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**EXAMINER'S UNOPPOSED FOURTH INTERIM APPLICATION
TO ALLOW AND PAY (1) EXAMINER'S FEES AND EXPENSES, AND (2) ATTORNEY'S
FEES AND EXPENSES AND BRIEF IN SUPPORT**

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2. On November 29, 2006, the Receiver filed a Motion to Appoint Examiner (Dkt. 11). On November 30, 2006, the Court granted the motion and appointed Steven A. Harr as the Court's Examiner (Dkt. 12). The Examiner was appointed to monitor the activities of the Receiver, communicate with approximately 3500 investors located primarily in Taiwan, the United States, Puerto Rico and other countries, and to report to the Court whenever necessary as to the collective interest of the investors.

3. The Court has directed that Examiner is to be compensated out of the Receivership Assets pursuant to the same procedures approved for the Receiver (Dkt. 12).

Fee Period

4. This Application seeks the court's approval of the attorney's fees and expenses incurred by the Examiner and his counsel, Munsch Hardt Kopf & Harr, P.C. ("MHKH"), for the time period of December 15, 2007 through April 15, 2008.

Amount Requested

5. As reflected in the Examiner's notices, the invoices for the period covered by this Application set forth total fees in the amount of \$204,544.00 and expenses of \$7,737.39 for the Examiner and MHKH for the time period from August 15, 2007 through December 15, 2007. Pursuant to the payment procedures established by this Court, the Receiver has advanced these fees and expenses, and held back ten percent (10%) of the fees, a total of \$20,454.40. This Application therefore seeks approval of the payments to date, and the release of the amount held back.¹

Summary of Work Performed

6. The work performed during the period covered by this Application continued forward efforts initiated during the periods covered by previous Applications. The

¹ In approving the Examiner's First and Second Applications, the Court did not approve the release of the holdbacks. The Examiner expects that the Court will take a consistent approach, and would ask only that the Court approve a release of the amounts held back when the Court determines that such is appropriate.

determinations that led to the commencement of this work are therefore more fully addressed in the prior Applications, which are incorporated by reference.

7. For example, the determination had been made at the outset of the case that communications should be established and maintained with investors located in Taiwan, the United States, Puerto Rico and other countries. This included the creation and regular maintenance of a website in English and Chinese, and responding to e-mail presented in English and Chinese, as well as responding to periodic calls from more local investors. Accordingly, the Receiver continued to maintain and update the website and to respond to such inquiries. During the period covered by this Application, this work also included meeting with a lead representative of the Taiwanese investors.

8. Additionally, pursuant to the Examiner's duty to determine what to communicate to investors and to be in a position to report to the Court with respect to matters of concern to the investors, such as the most significant issue of the appropriate handling of the portfolio, it had been determined in the fall of 2007 that a substantial effort should be undertaken to complete a forensic reconstruction of the flows and uses of investor funds that was necessary for the assessment of tax issues and the support of ongoing claims. Rather than undertake the work himself, the Receiver requested that the Examiner's counsel shoulder the primary burden of this work, in view of the relative availability of personnel and the tax expertise of certain MHKH lawyers. It was anticipated that this work would have benefits not only to the analysis of taxes, but also to ongoing litigation against Mr. Kaplan and Erwin & Johnson. Accordingly, this work had been initiated during the period covered by the immediately previous Application. During the period covered by this Application, the heart of that work was done and completed, and in late March a report was presented to the Receiver and the Examiner with specific findings and general recommendations.

9. During the period covered by this Application and based upon the accumulated work of the Receiver and Examiner in this and prior Applications, the decision was made to move forward with marketing the portfolio, rather than attempting to hold it. This was perhaps the most critical decision in the entire case, and much of the analytical work of the Examiner done in this case was directed at making a wise decision in this regard. Additionally, the Examiner anticipated that this would be an unpopular decision, particularly with the Taiwanese investors, who appeared to continue to hold expectations of value based more upon the original misrepresentations of the Defendants and various sale agents than the facts as determined by the Examiner and communicated in investor updates. The Examiner therefore prepared himself to be able to make proper recommendations to the Court. The results of these efforts are currently bearing fruit as the Examiner has addressed a very large number of questions and concerns throughout this summer, and is preparing for an anticipated two-day hearing concerning this decision, in which he will report fully to the Court on these issues.

10. During the period covered by this Application, the Examiner and his counsel also worked with the Receiver to design reasonable sale procedures, which were presented to the Court and approved. The Examiner's counsel assisted in preparing and presenting the due diligence material that was made available for potential purchasers by the Receiver.

11. During the period covered by this Application, some of the forensic work product mentioned above was employed to create and to present a detailed insolvency report in support of the litigation against Mr. Kaplan. Specifically, counsel for the Examiner worked with Mr. Segner, the Receiver's forensic accountant, to assist in the collection of documents necessary to compile the report, and to design the underlying forensic reconstructions in such a way as to be useful for not only that action, but also for the ongoing tax analysis work, and the anticipated further work relative to the claims against Erwin & Johnson. The Examiner's counsel was more efficiently able to handle this work than the Receiver or his counsel because of the ongoing

work that the Examiner's counsel was then undertaking in connection with the preparation of the forensic reconstruction needed for the tax analysis.

12. During the period covered by this Application, the Examiner also continued his efforts to explore whether a response could be obtained from anyone even purporting to be employed by Albatross. The Examiner also participated in a limited role in following up on prior efforts relative to DMH Stallard and Italian investigative sources. The Examiner's counsel also responded to the Receiver's counsel's request for assistance relative to the collection of certain foreign records, an area in which the Examiner's counsel had unique prior experience.

13. During the period covered by this Application, the Examiner and his counsel monitored the efforts and activities of the Receiver through periodic meetings and other communications.

14. The fees and expenses incurred by the Examiner for the period covered by this Application are set forth below in summary:

Invoice No.	Bill Date	Fees	Expenses	Totals
10193177	2/18/2008	\$ 67,954.50	\$ 63.27	\$ 68,017.77
10193207	2/19/2008	\$ 79,896.50	\$ 3,741.40	\$ 83,637.90
10194772	3/18/2008	\$ 39,675.50	\$ 767.82	\$ 40,443.32
10196405	4/17/2008	\$ 17,017.50	\$ 3,164.90	\$ 20,182.40
		\$204,544.00	\$ 7,737.39	\$212,281.39

15. Additionally, the specific time entries for the Examiner and the professionals working under his direction are included on the invoices themselves, which are attached as Exhibit "A" to this Application. These invoices show: (a) the number of hours worked by each attorney and staff member on a particular day; (b) the work performed by each attorney and staff member; and (c) the rates for each person rendering service in this matter (which for some are below standard rates and for all others are at standard rates), and involvement of the Examiner and MHKH attorneys and staff in this case.

Application of Johnson Factors

16. In support of this request for allowance of compensation and reimbursement of expenses, the Examiner and MHKH respectfully direct this Court's attention to those factors generally considered by Courts in awarding compensation to professionals for services performed in connection with the administration of a receivership estate. As stated by the Sixth Circuit Court of Appeals in *Reed v. Rhodes*, 179 F.3rd 453, 471 (6th Cir. 1999), "The primary concern in an attorney's fee case is that the fee awarded be reasonable." See *Blum v. Stenson*, 465 U.S. 886, 893 (1984). A reasonable fee is 'one that is adequate to attract competent counsel'. . . (cite omitted). Under the twelve factor test enunciated by the Fifth Circuit in *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714 (5th Cir. 1974) and adopted by the Supreme Court in *Hensley v. Eckerhart*, 461 U.S. 424, 432 (1983), a court must first determine the loadstar amount by multiplying the reasonable number of hours billed by a reasonable billing rate. That amount can then be adjusted by the "Johnson Factors". Those factors as applied to the services rendered in this case by the Examiner and MHKH are addressed below:

(a) The time and labor required. The Examiner and MHKH respectfully refer the Court's attention to Exhibit "A," which details the involvement of the Examiner and MHKH attorneys in this case during the period covered by this application during which a total of more than 414 hours of attorney, staff and Examiner time have been expended

(b) The novelty and difficulty of the questions. Many of the tasks reflected in Exhibit "A" involve factual and legal questions which were of substantial complexity. The issues are ever changing. The Examiner has had to become knowledgeable and keep current of all ongoing events so as to be in a position to respond to investor inquiries. The issues require constant attention to the inquiry and concerns of the claimants.

(c) The requisite skill to perform the service. The Examiner believes that the services performed in this case have required individuals possessing considerable experience in business transactions, investment fraud, insurance, workouts, litigation, tax, equity receiverships

and liquidations. Both the Examiner and MHKH have considerable experience in many of these areas.

(d) The preclusion of other employment due to the acceptance of the case. The Examiner and MHKH have not declined any representation solely because of their services as Examiner and counsel for the Examiner.

(e) The customary fee. The hourly rates sought herein are at least commensurate with the rates charged by other practitioners of similar experience levels in the Northern District of Texas and in the case of the Examiner and his lead counsel Mr. Roossien, below their standard hourly rates. During the time period covered by this application, the following lawyers at MHKH have performed legal services on behalf of the Examiner with respect to these proceedings:

Steven A. Harr	\$400.00 per hour	Licensed in Texas in 1980 and admitted to practice in the State of Texas.
Dennis Roossien	\$355.00 per hour	Licensed in Texas in 1992 and admitted to practice in the State of Texas.
Labry Welty	\$410.00 per hour	Licensed in Texas in 1991 and admitted to practice in the State of Texas. Mr. Welty is a tax lawyer.
Chris Speer	\$350.00 per hour	Licensed in Texas in 1993 and admitted to practice in the State of Texas. Mr. Speer is a tax lawyer.
Robert Luttrell	\$250.00 per hour	Licensed in Colorado in 1997, and admitted to practice in Texas in 2003.
Seymour Roberts	\$310.00 per hour	Licensed in Texas in 1986 and admitted to practice in the State of Texas.
Kimberly Wyatt	\$215.00 per hour	Licensed in Texas in 2007 and admitted to practice in the State of Texas.

Additionally, the following paralegals assisted with the work performed:

Mary Jo Martin	\$135.00 per hour	Rendered valuable service in connection with the communications with investors and responding to investor contact and maintenance of all the Examiner's voluminous records and files.
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(f) Whether the fee is fixed or contingent. The Examiner and MHKH fees are fixed insofar as monies exist by way of receivership assets from which to pay such fees. Payment of such fees, however, is subject to Court approval.

(g) Time limitations imposed by the Client or other circumstances. The time requirements during the period covered by this Application have been substantial. The Examiner and his staff are constantly responding to investors, addressing new issues presented and their affect on the investors, monitoring and updating the Examiner's website, attending to voicemail communications, investor responses and information to continue to assist the Receiver and report as necessary to the Court.

(h) The amount involved and the results obtained. This case involves 55 insurance policies with a face value of 230 million dollars. It further involves over 3500 investors from around the world who have invested approximately 120 million dollars in this scheme. At the time the case was filed, the receivership had approximately 4.5 million dollars and a premium obligation of approximately 7 million dollars per year. Investors were nonetheless overwhelmingly in support of continuing to pay premiums as long as possible. Further, investors strongly advocated taking all possible efforts to hold ABC principals and any other involved parties responsible for what appears to be a large loss. The Examiner has had to open lines of communication with investors in the United States, Taiwan, Puerto Rico and Australia. The Examiner has had to further evaluate the relative wisdom of the preferences of investors, advise investors of the realities of the situation as they are determined, and assist the Receiver to the extent consistent with investor interests and where doing so is more efficient. The investors have therefore had the intangible benefit of an additional almost two years of premium funding and informed guidance as to their salvage options. Further, the investigations conducted by the Examiner have provided both accurate information in the place of the fraudulent statements made in the course of the scheme, and the basis for a number of claims against third parties. Ultimately, the Examiner has now been able to recommend a course of action to sell the portfolio, and efforts to do so are underway, as are continued efforts to address what appears to be a split of opinion among investors as to how to proceed. The work done

during the period covered by this Application is therefore now bearing fruit in the form of the Examiner's ability to make considered and responsible recommendations to the Court as to the highest and best course of action to be taken to salvage the portfolio.

(i) The experience, reputation and ability of the attorneys. Munsch Hardt is a broad base commercial firm with vast experience in the handling of matters generally related to civil trial law, dispute resolution, bankruptcy and general workout matters. The practice of the attorneys specifically in this case regularly includes the representation of investors and other persons involved in business transactions in which the investors or other parties are victims or aggrieved in some fashion. Examiner and Counsel to the Examiner have also served as counsel in other large SEC Receiverships involving investor fraud on a worldwide basis. The reputation of the Examiner and MHKH attorneys is recognized and respected in their community in Texas.

(j) The undesirability of the case. The service as Examiner and the representation of the Examiner incident to this case has not been undesirable.

(k) The nature and length of the professional relationship with the client. MHKH did not represent the Examiner in these proceedings prior to being retained in these proceedings.

(l) Award in similar cases. MHKH believes that the fees requested in this case are less than or equal to those which have been awarded in similar cases in this district.

WHEREFORE, PREMISES CONSIDERED, the Examiner and MHKH request that this Court approve all of the fees and expenses as set forth herein and for such other and further relief, general and special, at law or in equity, to which the Examiner and MHKH may show themselves justly entitled.

Respectfully submitted,

MUNSCH HARDT KOPF & HARR, P.C.

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By: /s/ Steven A. Harr

Steven A. Harr
State Bar No. 09035600

Court Appointed Examiner

CERTIFICATE OF CONFERENCE

I hereby certify that, prior to the filing of this Motion, I conferred with the Plaintiff and the Receiver, who both expressed agreement with this Motion. No other parties are actively involved at this point in the case. Accordingly, the Examiner does not anticipate any opposition to this Motion.

/s/ Dennis Roossien

Dennis Roossien
Counsel for Examiner

CERTIFICATE OF SERVICE

I hereby certify that on the 9th day of September 2008, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

/s/ Dennis Roossien

Dennis Roossien
Counsel for Examiner