

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Civil Action No: 09-C-506

WEALTH MANAGEMENT, LLC,
JAMES PUTMAN, and SIMONE FEVOLA,

Defendants, and

WML GRYPHON FUND, LLC;
WML WATCH STONE PARTNERS, L.P.; WML
PANTERA PARTNERS, L.P.; WML PALISADE
PARTNERS, L.P.; WML L3, LLC;
WML QUETZAL PARTNERS, L.P., and
EMPLOYEE SERVICES OF APPLETON, INC.,

Relief Defendants.

**STATUS REPORT AND TWELFTH INTERIM APPLICATION FOR ALLOWANCE
AND PAYMENT OF COMPENSATION TO, AND FOR REIMBURSEMENT OF
EXPENSES OF, (I) FAYE B. FEINSTEIN, RECEIVER FOR WEALTH
MANAGEMENT LLC AND THE RELIEF DEFENDANTS, AND (II) QUARLES
& BRADY LLP, AS COUNSEL TO THE RECEIVER, FOR THE PERIOD FROM
JUNE 1, 2018, THROUGH MAY 31, 2019**

Faye B. Feinstein, Receiver for Wealth Management LLC (“WM”), and the Relief Defendants, WML Gryphon Fund LLC (“Gryphon”), WML Watch Stone Partners, L.P. (“Watch Stone”), WML Pantera Partners, L.P. (“Pantera”), WML Palisade Partners, L.P. (“Palisade”), WML L3, LLC (“L3”), and WML Quetzal Partners, L.P. (“Quetzal”, and together with Gryphon, Watch Stone, Pantera, Palisade, and L3, the “WM Funds”) and Employee Services of Appleton, Inc. (“ESA”), hereby submits her status report to the Court, and requests entry of an Order (i) allowing the Receiver and her counsel, Quarles & Brady LLP (“Q&B”) (collectively, the “Receiver Team”), an interim award of compensation for services rendered to the Receiver

Estate (as defined below) in the amount of \$81,223.05, and for reimbursement of expenses incurred in connection therewith, in the amount of \$267.99, for the one-year period from June 1, 2018, through May 31, 2019 (the “Subject Period”), and (ii) authorizing payment of such allowed amounts from the Receiver Estate as set forth herein.

This Twelfth Interim Application is made pursuant to (a) the Court’s *Order Appointing Receiver* dated May 20, 2009 (Docket No. 8) (the “Initial Receiver Order”); (b) the Court’s *First Modified Order Appointing Receiver* (Docket No. 14) (the “Modified Receiver Order” and, with the Initial Receiver Order, the “Appointment Orders”), and (c) the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission”, dated October 1, 2008 (the “Billing Instructions”), provided to the Receiver by the United States Securities and Exchange Commission (“SEC”) and with which the Receiver has agreed to comply. In support, the Receiver Team states:

Procedural Background

1. WM and Gryphon were originally organized as Wisconsin limited liability companies; Palisade, Pantera, Quetzal, and Watch Stone were organized as Delaware limited partnerships; L3 was organized as a Delaware limited liability company, and ESA was organized as a Wisconsin corporation. WM, L3, and ESA have been dissolved under the laws of their respective jurisdictions.

2. Each of the WM Funds is or was itself invested in other investment funds and/or directly in alternative investments (such investment funds and direct investments shall be collectively referred to herein, for convenience, as the “sub-funds”).

3. The captioned enforcement action was initiated by a complaint filed by the SEC on May 20, 2009. On that same date, this Court entered the Initial Receiver Order, pursuant to

which the Receiver was appointed. Also on that date, the Court entered (a) an Order Freezing Assets (Docket No. 9), which prohibited WM and the WM Funds and anyone holding their monies or other assets from withdrawing, transferring, pledging, or otherwise dissipating any of their monies or other assets (excluding the segregated, individual accounts of advisory clients which were not invested in the WM Funds); and (b) a Temporary Restraining Order and Order For Emergency Relief (Docket No. 7) against WM and the WM Funds. At the request of WM, the Court scheduled an expedited hearing for May 26, 2009, on the SEC's request for entry of a preliminary injunction.

4. On May 26, 2009, by agreement of the parties, the Court entered (a) the Modified Receiver Order; (b) an Order Extending Asset Freeze (Docket No. 15); and (c) a Preliminary Injunction Order (Docket No. 17) against WM, James Putman, Simone Fevola, and the WM Funds. Subsequently, by minute order entered November 4, 2009, the Court struck, *nunc pro tunc*, any reference to Mr. Fevola in the Preliminary Injunction Order.

Retention of Q&B and Interim Fee Applications

5. Among other things, the Modified Receiver Order authorizes the Receiver "to engage and employ persons in her discretion to assist her in carrying out her duties and responsibilities . . . including, but not limited to, lawyers, accountants, and investment advisers". Modified Receiver Order at 4.

6. Pursuant to the Modified Receiver Order, the Receiver retained the attorneys and other professionals of Quarles & Brady LLP to assist her in performing her duties as Receiver.

7. The Receiver has filed eleven previous interim fee applications, which have been granted as follows and as to which the allowed amounts have all been paid to Q&B:

- (a) the Receiver's first interim fee application was granted by order of this Court entered on the docket on September 11, 2009 (Docket No. 67,

which was amended by an order entered at Docket No. 146 to correct a scrivener's error) (the "First Interim Fee Order"); the First Interim Fee Order allowed Q&B interim fees in the sum of \$235,029.25 and interim reimbursement of expenses in the sum of \$4,093.69, for a total of \$239,122.94, for the period from May 18, 2009 (two days before the Receiver's appointment), through June 30, 2009;

- (b) the Receiver's second interim fee application was granted by order of this Court entered on the docket on May 27, 2010 (Docket No. 281) (the "Second Interim Fee Order"); the Second Interim Fee Order allowed Q&B interim fees in the sum of \$466,789.20 and interim reimbursement of expenses in the sum of \$17,717.03, for a total of \$484,506.23, for the period from July 1, 2009, through December 31, 2009;
- (c) the Receiver's third interim fee application was granted by order of this Court entered on the docket on September 17, 2010 (Docket No. 311) (the "Third Interim Fee Order"); the Third Interim Fee Order allowed Q&B interim fees in the sum of \$459,890.60 and interim reimbursement of expenses in the sum of \$19,378.08, for a total of \$479,268.68, for the period from January 1, 2010, through May 31, 2010;
- (d) the Receiver's fourth interim fee application was granted by order of this Court entered on the docket on September 26, 2011 (Docket No. 380) (the "Fourth Interim Fee Order"); the Fourth Interim Fee Order allowed Q&B interim fees in the sum of \$576,065.75 and interim reimbursement of expenses in the sum of \$28,646.96, for a total of \$604,712.71, for the period from June 1, 2010, through May 31, 2011;
- (e) the Receiver's fifth interim fee application was granted by order of this Court entered on the docket on September 17, 2012 (Docket No. 419) (the "Fifth Interim Fee Order"); the Fifth Interim Fee Order allowed Q&B interim fees in the sum of \$223,476.60 and interim reimbursement of expenses in the sum of \$3,908.93, for a total of \$227,385.53, for the period from June 1, 2011, through May 31, 2012;
- (f) the Receiver's sixth interim fee application was granted by order of this Court entered on the docket on September 10, 2013 (Docket No. 433) (the "Sixth Interim Fee Order"); the Sixth Interim Fee Order allowed Q&B interim fees in the sum of \$217,590.80 and interim reimbursement of expenses in the sum of \$913.48, for a total of \$218,504.28, for the period from June 1, 2012, through May 31, 2013;
- (g) the Receiver's seventh interim fee application was granted by order of this Court entered on the docket on September 3, 2014 (Docket No. 441) (the "Seventh Interim Fee Order"); the Seventh Interim Fee Order allowed Q&B interim fees in the sum of \$100,682.20 and interim reimbursement

of expenses in the sum of \$348.87, for a total of \$101,031.07, for the period from June 1, 2013, through May 31, 2014;

- (h) the Receiver's eighth interim fee application was granted by order of this Court entered on the docket on September 24, 2015 (Docket No. 448) (the "Eighth Interim Fee Order"); the Eighth Interim Fee Order allowed Q&B interim fees in the sum of \$99,241.20 and interim reimbursement of expenses in the sum of \$933.40, for a total of \$100,174.60, for the period from June 1, 2014, through May 31, 2015;
- (i) the Receiver's ninth interim fee application was granted by order of this Court entered on the docket on August 22, 2016 (Docket No. 456) (the "Ninth Interim Fee Order"); the Ninth Interim Fee Order allowed Q&B interim fees in the sum of \$54,528.80 and interim reimbursement of expenses in the sum of \$385.31, for a total of \$54,914.11, for the period from June 1, 2015, through May 31, 2016;
- (j) the Receiver's tenth interim fee application was granted by order of this Court entered on the docket on August 15, 2017 (Docket No. 462) (the "Tenth Interim Fee Order"); the Tenth Interim Fee Order allowed Q&B interim fees in the sum of \$49,181.00 and interim reimbursement of expenses in the sum of \$57.48, for a total of \$49,238.48, for the period from June 1, 2016, through May 31, 2017, and
- (k) the Receiver's eleventh interim fee application was granted by order of this Court entered on the docket on August 21, 2018 (Docket No. 469) (the "Eleventh Interim Fee Order"); the Eleventh Interim Fee Order allowed Q&B interim fees in the sum of \$59,705.70 and interim reimbursement of expenses in the sum of \$222.72, for a total of \$59,928.42, for the period from June 1, 2017, through May 31, 2018.

8. By this Twelfth Interim Application, the Receiver seeks entry of an interim order (a) approving, as reasonable and commensurate with the Receiver Team's duties and obligations, total fees incurred by the Receiver Team on behalf of the Receiver Estate during the Subject Period in the amount of \$81,223.05 ("Subject Period Fees") and \$267.99 in related disbursements ("Subject Period Expenses"), and (b) authorizing the Receiver, pursuant to Section VI of the Modified Receiver Order, to pay to Q&B, on an interim basis, from the Receiver Estate, the Subject Period Fees and Subject Period Expenses. Q&B's fiscal year end is September 30, 2019; therefore, the Receiver respectfully requests that this Court consider this

Twelfth Interim Application and enter an order prior to that date, thereby alleviating the financial burden to Q&B of carrying this receivable into its next fiscal year.

Redaction of Certain Portions of Twelfth Interim Application

9. On August 27, 2012, the Court entered its *Order (A) Authorizing the Filing Under Seal of Documents Containing Sensitive Information and (B) Sealing Certain Previously-Filed Documents Containing Sensitive Information* (Docket No. 417) (the “Seal Order”). Pursuant to the Seal Order and the Receiver’s motion for entry thereof, “Sensitive Information” includes information regarding (a) the cash contained in each WM Fund at any given time and (b) amounts paid and to be paid to special counsel to the Receiver in connection with the prosecution of the Baetis-Brown Litigation (as defined below). [REDACTED per Seal Order, Docket No. 417]

10. This Application contains Sensitive Information. However, the Receiver wishes to balance the prudential concerns that led to her request for entry of the Seal Order against the legitimate interests of investors in having access to this Application. Therefore, rather than filing this entire Application under seal (as the Seal Order authorizes), she has instead redacted portions from the filed version of this Application. An unredacted version of this Application has been supplied to the SEC for its review prior to filing and will be supplied to the Court.

Case History and Status Report¹

A. The Receiver Estate

11. The Receiver Estate comprises (a) cash in WM’s accounts and in the accounts of the WM Funds; (b) investments in sub-funds held by the WM Funds (including investments by

¹ Matters reported on in prior fee applications, but that have been concluded without further substantive developments, will not be included in the following discussion.

one WM Fund in another); (c) WM's own investments in certain WM Funds, and (d) causes of action of the Receiver Estate.

12. *Cash Balances as of May 31, 2019*: As of May 31, 2019, the cash balances in the accounts of WM and of the WM Funds were as follows:

[REDACTED per Seal Order, Docket No. 417]

13. *Investments Held by WM Funds in Sub-Funds*: The Receiver Estate includes the investments held by the WM Funds in the sub-funds. Since the Receiver's appointment, certain sub-funds have made cash distributions to the WM Funds as follows:

[REDACTED per Seal Order, Docket No. 417]

14. The majority of the sub-fund investments of the WM Funds have now been liquidated, rendered valueless (by, for example, foreclosure on the property of the sub-fund by a secured creditor), or abandoned by the Receiver. The status of the remaining active sub-funds is described below. The Receiver has negotiated exits from several of the sub-fund investments made by the WM Funds, where the likely benefit of remaining invested in the sub-fund did not justify the cost of potential future expenditures. Some exits have involved, and others may involve in the future, negotiated settlements; others have entailed, and future resolutions may also entail, abandoning sub-fund interests whose values are negative or highly uncertain.

15. *Status of Remaining Sub-Fund Investments*: Following is the current status of the sub-funds that remained open and had the potential for generating further cash distributions as of the date of the Eleventh Interim Application:

(a) The Baetis Fund, L.P. ("Baetis") [Gryphon and Pantera], and The Brown Investment Fund, L.P. ("Brown") [Palisade and Watch Stone]: Each WM Fund that had invested in Baetis or Brown has received its share of the cash that remained in those sub-

funds. Further proceeds have been realized from settlements with certain defendants in the Baetis-Brown Litigation (as defined below); any other monetary recoveries in connection with Baetis and Brown will come from the proceeds of the Baetis-Brown Litigation. (See below for a more detailed discussion of the Baetis-Brown Litigation.)

(b) MKA Real Estate Qualified Fund I, LLC (“MKA”) [Palisade and Watch Stone]: MKA made or acquired real estate loans and also invested directly in real estate. Palisade and Watch Stone together invested \$20,575,000 in MKA. Since 2011, MKA has been liquidating its portfolio; the manager of MKA, MKA Capital Group Advisors LLC (“MKA Capital”), has closed its office, and MKA’s liquidation is being overseen by MKA Capital’s president and acting chief financial officer, who have informed us that they have been working without compensation since 2016.

At the time of last year’s status report, MKA informed us that it had two remaining assets to liquidate: (a) a partial interest in a mortgage loan secured by a golf course and resort in Oregon and (b) ownership, acquired through foreclosure, of approximately 590 acres of real estate in La Paz, Mexico. MKA has informed the Receiver that, since last year’s update, it has sold the La Paz property for cash and a promissory note; MKA is now seeking a purchaser for the note. The Oregon property remains for sale and is being marketed by multiple brokers. MKA has informed the Receiver that it intends to complete its liquidation and dissolve by the end of 2019.

Proceeds from prior sales of property have largely been consumed by maintenance, taxes, and other carrying costs as well as legal and other professional fees. While it is possible that there will be some distribution on the interests of Palisade and

Watch Stone when MKA's liquidation is completed, MKA cannot predict how much, if any, that may be. The Receiver will continue to monitor the MKA liquidation.

(c) Murvin & Meier Oil Company ("M&M") [Pantera]: The investments in M&M are fractional interests in oil and gas leases. The underlying wells produced sufficient product at then-current prices to generate modest monthly distributions to Pantera through August 2016. Thereafter, distributions ceased as energy prices declined and expenses associated with the wells either remained the same or rose. Distributions began again, in small amounts (*i.e.*, tens of dollars per distribution), in October 2018. M&M has informed investors that, while natural gas and oil prices have rebounded somewhat and expenses have declined over the last year, energy prices remain depressed, and M&M cannot predict what that distribution, if any, will be. M&M is attempting to dispose of commercially non-viable wells at no cost to the M&M sub-fund. The Receiver is continuing to monitor this investment.

(d) Valstone Opportunity Fund III(b), LLC, and Valstone Opportunity Fund III(b)-AIV I, LLC (collectively "Valstone") [Gryphon]: Pursuant to a prior global settlement (which included a release of all claims alleged by the management of Valstone against Gryphon), Gryphon retained a 6.699% in Valstone. During the Subject Period, Valstone liquidated its remaining assets – bonds secured by a first mortgage on residential property in Alabama – through sale of the underlying real estate. According to an officer of Valstone, the net sale proceeds were insufficient to pay all expenses of Valstone, and Valstone was dissolved as of December 31, 2018 with no further distributions to investors. Future status reports will no longer discuss Valstone.

16. *Causes of Action Arising from Investments in Life Insurance Premium Financing Vehicles:* Among the sub-funds in which the WM Funds invested are two life insurance premium financing vehicles: The Baetis Fund, L.P. (“Baetis”), and The Brown Investment Fund, L.P. (“Brown”). Gryphon and Pantera invested a total of \$32.2 million in Baetis (Gryphon: \$31.2 million; Pantera: \$1 million), while Palisade and Watch Stone invested a total of \$16.2 million in Brown (Palisade: \$1.2 million; Watch Stone: \$15 million).

17. Upon the Receiver's motion, this Court authorized the Receiver to retain attorneys David and Stephanie Melnick, and the firm of Melnick & Melnick, S.C. (collectively, “Melnick”) to investigate potential causes of action against various entities for the losses sustained by investors in Palisade, Watch Stone, Gryphon, and Pantera on account of the investments made by them in Baetis and Brown.

18. On December 11, 2012, that investigation culminated in Melnick filing in Wisconsin state court (the “Wisconsin Court”) a 125-page, 20-count complaint brought on behalf of Gryphon, Watch Stone, Pantera, Palisade, and two individual investors who are not equity holders in the WM Funds (collectively, “Plaintiffs”) against 23 defendants (including three “nominal” defendants), including Wood, Hat & Silver, LLC (“WHS”) (the general partner of Baetis and Brown), that firm’s principal, and several insurance companies and insurance agents (the “Baetis-Brown Litigation”). The complaint alleged claims that include: (a) fraud; (b) fraud in the inducement; (c) unjust enrichment; (d) breach of fiduciary duty; (e) aiding and abetting a breach of fiduciary duty; (f) strict liability misrepresentation; (g) conspiracy to convert assets; (h) breach of duty of good faith and fair dealing, and (i) breach of contract.

19. The defendants moved to dismiss the complaint, but the Wisconsin Court substantially denied that motion to dismiss in April 2014. However, as to certain counts, the

Wisconsin Court allowed the complaint to be amended. In June 2014, the six defendant insurance companies (the “Insurer Defendants”) moved the Wisconsin Court for reconsideration of its refusal to dismiss Plaintiffs’ unjust enrichment claim. The Wisconsin Court denied the motion, and, in October, 2014, Plaintiffs filed an expanded, 256-page amended complaint. In addition to expanding upon Plaintiffs’ fraud claims, Plaintiffs added a Wisconsin antitrust claim against the Insurer Defendants. The Insurer Defendants moved to dismiss the amended complaint in January 2015. On November 11, 2015, the Wisconsin Court granted the Insurer Defendants’ motions to dismiss Plaintiffs’ fraud claims, but denied their motions to dismiss Plaintiffs’ antitrust claim.

20. During the Subject Period, the Plaintiffs consummated settlements with two defendants – Principal Life Insurance Company (“Principal”) and American Business & Professional Program, Inc. (“American Business”). Each settlement contains confidentiality provisions, but each permits the terms of the relevant settlement agreement to be disclosed to investors in the relevant WM Funds and to this Court.

21. The general terms of the settlement agreements are:

(a) **Settlement with Principal**: In September 2018, Plaintiffs settled with Principal [REDACTED per Seal Order, Docket No. 417]. Principal has been dismissed from the Baetis-Brown Litigation with prejudice, and the parties exchanged mutual releases.

(b) **Settlement with American Business**: In September 2018, Plaintiffs settled with American Business [REDACTED per Seal Order, Docket No. 417]. American Business has been dismissed from the Baetis-Brown Litigation with prejudice, and the parties exchanged mutual releases.

22. The remaining parties are engaged in discovery, a process that has dragged as one defendant was slow in producing relevant documents and Insurer Defendants were slow in committing to deposition dates. Pursuant to a scheduling order entered by the Wisconsin Court in March 2019, all discovery was to have been completed by September 2019 and a trial on the Baetis-Brown Litigation was to have begun in July 2020, subject to the results of a court ordered mediation process that was to have concluded in April 2019. However, the Wisconsin Court has since stayed that mediation and has entered a stipulated Amended Scheduling Order, a copy of which is attached hereto as Exhibit A.

23. The stay of mediation was prompted by the Insurer Defendants' request to stay the litigation in light of action taken in this court by The Lincoln National Life Insurance Company ("Lincoln"). In March 2019, Lincoln moved this Court for authority to intervene in the captioned enforcement proceeding for the purpose of pursuing a motion to disqualify the Receiver from mediating or otherwise settling with any defendants in the Baetis-Brown Litigation, on the ground that the Receiver and Q&B previously represented Lincoln and/or one of its affiliates in unrelated matters. The Receiver and the SEC filed objections to Lincoln's request to intervene. By order entered July 8, 2019 (Docket No. 483), this Court denied Lincoln's request to intervene. The Receiver Team does not seek in this Twelfth Interim Application, and will not seek in any future applications, payment from the Receiver Estate of any fees or costs incurred in addressing Lincoln's claims, including its motion to intervene.

24. **[REDACTED per Seal Order, Docket No. 417]**

25. **[REDACTED per Seal Order, Docket No. 417]**

B. Expenses of the Receivership

26. All accounts of the Receiver Estate are maintained at Rabobank, N.A. Only the Receiver and her authorized agents have access to the Rabobank accounts. In order to pay operating expenses, and as authorized by the Appointment Orders, the Receiver deposits to her Rabobank operating account any amounts she receives on behalf of WM, as well as amounts she transfers to her operating account from the accounts maintained for each of the WM Funds. The Rabobank operating account and the WM Fund accounts (except for that of L3, which has no cash) contain unencumbered funds available for paying administrative expenses of the Receiver Estate, including reimbursement of certain interim fees and expenses to Melnick and Q&B.

27. Attached hereto as Group Exhibit B are the SEC's Standardized Fund Accounting Reports showing all receipts and payments made during the second through fourth quarters of calendar year 2018 and the first quarter of calendar year 2019.²

28. During the period from April 1, 2019 (the beginning of the second calendar quarter of 2019), through May 31, 2019, additional administrative expenses have been paid out of the Rabobank accounts, as follows:

4/5/19	Heartland Business Systems - website updating	\$ 67.50
4/18/19	Heartland Business Systems - website hosting	\$ 25.00
4/18/19	Heartland Business Systems - website updating	\$ 67.50
5/17/19	Heartland Business Systems - website updating	\$ 165.00
5/17/19	Heartland Business Systems - website hosting	\$ 25.00

29. During the Subject Period, no disbursements have been made from the WM Funds except to (a) pay directly, or transfer monies to the Receiver's operating account for, operating expenses, including for corporate taxes and registered-agent fees; (b) pay the Court-

² Group Exhibit B has been supplied to the SEC in connection with its review of this Application and to the Court with the unredacted version of this Application. However, pursuant to the Seal Order, Group Exhibit B has been redacted from the filed and served versions of this Application.

approved fees and expenses of the Receiver and Quarles & Brady LLP; (c) pay fees to (i) Alan D. Lasko & Associates, Ltd., the accounting firm retained by the Receiver for WM, and (ii) Patke & Associates, Ltd. (“Patke”), the WM Fund accountants, for preparation of tax returns, including K-1 Forms and Internal Revenue Service Form 1099s for the WM Funds³, and (d) pay legal fees and reimbursements of expenses to Melnick (or directly to third-party service providers retained by Melnick), pursuant to the Court’s orders and for the purposes described above.

30. The Receiver has been paying general administrative expenses on a regular basis. Administrative expenses include the costs of maintaining document storage, document retrieval, maintaining the corporate existence in good-standing of the WM Funds, and maintaining the Receiver Web Site. All invoices due on or before May 31, 2019 have been paid.

C. Plan of Distribution and the Interim Distributions

31. *Plan of Distribution:* By orders entered on November 20 and November 30, 2009 (Docket Nos. 161 and 167, respectively) (the “Plan Approval Orders”), the Court approved the Receiver’s *Second Amended Proposed Plan of Allocation of the Assets of Wealth Management LLC, WML Gryphon Fund LLC, WML Watch Stone Partners, L.P., WML Pantera Partners, L.P., WML Palisade Partners, L.P., WML L3, LLC, and WML Quetzal Partners, L.P.* (Docket No. 163) (the “Plan”). Following an appeal by certain investors, the United States Court of Appeals for the Seventh Circuit affirmed the Plan Approval Orders in all respects.

32. *Distributions to WM Investors:* The Receiver has made six (6) interim distributions of receivership assets to investors in the WM Funds, totaling just over \$14.2

³ The WM Funds made an aggregate payment during the Subject Period of (a) \$2,502.36 to Lasko, which was paid from Gryphon, and (b) \$23,650 to Patke & Associates, which was paid in the following amounts: Gryphon – \$6,650; Palisade – \$4,000; Pantera – \$3,000; Quetzal – \$6,000; Watch Stone – \$4,000.

million, as follows:

- (a) On May 3, 2010, the Receiver distributed to investors in Gryphon, Palisade, Pantera, Quetzal, and Watch Stone an aggregate total of \$4,274,079.92 (the “First Interim Distribution”);
- (b) On July 14, 2011, the Receiver distributed to investors in those same WM Funds an additional aggregate total of \$2,036,252.26 (the “Second Interim Distribution”);
- (c) On August 15, 2012, the Receiver distributed to investors in those same WM Funds an additional aggregate total of \$5,596,182.66 (the “Third Interim Distribution”);⁴
- (d) On November 26, 2013, the Receiver distributed to investors in Watch Stone an additional aggregate total of \$449,973.87 (the “Fourth Interim (Watch Stone) Distribution”), and
- (e) On December 26, 2014, the Receiver distributed to investors in Gryphon and Quetzal an additional aggregate total of \$499,999.99 (the “Fifth Interim (Gryphon/Quetzal) Distribution”);
- (f) On December 26, 2018, the Receiver distributed to investors in Gryphon an additional aggregate total of \$1,350,000 (the “Sixth Interim (Gryphon) Distribution”).

33. Other than the Sixth Interim (Gryphon) Distribution described above, the Receiver made no distributions of Receiver Estate assets during the Subject Period. She came to that decision only after careful consideration and balancing of the interests of individual investors in receiving payments against the cost to the Receiver Estate of making distributions of small amounts to many investors, and the need to maintain prudent reserves to fund the Baetis-Brown Litigation and the ongoing (though limited) administrative expenses of the Receiver Estate described above. **[REDACTED per Seal Order, Docket No. 417]**

⁴ At the time of each of the First, Second, and Third Interim Distribution, the L3 Fund, in the Receiver’s judgment, contained too little cash to justify the administrative expense of making distributions therefrom.

Services Provided to Receiver Estate During the Subject Period

34. During the Subject Period, the Receiver Team devoted a total of not less than 217.80 hours to the performance of reasonable and necessary services on behalf of the Receiver Estate.

35. Attached to this Application as Exhibit C is an itemized statement of the services performed by the Receiver and Q&B during the Subject Period, setting forth, by subject matter category, (a) a detailed description of services rendered, on a daily basis, by each timekeeper employed by the Receiver Team who performed services for the Receiver Estate during the Subject Period, with the hours spent on such services by each such timekeeper and the amounts charged therefor; and (b) the total number of hours devoted by each lawyer, paraprofessional, and other timekeeper to performing services for the Receiver Estate in each such subject matter category and the aggregate value of such services during the Subject Period. Exhibit C was prepared from the time sheets and computer records regularly kept by Q&B, its attorneys, paraprofessionals, and other timekeepers.⁵ Attached to this Application as Exhibit D is a chart that summarizes, by professional or paraprofessional and by subject matter category, the hours spent and fees charged by each timekeeper who performed services for Debtors during the Subject Period. Exhibit D also contains cumulative totals for the entire Subject Period. The professional services performed by the Receiver Team during the Subject Period are summarized below. Each dollar amount below is calculated based upon the discounted hourly rates described later in this Application. No fees have been or will be charged in connection with preparing this Twelfth Interim Application or any prior Application.

⁵ To preserve individual privacy, the practice of the Receiver Team is to exclude or redact from Exhibit C references to the names of individual investors who contacted the Receiver during the Subject Period or with whom the Receiver or members of the Receiver Team communicated during the Subject Period. If any such information is included in the time records, that inclusion was inadvertent.

(a) Case Administration (Q&B Matter 00004): During the Subject Period, the Receiver Team handled the regularly recurring tax matters related to WM and the WM Funds, including obtaining information needed for the preparation of tax returns for WM and the WM Funds and working with the Receiver's accountants to prepare and review the tax returns for WM and the WM Funds.

The Receiver Team continued, as it has in prior Subject Periods, to assist, when and as requested by individual investors, with transfers of individual retirement accounts from existing custodians to new custodians and saw to the preparation and execution of related transfer documents. During the current Subject Period, as it has during prior Subject Periods, the Receiver Team conferred with custodians Charles Schwab & Co., Inc. and Millennium Trust Company LLC in response to their inquiries regarding the investments in the WM Funds.

Time in this category includes responding to inquiries from investors regarding multiple matters, including (a) the status of the receivership proceedings and of the WM Funds; (b) the timing and availability of certain tax documents, and (c) in certain instances, abandonment of interests in certain WM Funds. The Receiver Team also worked with a representative of a deceased investor to assist in the treatment of that investor's accounts.

This category also includes all other tasks related to administration of the Receiver Estate not accounted for under other matter numbers. Such services include: updating investor information for communications and for the preparation of future distributions; the preparation and submission to the SEC of the required Standardized Fund Accounting Reports for WM and the WM Funds; preparation and filing of annual

reports for certain WM Funds; updating the status of various sub-funds; maintaining the books and records of the receivership estates; managing and reconciling the multiple receivership bank accounts; managing the payment of administrative expenses of the Receiver Estate on a regular and timely basis, and reviewing, evaluating, and determining appropriate responses to incoming correspondence addressed to WM and the various WM Funds. **Hours: 113.20 / Total Fees: \$31,603.10**

(b) Baetis & Brown (Q&B Matter 00005)⁶: As noted above, the Receiver retained Melnick to investigate potential causes of action against various entities for the losses sustained by investors in Palisade, Watch Stone, Gryphon, and Pantera on account of the investments made by those WM Funds in Baetis and Brown; Melnick's investigation led to its filing of the Baetis-Brown Litigation. During the Subject Period, the Receiver pursued her two-pronged approach of responding to settlement offers or inquiries and responding to Melnick's requests as that firm prepares for trial.

[REDACTED per Seal Order, Docket No. 417] During the Subject Period the Receiver also reviewed and approved of Plaintiffs' responses to interrogatories and assembled certain paper- and electronically-stored documents necessary to enable Melnick to respond to document requests from certain of the remaining defendants. To compile, format, and export the voluminous amount of electronically-stored information needed to respond to the document requests, the Receiver used a technical specialist employed by Q&B.

⁶ The portion of Exhibit C related to Q&B Matter 00005 has been supplied to the SEC in connection with its review of this Twelfth Interim Application and to the Court with the unredacted version of this Application. However, pursuant to the Seal Order, that portion of Exhibit C has been redacted from the filed and served versions of this Twelfth Interim Application.

Prior to the Subject Period, the Wisconsin state court had ordered the parties to participate in a mediation process; in connection with the anticipated mediation and potential trial, certain defendants sought to depose the Receiver. The Receiver discussed with Melnick that firm's preparation for that deposition, began to review certain documents in anticipation for mediation and being deposed, and discussed with Melnick that firm's seeking entry of a protective order to prevent the deposition from going forward or to limit its scope. The Receiver also reviewed with Melnick the motion of the Insurer Defendants to stay the entirety of the Baetis-Brown Litigation, pending resolution of the matters raised by Lincoln (as described above). The motion to stay the litigation was denied, except that the Wisconsin Court stayed the defendants from taking the Receiver's deposition and stayed the mediation, as well.

The Receiver's judgment remains that the potential benefits of the Baetis-Brown Litigation justify the projected costs of pursuing it. **Hours: 67.80 / Total Fees: \$32,548.55**

(c) MKA Fund (Q&B Matter 00006): Palisade and Watch Stone together invested \$20,575,000 in MKA. During the Subject Period, the Receiver Team followed up on the status of MKA and pressed its representatives to provide documents necessary for preparation of the 2017 tax returns for Palisade and Watch Stone. **Hours: 1.20 / Total Fees: \$550.80**

(d) Valstone Liquidation (Q&B Matter 00023): During the Subject Period, the Receiver Team monitored the status of the liquidation of Valstone's assets, including reviewing quarterly financial information. As noted above, the Valstone sub-funds have now been dissolved. **Hours: 0.50 / Total Fees: \$229.50**

(e) Distribution (Q&B Matter 00025): In December 2018, the Receiver made the Sixth Interim (Gryphon) Distribution, by which she distributed an additional \$1,350,000 to investors in Gryphon. To determine the amount and timing of the Sixth Interim (Gryphon) Distribution, the Receiver Team prepared detailed projections of the future expenses of the Receiver Estate, including the projected costs of the Baetis-Brown Litigation, and used those projections to calculate the amounts available for distribution, net of a prudent hold-back for future receivership expenses. The Receiver Team worked with Lasko to allocate the gross distribution amount among the investors in Gryphon, prepared communications to the Gryphon investors to explain those allocations, reviewed voluminous information received over time from various investors to ensure the accuracy of all payee information, and worked with Rabobank to effect the distribution. After the distribution was completed, the Receiver Team responded to numerous queries from Gryphon investors and assisted several of them with requests to verify distribution information and, in some instances, to reissue checks where the investor had failed to inform the Receiver Team of a change of payee information. **Hours: 35.10 / Total Fees: \$16,291.10**

36. The members of the Receiver Team have attempted to identify their services and record the time spent thereon in a manner which would most clearly and accurately explain and segregate by project the services rendered. However, because conferences, telephone conversations, and document review often involved multiple subjects, and because some tasks might fairly be classified in more than one category, strict segregation by category was not always possible. Any misclassification of time is inadvertent.

37. During the Subject Period, Q&B has continued to charge for the services of the Receiver Team at the same rates which were in effect during the period covered by the Receiver's *fifth* interim fee application (June 2011 through May 2012), notwithstanding that Q&B increased its usual hourly rates for other clients effective October 1 of each of 2012 through 2018. Further, the hourly partner rates charged by the Receiver Team for services rendered to the Receiver Estate during the Subject Period represent a 10% discount from the ordinary rates that were charged during the period of the fifth interim fee application by partners in Q&B for similar work performed for other clients (the rates of non-partner Q&B professionals have not been discounted). The discount to Q&B's regular partner billing rates, including the billing rate of the Receiver, and the overall rates billed during the Subject Period were approved by the SEC.⁷

38. The principal tasks for the Receiver Team going forward fall substantially into three categories: (a) monitoring the prosecution of the Baetis-Brown litigation and providing information to Melnick as requested; (b) monitoring the remaining active sub-funds and evaluating whether and how to dispose of the Receiver Estate's interests in those sub-funds, and (c) related administrative tasks, including making further and/or final distributions to investors, responding to investor inquiries, and preparing K-1 forms, 1099 forms, and tax returns for WM and the WM Funds until the receivership is closed. The Receiver will continue her efforts to control administrative costs.

39. Based upon the time, nature, extent, and value of the described professional services, the responsibilities assumed by the Receiver and Q&B herein, the results achieved to

⁷ From the beginning of the receivership proceedings through the end of the Subject Period, Q&B also incurred approximately \$258,000 in fees and costs for which it has not sought payment in its interim fee applications; Q&B reserves the right to seek payment of some or all of those fees and costs, depending upon the total amounts realized from litigation and from liquidation of the WM Funds' interests in the various sub-funds.

date, and the Receiver Team's experience and expertise in insolvency proceedings and practice, the fair value of the services rendered during the Subject Period is not less than \$81,223.05, the amount of the Subject Period Fees. The Receiver asks that the Subject Period Fees be allowed and that she be authorized to pay them to Q&B, on an interim basis, from the Receiver Estate.

40. In addition to the time expended by the Receiver Team in its representation of the Receiver Estate, Q&B incurred actual and necessary costs and expenses on behalf of the Receiver Estate during the Subject Period in the amount of \$267.99,⁸ as itemized on Exhibit E attached hereto.⁹

41. The Receiver asks that the Subject Period Expenses be allowed and that she be authorized to pay them to Q&B, on an interim basis, from the Receiver Estate.

**Allocation of the Subject Period Fees and Subject Period Expenses
among WM and the WM Funds**

42. As a general rule, the Receiver intends – as she has in the past, but subject to the exceptions described below – to allocate allowed fees and expenses of the Receiver Team to the WM Funds on a straight *pro rata* basis, by charging to each WM Fund a percentage of such allowed fees and expenses equal to the percentage that the cash then available (at the time of payment) in each WM Fund represents of the aggregate cash available in all WM Funds.

43. However, the Receiver has observed, and will continue to observe, the following exceptions to the straight *pro rata* approach described above: as shown in the matter-by-matter descriptions above, the Receiver has created separate billing numbers for certain sub-fund matters; relevant to the current Subject Period, there is a separate matter number for work

⁸ Pursuant to the Billing Instructions, the Receiver notes the following specific expense items for the Subject Period: (a) total outgoing fax charges of \$0.00 and (b) total photocopy charges of \$0.00.

⁹ The majority of the expenses incurred during the Subject Period were for deliveries to Melnick of documents for review, to enable the plaintiffs to comply with document requests from certain defendants in the Baetis-Brown Litigation.

involving the Baetis and Brown, MKA, and Valstone sub-funds. Maintaining separate billing numbers for certain sub-funds enables the Receiver to charge the Receiver Team's fees and expenses incurred in connection with those matters *pro rata* only to those WM Funds invested in such sub-funds. The Receiver has separated these matters from the straight *pro rata* approach because these matters comprise the largest investments of some of the WM Funds, and/or it is not administratively difficult to separate these matters from other work in this case.¹⁰ Further, to the extent practicable, the Receiver will continue to allocate fees associated with the liquidation of interests in specific sub-funds to the WM Funds benefitted by such liquidation.

Notice

44. On June 27, 2019 the Receiver submitted this Twelfth Interim Application, in unredacted form, to the SEC for its review, in compliance with the SEC's Billing Instructions. Counsel for the SEC has informed the Receiver that the SEC has no objections to this Twelfth Interim Application or to the proposed order approving the requested Subject Period Fees and Subject Period Expenses and has authorized the Receiver to file this Twelfth Interim Application.

45. Concurrently with this Twelfth Interim Application, the Receiver is filing a proposed scheduling order (the "Scheduling Order"), which provides that (i) any party wishing to object to this Twelfth Interim Application must file a written objection with the Court on or before the thirtieth (30th) day after entry of the Scheduling Order on the docket of this case (or, if such thirtieth day is not a business day, then, on or before the first day thereafter that is a business day); (ii) if no objection is timely filed, the Court may grant the Twelfth Interim

¹⁰ The Court has determined that the Receiver's allocation of the Receiver Team's allowed fees and expenses pursuant to the protocols described herein is reasonable. *See Order Granting Plaintiff's Motion to Dismiss Defendant Putman's Counterclaims and Denying Defendant Putman's Motion for Consideration* (Docket No. 150) at 5 & n.2.

Application without a hearing; (iii) if one or more objections are filed, the Court will determine whether or not a hearing is necessary, and (iv) if a hearing is scheduled, a separate notice of the date and time of that hearing will be served by the Receiver. Substantially this same procedure was followed by the Receiver and the Court in connection with the Receiver's prior Interim Applications.¹¹

46. A copy of the redacted version of this Twelfth Interim Application, along with copies of the entered Scheduling Order and a Notice of Filing and Objection Procedures will be served (i) electronically, each on the date it is filed, by the Court's CM/ECF System, upon all entities, or their counsel, that have filed notices of appearance through the Court's CM/ECF System, and (ii) by first-class U.S. mail, postage prepaid, on the date the Scheduling Order is entered or as soon as practicable thereafter, upon all counsel who have contacted the Receiver on behalf of investors or creditors and asked to receive copies of papers filed in the captioned case, whether or not such counsel have filed appearances. The Receiver will post this Twelfth Interim Application (in redacted form), the Scheduling Order, and the Notice of Filing and Objection Procedures to the Receiver Web Site. The Receiver will also serve a copy of the Notice of Filing and Objection Procedures (a copy of which is attached hereto as Exhibit F)¹² on all investors and known creditors, including all entities that submitted proofs of claim to the Receiver, which notice will contain instructions as to how the recipient may obtain a copy of the Twelfth Interim Application. The Receiver submits that these procedures will provide all parties entitled thereto with sufficient notice of the Twelfth Interim Application.

¹¹ Lasko has prepared its seventh interim application for payment of fees and reimbursement of expenses (the "Lasko Application"), which the Receiver submitted to the SEC for review along with this Twelfth Interim Application. The provisions of the Scheduling Order are drafted to apply to the Lasko Application as well.

¹² The Notice of Filing and Objection Procedures is drafted to provide notice as well of the Lasko Application.

WHEREFORE, Faye B. Feinstein, as Receiver, respectfully requests entry of an order, in the form attached hereto as Exhibit G:

A. Finding that reasonable compensation, commensurate with the Receiver Team's duties and obligations, for actual and necessary services rendered to the Receiver Estate by the Receiver and Q&B during the Subject Period is the sum of \$81,223.05 and allowing the Receiver and Q&B interim compensation for the Subject Period in that amount;

B. Allowing the Receiver and Q&B reimbursement for actual and necessary Subject Period Expenses incurred on behalf of the Receiver Estate in connection with such services during the Subject Period in the sum of \$267.99;

C. Authorizing the Receiver to pay to Q&B the Subject Period Fees and Subject Period Expenses to the extent allowed by the Court;

D. Approving notice of this Twelfth Interim Application as sufficient and finding that no other or further notice is required; and

E. Granting such other and further relief as this Court deems appropriate.

Respectfully submitted this 16th day of July, 2019.

s/ Faye B. Feinstein
Faye B. Feinstein, Receiver

s/ Christopher Combest
Christopher Combest
One of the Receiver's Attorneys

QUARLES & BRADY LLP
300 North LaSalle Street, Suite 4000
Chicago, IL 60654
Phone: (312) 715-5000

CERTIFICATION OF COUNSEL UNDER CIVIL L.R. 7.1(a)

I, Christopher Combest, counsel for the Receiver in the captioned proceeding, hereby certify, pursuant to Civil L.R. 7.1(a)(2) of this Court, that the Applicants hereunder do not intend

to file a brief or supporting documents with respect to this Application other than the exhibits attached to the Application itself.

Respectfully submitted this 16th day of July, 2019.

s/ Christopher Combest
Christopher Combest
One of the Receiver's Attorneys

QUARLES & BRADY LLP
300 North LaSalle Street, Suite 4000
Chicago, IL 60654
Phone: (312) 715-5000

CERTIFICATION OF FAYE B. FEINSTEIN, RECEIVER

I, Faye B. Feinstein, Receiver for Wealth Management LLC, WML Gryphon Fund LLC, WML Watch Stone Partners, L.P., WML Pantera Partners, L.P., WML Palisade Partners, L.P., WML L3, LLC, WML Quetzal Partners, L.P., and Employee Services of Appleton, Inc., on my own behalf and on behalf of Quarles & Brady LLP (collectively, the "Applicants"), hereby certify as follows:

- (a) I have read the foregoing *Twelfth Interim Application for Allowance and Payment of Compensation to, and for Reimbursement of Expenses of, (I) Faye B. Feinstein, Receiver for Wealth Management LLC and the Relief Defendants, and (II) Quarles & Brady LLP, as Counsel to the Receiver, for the Period from June 1, 2018, through May 31, 2019* (the "Application");
- (b) to the best of the Applicants' knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses therein are true and accurate and comply with the Billing Instructions, with no exceptions;
- (c) all fees contained in the Application are based on the rates listed in the Applicants' fee schedule attached to the Application, and such fees are reasonable, necessary, and commensurate with the skill and experience required for the activity performed;
- (d) the Applicants have 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); and,

- (e) in seeking reimbursement for a service which the Applicants justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Applicants request reimbursement for no more than the amount billed to the Applicants by the third-party vendor and paid by the Applicants to such vendor. The Receiver certifies that neither the Receiver nor Quarles & Brady LLP is making a profit on any such reimbursable service performed by the Receiver or by Quarles & Brady LLP.

Respectfully submitted this 16th day of July, 2019.

s/ Faye B. Feinstein

Faye B. Feinstein, Receiver

QUARLES & BRADY LLP
300 North LaSalle Street, Suite 4000
Chicago, IL 60654
Phone: (312) 715-5000

EXHIBIT A

FILED
06-11-2019
Clerk of Circuit Court
Outagamie County
2012CV001704

DATE SIGNED: June 11, 2019

Electronically signed by Mitchell J. Metropulos
Circuit Court Judge

BY THE COURT

Dated:

 The Honorable Mitchell J. Metropulos
 Outagamie County Circuit Court Judge

 STATE OF WISCONSIN CIRCUIT COURT OUTAGAMIE COUNTY

WML GRYPHON FUND, LLC, et al.,

Plaintiffs,

Case No. 12-CV-1704

Case Code: 30106, 30301, 30703

GREATER THAN \$10,000

v.

WOOD, HAT & SILVER, LLC, et al.,

Defendants,

THE BAETIS FUND, L.P.

THE BROWN INVESTMENT FUND, L.P.

THE TIPPET FUND, L.P.,

Nominal Defendants.

ORDER

The Amended Scheduling Order entered on March 11, 2019, shall be amended, and the new deadlines are listed below:

Event/Task	Old Deadline	New Deadline
Deadline for Parties to schedule depositions of witnesses identified (via email to counsel, notice of deposition, or subpoena) on or before June 7, 2019. However, the Parties agree that neither the June 7, 2019 deadline nor the July 26 deadline will foreclose the ability of any Party to notice depositions during the remainder of fact discovery.	None	July 26, 2019

Deadline for Plaintiffs to serve expert disclosures with expert reports	June 17, 2019	September 27, 2019
Deadline to complete fact discovery	July 15, 2019	October 25, 2019
Deadline for Defendants to serve expert disclosures with expert reports	August 12, 2019	November 22, 2019
Deadline to complete expert discovery	September 16, 2019	January 10, 2020
Deadline to file summary judgment motions and all supporting briefs/materials	October 7, 2019	January 31, 2020
Deadline to file responses to summary judgment motions	January 6, 2020	May 4, 2020
Deadline to file replies in support of summary judgment motions	February 3, 2020	June 3, 2020
Deadline for Plaintiffs to file witness lists (lay and expert)	May 4, 2020	August 14, 2020
Deadline to file motions in limine, proposed jury instructions, proposed verdict form, and pretrial report	May 18, 2020	August 28, 2020
Deadline for Defendants to file witness lists (lay and expert)	May 18, 2020	August 28, 2020
Deadline to file responses to motions in limine	June 1, 2020	September 11, 2020
Status conference	January 13, 2020	
Pretrial conference	March 2, 2020	
Jury trial (four weeks)	April 2020	

EXHIBIT B

[redacted per Seal Order, Docket No. 417]

EXHIBIT C

[Q&B matter 00005 redacted per Seal Order,
Docket No. 417]

Feinstein, Faye B., Receiver
 RE: Case Administration
 Q & B Matter Number: 136328.00004

Date	Description	Professional	Hours	Amount
06/01/18	Proof and revise Watchstone SFARs.	P. Fedor	0.40	\$80.00
06/01/18	Revise Palisade SFAR for second quarter 2017 and prepare Palisade SFARs for third quarter 2017, fourth quarter 2017, and first quarter 2018.	P. Fedor	1.30	\$260.00
06/01/18	Review prior Wealth Management SFARs for accuracy and investigate discrepancy regarding same (1.40); revise Wealth Management fourth quarter 2016 and first quarter 2017 SFARs (1.60).	P. Fedor	3.00	\$600.00
06/01/18	Prepare Wealth Management SFARs for second quarter 2017, third quarter 2017, fourth quarter 2017, and first quarter 2018 (6.0); proof, edit, and finalize Wealth Management fourth quarter SFAR, 2017 SFARs, and first quarter 2018 SFAR (.40).	P. Fedor	6.40	\$1,280.00
06/04/18	Review and revise Pantera SFARs (0.3); review and revise Watchstone SFARs (0.2).	F. Feinstein	0.50	\$267.50
06/05/18	Review and payment of invoices.	P. Fedor	0.30	\$60.00
06/05/18	Revise and finalize draft Quetzal SFARS for second quarter 2017, third quarter 2017, fourth quarter 2017, and first quarter 2018 (.30); review draft Wealth Management SFAR to identify and correct discrepancy (1.2); proof subsequent SFARs to verify accuracy (.30).	P. Fedor	1.80	\$360.00

Date	Description	Professional	Hours	Amount
06/05/18	Continue to review and revise SFARs for Quetzal, Palisade, and WML.	F. Feinstein	1.50	\$802.50
06/06/18	Review, revise, execute and transmit SFARs for 2017 and 1st quarter 2018.	F. Feinstein	2.50	\$1,337.50
06/07/18	Attention to re-registration of custodian for investor fund interest.	C. Combest	0.30	\$137.70
06/08/18	Prepare checks for payment of invoices and mailing of same.	P. Fedor	1.30	\$260.00
06/19/18	Obtain wire transfer instructions for Palisade and Watchstone and telephone call with M. Wisbey regarding same (.2); e-mail wire transfer instructions to I. Bernstein(.1).	P. Fedor	0.30	\$60.00
06/19/18	Review status of all open sub-funds for fee application/status report (.6); follow up with contacts for certain sub-funds (.4); arrange for receipt of final distributions and K-1s from Ravinia Funding (.4).	C. Combest	1.40	\$642.60
06/21/18	Payment of invoices and Update account spreadsheets (.20); e-mails with Rabobank to confirm incoming wire transfers and e-mail to attorney regarding same (.20).	P. Fedor	0.40	\$80.00
06/21/18	Proof account spreadsheets and prepare cash activity reports for Patke & Associates (1.5); e-mail to Patke & Associates regarding same (0.3).	P. Fedor	1.80	\$360.00
06/21/18	Exchange e-mails with S. Lingenfelter of Patke regarding outstanding sub-fund K-1 forms (.2); contact sub-fund counsel regarding same and forward received K-1s to Patke (.1).	C. Combest	0.30	\$137.70

Date	Description	Professional	Hours	Amount
06/22/18	Reconcile account spreadsheet balance to account statement for checking account 7867 and e-mail receipts and disbursements report for account 7867 to Patke & Associates (.50); follow-up regarding status of receipt of wire transfers from Ravinia Funds and report status of same to attorney (.10).	P. Fedor	0.60	\$120.00
06/25/18	Communications with Rabo Bank and attorney to confirm receipt of Ravinia distributions (.20); draft Gryphon SFAR for 2Q 2018 (1.30).	P. Fedor	1.50	\$300.00
06/26/18	Review account spreadsheets for Gryphon and Quetzal to verify accuracy of same (0.4); and telephone call with Patke & Associates regarding same (0.1).	P. Fedor	0.50	\$100.00
06/29/18	Review account spreadsheets for Gryphon and Quetzal and correct excel formula issue (0.4); prepare revised cash activity reports for Gryphon and Quetzal and forward same to Patke & Associates (0.4).	P. Fedor	0.80	\$160.00
07/10/18	Exchange e-mails with Millennium Trust regarding status of Watch Stone.	C. Combest	0.20	\$91.80
07/16/18	Communicate with investor regarding availability of K-1s.	C. Combest	0.10	\$45.90
07/23/18	Communicate with investor regarding tax documents for current year.	C. Combest	0.20	\$91.80
07/25/18	Review e-mail from investor/former employee regarding status of receivership and distributions (.1); review records to formulate response to same (.2).	C. Combest	0.30	\$137.70
07/26/18	Research files and reply to investor/employee inquiry regarding distributions and case status.	C. Combest	0.60	\$275.40

Date	Description	Professional	Hours	Amount
07/31/18	Proof, revise and finalize draft 2Q SFAR for Gryphon (.80); prepare second quarter SFARs for Palisade, Quetzal, Watchstone, Pantera, and Wealth Management (4.20); proof, edit, and finalize draft second quarter SFARs for Palisade, Quetzal, Watchstone, Pantera, and Wealth Management (.60).	P. Fedor	5.60	\$1,120.00
07/31/18	Call with R. Niemaszyk and S. Lingenfelter regarding certain tax accounting issues.	C. Combest	0.40	\$183.60
07/31/18	Review accountant's engagement letter and tax returns for investment funds and approve for filing (0.7); telephone conference with accountants (0.2).	F. Feinstein	0.90	\$481.50
08/01/18	Call with investor regarding status of various matters (0.2); attention to files regarding tax returns (0.4).	C. Combest	0.60	\$275.40
08/02/18	Call with S. Lingenfelter regarding tax files and current issues on tax returns (0.4); update files for missing tax returns (0.6).	C. Combest	1.00	\$459.00
08/02/18	Review/revise SFARs for 2nd Quarter 2018.	F. Feinstein	0.50	\$267.50
08/06/18	Payment of invoices for professional fees and expenses and update spreadsheets regarding same(1.3); report status of same to attorney (0.1).	P. Fedor	1.40	\$280.00
08/06/18	Confer with Receiver regarding distributions, hold-back, administrative expenses, including document storage (0.3); investigate current document storage needs, including exchange of e-mail with former Receiver assistant (0.5).	C. Combest	0.80	\$367.20

Date	Description	Professional	Hours	Amount
08/09/18	Transfer funds from distribution account to Gryphon account in anticipation of upcoming distributions and print updated account summary for attorney regarding same.	P. Fedor	0.20	\$40.00
08/10/18	Revise check ledger entries to include more detail on summary report; compile data regarding 2017 receipts and disbursements requested by A. Lasko.	P. Fedor	0.80	\$160.00
08/10/18	Review disbursement report to be provided to A. Lasko for WMLLC (0.4) telephone conference with accountant regarding WML, LLC tax return (0.2).	F. Feinstein	0.60	\$321.00
08/13/18	Investigate investor status for delivery of K-1s, including e-mail to attorney for investor.	C. Combest	0.30	\$137.70
08/14/18	Telephone conference with A. Lasko regarding WML, LLC tax return.	F. Feinstein	0.10	\$53.50
08/20/18	Run account balance report for Wealth Management accounts and e-mail to attorney regarding same.	P. Fedor	0.10	\$20.00
08/30/18	Review and respond to investor inquiry regarding tax forms, fund status, and litigation (0.5); confer with Receiver regarding status of all open items (0.2).	C. Combest	0.70	\$321.30
09/04/18	Receive investor query regarding tax documents (0.1); call with S. Lingenfelter of Patke regarding timing of preparation of tax returns and investor K-1s and options given delay on certain sub-fund documents and (0.5).	C. Combest	0.60	\$275.40
09/05/18	Call with investor regarding K-1 forms.	C. Combest	0.10	\$45.90

Date	Description	Professional	Hours	Amount
09/10/18	Attention to payment of monthly invoices and update spreadsheets regarding same.	P. Fedor	0.70	\$140.00
09/11/18	Review invoice received and process same for payment (0.3); update spreadsheets regarding same (0.3); print checks for payment of monthly invoices and mailing of same (0.4) e-mail to attorney regarding same and update electronic file regarding same (0.2).	P. Fedor	1.20	\$240.00
09/11/18	Call with S. Lingenfelter regarding tax returns and K-1s (0.2); review and inquiry regarding current Rabo Bank ledger statement and former fund bank accounts (0.3).	C. Combest	0.50	\$229.50
09/13/18	Prepare wire transfer request for payment of Quarles & Brady court approved attorney's fees and costs and communications with RaboBank regarding same.	P. Fedor	0.40	\$80.00
09/13/18	Report status of same to attorney.	P. Fedor	0.20	\$40.00
09/13/18	Review file regarding Watch Stone account and communications with Rabobank regarding same.	P. Fedor	0.40	\$80.00
09/13/18	Update Gryphon account spreadsheet regarding same.	P. Fedor	0.30	\$60.00
09/17/18	Two calls with S. Lingenfelter regarding sub-fund K-1s, filing of tax returns, and preparation of K-1s for investors.	C. Combest	0.20	\$91.80
09/18/18	Exchange e-mails with S. Lingenfelter regarding amended tax returns and investor K-1s (0.1); e-mail to investor regarding inquiry about K-1s (0.1).	C. Combest	0.20	\$91.80

Date	Description	Professional	Hours	Amount
09/20/18	Prepare account transfers and check for invoice received; update account spreadsheets regarding same.	P. Fedor	0.40	\$80.00
09/25/18	Print check for payment of invoice; review stop payment notices received from BMS and address same with attorney.	P. Fedor	0.60	\$120.00
09/27/18	Communication with BMS regarding stop pay notices received; e-mail to F. Feinstein regarding same.	P. Fedor	0.10	\$20.00
10/01/18	Draft third quarter SFARs for Gryphon and Watchstone (1.60); prepare revised second quarter SFAR for Watchstone (.50); prepare third quarter SFARs for Palisade, Pantera, and Quetzal (.40); review file to verify account information for May 2018 wire transfer and e-mail to D. Melnick & S. Melnick to verify same and wire instructions (.20).	P. Fedor	2.70	\$540.00
10/02/18	Address issues regarding delivery of tax documents to certain investors.	C. Combest	0.20	\$91.80
10/04/18	Draft third quarter SFAR for Wealth Management.	P. Fedor	0.60	\$120.00
10/15/18	Account transfers in connection with insurance litigation settlements.	P. Fedor	0.30	\$60.00
10/15/18	E-mails with attorney regarding account transfers.	P. Fedor	0.10	\$20.00
10/15/18	Run updated account reports regarding account transfers.	P. Fedor	0.10	\$20.00

Date	Description	Professional	Hours	Amount
10/18/18	Call with accountant for investor regarding tax documents (0.1); review records and obtain and forward K-1 to investors (0.1); communicate with A. Lasko and Patke regarding same (0.1).	C. Combest	0.30	\$137.70
10/18/18	Proof third quarter SFARs and forward same to attorney.	P. Fedor	0.80	\$160.00
10/18/18	Confer with attorney regarding Wealth Management SFAR.	P. Fedor	0.20	\$40.00
10/19/18	Review files regarding timing and amount of all settlement funds and accounting for same on bank statements (0.3); memorandum to Receiver regarding reconciling inflows, bank statements, and SFARs (1.4).	C. Combest	1.70	\$780.30
10/23/18	Continued preparation of third quarter SFAR for Receiver distribution accounts.	P. Fedor	1.20	\$240.00
10/24/18	Continued preparation of third quarter SFAR for Receiver distribution accounts.	P. Fedor	1.80	\$360.00
10/25/18	Proof 3Q 2018 Distribution Account SFAR and forward same to attorney.	P. Fedor	0.20	\$40.00
10/25/18	Review SFARs regarding administrative accounts, noting comments and corrections (1.0); confer with Receiver regarding same (0.3); e-mail to Receiver regarding recommendations for SFAR revisions (0.4); review and revise investor information from Lasko regarding next distribution (1.1).	C. Combest	2.80	\$1,285.20
10/26/18	Review and revise SFAR reports to account for settlement funds and other litigation-related issues.	C. Combest	1.00	\$459.00

Date	Description	Professional	Hours	Amount
10/30/18	Prepare checks for monthly invoices and update account spreadsheets regarding same.	P. Fedor	1.00	\$200.00
10/30/18	Revisions to SFARs.	F. Feinstein	0.40	\$214.00
10/31/18	Finalize and execute SFARs and transmit to SEC.	F. Feinstein	0.70	\$374.50
11/02/18	Process checks for monthly invoices (0.8); update account spreadsheets to include recent account transfers (0.3).	P. Fedor	1.10	\$220.00
11/02/18	Review and respond to inquiry from investor regarding status of receivership and distributions.	C. Combest	0.20	\$91.80
11/12/18	Attention to investor inquiry regarding address for K-1s and distributions (0.1); communicate with Lasko and Patke regarding same (0.1).	C. Combest	0.20	\$91.80
11/20/18	Review accountant invoices and e-mails with attorney regarding same.	P. Fedor	0.10	\$20.00
11/27/18	Evaluate need to renew domain name for receiver web site (0.2). confer with receiver regarding same (0.1).	C. Combest	0.30	\$137.70
11/28/18	Attention to accountant invoices and update account spreadsheets for payments to be made.	P. Fedor	0.40	\$80.00
12/04/18	Exchange e-mails with Alan Lasko regarding WM LLC tax return for 2017 and investor inquiry regarding K-1s.	C. Combest	0.30	\$137.70

Date	Description	Professional	Hours	Amount
12/08/18	Prepare abandonment agreement for WM investor and forward for execution (0.6); review relevant LLC operating agreement regarding same (0.5).	C. Combest	1.10	\$504.90
12/11/18	Update account spreadsheets for invoices to be paid.	P. Fedor	0.20	\$40.00
12/11/18	Follow-up regarding status of receipt of Heartland invoices.	P. Fedor	0.10	\$20.00
12/14/18	Update WM account spreadsheets (.20); printing of checks for monthly invoices and mailing of same (1.2); print updated account summary reports (.20).	P. Fedor	1.60	\$320.00
12/20/18	Process account transfers for payment of invoice; update WM account spreadsheets regarding same; print check.	P. Fedor	0.60	\$120.00
12/20/18	Finalize execution of abandonment agreement and forward same to investor and Lasko.	C. Combest	0.20	\$91.80
01/15/19	Confer with attorney regarding documents needed for submission to accountants.	P. Fedor	0.20	\$40.00
01/17/19	Review account records and run WM accounting reports to provide accountant data for W4 reporting (2.50); confer with attorney regarding same (.30); e-mail to accountant enclosing account reports (.10).	P. Fedor	2.90	\$580.00
01/17/19	Call with investor's son regarding death of investor, treatment of decedent's investment vehicles, recent distribution, and related matters.	C. Combest	0.20	\$91.80
01/17/19	Attention to 1099 issuance and reports to accountants in order to prepare same.	F. Feinstein	0.50	\$267.50

Date	Description	Professional	Hours	Amount
02/01/19	Prepare checks for payment of monthly invoices and account transfers regarding same (1.0); update account spreadsheets regarding same (.50); send out monthly invoices and payments (.30); run account reports to verify and reconcile balances (.40).	P. Fedor	2.20	\$440.00
02/14/19	Begin compiling data for preparation of quarterly SFARs.	P. Fedor	0.40	\$80.00
02/15/19	Prepare fourth quarter SFARs for Gryphon, Watchtone, Palisade Partners, Pantera Partners, Quetzal, and Administrative/Distribution accounts.	P. Fedor	9.80	\$1,960.00
02/22/19	Payment of invoices.	P. Fedor	0.30	\$60.00
02/22/19	Update WM account spreadsheets regarding same.	P. Fedor	0.30	\$60.00
02/22/19	E-mail to attorney regarding same.	P. Fedor	0.10	\$20.00
02/22/19	Update account summary report post-disbursements.	P. Fedor	0.10	\$20.00
02/25/19	Review message from investor regarding 2018 distribution and impact on K-1s; exchange e-mails and call with Patke (accountants) regarding same.	C. Combest	0.30	\$137.70
02/28/19	Draft Wisconsin Annual Report for Gryphon.	D. Millinowisch	0.50	\$147.50
02/28/19	Arrange to file Wisconsin Annual Report for Gryphon.	D. Millinowisch	0.10	\$29.50

Date	Description	Professional	Hours	Amount
03/01/19	Draft e-mail to Schwab regarding valuation of certain WM investments.	C. Combest	0.30	\$137.70
03/04/19	Review SFARs (0.5); conference with C. Combest regarding revisions needed to SFARs (0.3).	F. Feinstein	0.80	\$428.00
03/04/19	Confer with Receiver regarding proper description of certain adjustments and disbursements on SFARs for 4Q 2018 (0.3); revise all SFARs regarding same (0.3).	C. Combest	0.70	\$321.30
03/05/19	Payment of monthly invoices (0.5); update spreadsheets regarding same (0.3); run update account reports regarding same (0.3).	P. Fedor	1.10	\$220.00
03/05/19	Final review, revise, and execution of SFARs.	F. Feinstein	0.50	\$267.50
03/11/19	Telephone call from investor regarding upcoming mediation.	F. Feinstein	0.40	\$214.00
03/18/19	E-mails to/from Access Information Systems regarding status of receipt of March invoices; e-mail to F. Feinstein regarding same.	P. Fedor	0.20	\$40.00
03/22/19	Communications with Heartland regarding March invoice (.2); prepare checks for payment of monthly invoices (.7); update account spreadsheets regarding same (.3); print updated account summary and disbursement reports (.1).	P. Fedor	1.30	\$260.00
04/05/19	Payment of monthly invoices (.5); update account spreadsheets (.3); print updated account summary and disbursement reports (.2).	P. Fedor	1.60	\$320.00

Date	Description	Professional	Hours	Amount
04/05/19	Review correspondence from investor's personal representative regarding re-registering certain investments (0.2); e-mail to Alan Lasko and Patke regarding same (0.1).	C. Combest	0.30	\$137.70
04/08/19	Draft first quarter 2019 SFAR's for Quetzal, Watchstone, Palisade, and Pantera.	P. Fedor	1.80	\$360.00
04/09/19	Draft first quarter 2019 SFARs for Gryphon and administrative account (2.0); e-mails with F. Feinstein regarding invoices to be paid (.2).	P. Fedor	2.20	\$440.00
04/18/19	Update account spreadsheets to facilitate payment of invoices.	P. Fedor	0.70	\$140.00
04/19/19	Make account transfer and prepare checks for monthly invoices (.3); print updated account reports (.1); e-mail to Receiver regarding same (.1).	P. Fedor	1.00	\$200.00
04/19/19	Revisions to first quarter 2019 SFARs.	P. Fedor	0.20	\$40.00
04/25/19	Review and respond to e-mail from counsel to investor regarding necessary changes to investment and distribution information.	C. Combest	0.20	\$91.80
04/30/19	Revisions to first quarter SFAR for administrative account.	P. Fedor	0.60	\$120.00
05/02/19	Review and respond to Schwab e-mail regarding valuation of WM fund investments.	C. Combest	0.20	\$91.80
05/03/19	Proof and finalize first quarter SFARs for Palisade Partners, Quetzal, Watchstone, and Pantera (.30); proof, edit, and finalize draft first quarter 2019 SFAR for Gryphon (.70); proof, edit, and finalize draft first quarter 2019 SFAR for WM distribution accounts (2.20).	P. Fedor	3.20	\$640.00

Date	Description	Professional	Hours	Amount
05/06/19	Continued work on first quarter 2018 SFAR for Wealth Management administrative accounts.	P. Fedor	0.50	\$100.00
05/06/19	Analysis of distribution account SFARs for 4th quarter 2018 and first quarter 2019 to ensure proper accounting for distributions and settlement funds (0.4); supply distribution information for SFAR (0.1); confer with Receiver regarding same (0.1).	C. Combest	0.60	\$275.40
05/13/19	Analyses of draft first quarter 2019 SFAR for administrative accounts with attorney.	P. Fedor	0.50	\$100.00
05/13/19	Review and revise SFAR's - 1st Quarter 2019.	F. Feinstein	0.40	\$214.00
05/13/19	Telephone conference with P. Fedor (twice) regarding SFAR for admin. account reconciliation.	F. Feinstein	0.40	\$214.00
05/13/19	Continued preparation of first quarter 2019 SFAR for Wealth Management administrative accounts.	P. Fedor	2.60	\$520.00
05/13/19	Review and proof finalized version of first quarter of 2019 SFAR for Wealth Management administrative accounts.	P. Fedor	0.50	\$100.00
05/14/19	Revisions to Gryphon 1st Quarter SFAR; finalize and transmit all 1st Quarter SFARs to SEC.	F. Feinstein	0.50	\$267.50
05/14/19	Attention to invoices for payment.	P. Fedor	0.10	\$20.00
05/17/19	Payment of monthly invoices.	P. Fedor	0.20	\$40.00

Date	Description	Professional	Hours	Amount
05/17/19	Update account spreadsheets regarding monthly invoices.	P. Fedor	0.40	\$80.00
05/17/19	Print checks and updated account disbursement and balance accounts.	P. Fedor	0.60	\$120.00

FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Paula A. Fedor	81.50	\$200.00	\$16,300.00
Faye B. Feinstein	11.20	\$535.00	\$5,992.00
Christopher Combest	19.90	\$459.00	\$9,134.10
Debra A. Millinowisch	0.60	\$295.00	\$177.00
TOTAL	113.20		\$31,603.10

Total Fees:**\$31,603.10**

[Q&B matter 00005 redacted per Seal Order,
Docket No. 417]

Feinstein, Faye B., Receiver
 RE: MKA Fund
 Q & B Matter Number: 136328.00006

Date	Description	Professional	Hours	Amount
08/28/18	E-mail to counsel and principal for MKA Qualified regarding status of fund and of K-1s.	C. Combest	0.30	\$137.70
09/11/18	Exchange e-mails with B. Wagoner of MKA Qualified regarding status of K-1s and sale of Ventana asset (0.3); review MKA document production regarding asset disposition in 2017 for tax accountants (0.4); communicate with S. Lingenfesler regarding same (0.1).	C. Combest	0.80	\$367.20
09/17/18	Exchange e-mails with B. Wagoner of MKA regarding 2017 K-1s.	C. Combest	0.10	\$45.90

FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Christopher Combest	1.20	\$459.00	\$550.80
TOTAL	1.20		\$550.80

Total Fees:**\$550.80**

Feinstein, Faye B., Receiver
 RE: Valstone Liquidation
 Q & B Matter Number: 136328.00023

Date	Description	Professional	Hours	Amount
06/19/18	Analyze quarterly report of Valstone III(b) for first quarter 2018.	C. Combest	0.30	\$137.70
08/29/18	Obtain and review quarterly Valstone III capital statement.	C. Combest	0.20	\$91.80

FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Christopher Combest	0.50	\$459.00	\$229.50
TOTAL	0.50		\$229.50

Total Fees:**\$229.50**

Feinstein, Faye B., Receiver
 RE: Distribution
 Q & B Matter Number: 136328.00025

Date	Description	Professional	Hours	Amount
06/29/18	Revise analysis regarding potential distribution and holdback amounts (.5); forward same to Receiver (.1).	C. Combest	0.60	\$275.40
07/10/18	Revise distribution and holdback calculations.	F. Feinstein	0.20	\$107.00
07/10/18	Review protocols for making distribution, including process for preparing distribution charts, net cash statements, memorandums to investors, and distribution of checks (.7); revise analysis of prudent holdbacks and potential distributable amounts from WM funds (.8); confer with Receiver regarding all of above (.2).	C. Combest	1.70	\$780.30
07/31/18	Confer (twice) with Receiver regarding potential distributions from one or more funds and related hold-backs (.5); revise analysis of settlement allocation and distribution options (2.6); draft written analysis and recommendation for Receiver regarding same (1.3).	C. Combest	4.40	\$2,019.60
07/31/18	Review balance in funds and consider distribution.	F. Feinstein	0.30	\$160.50
08/01/18	Further review of balances and consider allocation to funds of settlement proceeds.	F. Feinstein	0.20	\$107.00
08/01/18	Revise analysis of holdback and other distribution issues.	C. Combest	0.80	\$367.20

Date	Description	Professional	Hours	Amount
08/06/18	Conference with C. Combest regarding distribution and holdback and document storage (0.3); review, revised distribution analysis (0.2); e-mail to P. Fedor regarding moving funds in preparation for distribution (0.1).	F. Feinstein	0.60	\$321.00
08/06/18	E-mail to A. Lasko (Receiver accountant) regarding process and cost of potential distribution (0.6); e-mail to M. Wisbey of BMS regarding same (0.5).	C. Combest	1.10	\$504.90
08/14/18	Reconciliation of investor information for next distribution, including identifying conflicting information from investors for resolution and updating payment information.	C. Combest	1.50	\$688.50
08/29/18	Administrative work regarding next distribution, including verifying distribution information for numerous investors; calls with counsel for investor regarding K-1s, distributions, and investor information.	C. Combest	2.40	\$1,101.60
09/13/18	Analysis of additional settlement allocations, status of fee and expense advances, effect of new money on hold-back calculation, and recalculation of hold-back and potential distributions (0.9); confer with Receiver and prepare updated memorandum regarding same (0.6); draft memorandum to Gryphon investors regarding distribution (0.3); review net cash statements for instructions to Lasko on revisions needed (0.2); finalize review of Lasko information for making distributions (0.3); draft detailed e-mail to Lasko regarding updates needed (0.7); e-mail to M. Wisbey at BMS regarding current status of distribution information and needed updates (0.1).	C. Combest	3.10	\$1,422.90

Date	Description	Professional	Hours	Amount
10/08/18	Draft memorandum to investors in Watch Stone regarding fifth distribution (0.3); draft revised e-mails to A. Lasko and M. Wisbey (BMS) regarding mechanics for preparing distributions from two funds (0.4); careful review and update of investor payee and delivery information for funds making distributions (2.7); draft e-mail to C. Wilson at Lasko offices with updates for same information (0.5).	C. Combest	3.90	\$1,790.10
10/09/18	Calculate allocation of fees among WM funds and effect of same on allocation of settlement proceeds (1.3); e-mails to M. Wisbey, Alan Lasko, and Receiver regarding distributions and holdback (0.3).	C. Combest	1.60	\$734.40
10/12/18	E-mail to A. Lasko regarding information and instructions for preparing distributions (0.1); instruct P. Fedor (Receiver's administrative assistant) regarding allocation of settlement amounts among funds. (0.1).	C. Combest	0.20	\$91.80
10/23/18	Review e-mails from Lasko regarding distribution procedures.	C. Combest	0.10	\$45.90
10/26/18	Receive and respond to e-mail from K. Sellyer (Lasko firm) regarding information needed regarding certain investors in order proceed with distributions.	C. Combest	0.60	\$275.40
11/26/18	Review and confirm distribution charts, addresses, and net cash statements received from Lasko regarding 2018 distributions (1.5); revise letters to investors regarding distributions (0.4); review procedures for finalizing distributions information and for BMS to effect distribution (0.3); confer with Receiver regarding procedures and next steps (0.3).	C. Combest	2.50	\$1,147.50

Date	Description	Professional	Hours	Amount
11/26/18	Review material from Lasko regarding upcoming distribution to investors of Gryphon and Watchstone (0.8); telephone conference with C. Combest to confirm net cash information (0.2).	F. Feinstein	1.00	\$535.00
11/27/18	E-mail to Morgan Wisbey of BMS sending and describing process for effecting distributions (0.4); review revised distribution spreadsheets from Lasko (0.2).	C. Combest	0.60	\$275.40
12/03/18	Confer (2x) with Receiver regarding upcoming distributions and holdback; tax return inquiry from investor, and treatment of abandoned interests (1.2); review communications with investors regarding potential distributions (0.3).	C. Combest	1.50	\$688.50
12/05/18	Draft e-mail to Gryphon investors notifying them of upcoming distribution.	C. Combest	0.20	\$91.80
12/17/18	Exchange e-mails with Lasko office regarding distribution information and confer with Receiver regarding same.	C. Combest	0.10	\$45.90
12/18/18	E-mail with direction to Lasko regarding distributions.	C. Combest	0.10	\$45.90
12/19/18	Revise memorandum to investors regarding distribution (0.1); exchange e-mails with Lasko office regarding distribution spreadsheet (0.1); e-mail to Morgan Wisbey at BMS regarding effecting distribution (0.2).	C. Combest	0.40	\$183.60
12/27/18	Confer with Receiver regarding information for investors regarding next distribution.	C. Combest	0.20	\$91.80
01/03/19	Attention to updating investor information received in response to notice of distribution.	C. Combest	0.50	\$229.50

Date	Description	Professional	Hours	Amount
01/07/19	Attention to responses from multiple investors regarding changes to contact and investor entity information.	C. Combest	0.40	\$183.60
01/09/19	Call with financial advisor for investor regarding re-issuance of distribution check (0.1); confer with Receiver regarding same (0.1).	C. Combest	0.20	\$91.80
01/10/19	Confer with Ed Hannon (tax) regarding investor request to reissue check to IRA (0.2); confer with Receiver regarding same (0.2); respond to inquiry for different investor regarding distribution (0.1).	C. Combest	0.50	\$229.50
01/10/19	Conference with Chris Combest regarding assignment of payment issues; and potential exposure regarding same.	E. Hannon	0.30	\$143.10
01/11/19	Call with financial advisor for investor regarding status of investment vehicles and request to re-issue distribution check (0.1); confer with Ed Hannon (Q&B tax counsel) regarding same (0.1); confer with Receiver regarding same (0.1).	C. Combest	0.30	\$137.70
01/14/19	Multiple e-mails with certain investors and BMS regarding issuance of distribution checks, address changes, and status of those investors' various distributions (0.4); call with Morgan Wisbey of BMS regarding same (0.3); confer with Receiver regarding same (0.1); telephone call with different investor regarding status of distribution (0.1).	C. Combest	0.90	\$413.10
01/15/19	Communications with investors, BMS, and Receiver regarding issues arising from December 2018 distribution (0.8); update all investor contact records based on information received in connection with distribution (0.2).	C. Combest	1.00	\$459.00

Date	Description	Professional	Hours	Amount
01/21/19	Communicate with Morgan Wisbey at BMS regarding re-issuance of distribution (0.1); e-mail to investor regarding same (0.1).	C. Combest	0.10	\$45.90
03/06/19	Contact investors with uncashed distributions checks regarding status (0.3); communicate with investor financial advisor regarding roll-over for 401(k) and new payee designation for distributions (0.2).	C. Combest	0.50	\$229.50
05/16/19	Call and exchange of e-mails with financial advisor for investor regarding reissuing distribution check (0.3); exchange e-mails with Morgan Wisbey of Stretto regarding same (0.1); follow up with investor's advisor regarding same (0.1).	C. Combest	0.50	\$229.50

FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Faye B. Feinstein	2.30	\$535.00	\$1,230.50
Christopher Combest	32.50	\$459.00	\$14,917.50
Edward J. Hannon	0.30	\$477.00	\$143.10
TOTAL	35.10		\$16,291.10

Total Fees:**\$16,291.10**

EXHIBIT D

Professional Summary Chart
Quarles and Brady

<u>Professional</u>	<u>Case Administration</u> <u>.00004</u>		<u>Baetis & Brown</u> <u>.00005</u>		<u>MKA Fund</u> <u>.00006</u>		<u>Valstone Liquidation</u> <u>.00023</u>	
	<u>Hours</u>	<u>Fees</u>	<u>Hours</u>	<u>Fees</u>	<u>Hours</u>	<u>Fees</u>	<u>Hours</u>	<u>Fees</u>
Christopher Combest (P)	19.90	\$9,134.10	13.70	\$6,288.30	1.20	\$550.80	0.50	\$229.50
Faye B. Feinstein (P)	11.20	\$5,992.00	45.20	\$24,182.00	0.00	\$0.00	0.00	\$0.00
Edward J. Hannon (P)	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
E. King Poor (P)	0.00	\$0.00	0.50	\$236.25	0.00	\$0.00	0.00	\$0.00
Paula A. Fedor (PP)	81.50	\$16,300.00	0.30	\$60.00	0.00	\$0.00	0.00	\$0.00
Francesco C. Howard (PP)	0.00	\$0.00	8.10	\$1,782.00	0.00	\$0.00	0.00	\$0.00
Debra A. Millinowisch (PP)	0.60	\$177.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
Total	113.20	\$31,603.10	67.80	\$32,548.55	1.20	\$550.80	0.50	\$229.50

	<u>Hourly Rate Charged</u>	<u>Grand Total</u>	
		<u>Hours</u>	<u>Fees</u>
Christopher Combest (P)	\$459.00	67.80	\$31,120.20
Faye B. Feinstein (P)	\$535.00	58.70	\$31,404.50
Edward J. Hannon (P)	\$477.00	0.30	\$143.10
E. King Poor (P)	\$472.50	0.50	\$236.25
Paula A. Fedor (PP)	\$200.00	81.80	\$16,360.00
Francesco C. Howard (PP)	\$220.00	8.10	\$1,782.00
Debra A. Millinowisch (PP)	\$295.00	0.60	\$177.00
Grand Total		217.80	\$81,223.05

P = Partner, A = Associate PP = Paraprofessional/Legal Specialist

EXHIBIT E

Feinstein, Faye B., Receiver
 RE: Receivership of Wealth Management, LLC
 Q & B Matter Number: 136328.00002

DISBURSEMENTS

07/08/2018	Chicago Messenger Service, Inc; INVOICE#: 949459; DATE: 7/8/2018 to US Securities & Exchange on 7/3/18	\$8.75
11/28/2018	Publications/Subscriptions: Reimbursement to Faye Feinstein for payment of Domain renewal.	\$20.50
02/28/2019	File Wisconsin annual report.	\$26.00
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie L Melnick 3/1/19	\$16.05
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie L Melnick 3/1/19	\$16.05
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie L Melnick 3/1/19	\$16.05
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie L Melnick 3/1/19	\$16.05
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie Melnick	\$65.60
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie Melnick 3/1/19	\$13.07
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie Melnick 3/1/19	\$15.27
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie Melnick 3/1/19	\$15.68
03/20/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R109, DATE: 3/9/2019 Delivery to Stephanie Melnick 3/1/19	\$15.68
03/31/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R119, DATE: 3/16/2019 Delivery to Stephanie L Melnick 3/8/19	\$13.95
03/31/2019	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000F3650R119, DATE: 3/16/2019 Delivery to Stephanie L Melnick 3/12/19	\$9.29
Total Disbursements:		\$267.99

EXHIBIT F

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Civil Action No: 09-C-506

WEALTH MANAGEMENT, LLC,
JAMES PUTMAN, and SIMONE FEVOLA,

Defendants, and

WML GRYPHON FUND, LLC;
WML WATCH STONE PARTNERS, L.P.; WML
PANTERA PARTNERS, L.P.; WML PALISADE
PARTNERS, L.P.; WML L3, LLC;
WML QUETZAL PARTNERS, L.P., and
EMPLOYEE SERVICES OF APPLETON, INC.,

Relief Defendants.

**NOTICE OF (A) FILING OF (I) TWELFTH INTERIM APPLICATION FOR ALLOWANCE
AND PAYMENT OF FEES AND EXPENSES OF RECEIVER AND HER COUNSEL AND (II)
SEVENTH INTERIM APPLICATION OF ALAN D. LASKO & ASSOCIATES, P.C., AND (B)
OBJECTION PROCEDURE**

PLEASE TAKE NOTICE that, on July 16, 2019, Faye B. Feinstein, as Receiver for Wealth Management, LLC, and the Relief Defendants named above (the "Receiver"), and Quarles & Brady LLP filed with the Clerk of the United States District Court for the Eastern District of Wisconsin (the "Court") the following papers (collectively, the "Applications"):

- (a) **Status Report and Twelfth Interim Application for Allowance and Payment of Compensation to, and for Reimbursement of Expenses of, (I) Faye B. Feinstein, Receiver for Wealth Management LLC and the Relief Defendants, and (II) Quarles and Brady LLP, as Counsel to the Receiver, for the Period from June 1, 2018, through May 31, 2019** (the "Q&B Application"); and
- (b) **Seventh Interim Application for Allowance and Payment of Compensation to Alan D. Lasko & Associates, P.C., as Accountants to the Receiver, for the Period from June 1, 2015, through May 31, 2019** (the "Lasko Application").

PLEASE TAKE FURTHER NOTICE that the Q&B Application (i) seeks allowance of compensation in the amount of \$81,223.05 (the "Q&B Subject Period Fees") and of reimbursement of actual and necessary expenses in the amount of \$267.99 (the "Q&B Subject Period Expenses") for the period from June 1, 2018, through May 31, 2019; and (ii) asks that the Court authorize the Receiver to

pay the Q&B Subject Period Fees and the Q&B Subject Period Expenses to Quarles & Brady LLP from the assets of Wealth Management, LLC, and/or the Relief Defendants.

PLEASE TAKE FURTHER NOTICE that the Lasko Application (i) seeks allowance of compensation in the amount of \$9,101.43 (the "Lasko Subject Period Fees") and of reimbursement of actual and necessary expenses in the amount of \$10.00 (the "Lasko Subject Period Expenses") for the period from June 1, 2015, through May 31, 2019; and (ii) asks that the Court authorize the Receiver to pay the Lasko Subject Period Fees and the Lasko Subject Period Expenses to Alan D. Lasko & Associates, P.C. from the assets of Wealth Management, LLC, and/or the Relief Defendants.

PLEASE TAKE FURTHER NOTICE that, on _____, 2019, the Court entered a Scheduling Order regarding both of the Applications (Docket No. _____) (the "Scheduling Order").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Scheduling Order, any objections to the Q&B Application and/or to the Lasko Application must be filed with the Court and served on undersigned counsel (which service may be made via the Court's CM/ECF System) **on or before** _____, 2019 (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Scheduling Order, if no objection to an Application is filed on or before the Objection Deadline, the Court may grant that Application without a hearing.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Scheduling Order, if one or more objections to an Application are filed on or before the Objection Deadline, the Court will determine whether or not to hold a hearing on that Application, and, if the Court decides to schedule a hearing, a separate notice of the date and time of such hearing will be served upon you.

PLEASE TAKE FURTHER NOTICE that Quarles & Brady LLP and Lasko, respectively, each requests that any objection to the Application state with specificity the legal and factual bases for the objection and the item or items of compensation or expense reimbursement objected to.

PLEASE TAKE FURTHER NOTICE that, if you have not received a copy of one or both of the Applications with this Notice, you may obtain copies, without charge: (1) from the Web site for the Receiver Estate, www.wealthmgmt.com; (2) from the Office of the Clerk of the Court, 125 South Jefferson Street, Green Bay, Wisconsin, during regular business hours; or (3) by requesting the same from the Receiver at receiver@quarles.com.

DATED: July _____, 2019

s/ Faye B. Feinstein
Faye B. Feinstein, Receiver

s/ Christopher Combest
Christopher Combest
One of the Receiver's Attorneys

QUARLES & BRADY LLP
300 North LaSalle Street, Suite 4000
Chicago, IL 60654
Phone: (312) 715-5000

EXHIBIT G

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Civil Action No: 09-C-506

WEALTH MANAGEMENT, LLC,
JAMES PUTMAN, and SIMONE FEVOLA,

Defendants, and

WML GRYPHON FUND, LLC;
WML WATCH STONE PARTNERS, L.P.; WML
PANTERA PARTNERS, L.P.; WML PALISADE
PARTNERS, L.P.; WML L3, LLC;
WML QUETZAL PARTNERS, L.P., and
EMPLOYEE SERVICES OF APPLETON, INC.,

Relief Defendants.

**ORDER AUTHORIZING ALLOWANCE AND PAYMENT OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES TO
(I) FAYE. B. FEINSTEIN, RECEIVER FOR WEALTH MANAGEMENT LLC
AND THE RELIEF DEFENDANTS, AND (II) QUARLES & BRADY LLP,
AS COUNSEL TO THE RECEIVER, FOR THE PERIOD FROM
JUNE 1, 2018, THROUGH MAY 31, 2019**

THIS CAUSE, coming to be heard on the Status Report and Twelfth Interim Application for Allowance and Payment of Compensation to, and for Reimbursement of Expenses of, (I) Faye B. Feinstein, Receiver for Wealth Management LLC and the Relief Defendants, and (II) Quarles & Brady LLP, as Counsel to the Receiver, for the Period from June 1, 2018, through May 31, 2019 (the “Application”; all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application); due and proper notice of the Application having been served on all entities entitled thereto and no other or further notice having been required; the Application having included a “Certification of Faye B. Feinstein, Receiver” (the

“Certification”); no objections to the Court's granting of the Application having been filed within the time period specified in the Court's related scheduling order entered at Docket No. _____, and the Court being otherwise fully advised in the premises;

BASED ON ITS REVIEW OF THE APPLICATION AND THE CERTIFICATION AND ON THE LACK OF OBJECTIONS TO THE SAME, THE COURT HEREBY FINDS THAT:

1. Pursuant to (a) the Court’s *Order Appointing Receiver* dated May 20, 2009 (Docket No. 8) (the “Initial Receiver Order”), and (b) the Court’s *First Modified Order Appointing Receiver* (Docket No. 14) (the “Modified Receiver Order” and, with the Initial Receiver Order, the “Appointment Orders”), Faye B. Feinstein (the “Receiver”) was duly appointed to serve as Receiver for Wealth Management, LLC, and the WM Funds, effective May 20, 2009. By order dated August 18, 2009 (Docket No. 54), the Court extended the receivership to ESA.

2. Pursuant to the Appointment Orders, the Receiver has retained the attorneys and other professionals of Quarles & Brady LLP (“Q&B” and, with the Receiver, collectively, the “Receiver Team”) to assist her in performing her duties as Receiver.

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§754, 1367(a), and the inherent equitable powers of the Court. Pursuant to Fed. R. Civ. P. 66, the Federal Rules of Civil Procedure apply to this matter.

4. The hourly rates charged by the Receiver Team for services rendered to the Receiver Estate by Q&B attorneys and paraprofessionals have been the same since the rates were approved by the SEC in connection with the fifth interim fee application (for the period June 2011 through May 2012); furthermore, those 2011-2012 hourly rates charged by partners in Q&B have been further discounted by 10% from the usual and customary hourly rates charged

by partners in Q&B for similar work performed for other Q&B clients during that 2011-2012 period (the rates of non-partner Q&B professionals have not been so discounted). This discount to Q&B's regular partner billing rates, including the billing rate of the Receiver, has been agreed to between Q&B and the United States Securities and Exchange Commission ("SEC").

5. Before filing the Application, the Receiver submitted it to the SEC for review, as required by the "Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission", dated October 1, 2008 (the "Billing Instructions").

6. During the Subject Period, the Receiver Team devoted no less than 217.80 hours to the performance of necessary and valuable services on behalf of the Receiver Estate.

7. Based upon the time, nature, extent, and value of the services performed by the Receiver Team, the responsibilities assumed by the Receiver Team, the rates charged by the Receiver Team, the results achieved to date, and the costs of comparable services, the compensation for services rendered and reimbursement of expenses sought in the Application are reasonable, necessary, and commensurate with the skill and experience required for the activities performed.

8. The fair value of services rendered by the Receiver Team during the Subject Period is not less than \$81,223.05.

9. Q&B incurred \$267.99 in actual and necessary expenses during the Subject Period, all of which are reimbursable pursuant to the Billing Instructions.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that the Application is GRANTED;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Receiver Team is hereby allowed interim compensation in the sum of \$81,223.05 (the “Allowed Fees”) for actual and necessary legal services rendered during the Subject Period to the Receiver Estate;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Q&B is hereby allowed reimbursement of expenses in the sum of \$267.99 (the “Allowed Expenses”) for actual and necessary expenses incurred on behalf of the Receiver Estate during the Subject Period;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Receiver is hereby authorized to pay, on an interim basis, the Allowed Fees and Allowed Expenses to Q&B from the assets of the Receiver Estate and to allocate the Allowed Fees and Allowed Expenses among Wealth Management LLC, and the Relief Defendants as described in the Application; and

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that entry of this Order is without prejudice to the right of the Receiver Team to seek additional compensation for any services rendered to, and reimbursement of any additional expenses incurred on behalf of, the Receiver Estate subsequent to the Subject Period.

SO ORDERED this ____ day of _____, 2019

Honorable William C. Griesbach
United States District Judge