



*Highway Express, Inc.*, 488 F.2d 714, 717-19(5th Cir.1974).<sup>1</sup> The Court in the Stanford Receivership observed that this particular receivership is essentially equivalent to a Chapter 7 bankruptcy. *See* Civ. Action No. 3:09-cv-072 4, Doc. 1093 at 39 ("Ultimately, this particular receivership is the essential equivalent of a Chapter 7 bankruptcy. While a different federal statutory scheme - one that is looser and more flexible than the Bankruptcy Code-is at work, the overall purposes and objectives of the Stanford receivership track the overall purposes and objectives present in the Bankruptcy Code and a Chapter 7 proceeding."). Therefore, the factors governing the analysis of requests for professional fees and expenses incurred in the bankruptcy context are also relevant to the Court's valuation of the Receiver's fee applications.

Under 11 U.S.C. § 330(a)(3), in examining a request for fees and expenses to be awarded to an examiner, trustee under chapter 11, or other professional in the context of a bankruptcy, a court considers, in addition to the amounts involved and results obtained, "the nature, the extent, and the value of such services, taking into account all relevant factors, including (A) the time spent on such services; (B) the rates charged for such services; (C) whether the services were

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<sup>1</sup> Under *Johnson*, courts consider the following factors in determining whether the time spent, services performed, expenses incurred, and hourly rates charged are reasonable and necessary: (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. *Id.* at 717-19. In applying these 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); *see also SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465,480 (S.D. Tex. 1974), *aff'd*, *SEC v. W.L. Moody & Co.*, 519 F.2d 1087 (5th Cir. 1975); *SEC v. Mega. fund Corp.*, No. 3:05-CV-1328-L, 2008 WL 2839998, at \*2 (N.D. Tex. June 24, 2008); *SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973).

necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [11 U.S.C. § 330(a)(3)]; (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under [11 U.S.C. § 330(a)(3)]." 11 U.S.C. § 330(a)(3).

#### **A. ING BANK SETTLEMENT**

During this Fee Period, the Receiver distributed the first tranche of the ING Bank (“ING”) Settlement the distributions to the approved Investor Claimants.<sup>2</sup> The Receiver notified ING in writing to that effect. ING requested thorough records with corresponding international investors’ signed waivers validating the tranche was exhausted. ING had 10 (ten) days from the date of the Receiver’s written notice to wire transfer tranche to the Receiver. The second tranche payment was wire transferred to the Receiver on July 29, 2023. The Receiver estimates the second tranche will be distributed no later than August 31, 2023.

#### **B. RECEIVER’S ACTIVITIES FOR THIS FEE PERIOD**

##### **1. Cyprus – NEW RECOVERY USD 107,837.34**

As previously reported in the July 31, 2023, Status Report. [Dkt. 289]. The Receiver recovered \$107,937.34. This recovery stems from a long road of communications, providing records, working closely with the Receiver’s Cypriot counsel to recover funds from the Cyprus

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<sup>2</sup> As previously noted in numerous filings, the settlement with ING will result in a payment to investors of 33.87% of their approved claim amounts.

Depositors Scheme from the failed Bank of Cyprus. (The Cyprus Depositors Scheme insures bank accounts up to 100,000 Euros and is the Cyprus equivalent of the United States Federal Depositors Insurance Corporation.) On July 10, 2023, the Receiver's Dutch counsel received payment of the EUR 100,000. After converting the funds to USD, it amounted to \$107,837.34 and was deposited into the Receivership estate. It will be available for future distributions. With the receipt of these funds, the Cyprus recovery efforts are now concluded.

## **2. Slovakia - \$7.2 million**

As previously reported the Receiver is seeking to have recognized in Slovakia is the \$7.2 million judgment which was issued by this Court against Riknik & Sons Ltd ("Riknik").<sup>3</sup> As an update to the July 31, 2023, Status Report. [Dkt. 289]. The Receiver was notified by his Slovakian counsel the judgment recognition proceeding was successfully concluded. On August 4, 2023, a Slovakian Enforcement Officer issued the Enforcement Order. The Receiver requested his Slovakian counsel to obtain certified translations of the Enforcement Order in Dutch and English.

The Receiver emailed the Enforcement Order and the two translated versions to the Dutch Public Prosecutor's Office ("DPPO"). The DPPO indicated it will attach all three versions of the Enforcement Orders to a Mutual Legal Assistant Treaty ("MLAT") request to their counterparts in Slovakia requesting them to lift the freeze order that is currently in place and thereafter, to wire the funds to the receivership estate.

The Receiver's Slovakian counsel has indicated the funds will likely be transferred within thirty (30 days) of the freeze order being lifted.

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<sup>3</sup> If one hundred percent of the Slovakian funds are repatriated, this would represent approximately 30.02% of the total approved claims of the investors.

### 3. Morocco – \$ 4.87 million

The CFTC obtained a judgment against Emade Echade for \$35 million.<sup>4</sup> The Receiver was informed there is a Banque Populaire account in Mr. Echade's name which contains the equivalent of \$204,000.

The Receiver previously obtained default judgments against two of the account holders (Essadia and Rabiaa Moutaouakkil) in amounts that are equivalent to the balances in their accounts, \$4,294,584.60 and \$325,337.69.<sup>5</sup>

In this fee period the Receiver and his French and Moroccan counsel discussed actions regarding their discussions with Banque Populaire's counsel as well as obtaining Irrevocable Transfer Orders ("ITOs") from the three account holders. The ITOs would direct the bank to transfer the balances in the accounts to the receivership estate.

The ITOs were prepared and forwarded to the account holders. One of the account holders (Emade Echade) emailed the Receiver, thereafter on August 8, 2023. Mr Echade indicated there were funds in the accounts prior to the deposit of the IB Capital funds and the IB Capital funds were deposited. Mr. Echade indicated the account holders would not execute the ITOs unless the Receiver agreed to wire transfer the funds that were in the accounts, prior to the comingling.

On August 8, 2023, the Receiver emailed Mr. Echade inquiring about what amounts were initially on deposit in the accounts. Mr. Echade has thus far not responded to that email.

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<sup>4</sup> The Receiver is charged with collecting assets from Mr. Echade in satisfaction of the CFTC's judgment.

<sup>5</sup> A-19-CV-930-LY [Dkt#'s 38,39] During a hearing in this Court, before Judge Yeakel, the Court inquired if it was okay to close this cause number, with the understanding it could be reopened under Cause number A-12-CV-0862-LY, if the need arose. The Receiver agreed to this Court's request. The judgment amounts were derived by converting the amount of Moroccan Dirham in the accounts at then existing exchange rates with the US Dollar.

Approximately two years ago, the Receiver's Dutch counsel obtained a copy of the three account holders' bank statements and performed an analysis of what funds were in the accounts prior to the IB Capital funds being deposited.<sup>6</sup>

Given the account holders refusal to sign the ITOs, the Receiver will explore having the above referenced judgments recognized in Morocco. The Receiver requested a budget from his French and Moroccan counsel in order to better understand the potential costs associated with the judgment recognition proceedings as well as an estimate of the time frame that would be involved.

According to the DPPO, the subject bank accounts also allegedly contain ill-gotten funds from a separate earlier fraud committed by Mr. Echade and Mr. Geurkink. The Receiver has agreed with the DPPO that if he comes into possession of the funds, a pro-rata portion will be allocated between the IB Capital investors and the investors from the alleged earlier fraud.

#### **4. Communications with Investor Claimants**

The ING Bank Settlement distribution is well under way. In numerous instances, multiple Investor Claimants are now disagreeing with their previous approved claim amounts which require the Receiver's attention.<sup>7</sup> Prior to engaging the Receiver, the Receiver's paralegals will complete as much research as possible. The Receiver's continued to communicate targeted issuance of payments from investors that have multiple claims and that no longer exists as well as reviewing the requested supporting documentation for the investors' claims and how the claims are allocated. The communication with investors were both telephonic and via email.

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<sup>6</sup> The Receiver is scheduled to have a conference call with his Dutch Counsel the week of August 21, 2023.

<sup>7</sup> In instances where the Investor Claimant disagrees with their previous approved claim amounts, the Receiver requests the paralegals to print all supporting claim documentation as well as utilize the ING Bank Wire transfer information obtained by ING Bank for settlement purposes, the Australian Liquidator's approved claim list with amounts distributed and an Atlanta law firm's documentation subpoenaed by the Receiver to reconcile claim differences.

### C. PARALEGALS' ACTIVITIES FOR THIS FEE PERIOD

The majority of the paralegals' activities consisted of communicating with investors, reconciling claims, validating Investor Claimant's addresses the Receiver has on file and newly received W-9's. The paralegal continues to focus on the DocuSign software program which includes sending, receiving and validating addresses as well as signatures as individuals and/or entities on the W-9s and signatures on the Waivers. They also manage the Receivership email box for daily communication which is currently very heavy.<sup>8</sup>

The senior paralegal spent time communicating with the Receiver as it pertained to the ING settlement distribution process and regarding a significant number of questions raised in her conversations with investors concerning their claim as well as potential additional recoveries. She also spent a considerable amount of time communicating with investor claimants that telephoned about various topics.<sup>9</sup> She assisted with court papers. [Dkt.#'s 287, 289]. As part of her monthly duties, she updated the IB Capital ProphetMax bookkeeping notebook to include all approved expenses paid by the Receiver.<sup>10</sup> Her total hours for the month of July were 45; her invoice totaled \$5,289.15. The Receiver's other paralegal's total hours for the month of July were 20; his invoice totaled \$1,632.00.<sup>11</sup>

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<sup>8</sup> Signed Order, [Dkt #253] Receiver's Motion for Distribution Plan and Procedures for Approval of Distribution of Funds to Approved Investor Claimants from the ING Bank Settlement

<sup>9</sup> Approved Investor Claimants telephone regarding status updates, where they are in the rolling distribution process, they want verbal confirmation the Receiver received their W-9's and some elderly investors want bi-weekly updates.

<sup>10</sup>The IB Capital ProphetMax notebook includes all bank statements, invoices, court papers with corresponding orders and an Excel spreadsheet of account activity.

<sup>11</sup>The Receiver's paralegals invoiced 20 hours at \$80.00 per hour which is 20% percent of his normal hourly rate for a total of \$1,632.00 and 45 hours at \$120.00 per hour which is 20% of her normal hourly rate for a total of \$5,289.15. [Dkt. 265]

Expenses incurred by the Hohmann Law Firm were UPS postage to mail W-9's to elderly investors and DocuSign invoices totaling \$2,072.05. The invoices were for additional envelopes and renewing the DocuSign contract until November 2023.<sup>12</sup>

### **CONCLUSION AND PRAYER FOR RELIEF**

The Receiver requests the Court to approve his Twenty-First Fee Application totaling for his invoice which includes time expended by the Receiver for the one-month time period between July 1, 2023, through July 31, 2023, totaling \$25,230.15. Attached as Exhibit 1 to this Motion for Approval of Twenty-First Fee Application and Brief in Support is the redacted invoice detailing all the Receiver's time entries during the Fee Period.

The Receiver requests the Court enter the proposed Order filed with this Motion to approve the payment of the Receiver's fees, interim expenses for the invoices of his two paralegals and to reimburse the Hohmann Law Firm for expenses it previously advanced on behalf of the receivership estate during the Twenty-First Fee Period, which were both reasonable and necessary for the Receiver to fulfill his Court-ordered duties <sup>12</sup>

Respectfully submitted,  
GUY HOHMANN

By: /s/ Guy Hohmann  
Guy Hohmann

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<sup>12</sup> The UPS and DocuSign expenses are allocated 50% to the ING Bank Settlement Administrative Expense account and the IB Capital and ProphetMax receivership estate account. [Dkt.#'s 262,268] The amount reflected in this fee application is IB Capital and ProphetMax receivership estate account portion.



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**RECEIVER FOR THE PROPHETMAX AND  
IB CAPITAL RECEIVERSHIP ESTATES**

**CERTIFICATE OF CONFERENCE**

The Receiver conferred with Timothy Mulreany, counsel for the CFTC, who stated the CFTC does not take a position on the Motion nor the relief sought herein.

/s/ Guy Hohmann  
Guy Hohmann

**CERTIFICATE OF SERVICE**

On August 18, 2023, 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/ Guy Hohmann  
Guy Hohmann



# The Hohmann Law Firm

# INVOICE

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Number	1317
Issue Date	7/1/2023
Due Date	7/31/2023
Email	guyh@hohmannlaw.com

## Bill To:

Guy Hohmann Receiver for ProphetMax and IB Capital  
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 Suite 1100  
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## Time Entries

Time Entries	Rate	Hours	Sub
GMH-RCVR 7/3/2023 Review of investors support documentation, the Australian Liquidator's findings, and conference with Ryn Hohmann regarding same. Attempt to reconcile claim documents and establish claim amounts for three separate claims.	\$658.75	3.80	\$2,503.25
GMH-RCVR 7/6/2023 Email from my Dutch counsel regarding [REDACTED] with Ryn Hohmann regarding sending [REDACTED], email to the DPPO regarding receipt of funds on behalf of Randius account, review of selected supporting documents for several investors claims and conference with Ryn Hohmann regarding same, review and revise proposed emails to investors.	\$658.75	2.40	\$1,581.00
GMH-RCVR 7/10/2023 Email from Cyprus Attorney General regarding [REDACTED] review of selected source documents submitted by investors to confirm appropriate amount of approved claims or to delineate entity versus individual claims and conference with Ryn Hohmann regarding same.	\$658.75	1.80	\$1,185.75
GMH-RCVR 7/11/2023 Review and revise Summary of Funds to be Repatriated document, email to my Slovakian counsel regarding [REDACTED]. Review and revise proposed emails to investors regarding W-9s. Telephone conference with investor regarding dissolved LLC that made the investment, email to my Slovakian counsel regarding [REDACTED]	\$658.75	2.60	\$1,712.75
GMH-RCVR 7/12/2023 Review various source documents supporting investors' claims and reconcile same, conference with Ryn Hohmann regarding same, review of proposed emails to investors regarding claim determinations, emails with my Slovakian counsel regarding [REDACTED]	\$658.75	2.30	\$1,515.13

Exhibit 1

Time Entries	Rate	Hours	Sub
GMH-RCVR 7/17/2023 Review of various source documents supporting investor's claim and emails from investors, conferences with Ryn Hohmann regarding same.	\$658.75	2.30	\$1,515.13
GMH-RCVR 7/18/2023 Prepare Status Report email to my French counsel regarding [REDACTED]	\$658.75	1.60	\$1,054.00
GMH-RCVR 7/19/2023 Review and revise Summary of Possible Funds to be Repatriated, conference with Ryn Hohmann regarding several investors claims that are lacking in corroborating documentation or that have inconsistent information.	\$658.75	3.80	\$2,503.25
GMH-RCVR 7/20/2023 Conference with Ryn Hohmann regarding investor that appears to have no documentation supporting her claim and review of ING wires and the Australian liquidator's list of approved claimants in connection with same, review of investor's emails and selected documentation in connection with multiple claims and conference with Ryn Hohmann regarding resolution of same.	\$658.75	4.10	\$2,700.88
GMH-RCVR 7/21/2023 Review of documents subpoenaed from law firm who forwarded many investors funds to IB Capital through his firms IOLTA account, review and revise Summary of Funds to be Repatriated and calculate current exchange rates from Moroccan Dirhams to USD, email from investor regarding how his claim amount was calculated and prepare responsive email setting forth how his three claim amounts were calculated, email to investor who was no documentation evidencing that she forwarded funds to IB Capital, review additional emails from investor supporting claim documentation and conference with Ryn Hohmann regarding same, email to investor regarding his claim amounts in connection with three separate claims.	\$658.75	4.90	\$3,227.88
GMH-RCVR 7/24/2023 Review of investor's claim determination form and compare to Atlanta law firms subpoenaed file, conference with Ryn Hohmann regarding same, review of the Courts Order on Motion for Instructions in connection with same.	\$658.75	4.70	\$3,096.13
GMH-RCVR 7/25/2023 Voicemails from and to investor regarding change of address and email Tyler Cunningham regarding same. Review and revise Twentieth Fee Application and conference with Ryn Hohmann regarding same.	\$658.75	1.40	\$922.25
GMH-RCVR 7/26/2023 Review and revise Twentieth Fee Application and conference Ryn Hohmann regarding same.	\$658.75	1.20	\$790.50
GMH-RCVR 7/31/2023 Review and revise status report and conference with Ryn Hohmann regarding same, emails with my French counsel regarding [REDACTED] and revise Summary of Funds to be Repatriated.	\$658.75	1.40	\$922.25
	<b>Time Entries Total</b>	<b>38.30</b>	<b>\$25,230.15</b>

Exhibit 1

Total (USD)	\$25,230.15
Paid	\$0.00
Balance	\$25,230.15

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[Terms & Conditions](#)

Net 30

Exhibit 1



It is therefore ORDERED that payment for interim fees and expenses listed above totaling \$34,223.35 for the Receiver's invoice and for services rendered to the ProphetMax Receivership Estate and IB Capital Receivership Estate during the Twenty-First Fee Period is approved.

SIGNED this 21<sup>st</sup> day of August, 2023.



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DAVID A. EZRA  
SENIOR UNITED STATES DISTRICT JUDGE