

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION  
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**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**THE HEARTLAND GROUP VENTURES, LLC;  
HEARTLAND PRODUCTION AND RECOVERY  
LLC; HEARTLAND PRODUCTION AND  
RECOVERY FUND LLC; HEARTLAND  
PRODUCTION AND RECOVERY FUND II LLC;  
THE HEARTLAND GROUP FUND III, LLC;  
HEARTLAND DRILLING FUND I, LP; CARSON  
OIL FIELD DEVELOPMENT FUND II, LP;  
ALTERNATIVE OFFICE SOLUTIONS, LLC;  
ARCOIL CORP.; BARRON PETROLEUM  
LLC; JAMES IKEY; JOHN MURATORE;  
THOMAS BRAD PEARSEY; MANJIT SINGH  
(AKA ROGER) SAHOTA; and RUSTIN  
BRUNSON,**

**Defendants,**

**and**

**DODSON PRAIRIE OIL & GAS LLC; PANTHER  
CITY ENERGY LLC; MURATORE FINANCIAL  
SERVICES, INC.; BRIDY IKEY; ENCYIPHER  
BASTION, LLC; IGROUP ENTERPRISES LLC;  
HARPRIT SAHOTA; MONROSE SAHOTA;  
SUNNY SAHOTA; BARRON ENERGY  
CORPORATION; DALLAS RESOURCES INC.;  
LEADING EDGE ENERGY, LLC; SAHOTA  
CAPITAL LLC; and 1178137 B.C. LTD.,**

**Relief Defendants.**

DEPUTY CLERK W.C.

**SEALED**

No. 4-21CV-1310-0

**JURY DEMANDED**

**- FILED UNDER SEAL -**

**APPLICATION TO EMPLOY DYKEMA GOSSETT PLLC AS COUNSEL TO  
RECEIVER EFFECTIVE AS OF DECEMBER 3, 2021**

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Receivership Order) and the receivership estates (collectively, the “Estates”) in the above-captioned case (the “Case”), hereby files this *Application to Employ Dykema Gossett PLLC as Counsel to Receiver Effective as of December 3, 2021* (the “Application”), pursuant to this Court’s *Order Appointing Receiver* [ECF No. 17] (the “Receivership Order”),<sup>1</sup> requesting entry of an order, substantially in the form of the proposed order (the “Proposed Order”) attached hereto as Exhibit A, granting approval to employ Dykema Gossett PLLC (“Dykema” or the “Firm”) as counsel to the Receiver in this Case. In support of the Application, the Receiver respectfully represents as follows:

**I. Background**

1. On December 1, 2021 (the “SEC Application Date”), Plaintiff, the Securities and Exchange Commission (the “SEC”), filed its application for the appointment of a receiver for the Receivership Parties (the “SEC Application”).

2. On December 3, 2021 this Court determined that entry of an order appointing a receiver over the Receivership Parties was both necessary and appropriate to marshal, conserve, hold, and operate all of the Receivership Parties’ assets pending further order of this Court. Accordingly, the Court entered the Receivership Order on December 3, 2021 appointing Deborah D. Williamson as the Receiver over the Estates in this Case.

3. Pursuant to Paragraph 60 of the Receivership Order, the Receiver is authorized to employ attorneys as the Receiver deems necessary to perform the Receiver’s duties set forth in the

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Receivership Order.

Receivership Order. *See* ECF No. 17 at ¶ 60. Further, pursuant to Paragraph 60 of the Receivership Order, “the Receiver is authorized to solicit persons and entities (‘Retained Personnel’) to assist [her] in carrying out the duties and responsibilities described in this Order.”

## **II. Relief Requested**

4. The Receiver seeks entry of an order authorizing the employment and retention of Dykema effective as of December 3, 2021, as counsel to the Receiver to handle issues related to the Estates. The Receiver will also seek entry of an order authorizing the employment and retention of local counsel as directed by the Court.<sup>2</sup>

5. Dykema’s representation and assistance may include, without limitation, the following:

- a. Investigating all facts and circumstances surrounding any transactions made by the Receivership Parties, specifically including, without limitation, solicitation of investments;
- b. Taking any action as is necessary to preserve and protect the Estates’ assets and interests therein, including, without limitation, prosecution of actions on the Receiver’s behalf against Receivership Parties and other third parties, defending any action commenced against the Estates, and representing the Estates’ interests in negotiations with Receivership Parties and third parties;
- c. Representing the Receiver in any issues related to the marshaling, conservation, preservation, acquisition, retention, operation, and liquidation of the Estates’ assets;
- d. Searching for and securing all assets for the Estates from a variety of potential sources and determining how any assets may have dispersed, as applicable;
- e. Securing and centralizing hard copy files, documents, and electronic records;

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<sup>2</sup> Counsel proposed by the Court as local counsel is currently determining whether there is a conflict or other basis for declining the requested representation.

- f. Developing and implementing plans to sell, monetize, or abandon Estates' assets, including without limitation, oil and gas interests, real property, personal property, aircraft, real-estate interests, private-equity investments, and other assets, and the Estates' business operations as a going concern, as applicable;
- g. Recovering Receivership Assets and/or Recoverable Assets from all entities, including opposing competing claims to those assets;
- h. Releasing frozen assets, where appropriate, through processes approved by the Court;
- i. Analyzing and cataloging potential claims against the Estates;
- j. Developing and implementing plans to initiate litigation to recover value for the Estates, as appropriate;
- k. Responding to claims and litigation initiated by others;
- l. Assisting, reporting to, and responding to governmental and regulatory agencies as appropriate, including responses to inquiries from the SEC in connection with its investigations;
- m. Communicating with the Court, current and former employees, claimants, investors, and other constituents of the Estates, the public, and vendors;
- n. Operating Receivership Parties' businesses, if so determined by the Receiver;
- o. Closing operations of the Receivership Parties, if so determined by the Receiver;
- p. Developing protocols for reviewing and releasing Estates' assets, if appropriate;
- q. Winding-down of employee benefit plans and arrangements, if required;
- r. Filing reports and such other information as required by the Court; and
- s. Any other tasks the Receiver requests that Dykema perform.

6. In addition, it is likely that the Receiver and her team will be confronted with and be required to respond to emergencies and other matters that cannot be anticipated at this time.

The issues listed above and ancillary issues related thereto are collectively referred to in this Application as the “Receivership Issues.”

7. The approval of this Application effective as of December 3, 2021, will not prejudice any parties-in-interest in this Case. The Receiver further submits that the relief requested herein is necessary, appropriate, and in the best interests of the Estates and its parties-in-interest.

### III. Dykema’s Qualifications

8. Dykema has more than 375 attorneys with diverse experience, located in 13 strategically situated offices nationwide, including an office in Dallas. The Receiver is a Member in and Practice Group Leader of the Firm’s Bankruptcy, Insolvency & Creditors’ Rights practice group. As such, the Receiver is familiar with and has worked for Dykema in the past on various insolvency and distressed-restructuring matters, including issues similar to the Receivership Issues in this Case. The Receiver believes the most efficient and cost-effective decision is to hire Dykema for the specific purpose of representing her on the Receivership Issues with the assistance of local counsel and other counsel as required. The Receiver believes that employing Dykema for these purposes makes business sense and is in the best interest of the Estates.

9. In addition, the Receiver has been informed and believes that, based on the *Declaration of Jeffrey R. Fine in Support of Application to Employ Dykema Gossett PLLC as Counsel to Receiver Effective as of December 2, 2021* (the “Fine Declaration”), which is attached hereto as **Exhibit B**, the attorneys with Dykema who will be working primarily on this Case are members in good standing of this Court. Also based on the Fine Declaration—and other than those disclosed in the Fine Declaration—the Receiver is unaware of any conflicts with the Receivership Parties or the Receivership Assets and/or Recoverable Assets.

10. The Receiver also believes that Dykema has considerable experience in matters of this character and is a firm well-qualified to represent her in connection with this Case due to the Firm's expertise in the field of receivership, insolvency, financial restructuring, oil and gas, distressed reorganization, bankruptcy, and debtor-creditor rights. For example, Mr. Fine acted as the replacement counsel to the receiver in *Netsphere, Inc. v. Jeffrey Baron, et al.*, Civil Action No. 3:09-CV-0988-F, Northern District of Texas, Dallas Division, Judge W. Royal Furgeson presiding.<sup>3</sup>

#### IV. Compensation and Reimbursement

11. Subject to this Court's approval of Dykema's engagement, the Receiver proposes to compensate Dykema at a significant discount from Dykema's standard hourly rates. Set forth below are Dykema's standard hourly rates as of the filing of this Application and the proposed discounted rates through 2022:

<u>Professional Category</u>	<u>Standard Hourly Rate (2021)</u>	<u>Proposed Discounted Rate through 2022</u>
Deborah D. Williamson <sup>4</sup>	\$840.00	\$675.00
Members	\$430-\$890	\$432-\$675
Senior Counsel	\$395-\$865	\$445-\$675
Senior Attorneys	\$380-\$625	\$370
Associates	\$370-\$485	\$333-370
Paraprofessionals	\$215-\$430	\$270-\$292

<sup>3</sup> For a description of Dykema's role in resolving this incredibly contentious case, see *Netsphere, Inc. v. Baron*, 703 F. 3d 296 (5th Cir. 2012), and *Netsphere, Inc. v. Baron & Ondova Co.*, Case No. 3:09-cv-0988-F, 2013 U.S. Dist. LEXIS 94308, at \*68-\*70 (N.D. Tex. May 29, 2013).

<sup>4</sup> The Receiver will keep track of her time spent as Receiver for which she will seek compensation at the discounted rate of \$675 per hour.

12. Dykema has agreed to a voluntary reduction of its standard hourly rates as reflected above through 2022, and Dykema has agreed to cap its hourly rate at \$675.00 per hour through 2022. Dykema's invoices will reflect discounted rates from its standard hourly rates, which represents a significant savings for the Estates. Dykema's standard rates are subject to periodic adjustment, typically on January 1 of each year. However, as noted above, Dykema has agreed not to increase its rates through 2022 in this Case. Other attorneys and paralegals employed by Dykema, in addition to those identified below, may from time to time serve the Receiver with the matters described herein.

13. In addition to the compensation for services rendered, Dykema shall be reimbursed for all reasonable out-of-pocket expenses incurred relating directly to work performed for the Receiver in this Case. Examples of such expenses include travel, lodging, meals, equipment and vehicle rental, clerical supplies and services, conference calls, and telephone, photocopy/duplication, and scanning charges.<sup>5</sup>

14. To ensure compliance with all applicable deadlines and exigencies in this Case, Dykema will from time to time utilize the services of overtime secretarial or legal assistants and may seek reimbursement for the same. Dykema does not charge for secretarial or word-processing expenses incurred during the normal working day.

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<sup>5</sup> The Firm charges \$0.20 per page for standard black and white duplication, printing, and scanning and \$0.50 per page for color duplication, printing, and scanning. Dykema does not charge its clients for outgoing or incoming facsimile transmissions. Dykema has a negotiated rate for Lexis computer-assisted legal research on certain covered databases. Research not covered by the Firm's agreement with Lexis is billed at full rates and passed through accordingly. Computer-assisted legal research is used whenever the researcher determines that using Lexis is more cost-effective than using traditional research techniques.

15. Dykema shall seek approval for compensation of its fees and expenses on an interim and final basis in accordance with the Court's Receivership Order, the local rules of this Court, the Billing Instructions, and other applicable orders of the Court. Dykema will keep contemporaneous time records on a daily basis and track its billings on a tenth-of-an-hour basis with time charges allocated accordingly.

**V. Dykema's Disinterestedness**

16. The Receiver is a Member in the Dykema firm. In support of the Application, the Receiver submits the Fine Declaration. The Fine Declaration includes results from the computerized conflicts search run by Dykema's conflicts-management department, which includes narratives explaining any connection between Dykema and the SEC, Receivership Parties, the Estates, and any other significant parties-in-interest in this Case. Except as set forth below or in the Fine Declaration, to the best of the Receiver's knowledge, neither Dykema nor any member, senior counsel, senior attorney, or associate thereof has any current connection with the SEC, the Receivership Parties, the Estates, or any other significant parties-in-interest in this Case, nor represents any interest adverse to the SEC, Receivership Parties, the Estates, or any other significant parties-in-interest in this Case on the matters to which Dykema is being retained. Likewise, except as set forth below or in the Fine Declaration, the professionals at Dykema do not represent any interest materially adverse to the SEC, Receivership Parties, the Estates, or any other significant parties-in-interest in this Case.

17. In addition, as detailed in the Fine Declaration, Dykema has informed the Receiver that Dykema may have and may continue to provide legal advice to or have relationships with parties other than the Receiver. The Receiver may have and may continue to provide legal advice to or have relationships with other parties. Dykema has also informed the Receiver that, except as



set forth below or in the Fine Declaration, it is not presently representing any party in this Case or with interests that conflict with those of the Receiver. However, given its diverse practice and client base, Dykema may represent clients in matters unrelated to this Case who are or become parties in interest to this Case.

18. In addition, as of the SEC Application Date, Dykema was not owed any money for legal services rendered to or expenses paid on behalf of the Receiver in this Case.

19. Dykema has neither shared nor agreed to share with any other person compensation received or to be received in this Case.

20. To the best of the Receiver's knowledge, and except as disclosed in the Fine Declaration, Dykema does not hold or represent any other interest adverse to the Estates. The Receiver believes that Dykema is a disinterested person qualified to represent the Receiver in this Case. The Receiver submits that Dykema's employment in this Case would be in the best interests of the Estates and the parties-in-interest thereof.

## VI. Notice

21. Notice of this Application has been provided to: (a) counsel to the SEC; (b) counsel to the Receivership Parties, if known; and (c) those persons who have formally appeared and requested notice in this Case, as applicable. The Receiver submits that no other or further notice need be provided.

**WHEREFORE**, the Receiver respectfully requests that this Court enter the Proposed Order (a) authorizing the employment of Dykema as counsel for the Receiver in this Case effective as of December 3, 2021; (b) authorizing Dykema to be compensated as set forth herein; and (c) awarding the Receiver such other and further relief that this Court deems just and proper.

Dated: December 3, 2021

Respectfully submitted,

By: Deborah D. Williamson  
Deborah D. Williamson  
(Receiver) *by permission*  
State Bar No. 21617500  
dwilliamson@dykema.com *J. Jeffrey Fine*  
**DYKEMA GOSSETT PLLC**  
112 East Pecan Street, Suite 1800  
San Antonio, Texas 78205  
Telephone: (210) 554-5500  
Facsimile: (210) 226-8395

Jeffrey R. Fine  
(Lead Counsel)  
State Bar No. 07008410  
jfine@dykema.com  
**DYKEMA GOSSETT PLLC**  
1717 Main Street, Suite 4200  
Dallas, Texas 75201  
Telephone: (214) 462-6400  
Facsimile: (214) 462-6401

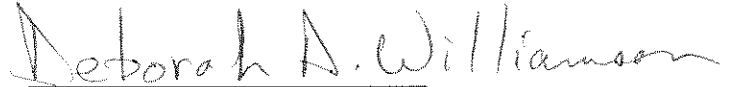
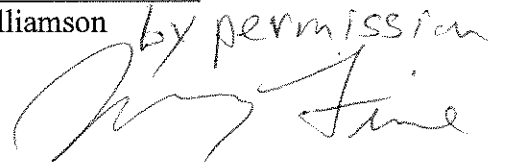
and

Danielle N. Rushing  
State Bar No. 24086961  
drushing@dykema.com  
**DYKEMA GOSSETT PLLC**  
112 East Pecan Street, Suite 1800  
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Telephone: (210) 554-5500  
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**PROPOSED COUNSEL TO  
RECEIVER**


**CERTIFICATE OF CONFERENCE**

I hereby certify that on December 3, 2021, I conferred with Plaintiff Securities and Exchange Commission (the “SEC”) as to the terms and conditions of the employment of Dykema Gossett PLLC as set forth in the foregoing motion. The SEC is not opposed to the relief sought in this motion.

  
Deborah D. Williamson  
Receiver *by permission*  


**CERTIFICATE OF SERVICE**

I hereby certify that on December 3, 2021, the foregoing motion and corresponding exhibits were served via CM/ECF and via email on counsel for Plaintiff Securities and Exchange Commission.

  
Jeffrey R. Fine

**EXHIBIT A**



Before the Court is the *Application to Employ Dykema Gossett PLLC as Counsel to Receiver Effective December 3, 2021* (the “Application”),<sup>1</sup> filed by Deborah D. Williamson, Court-appointed Receiver in the Case, pursuant to the Court’s *Order Appointing*, entered on December 3, 2021, in this Case; the Court finds that: (i) it has subject matter jurisdiction over the Application; (ii) it has personal jurisdiction over the Receivership Parties; (iii) Dykema Gossett PLLC (“Dykema”) (a) does not represent or hold any interests adverse to the Receivership Parties or the Estates and (b) is disinterested and not otherwise disqualified from representing the Receiver; (iv) the Receiver’s employment of Dykema under the scope outlined in the Application is in the best interests of the Estates; (v) proper and adequate notice of the Application has been given and that no other or further notice is necessary; (vi) no objections to the Application were filed with this Court; (vii) (a) the Receiver engaged Dykema on December 2, 2021, and (b) the employment of Dykema should be effective as of that date; and (viii) the Receiver has shown good, sufficient, and sound business purpose and justification for the relief requested in the Application, and that, after due deliberation thereon, good and sufficient cause exists for approving the relief requested therein; accordingly,

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Application is **APPROVED**.
2. Pursuant to the Receivership Order, the Receiver is authorized to employ and retain Dykema as counsel in accordance with the compensation terms detailed in the Application effective as of December 3, 2021.

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Application.

3. Dykema is authorized to provide such professional services in this Case and assist the Receiver in relation to the Receivership Issues outlined in the Application, including, without limitation, any issues ancillary and related thereto. Dykema shall file applications for the approval of compensation of its fees and expenses on an interim and final basis in compliance with the Court's Receivership Order, the local rules of this Court, and such other procedures that may be fixed by an order of this Court.

**SO ORDERED.**

\_\_\_\_\_, 2021.

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REED O'CONNOR  
UNITED STATES DISTRICT JUDGE

Prepared and submitted by:

Deborah D. Williamson

*(Receiver)*

State Bar No. 21617500

dwilliamson@dykema.com

**DYKEMA GOSSETT PLLC**

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Jeffrey R. Fine

*(Lead Counsel)*

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and

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Facsimile: (210) 226-8395

**PROPOSED COUNSEL TO RECEIVER**



**EXHIBIT B**

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

THE HEARTLAND GROUP VENTURES, LLC;
HEARTLAND PRODUCTION AND RECOVERY
LLC; HEARTLAND PRODUCTION AND
RECOVERY FUND LLC; HEARTLAND
PRODUCTION AND RECOVERY FUND II LLC;
THE HEARTLAND GROUP FUND III, LLC;
HEARTLAND DRILLING FUND I, LP; CARSON
OIL FIELD DEVELOPMENT FUND II, LP;
ALTERNATIVE OFFICE SOLUTIONS, LLC;
ARCOIL CORP.; BARRON PETROLEUM
LLC; JAMES IKEY; JOHN MURATORE;
THOMAS BRAD PEARSEY; MANJIT SINGH
(AKA ROGER) SAHOTA; and RUSTIN
BRUNSON,

Defendants,

and

DODSON PRAIRIE OIL & GAS LLC; PANTHER
CITY ENERGY LLC; MURATORE FINANCIAL
SERVICES, INC.; BRIDY IKEY; ENCYIPHER
BASTION, LLC; IGROUP ENTERPRISES LLC;
HARPRIT SAHOTA; MONROSE SAHOTA;
SUNNY SAHOTA; BARRON ENERGY
CORPORATION; DALLAS RESOURCES INC.;
LEADING EDGE ENERGY, LLC; SAHOTA
CAPITAL LLC; and 1178137 B.C. LTD.,

Relief Defendants.

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No. 4-21CV-1310-0

JURY DEMANDED

- FILED UNDER SEAL -

**DECLARATION OF JEFFREY R. FINE IN SUPPORT OF  
RECEIVER'S APPLICATION TO EMPLOY DYKEMA GOSSETT PLLC  
AS COUNSEL TO RECEIVER EFFECTIVE AS OF DECEMBER 2, 2021**

I, Jeffrey R. Fine, declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am over the age of eighteen, and I am in all respects competent to make this Declaration<sup>1</sup> in support of the Receiver's *Application to Employ Dykema Gossett PLLC as Counsel to Receiver Effective as of December 3, 2021* (the "Application"), which is filed concurrently with this Declaration. Unless otherwise stated, I have personal knowledge of all facts set forth in this Declaration, and they are true and correct.

2. I am a Member with the law firm of Dykema Gossett PLLC ("Dykema"), resident in the Firm's Dallas, Texas office. I am a member in good standing of the State Bar of Texas, and I am admitted to practice in the United States Bankruptcy and District Courts for all Districts of Texas. There are no disciplinary proceedings pending against me.

3. Dykema is a full-service, national law firm with offices in California, Illinois, Michigan, Minnesota, Texas, and Washington, D.C. Dykema has experience and expertise in all facets of legal practice, including advising national and international companies, receivers, debtors, creditors, and court-appointed officials in insolvency proceedings and out-of-court workouts. Dykema is well qualified to act as counsel for the Receiver in the above-captioned case (the "Case").

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed in the Application.

**I. Services to be Provided**

4. The Receiver seeks entry of the Proposed Order authorizing the employment and retention of Dykema as of December 3, 2021, as counsel to the Receiver to handle all issues related to the Receivership Parties' Estates. Such representation and assistance may include, without limitation, the following:

- a. Investigating all facts and circumstances surrounding any transactions made by the Receivership Parties, specifically including, without limitation, solicitation of investments;
- b. Taking any action as is necessary to preserve and protect the Estates' assets and interests therein, including, without limitation, prosecution of actions on the Receiver's behalf against Receivership Parties and other third parties, defending any action commenced against the Estates, and representing the Estates' interest in negotiations with Receivership Parties and third parties;
- c. Representing the Receiver in any issues related to the marshaling, conservation, preservation, acquisition, retention, operation, and liquidation of the Estates' assets;
- d. Searching for and securing all assets for the Estates from a variety of potential sources and determining how any assets may have dispersed, as applicable;
- e. Securing and centralizing hard copy files, documents, and electronic records;
- f. Developing and implementing plans to sell, monetize, or abandon Estates' assets, including without limitation, oil and gas interests, real property, personal property, aircraft, real-estate interests, private-equity investments, and other assets, and the Estates' business operations as a going concern, as applicable;
- g. Recovering Receivership Assets and/or Recoverable Assets from all entities, including opposing competing claims to those assets;
- h. Releasing frozen assets, where appropriate, through processes approved by the Court;
- i. Analyzing and cataloging potential claims against the Estates;

- j. Developing and implementing plans to initiate litigation to recover value for the Estates, as appropriate;
- k. Responding to claims and litigation initiated by others;
- l. Assisting, reporting to, and responding to governmental and regulatory agencies as appropriate, including responses to inquiries from the SEC in connection with its investigations;
- m. Communicating with the Court, current and former employees, claimants, investors, and other constituents of the Estates, the public, and vendors;
- n. Operating Receivership Parties' businesses, if so determined by the Receiver;
- o. Closing operations of the Receivership Parties, if so determined by the Receiver;
- p. Developing protocols for reviewing and releasing Estates' assets, if appropriate;
- q. Winding-down of employee benefit plans and arrangements, if required;
- r. Filing reports and such other information as required by the Court; and
- s. Any other tasks the Receiver requests that Dykema perform.

5. In addition, it is likely that the Receiver and her team will be confronted with and be required to respond to emergencies and other matters that cannot be anticipated at this time.

## **II. General Disclosures**

6. Dykema is required to disclose to this Court any and all connections with the SEC, Receivership Parties, the Estates, and any other significant parties-in-interest in this Case.

7. Dykema and certain of its members, senior counsel, senior attorneys, and associates may have in the past represented, may currently represent, and likely in the future may represent parties-in-interest of the SEC, Receivership Parties, the Estates, or any other significant parties-in-interest in this Case. Dykema has conducted a search of its electronic client database to ascertain

its connections with parties-in-interest in this Case and to ensure that it is in compliance with the Court's Receivership Order and the local rules of this Court.

8. Dykema has undertaken a detailed review of its files to determine its connections and to make the disclosed contained herein. Due to the unknown number and identity of parties-in-interest in this Case as a result of the early stage of the Receiver's investigation, Dykema is currently unable to completely and accurately reflect every possible connection between Dykema and all potential parties-in-interest. In addition, Dykema has approximately 375 attorneys located in 13 offices and additional connections unknown to me that may exist. Dykema is continuing its review of its files, and, if any additional connections are discovered, I will supplement this Declaration to disclose any supplemental connections not disclosed at this time.

9. Insofar as I have been able to ascertain, neither I, Dykema, nor any member, senior counsel, senior attorney, associate or professional of Dykema has any current connection with the SEC, Receivership Parties, the Estates, or any other significant parties-in-interest in this Case (other than the Receiver), or the respective attorneys, accountants, agents, and affiliates of the foregoing, except as may otherwise be set forth, qualified, and disclosed in this Declaration.

10. Neither I, Dykema, nor any member, senior counsel, senior attorney, or associate of the firm insofar as I have been able to ascertain, holds or represents any interest adverse to the SEC, Receivership Parties, the Estates, or any other significant parties-in-interest in this Case (other than the Receiver) in connection with matters upon which Dykema is to be engaged. I am not aware of any claims that Dykema holds or would hold against the Estates. To the extent that I become aware of any additional relationships that may be relevant prior to the Court's determination of the Application, I will promptly file a supplemental declaration disclosing such information.

11. Dykema will not represent any person or entity in a transaction with the Estates that may conflict with Dykema's representation of the Receiver in this Case.

### **III. Specific Disclosures**

12. The Receiver is a Member in and Practice Group Leader of Dykema's Bankruptcy, Insolvency & Creditors' Rights practice group.

13. Dykema may represent or hold connections with certain parties-in-interest to this Case in connection with ongoing matters unrelated to the SEC, Receivership Parties, and the Estates. No such representation is materially adverse to the interests of the Estates or any parties-in-interest thereof. Dykema is not disqualified from acting as the Receiver's counsel merely because it may represent certain parties-in-interest in matters unrelated to this Case. Other than the Receiver's membership status with Dykema, I am not aware of any other connections.

14. The Receiver will obtain independent counsel to address any issues that may arise in the future among the Receiver, on the one hand, and other Dykema clients, on the other hand. If a dispute develops between the Receiver and any current client, then Dykema will not be involved in said dispute.

### **IV. Professional Compensation During the Case**

15. Dykema shall seek approval for compensation of its fees and expenses on an interim and final basis in accordance with the Court's Receivership Order, the local rules of this Court, the Billing Instructions of the SEC, and any other applicable orders of this Court. Dykema will keep contemporaneous time records on a daily basis and track its billings on a tenth-of-an-hour basis with time charges allocated accordingly.

16. Subject to this Court's approval of Dykema's engagement, the Receiver proposes to compensate Dykema at a significant discount to Dykema's standard hourly rates. Set forth

below are Dykema's standard hourly rates as of the filing of this Application and the proposed discounted rates through 2022:

<u>Professional Category</u>	<u>Standard Hourly Rate (2021)</u>	<u>Proposed Discounted Rate through 2022</u>
Deborah D. Williamson <sup>2</sup>	\$840.00	\$675.00
Members	\$430-\$890	\$432-\$675
Senior Counsel	\$395-\$865	\$445-\$675
Senior Attorneys	\$380-\$625	\$370
Associates	\$370-\$485	\$333-370
Paraprofessionals	\$215-\$430	\$270-\$292

17. I have significant experience in federal equity receivership actions. I acted as the replacement counsel to the receiver in *Netsphere, Inc. v. Jeffrey Baron, et al.*, Civil Action No. 3:09-CV-0988-F, Northern District of Texas, Dallas Division, Judge W. Royal Furgeson presiding.<sup>3</sup> I am based in the Dallas office of Dykema.

18. Dykema has agreed to a voluntary reduction of its standard hourly rates reflected above through 2022, and Dykema has agreed to cap its hourly rate at \$675.00 per hour through 2022. Dykema's invoices will reflect discounted rates from its standard hourly rates, which represents a significant savings for the Estates. Dykema's standard rates are subject to periodic adjustment, typically on January 1 of each year. However, as noted above, Dykema has agreed not to increase its rates through 2022 in this Case. Other attorneys and paralegals employed by

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<sup>2</sup> The Receiver will keep track of her time spent as Receiver for which she will seek compensation at the discounted rate of \$675 per hour.

<sup>3</sup> For a description of Dykema's role in resolving this incredibly contentious case, see *Netsphere, Inc. v. Baron*, 703 F. 3d 296 (5th Cir. 2012), and *Netsphere, Inc. v. Baron & Ondova Co.*, Case No. 3:09-cv-0988-F, 2013 U.S. Dist. LEXIS 94308, at \*68-\*70 (N.D. Tex. May 29, 2013).



Dykema, in addition to those identified below, may from time to time serve the Receiver with the matters described herein.

19. In addition to the compensation for services rendered, Dykema shall be reimbursed for all reasonable out-of-pocket expenses incurred relating directly to work performed for the Receiver in this Case. Examples of such expenses include travel, lodging, meals, equipment and vehicle rental, clerical supplies and services, conference calls, and telephone, photocopy/duplication, and scanning charges. Dykema charges only the amount actually incurred by it in connection with such items.<sup>4</sup>

20. To ensure compliance with all applicable deadlines and exigencies in this Case, Dykema will from time to time utilize the services of overtime secretarial and legal assistants and may seek reimbursement for the same. Dykema does not charge for secretarial or word-processing expenses incurred during the normal working day.

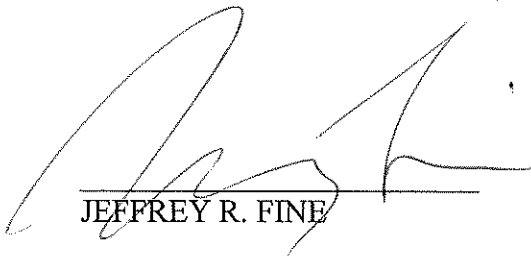
21. Dykema further states that it has not shared nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the members, senior counsel, senior attorneys, associates, and other attorneys associated with Dykema or (b) any compensation another person or party has received or may receive.

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<sup>4</sup> Dykema charges \$0.20 per page for standard black and white duplication, printing, and scanning and \$0.50 per page for color duplication, printing, and scanning. Dykema does not charge its clients for outgoing or incoming facsimile transmissions. Dykema has a negotiated rate for Lexis computer-assisted legal research on certain covered databases. Research not covered by the Firm's agreement with Lexis is billed at full rates and passed through accordingly. Computer-assisted legal research is used whenever the researcher determines that using Lexis is more cost-effective than using traditional research techniques.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 3, 2021



JEFFREY R. FINE