

**Statement of the Receiver at March 29, 2010 Hearing
Before Chief Judge Michael J. Davis
on Receiver's Motion to Approve Payment of
Fees Incurred for the Month of February 2010**

On March 16, 2010, the Receiver filed the instant Motion to Approve the Payment of Fees Incurred by the Receiver for the month of February.

Late last Friday afternoon, counsel for plaintiffs in the Phillips action filed a letter with the Court expressing a concern regarding what they styled as “extensive fees and costs being paid from the Receivership Estate,” in view of the “few new assets that have been publicly identified.” (SEC v. Cook, No. 09-cv-333 (MJD/JJK), Docket No. 233 (D. Minn. Mar. 23, 2010).)

With the permission of the Court, before addressing the specific points in the present fee motion, I would like to address the concerns outlined in that letter.

I. Shared Concern & Frustration

The Receiver understands and shares the frustration of the investors who have lost at least \$139 million to this Ponzi scheme. The damage that Trevor Cook and Pat Kiley have done is nothing short of devastating to each of over 1000 investors who trusted and invested their life savings with these individuals.

The Receiver is uniquely conscious of the incredible tragedy that has befallen so many individuals who have, in many cases, lost their life savings—and more. Indeed, not only did investors send their own liquid capital to the fraud, many took loans and leveraged assets including homes that had been fully paid off.

Many of these investors are so destitute that they cannot afford to hire private counsel to represent their interests.

The Receiver was appointed, and diligently performs his work on behalf of each and every investor who lost money to this fraud.

II. The Receiver's Court-Ordered Mandate

The Receiver was appointed by this Court at the request of the SEC and CFTC to fulfill a broad mandate on behalf of each and every one of the 1000+ investors who lost money in this fraud. The mandate concerns 18 identified Defendants and Relief Defendants as well as “every other corporation, partnership, trust and/or other entity (regardless of form) which is directly or indirectly owned by or under the direct or indirect control of Cook and Kiley.” SEC v. Cook, Docket No. 18, at 1–2 (Nov. 24, 2009).

The duties of the Receiver, as dictated by the Court's Orders, include:

- A. To use reasonable efforts to determine the nature, location and value of all assets and property which the Receiver Estates own, possess, have a beneficial interest in, or control;
- B. To engage and employ the law firm of Carlson Caspers, and, with the approval of the Court, any individuals or entities the Receiver deems necessary to assist in his duties ("Retained Personnel");
- C. To take custody, control and possession of all the funds, property, premises, leases, and other assets of or in the possession or under the direct or indirect control of the Receiver Estates, to manage, control, operate and maintain the Receiver Estates, to use income, earnings, rents and profits of the Receiver Estates, with full power to sue for and collect, recover, receive and take into possession all goods, chattels, rights, credits, monies, effects, lands, books and records of accounts and other papers of the Receiver Estates;
- D. To bring such legal actions based on law or equity in any state, federal, or foreign court as he deems necessary or appropriate in discharging his duties as Receiver;
- E. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receiver Estates;
- F. To make such payments and disbursements from the funds so taken into his custody, control and possession or thereafter received, and to incur such expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver;
- G. To take such action as necessary and appropriate to prevent the dissipation or concealment of any funds or assets or for the preservation of any such funds and assets of the Receiver Estates;
- H. To have the authority to issue subpoenas to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedure and the Local Rules for the United States District Court for the District of Minnesota (without being subject to the limits imposed by Fed. R. Civ. P. 26(d)(1)) concerning any subject matter relating to the identification, preservation, collection and/or liquidation of the Receiver Estates;
- I. To take any action which could be taken by the officers, directors, partners, members, and trustees of the Receiver Estates;

- J. To suspend, terminate or grant a leave of absence to any employees of the Receiver Estates; and
- K. To take such other action as may be approved by this Court.

SEC v. Cook, Docket No. 18, at 2–4.

III. The Court’s Orders Also Require Cook, Kiley and Third Parties To Cooperate for the Benefit of the Receivership

The Receiver Orders also set forth a number of duties of other entities and individuals. The Receiver is charged with policing compliance with these duties, at least in the first instance.

The Receiver Order in SEC case broadly requires Cook and Kiley and their agents to assist the Receiver in fulfilling his duties and obligations. SEC v. Cook, Docket No. 18, at 6 (Part VI).

The parallel CFTC Order specifically requires each Defendant and Relief Defendant to: (1) repatriate funds and assets, (2) provide a sworn accounting of all assets, their location and their value, and (3) Preserve all records. CFTC v. Cook, No. 09-cv-3332 (MJD/JJK), Docket No. 21-1, at 6–11 (Part II–IV) (D. Minn. Nov. 23, 2009).

All other persons are ordered to turn over to the Receiver “any and all property, including records of any nature, of which any of the Receiver estates are the owners or have an interest in” SEC v. Cook, Docket No. 18, at 7 (Part IX).

In addition, all “investors, borrowers, creditors and other persons acting on behalf of any such investor, borrower, creditor or other person . . . are stayed from:

- “A. Commencing, prosecuting, continuing or enforcing any suit or proceeding against or affecting any of the Defendants, Relief Defendants, or Receiver Estates;
- “B. Using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any assets of the Receiver Estates, including, without limitation, any property owned by or in the possession of the Defendants, Relief Defendants, or the Receiver, wherever situated;
- “C. Attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement with the Defendants or Relief

Defendants, or otherwise affecting the Receiver Estates, without the agreement of the Receiver; and

- “D. Doing any act to interfere with the taking control, possession, or management, by the Receiver, of any assets of the Receiver Estates, or to in any way interfere with or harass the Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the Receiver Estates.”

SEC v. Cook, Docket No. 18, at 6–7 (Part VII).

IV. Reporting of the Receiver’s Activities

Under the Court’s Orders, the “Receiver is authorized to communicate with all such persons as he deems appropriate to inform them of the status of this matter and the financial condition of the Receiver Estates.” SEC v. Cook, Docket No. 18, at 10 (Part XVII).

The Receiver has provided the Court with detailed and frequent reports on the Receiver’s activities, communicating with the Court on a weekly basis—and sometimes more often—to keep the Court apprised of the Receiver’s efforts.

The Receiver has also engaged in numerous public accountings of his efforts:

- A. The Receiver has actively participated in public Court filings and hearings;
- B. The Receiver has filed two public status reports detailing his activities;
- C. The Receiver has filed four public monthly requests for compensation and reimbursement, which detail the expenditures made from the Receiver. In addition, each month a public hearing is held in which the Receiver provides additional public details of his activities;
- D. The Receiver hosts a public website at www.cookkileyreceiver.com, where status reports and other information are posted and where the public can provide information to the Receiver; and
- E. The Receiver hosts a local and toll-free telephone line that is answered Monday through Friday, from 9 AM to 5 PM.

V. The Receiver Has Employed Resources Judiciously

There is an open record of these public accountings that the Receiver has made, and I do not want to take the time of the Court to repeat every detail of the full record here. However, for the benefit of those who may not have attended such hearings or otherwise reviewed the record, I would like to highlight a few pertinent points.

As an initial matter, the Receiver shares the view stated by counsel for the Phillips plaintiffs that the goal of the Receivership “to maximize recovery while minimizing loss and to remain vigilant against diminish returns.” The Receiver thanks counsel for the Phillips plaintiffs for their contribution to the Receivership, which was recognized by this Court’s March 11, 2010 Order paying counsel \$90,793,62 in attorneys fees and expenses from the Receiver Estate. The Receiver sent that check to the Phillips counsel earlier this month.

The Receiver is keenly aware that he is entrusted with recovering assets lost to the fraud and returning those assets to the rightful owners: over 1000 individual investors, only a handful of whom are represented by private counsel.

The Receiver is also keenly aware that the scope and depth of this fraud are so severe, that the recovery in this case will be nowhere near the loss.

On behalf of each of the over 1000 investors who have been victimized in this fraud, numerous individuals and entities have come together in total dedication to preserving the Receivership Estate.

A. CCVL

At the onset, the law firm of CCVL reduced its billing rate by 15% across the board. And I can speak from first-hand experience that there have been many hours of billable work by many individuals that simply have not been billed to the Receivership due to the nature of this case.

The Receiver also recognized that there would be substantial day-to-day work of the Receiver that could be done by contract attorneys who billed at even lower rates than CCVL’s reduced rates. The Receiver hired three recent graduates of local law school to manage these day-to-day tasks. They work under the direction of the Receiver and his staff at a dramatically reduced rate.

Services of the entire nonbilling staff of CCVL have also put in countless hours toward the Receivership. For example:

1. Our firm CFO has acted as the defacto CFO for the Receivership, without a single of her many hours billed;
2. Our entire administrative staff of CCVL has also worked on behalf of the Receivership, often with late hours at the expense to their family and home lives, without billing a single hour; and
3. Our technical staff has also contributed to the Receivership, constructing a separate part of the firm computer infrastructure to

handle the tremendous volume of electronic documentation that the Receivership has collected and created.

B. Retained Personnel

In addition, the Receiver has chosen who it has hired for outside services with tremendous care. This has resulted in exceptional quality work for the investors at reduced rates.

For example, the Receiver has engaged the services of:

1. WayPoint, Inc.

WayPoint professionals include former FBI and IRS agents, as well as a former Postal Inspector, all of whom have extensive experience working complex white collar crime matters. WayPoint's staff has over 180 years of federal law enforcement experience, including 135 years of experience with the FBI. They have completed hundreds of significant local, national and international investigations in federal criminal and civil cases; as well as completing investigations for major law firms and corporate clients.

In this case WayPoint has not charged for all of the work it has done, because, in the words of one of its principals, Rick Ostrom, "It is the right thing to do."

In addition, WayPoint has been instrumental in cost containment. For example, to effectuate a proper distribution plan, the Receiver has to have as complete a list as possible of all investors who have lost money in this scam. Approximately 580 investors have registered claims with the Receiver—this is about half of the individuals who are believed to have invested with the Defendants. In an effort to identify the remaining individuals in the most cost-effective manner possible, WayPoint interviewed and engaged local criminal-law students to review Defendants' investor files to create a list that is complete and as accurate as possible. These students reviewed 75 boxes of investor files and are in the process of updating the investor database with the information they reviewed. This work was performed at no cost to the Receivership, except that we paid for these students to park downtown while they worked at the U.S. Attorney's Office.

WayPoint's efforts have also been instrumental in the location and preservation of the Receivership estate. Much of this work has

resulted in the success of the Receiver to-date, which is detailed in our prior reports. Much is also confidential due to the ongoing sensitive nature of the Receiver's work.

2. ComputerForensics

When the Receiver took control of the Receivership properties, we found over 60 computers and other media that needed to be preserved for the Receivership's investigation and for evidentiary purposes. We engaged the professional firm of ComputerForensics to forensically image these drives so that they could be preserved, intact, and copied by the relevant agencies.

ComputerForensics provided tens of thousands of dollars of services free of charge to the Receivership—again because the nature of the case and the victims.

The result of this preserving these computers has resulted in tremendous leads in this case, including the Receiver's uncovering of \$1 million in a foreign bank account.

In short, every single one of the individuals and entities the Receiver has engaged in this matter is acutely aware of the nature of the loss and the plight of each of the investors who have been victimized in this scheme. Their bills reflect this. In addition, the Receiver carefully scrutinizes every single invoice that is charged to the Receivership, including those of his own law firm, to ensure that there is no overbilling or undue charges.

VI. Despite the tremendous talent and efforts that countless individuals have dedicated to this Receivership, the road has not been an easy one

The Defendants' construction of this Ponzi scheme and their maintenance of the fraud lured investors into a scheme that produced a complicated web through which assets were sent all over the world.

Unfortunately, the effects of the fraud perpetrated by the Defendants did not end the day that the SEC and CFTC filed suit. And even more unfortunately, this fraud certainly did not end the day that the Phillips lawsuit was filed last summer.

As the record makes clear, the perpetrators of this fraud have not only refused to help unwind the scheme and return assets, Mr. Cook continued to hide and spend Receivership assets even after this Court's Orders prohibited him from doing so.

Despite this, it was the Receiver who discovered that, in violation of this Court's Orders, Trevor Cook was spending tens of thousands of dollars to buy gift cards around the city

for his own personal gain. The Receiver worked with the SEC, CFTC, and U.S. Attorney's office to bring this behavior to the Court's attention.

The fair consequence to Mr. Cook is that he has been incarcerated.

The unfair consequence to the investors is that the Receiver has been left to find and marshal assets without the benefit of the architect who constructed the fraud and spent or hid \$139 million in investor funds.

VII. And although assets came into the fraud mainly in the form of cash, many of those assets are not cash today—and work is required to extract cash value

A. Van Dusen—three structures located at 1900 LaSalle Ave.

Unfortunately, the Receiver could not just hand the keys over to a real estate agent and sit back and wait for a sale. A tremendous amount of work was required to restore this property to a condition where it could be sold for value.

At onset of Receivership, the Van Dusen was embroiled in litigation that had been brought by Trevor Cook disputing who had rightful title to the property.

It was also not in the state that one would hope valuable property would be. Numerous individuals had “worked,” lived, and socialized throughout the house. The property was littered with trash and paraphernalia from these activities. Evidence had to be preserved and the remainder had to be cleaned out—this was a tremendous task.

Security of the property was also a threat. The Defendants had dismembered whatever semblance of a security system may have existed at one point at the Van Dusen–mansion. Nobody was incarcerated at the onset of the Receivership and as such, the Receiver was obligated to protect the property from reentry by the Defendants and any of their agents. The very public nature of this case and the urban location of the property also warranted security measures. The Receiver did a cost-benefit analysis, and with the Court's permission, engaged professional security services of Avalon Security to preserve this asset and its contents. This security cost \$73,483.52 and was replaced, as soon as safely possible, with a low-cost live-in caretaker.

In addition to the security of the Van Dusen–property, the Receiver was also obligated to maintain the Van Dusen. Ongoing expenses, such as utilities and property maintenance, cost approximately \$12,000 per month. In addition, we had to obtain property insurance (there was none under Mr. Cook's management). We also have incurred various one-time charges associated with a property of this type and size, such furnace repair, which is among the expenses we are reporting this month.

And significant hurdles had to be cleared to prepare the Van Dusen for sale. For example:

1. The Receiver is required by federal statute to obtain three independent appraisals to value the property;
2. Investigated, vetted, and presented three qualified real estate agents to the Court to market and sell the property;
3. We had to work with the state court and local municipalities to clear title for sale and to address zoning issues that threatened the sale; and
4. We also had to file statutorily mandated motions and notices to sell the property.

Despite the difficult real estate market, the result of the Receiver's efforts was a sale of the Van Dusen that will close in April—only two months after it was put on the market. It will net over \$1.4 million to the Receivership (after taxes, commissions, etc.). It will also result in substantial cost savings to the Receivership going forward.

B. Tiffany Court—although not as notorious as Van Dusen, this is another asset of the Receivership with value

As with Van Dusen, numerous people worked and entertained themselves at Tiffany Court. As such, the house was full of office equipment and other items that were not conducive to the sale of a residential home.

The Receiver did the cost-benefit of selling this property outright or giving this property back to the mortgage holder. The economics weighed in favor of selling it and extracting its value.

Although not as valuable as Van Dusen, preparing Tiffany Court for sale has required the same steps as Van Dusen, including:

1. Obtaining the appraisals required by federal statute;
2. Maintaining the property (this property has a mortgage of \$2,661.54 per month; there are also utility and upkeep charges for this property);
3. Preparing motions for the Court's review and approval; and

4. Putting the property in condition for sale. Here we invested \$18,000 for new paint, carpet, and repairs from its previous tenants.

As a result of the Receiver's efforts, the Tiffany Court location is now on the market as a pristine suburban residential home.

C. Rainy River Island—property in Canada that Mr. Cook purchased for \$250,000

Estimates are that it is presently worth at least \$400,000 to \$500,000. The Receiver did cost-benefit analysis of extracting the value from this property and determined that it is worth doing so.

Nevertheless, neither U.S. nor Canadian law allows us to simply post a "For Sale" sign on Receivership property and deposit the profits.

This particular piece of property is outside of U.S. jurisdiction—it is governed by Canadian law, and Canadian law does not automatically or necessarily recognize a U.S. Receivership.

In order to realize the value of this property, we had to get the Receivership recognized in Canada. Our motion was rejected three times by the Court in Fort Francis, Canada. We then took our case to the Court in Toronto, which then recognized the Receivership. The Receiver had to retain Canadian counsel to guide us through this process.

Canadian counsel also will be required to continue to guide the process through to meet legal requirements and get the appropriate approvals from the Canadian court for sale of this property.

In addition to statutory requirements, we also must clear encumbrances. For example, we have recently learned that a contractor who performed work on the property has filed a lien for unpaid work. We are working to get that issue resolved and clear title to the land.

We expect to put this property on the market in May

D. Automobiles—various automobiles purchased by Trevor Cook and driven by him and his associates

Here again, the Receiver did the cost-benefit analysis of how best to extract the value from these assets. The decision was made to seize and sell them.

However, it was not just a matter of driving them to the local dealer and handing over the keys.

First we had to find them. Some were on the properties that were seized. Others had to be tracked down and seized from third parties—Cook’s associates and friends who he allowed to drive these cars.

Then we had to clear title to them, working with this Court and municipal officials to do so.

On February 13, 2010, as approved by the Court’s January 28, 2010 Order, six Receivership vehicles were sold at public auction by Downtown Motor Sales. All cars were sold at or above the Receiver’s estimated sale value. The net before commissions and costs of \$73,100 to Receivership.

Today the Receiver has requested permission to sell three additional vehicles.

Total vehicle sales of the Receivership vehicles will net approximately \$100,000, after all commissions etc. have been paid.

E. Personal Property

As noted in the two previous Receiver Reports and in public hearings before this Court, various other resalable items were found by the Receiver at Receivership properties, with third parties, and at Gina and Trevor Cook’s Apple Valley home.

On February 22, 2010, the Receiver oversaw the auction by Luther Auctions that netted approximately \$19,000 to the Receivership.

Additional items that were found in Gina and Trevor Cook’s Apple Valley home will be auctioned off in the near future. The Receiver will file motions for permission from the Court to sell such assets. We will advise the public of the details of this auction both in the public hearing where we request permission to sell them and on the Receiver’s web site.

F. Other lawsuits—the Receiver also inherited three other lawsuits

First, was the lawsuit involving ownership of the Van Dusen—property, which has now been resolved.

Two additional cases are ongoing. Due to the ongoing nature of these matters, and the work product and attorney client issues that are involved, the Receiver cannot yet publicly disclose every details of these two additional matters, but certainly the Receiver has made public the fact and nature of these actions:

Cook v. Baker: Mr. Cook brought this lawsuit against Ed Baker in Hennepin County Court for return of \$3.55 million in loans and equity. The Receiver has

done the cost-benefit analysis of this matter and will pursue this to maximize value to the Receiver Estates.

Panamamanian litigation: Cook sent approximately \$13 million to Panama to purchase and develop two parcels of property in Panama: (1) the Vineyards, toward which he paid \$2.86 million; and (2) the Panama Bay Hotel & Casino, toward which he paid \$10.9 million. Having done the cost-benefit analysis of pursuing the \$13 million that went to Panama, we have made the determination to pursue these assets.

I refer to the Second Report of the Receiver, filed in both the SEC and CFTC cases and made available on the Receiver's web site, for the details of the legal proceedings in Panama, but report that:

1. Vineyards: We are hopeful to liquidate the \$2.86 million invested in this property without protracted litigation.
2. Panama Bay Hotel & Casino: We are also vigorously pursuing the \$10.9 million that went into this property.

G. Cash

At the onset of the Receivership, the Receiver located \$1.844 million in the various accounts that were frozen by the Court's Asset Freeze Orders.

Since that time, the Receiver has located and frozen an additional \$2.522 million in cash.

VIII. Federal and State Taxes

In addition to fulfilling its legal obligations to this Court, the Receiver is also required to fulfill legal obligations to the Internal and Minnesota Revenue Services.

Suffice it to say that there was no legitimate book keeping of the Defendants and Relief Defendants. There were no accounting systems in place, or even a general ledger.

Due to the sophisticated nature of the fraud and the and incomplete financial records, Receiver has hired tax professionals at Ernst & Young to help meet the Receivership's IRS and state tax requirements

A. Tax filings for employees

Banking records showed numerous individuals received compensation from the Defendants in 2009. Receiver investigated and prepared a total of 65 Form 1099s on behalf of 8 individuals/entities.

B. Tax filings for Defendants and Relief Defendants

The Receiver is also required to file taxes for the Defendant and Relief Defendant individuals and entities. This work has begun and will continue to completion.

IX. These Are Only High Level Examples of the Work the Receiver Has Undertaken

Other Examples Include:

- A. Conducting well over 50 interviews of individuals with information—and cultivating relationships with numerous individuals who have provided valuable information regarding Receivership assets;
- B. Issuing over 250 subpoenas of domestic individuals and entities;
- C. Issuing letters and communicating with numerous international individuals and entities who are not subject to U.S. jurisdiction;
- D. Reviewing hard copy files and computer drives;
- E. Negotiating with third party trade creditors. For example, we have negotiated \$39,508 in outstanding bills to third parties down to \$6,080;
- F. Establishing and staffing a Receiver website (www.cookkileyreceiver.com) and a Receiver hotline;
- G. Engaging in many other activities that are part of the public record in these proceedings; and
- H. Engaging in countless other tasks and duties that remain confidential but have been reported in camera to the Court.

X. Not all of the Receiver's Activities Can Be Made Public At This Time

The Receiver has worked diligently to maintain the delicate balance between keeping investors and the public informed about the Receiver's investigation and results and maintaining confidentiality as to those efforts which, if made public, would compromise the Receiver's asset recover efforts.

As noted earlier, the "Receiver is authorized to communicate with all such persons as he deems appropriate to inform them of the status of this matter and the financial condition of the Receiver Estates." SEC v. Cook, Docket No. 18, at 10 (Part XVII).

And as also noted earlier, the Receiver has provided the Court with detailed and frequent reports on the Receiver's activities communicating with the Court on a weekly basis—and sometimes more often—to keep the Court apprised of the Receiver's efforts.

The Receiver is obligated to keep confidential certain aspects of his work that pertain to ongoing investigation and collection of assets.

XI. Receiver's Compensation & Reimbursement is Diligently Monitored By Four Different Entities:

- A. This Court;
- B. The U.S. Attorneys Office;
- C. The SEC; and
- D. The CFTC.
- E. The Receiver's compensation and reimbursement is also monitored by the public.

Although all of the details cannot be made public, each month the Receiver files a public declaration describing the expenditures for which he seeks reimbursement. In addition to this filing, a public hearing on these motions are filed each month.

Unless the Court Any Questions at this Point, I Will Not Turn My Attention to The Receiver's February Motion For Fees

XII. Motion to Approve Payment of Fees Incurred by the Receiver for the Month of February 2010

Under this Court's Orders, the Receiver and the personnel we retain to fulfill our mandate are entitled to reasonable compensation and expense reimbursement. However, we must apply to the Court for payment of this compensation and reimbursement.

We provide details of these request in extraordinary detail not only to the Court, but to three federal agencies (SEC, CFTC, U.S. Attorney's Office), each of whom has the opportunity to an object to any application for compensation.

The Court, the SEC, the CFTC, and the U.S. Attorney's Office are entrusted with safeguarding the investors' fisc and are doing so on behalf of all of the investors who lost money in this fraud.

The Receiver requests permission from the Court to pay the following fees and expenses for the month of February 2010:

A. WayPoint, Inc.—\$22,538.45

1. This figure represents:
 - a. \$20,541.25 for services of seven WayPoint professionals; and
 - b. \$1,997.20 in expenses and sales taxes.
2. WayPoint's activities for the month of February included:
 - a. Preparing and participating in ongoing interviews with individuals of interests;
 - b. Ongoing cultivation of relationships that are essential for the flow of information to the Receiver;
 - c. Reviewing hard copy and electronic data for asset recovery and retrieval;
 - d. Assisting with the Receiver's investigation for tax purposes;
 - e. Working with local municipalities to clear title on automobiles; and
 - f. Investigating investors who received a return of more money from the fraud than they invested.

B. Kelley & Berens—\$1,583.75

1. This figure represents:
 - a. \$1,543.75 for professional services; and
 - b. \$40 in expenses (fee for obtaining exchange certificate of title for Van Dusen—mansion).
2. Kelley & Berens activities for the month of February included:
 - a. Working on resolving Hennepin County lawsuit concerning ownership of Van Dusen; and
 - b. Wrapping up representation of Defendant Oxford Global Advisors, LLC.

C. Willeke & Daniels—\$1,426

1. This figure represents:

- a. \$1060 for professional services; and
 - b. \$366 for expenses (property searches and reports and filing fees).
2. Receiver retained legal counsel of real estate attorney, Bob Nardi, to help clear encumbrances on the Van Dusen and Burnsville properties and complete the contract for sale.
 3. This bill is for services performed in the months of January and February, 2010.

D. Weiler, Maloney, Nelson—\$3,377.76

1. This figure represents:
 - a. \$3312.50 in professional fees; and
 - b. \$478.05 in expenses and taxes.
2. The Weiler, Maloney, Nelson firm is the Canadian counsel retained to help obtain Canadian Receivership and assist in the legal aspects of the sale of the Canadian property.
3. Weiler, Maloney, Nelson's activities in this bill included (this bill represents services for December 2009–February 2010):
 - a. Preparing and filing registration of Certificate of pending litigation;
 - b. Helping to obtain statutorily required appraisals of property;
 - c. Dealing with the contractor who has placed the lien on the property; and
 - d. Advising and preparing documentation to present to the Canadian court to obtain Court order allowing for sale of Canadian property.

E. Morgan & Morgan—\$2,011.89

1. This figure represents:
 - a. \$1500 in professional services; and
 - b. \$511.89 in expenses (including down payment on appraisal).

2. Morgan & Morgan are local counsel in the Panamanian lawsuit that I referenced earlier. Their activities for the month of February included their continued representation of the Receiver in that matter.

F. Carlson, Caspers, Vandenburg & Lindquist—\$184,990.99

1. This figure represents:
 - a. \$141,085 in professional services; and
 - b. \$43,905.99 in disbursements.
2. Professional services for the month of February included:
 - a. Managing negotiation and sale of Van Dusen—property;
 - b. Managing efforts to prepare Burnsville property for sale;
 - c. Preparing cars and personal property for sale and overseeing the auction vendors that we hired to conduct the sales;
 - d. Working with local municipalities and individuals to clear sale of homes, cars and personal property;
 - e. Managing various aspects of the Canadian Receivership and investigation and preparation of Canadian property for sale and preparation of report to Canadian court;
 - f. Investigating trail of funds returned to various investors and interviews of those investors;
 - g. Analyzing electronic and hard copy files of Defendants and Relief Defendants;
 - h. Analyzing information obtained by subpoena;
 - i. Working on issues for state and federal tax authorities;
 - j. Ongoing investigation, analysis, execution, and management of the above-described lawsuits (Panama and Baker);
 - k. Continued interviews of people of interest;
 - l. Working on various international matters concerning asset value and location;

- m. Staffing the Receivership web site and phone hot line, updating Receiver database with that information, following up on leads where appropriate;
 - n. Fielding and responding to leads from various sources concerning asset location and value; and
 - o. Investigating and following up on appropriate information concerning assets located in the U.S. and in various countries around the world.
3. Disbursements included:
- a. Payment of three contract attorneys;
 - b. Professional fees and expenses of Kelly & Berens for the month of January 2010;
 - c. Appraisal services for real and personal property;
 - d. Utilities and maintenance costs for Van Dusen and Burnsville properties;
 - e. Furnace repair at Van Dusen mansion;
 - f. Trash out removal for Van Dusen property;
 - g. Carpet, painting, and repairs of Tiffany Court to prepare that property for sale;
 - h. Database charges; and
 - i. Services of process.

The Receiver hereby moves for permission to pay the above-described fees and expenses, which are further detailed by the Receiver's in camera submission to the Court.
