance Brought Forward	\$0.00
Less Payments Received	\$0.00
Net Balance Forward	\$0.00

HTS File Number: 8133 00001 CWA

RE: REPRESENT CLIENT AS RECEIVER OF VARIOUS INDIVIDUALS INVOLVED WITH AN AUSTRALIAN PONZI SCHEME.

For Professional Services Rendered:

09/18/2012	GMH	6.20 hrs.	TELEPHONE CONFERENCE WITH ██████████ ██████████ REGARDING FILING; PREPARE OUTLINE OF MATTERS TO DISCUSS WITH ██████████ ██████████ AND HIS COUNSEL (██████████ ██████████); PREPARE FOR AND CONFERENCE WITH VARIOUS REPRESENTATIVES OF THE CFTC AND THE SEC REGARDING RECEIVERSHIP ORDER, RECIPIENTS OF SAME AND ██████████ ██████████; CONFERENCE WITH CHRIS AHART, CARRIE PUCCIA AND HEATHER CANTU REGARDING SUMMARY OF ABOVE MEETINGS AND IMMEDIATE NEXT STEPS.	4,805.00
09/18/2012	CWA	1.20 hrs.	PLAN RECEIVERSHIP TASKS AND ACTION ITEMS WITH GUY M. HOHMANN, HEATHER CANTU, AND CARRIE E. PUCCIA, INCLUDING DRAFT TASK LIST; DISCUSS SAME AND RELATED ISSUES WITH GUY M. HOHMANN.	660.00
09/18/2012	CEP	1.00 hrs.	INFORMATIONAL MEETING WITH G. HOHMANN, C. AHART AND H. CANTU.	375.00
09/18/2012	HCR	7.90 hrs.	CREATE TASK LIST; REVIEW RECEIVERSHIP WEBSITES; CONFERENCE REGARDING WEBSITE DESIGN AND HOSTING; CONFERENCE REGARDING RECEIVERSHIP E-MAIL; REVIEW ADVOCATE ARTICLE REGARDING EQUITY RECEIVERSHIP, ATTEND POST FILING MEETING WITH SECURITY EXCHANGE COMMISSION AND CFTC, ATTEND AND NOTE INTERVIEW WITH ██████████ ██████████; ATTEND MEETING TO DISCUSS CASE.	1,777.50
09/19/2012	GMH	7.80 hrs.	REVIEW OF RECEIVERSHIP ORDER AND CONSENT ORDER IN CONNECTION WITH MICHAEL DILLARD; CONFERENCE WITH ██████████ ██████████ REGARDING ██████████ AND RELATED ISSUES; VOICE MAILS TO/FROM ██████████ ██████████ REGARDING MEETING WITH ██████████ ██████████ COUNSEL AND ██████████ ██████████ ██████████; VOICE MAILS FROM VICTIMS AND CONFERENCES WITH CHRIS AHART REGARDING RETURNING SAME; REVIEW AND RESPOND TO NUMEROUS EMAILS FROM INVESTOR VICTIMS.	6,045.00
09/19/2012	CWA	0.60 hrs.	COORDINATE WITH HEATHER CANTU AND CARRIE E. PUCCIA DRAFT NOTICES OF RECEIVER APPOINTMENT, RECEIVER LETTER OF AUTHORIZATION TO FINANCIAL INSTITUTIONS, AND NOTICE OF APPEARANCE AS RECEIVER COUNSEL;	330.00

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			CORRESPONDENCE WITH GUY M. HOHMANN AND HEATHER CANTU REGARDING RECEIPT OF ██████████ DOCUMENTS FROM SEC; CORRESPONDENCE WITH ██████████ COUNSEL REGARDING ██████████; CORRESPONDENCE WITH GUY M. HOHMANN AND ██████████ REGARDING INVESTMENT LOSSES AND RECEIVERSHIP.	
09/19/2012	CEP	5.70 hrs.	REVIEW NEWLY FILED MOTIONS AND ORDERS; DRAFT RECEIVERSHIP LETTERS TO FOREIGN ENTITIES.	2,137.50
09/19/2012	HCR	5.20 hrs.	DOWNLOAD AND PROCESS ALL PLEADINGS; RESEARCH PLEADINGS; CONFERENCE REGARDING SAME; TELEPHONE CALL TO SEVERAL COURTS FOR INFORMATION REGARDING ██████████; CONFERENCE REGARDING SAME; DRAFT FAX AND TRANSMITTAL LETTERS TO BE FORWARDED TO FINANCIAL INSTITUTIONS; CONFERENCE REGARDING ORGANIZATION OF CASE AND NOTICE OF FILINGS; REVIEW AND RESPOND TO SEVERAL E-MAILS FROM INVESTORS; REVIEW DOMAIN HOSTS AND SET UP WEBSITE; CONFERENCE REGARDING SAME; CONDUCT FORUM SEARCH REGARDING ██████████; CALENDAR DEADLINES; BEGIN DRAFTING MEMORANDUM OF MEETINGS; CREATE FACEBOOK PROFILE FOR RECEIVERSHIP; EDIT LETTER; CONFERENCE REGARDING STATUS OF HARD DRIVES; CONFERENCE REGARDING ██████████ FOR BETTER UNDERSTANDING.	1,170.00
09/20/2012	GMH	8.20 hrs.	TELEPHONE CONFERENCE WITH ██████████ REGARDING EMAILS AND PHONE CALLS FROM INVESTORS; CONFERENCE WITH HEATHER CANTU REGARDING SAME, CONSTRUCTION OF WEBSITE, OUTLINE OF GENERIC RESPONSE TO ALL EMAILS, CONFERENCES WITH CHRIS AHART AND CARRIE PUCCIA REGARDING SAME AND TRANSMITTAL LETTER TO FINANCIAL INSTITUTION AND OTHERS THAT NEED TO RECEIVE THE RECEIVERSHIP ORDER; REVIEW AND RESPOND TO NUMEROUS EMAILS FROM INVESTOR VICTIMS; REVIEW AND REVISE WEBSITE CONTENT AND LETTERS TO FINANCIAL INSTITUTIONS.	6,355.00
09/20/2012	CWA	7.90 hrs.	REVIEW AND REVISE DRAFT NOTICES OF RECEIVER APPOINTMENT, RECEIVER LETTER OF AUTHORIZATION TO FINANCIAL INSTITUTIONS, AND RECEIVERSHIP WEBSITE DISCLOSURES, INCLUDING REVIEW AND INCORPORATION OF LANGUAGE FROM RELEVANT COURT PAPERS; ADDRESS AND INCORPORATE GUY M. HOHMANN COMMENTS TO SAME DOCUMENTS AND DISCLOSURES; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, CARRIE E. PUCCIA, CFTC, AND SEC REGARDING ██████████, ██████████, ██████████ WITH MIKE DILLARD'S COUNSEL, AND MEETINGS WITH ██████████; DISCUSS AND COORDINATE WITH HEATHER CANTU ACTION ITEMS FOR FAX NOTICES OF RECEIVER APPOINTMENT, COMPLETING AND ACTIVATING RECEIVERSHIP WEBSITE, AND COMPLETING OTHER SOCIAL MEDIA POSTINGS; CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL REGARDING ██████████.	4,345.00
09/20/2012	CEP	2.70 hrs.	CONFERENCE WITH C. AHART AND H. CANTU REGARDING RESPONSE TO INVESTORS, OUTREACH TO PUBLIC; STRATEGIZE WITH G. HOHMANN, C. AHART AND H. CANTU REGARDING FILING AND IMMEDIATE RECEIVERSHIP TASKS.	1,012.50
09/20/2012	HCR	6.30 hrs.	TELEPHONE CALL WITH ██████████ REGARDING FINANCIALS; REVISE WEBPAGE; CONFERENCE WITH ██████████ OFFICE REGARDING ITEMS NEEDED FROM ██████████; CONFERENCE REGARDING RECEIVERSHIP FUNDS; CONFERENCE REGARDING WEBSITE AND SOCIAL MEDIA; COMPLETE MEMORANDUM; REVIEW AND RESPOND TO SEVERAL E-MAILS; CONFERENCE REGARDING	1,417.50

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			ENTERING CLAIMANT DATA INTO SPREADSHEET; CONFERENCE REGARDING NOTICES TO FINANCIAL INSTITUTIONS; ATTEND MEETING REGARDING LOGISTICS GOING FORWARD; CONDUCT RESEARCH ON SEVERAL ENTITIES RELATED TO DEFENDANTS; CONFERENCE REGARDING SAME.	
09/21/2012	GMH	7.80 hrs.	REVIEW AND RESPOND TO NUMEROUS EMAILS FROM INVESTOR VICTIMS, VARIOUS EMAILS WITH COUNSEL FOR MR. DILLARD AND WITH CFTC REPRESENTATIVES; CONFERENCES WITH CHRIS AHART REGARDING SELECTED RESPONSES TO INVESTOR VICTIM QUESTIONS; CONFERENCE WITH HEATHER CANTU REGARDING WEB PAGE AND EXPANDING INVESTOR DATABASE; OUTLINE OF NOTICE OF FILING FOR WASHINGTON STATE AND CONFERENCE WITH CARRIE PUCCIA REGARDING SAME; VARIOUS EMAILS WITH MR. DILLARD'S COUNSEL REGARDING [REDACTED], RECEIVERSHIP WEBSITE AND VARIOUS OTHER MATTERS; CONFERENCES WITH CHRIS AHART AND HEATHER CANTU REGARDING [REDACTED] [REDACTED] [REDACTED] AND CONFERENCE WITH [REDACTED] AND TELEPHONE CONFERENCE WITH [REDACTED] [REDACTED] REGARDING SAME.	6,045.00
09/21/2012	CWA	4.70 hrs.	REVIEW AND DRAFT RESPONSES TO INVESTOR QUESTIONS REGARDING INVESTMENT LOSSES AND RECEIVERSHIP; CORRESPONDENCE WITH GUY M. HOHMANN AND HEATHER CANTU REGARDING SAME AND "FREQUENTLY ASKED QUESTIONS" POSTINGS FOR RECEIVERSHIP WEBSITE; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, CARRIE E. PUCCIA, CFTC, AND SEC REGARDING RECEIVERSHIP WEBSITE, SOCIAL MEDIA POSTINGS, DECLARATION OF [REDACTED] [REDACTED], MEETINGS WITH [REDACTED] [REDACTED], AND TAX INFORMATION FOR [REDACTED]; REVIEW SAME DECLARATION; CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL REGARDING [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]; REVIEW HEATHER CANTU MEMORANDUM SUMMARIZING RELEVANT WITNESSES, ENTITIES, AND MEETINGS [REDACTED] [REDACTED] [REDACTED] [REDACTED]; DISCUSS ADDITIONAL REVISIONS AND ACTION ITEMS WITH HEATHER CANTU; DISCUSS WITH HEATHER CANTU [REDACTED] [REDACTED] FOR NOTICE OF RECEIVERSHIP TO FINANCIAL INSTITUTIONS AND OTHER ENTITIES AND ANALYZE [REDACTED] [REDACTED] [REDACTED]; RESEARCH IRS WEBSITE TO DETERMINE AVAILABILITY OF TAX IDENTIFICATION NUMBER FOR RECEIVERSHIP ACCOUNT; DISCUSSION AND CORRESPONDENCE WITH GUY M. HOHMANN AND HEATHER CANTU REGARDING SAME AND [REDACTED] [REDACTED]; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, AND MIKE DILLARD'S COUNSEL REGARDING [REDACTED] [REDACTED] AND OUTSTANDING ITEMS [REDACTED] [REDACTED]; REVIEW FEDERAL LAW REGARDING [REDACTED] [REDACTED] [REDACTED]; DISCUSS ISSUES REGARDING SAME WITH GUY M. HOHMANN AND CARRIE E. PUCCIA.	2,585.00
09/21/2012	CEP	6.60 hrs.	RESEARCH [REDACTED] QUESTION, RESEARCH [REDACTED] [REDACTED] AND RULES FOR [REDACTED] [REDACTED] [REDACTED]; RESEARCH RULES FOR [REDACTED] [REDACTED] [REDACTED]; RESEARCH [REDACTED] [REDACTED].	2,475.00
09/21/2012	HCR	7.60 hrs.	REVISE MEMORANDUM; COMPLETE FAXING NOTICES TO FINANCIAL INSTITUTIONS; REVIEW AND RESPOND TO SEVERAL E-MAILS; UPDATE TASK LIST; UPDATE WEBISTE AND SOCIAL MEDIA; UPDATE PLEADINGS TO FILE AND UPLOAD TO CASE NOTEBOOK; CONDUCT RESEARCH REGARDING OBTAINING EIN FROM INTERNAL REVENUE SERVICE; CONFERENCE WITH SEVERAL PEOPLE AT INTERNAL REVENUE SERVICE REGARDING	1,710.00

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			SAME AT LENGTH; CONFERENCE REGARDING FINDINGS; CONFERENCE WITH [REDACTED] AND [REDACTED] REGARDING [REDACTED] AND WHAT IS NEEDED FOR SAME; CONFERENCE REGARDING SAME.	
09/22/2012	GMH	3.60 hrs.	VARIOUS EMAILS WITH INVESTOR VICTIMS; EMAILS WITH MICHAEL DILLARD'S COUNSEL AND WITH [REDACTED] [REDACTED]; REVIEW MATERIALS [REDACTED] REGARDING [REDACTED] AND [REDACTED] AND ANALYSIS OF [REDACTED] IN CONNECTION WITH SAME.	2,790.00
09/23/2012	GMH	2.30 hrs.	NUMEROUS EMAILS WITH INVESTOR VICTIMS AND REVIEW OF VARIOUS MATERIALS FORWARDED WITH SAME.	1,782.50
09/24/2012	GMH	2.70 hrs.	EMAILS TO/FROM INVESTOR VICTIMS; EMAILS WITH CFTC REGARDING [REDACTED] [REDACTED]; EMAILS WITH [REDACTED] AND CHRIS AHART REGARDING EIN ISSUES.	2,092.50
09/24/2012	CWA	7.10 hrs.	REVIEW AND REVISE NOTICE OF APPEARANCE AS COUNSEL FOR RECEIVER; COORDINATE FILING OF SAME WITH NAN GRIFFES; DISCUSS WITH CARRIE E. PUCCIA ISSUES AND ACTION ITEMS FOR FILING NOTICE OF RECEIVERSHIP IN RELEVANT JURISDICTIONS, AND LEGAL RESEARCH REGARDING [REDACTED]; REVIEW CORRESPONDENCE FROM INJURED INVESTORS REGARDING RECEIVERSHIP AND CLAIMING LOSSES; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, AND CARRIE E. PUCCIA REGARDING [REDACTED] [REDACTED] FOR NOTICE OF RECEIVERSHIP TO FINANCIAL INSTITUTIONS AND OTHER ENTITIES, [REDACTED], AND [REDACTED] [REDACTED]; DISCUSS WITH CARRIE E. PUCCIA FURTHER RESEARCH AND ACTION ITEMS TO RESOLVE SAME; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, CARRIE E. PUCCIA, CFTC, AND SEC REGARDING [REDACTED] [REDACTED] MEETING TO DISCUSS [REDACTED] [REDACTED], AND [REDACTED] [REDACTED]; CORRESPONDENCE WITH GUY M. HOHMANN, HEATHER CANTU, CARRIE E. PUCCIA, CFTC, SEC, AND MIKE DILLARD'S COUNSEL REGARDING [REDACTED] [REDACTED] WITH MIKE DILLARD FOR [REDACTED] [REDACTED]; CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL [REDACTED] [REDACTED]; CONFERENCES AND CORRESPONDENCE WITH [REDACTED] [REDACTED] REGARDING [REDACTED] [REDACTED] [REDACTED]; CORRESPONDENCE WITH GUY M. HOHMANN REGARDING SAME; DISCUSSION AND CORRESPONDENCE WITH CARRIE E. PUCCIA REGARDING SAME AND STRATEGIES FOR [REDACTED], INCLUDING REVIEW OF [REDACTED] [REDACTED] AND CONFERENCES WITH [REDACTED]; REVIEW CFTC COMPLAINT AND RESTRAINING ORDER AGAINST DEFENDANTS, NOTING RECEIVERSHIP ISSUES; REVIEW AND COMMENT ON RECEIVERSHIP TASK LIST.	3,905.00
09/24/2012	CEP	8.20 hrs.	DRAFT RECEIVERSHIP NOTICE FOR OTHER JURISDICTIONS, RESEARCH [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED], RESEARCH REGARDING [REDACTED] [REDACTED]; TELECONFERENCE WITH IRS REGARDING EMPLOYER IDENTIFICATION NUMBER TO SET UP ESTATE.	3,075.00
09/24/2012	HCR	4.00 hrs.	CALENDAR DATES; CONFERENCE REGARDING INTERNAL REVENUE SERVICE [REDACTED] AND EIN; CONFERENCE REGARDING CLAIMANT SPREADSHEET; CONFERENCE REGARDING [REDACTED] [REDACTED] AND UPDATE TASK LIST; CONFERENCE REGARDING WEBSITE; CONFERENCE REGARDING OUTSTANDING ITEMS [REDACTED] [REDACTED] [REDACTED].	900.00

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09/25/2012	HCR	4.20 hrs.	<p>SINCE FILING OF CHARGES. REVIEW AND CONFIRM DEADLINES; DRAFT E-MAIL REGARDING SAME; CONFERENCE REGARDING EIN AND [REDACTED] [REDACTED]; CALENDAR NEW DEADLINES; CONFERENCE REGARDING [REDACTED] LETTER; RESPOND TO OVER FORTY E-MAILS FROM THE RECEIVERSHIP WEBSITE; CONFERENCE REGARDING SAME; CONFERENCE REGARDING [REDACTED] AND UPDATING INFORMATION SHEET.</p>	945.00
09/26/2012	GMH	4.60 hrs.	<p>EMAILS TO/FROM INVESTOR VICTIMS; CONFERENCE WITH CHRIS AHART REGARDING HIS TELEPHONE CONFERENCE WITH [REDACTED] [REDACTED] [REDACTED], [REDACTED] ISSUES AND VARIOUS OTHER MATTERS; REVIEW MEMORANDUM REGARDING [REDACTED]; CONFERENCE WITH CHRIS AHART REGARDING TELEPHONE CONFERENCE WITH [REDACTED] COUNSEL AND PROPOSED [REDACTED] [REDACTED] [REDACTED] AND [REDACTED] [REDACTED] [REDACTED]; EMAILS WITH BANKER REGARDING [REDACTED] [REDACTED]; VARIOUS EMAILS AND CONFERENCES WITH CHRIS AHART AND CARRIE PUCCIA REGARDING EIN AND [REDACTED] ISSUES.</p>	3,565.00
09/26/2012	CWA	7.40 hrs.	<p>DISCUSS WITH GUY M. HOHMANN PRIOR CONFERENCE WITH [REDACTED] [REDACTED] [REDACTED] COUNSEL IN [REDACTED], POSSIBLE NOTICE OF RECEIVERSHIP FILING IN [REDACTED] FEDERAL COURT, AND OTHER ACTION ITEMS; CORRESPONDENCE WITH HEATHER CANTU REGARDING RECEIVERSHIP ACTION ITEMS AND TASK LIST ISSUES; REVIEW LEGAL RESEARCH REGARDING WHETHER [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] DISCUSS SAME WITH CARRIE E. PUCCIA; REVIEW AND REVISE NOTICES OF RECEIVERSHIP IN [REDACTED] AND [REDACTED] FEDERAL COURTS, INCLUDING REVIEW OF RESTRAINING ORDER AND APPLICABLE FEDERAL STATUTES; REVIEW AND SIGN CIVIL COVER SHEETS FOR SAME NOTICES; ATTENTION TO FILING SAME NOTICES; REVIEW CORRESPONDENCE WITH INJURED INVESTORS REGARDING MEMBERSHIP FEES [REDACTED] AND [REDACTED] [REDACTED], AND [REDACTED] INFORMATION; REVIEW AND REVISE [REDACTED] LETTER [REDACTED] [REDACTED] [REDACTED]; CORRESPONDENCE WITH [REDACTED] REGARDING SAME; REVIEW AND SUMMARIZE NOTES FROM PRIOR CONFERENCE WITH [REDACTED] [REDACTED] AND DRAFT MEMORANDUM REGARDING SAME; CORRESPONDENCE WITH GUY M. HOHMANN, CARRIE E. PUCCIA, AND HEATHER CANTU REGARDING SAME; DISCUSS WITH CARRIE E. PUCCIA LEGAL RESEARCH REGARDING [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] CONFERENCE WITH [REDACTED] COUNSEL REGARDING LITIGATION, TEMPORARY INJUNCTION AND [REDACTED] [REDACTED] [REDACTED] RESTRAINING ORDER; CONFERENCE WITH SEC REGARDING [REDACTED], TEMPORARY INJUNCTION HEARING, INVESTIGATION UPDATES, AND [REDACTED] [REDACTED] [REDACTED]; CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL REGARDING [REDACTED] [REDACTED] AND MIKE DILLARD'S [REDACTED] [REDACTED]; CORRESPONDENCE WITH CFTC REGARDING [REDACTED] [REDACTED] DOCUMENTS [REDACTED] [REDACTED] [REDACTED] AND RECEIVER DUTIES UNDER ORDER; MEETING WITH GUY M. HOHMANN TO DISCUSS ABOVE MATTERS AND RECEIVERSHIP ACTION ITEMS; CORRESPONDENCE WITH GUY M. HOHMANN AND CFTC REGARDING [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]; REVIEW NOTICE OF FILING OF JOINT MOTION AND ORDER TO EXTEND ORDER AND POSTPONE HEARING.</p>	4,070.00
09/26/2012	CEP	6.20 hrs.	<p>RESEARCH [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] DRAFT</p>	2,325.00

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09/27/2012	GMH	6.80 hrs.	<p>LETTER OF NOTICE TO [REDACTED] DISTRICT COURT OF [REDACTED]; RESEARCH REGARDING [REDACTED]; [REDACTED]; FILE NOTICE OF RECEIVERSHIP IN [REDACTED] AND [REDACTED] DISTRICT COURTS.</p> <p>CONFERENCE WITH CHRIS AHART REGARDING HIS TELEPHONE CONFERENCE WITH MR. FRIANT'S COUNSEL REGARDING [REDACTED]; EMAILS TO/FROM INVESTOR VICTIMS AND REVIEW OF MATERIALS RECEIVED IN CONNECTION WITH SAME; REVIEW OF MATERIALS FORWARDED BY THE SEC REGARDING [REDACTED]; CONFERENCE WITH CHRIS AHART REGARDING HIS TELEPHONE CONFERENCE WITH [REDACTED] AND OUR UPCOMING CONFERENCE CALL WITH [REDACTED] AUTHORITIES; PREPARE FOR AND PARTICIPATE IN SAME; EMAILS WITH [REDACTED] OFFICIALS REGARDING PROPHETMAX WEBSITE WHICH WE HAVE CREATED.</p>	5,270.00
09/27/2012	CWA	7.30 hrs.	<p>REVIEW [REDACTED]; CONFERENCE AND CORRESPONDENCE WITH CFTC REGARDING RECEIVERSHIP DUTIES UNDER ORDER, [REDACTED], ISSUES RAISED BY [REDACTED], AND OTHER [REDACTED]; MEETING WITH GUY M. HOHMANN REGARDING ABOVE, RELATED ISSUES AND ACTION ITEMS FOR RECEIVERSHIP; REVIEW SEC AND CFTC JOINT MOTION TO EXTEND INJUNCTION AND HEARING, PROPOSED ORDER, AND COURT ORDER REGARDING SAME; DISCUSS AND COORDINATE WITH CARRIE E. PUCCIA DRAFT AGREED ORDER ON [REDACTED]; DISCUSSION AND CORRESPONDENCE WITH HEATHER CANTU REGARDING RECEIVERSHIP ACTION ITEMS, TASK LIST ISSUES, [REDACTED], AND RECEIVERSHIP FACEBOOK PAGE; CORRESPONDENCE WITH GUY HOHMANN REGARDING [REDACTED]; REVIEW [REDACTED] SPREADSHEET DETAILING NUMBER AND LOCATION OF INJURED INVESTORS; DISCUSS AND COORDINATE WITH CARRIE E. PUCCIA RESEARCH REGARDING [REDACTED], INCLUDING [REDACTED] CORRESPONDENCE WITH CFTC AND GUY M. HOHMANN CONFIRMING [REDACTED]; CORRESPONDENCE WITH GUY M. HOHMANN AND HEATHER CANTU REGARDING [REDACTED]; REVIEW CONSENT ORDER OF MIKE DILLARD AND ELEVATION GROUP INC.; CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL REGARDING [REDACTED] CONCERNING [REDACTED]; CORRESPONDENCE WITH SEC REGARDING [REDACTED]; REVIEW SEC LETTER [REDACTED] TO [REDACTED]; REVIEW NOTICE OF MISCELLANEOUS CASE FILING IN [REDACTED] FEDERAL COURT; CALL WITH GUY M. HOHMANN, CFTC, SEC, AND [REDACTED] REGARDING RECEIVERSHIP, FACTUAL INVESTIGATION, ISSUES, AND ACTION ITEMS.</p>	4,015.00
09/27/2012	CEP	8.60 hrs.	<p>DRAFT [REDACTED] ORDER FOR [REDACTED]; DISCUSS RESEARCH REGARDING THE [REDACTED] AND [REDACTED]; CORRESPOND WITH C. AHART REGARDING STATUS AND DETAILS OF AGREEMENT BETWEEN [REDACTED] AND CFTC FOR PURPOSES OF [REDACTED] ORDER [REDACTED].</p>	3,225.00
09/27/2012	HCR	3.20 hrs.	<p>REVIEW AND RESPOND TO SEVERAL E-MAILS; ADD SEVERAL [REDACTED]</p>	720.00

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			DOCUMENTS TO CASE NOTEBOOK AND SEND TO FILE; CONFERENCE REGARDING SEVERAL OUTSTANDING ISSUES; REVIEW SEVERAL DOCUMENTS AND MEMORANDUMS; CONFERENCE REGARDING CALENDARING; UPDATE CASE MEMORANDUM AND TASK LIST; CONFERENCE REGARDING SAME; CONDUCT RESEARCH ON [REDACTED] [REDACTED] AND [REDACTED]; CONFERENCE REGARDING [REDACTED] COMPENSATION; CONFERENCE REGARDING RECEIVERSHIP ACCOUNT; RESPOND TO SEVERAL E-MAILS FROM RECEIVERSHIP WEBSITE; CONFERENCE REGARDING SPREADSHEET PROVIDED FOR CLAIMANT TRACKING INFORMATION.	
09/27/2012	HNS	0.70 hrs.	CONVERT FOREIGN CURRENCY INTO U.S. DOLLARS; CREATE SPREADSHEET REGARDING SAME.	87.50
09/28/2012	GMH	4.30 hrs.	OUTLINE OF [REDACTED]; ANALYSIS OF [REDACTED] AND [REDACTED]; CONFERENCE WITH HOLLIE SUMRALL AND HEATHER CANTU REGARDING [REDACTED]; RECEIVE INCOMING CORRESPONDENCE FROM [REDACTED] REGARDING RESPONSE TO SRO; EMAILS TO/FROM INVESTOR VICTIMS.	3,332.50
09/28/2012	CWA	4.80 hrs.	REVIEW AND REVISE DRAFT [REDACTED] FOR MIKE DILLARD, INCLUDING REVIEW OF APPLICABLE COURT PAPERS, FEDERAL STATUTES, AND CORRESPONDENCE WITH MIKE DILLARD'S COUNSEL; DISCUSS ISSUES REGARDING SAME WITH GUY M. HOHMANN; CORRESPONDENCE WITH CFTC REGARDING SAME [REDACTED]; CORRESPONDENCE WITH GUY M. HOHMANN AND SEC REGARDING [REDACTED] [REDACTED]; COORDINATE WITH CARRIE E. PUCCIA CONTACT WITH [REDACTED] FEDERAL COURT REGARDING NOTICE OF RECEIVERSHIP AND NEED FOR MISCELLANEOUS CASE FILING; DISCUSSION AND CORRESPONDENCE WITH HEATHER CANTU REGARDING RECEIVERSHIP ACTION ITEMS, TASK LIST ISSUES, AND [REDACTED] [REDACTED]; CORRESPONDENCE WITH INJURED INVESTOR REGARDING ESTATE'S CUSTODY OF [REDACTED] [REDACTED].	2,640.00
09/28/2012	CEP	0.10 hrs.	TELECONFERENCE WITH [REDACTED] DISTRICT OF [REDACTED] TO CONFIRM THAT ORDER OF RECEIVERSHIP HAS BEEN FILED.	37.50
09/28/2012	HCR	3.70 hrs.	ATTEND MEETING REGARDING [REDACTED]; CREATE ENTITY CHART; CONFERENCE REGARDING SAME; CONDUCT RESEARCH ON [REDACTED] AND DIRECTORS; REVIEW MEMORANDUM; UPDATE DEADLINE AND TASK LIST; CONFERENCE REGARDING CASE INFORMATION SHEET; CONFIRM SOURCES OF INVESTOR SPREADSHEETS; CONFERENCE REGARDING TRANSFER OF INFORMATION FROM ONE TO THE OTHER; CONFERENCE REGARDING [REDACTED] AND POSSIBLE RESIDENCE IN [REDACTED]; SEND PLEADINGS TO FILE.	832.50
09/28/2012	HNS	0.70 hrs.	REVISE DATA SHEET WITH U.S. DOLLAR CURRENCY AND CLIENT CONTACT INFORMATION.	87.50
09/30/2012	GMH	1.80 hrs.	EMAILS TO/FROM INVESTOR VICTIMS; REVIEW OF VARIOUS PUBLIC FILINGS ON [REDACTED], [REDACTED] AND VARIOUS OTHER ENTITIES; REVIEW AND REVISE CHART OF [REDACTED] [REDACTED]	1,395.00
Total Professional Services:				\$102,337.50

For Expenses Advanced:

09/2012 WESTLAW RESEARCH	9.18
09/2012 WESTLAW RESEARCH	58.79
09/2012 WESTLAW RESEARCH	81.54

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09/2012 WESTLAW RESEARCH	52.25
FILING FEE (V63502) U. S. DISTRICT COURT CLERK - FILING FEE.	46.00
09/2012 WESTLAW RESEARCH	127.62
PROFESSIONAL SERVICES (V63549) FLASHBACK DATA - FORENSIC WORK ON TWO COMPUTERS 09/19-09/20/2012.	2,416.90
FAX CHARGES	31.40
PHOTOCOPIES	443.70
POSTAGE	0.45
09/2012 WESTLAW RESEARCH	1.69
Total Expenses Advanced:	\$3,269.52

Summary:

Professional Services:

HOHMANN, GUY M.	62.30 hrs.	775.00 /hr	\$48,282.50
AHART, CHRISTOPHER W	49.40 hrs.	550.00 /hr	\$27,170.00
PUCCIA, CARRIE E	45.30 hrs.	375.00 /hr	\$16,987.50
RYAN, HEATHER C	42.10 hrs.	225.00 /hr	\$9,472.50
SUMRALL, HOLLIE N	3.40 hrs.	125.00 /hr	\$425.00
Total Professional Services			\$102,337.50

Expenses Advanced:

FAX CHARGES	\$31.40
FILING FEE	\$46.00
PHOTOCOPIES	\$443.70
POSTAGE	\$0.45
PROFESSIONAL SERVICES	\$2,416.90
WESTLAW RESEARCH	\$331.07
Total Expenses Advanced	\$3,269.52

Total Current Charges	\$105,607.02
Less Discount Applied	\$15,350.63
Net Balance Forward	\$0.00
Please Pay This Amount	\$90,256.39

Please make checks payable to: Hohmann, Taube & Summers, L.L.P.

Guy M. Hohmann
guyh@hts-law.com
Hohmann, Taube & Summers, LLP
100 Congress Ave., 18th Floor
Austin, TX 78701
Work (512) 472-5997

EDUCATION:

University of Houston, Houston, Texas
J.D. 1983 (Phi Delta Phi)

University of Texas at San Antonio, San Antonio, Texas
B.B.A., May 1980

Texas Certified Public Accountant (1984)

LEGAL EXPERIENCE

Guy is a founding member of Hohmann, Taube & Summers. He was born in Corpus Christi, Texas in 1958. An Austin resident since 1991, Guy is also a licensed C.P.A. Guy has been selected by his peers to be included in The Best Lawyers of America, and he was named a Texas Super Lawyer by Thomson Reuters in 2010 and 2011.

RELEVANT EXPERIENCE

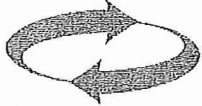
- Defended numerous class action/securities fraud cases against law firms and accounting firms.
- Prosecuted numerous class action/securities fraud cases against accounting firms and hedge funds.
- Defended accounting firms and law firms in hundreds of cases arising out of financial fraud.
- Prosecuted numerous cases on behalf of Receivers of insolvent insurance companies or SEC appointed Receivers against directors and officers of the insolvent entity as well as their outside law and accounting firms.

ADMISSIONS:

- State Bar of Texas (1983)
- State Bar of Colorado (2000) – inactive
- United States Supreme Court
- United States Court of Appeals for the Fifth Circuit
- Licensed in Western, Southern, Northern and Eastern Districts of Texas

AFFILIATIONS:

- American Bar Association
- Austin Bar Association
- Texas Society of Certified Public Accountants
- Litigation Counsel of America
- Federal Bar



Flashback Data, LLC
 4029 S. Capital of TX Hwy, Suite 224
 Austin, TX 78704

flashback data® (866)786-5700

Invoice

Date	Invoice #
09/21/2012	13734-1
Terms	Due Date
Due on receipt	09/21/2012

Bill To
Hohmann Taube & Summers Guy Hohmann 100 Congress Ave 18th Floor Austin, TX 78701

				Job Number
				13734
Date	Activity	Quantity	Rate	Amount
09/19/2012	DM:Travel onsite to W to acquire computers; only 1 of 2 computers available, size is 2TB; advised would take 8+ hours; rescheduled for pickup at 5PM.	0.7	350.00	245.00T
09/19/2012	DM:Travel to W @ 500p to pick up both computers; return to laboratory for imaging overnight	1.2	350.00	420.00T
09/20/2012	DM:Generate forensic image: Evid# 13743-2 (251GB Hard Drive) has been acquired.	1	395.00	395.00T
09/20/2012	DM:Generate forensic image: Evid# 13743-1 (2000GB Hard Drive)	1	995.00	995.00T
09/20/2012	DM:Consolidated both forensic images onto one hard drive; awaiting instructions from client re: desired delivery method.	0.2	250.00	50.00T
09/20/2012	CMP:Computer processing time in support of previous line item forensic work	4.1	25.00	102.50T
09/20/2012	Courier original media to the W	1	25.20	25.20T
SubTotal				\$2,232.70
Tax (8.25%)				\$184.20
Total				\$2,416.90

THANK YOU FOR YOUR BUSINESS!!!

Overdue accounts subject to a 1.5% per month Finance Charge on past due balances. Tax ID 20-1065322

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

UNITED STATES COMMODITY §
FUTURES TRADING COMMISSION, §

Plaintiff, §

v. §

Civil Action No. A-12-CV-0862-LY

§
SENEN POUSA, INVESTMENT §
INTELLIGENCE CORPORATION, §
DBA PROPHETMAX MANAGED FX, §
JOEL FRIANT, MICHAEL DILLARD, and §
ELEVATION GROUP, INC., §

Defendants. §

**ORDER GRANTING RECEIVER'S UNOPPOSED
MOTION FOR APPROVAL OF FIRST INTERIM FEE APPLICATION**

Before the Court is the Receiver's Unopposed Motion for Approval of First Interim Fee Application and Brief in Support ("Motion"). Having considered the Motion, the evidence presented, and arguments of counsel, if any, the Court finds that the time spent, services performed, hourly rates charged, and expenses incurred by the Receiver and his retained professionals were reasonable and necessary for the Receiver to perform his Court-ordered duties. The Court concludes that the Motion should be, and is hereby, GRANTED.

It is therefore ORDERED that payment in the amount of \$_____ for services rendered from September 18, 2012 through September 30, 2012 is approved.

SIGNED this _____ day of _____, 2012.

LEE YEAKEL
UNITED STATES DISTRICT JUDGE