

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

KINETIC INVESTMENT GROUP, LLC et al.,

Defendants and Relief Defendants.

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**DEFENDANT WILLIAMS' FOURTH MOTION**  
**TO MODIFY FREEZE ORDER**

Defendant MICHAEL SCOTT WILLIAMS (“Defendant”), pursuant to the Court’s Order dated May 8, 2020 [D.E. 69], moves to modify the *Court’s Order Granting Plaintiff Securities and Exchange Commission’s Emergency Motion for Asset Freeze and Other Relief* dated March 6, 2020 (“Freeze Order”) [D.E. 33] to unfreeze and release \$48,291.25 to pay Defendant’s attorneys’ fees during the period of time running from January 28, 2021 through April 28, 2021. In support of this Motion, Defendant states as follows:

**Introduction**

1. During the eight-month period of time running from August 29, 2020 through April 28, 2021 (“Case Prep Period”), Defendant incurred a total

of \$129,951.25 in attorneys' fees defending this case — which equates to \$16,243.91 in attorneys' fees per month (*i.e.*,  $\$129,951.25 \div 8$ ).

2. Specifically, Defendant incurred: (1) \$17,160 in attorneys' fees during the five-month period from August 29, 2020 through January 27, 2021 ("Pre-Approved Period"); and (2) \$112,791.25 during the three-month from January 28, 2021 through April 28, 2021 ("Approved Period").

3. Pursuant to the Magistrate's Order dated January 28, 2021 [D.E. 173], Defendant has moved to modify the Freeze Order [D.E. 33] to unfreeze and release \$17,160 to pay Defendant's attorneys' fees during the Pre-Approved Period. [D.E. 233]

4. Pursuant to the Court's Order dated February 24, 2021 [D.E. 180], Defendant has also submitted a proposed Order to release the \$64,500 previously unfrozen by the Court to pay a portion of Defendant's attorneys' fees during the Approved Period. [D.E. 234]

5. Defendant now moves to modify the Freeze Order [D.E. 33] to unfreeze and release \$48,291.25 to pay the remaining portion of Defendant's attorneys' fees during the Pre-Approved Period.

### **Procedural History**

6. On September 9, 2020, Defendant filed his *Second Motion to Modify the Asset Freeze Order to Defend This Case* ("Second Motion") [D.E. 135], requesting to unfreeze \$214,500 to be used to pay his anticipated attorneys'

fees to defend this case during the ten-month period (“Pretrial Period”) running from August 29, 2020 through June 30, 2021 (*i.e.*, two months before the start of the trial term). The attorneys’ fees that Defendant anticipated he would incur during the Pretrial Period were summarized in a table attached to the Second Motion as Exhibit A (“Pretrial Budget”). [D.E. 135-1]

7. On January 28, 2021, the Magistrate granted Defendant’s Second Motion in part, ruling that: (1) the Freeze Order should be modified to make \$64,500 available to pay for Defendant’s anticipated attorneys’ fees during the Approved Period; and (2) Defendant could file a motion to unfreeze and release funds to pay for the attorneys’ fees he had already incurred during the Pre-Approved Period. [D.E. 173 at 4 and n.3]. In his Order, the Magistrate also extended the discovery period through March 11, 2021 and noted that the Approved Period included this extension.<sup>1</sup> [D.E. 173 at 2, 4]

8. On February 24, 2021, the Court ordered that \$64,500 be unfrozen for payment of Defendant’s anticipated attorneys’ fees and costs during the Approved Period. [D.E. 180].

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<sup>1</sup> Defendant had previously filed a motion (on January 22, 2021) to extend the deadline to complete discovery due to undersigned counsel’s inability to effectively allocate their time to the various aspects of Defendant’s case preparation (because the Court had not ruled on Defendant’s Second Motion and undersigned counsel did not know what amount of funds, if any, would be unfrozen to pay for Defendant’s defense). [D.E. 169]. By extending the discovery period, the Magistrate gave Defendant additional time to complete the various tasks he had been forced to defer during the Pre-Approved Period.

### **The Pre-Approved Period**

9. During the five-month Pre-Approved Period, Defendant's undersigned counsel billed a total of 48 hours of work (a little less than 10 hours per month) at a rate of \$357.50/hour for a total of \$17,160 in attorneys' fees.<sup>2</sup>

10. The small number of hours (and total fees) billed during the Pre-Approved Period is the result of undersigned counsel's conscious efforts to minimize the fees incurred by Defendant until the Court had ruled on the Second Motion. As a result, many non-urgent issues were deferred and not addressed during the Pre-Approved Period.

11. On May 6, 2021, Defendant filed a motion ("Third Motion") to modify the Freeze Order to unfreeze and release \$17,160 to pay Defendant's attorneys' fees during the Pre-Approved Period. [D.E. 233]. Copies of Defendant's counsel's invoices evidencing their hourly rate, the work they performed, and the number of hours they billed performing each task were attached to the Third Motion as Exhibits A and B. [D.E. 233-1; D.E. 233-2].

12. Plaintiff and the Receiver have not opposed Defendant's Third Motion, which is currently pending before the Court.

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<sup>2</sup> The Court has previously approved the reduced hourly rate of \$357.50/hour for Defendant's undersigned counsel. [D.E. 104; D.E. 123; D.E. 173; D.E. 180].

### Approved Period

13. During the Approved Period, Defendant's undersigned counsel billed a total of 315.50 hours of work at a rate of \$357.50/hour for a total of \$112,791.25 in attorneys' fees. Copies of Defendant's counsel's invoices evidencing their hourly rate, the work they performed, and the number of hours they billed performing each task are attached hereto as **Exhibits A and B**.

14. The substantially larger number of hours (and total fees) billed during the three-month Approved Period (as compared to during the five-month Pre-Approved Period) is due to the fact that undersigned counsel was required to, among other things:

- a. Finally address the issues that had been deferred during the Pre-Approved Period, including:
  - i. Propounding discovery;
  - ii. Reviewing Plaintiff's discovery responses and productions;
  - iii. Meeting and conferring with Plaintiff regarding its discovery responses and productions;
  - iv. Drafting, reviewing, and responding to discovery motions [D.E. 183; D.E. 184; D.E. 185; D.E. 186; D.E. 187; D.E. 188; D.E. 191; D.E. 196; D.E. 205; D.E. 210; D.E. 211; D.E. 212; D.E. 213; D.E. 214; D.E. 215; D.E. 216];<sup>3</sup>

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<sup>3</sup> On March 2, 2021, Defendant served his third set of interrogatories (comprising nine interrogatories) on Plaintiff. Plaintiff objected that Defendant's interrogatories were untimely because the deadline to respond to them was four days after the extended discovery deadline. Notwithstanding Plaintiff's objections, however, the Middle District Civil Discovery Handbook ("Handbook") makes clear that discovery can be propounded after the discovery deadline (but the parties should not expect to resolve disputes arising from them). *See* HANDBOOK at

- v. Preparing for and attending a discovery hearing [D.E. 190; D.E. 192; D.E. 193]; and
  - vi. Reading 1,500+ pages of SEC interview transcripts; and
  - vii. Reviewing (or attempting to review) the SEC's 1,000,000-page electronic production;
- b. Prepare for and attend Defendant's 10-hour deposition;
  - c. Research, draft, review, respond to, and/or reply in support of three dispositive motions concerning 14 separate causes of action involving one individual and seven corporate entities over a five-year period and arising under three similar but different statutory regimes involving overlapping elements:
    - i. Plaintiff's 45-page Motion for Summary Judgment (containing 55 "paragraphs" of allegedly undisputed material facts comprising 134 individual undisputed material facts supported by 70 attachments comprising 58 exhibits), which required Defendant to prepare a 75-page table summarizing the alleged undisputed material facts and a 52-page Declaration (with 21 exhibits) and draft a 35-page Opposition in response [D.E. 194; D.E. 195; D.E. 198; D.E. 200; D.E. 217; D.E. 218; D.E. 220; D.E. 221; D.E. 223; D.E. 226; D.E. 227];<sup>4</sup>
    - ii. Defendant's Motion for Judgment on the Pleadings [D.E. 201; D.E. 208]; and

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I.F. In any case, this never became an issue because Plaintiff provided substantive responses to four of Defendant's interrogatories (Interrogatory Nos. 1-4) within 18 days (on March 2, 2021); and after the parties' subsequent meet and confer correspondences and conferences, Plaintiff agreed to provide a substantive responsive to a fifth interrogatory (No. 5).

<sup>4</sup> Defendant does not believe Plaintiff, who was aware of the budgetary constraints under which Defendant was operating (and who opposed Defendant's Second Motion), intentionally sought to gain an advantage by overwhelming Defendant with a maelstrom of alleged facts, exhibits, and legal arguments. Nevertheless, Defendant was forced to expend considerable time and energy responding to Plaintiff's papers.

- iii. Defendant's Motion for Summary Judgment [D.E. 202; D.E. 219; D.E. 228]; and
- d. Review, confer with Defendant about, and respond to various filings by the Receiver and third parties [D.E. 174; D.E. 175; D.E. 177; D.E. 178; D.E. 179; D.E. 182; D.E. 189; D.E. 197; D.E. 203; D.E. 204; D.E. 206; D.E. 207; D.E. 209; D.E. 222].

15. Notwithstanding Defendant's need to address the issues that had been deferred during the Pre-Approved Period, in an effort to reduce the attorneys' fees incurred by Defendant — and mindful that Plaintiff had opposed Defendant's Second Motion (and that the Magistrate had granted the Second Motion in part) — undersigned counsel identified a number of previously deferred issues that could continue to be deferred and/or disregarded during the Approved Period without prejudicing Defendant. For example, Defendant selectively reviewed only (approximately) 8% of the documents produced by Plaintiff. Likewise, Defendant did not meet with or interview any fact witnesses. Nor did Defendant take any depositions.

16. When Defendant filed his Second Motion and his proposed Pretrial Budget on September 9, 2020, Defendant did not anticipate he would be unable to resolve his discovery issues with Plaintiff without having to engage in formal motion practice or that this case would require such extensive briefing on multiple dispositive motions involving so many claims and disputed material facts and so many similar-yet-different overlapping legal elements.

17. Nor did Defendant anticipate that nearly all of the basic tasks that would normally be performed in Months 1-5 of the Pretrial Period would have to be deferred until Months 6-8.

18. Nevertheless, Defendant's Pretrial Budget anticipated that — during the ten-month Pretrial — Defendant could potentially incur a total of \$214,500 in attorneys' fees defending this case. That equates to \$21,450 in attorneys' fees per month or a total of \$171,600 in attorneys' fees over the course of the eight-month Case Prep Period.

19. In actuality, during the eight-month Case Prep Period, Defendant incurred a total of \$129,951.25 in attorneys' fees — *i.e.* \$17,160 during the five-month Pre-Approved Period + \$112,791.25 during the three-month Approved Period — which equates to \$16,243.91 in attorneys' fees per month.

20. In other words, notwithstanding that Defendant's counsel was required to defer by five months the bulk of the work they performed to defend Defendant, Defendant was nevertheless able to defend this case for 25% *less* than had originally been budgeted.

21. Stated another way, Defendant's counsel's total attorneys' fees during the Pre-Approved Period and Approved Period were \$41,648.75 *under* budget.

22. On May 6, 2021, Defendant conferred with Plaintiff and the Receiver and submitted a proposed Order to release the previously unfrozen



\$64,500 to pay a portion of the attorneys' fees Defendant incurred during the Approved Period. [D.E. 234].

23. If the Court approves the proposed Order, however, \$48,291.25 (*i.e.*, \$112,791.25 – \$64,500) of the total attorneys' fees incurred by Defendant during the Approved Period will remain unpaid.

24. Accordingly, for the reasons set forth above, Defendant now moves to modify the Freeze Order [D.E. 33] to unfreeze and release \$48,291.25 to pay the remaining portion of the attorneys' fees incurred by Defendant during the Pre-Approved Period.

WHEREFORE, Defendant respectfully requests that the Court enter an Order modifying the Freeze Order [D.E. 33] to unfreeze \$48,291.25 from the funds held by the Receiver in escrow at ServisFirst Bank (Account No. XXXXXX-0920) and directing the Receiver to pay those unfrozen funds to Defendant's undersigned counsel within three days.

**LOCAL RULE 3.01(g) CERTIFICATE OF GOOD FAITH  
CONFERENCE**

I HEREBY CERTIFY that, in accordance with Middle District Local Rule 3.01(g), the undersigned has conferred with counsel for Plaintiff and the Receiver in a good faith effort to resolve the issues raised in. Plaintiff opposes the relief sought by Defendant. The Receiver takes no position regarding the relief sought by Defendant.

Respectfully Submitted,

By: /s/ Timothy W. Schulz By: /s/ Jon A. Jacobson  
Timothy W. Schulz, Esq., FBN 073024 Jon A. Jacobson, Esq., FBN 155748

TIMOTHY W. SCHULZ, P.A.  
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*Co-Trial Counsel for Defendant*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on May 10, 2021, the foregoing document was filed with the Clerk of the Court using the CM/ECF system and served on all counsel of record.

By: /s/ Timothy W. Schulz

By: /s/ Jon A. Jacobson

**TIMOTHY W. SCHULZ, P.A.**

224 Datura Street  
 Suite 815  
 West Palm Beach, Florida 33401

**STATEMENT**

Phone: 561-659-1167 • Fax: 561-659-1168

Federal ID No. 20-3898727

E-mail: schulzt@rwslegal.com

*A Litigation Law Firm*

**PRIVILEGED & CONFIDENTIAL**

Williams, Michael

Re: SEC Complaint

Statement Date: 04/30/2021  
 Statement No. 5553  
 Account No. 199.02  
 Page No. 1

**Payments received after 04/30/2021 are not included on this statement.**

Fees

			Rate	Hours
01/28/2021	TWS	conduct internet research into the corporate buyer of the bank building in Puerto Rico (.3); draft e-mail communication to counsel for HOA in Puerto Rico to obtain updated ledger on HOA Dues (.1); review e-mail communications exchanged between SEC and J. Jacobson (.2); review emails from M. Williams (.3); review and analyze M. William's response to SEC's first interrogatories (.4); initiate review of discovery received from the SEC (.6); conduct legal research on various trial issues (.9).	357.50	2.80
02/10/2021	TWS	participate in remote deposition of M. Williams.	357.50	2.30
02/12/2021	TWS	review and analyze proposed motion and order by non-party Obsidian Technologies to modify asset freeze order (.2); review e-mail from S. Moot regarding 30(b)(6) deposition and document production (.1); review and analyze Receiver's Interim Reports and case filings relating to funds traced to Silex (1.1); review and analyze docket entries 174-177 (1.4)	357.50	2.80
02/15/2021	TWS	review e-mail communication from J. Maglich; analyze receiver's interim reports and other court filings relating to Silex funds; conduct legal research on Receiver's ability to keep frozen untainted funds; conduct legal research on disgorgement standard.	357.50	2.20
02/24/2021	TWS	review e-mail and proposed order from S. Moot modifying asset freeze order; review magistrate judge's prior order granting Williams' motion to modify asset freeze order; draft proposed changes to S. Moot's proposed order modifying asset freeze order;		

To ensure proper credit, please include account number and statement date on remittance checks. Thank you.

Williams, Michael  
 Account No. 199.02  
 RE: SEC Complaint

Statement Date: 04/30/2021  
 Statement No. 5553  
 Page No. 2

			Rate	Hours
		review email from S. Moot regarding SEC's filing of motion for protection; review and make suggested revisions to 30(b)(6) notice; review e-mail from J. Maglich; conduct research on issue of judgment on the pleadings for failure to plead claims.	357.50	2.30
02/26/2021	TWS	review and revise motions to compel production and answers to interrogatories.	357.50	0.70
02/27/2021	TWS	review e-mail communications from S. Moot (.1); work on review of SEC's Rule 26 document production (1.4).	357.50	1.50
03/02/2021	TWS	review e-mail communications from S. Moot.	357.50	0.10
	TWS	review e-mail communications from S. Moot; review and analyze SEC's answers and objections to Nos. 1-4 of Third Interrogatories; review and analyze SEC's supplemental answer to First Interrogatory No. 2; review and analyze Receiver's responses and objections to Plaintiff's 1st request for production; review and analyze SEC's motion for protection and motion to stay.	357.50	2.20
03/03/2021	TWS	draft e-mail to J. Maglich; conduct review and analysis of all discovery and responses by all ; review and analyze documents received from Receiver as its production to SEC	357.50	4.70
03/05/2021	TWS	review court order scheduling hearing on SEC's motion for protection; analyze documents produced by Receiver to SEC; review and make suggested changes to M. Williams' response to SEC's motion for protective order and to quash; conduct legal research on whether the fruit of the poisonous tree doctrine applies to SEC	357.50	5.00
03/08/2021	TWS	review proposed stipulation and confidentiality order received from SEC; prepare for and attend hearing on SEC's motion for protection	357.50	1.80
03/11/2021	TWS	review and analyze report of C. Ivory (CPA)	357.50	0.70
03/12/2021	TWS	review and make proposed changes to motion for judgment on pleadings; review and make proposed changes to motion for summary judgment; review and analyze additional documents received from SEC	357.50	2.60
03/19/2021	TWS	telephone conference with M. Williams (.2); review and respond to e-mail communications from F. Cervoni, Esq., regarding Puerto Rico HOA bill (.1) ; review and analyze ledger received from HOA attorney (.4).	357.50	0.70
03/23/2021	TWS	review SEC's supplemental disclosures; review and analyze additional discovery documents provided by SEC.	357.50	1.60
04/01/2021	TWS	review and update prior court filings and SEC emails; review documents provided by SEC; review email and proposed joint order regarding production of OCIF documents.	357.50	1.40

Williams, Michael  
 Account No. 199.02  
 RE: SEC Complaint

Statement Date: 04/30/2021  
 Statement No. 5553  
 Page No. 3

		Rate	Hours	
04/05/2021	TWS review e-mail communications and attachments from M. Williams regarding rental payments on PR condos. For Current Services Rendered	357.50	0.30	12,762.75

		Recapitulation		
<u>Timekeeper</u>		<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Timothy W. Schulz		35.70	\$357.50	\$12,762.75

Total Current Work 12,762.75

Balance Due \$12,762.75



JACOBSON LAW P.A.

April 28, 2021

Mark A. Kornfeld  
c/o Jordan D. Maglich, Esq.  
Quarles & Brady LLP  
101 E. Kennedy Blvd., Suite 3400  
Tampa, FL 33602

**Re:** *SEC v. Kinetic Inv. Group, LLC, et al.*, Case No. 8:20-cv-00394

Dear Mark A. Kornfeld:

Enclosed is invoice 10199, which covers Jacobson Law P.A.'s services from 1/28/2021 to 4/28/2021. This invoice, dated 4/28/2021, is for \$100,028.50. Your total balance, including past charges, is \$114,614.50. Prompt payment of your total balance is appreciated.

Billing Summary

Total for services rendered	\$100,028.50
Total expenses	\$0.00
Total interest and finance charges	\$0.00
Total payments and other transactions	\$0.00
Total previous balance	\$14,586.00
<b>Balance Due</b>	<b>\$114,614.50</b>

Thank you for your confidence in our work and our commitment to serving you.

If you have questions, please call us at 561-880-8900.

Very truly yours,

Jon A. Jacobson  
Enclosure



JACOBSON LAW P.A.

Invoice submitted to:

April 28, 2021

Mark A. Kornfeld  
c/o Jordan D. Maglich, Esq.  
Quarles & Brady LLP  
101 E. Kennedy Blvd., Suite 3400  
Tampa, FL 33602

In Reference To: *SEC v. Kinetic Inv. Group, LLC, et al.*, Case No. 8:20-cv-00394

Invoice # 10199

Professional Services

			<u>Hrs/Rate</u>	<u>Amount</u>
1/28/2021	JAJ	Review and analyze Order Granting Second Motion to Modify Asset Freeze Order; review file.	0.20 357.50/hr	71.50
	JAJ	Review file; review Local Rules; draft correspondence to attorney S. Moot re: Rule 30(b)(6) deposition, deposition dates; draft correspondence to attorney J. Maglich re: Proposed Motion for Approval to Sale Bank Building;	0.30 357.50/hr	107.25
1/29/2021	JAJ	Review correspondence from M. Williams re: Case status, depositions, and Condo inspection; draft correspondence to M. Williams; talk to M. Williams.	0.40 357.50/hr	143.00
	JAJ	Review correspondence from attorney S. Moot re: B. Viniegra deposition; review file; draft correspondence to attorney S. Moot; draft correspondence to attorney J. Maglich re: Condo inspection; draft correspondence to attorney J. Maglich.	0.40 357.50/hr	143.00
	JAJ	Review and analyze Receiver's Motion for Private Sale of Bank Building; review and analyze Receiver's Fourth Interim Report.	0.30 357.50/hr	107.25
2/1/2021	JAJ	Review correspondence from M. Williams re: Deposition; draft correspondence to M. Williams; talk to M. Williams.	0.40 357.50/hr	143.00
	JAJ	Review correspondence from attorney S. Moot re: Discovery conference; draft correspondence to attorney S. Moot; review file.	0.20 357.50/hr	71.50
2/2/2021	JAJ	Review correspondence from attorney S. Moots re: B. Viniegra deposition.	0.10 357.50/hr	35.75
2/3/2021	JAJ	Research form/manner of production; research interrogatories.	2.40 357.50/hr	858.00
2/4/2021	JAJ	Research SEC privileges; research Rule 30(b)(6).	1.50 357.50/hr	536.25

Mark A. Kornfeld

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			<u>Hrs/Rate</u>	<u>Amount</u>
2/4/2021	JAJ	Review correspondence from attorney S. Moots re: Proposed Order; talk to attorney S. Moots; draft correspondence to attorney S. Moots.	0.10 357.50/hr	35.75
2/5/2021	JAJ	Attend conference call w/ attorneys C. Nestor and S. Moots re: Discovery; draft correspondence to attorneys C. Nestor and S. Moots re: Discovery; review correspondence from attorney S. Moots re: Discovery and M. Williams' deposition.	4.60 357.50/hr	1,644.50
2/8/2021	JAJ	Review correspondence from attorney J. Maglich re: Proposed Motion to Pursue False Profits; draft correspondence from attorney J. Maglich; review file.	0.20 357.50/hr	71.50
	JAJ	Draft correspondence to M. Williams re: Receiver's Proposed Motion to Pursue False Profits; review correspondence from M. Williams; talk to M. Williams.	0.80 357.50/hr	286.00
2/9/2021	JAJ	Talk to M. Williams; prep M. Williams for deposition.	2.40 357.50/hr	858.00
	JAJ	Review and analyze SEC's Supplemental Disclosures and documents; review file.	0.60 357.50/hr	214.50
	JAJ	Research expert witnesses.	0.80 357.50/hr	286.00
2/10/2021	JAJ	Attend M. Williams deposition.	10.00 357.50/hr	3,575.00
	JAJ	Draft correspondence to M. Williams re: Deposition; review correspondence from M. Williams; talk to M. Williams.	0.30 357.50/hr	107.25
2/11/2021	JAJ	Talk to M. Williams re: Underlying facts, Rule 30(b)(6) deposition; review correspondence from M. Williams; draft correspondence to M. Williams re: Obsidian Motion to Modify Freeze Order.	0.90 357.50/hr	321.75
	JAJ	Review pleadings; review file; draft correspondence to attorney S. Moot re: Rule 30(b)(6) deposition, outstanding discovery issues; talk to attorney D. Newman re: Obsidian Motion to Unfreeze Silexx funds; review correspondence from attorney D. Newman.	1.40 357.50/hr	500.50
	JAJ	Research Rule 30(b)(6).	0.50 357.50/hr	178.75
	JAJ	Review and analyze Obsidian's Motion to Modify Freeze Order; review and analyze proposed Order.	0.30 357.50/hr	107.25
2/12/2021	JAJ	Review correspondence from M. Williams re: Obsidian Motion to Modify Freeze Order, Receiver's Application for Fees, status of Condos; draft correspondence to M. Williams re: Conversation with attorney J. Maglich, pending motions; talk to M. Williams.	0.40 357.50/hr	143.00
	JAJ	Talk to attorney J. Maglich re: Receiver's Application for Fees, Obsidian's Motion to Modify Freeze Order, false profiteers, ISX; draft correspondence to attorney D. Newman re: Obsidians' Motion to	2.50 357.50/hr	893.75



Mark A. Kornfeld

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			<u>Hrs/Rate</u>	<u>Amount</u>
		Modify Freeze Order; review correspondence from attorney D. Newman; draft correspondence to attorney S. Moot re: February 18 meet-and-confer call, outstanding discovery issues,		
2/12/2021	JAJ	Review and analyze SEC's responses to Second Set of Interrogatories.	0.20 357.50/hr	71.50
	JAJ	Draft and serve Third Set of Interrogatories to SEC.	0.80 357.50/hr	286.00
2/15/2021	JAJ	Review correspondence from attorney J. Maglich re: Receiver's Application for Fees; draft correspondence to attorney J. Maglich.	0.10 357.50/hr	35.75
2/16/2021	JAJ	Review correspondence from attorney S. Moot re: Meet-and-confer call; draft correspondence to attorney S. Moot.	0.10 357.50/hr	35.75
	JAJ	Review and analyze Receiver's Fourth Application for Fees.	0.30 357.50/hr	107.25
2/18/2021	JAJ	Review file, correspondence, pleadings, documents; prepare memo re: Discovery issues.	1.00 357.50/hr	357.50
	JAJ	Review correspondence from attorney S. Moot re: Discovery issues; conference call w/ attorneys C. Nestor and S. Moot re: Discovery issues; draft correspondence to attorneys C. Nestor and S. Moot re: Discovery issues.	2.20 357.50/hr	786.50
	JAJ	Draft correspondence to M. Williams re: Underlying facts, discovery issues; review correspondence from M. Williams; talk to M. Williams.	0.30 357.50/hr	107.25
2/19/2021	JAJ	Review correspondence from attorney S. Moot re: Discovery issues.	0.10 357.50/hr	35.75
	JAJ	Review correspondence from attorney S. Moot re: Discovery issues; talk to eHounds re: Document searches.	0.40 357.50/hr	143.00
	JAJ	Review and analyze SEC's production.	2.80 357.50/hr	1,001.00
	JAJ	Research NDAA.	1.20 357.50/hr	429.00
2/20/2021	JAJ	Research FRCP 26, Local Rules, Discovery Handbook; research asserting privilege objections.	1.00 357.50/hr	357.50
	JAJ	Draft Motion to Compel Production of Non-Privileged Documents.	3.70 357.50/hr	1,322.75
2/22/2021	JAJ	Talk to M. Williams re: Underlying facts, discovery issues, strategy.	0.90 357.50/hr	321.75

Mark A. Kornfeld

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			<u>Hrs/Rate</u>	<u>Amount</u>
2/22/2021	JAJ	Revise and edit Motion to Compel Production of Non-Privileged Documents; draft Motion to Compel Interrogatory No. 1.	4.00 357.50/hr	1,430.00
2/23/2021	JAJ	Revise and edit Motion to Compel Production of Non-Privileged Documents; draft Motion to Compel Interrogatory No. 1, draft Motion to Compel Interrogatory No. 2.	2.80 357.50/hr	1,001.00
	JAJ	Talk to eHounds re: Documents; draft correspondence to attorneys C. Nestor and S. Moot re: Unresolved discovery issues.	1.30 357.50/hr	464.75
	JAJ	Review and analyze Plaintiff's Request for Documents to Receiver; review and analyze documents.	2.00 357.50/hr	715.00
	JAJ	Talk to M. Williams re: Underlying facts.	0.30 357.50/hr	107.25
2/24/2021	JAJ	Revise and edit Motion to Compel Production of Non-Privileged Documents; revise and edit Motion to Compel Interrogatory No. 1, draft Motion to Compel Interrogatory No. 2; draft Notice of Rule 30(b)(6) Deposition.	5.50 357.50/hr	1,966.25
	JAJ	Research Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act; research Section 10(b) and Rule 10b-5(b) of the Exchange Act; research Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8(a)(1) of the Advisers Act; research depositions; research FRPC 30(b)(6).	1.50 357.50/hr	536.25
2/25/2021	JAJ	Revise and edit Motion to Compel Production of Non-Privileged Documents; revise and edit Motion to Compel Interrogatory No. 1, revise and edit Motion to Compel Interrogatory No. 2; draft Motion to Enforce Rule 34(b)(2)(E)(i).	3.30 357.50/hr	1,179.75
	JAJ	Research Rule 34(b)(2)(E)(i); research SEC production obligations.	1.00 357.50/hr	357.50
2/26/2021	JAJ	Revise, finalize and file Motion to Compel Production of Non-Privileged Documents; revise, finalize, and file Motion to Compel Interrogatory No. 1, revise, finalize, and file Motion to Compel Interrogatory No. 2; draft, finalize, and file Motion to Enforce Rule 34(b)(2)(E)(i).	6.50 357.50/hr	2,323.75
	JAJ	Research Rule 34(b)(2)(E)(i); research SEC production obligations; research 15 U.S.C. s 78x(f)(3).	1.60 357.50/hr	572.00
	JAJ	Review correspondence from attorney S. Moot re: Rule 30(b)(6) deposition; draft correspondence to attorney S. Moot.	0.10 357.50/hr	35.75
2/27/2021	JAJ	Research modifying deadlines, modifying scheduling order.	0.90 357.50/hr	321.75
3/1/2021	JAJ	Research Sections 17(a), 10b, and 206; research Rule 9(b) and heightened pleading; research securities fraud; research shotgun pleadings.	4.00 357.50/hr	1,430.00

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			<u>Hrs/Rate</u>	<u>Amount</u>
3/1/2021	JAJ	Review and analyze Complaint; draft memo re: pleading deficiencies.	1.00 357.50/hr	357.50
	JAJ	Draft Motion for Judgment on the Pleadings.	2.50 357.50/hr	893.75
	JAJ	Draft correspondence to attorney S. Moot re: Rule 30(b)(6) deposition; review correspondence from attorney S. Moot.	0.10 357.50/hr	35.75
3/2/2021	JAJ	Talk to attorney S. Moot re: Rule 30(b)(6) deposition; draft correspondence to attorney S. Moot.	0.20 357.50/hr	71.50
	JAJ	Draft Motion for Judgment on the Pleadings.	2.00 357.50/hr	715.00
	JAJ	Review and analyze Plaintiff's Response to Defendant's Third Set of Interrogatories; review and analyze Plaintiff's Supplemental Response to Defendant's First Set of Interrogatories; review and analyze Plaintiff's Motion for Protective Order; review and analyze Plaintiff's Motion for Stay; review file; review pleadings.	1.20 357.50/hr	429.00
	JAJ	Research FRCP 8(a)(2), FRCP 9(b), 12(b)(6), and 12(c); research pleading standards, research securities fraud; research notice pleading; research liberal discovery; research precluding depositions.	2.70 357.50/hr	965.25
3/3/2021	JAJ	Draft Response to Motion for Protective Order.	5.00 357.50/hr	1,787.50
3/4/2021	JAJ	Draft Response to Motion for Protective Order.	6.00 357.50/hr	2,145.00
	JAJ	Review and analyze Notice of Hearing.	0.10 357.50/hr	35.75
3/5/2021	JAJ	Draft, finalize, and file Response to Motion for Protective Order.	6.50 357.50/hr	2,323.75
	JAJ	Talk to M. Williams re: Underlying facts, case status, discovery issues.	1.00 357.50/hr	357.50
3/6/2021	JAJ	Draft Motion for Judgment on the Pleadings.	7.00 357.50/hr	2,502.50
3/8/2021	JAJ	Draft Motion for Judgment on the Pleadings.	6.00 357.50/hr	2,145.00
	JAJ	Attend hearing re: Motion for Protective Order.	1.50 357.50/hr	536.25
3/9/2021	JAJ	Draft Motion for Judgment on the Pleadings.	7.00 357.50/hr	2,502.50

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			<u>Hrs/Rate</u>	<u>Amount</u>
3/10/2021	JAJ	Draft Motion for Judgment on the Pleadings.	6.50 357.50/hr	2,323.75
	JAJ	Talk to M. Williams re: Hearing, case strategy.	0.40 357.50/hr	143.00
	JAJ	Talk to attorneys C. Nestor and S. Moot re: Pending discovery motions/issues; draft correspondence to attorneys C. Nestor and S. Moot.	0.30 357.50/hr	107.25
3/11/2021	JAJ	Review correspondence from S. Moot re: Motion to Extend Page Limit; draft correspondence to attorney S. Moot.	0.10 357.50/hr	35.75
	JAJ	Review and analyze Motion to Extend Page Limit.	0.10 357.50/hr	35.75
	JAJ	Draft and file Response to Motion to Extend Page Limit; draft Motion for Summary Judgment.	6.00 357.50/hr	2,145.00
	JAJ	Talk to M. Williams re: Underlying facts.	0.40 357.50/hr	143.00
	JAJ	Research Local Rules 1.08 and 3.01; research page limits; research statutes of limitation; research FRCP 56.	1.00 357.50/hr	357.50
3/12/2021	JAJ	Revise, finalize, and file Motion for Judgment on the Pleadings and exhibits; draft, finalize, and file Motion for Summary Judgment and exhibits; draft Declaration of M. Williams.	7.00 357.50/hr	2,502.50
3/13/2021	JAJ	Research summary judgment exhibits, authentication, hearsay.	1.00 357.50/hr	357.50
3/17/2021	JAJ	Talk to M. Williams re: Dispositive motions, case status, Receiver's motions to sell bank and to hire ISX expert, case strategy.	0.90 357.50/hr	321.75
	JAJ	Talk to attorney J. Maglich re: Receiver's motions to sell bank and to hire ISX expert; draft correspondence to attorney J. Maglich.	0.20 357.50/hr	71.50
3/18/2021	JAJ	Draft correspondence to M. Williams re: Receiver's Motion to Sell Bank; talk to M. Williams.	0.20 357.50/hr	71.50
	JAJ	Draft and file Notice of Withdrawal of Opposition to Receiver's Motion to Sell Bank Building.	0.20 357.50/hr	71.50
	JAJ	Review and analyze Order.	0.10 357.50/hr	35.75
3/22/2021	JAJ	Review and analyze Motion for Summary Judgment and exhibits.	0.60 357.50/hr	214.50
	JAJ	Research Local Rules; research Scheduling Order; research summary judgment re: hearsay, affirmative defenses,	1.20 357.50/hr	429.00

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			<u>Hrs/Rate</u>	<u>Amount</u>
3/23/2021	JAJ	Review Motion for Summary judgment and exhibits; draft memo re: Undisputed facts.	3.00 357.50/hr	1,072.50
	JAJ	Talk to M. Williams re: Underlying facts, summary judgment.	0.30 357.50/hr	107.25
3/24/2021	JAJ	Review Motion for Summary judgment and exhibits; draft memo re: Undisputed facts.	7.00 357.50/hr	2,502.50
3/25/2021	JAJ	Draft memo re: Undisputed facts.	6.50 357.50/hr	2,323.75
3/26/2021	JAJ	Draft memo re: Undisputed facts.	6.00 357.50/hr	2,145.00
	JAJ	Talk to M. Williams re: Underlying facts.	0.80 357.50/hr	286.00
3/29/2021	JAJ	Draft memo re: Undisputed facts.	6.50 357.50/hr	2,323.75
3/30/2021	JAJ	Talk to M. Williams re: Underlying facts, case strategy, summary judgment; draft correspondence to M. Williams; review correspondence from M. Williams.	1.30 357.50/hr	464.75
	JAJ	Review and analyze K. Locke transcript; review and analyze documents.	3.60 357.50/hr	1,287.00
	JAJ	Research misrepresentation; research "in connection with"	1.10 357.50/hr	393.25
3/31/2021	JAJ	Review and analyze C. Mendez transcript; review and analyze documents; review and analyze K. Pufahl transcript; review and analyze M. Rivera transcript.	5.50 357.50/hr	1,966.25
	JAJ	Talk to M. Williams re: Underlying facts.	0.30 357.50/hr	107.25
4/1/2021	JAJ	Review and analyze M. Rivera transcript; review and analyze A. Guar transcript; review and analyze documents.	4.80 357.50/hr	1,716.00
4/2/2021	JAJ	Draft Third Declaration of M. Williams.	8.00 357.50/hr	2,860.00
4/3/2021	JAJ	Draft Third Declaration of M. Williams.	2.00 357.50/hr	715.00
4/5/2021	JAJ	Draft Third Declaration of M. Williams.	4.00 357.50/hr	1,430.00
4/6/2021	JAJ	Draft Third Declaration of M. Williams.	6.00 357.50/hr	2,145.00

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			<u>Hrs/Rate</u>	<u>Amount</u>
4/6/2021	JAJ	Talk to M. Williams re: Underlying facts.	0.90 357.50/hr	321.75
4/7/2021	JAJ	Draft Third Declaration of M. Williams; draft memo re: Undisputed facts.	6.80 357.50/hr	2,431.00
	JAJ	Talk to M. Williams re: Underlying facts; draft correspondence to M. Williams; review correspondence from M. Williams.	0.70 357.50/hr	250.25
	JAJ	Review correspondence from attorney S. Moot re: Stipulation, documents, confidentiality agreement; draft correspondence to attorney S. Moot.	0.20 357.50/hr	71.50
4/8/2021	JAJ	Draft Third Declaration of M. Williams; draft memo re: Undisputed facts; draft Response to Motion for Summary Judgment; draft Motion for Additional Pages.	5.50 357.50/hr	1,966.25
	JAJ	Draft correspondence to attorneys S. Moot and C. Nestor re: Undisputed facts, motion for additional pages; review correspondence from attorney S. Moot.	0.10 357.50/hr	35.75
4/9/2021	JAJ	Draft Response to Motion for Summary Judgment.	6.00 357.50/hr	2,145.00
	JAJ	Talk to M. Williams re: Underlying Facts, Response to Summary Judgment, case strategy.	0.80 357.50/hr	286.00
4/10/2021	JAJ	Draft Response to Motion for Summary Judgment.	7.00 357.50/hr	2,502.50
4/11/2021	JAJ	Draft Response to Motion for Summary Judgment; draft Third Declaration of M. Williams.	7.00 357.50/hr	2,502.50
4/12/2021	JAJ	Revise, finalize, and file Response to Motion for Summary Judgment.	5.50 357.50/hr	1,966.25
	JAJ	Draft correspondence to M. Williams re: Response to Motion for Summary Judgment, Third Declaration, underlying facts; review correspondence from M. Williams; talk to M. Williams.	0.70 357.50/hr	250.25
	JAJ	Review correspondence from attorney S. Moot re: Joint Stipulation; draft correspondence to attorney S. Moot.	0.10 357.50/hr	35.75
4/20/2021	JAJ	Review and analyze Plaintiff's Response to Motion for Summary Judgment.	0.60 357.50/hr	214.50
	JAJ	Draft Reply in Support of Motion for Summary Judgment.	3.50 357.50/hr	1,251.25
	JAJ	Research Plaintiff's case law re: Response to Motion for Summary Judgment; research scheme liability.	0.80 357.50/hr	286.00

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	<u>Hrs/Rate</u>	<u>Amount</u>
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4/21/2021	JAJ	Draft Reply in Support of Motion for Summary Judgment.	4.00 357.50/hr	1,430.00
4/22/2021	JAJ	Review and analyze Motion to Exceed Page Limit; review and analyze Motion to Withdraw; review and analyze Order granting Motion to Withdraw.	0.10 357.50/hr	35.75
4/23/2021	JAJ	Draft Reply in Support of Motion for Summary Judgment.	3.00 357.50/hr	1,072.50
4/26/2021	JAJ	Draft, finalize, and file Reply in Support of Motion for Summary Judgment.	1.40 357.50/hr	500.50
	JAJ	Review and analyze Plaintiff's Reply in Support of Motion for Summary Judgment; review file.	0.40 357.50/hr	143.00
	JAJ	Draft correspondence to M. Williams re: Replies in Support of Motion for Summary Judgment, case status.	0.10 357.50/hr	35.75
		<b>For professional services rendered</b>	<b>279.80</b>	<b>\$100,028.50</b>
		<b>Previous balance</b>		<b>\$14,586.00</b>
		Balance due		<b>\$114,614.50</b>