

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 16-cv-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,
WILLIAM STENGER,
JAY PEAK, INC.,
Q RESORTS, INC.,
JAY PEAK HOTEL SUITES L.P.,
JAY PEAK HOTEL SUITES PHASE II. L.P.,
JAY PEAK MANAGEMENT, INC.,
JAY PEAK PENTHOUSE SUITES, L.P.,
JAY PEAK GP SERVICES, INC.,
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,
JAY PEAK GP SERVICES GOLF, INC.,
JAY PEAK LODGE AND TOWNHOUSES L.P.,
JAY PEAK GP SERVICES LODGE, INC.,
JAY PEAK HOTEL SUITES STATESIDE L.P.,
JAY PEAK GP SERVICES STATESIDE, INC.,
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,
AnC BIO VERMONT GP SERVICES, LLC,

Defendants, and

JAY CONSTRUCTION MANAGEMENT, INC.,
GSI OF DADE COUNTY, INC.,
NORTH EAST CONTRACT SERVICES, INC.,
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants.

Q BURKE MOUNTAIN RESORT, HOTEL
AND CONFERENCE CENTER, L.P.,
Q BURKE MOUNTAIN RESORT GP SERVICES, LLC¹,
AnC BIO VT, LLC,²

Additional Receivership Defendants.

¹See Order Granting Receiver's Motion to Expand Receivership dated April 22, 2016 [ECF No. 60].

²See Order Granting Receiver's Motion for Entry of an Order Clarifying that AnC Bio VT, LLC is included in the Receivership or in the Alternative to Expand the Receivership to include AnC Bio VT, LLC, *Nunc Pro Tunc* dated September 7, 2018 [ECF No. 493].

**RECEIVER’S NINTH INTERIM OMNIBUS APPLICATION FOR
ALLOWANCE AND PAYMENT OF PROFESSIONALS’ FEES
AND REIMBURSEMENT OF EXPENSES FOR
MARCH 1, 2020 – AUGUST 31, 2020**

Michael I. Goldberg (the “Receiver”), in his capacity as the court-appointed Receiver, pursuant to the Order Granting Plaintiff Securities and Exchange Commission’s Motion for Appointment of Receiver (the “Receivership Order”) [ECF No. 13] dated April 13, 2016, hereby files this Ninth Interim Omnibus Application (the “Application”) for Allowance and Payment of Professionals’ Fees and Reimbursement of Expenses for March 1, 2020 – August 31, 2020 (the “Application Period”), and in support, states as follows:

Preliminary Statement

During the Application Period the operations of the Jay Peak Resort and the Burke Mountain Hotel shut down due to the Covid-19 pandemic. The Receiver and his professionals worked with the hotel management to preserve the properties and applied for a CARES Act Paycheck Protection Program loan. The Receiver continues to work with management to optimize the value of the properties as he and his financial advisor market the Jay Peak resort for sale, with the anticipated proceeds of the sale to benefit the investors. The Receiver and his immigration counsel continue to work with investors and their attorneys in responding to USCIS’s requests for evidence in support of their citizenship applications. The Receiver and his attorneys also continue to recover money for the benefit of the investors and creditors of the receivership estate through the sale of individual properties and by litigation against third parties who improperly benefited from the Receivership Entities. As a result of these actions, the Receiver and his professionals incurred fees and expenses and seek Court approval to pay the sum of \$630,895.20 in professional fees. This amount represents a discount of \$450,000 from the professionals’ standard billing rates. The Receiver also seeks the authority to reimburse the

professionals the sum of \$97,902.91 in expenses, for a total payment of \$728,798.11 to the Receiver and his professionals.

I. Background

On April 12, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint [ECF No. 1] in the United States District Court for the Southern District of Florida (the “Receivership Court”) against the Receivership Defendants,³ the Relief Defendants,⁴ William Stenger and Ariel Quiros, alleging that the Defendants violated the Securities Act of 1933 and the Securities Exchange Act of 1934 by among other things, making false or materially misleading representations to foreign investors who invested \$500,000 in the limited partnerships set up by the Receivership Entities pursuant to the federal EB-5 immigration program.

On April 13, 2016, upon the SEC’s Motion for Appointment of Receiver [ECF No. 7], the Court entered the Receivership Order and selected Michael Goldberg as the Receiver of the Receivership Defendants and the Relief Defendants. Relevant to this Application, the Receivership Order authorizes the Receiver to appoint professionals to assist him in “exercising the power granted by this Order ...” *See* Receivership Order at ¶ 4. Moreover, the Receiver and his professionals are entitled to reasonable compensation from the assets of the Receivership Defendants, subject to approval of the Court. *See* Receivership Order at ¶14.

³ The “Receivership Defendants” are Jay Peak, Inc., Q Resorts, Inc., Jay Peak Hotel Suites L.P., Jay Peak Hotel Suites Phase II L.P., Jay Peak Management, Inc., Jay Peak Penthouse Suites L.P., Jay Peak GP Services, Inc., Jay Peak Golf and Mountain Suites L.P., Jay Peak GP Services Golf, Inc., Jay Peak Lodge and Townhouse L.P., Jay Peak GP Services Lodge, Inc., Jay Peak Hotel Suites Stateside L.P., Jay Peak Services Stateside, Inc., Jay Peak Biomedical Research Park L.P., and AnC Bio Vermont GP Services, LLC.

⁴ The “Relief Defendants” are Jay Construction Management, Inc., GSI of Dade County, Inc., North East Contract Services, Inc., and Q Burke Mountain Resort, LLC. Later, Q Burke Mountain Resort, Hotel and Conference Center, L.P., Q Burke Mountain Resort GP Services, LLC and AnC Bio VT, LLC were added as “Additional Receivership Defendants”. The Receivership Defendants, Relief Defendants, and Additional Receivership Defendants are collectively referred to as the “Receivership Entities.”

II. Information about Applicant and the Application

This Application has been prepared in accordance with the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission (the “Billing Instructions”). Pursuant to the Billing Instructions, the Receiver states as follows:

- (a) **Time period covered by the Application:** March 1, 2020 – August 31, 2020
- (b) **Date of Receiver’s appointment:** April 13, 2016
- (c) **Date services commenced:** April 4, 2016
- (d) **Names and rates of all professionals:** See Exhibit 4(a) – (e)
- (e) **Interim or Final Application:** Interim
- (f) **Records supporting fee application:** See below

The following exhibits are provided in accordance with the Billing Instructions:

Exhibit 1: Receiver’s Certification

Exhibit 2: Total compensation and expenses

Exhibit 2(a): Total compensation and expenses requested for this Application

Exhibit 2(b): Summary of total compensation and expenses previously awarded

Exhibit 2(c): Amounts previously requested and total compensation and expenses previously awarded

Exhibit 3: Fee Schedule: Names and Hourly Rates of Professionals and Paraprofessionals & Total Amount Billed for each Professional and Paraprofessional:

Exhibit 3(a): Akerman LLP

Exhibit 3(b): Levine Kellogg Lehman Schneider and Grossman LLP

Exhibit 3(c): Kapila Mukamal

Exhibit 3(d): Klasko Immigration Law Partners, LLP

Exhibit 3(e): Downs Rachlin Martin PLLC

Exhibit 4: Time records by professional for the time period covered by this Application, sorted in chronological order, including a summary and breakdown of the requested reimbursement of expenses:

Exhibit 4(a): Akerman LLP

Exhibit 4(b): Levine Kellogg Lehman Schneider + Grossman LLP

Exhibit 4(c): Kapila Mukamal

Exhibit 4(d): Klasko Immigration Law Partners, LLP

Exhibit 4(e): Downs Rachlin Martin PLLC

Exhibit 5: Standardized Fund Accounting Report [Period: 4/1/20 – 8/31/20]

III. Case Status

(a) Cash on hand/Cash Position Since the Last Fee Application

The amount of cash in the Receivership general bank accounts as of the date of filing this Application is approximately \$19.2 million.⁵ These amounts do not include the funds used to maintain and operate the Jay Peak Resort, the Burke Mountain Hotel and related properties.

(b) Summary of creditor claims proceedings

The principal investment of the investors in Jay Peak Hotel Suites L.P. (“Phase I”) have been fully satisfied. The Receiver is actively marketing the Jay Peak resort for sale and intends to distribute the proceeds of the sale on a pro-rata basis to the Phase II – Phase VI investors.⁶ The Receiver has provided refunds of the principal investment of the investors in the Jay Peak Biomedical Research Park L.P. (Phase VII”) who cannot qualify for citizenship and those Phase

⁵ A portion of these funds are held in restricted accounts.

⁶ The partnerships are Receivership Defendants Jay Peak Hotel Suites Phase II L.P., Jay Peak Penthouse Suites L.P., Jay Peak Golf and Mountain Suites L.P., Jay Peak Lodge and Townhouses L.P. and Jay Peak Hotel Suites Stateside L.P.

VII investors who have chosen not to redeploy their investment. The Receiver has also assisted other Phase VII investors in redeploying their principal investment into another qualifying project. The Receiver continues to operate the Burke Mountain Hotel in order to generate more jobs as required under the EB-5 program for the benefit of the investors in Additional Receivership Defendant, Burke Mountain Resort, Hotel and Conference Center, L.P. (“Phase VIII”) and is not currently listing the Burke Mountain Hotel for sale. The Receiver has satisfied the past-due trade debt owed by the Jay Peak Resort and the Burke Mountain Hotel and paid the allowed claims of the contractors and suppliers involved in the construction of the Burke Mountain Hotel.

(c) Description of assets/liquidated and unliquidated claims held by the Receiver

In addition to the information provided herein, detailed descriptions of the assets and claims are provided in the periodic Status Reports filed in this case. The Receiver continues to sell receivership properties. The Receiver continues to review potential causes of action against pre-receivership professionals and various third parties who may have wrongly profited from the Receivership Entities. These claims may include common law claims and claims under fraudulent transfer statutes. While the Receiver cannot yet predict the likelihood, amount or cost-effectiveness of particular claims or the claims as a whole, the Receiver continues to diligently evaluate claims against third parties.

IV. The Professionals

(a) Akerman LLP

The Receiver is a partner at the law firm of Akerman LLP (“Akerman”) and a founding member of Akerman’s Fraud & Recovery Practice Group. The Receiver has practiced law for thirty years and specializes in receivership and bankruptcy cases. The Receiver has been appointed receiver in more than 20 state and federal court receivership cases and has represented receivers and trustees in many other cases. The Receiver is working with a team of attorneys and paralegals

at Akerman to administer this case. Since Akerman employs more than 700 lawyers and government affairs professionals through a network of 24 offices, the Receiver has ready access to professionals who specialize in litigation, real estate, corporate affairs, and other pertinent matters and has used their expertise to administer the receivership estate.

The Receiver has agreed to reduce his billing rate and the rates of his professionals for this case. Instead of their standard billing rates, which range from \$550.00 to \$750.00, all partners are billed at \$395.00, associate rates are capped at \$260.00, paralegals and paraprofessionals are capped at \$175.00, resulting in a blended rate of \$275.00 and a reduction of fees in the sum of \$130,213.00 (if billed at the standard rates). The Receiver also agreed to the SEC's request not to bill time relating to the SSVR Case (defined herein) and further reduce time billed to preparing Status Reports and fee applications, for an additional reduction of \$36,506.50. In addition to the rate reductions, all time billed to non-working long distance travel is reduced by 50%. These discounts equate to a reduction in Akerman's fees of approximately \$166,700. During the Application Period, the Receiver and Akerman billed 659.9 hours and seek payment of fees in the sum of \$181,644.50 and reimbursement of expenses in the sum of \$9,005.24, for a total of \$190,649.74.

(b) Levine Kellogg Lehman Schneider + Grossman LLP

Jeffrey Schneider, a partner at the law firm Levine Kellogg Lehman Schneider + Grossman LLP ("LKLSG" or "Special Counsel") and a team of LKLSG attorneys and paralegals provide special litigation and conflicts litigation services for the Receiver. Mr. Schneider is a trial lawyer whose practice focuses on complex commercial litigation and receiverships. Mr. Schneider has served as a receiver himself in several cases. Mr. Schneider has agreed to reduce the rates of his professionals for this case. Instead of the standard billing rates of \$550.00 to \$600.00 per hour, all partners are billed at \$250.00 to \$260.00 per hour, all associates rates are reduced from the standard

rates of \$325.00 to \$375.00 per hour, to \$200.00 per hour, and all paraprofessionals are billed at \$125.00 per hour, resulting in a blended rate of \$209.50. This represents a significant reduction from Special Counsel's standard billing rates and a savings of approximately \$279,000 for the receivership estate. During the Application Period, Special Counsel billed 887.4 hours and seeks payment of fees in the sum of \$196,759.00 and reimbursement of expenses in the sum of \$81,937.99, for a total of \$278,696.99.⁷

(c) Kapila Mukamal

Soneet Kapila, CPA, and the accounting firm Kapila Mukamal ("KM" or the "Accountants") provide accounting and forensic work for the Receiver. Mr. Kapila's practice is focused on restructuring, creditors' rights, bankruptcy, fiduciary matters and financial transactions litigation. He has conducted numerous forensic and fraud investigations, and has worked in conjunction with the SEC, the Federal Bureau of Investigation and the United States Attorney's Office. Mr. Kapila is also a panel trustee for the United States Bankruptcy Court for the Southern District of Florida.

Mr. Kapila has agreed to reduce the rates of his professionals in this case to amounts not to exceed \$395.00 per hour, resulting in a blended rate of \$339.18. This represents a savings for the Receivership Estate in the sum of \$4,700.00. During the Application Period, KM billed 299.8 hours and seeks payment of fees in the sum of \$101,687.20 and reimbursement of expenses in the sum of \$2,157.95, for a total of \$103,845.15.

(d) Klasko Immigration Law Partners, LLP

The attorneys of Klasko Immigration Law Partners, LLP ("Klasko") have national reputations for cutting-edge immigration law practice, including working with immigrant investors

⁷ In the attached Exhibits 3(b) and 4(b), Special Counsel breaks down its time and expenses among separate litigation matters.

applying for permanent residence status through the EB-5 program. Their experience working on EB-5 immigrant investor cases includes both representation of pooled investment companies and representation of individual investors investing in pooled investment companies, approved regional centers and their own companies. They used this experience to assist the Receiver and the investors in providing information to the United States Citizenship and Immigration Services (“USCIS”) in support of the investors’ I-829 petitions.

The Klasko attorneys bill at rates from \$340.00 to \$995.00, but have reduced partners’ rates to \$495.00, resulting in a blended rate of \$376.67 per hour for this case. These discounts equate to a reduction of approximately \$56,000 from Klasko’s standard rates. During the period covered by this Application, Klasko seeks payment in the sum of \$107,238.50 for 284.7 hours and reimbursement of expenses in the sum of \$4,289.54, for a total of \$111,528.04.

(e) Downs Rachlin Martin PLLC

Downs Rachlin Martin PLLC (“DRM or “Vermont Counsel”) is serving as local counsel for the Receiver in Vermont. DRM was established in 1950; DRM grew to the largest law firm in Vermont and one of the largest firms in Northern New England. With more than 140 employees, including approximately 60 attorneys and legal professionals, DRM has four offices in Vermont and one in New Hampshire. DRM’s general law practice includes corporate, business, environment, government affairs, public utilities, real estate, construction, tax and litigation. DRM currently assists the Receiver with Vermont land use matters. The DRM professionals bill at a blended rate of \$383.17. During the period covered by this Application, DRM seeks payment in the sum of \$43,566.00 for 113.7 hours and reimbursement of expenses in the sum of \$512.19, for a total of \$44,078.19.

V. Summary of Services Rendered During the Application Period

Summaries of the services rendered during the Application Period are provided below.

More detailed information is included in the time records attached hereto as Exhibits 4(a) – (e).

(a) The Receiver and Akerman LLP

The Receiver and the Akerman professionals have separated their time into the activity categories provided in the Billing Instructions. Narrative summaries of these activity categories are provided below.

Asset Disposition

Asset Disposition relates to sales, leases, abandonment and related transaction work.

- The Court previously entered an Order [ECF No. 522] authorizing the Receiver to retain a financial advisor to assist with the sale of the Jay Peak resort. The Receiver prepared for and attended weekly calls with the financial advisor, corresponded with potential purchasers and with the investment banker regarding the potential sale of the Jay Peak Resort.
- The Receiver continued to oversee the management and maintenance (insurance, taxes, appraisals, etc.) of the various properties including the airport hangar and the AnC Bio property.
- The Receiver and his real estate counsel responded to inquiries from owners of land adjoining the Burke Mountain Hotel regarding their interest in purchasing small parcels and resolving boundary line disputes.
- The Receiver and counsel responded to Kingdom Trails indemnification inquiry, researched case law on indemnification in Vermont and statutes and case law on premises liability for homeowners who allow trails through their property.
- The Receiver and real estate counsel engaged in negotiations with counsel for a proposed purchaser of the airplane hangar, addressed Town of Coventry property tax issues for the airport hangar and corresponded with the Vermont Agency of Transportation regarding the airport hangar lease.

Business Operations

Business Operations cover the issues related to operation of an ongoing business.

- The Receiver continues to work with the court-approved management company, Leisure Hotels, LLC (“Leisure”) who operates the Jay Peak Resort and the Burke

Mountain Hotel, along with Jay Peak's General Manager, Steven Wright and Burke Mountain Resort's General Manager, Kevin Mack. The Receiver confers with the Leisure management team, Steven Wright and Kevin Mack on a regular basis to monitor the resorts' operations.

- The Receiver also works with Leisure and the management team on budgets, financial projections and capital improvements to enhance the operations of the Receivership Entities. The Receiver engaged in numerous conferences with management regarding the closure of the resorts due to Covid-19; analyzed the prospective budget for operations during the shutdown; prepared for and attended emergency budget and cash flow analysis.
- The Receiver conferred with management regarding the availability of emergency relief funds. The Receiver and counsel reviewed and analyzed the CARES Act Paycheck Protection Program, (the "PPP") to determine PPP eligibility. Counsel prepared a motion for authorization to close on the loan to obtain proceeds to supplement cash flow, specifically as it relates to payroll expenses. *See* ECF No. 609. Counsel prepared a proposed Order granting the motion, which was entered on August 2, 2020. *See* ECF No. 610.
- The Court previously authorized the Receiver to enter into an agreement with New Cingular Wireless PCS, LLC, a subsidiary of AT&T, Inc., to amend a License Agreement for use of a portion of Jay Peak's Sky Haus for placement of a cellular tower and ancillary transmission equipment. *See* ECF No. 454. The Receiver and his real estate counsel negotiated a Building and Rooftop Lease Agreement with Bell Atlantic Mobile Systems LLC ("Bell Atlantic") which authorizes Bell Atlantic to install and operate communications equipment on a portion of the Burke Mountain Hotel. The Receiver prepared a motion to approve the agreement [ECF No. 606], which was approved by the Court on July 18, 2020. *See* ECF No. 608].

Case Administration

Case Administration includes coordination and compliance activities, preparation of reports and responding to investor inquiries.

- The Receiver and his staff continue to communicate with investors, creditors, government officials and other interested parties. The Receiver continues to maintain a toll-free investor hotline, an email address for general inquiries, and a website to provide information for investors and interested parties.
- The Receiver and his staff continue to respond to inquiries from investors regarding a wide range of matters, including immigration inquiries and the sale of the Jay Peak Resort.
- The Receiver continued to work with immigration counsel verifying job creation in support of the investors' citizenship petitions. The Receiver and immigration

counsel continue to work with investors with a pending I-526 petitions or a pending I-829 petitions.

- The Receiver and Akerman researched and prepared Status Reports and complied with other reporting requirements.

Claims Administration and Objections

Claims Administration and Objections relates to formulating, gaining approval of and administering claims procedure.

- The Receiver and Akerman staff continued to review and respond to inquiries about pre-receivership claims.
- Akerman staff continued to process refunds and prepared Release and Indemnity Agreements for Phase VII investors who requested receipt of their distribution payment by wire transfer through their counsel.

Tax Matters

- The Receiver and Akerman analyzed correspondence from the IRS and worked with the accountants to respond to inquiries from taxing authorities.
- The Receiver reviewed and executed federal and state tax returns.

Litigation/Contested Matters

- The Receiver had previously intervened in the case *Quiros v. Ironshore Indemnity, Inc.*, Case No. 16-25073 (the “Ironshore Case”), where Mr. Quiros sued Ironshore Indemnity, Inc. (“Ironshore”) (which provided insurance coverage for claims made against the directors and officers of Q Resorts, Inc. as well as liability claims against Q Resorts, Inc.) to cover the costs of his legal defense. The parties reach a settlement, which was approved by the Court. However, interested parties, Leon Cosgrove, LLP and Mitchell, Silberberg & Knupp, LLP (“MSK”) appealed the Court Order approving the settlement [ECF No. 555]. The Receiver and his counsel prepared for mediation in this matter.
- The Receiver and Akerman attorneys continued to negotiate receivership claims against other professionals who provided pre-receivership services to Mr. Quiros and the receivership entities, to serve discovery, to review and catalog responses to discovery and to revise Tolling Agreements to preserve the Receiver’s claims.
- Certain investors filed a Complaint, *Sutton et al v. Saint-Sauveur Valley Resorts, Inc.*, Case No. 17-cv-00061, in the U.S. District Court for the District of Vermont (the “SSVR Case”). The Receiver was previously added as a plaintiff in the SSVR Case and monitored the SSVR Case at no charge to the receivership estate. When

Saint-Sauveur Valley Resorts, Inc., and the other defendants, Louis DuFour, Louis Hebert, David Pocius, and Laurence May (collectively, the “SSVR Parties”) added certain of the Receivership Entities as third-party defendants, the Receiver and his counsel took action in the Receivership Case. The Receiver, jointly with Quiros’ counsel and counsel for Raymond James & Associates, Inc. and Raymond James Financial, Inc. researched and prepared a motion and accompanying memorandum of law, requesting the Receivership Court issue an order to show cause why (i) the Receivership Court should not enforce the settlements memorialized in the Raymond James and Quiros Bar Orders by enjoining prosecution of the Vermont claims (and any similar claims) and requiring dismissal of such claims, and (ii) the SSVR Parties should not be held in contempt for their willful and intentional violation of the Receivership Court’s orders and sanctioned jointly and severally in the amount of legal fees incurred.

Document Review and Discovery

- The Receiver and Akerman continued to research and analyze records responsive to discovery requests, reviewed and identified responsive documents and reviewed documents for privilege.

(b) Levine Kellogg Lehman Schneider and Grossman LLP

Special Counsel represents the Receiver in certain litigation matters and are lead counsel to the Receiver litigation filed against third parties.

- After the Court approved the settlement and entered a Bar Order in the Ironshore Case, objecting parties filed an appeal of the Bar Order, Special Counsel continued to monitor the appellate court deadlines. Special Counsel engaged in numerous conferences with the Receiver regarding oral argument, made arrangements regarding presentation at oral argument, researched and updated case and otherwise prepared for participated in oral argument.
- Special Counsel analyzed a strategy for resolution of investor claims, engaged in multiple conferences with investor counsel regarding settlement negotiations, reviewed materials provided by investor counsel and conferred with counsel regarding tolling agreement and settlement. Special Counsel continued to review summaries and the underlying source documents in preparation for settlement discussions. Special Counsel also reviewed and analyzed information from attorneys from EB-5 investors relating to claims, in preparation for drafting complaint, gathered exhibits and drafted a complaint. Special counsel reviewed documents in preparation for drafting settlement agreement, prepared a proposed settlement agreement and conferred with counsel regarding changes to tolling agreement and settlement agreement. Special Counsel researched potential mediators, conferred with opposing counsel regarding mediation and prepared a mediation statement. Special Counsel gathered and reviewed exhibits attached to Mediation Statement, reviewed questions posed by mediator and prepared draft

answers, and attended mediation with the Receiver. Special counsel drafted a settlement agreement and revised the settlement agreement as per Receiver's changes. Special Counsel also drafted a preliminary approval order, notice, and bar order regarding settlement between investor plaintiffs and other parties and prepared a motion to approve settlement.

- The Receiver had previously filed a Complaint against prior counsel to the Receivership Entities, *Goldberg v. David B. Gordon and Mitchell Silberberg & Knupp, LLP* (the "MSK Case"), Case No. 19-cv-21862, filed in the U.S. District Court for the Southern District of Florida. The parties had exchanged extensive discovery and engaged in mediation (where the parties reached an impasse). On December 13, 2019, the Court in the MSK Case entered an Order granting a motion filed by the United States to intervene and to stay proceedings until November 13, 2020 or until the resolution of the criminal prosecution in *U.S. v. Quiros*, Case No. 5:19-cr-76, filed in the U.S. District Court for the District of Vermont, whichever is sooner. Special Counsel reviewed and analyzed the Complaint in preparation for preparing additional discovery after the stay is lifted. Special Counsel reviewed, analyzed and summarized depositions and conferred with the Receiver regarding resumption of mediation. Special Counsel reviewed materials relating to the prior mediation with same parties, prepared a mediation update and compiled documents in preparation for the resumed mediation.

Special Counsel engaged in numerous conferences with Kapila's team regarding various document requests, continued working on responses to document requests and reviewed and revised responses to third party's document requests. Special Counsel also reviewed and analyzed discovery for use in case.

(c) Kapila Mukamal

Kapila Mukamal ("KM" or the "Accountants") separated their time into the activity categories provided in the Billing Instructions. Narrative summaries of these activity categories are provided below.

- During the period March 1, 2020 through August 31, 2020, KM spent considerable time assisting the Receiver with the (i) preparation of tax returns, (ii) responded to tax agency notices, (iii) reviewed, analyzed and prepared transfer schedules to assist the Receiver with recoveries for the benefit of the estate, and (iv) assisted immigration counsel with schedules to support costs and job creation for the various limited partnerships, further detailed below.
- KM coordinated with the Jay Peak accounting and management company teams to compile the required financial data for the limited partnerships to prepare the annual tax returns, partnership K-1's and extensions due to be filed by September 15, 2020. In addition, KM reviewed and responded to tax agency notices.

- KM reviewed, analyzed and prepared transfer schedules and supporting records to assist the Receiver with adversary proceedings and recoveries for the benefit of the estate. KM coordinated with the Receiver and his counsel on numerous production requests and subpoenas related to on-going adversary proceedings. In addition, KM assisted immigration counsel by preparing flow of funds schedules detailing costs and expenses incurred for various partnerships to support the costs and job creation for the benefit of the investors.

(d) Klasko Immigration Law Partners, LLP

The Klasko professionals continued to work with the Receiver, the accountants and economists to gather and analyze information needed by the investors for preparation of their I-829 Petitions and respond to inquiries from the USCIS.

- Mandamus complaints: Since last Fall, Klasko worked on collecting investor information and drafting two mandamus complaints for investors in various Jay Peak projects. This involved numerous calls and emails with investors and their attorneys to discuss the mandamus and to collect information from the investors, which data was collected in a spreadsheet that required constant updating and multiple calls with the Receiver to discuss litigation strategy and the hardship suffered as a result of the delay in processing.
- Request for Evidence (“RFE”) responses for Lodge and Townhouse, Stateside, Penthouse Suites, and Golf and Mountain RFE: Klasko has worked on various response templates to notices received by investors in every phase of the Jay Peak Resort. Preparing the templates involves requesting and reviewing documents and drafting a cover letter, index, and various statements for signature. After distribution and completion, Klasko participated in numerous correspondence and conferences investors and their attorneys regarding preparation of the responses and conferences with the Receiver, Jay Peak management and the economist who prepared the jobs report used in the RFE template. After Lodge and Townhouse investors’ I-839 petitions were denied, Klasko engaged in further conferences with the denied investors and their attorneys and prepared a template Motion to Reopen template, which centered on an updated report from KM, and updated the existing RFE template. For the Stateside, Penthouse Suites and Golf and Mountain responses, Klasko prepared a resort-wide economic impact, showing the jobs created across the Resort. The preparation of this report involved a number of drafts and conference calls with the team and the economist.
- Q Burke RFE response, MTR template, and NOIR template response: Investors in Q Burke received RFEs on their I-829 petitions and denials and notices of intent to revoke their I-526 petitions. Klasko drafted a template MTR for the investors with denied I-526 petitions. As the primary reason for the denial of the petitions is the terminated regional center, Klasko engaged in negotiations with the Green

Mountains Regional Center, which involved multiple correspondence and conferences and drafting of a sponsorship agreement. The regional center backed out during the last week of August and Klasko has begun negotiations with a new regional center. Klasko is currently working on the template response to the Notices of Intent to revoke.

- Termination of VTRC: During this period, the Vermont Regional Center's appeal of its termination to the AAO was denied. Klasko participated in conferences and correspondence and prepared documents relating to the strategy for the denied Regional Center and subsequent filing of a Motion to Reopen by the Regional Center.

(e) Downs Rachlin Martin PLLC

The Receiver employed DRM to handle Vermont-specific matters involving Jay Peak properties. During this Application Period, DRM was retained, in part to challenge the 2020 – 2021 real property tax assessments for properties located at Jay Peak, Burke Mountain and Newport.

- With regard to the Jay Peak Resort, DRM reviewed the most recent appraisal of the properties, and engaged in numerous conferences with the Receiver, on-site management and the Tax Assessor for the Town of Jay. DRM prepared for the Grievance Hearing, participated in the Grievance Hearing at the Jay Town offices, and provided the Receiver with a summary of the hearing. After conferring with the Receiver and the Jay team, DRM prepared a notice of appeal from the decision of the listers to the Board of Civil Authority (“BCA”). Vermont Counsel prepared for and participated in the BCA hearing at the Jay Town Hall, and after the hearing, prepared a memorandum summarizing the proceeding and outlining the next steps following the BCA decision.
- With regard to Newport, DRM engaged in multiple conferences with the Town of Newport Lister regarding the Lister's cards for 172 Bogner Drive and 151 Main Street. DRM conferred with the Receiver regarding discrepancies between the Lister's property tax description and current physical condition, followed up with the City Assessor concerning revision of the assessment in light of the building's degraded condition and reduction in its foot print. DRM prepared a status report for the Receiver and the Jay team regarding same and prepared the grievance application.
- With regard to Burke Mountain, DRM conferred with Kevin Mack at Burke Mountain for site visit and discussion regarding property tax appeal and particular issues to consider. DRM prepared for and participate in a grievance hearing with the Burke Town Assessor and engaged in post hearing correspondence with the Burke team. DRM prepared a letter to the Burke Town Clerk noticing the appeal

to the BCA. DRM analyzed and compared the assessed value of the Burke Mountain Hotel with similar properties; reviewed the revised and expanded appraisal of Burke Mountain. DRM worked on the presentation before the BCA, prepared questions for Kevin Mack's testimony, attended the Burke BCA hearing and prepared a summary of the BCA hearing. DRM reviewed the BCA decision and followed up with the Burke Team regarding the next steps before the court.

VI. Memorandum of Law

The Receiver and his professionals are entitled to reasonable compensation and expenses, pursuant to the Receivership Order. Receivership courts have traditionally determined reasonableness by utilizing the familiar lodestar approach, calculating a reasonable hourly rate in the relevant market and the reasonable number of hours expended. *See, e.g., S.E.C. v. Aquacell Batteries, Inc.*, No. 6:07-cv-608-Orl-22DAB, 2008 WL 276026, *3 (M.D. Fla. Jan 31, 2008); *see also Norman v. Hous. Auth.*, 836 F.2d 1292, 1299-1302 (11th Cir. 1988).⁸ The hourly rates billed by the Receiver and his professionals are reasonable for professionals practicing in the Southern District of Florida. The Receiver reduced his standard rate by \$300.00 per hour and lowered the rates of the Akerman professionals anywhere from by \$50.00 an hour to \$215.00 an hour (depending on the individual's standard rate). The LKLSG professionals also reduced their rates by \$100.00 to \$350.00 from their standard rates. These are the same hourly rates already approved by the Court in prior fee applications. Moreover, these reductions have resulted in a substantial savings to the receivership estate, in the amount of \$450,000 during the Application Period.

“In general, a reasonable fee is based on all circumstances surrounding the receivership.” *SEC v. W. L. Moody & Co., Bankers*, 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff'd*, 519 F.2d 1087 (5th Cir. 1975); (“[T]he court may consider all of the factors involved in a particular receivership

⁸ The law in this circuit for assessing the reasonableness of fees is set out in *Norman v. Hous. Auth. of Montgomery*, 836 F.2d 1292. (11th Cir. 1988). According to *Norman*, the starting point in determining an objective estimate of the value of professional services is to calculate the “lodestar” amount, by multiplying a reasonable hourly rate by the number of hours reasonably expended. *Id.* at 1299 (citing *Hensley v. Eckerhart*, 461 U.S. 424, 433, 103 S.Ct. 1933, 76 L.Ed.2d 40 (1983)).

in determining an appropriate fee.” *Gaskill v. Gordon*, 27 F.3d 248, 253 (7th Cir. 1994). “In determining the amount of their compensation, due consideration should be given to the amount realized, as well as the labor and skill needed or expended, and other circumstances having a bearing on the question of the value of the services.” *Sec. & Exch. Comm’n v. Striker Petroleum, LLC* (N.D. Tex., 2012) citing *City of New Orleans v. Malone*, 12 F.2d 17, 19 (5th Cir. 1926). Part of “determining the nature and extent of the services rendered,” however, includes an analysis as to the reasonableness of the services rendered, bearing in mind the nature of a receivership. As the Supreme Court has noted:

The receiver is an officer of the court, and subject to its directions and orders [H]e is . . . permitted to obtain counsel for himself, and counsel fees are considered as within the just allowances that may be made by the court. . . . So far as the allowances to counsel are concerned, it is a mere question as to their reasonableness. The compensation is usually determined according to the circumstances of the particular case, and corresponds with the degree of responsibility and business ability required in the management of the affairs intrusted to him, and the perplexity and difficulty involved in that management.

Stuart v. Boulware, 133 U.S. 78, 81-82 (1890).

The Receiver continues to oversee the operations of the two ski resorts and related amenities. The Receiver has used his business judgment to develop plans to enhance the operations of the Receivership Entities prior to their sale in order to boost the value of the receivership assets and provide proof of job creation for the benefit of the investors. Due to the Covid 19 pandemic, the Receiver, based on the advice of his hotel consultants and management team, decided to close down the Jay Peak Resort and Burke Mountain Hotel in early March and to apply for a PPP loan. The Receiver also continues to obtain recoveries against third parties for the benefit of the investors and creditors.

In addition to fees, the receiver is “also entitled to be reimbursed for the actual and necessary expenses” that the receiver “incurred in the performance of [its] duties.” *Fed. Trade*

Comm'n v. Direct Benefits Grp., LLC, No. 6:11-cv-1186-Orl-28TBS, 2013 WL 6408379, at *3 (M.D. Fla. Dec. 6, 2013). The Receiver and his professionals support their claims for reimbursement of expenses with “sufficient information for the Court to determine that the expenses are actual and necessary costs of preserving the estate.” *Sec. & Exch. Comm'n v. Kirkland*, No. 6:06-cv-183-Orl-28KRS, 2007 WL 470417, at *2 (M.D. Fla. Feb. 13, 2007) (citing *In re Se. Banking Corp.*, 314 B.R. 250, 271 (Bankr. S.D. Fla. 2004)).

A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. *See SEC v. Byers*, 590 F.Supp.2d 637, 644 (S.D.N.Y. 2008); *see also SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (“[I]f a receiver reasonably and diligently discharges his duties, he is entitled to compensation.”). As more fully described herein and supported by the time records, the Receiver and his professionals have reasonably and diligently discharged their duties, and provided a benefit to the receivership estate, the investors and creditors.

WHEREFORE, the Receiver seeks entry of an Order granting this motion and awarding the Receiver and his professionals their interim fees, reimbursement of costs, which shall be paid from available cash to the extent such funds are in the receivership estate, and for such other relief that is just and proper.

LOCAL RULE CERTIFICATION

Pursuant to Local Rule 7.3, the Receiver hereby certifies that he has conferred with counsel for the SEC, the plaintiff in this case, who has no objection to the Application. A hearing is requested only in the event that someone files an objection thereto.

Respectfully submitted,

AKERMAN LLP

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By: /s/ Michael I. Goldberg

Michael I. Goldberg, Esq.

Florida Bar No.: 886602

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Court-Appointed Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on this 12th day of October, 2020 via the Court's notice of electronic filing on all CM/ECF registered users entitled to notice in this case as indicated on the attached Service List.

By: /s/ Michael I. Goldberg
Michael I. Goldberg, Esq.

SERVICE LIST

1:16-cv-21301-DPG Notice will be electronically mailed via CM/ECF to the following:

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Exhibit 1

CERTIFICATION

The undersigned, MICHAEL I. GOLDBERG (the “Applicant”), hereby certifies as follows, and says:

1. The Applicant is a partner in the law firm of Akerman LLP (“Akerman”) and the Receiver in this action. This Certification is based on the Applicant’s first-hand knowledge of and review of the books, records and documents prepared and maintained by Akerman in the ordinary course of its business. The Applicant knows that the facts contained in this motion regarding work performed by the Receiver and his staff and the facts contained in this Certification are true, and the Applicant is authorized by Akerman to make this Certification. Having reviewed the time records and data which support the motion, the Applicant further certifies that said motion is well grounded in fact and justified.

2. The billing records of Akerman which are attached to this Application are true and correct copies of the records maintained by Akerman. These records were made at or near the time the acts, events, conditions or opinions described in such records occurred or were made. The Applicant knows that the records were made by persons with knowledge of the transactions or occurrences described in such records or that the information contained in the records was transmitted by a person with knowledge of the transactions or occurrences described in the records. The records were kept in the ordinary course of the regularly conducted business activity of Akerman and it is the regular business practice of Akerman to prepare these records.

3. To the best of the Applicant’s knowledge, information and belief formed after reasonable inquiry, this motion and all fees and expenses herein are true and accurate and comply with the Billing Instructions for Receivers in Civil Actions Commenced by the SEC.

4. All fees contained in this Application are based on the rates listed in the fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission).

6. In seeking reimbursement for a service which Akerman justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for a service which the Applicant justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. If such services are performed by the Applicant, the Applicant will certify that he is not making a profit on such reimbursable service.

By: /s/Michael I. Goldberg
Michael I. Goldberg, Esq.
Court Appointed Receiver

Exhibit 2(a)**Total Compensation and Expenses Requested****9th Interim Fee Application
March 1, 2020 - August 31, 2020**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	659.90	\$181,644.50	\$9,005.24	\$190,649.74
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	887.40	\$196,759.00	\$81,937.99	\$278,696.99
Kapila Mukamal	Accountants	299.8	\$101,687.20	\$2,157.95	\$103,845.15
Klasko Immigration Law Partners, LLP	Attorneys	284.70	\$107,238.50	\$4,289.54	\$111,528.04
Downs Rachlin Martin, PLLC	Attorneys	113.70	\$43,566.00	\$512.19	\$44,078.19
Total		2,245.50	\$630,895.20	\$97,902.91	\$728,798.11

Exhibit 2(b)**Total Amounts Previously Requested, and
Total Compensation and Expenses Previously Awarded****Summary of Prior Fee Applications**

Fee Application	Period	Approved	Hours	Fees	Expenses	Total
1st [ECF No. 241]	4/13/2016 - 10/31/2016	12/13/2016 [ECF No. 248]	7,203.20	\$1,883,900.95	\$69,566.64	\$1,953,467.59
2nd [ECF No. 357]	11/1/2016 - 4/30/2017	7/14/2017 [ECF No. 373]	4,782.60	\$1,269,677.80	\$82,973.40	\$1,352,651.20
3rd [ECF No. 423]	5/1/2017 - 8/31/2017	10/26/2017 [ECF No. 424]	3,005.50	\$791,246.90	\$43,143.94	\$834,380.68
4th [ECF No. 470]	9/1/2017 - 1/31/2018	4/16/2018 [ECF No. 471]	3,069.90	\$839,251.00	\$67,703.55	\$906,954.55
5th [ECF No. 499]	2/1/2018 - 8/31/2018	10/16/2018 [ECF No. 500]	3,757.30	\$1,052,025.50	\$40,935.93	\$1,132,945.94
6th [ECF No. 565]	9/1/2018 - 2/28/2019	6/20/2019 [ECF No. 568]	2,288.40	\$640,717.50	\$54,888.27	\$695,605.77
7th [ECF No. 576]	3/1/2019 - 8/31/2019	10/25/2019 [ECF No. 577]	2737.00	\$737,307.00	\$58,912.86	\$796,219.86
8th [ECF No. 592]	9/1/2019 - 2/29/2020	6/15/2020 [ECF No. 601]	749.50	\$198,122.00	\$21,784.05	\$219,906.05
Total			27,593.40	\$7,412,248.65	\$439,908.64	\$7,892,131.64

Exhibit 2(c)**Amounts Previously Requested, and
Total Compensation and Expenses Previously Awarded****1st Interim Fee Application
April 13, 2016 - October 31, 2016**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	2,470.20	\$822,453.25	\$16,070.13	\$838,523.38
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	1,907.00	\$380,680.00	\$25,447.53	\$406,127.53
Kapila Mukamal	Accountants	2,495.20	\$584,759.20	\$19,487.55	\$604,246.75
Gowling WLK	Attorneys	61.30	\$22,629.50	\$1,957.11	\$24,586.61
Klasko Immigration Law Partners, LLP	Attorneys	139.50	\$47,379.00	\$2,304.92	\$49,683.92
The McManus Group	Security	130.00	\$26,000.00	\$4,299.40	\$30,299.40
Total		7,203.20	\$1,883,900.95	\$69,566.64	\$1,953,467.59

**2nd Interim Fee Application
November 1, 2016 - April 30, 2017**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1,714.20	\$539,212.50	\$46,194.55	\$585,407.05
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	1,730.10	\$361,908.50	\$24,068.18	\$385,976.68
Kapila Mukamal*	Accountants	1,093.90	\$284,361.10	\$9,499.29	\$293,860.39
Gowling WLK	Attorneys	5.20	\$2,741.20	\$1.20	\$2,742.40
Klasko Immigration Law Partners, LLP	Attorneys	233.20	\$80,254.50	\$3,210.18	\$83,464.68
Strouse & Bond PLLC	Attorneys	6.00	\$1,200.00	\$0.00	\$1,200.00
Total		4,782.60	\$1,269,677.80	\$82,973.40	\$1,352,651.20

* The amount of expenses includes the sum of \$1,023.06 which was incurred in September and October 2016 but was inadvertently left out of the First Interim Fee Application.

**3rd Interim Fee Application
May 1, 2017 - August 31, 2017**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1,654.30	\$461,301.50	\$21,573.38	\$482,874.88
Levine Kellogg Lehman Schneider + Grossman LLP*	Attorneys	477.40	\$106,674.50	\$17,757.46	\$124,421.80
Kapila Mukamal	Accountants	832.10	\$207,897.40	\$3,207.76	\$211,105.16
Klasko Immigration Law Partners, LLP	Attorneys	40.50	\$15,133.50	\$605.34	\$15,738.84
Strouse & Bond PLLC	Attorneys	1.20	\$240.00	\$0.00	\$240.00
Total		3,005.50	\$791,246.90	\$43,143.94	\$834,380.68

* Includes a reduction of \$10.16 for prepaid funds.

**4th Interim Fee Application
September 1, 2017 - January 31, 2018**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1,378.00	\$420,126.50	\$29,716.94	\$449,843.44
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	1,177.30	\$252,603.50	\$35,210.61	\$287,814.11
Kapila Mukamal	Accountants	452.10	\$143,755.50	\$1,879.80	\$145,635.30
Klasko Immigration Law Partners, LLP	Attorneys	60.70	\$22,405.50	\$896.20	\$23,301.70
Strouse & Bond PLLC	Attorneys	1.80	\$360.00	\$0.00	\$360.00
Total		3,069.90	\$839,251.00	\$67,703.55	\$906,954.55

**5th Interim Fee Application
February 1, 2018 - August 31, 2018**

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1,977.40	\$591,125.00	\$39,584.51	\$630,709.51
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	966.30	\$206,625.00	\$35,390.27	\$242,015.27
Kapila Mukamal	Accountants	706.60	\$217,441.50	\$4,056.30	\$221,497.80
Klasko Immigration Law Partners, LLP	Attorneys	107.00	\$37,234.00	\$1,489.36	\$38,723.36
Total		3,757.30	\$1,052,425.50	\$40,935.93	\$1,132,945.94

* Includes an additional \$400 omitted from payment in the 4th Interim Fee Application due to a typographical error.

6th Interim Fee Application
September 1, 2018 - February 28, 2019

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1099.00	\$352,643.00	\$40,763.95	\$393,406.95
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	747.30	\$143,391.00	\$11,474.57	\$154,865.57
Kapila Mukamal	Accountants	392.30	\$124,853.50	\$1,856.55	\$126,710.05
Klasko Immigration Law Partners, LLP	Attorneys	49.80	\$19,830.00	\$793.20	\$20,623.20
Total		2288.40	\$640,717.50	\$54,888.27	\$695,605.77

7th Interim Fee Application
March 1, 2019 - August 31, 2019

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	1099.50	\$345,522.50	\$42,081.05	\$387,603.55
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	1008.40	\$209,418.00	\$12,272.67	\$221,690.67
Kapila Mukamal	Accountants	461.7	\$149,414.00	\$3,456.43	\$152,870.43
Klasko Immigration Law Partners, LLP	Attorneys	83.70	\$26,664.50	\$1,066.58	\$27,731.08
Downs Rachlin Martin PLLC	Attorneys	83.70	\$6,288.00	\$36.13	\$6,324.13
Total		2737.00	\$737,307.00	\$58,912.86	\$796,219.86

8th Interim Fee Application
September 1, 2019 - February 29, 2020

Name	Specialty	Hours	Fees	Expenses	Total
Receiver and Akerman LLP	Attorneys	749.50	\$198,122.00	\$21,784.05	\$219,906.05
Levine Kellogg Lehman Schneider + Grossman LLP	Attorneys	1,246.80	\$260,760.00	\$60,629.51	\$321,389.51
Kapila Mukamal	Accountants	310.8	\$106,367.90	\$1,295.39	\$107,663.29
Klasko Immigration Law Partners, LLP	Attorneys	96.70	\$51,439.00	\$2,057.56	\$53,496.56
Downs Rachlin Martin, PLLC	Attorneys	16.30	\$5,419.00	\$0.00	\$5,419.00
Total		2,420.10	\$622,107.90	\$85,766.51	\$707,874.41

Exhibit 3

Fee Schedule: Names and Hourly Rates of Professionals And Paraprofessionals & Total Amount Billed For Each Professional and Paraprofessional

Exhibit 3(a)**Receiver and Akerman LLP**

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Billable Amount
Connolly, Kelly	Litigation	Paralegal	n/a	\$315.00	\$175.00	3.90	\$682.50
Cotler, Cheryl	Real Estate	Paralegal	n/a	\$315.00	\$175.00	12.30	\$2,152.50
Goldberg, Michael	Fraud & Recovery	Partner	1990	\$750.00	\$395.00	197.50	\$78,012.50
Gottlieb, Marc	Litigation	Partner	1989	\$550.00	\$395.00	4.70	\$1,856.50
Levit, Joan	Fraud & Recovery	Of Counsel	1993	\$630.00	\$395.00	78.90	\$31,165.50
Mclaughlin, Amanda	Fraud & Recovery	Document Support	n/a	\$80.00	\$75.00	77.80	\$5,835.00
Marsh, Lakeisha	Government Affairs	Partner	2005	\$650.00	\$395.00	2.90	\$1,145.50
Rebak, Joseph	Litigation	Partner	1980	\$775.00	\$395.00	3.60	\$1,422.00
Robbins, Jon	Litigation	Partner	1993		\$395.00	0.50	\$197.50
Smiley, Kimberly	Fraud & Recovery	Paralegal	n/a	\$295.00	\$175.00	229.80	\$40,215.00
Surgeon, Naim	Litigation	Associate	2009	\$595.00	\$395.00	32.20	\$12,719.00
Wamsley, Andrew	Real Estate	Partner	2004	\$615.00	\$395.00	15.80	\$6,241.00
Blended Rate					\$275.26		
Total						659.90	\$181,644.50

Exhibit 3(b)**Levine Kellogg Lehman Schneider + Grossman LLP**

Name	Practice Area	Title	Year licensed	Standard Rate	Reduced Rate	Hours	Amount Billed
Tal Aburos	Commercial Litigation	Associate	2018	\$345.00	\$200.00	61.20	\$12,240.00
Ana Maria Salazar	Receivership Support	Paralegal	n/a	\$255.00	\$125.00	186.80	\$23,350.00
Jeffrey C. Schneider	Receiver & Commercial Litigation	Partner	1992	\$695.00	\$260.00	373.40	\$97,084.00
Jezabel Lima	Commercial Litigation	Partner	2001	\$555.00	\$250.00	113.60	\$28,400.00
Stephanie Reed Traband	Commercial Litigation	Partner	1998	\$620.00	\$250.00	91.20	\$22,800.00
Victoria J. Wilson	Commercial Litigation	Associate	2011	\$450.00	\$200.00	4.10	\$820.00
Alexander G. Strassman	Commercial Litigation	Associate	2014	\$425.00	\$200.00	44.20	\$8,840.00
Jason Kellogg	Commercial Litigation	Partner	2002	\$555.00	\$250.00	12.90	\$3,225.00
Blended Rate					\$221.73		
Total						887.40	\$196,759.00

Exhibit 3(c)**Kapila Mukamal**

Name	Title	Year Licensed/ Experience	Hours	Standard Billing Rate	Discount Rate	Total Billed
Soneet Kapila, CPA, CFF, CIRA, CFE	Partner	1983	3.00	\$550.00	\$395.00	\$1,185.00
Lesley Johnson, CPA, CIRA	Partner/Tax	1984	76.90	\$430.00	\$395.00	\$30,375.50
Melissa Davis, CPA, CIRA, CFE	Partner	2002	61.70	\$420.00	\$395.00	\$24,371.50
Kevin McCoy, CPA, CFF, CIRA	Partner	2012	1.60	\$395.00	\$395.00	\$632.00
Kathy Foster	Tax Consultant	31 years	57.20	\$330.00	\$330.00	\$18,876.00
Frank Diaz- Drago	Consultant	6 years	70.70	\$296.00	\$296.00	\$20,927.20
Catherine Murchson	Forensic Analyst	43 years	0.90	\$280.00	\$280.00	\$252.00
Willie Velarde	Forensic Analyst	2010	5.70	\$230.00	\$230.00	\$1,311.00
Ky Johnson	Forensic Analyst	6 years	22.10	\$170.00	\$170.00	\$3,757.00
Blended Rate					\$339.18	
Total			299.80			\$101,687.20

Exhibit 3(d)**Klasko Immigration Law Partners, LLP**

Name	Practice Area	Year Licensed	Title	Standard Rate	Blended Rate	Time Billed	Billed Amount
H. Ronald Klasko	Immigration	1974	Partner	\$ 995.00	\$495.00	34.90	\$17,275.50
Daniel B. Lundy	Immigration	2006	Partner	\$ 655.00	\$495.00	11.30	\$5,593.50
Jessica A. DeNisi	Immigration	2008	Associate	\$ 505.00	\$350.00	238.50	\$83,475.00
Jordan J. Gonzalez	Immigration	2017	Associate	\$ 320.00	\$350.00	1.00	\$350.00
Iona Pal	Immigration	n/a	Paralegal	\$ 240.00	\$165.00	3.30	\$544.50
Total						284.70	\$107,238.50

Exhibit 3(e)**Downs Rachlin Martin PLLC**

Name of Professional	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours Billed	Total Amount Billed
Alison F. Alifano	Administration	Librarian	N/A	\$180.00	\$120.00	0.70	\$84.00
Andre Bouffard	Bankruptcy; Litigation	Director	1986	\$425.00	\$375.00	0.70	\$112.50
Kimberly M. Butler	Business Law	Director	1994	\$400.00	\$375.00	0.20	\$75.00
Kimberly L. Gilding	Business Law	Senior Paralegal	N/A	\$230.00	\$215.00	5.10	\$1,096.50
Wm. Roger Prescott	Business; Tax Law	Director	1993	\$475.00	\$415.00	103.60	\$41,873.50
Elizabeth K. Rattigan	Employment Law	Director	1996	\$405.00	\$355.00	0.40	\$142.00
Christopher D. Roy	Litigation	Director	1989	\$410.00	\$365.00	0.50	\$182.50
James G. Wheeler	Business Law	Director	1974	\$475.00	\$415.00	2.50	\$0.00
Blended Rate					\$383.17		
Totals:						113.70	\$43,566.00

Exhibit 4

**Applicants' Complete Time by Activity Code Category
For The Time Period Covered By This Application,
Sorted In Chronological Order**

Exhibit 5

Standardized Fund Accounting Report

Michael I. Goldberg, Receiver
Las Olas Centre II – Suite 1600
350 E. Las Olas Boulevard
Ft. Lauderdale, Florida 33301
(954) 463-2700 (Main)
(800) 223-2234 (Toll Free)

STANDARDIZED FUND ACCOUNTING REPORT

Civil – Receivership Fund

SECURITIES & EXCHANGE COMMISSION

vs.

ARIEL QUIROS, et al.

Case No.: 16-cv-21301-GAYLES

Reporting Period: 4/1/2020 – 8/31/2020

STANDARDIZED FUND ACCOUNTING REPORT - Cash Basis (Receivership)

SEC v. Quiros, et al.

Case No.: 16-cv-21301-GAYLES

Reporting Period 04/01/2020 to 08/31/2020

FUND ACCOUNTING (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/31/2020):	\$ -	\$ -	\$ 22,417,976.88
	Increases in Fund Balance:			
Line 2	Business Income	\$ -		
Line 3	Cash and Securities (UNrestricted)	\$ 135,684.96		
Line 3	Cash and Securities (RESTRICTED)	\$ (1,000,000.00)		
Line 4	Interest/Dividend Income	\$ 25,376.00		
Line 5	Business Asset Liquidation	\$ -		
Line 6	Personal Asset Liquidation	\$ -		
Line 7	Third-Party Litigation Income	\$ -		
Line 8	Miscellaneous - Other	\$ -		
	Total Funds Available (Lines 1 – 8):			\$ 21,579,037.84
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			\$ -
Line 10	Disbursements for Receivership Operations			\$ -
Line 10a	Disbursements to Receiver or Other Professionals	\$ 248,000.37		
Line 10b	Business Asset Expenses	\$ 22,086.14		
Line 10c	Personal Asset Expenses	\$ -		
Line 10d	Investment Expenses	\$ -		
Line 10e	Third-Party Litigation Expenses	\$ -		
	1. Attorney Fees	\$ 482,549.36		
	2. Litigation Expenses	\$ -		
	Total Third-Party Litigation Expenses	\$ -		
Line 10f	Tax Administrator Fees and Bonds	\$ -		
Line 10g	Federal and State Tax Payments	\$ 55,876.03		
	Total Disbursements for Receivership Operations			\$ 808,511.90
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:	\$ -		
	Fund Administrator.....	\$ -		
	Independent Distribution Consultant (IDC).....	\$ -		
	Distribution Agent.....	\$ -		
	Consultants.....	\$ -		
	Legal Advisers.....	\$ -		
	Tax Advisers.....	\$ -		
	2. Administrative Expenses	\$ -		
	3. Miscellaneous	\$ -		
	Total Plan Development Expenses	\$ -		\$ -
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:	\$ -		
	Fund Administrator.....	\$ -		
	IDC.....	\$ -		
	Distribution Agent.....	\$ -		
	Consultants.....	\$ -		
	Legal Advisers.....	\$ -		
	Tax Advisers.....	\$ -		
	2. Administrative Expenses	\$ -		
	3. Investor Identification:	\$ -		
	Notice/Publishing Approved Plan.....	\$ -		
	Claimant Identification.....	\$ -		
	Claims Processing.....	\$ -		
	Web Site Maintenance/Call Center.....	\$ -		
	4. Fund Administrator Bond	\$ -		
	5. Miscellaneous	\$ -		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	\$ -		
	Total Plan Implementation Expenses	\$ -		\$ -
	Total Disbursements for Distribution Expenses Paid by the Fund			\$ -
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$ -		
Line 12b	Federal Tax Payments	\$ -		
	Total Disbursements to Court/Other:			\$ -
	Total Funds Disbursed (Lines 9 – 11):			\$ 808,511.90
Line 13	Ending Balance (As of 08/31/2020):			\$ 20,770,525.94
Line 14	Ending Balance of Fund – Net Assets:			\$ -
Line 14a	Cash & Cash Equivalents	\$ -		
Line 14b	Investments 2 Loan Collateral	\$ 1,500,000.00		
Line 14c	Other Assets or Uncleared Funds	\$ -		
	Total Ending Balance of Fund – Net Assets			\$ 19,270,525.94

STANDARDIZED FUND ACCOUNTING REPORT - Cash Basis (Receivership)


SEC v. Quiros, et al.

Case No.: 16-cv-21301-GAYLES

Reporting Period 04/01/2020 to 08/31/2020

OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
	Report of Items NOT To Be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	IDC.....	\$ -		
	Distribution Agent.....	\$ -		
	Consultants.....	\$ -		
	Legal Advisers.....	\$ -		
	Tax Advisers.....	\$ -		
	2. Administrative Expenses	\$ -		
	3. Miscellaneous	\$ -		
	Total Plan Development Expenses Not Paid by the Fund			\$ -
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	IDC.....	\$ -		
	Distribution Agent.....	\$ -		
	Consultants.....	\$ -		
	Legal Advisers.....	\$ -		
	Tax Advisers.....	\$ -		
	2. Administrative Expenses	\$ -		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	\$ -		
	Claimant Identification.....	\$ -		
	Claims Processing.....	\$ -		
	Web Site Maintenance/Call Center.....	\$ -		
	4. Fund Administrator Bond	\$ -		
	5. Miscellaneous	\$ -		
	6. FAIR Reporting Expenses	\$ -		
	Total Plan Implementation Expenses Not Paid by the Fund			\$ -
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			\$ -
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			\$ -
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>	\$ -		
<i>Line 16b</i>	<i>Federal Tax Payments</i>	\$ -		
	Total Disbursements to Court/Other Not Paid by the Fund:			\$ -
Line 17	DC & State Tax Payments			\$ -
Line 18	No. of Claims:			
<i>Line 18a</i>	# of Claims Received This Reporting Period.....			0
<i>Line 18b</i>	# of Claims Received Since Inception of Fund.....			0
Line 19	No. of Claimants/Investors:			
<i>Line 19a</i>	# of Claimants/Investors Paid This Reporting Period.....			0
<i>Line 19b</i>	# of Claimants/Investors Paid Since Inception of Fund.....			0

Receiver:

By: 
(signature)

Michael I. Goldberg
(printed name)

Court Appointed Receiver
(title)

Date: 9-24-20