

**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.

**AGREED MOTION OF FAYE B. FEINSTEIN, RECEIVER FOR WEALTH
MANAGEMENT LLC AND THE RELIEF DEFENDANTS, REGARDING
TREATMENT FOR DISTRIBUTION PURPOSES OF INVESTMENTS
IN CERTAIN OF THE WM FUNDS**

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 requests entry of an Order regarding the distributions to be made under the Receiver’s Plan (as defined below) from certain WM Funds on account of investments therein held in the names of Simone O. Fevola (“Mr. Fevola”) and Julie F. Fevola (“Ms. Fevola”) together. In support, the Receiver states:

1. The captioned enforcement action was initiated by a complaint filed by the SEC on May 20, 2009. Pursuant to the Court's *Order Appointing Receiver* dated May 20, 2009 (Docket No. 8) (the "Initial Receiver Order") and 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 was appointed Receiver for WM and the WM Funds, which receivership was later extended by the Court to include ESA.

2. 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").

3. The Receiver is preparing to make initial distributions under the approved Plan.¹ The Plan provides that no distributions will be made to Mr. Fevola from WM or any of the WM Funds on account of any claims he might hold against, or equity interests he might hold in, WM or the WM Funds.

4. The books and records of WM show that a single sum was invested in each of two of the WM Funds² under the names of Mr. Fevola and Ms. Fevola together. After a discussion with the Receiver via e-mail, Mr. Fevola indicated to the Receiver that it would be acceptable to him and to Ms. Fevola for them to be treated as though each of Mr. Fevola and Ms. Fevola owned half of each such investment in his or her sole name, and for all distributions on Ms. Fevola's half to be made to her, while the interest represented by Mr. Fevola's half would be

¹ Two investors have appealed the Plan Approval Orders to the United States Court of Appeals for the Seventh Circuit; however, this Court and the appellate court both denied the appellants' motions to stay the Plan Approval Orders, which means that the pending appeal does not prevent the Receiver from making an initial distribution.

² To preserve investor confidentiality, this Agreed Motion does not identify the specific funds at issue or the amounts invested therein.

subordinated to the claims and equity interests of all other creditors of, and equity investors in, the relevant WM Fund, as provided under the Plan.

5. The Receiver has made what she believes to be a reasonable and cost-effective investigation of the law applicable to the joint investment accounts of Mr. Fevola and Ms. Fevola. After considering, among other factors, the amount of the distributions at issue, the cost of litigating a contested motion regarding the investments held by Mr. Fevola and Ms. Fevola together, and the willingness of Mr. Fevola and Ms. Fevola to consent to the treatment described herein, the Receiver has determined that the treatment described herein is fair and reasonable, and she asks the Court to approve the same.

6. The Receiver understands that Mr. Fevola and Ms. Fevola support entry of the Order requested by this Agreed Motion.

WHEREFORE, Faye B. Feinstein, as Receiver for WM and the WM Funds, respectfully requests entry of an agreed Order, in the form submitted herewith, providing (A) as to any investment in any WM Fund that is shown on the books and records of WM to be held in the names of Mr. Fevola and Ms. Fevola together, that Mr. Fevola and Ms. Fevola will each be treated for distribution purposes under the Plan as being the sole owner of half of each such investment; (B) that all distributions on account of Ms. Fevola's half-interest in any such investment shall be made to her; (C) that Mr. Fevola's half-interest shall be subordinated to the claims and equity interests of all other creditors of, and equity investors in, the relevant WM

Fund, as provided under the Plan, and (D) such other and further relief as the Court deems appropriate.

Respectfully submitted this 10th day of March, 2010.

s/ Jane E. Appleby
Jane E. Appleby, Esq.
One of the Receiver's Attorneys

QUARLES & BRADY LLP
411 East Wisconsin Avenue, Suite 2040
Milwaukee, WI 53202
Phone: (414) 277-5000
FAX: (414) 271-3552

**CONSENTED AND AGREED TO
IN FORM AND SUBSTANCE:**

SIMONE O. FEVOLA

/s/ Stephen J. Senderowitz
One of His Attorneys

WINSTON & STRAWN LLP
35 W. Wacker Drive
Chicago, IL 60601-9703
Phone: (312) 558-5600
FAX: (312) 558-5700

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

I, Jane E. Appleby, counsel for the Receiver in the captioned proceeding, hereby certify, pursuant to Civil L.R. 7.1(a)(2) of this Court, that the Movant hereunder does not intend to file a brief or supporting documents with respect to this Agreed Motion.

Respectfully submitted this 10th day of March, 2010.

s/ Jane E. Appleby
Jane E. Appleby, Esq.
One of the Receiver's Attorneys

**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 GRANTING AGREED MOTION OF RECEIVER REGARDING TREATMENT
FOR DISTRIBUTION PURPOSES OF INVESTMENTS
IN CERTAIN OF THE WM FUNDS**

THIS CAUSE, coming to be heard on the *Agreed Motion of Faye B. Feinstein, Receiver for Wealth Management LLC and the Relief Defendants Regarding Treatment for Distribution Purposes of Investments in Certain of the WM Funds* (the “Agreed Motion”; all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreed Motion); due and proper notice of the Motion having been served on all entities entitled thereto and no other or further notice having been required, it having been represented in the Agreed Motion that the Receiver, Simone O. Fevola, and Julie F. Fevola all agree to the entry of this Order, and the Court being otherwise fully advised in the premises, **IT IS HEREBY ORDERED THAT:**

1. The Agreed Motion is **GRANTED**.

2. As to any investment in any WM Fund that is shown on the books and records of WM to be held in the names of Simone O. Fevola and Julie F. Fevola together, Mr. Fevola and Ms. Fevola will each be treated for distribution purposes under the Plan as being the sole owner of half of each such investment.

3. All distributions on account of Ms. Fevola's half-interest in any such investment shall be made to her.

4. Mr. Fevola's half-interest in any such investment shall be subordinated to the claims and equity interests of all other creditors of, and equity investors in, the relevant WM Fund, as provided under and pursuant to the terms of the Plan.

SO ORDERED this _____ day of March, 2010

Honorable William C. Griesbach
United States District Judge