The Setup, The Sellout, and The Score: How Defense Counsel Took $1.5 Million, Swapped Jerseys, and Billed with the Corrupt Receiver

When the administrative state targets a business, the constitutional guarantee of due process is supposed to be the line they cannot cross. But what happens when the very lawyers hired to defend that line take millions, set up their own clients for court sanctions, and jump in bed with the government's receiver?

That is the scandal behind the Par Funding takeover in late summer 2020. It was not a neutral receivership preserving capital. It was an orchestrated shakedown. Defense attorney Brett Berman and Big Law Firm Fox Rothschild took a massive defense retainer, gave explicit instructions that walked their clients directly into a contempt trap, bailed after two weeks, handed the client's money over to the adversary, and then joined the receiver's lucrative billing payroll for over a year.

To the Freedom Fighters watching this case, the playbook is unmistakable: this was not accidental legal malpractice; it reeks of a coordinated scheme designed from day one to cripple the defense, withhold discovery, and bleed millions from the estate.

The $1.5 Million Retainer and the Mirror-Image Directive
When the SEC descended on Par Funding, Joseph LaForte wired a massive $1.5 million retainer to Fox Rothschild to lead the company's legal defense.
At the same time that legal retainer was secured, Brett Berman and Fox Rothschild gave direct, written instructions to CFO Joe Cole. The directive was plain: mirror and back up the servers, cloud files, and accounting databases immediately so company personnel could work remotely and ensure business continuity. Par was moving $1.6 million daily in ACH processing across thousands of accounts; freezing operations meant instant collapse. Cole followed his lawyers' advice to the letter.

EXHIBIT: DE-757-3 / Written Instructions from Brett Berman & Joe DeMaria of Fox Rothschild Directing CFO Joe Cole to Mirror and Download Data

On Jul 27, 2020, at 7:22 AM, Berman, Brett <BBerman@foxrothschild.com> wrote:

Joe cole

Let me know when you are free and we can get on a call with joe D ASAP this morning. Thanks.

Brett A. Berman, Esq.
Partner
Co-Chair of Litigation Department

Firm Website | **COVID-19 Resource Center**

PA: 2000 Market Street | 20th Floor | Philadelphia, PA 19103
NY: 101 Park Avenue | Suite 1700 | New York, NY 10178

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(215) 299-2842 (Philadelphia office)
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(215) 299-2150 (facsimile)
bberman@foxrothschild.com

California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

On Jul 27, 2020, at 7:13 AM, DeMaria, Joseph A. <jdemaria@foxrothschild.com> wrote:

> Joe. Call my cell below. I'll explain the process. Bottom line if a receiver is appointed, which we are resisting, the receiver takes over your business. That means they get the original ode documents. You need to take your download away from the business so you ha e a personal copy in case this happens. But call me as I have some questions.
>
> Sent from Joe DeMaria's iPhone

305-322-2263
Please excuse any typos.

On Jul 27, 2020, at 7:05 AM, Joe Cole <joecole@parfunding.com> wrote:

To update you guys, we have backups made of the cloud server accounting files and our local network servers.

In the event that we have to turn the files over, it would make more sense to give the receiver these files rather than the admin rights to our third party vendor housing all the other company files.

Also the FSP / CBSG email servers will take a couple days to create an archive copy from the quantity of data we have saved. Kevin and I followed up with their technical support team last night and are following the procedures provided for companies that routinely archive their email files. To avoid disruptions in communications, we should consider setting up a separate domain to handle communications if we're also unable to access our email servers.

Please confirm if this works and our game plan for today if the court moves forward with the injunction. Thanks.

Joe Cole

On Sun, Jul 26, 2020 at 12:39 PM Berman, Brett
<BBerman@foxrothschild.com> wrote:

Is there anyway that Kevin or someone else can have a backup created today?

Brett A. Berman, Esq.
Partner
Co-Chair of Litigation Department

Fox Rothschild LLP
ATTORNEYS AT LAW

Firm Website | **COVID-19 Resource Center**

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California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

EXHIBIT: DE-115 / Defendants' Joint Reply Demonstrating Defense's Good-Faith Operational Plan

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 20-cv-81205-RAR

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, et al.,

Defendants.
_______________________________________/

DEFENDANTS' JOINT REPLY TO THE RECEIVER'S RESPONSE TO DEFENDANTS' JOINT CROSS MOTION TO HAVE THIS COURT DIRECT THE RECEIVER TO REHIRE SKILLED, KNOWLEDGEABLE AND EXPERIENCED CBSG EMPLOYEES WHO KNOW THE BUSINESS AND HAVE BEEN OUT OF WORK <u>SINCE THE TRO AND THE RECEIVER'S APPOINTMENT</u>

In its response to Defendants' joint motion to rehire experienced CBSG employees, the Receiver candidly advises that he has no experience with the merchant cash advance industry, is incapable of managing or monitoring the day to day operations of CBSG, and will need guidance on countless issues, including varying state laws and regulations. (Receiver's Corrected Reply at 1-2)[1] We agree with the Receiver that the merchant cash funding business is complicated and

[1] The Receiver's initial motion to retain a professional was premised on two factual claims – an alleged $500 million in defaulted agreements and the inability to speak with knowledgeable CBSG employees. (Receiver's Expedited Motion to Engage a Professional dated August 6, 2020 at para.'s 10-11, Dkt. No. 101) Both of those factual claims were soundly disproved in our Motion to Rehire Employees and are no longer made here. Also not challenged is the proof of the SEC's wildly inaccurate assertion to this Court on August 4, 2020 that CBSG only had $2.5 million in accounts – when it in fact had about $25 million. (*See* Defendants' Cross Motion to Hire Employees at p. 5 and Exhibit 2, August 7, 2020, Dkt. No. 106) <u>This is the problem; both the SEC and the Receiver</u>

requires skilled individuals with expertise in underwriting, accounting, account processing, bookkeeping, ACH processing and the particular platforms and systems that were designed for CBSG. We also agree that the Receiver should have available, individuals with expertise in the state laws and regulations governing CBSG's business, as well as individuals who have detailed knowledge of the litigation, both advanced and defended, by CBSG. One needn't look far for the people who possess this knowledge and expertise—they are right in front of us. Indeed, it is for this very reason that Defendants filed this cross-motion for the Receiver to rehire CBSG employees.

For example, the Receiver wishes to employ someone with insight into CBSG's "underwriting procedures," and whether they are "sufficient." (*Id.* at 2) It is pretty clear that, whatever those procedures are, they have worked extremely well. Since 2012, CBSG has provided factoring agreements for businesses, and paid investors like clockwork, missing an interest payments only in April and May 2020 due to COVID-19's dramatic effect on small businesses, while at the same time maintaining significant reserves in its bank accounts.[2] Since 2012, for the past eight years, the cash over cash default rate is 1.2%—an extraordinarily excellent number, perhaps the best in the industry. Since 2012 investors have generally received interest returns of 10-20%. It is absolutely fair to say that by the time a new person, much less and far worse, a whole new group of people (DSI, for example), understands that the underwriting procedures are

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are acting on very inaccurate information. The Receiver needs to rehire the employees with knowledge immediately and the SEC needs to release funds for him to do so.

[2] CBSG missed payments after the SEC filed its *ex parte* action, froze accounts and requested a Receiver on or about July 25, 2020.

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excellent—weeks or months from now—this company will be over and the harm to investors caused by the SEC's actions in this case will be irreparable.[3]

We include herein a **<u>Proposed Action Plan</u>**. (*See* pages 7-8, *infra*.)

The receiver requests advice on whether the portfolio of MCA's should be enforced under their current terms or restructured.[4] (*Id.* at 2) But that is just what CBSG did in response to COVID-19 with their expert employees—employees who know this information now. These very employees, whom worked month after month and year after year to achieve excellent numbers in the past, just repositioned the company to successfully respond to COVID-19.[5] The employees understand that the post-COVID-19 business environment is dramatically altered; it is they who have spent the last three months addressing the COVID-19 fallout and successfully restructured the vast majority of defaults brought on by the pandemic. Indeed, the Exchange Offer in March and April 2020 was instituted because of, driven by, and responsive to, the COVID-19 business environment. CBSG quickly grasped the dramatic and negative consequences of COVID-19 on small businesses and acted immediately by re-aligning the promissory note interest rates with

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[3] Not only that, paying hundreds of thousands of dollars to a new group of people to learn, from scratch, a very successful but extremely complicated business with its own relationships with the merchants, which are in contact daily, as well as investors, will accomplish nothing, is wholly unnecessary and will just dissipate assets.

[4] Ironically, and sadly, the SEC criticized just the kind of "restructuring" considered by the Receiver and made it an element of their Complaint, having apparently not the faintest idea that it was done in response to the burgeoning COVID-19 crisis. (*See* SEC Complaint at para.'s 126-141, Dkt. No. 1)

[5] The Receiver expresses concern that defendant Joseph Laforte is one of the employees Defendants seek to be rehired and even attaches his recent indictment. That is just a red herring. Defendants do not request that the Receiver hire Joseph Laforte or Lisa McElhone and made that crystal clear in our cross-motion. Nor will they have access to any of the CBSG bank accounts.

3

Two Weeks of Work, $600K Kept, and a Wire to the Enemy

Brett Berman and Fox Rothschild stayed on the defense side for roughly two weeks. During that brief window, they burned through a staggering $600,000 of LaForte's defense retainer. Then came the knife in the back. Fox Rothschild abruptly withdrew from the case, leaving the defendants completely stranded. But they did not return the remaining $900,000 to the client who paid it. Instead, Fox took LaForte's defense funds and wired the balance straight to the receiver.

EXHIBIT: DE-143 / Fox Rothschild LLP's Motion to Withdraw as Counsel for Par Funding / CBSG

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO.: 20-cv-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a PAR FUNDING, et al,

Defendants.
_______________________________/

FOX ROTHSCHILD LLP's MOTION TO WITHDRAW AS COUNSEL FOR COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND FULL SPECTRUM PROCESSING, INC.

Pursuant to S.D. Fla. Local Rules 11.1(d)(3)(A), undersigned counsel respectfully requests the Court enter an order granting the withdrawal of Fox Rothschild LLP, and attorneys Joseph A. DeMaria, Robert F. Elgidely, Alex L. Braunstein, and Brett Berman, as counsel for Complete Business Solutions Group, Inc. and Full Spectrum Processing, Inc. ("Corporate Defendants") and state as follows:

1. On July 27, 2020, Joseph A. DeMaria, Robert F. Elgidely and Alex L. Braunstein of Fox Rothschild LLP filed their Notices of Appearance in this case on behalf of Corporate Defendants Complete Business Solutions Group, Inc. ("CBSG") and Full Spectrum Processing, INc. ("Full Spectrum"). On July 28, 2020, Brett Berman filed a Motion to Appear *Pro Hac Vice* [ECF No. 37], and an Order Granting that Motion was entered by the Court on July 29, 2020 [ECF No. 44].

2. On August 13, 2020, the Court entered its Amended Order Appointing Receiver, ECF 141. Among other provisions, the Amended Order terminates all attorneys of the Corporate Defendants.

3. Pursuant to Local Rule 11.1, notice of this motion to withdraw as counsel was provided to counsel for the Receiver, who pursuant to the Amended Order, now represents the interests of the Corporate Defendants.

WHEREFORE, Fox Rothschild LLP and Joseph A. DeMaria, Brett Berman, Robert F. Elgidely and Alex L. Braunstein, respectfully request the Court to enter an Order granting their withdrawal as counsel in this case on behalf of CBSG and Full Spectrum. Undersigned counsel is submitting a proposed Order granting this Motion to the Court.

Respectfully submitted,

Fox Rothschild LLP
One Biscayne Tower, Suite 2750
2 South Biscayne Blvd.
Miami, Florida 33131
Telephone: (305) 442-6547

By: /s/*Joseph A. DeMaria*
Joseph A. DeMaria, B.C.S.
Florida Bar No. 764711
Email: JDeMaria@FoxRothschild.com

CERTIFICATE OF SERVICE

I hereby certify that on **August 14, 2020**, I electronically filed the foregoing with the Clerk of the Court using CM/ECF.

/s/*Joseph A. DeMaria*
Joseph A. DeMaria

EXHIBIT: DE-158 / Court Order Granting Fox Rothschild's Motion to Withdraw as Counsel

Case 9:20-cv-81205-RAR Document 158 Entered on FLSD Docket 08/15/2020 Page 1 of 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a PAR FUNDING, *et al.*,

Defendants.
_______________________________/

ORDER GRANTING MOTION TO WITHDRAW AS COUNSEL

THIS CAUSE comes before the Court on Fox Rothschild LLP's Motion to Withdraw as Counsel for Complete Business Solutions Group, Inc. and Full Spectrum Processing, Inc. [ECF No. 143], filed on August 14, 2020. Being fully advised, it is hereby

ORDERED AND ADJUDGED as follows:

1. The Motion [ECF No. 143] is **GRANTED**.

2. The law firm of Fox Rothschild LLP and its attorneys Joseph A. DeMaria, Brett Berman, Robert F. Elgidely, and Alex L. Braunstein are hereby **DISCHARGED** of all further responsibilities related to Defendants Complete Business Solutions Group, Inc. and Full Spectrum Processing, Inc. in these proceedings.

DONE AND ORDERED in Ft. Lauderdale, Florida this 15th day of August, 2020.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

cc: counsel of record

The Backdoor Trap: Spying on a Private Home During "Meet and Confers"

While Fox Rothschild was still supposedly conferring on behalf of the defendants, the receiver and vendor Lawgical Insight were running an end-run around the Fourth Amendment and the fundamental boundaries of federal law.

Instead of conducting lawful discovery in open court, the receiver teamed up with forensic contractors to target Lisa McElhone's private home through clandestine surveillance. Bypassing the rigorous standards of the Fourth Amendment—which shields private domestic residences from warrantless state and quasi-governmental intrusion—they issued backdoor, third-party subpoenas to Verizon, weaponizing them to run unauthorized residential IP tracing and construct invasive geographic "heat maps" zeroed in on her living room.

This unlawful domestic snooping violated a battery of federal statutes and procedural protections:
-The Stored Communications Act (18 U.S.C. § 2703): Prohibits obtaining private subscriber electronic transaction records and communications without meeting strict statutory thresholds and judicial orders.
-The Electronic Communications Privacy Act & Federal Wiretap Act (18 U.S.C. § 2511): Bars the unauthorized interception, tracking, and electronic eavesdropping of wire, oral, or electronic communications.
-The Computer Fraud and Abuse Act (CFAA, 18 U.S.C. § 1030): Penalizes intentional, unauthorized access to private digital systems, networks, and personal data feeds.
-Abuse of Rule 45 Subpoenas: Tramples Federal Rule of Civil Procedure 45(d)(3), which strictly bars using subpoenas to circumvent standard discovery, impose undue burdens, or invade personal privacy rights.

Fifth Amendment Due Process & Sixth Amendment Protections: Strips litigants of fundamental fairness by turning an estate fiduciary into a rogue domestic espionage outfit.

Worst of all, by systematically tracking and intercepting data traffic running to and from Lisa McElhone's private residence during the heat of active litigation, the receiver and Lawgical Insight were not just monitoring bandwidth—they had positioned themselves directly inside the defendants' digital perimeter. This allowed them to intercept, review, and exploit protected defense strategies, confidential legal deliberations, and privileged attorney-client work product before the defense could even present its case in court.

EXHIBIT: DE-438-8 / Receiver Billing Entries Proving Mandated Meet-and-Confer Calls with Brett Berman

7/30/2020	Phone call with Par Funding employee Aida Lau, Alfano and Berman to process for collecting on MCAs.	RKS	0.5	$	197.50
7/30/2020	Phone call with Alfano following Par Funding employee interview to discus operational issues.	RKS	0.2	$	79.00
7/31/2020	Phone call with Alfano in preparation with call for Berman, counsel for CBSG.	RKS	0.1	$	39.50

7/31/2020	Phone call with Berman and Alfano.	RKS	0.4	$	158.00
7/31/2020	Second phone call with, Alfano, briefly joined by Berman.	RKS	0.4	$	158.00
8/14/2020	Review of Berman email response to Kolaya.	RKS	0.1	$	39.50
8/16/2020	Call with Brett Berman and G. Alfano to discuss turning over of law firm work product and communications with employees.	TK	0.3	$	118.50
8/16/2020	Prepare email summary of information from call with B. Berman.	TK	0.2	$	79.00
8/16/2020	Follow up emails with B. Berman, J. Demaria, R. Elgidely, and G. Alfano regarding work product and related issues.	TK	0.3	$	118.50
8/16/2020	Emails and follow up with B. Berman regarding emails and production of work product from Fox Rothschild.	TK	0.6	$	237.00
8/16/2020	Review of Berman email memorializing morning call with Alfano / Kolaya; reviewed Kolaya memo to file re: conversation with Berman; review Ross proposed email; drafted extensive correspondence to Receivership team with suggestions re: future correspondence, reviewed several rounds of edits and suggestions regarding same; reviewed Berman responses to same.	RKS	1.6	$	632.00
8/17/2020	Multiple emails and follow up requests to B. Berman regarding requests for legal opinions and memoranda.	TK	0.4	$	158.00
9/1/2020	Zoom conference with G. Alfano, Brett Berman, M. Soto, and P. Levitt to discuss pending issues related to Fox Rothschild.	TK	1.2	$	474.00

EXHIBIT: DE-438 / Receiver Invoices Detailing Secret Verizon Subpoenas, IP Traces, and Heat Maps Targeting Lisa McElhone's Home

DE-438

9/1/2020	Zoom conference with Kolaya and G. Alfano to discuss follow up from call with Fox, subpoena to Verizon, position on life settlement polices, and other related issues.	RKS	1.4	$	553.00
9/1/2020	Prepare subpoena to Verizon re IP addresses and prepare and serve notice of serving subpoena.	TK	0.8	$	316.00
9/1/2020	Zoom conference with R. Stumphauzer and G. Alfano to discuss follow up from call with Fox, subpoena to Verizon, position on life settlement polices, and other related issues.	TK	1.4	$	553.00
9/2/2020	Correspondence regarding emails regarding Verizon subpoena.	RKS	0.2	$	79.00
9/3/2020	Call with Verizon to discuss subpoena and timing of response.	TK	0.2	$	79.00
9/4/2020	Emails, phone calls and follow up with Verizon regarding subpoena to obtain information about IP address associated with unauthorized access to system, follow up with M. Russo re same, and research relating to ability to obtain records and information from cable service provider.	TK	0.6	$	237.00
9/4/2020	Exchanged several emails with Russo and Kolaya regarding Verizon subpoena, re: data intrusion, re: IP tracing to former CBSG management, re status report.	RKS	0.3	$	118.50
9/11/2020	Review of emails re: Verizon response and techniques for investigating IP address associated with data theft, heat maps linking same to McElhone home.	RKS	0.1	$	39.50

2	Forensic Analysis 02 Sep 2020 : Analyze files from Knew Logic GSuite and search for records. Meeting with HD Investigative to discuss eDiscovery collection and related receivership entities. Discuss network rights and shares with RN; prepare shares for returning employees. Run search queries against collected entities to locate documents for receiver. Locate Verizon contact to ask about VSAT portal to reduce response needed for Lisa's IP Trace.	8.25	325.00	2,681.25
4	Forensic Analysis 04 Sep 2020 : Review HYOPSYS Invoices from ABFP to determine services that are no longer needed to reduce costs. Discuss QNAP logistics with Yale at DSI. Discuss security logistics with Right Networks and Elliott Davis. Review Compliance letter from Verizon and create timeline of events that log and traced Lisa's IP Address. Modify security and permissions in Parfunding GSuite for certain spreadsheets that returning employees need access to. Run queries and searches in GSuite for data relevant to hot investors/clients.	7.75	325.00	2,518.75

The Contempt Ambush: Silence Bought, Discovery Blocked

Armed with Verizon logs and the mirrored files that Berman had ordered, the receiver dragged Lisa McElhone and Joe Cole into court on contempt charges.

All McElhone and Cole did was follow the written legal advice of Brett Berman. Under basic legal ethics, Berman was obligated to stand before the bench and tell the truth: **"Your Honor, the defendants did not steal data. They followed my direct advice to mirror files for business continuity."**

Berman said nothing. He stayed silent while Lisa McElhone and Joe Cole were slammed with contempt sanctions and ordered to pay $75,000 directly out of pocket. And Judge Ruiz ignored the exhibit of the exact email provided to show him that the defendants were simply following the advice of counsel. A lay person does not know the rules, they rely on counsel.

That manufactured contempt charge became the administrative weapon the receiver needed. It generated weaponized headlines in the press, poisoned the court's perception of the defendants, gave the receiver cover to withhold critical discovery, and caused catastrophic, irreversible delays to the defense.

EXHIBIT: Email from LaForte to Defense Counsel Exposing the Timeline, the Contempt Trap, and the Prejudicial Discovery Blackout

Contempt issue Inbox ×

joeacpriv@gmail.com Mon, Sep 20, 2021, 5:06 PM
to David, Joshua, Joe, Alejandro, Bettina, me, Alan

1. The judge is about to pump out an order saying the 1.5 million is not a nefarious action by Fox
2. That same time period fox told Cole to download the documents, literally in the same conversation as the money.
3. So if the money timeline works, then the download timeline also works and we never should have been held in contempt
4. If we were not held in contempt, then we would have had our discovery sooner
5. If we had our discovery sooner we could have proved the lies told in the TRO and perhaps the expansion would not have taken place
6. If we had our discovery sooner the judge would have seen what I believe he sees now, that he was lied to
7. The contempt caused major damage to our case. Articles in the paper, poisoned the court, fees to defend, and delay of justice.
8. The sec sent over 6000 documents Friday, outside the discovery period, further giving us a disadvantage.

The bottom line here is by the judge striking the contempt on the money for Fox, shows he never would have allowed the contempt on Lisa and Joe Cole to proceed because it was the same day as the money issue and the timeline was exactly the same. This case is sideways because of the lies told by the sec and the receiver since day one.

The Grand Grift: Swapping Jerseys to Join Team Receiver
Where did Brett Berman go after abandoning his clients and leaving them pinned under a contempt citation?
He switched jerseys.

In a display that tramples ABA Model Rules 1.7 and 1.9 on client loyalty and adverse conflicts of interest, Berman and Fox Rothschild were absorbed directly into the receiver's paid legal apparatus. After taking $1.5 million from LaForte, keeping $600,000 for two weeks of work, and handing the rest to the receiver, Berman spent over a year billing the Par Funding estate under "Case Administration" and "Business Operations".

He helped create the fire, walked away with defense retainers, and then billed the estate tens of thousands of dollars to help the other side put it out—all while the receivership cartel ran up over $60.5 million in total professional fees.

EXHIBIT: DE-491, DE-589, DE-699, DE-948 / Fee Applications Showing Brett Berman Billing the Receivership Estate for Over a Year

DE-491 Receiver's Second Application for Fees

TASK SUMMARY:

Task	Description	Hours	Total
4	CASE ADMINISTRATION	69.0	$25,235.00

TIMEKEEPER TIME SUMMARY:

Timekeeper	Title		Hours	Rate	Total
B. BERMAN	PARTNER		48.0	$395.00	$18,960.00
M. KENT	PARTNER		0.8	$395.00	$316.00
A.S. CONSOLE	ASSOCIATE		20.2	$295.00	$5,959.00
		TOTAL	69.0		$25,235.00

TOTAL BALANCE DUE UPON RECEIPT $25,235.00

DE-589 Receiver's Third Application for Fees

TASK SUMMARY:

Task	Description	Hours	Total
4	CASE ADMINISTRATION	90.7	$33,666.50

TIMEKEEPER TIME SUMMARY:

Timekeeper	Title		Hours	Rate	Total
B. BERMAN	PARTNER		69.1	$395.00	$27,294.50
A.S. CONSOLE	ASSOCIATE		21.6	$295.00	$6,372.00
E-DISCOVERY			1.2	$260.00	$312.00
		TOTAL	91.9		$33,978.50

TOTAL BALANCE DUE UPON RECEIPT $33,978.50

DE-699 Receiver's Fourth Application for Fees

TASK SUMMARY:

Task	Description	Hours	Total
4	CASE ADMINISTRATION	54.0	$21,000.00
N/A		0.8	$286.00

TIMEKEEPER TIME SUMMARY:

Timekeeper	Title	Hours	Rate	Total
B. BERMAN	PARTNER	51.2	$395.00	$20,224.00
A.S. CONSOLE	ASSOCIATE	3.6	$295.00	$1,062.00
	TOTAL	54.8		$21,286.00

TOTAL BALANCE DUE UPON RECEIPT **$21,286.00**

Page 30

DE-948 Receiver's Fifth Application for Fees

TASK SUMMARY:

Task	Description	Hours	Total
3	BUSINESS OPERATIONS	22.9	$6,755.50
4	CASE ADMINISTRATION	42.9	$16,435.50
5	CLAIMS ADMINISTRATION AND OBJECTIONS	0.1	$29.50

TIMEKEEPER TIME SUMMARY:

Timekeeper	Title	Hours	Rate	Total
B. BERMAN	PARTNER	37.4	$395.00	$14,773.00
M. KENT	PARTNER	0.4	$395.00	$158.00
A.S. CONSOLE	ASSOCIATE	5.1	$295.00	$1,504.50
K. DESANTIS	ASSOCIATE	0.1	$295.00	$29.50
R.G. DEVINE	ASSOCIATE	22.9	$295.00	$6,755.50
	TOTAL	65.9		$23,220.50

TOTAL PROFESSIONAL SERVICES $23,220.50

This was never an impartial receivership protecting enterprise assets or investor capital. It was a hit job. When defense counsel instructs a client to take an action, abandons them to a contempt penalty over that exact action, hands the defense retainer to the opposition, and then signs on to bill alongside that opposition, it is not an accident. It shows the deck was stacked and the fix was in from day one.