

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

vs. §

Civil Action No.: 3:06-CV-2136-P

ABC VIATICALS, INC., §

C. KEITH LAMONDA, §

and JESSE W. LAMONDA, JR., §

Defendants §

and §

LAMONDA MANAGEMENT FAMILY §

LIMITED PARTNERSHIP, §

STRUCTURED LIFE SETTLEMENTS, INC., §

BLUE WATER TRUST, §

and DESTINY TRUST §

Relief Defendants. §

**RECEIVER'S FIRST INTERIM APPLICATION TO ALLOW AND PAY ATTORNEYS'
FEES AND EXPENSES OF ITALIAN COUNSEL AND BRIEF IN SUPPORT**

TO THE HONORABLE JORGE A. SOLIS, UNITED STATES DISTRICT JUDGE:

Michael J. Quilling, Receiver, files this his First Interim Application to Allow and Pay Attorneys' Fees and Expenses of Italian Counsel and in support of such would respectfully show unto the Court as follows:

BACKGROUND

1. On November 17, 2006, the Securities and Exchange Commission filed its Complaint and request for appointment of a receiver. On November 17, 2006, the Court issued its order appointing Michael J. Quilling as receiver ("Receiver") in this case for ABC Viaticals, Inc. ("ABC").

2. That order authorized the Receiver to employ attorneys as necessary to help perform his duties. The Receiver employed the law firm of Studio Legale Suite (“Studio Legale”) in Italy to investigate fraudulent bonds that ABC purchased from Albatross Invest S.p.a. (“Albatross”) and pursue claims in Albatross’s insolvency proceedings in Italy. Among other things, the attorneys and staff at Studio Legale have provided assistance to the Receiver by: (a) assisting in the investigation of Albatross and gathering information about it from documents and other parties located in Italy; (b) preparing a report about Albatross, its finances, various litigation pending against it, and its principal officer’s criminal record; (c) filing claims to recover money through criminal proceedings and insolvency proceedings in Italy; (d) monitoring those proceedings and advising about the expected recovery that will be distributed to claimants; and (e) translating important documents supporting the Receiver’s claims against DMH Stallard and Christopher John William Stenning.

3. This Application seeks approval of Studio Legale’s fees and reimbursable expenses for the time period from January 15, 2008 through February 16, 2011.

4. To date, the Receiver has paid Studio Legale £9,001,60, which amounts to 29% of its total fees (£19,551,65) and 100% of its expenses (£3,409,94). The purpose of this Application is to request Court approval of the 10% fee holdback (£1,955,17).

5. During the period covered by this Application, the Receiver has incurred fees and expenses with respect to his Italian counsel on a monthly basis as follows:

Month	Fees	Expenses
01/15/08 – 07/16/08	£4,605,84	£787,63
07/29/08 – 07/27/09	£4,352,49	£638,59
08/20/09 – 01/05/10	£3,134,16	£473,97
01/18/10 – 02/16/11	£7,459,16	£1,509,75

TOTAL:	£19,551,65	£3,409,94
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6. Exhibit "A," which is attached hereto and incorporated herein by reference for all purposes conveys the following information for the time period of January 2008 through February 2011: (a) the manner and type of work performed; (b) the monetary value assigned to each task performed; and (c) the costs incurred for each task described.

JOHNSON FACTORS

7. In support of this request for allowance of compensation and reimbursement of expenses, the Receiver and Studio Legale 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 Fifth Circuit Court of Appeals: "The calculation of attorneys' fees involves a well-established process. First, the court calculates a 'lodestar' fee by multiplying the reasonable number of hours expended on the case by the reasonable hourly rates for the participating lawyers. The court then considers whether the lodestar figure should be adjusted upward or downward depending on the circumstances of the case. In making a lodestar adjustment the court should look at twelve factors, known as the Johnson factors, after *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974)." *Migis v. Pearle Vision, Inc.*, 135 F.3d 1041, 1047 (5th Cir. 1998) (citations omitted). Those factors as applied to the services rendered in this case by Studio Legale are addressed below.

(a) The Time and Labor Required. The Receiver respectfully refers the Court's attention to Exhibit "A" which details the involvement of Studio Legale's attorneys in this case during the 26 month period covered by this Application.

(b) The Novelty and Difficulty of the Questions. Many of the tasks reflected in Exhibit "A" involved factual and legal questions which were of substantial complexity and required the assistance of counsel admitted and located in Italy.

(c) The Skill Requisite to Perform the Service. The Receiver believes that the services performed in this case by Studio Legale have required individuals possessing considerable experience in Italian law, which Studio Legale has.

(d) The Preclusion of Other Employment Due to Acceptance of the Case. Studio Legale has not declined any representation solely because of their services as special counsel for the Receiver.

(e) The Customary Fee. The rates sought herein are commensurate with or lower than the rates charged by other practitioners of similar experience levels in Italy during the course of these proceedings.

(f) Whether the Fee is Fixed or Contingent. Studio Legale's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees. Payment of those fees, and specifically the 10% holdback, 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 normal.

(i) The Experience, Reputation and Ability of the Attorneys. Studio Legale specializes in the practice of Italian law. The reputation of Studio Legale's attorneys is recognized and respected in Italy.

(j) The Undesirability of the Case. The representation of the Receiver incident to this case has not been undesirable.

(k) The Nature and Length of the Professional Relationship with the Client. Studio Legale did not represent the Receiver in these proceedings prior to being retained in these proceedings.

(l) Awards in Similar Cases. The Receiver 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, the Receiver respectfully requests that the Court allow the requested compensation for professional services and expenses rendered by Studio Legale and authorize the Receiver to pay the 10% fee holdback of £1.955,17. The Receiver also seeks such other and further relief, general or special, at law or in equity, to which he may show himself justly entitled.

Dated: April 21, 2011.

Respectfully submitted,

**QUILLING, SELANDER, LOWNDS
WINSLETT & MOSER, P.C.**

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By: /s/ Michael J. Quilling
Michael J. Quilling
State Bar No. 16432300
Brent Rodine
State Bar No. 24048770

ATTORNEYS FOR RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on the 21st day of April, 2011, a true and correct copy of this document was served via electronic notice to all parties requesting same, and via first class mail to C. Keith LaMonda, Reg. No. 26060-018, FCI-2, PO Box 1500, Butner, NC 27509.

/s/ Michael J. Quilling

Michael J. Quilling