

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re:

Chapter 11

PALM BEACH FINANCE PARTNERS, L.P.,
a Delaware limited partnership, *et al.*,¹

Case No. 09-36379-BKC-PGH

Jointly Administered

Debtors.

**SUMMARY OF FOURTH POST-CONFIRMATION APPLICATION FOR
ALLOWANCE AND PAYMENT OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES INCURRED BY REED SMITH LLP, AS COUNSEL FOR GEOFFREY
VARGA, THE LIQUIDATING TRUST MONITOR FOR PALM BEACH FINANCE II,
L.P. FOR THE PERIOD OF NOVEMBER 1, 2011 THROUGH FEBRUARY 29, 2012**

1. Name of applicant: Reed Smith LLP
2. Role of applicant: Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P.
3. Name of certifying professional: Edward J. Estrada, Esq.
4. Date case filed: November 30, 2009
5. Date of application for employment: December 27, 2010
6. Date of order approving employment: January 27, 2011, *nunc pro tunc* to November 1, 2010
7. Date of Disclosure of Compensation (FRBP 2016): N/A
8. Date of this Application: April 30, 2012
9. Dates of Services Covered: November 1, 2011 through February 29, 2012

¹ The address and last four digits of the taxpayer identification number for each of the Debtors follows in parenthesis: (i) Palm Beach Finance Partners, L.P., 3601 PGA Blvd, Suite 301, Palm Beach Gardens, FL 33410 (TIN 9943); and (ii) Palm Beach Finance II, L.P., 3601 PGA Blvd, Suite 301, Palm Beach Gardens, FL 33410 (TIN 0680).

Fees Requested

10. Total fees requested for this period	\$101,540.99
11. Balance remaining in fee retainer account, not yet awarded	\$0.00
12. Fees paid or advanced for this period, by other sources	N/A
13. Net Amount of Fees Requested	\$101,540.99

Expenses Requested

14. Total expense reimbursement requested	\$2,075.12
15. Balance remaining in expense retainer account, not yet received	N/A
16. Expenses paid or advanced for this period, by other sources	N/A
17. Net Amount of Expense Reimbursements Requested	\$2,075.12
18. Gross award requested for this period (#10 + #14)	\$103,616.11
19. Net award requested for this period (#13 + #17)	\$103,616.11
20. If <u>Final Fee Application</u>, amounts of net awards requested in interim Applications, but <u>not previously awarded</u> (total from History of Fees and Expenses):	
21. Final fee and expense award requested (#20 + #21)	\$103,616.11

History of Fees and Expenses

1. Dates, sources, and amounts of retainers received: N/A
2. Dates, sources and amounts of third party payments received during the period:

Dates	Sources	Amounts	Fees or Costs?	Description	Period
1/14/2012	Barry E. Mukamal, as Liq. Trustee	\$5,517.70	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	November 2011
1/14/2012	Barry E. Mukamal, as Liq. Trustee	\$26,789.17	Fees & Costs	82% due by Palm Beach Finance II, L.P.	November 2011
2/8/2012	Barry E. Mukamal, as Liq. Trustee	\$7,281.80	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	December 2011
2/8/2012	Barry E. Mukamal, as Liq. Trustee	\$33,172.67	Fees & Costs	82% due by Palm Beach Finance II, L.P.	December 2011
2/28/2012	Barry E. Mukamal, as Liq. Trustee	\$2,877.28	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	January 2012
2/28/2012	Barry E. Mukamal, as Liq. Trustee	\$13,107.62	Fees & Costs	82% due by Palm Beach Finance II, L.P.	January 2012
4/17/2012	Barry E. Mukamal, as Liq. Trustee	\$2,676.58	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	February 2012
4/17/2012	Barry E. Mukamal, as Liq. Trustee	\$12,193.29	Fees & Costs	82% due by Palm Beach Finance II, L.P.	February 2012

3. Prior fee and expense awards:

Date Requested	Application	Order	Fees Awarded	Expenses Awarded
3/15/2011	First Post Confirmation Application	Order Approving First Post-Confirmation Application and Awarding Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of November 1, 2010 through January 31, 2011 [ECF No. 632], dated April 13, 2011	\$60,863.25	\$0.00
7/28/2011	Second Post Confirmation Application	Order Approving Second Post-Confirmation Application and Awarding Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of February 1, 2011 through June 30, 2011 [ECF No. 735], dated September 1, 2011	\$175,210.16	\$1,287.58
12/28/2011	Third Post Confirmation Application	Order Approving Third Post-Confirmation Application and Awarding Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the	\$224,929.12	\$6,530.13

		Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of July 1, 2011 through October 31, 2011 [ECF No. 1089], dated February 15, 2012		
--	--	---	--	--

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re:

Chapter 11

PALM BEACH FINANCE PARTNERS, L.P.,
a Delaware limited partnership, *et al.*,

Case No. 09-36379-BKC-PGH

Jointly Administered

Debtors.

**FOURTH POST-CONFIRMATION APPLICATION FOR ALLOWANCE AND
PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
INCURRED BY REED SMITH LLP, AS COUNSEL FOR GEOFFREY VARGA, THE
LIQUIDATING TRUST MONITOR FOR PALM BEACH FINANCE II, L.P. FOR THE
PERIOD OF NOVEMBER 1, 2011 THROUGH FEBRUARY 29, 2012**

Reed Smith LLP (the "Firm" or the "Applicant"), as counsel for Geoffrey Varga, in his capacity as the Liquidating Trust Monitor for Palm Beach Finance II, L.P. (the "Monitor"), respectfully makes this application (the "Application") for entry of an order, pursuant to 11 U.S.C. §330, 331, 503(b)(2), the Confirmation Order¹ and the Liquidating Trust Agreements for the Palm Beach Finance Partners and Palm Beach Finance II Liquidating Trusts, allowing and awarding to the Firm, as an administrative expense, the total amount of \$103,616.11², consisting of fees in the amount of \$101,540.99 and reimbursement for actual and necessary expenses incurred in the amount of \$2,075.12 during the period of November 1, 2011 through February 29, 2012 (the "Application Period").³ In the Application Period, a total of 262.8 hours were expended by the Firm in its representation of the Monitor, for an average hourly rate of \$386.38

¹ Capitalized terms not defined herein shall have the meaning given such terms in the Plan, as defined below.
² The Firm is requesting \$103,616.11 in fees as a 25% discount from \$135,388. *See* ¶ 8.
³ The Application includes fees for services rendered prior to the Application period in connection with the JOL's claims against the Offshore Funds' pre-petition professionals and settlement of the same, discussed in Section IV below.

during the Application Period.

Pursuant to Section 7.1.11 of the *Second Amended Joint Plan of Liquidation of Barry Mukamal, as Chapter 11 Trustee of Palm Beach Finance Partners, L.P. and Palm Beach Finance II, L.P., and Geoffrey Varga, as Joint Official Liquidator for Palm Beach Offshore, Ltd. and Palm Beach Offshore II, Ltd.* (the "Plan"), and the PBF II Liquidating Trust Agreement authorized thereunder, professionals retained by the Liquidating Trustee and Monitor are authorized to receive monthly interim compensation for fees and expenses incurred in carrying out their duties consistent with the Plan and Liquidating Trust Agreements from Trust Assets of the Liquidating Trusts, as long as: (i) notice of the fees and expenses are provided on a monthly basis to the Liquidating Trustee and U.S. Trustee; (ii) no written objections to the fees and expenses sought are received within 10 business days (if objections to the fees and expenses are timely made and cannot be resolved amicably, the Court is to hear and resolve the objections); and (iii) professionals submit applications to the Court for final approval of reimbursement of fees and expenses previously paid to them, no less than once every four (4) months. The Firm has already received payment from the Liquidating Trustee for services rendered to the Monitor during the Application Period and makes this Application to obtain final allowance of the fees and expenses already paid.

I. JURISDICTION

This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334, and the Court's retained jurisdiction pursuant to the Confirmation Order. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is core pursuant to 28 U.S.C. § 157(b)(2).

The statutory predicate for the relief sought herein is sections 330, 331 and 503(b)(2) of the Bankruptcy Code.

II. INTRODUCTION

A. Request For Attorneys' Fees And Reimbursement of Expenses

In this Application, the Firm requests compensation and reimbursement of expenses in the amount of \$103,616.11 in connection with 262.8 hours worked on behalf of the Monitor.

B. Retainer Paid To The Firm

None.

C. The Exhibits To This Fee Application

There are a total number of 4 exhibits attached to this Application. The exhibits are as follows:

EXHIBIT NO.

Exhibit 1	Summary of Professional and Paraprofessional Time
Exhibit 2	Summary of Requested Reimbursement of Expenses
Exhibit 3	Certification
Composite Exhibit 4	Contemporaneous Time and Expense Records

III. BACKGROUND

1. On November 30, 2009 (the "Petition Date"), Palm Beach Finance Partners, L.P. and Palm Beach Finance II, L.P. (the "Debtors") commenced these bankruptcy cases by each filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division.

2. On January 28, 2010, in connection with motions filed by the U.S. Trustee for the Southern District of Florida (the "U.S. Trustee") and Geoffrey Varga, as Joint Official Liquidator of Palm Beach Offshore, Ltd. and Palm Beach Offshore II, Ltd. (the "JOL"), the Court entered an order granting the motion to appoint a Chapter 11 trustee and directed the U.S. Trustee to appoint a Chapter 11 trustee. On or about January 29, 2010, the U.S. Trustee selected Barry Mukamal as the Chapter 11 trustee of the Debtors (the "Chapter 11 Trustee"). This selection was approved on February 2, 2010 by Order of the Court.

3. On August 27, 2010, the Chapter 11 Trustee and the JOL, as co-plan proponents, filed their Amended Disclosure Statement and First Amended Plan, and, on September 3, 2010, the Plan Proponents filed their Second Amended Disclosure Statement and the Second Amended Plan (the "Plan").

4. On October 21, 2010, following a hearing on October 19, 2010, the Court entered an order confirming the Plan.

5. Pursuant to the Plan, on the Effective Date of the Plan, the Chapter 11 Trustee, on behalf of the Debtors and the Beneficiaries, executed the Liquidating Trust Agreements thereby establishing the Liquidating Trusts for the estates of each of the Debtors.

6. Pursuant to the Plan, Barry Mukamal was appointed the Liquidating Trustee with the power and authority set forth in the Liquidating Trust Agreements, subject only (in the case of the PBF II Liquidating Trust Agreement) to the power and authority granted to the Monitor in the Plan and the PBF II Liquidating Trust Agreement. Pursuant to the Plan, Geoffrey Varga, as JOL, was appointed the Monitor with the power and authority set forth in the PBF II Liquidating Trust Agreement.

7. The PBF II Liquidating Trust Agreement authorizes the Monitor to employ and pay reasonable compensation to attorneys, accountants, appraisers, expert witnesses, insurance adjusters or other persons whose services, in the sole judgment of the Monitor, may be reasonably necessary or advisable to advise or assist him in the discharge of his duties, or otherwise in the exercise of any powers vested in the Monitor.

8. The Plan provides that the Monitor's general counsel is Reed Smith LLP and Levine Kellogg Lehman Schneider & Grossman LLP ("Levine Kellogg"). Further, the professionals at those firms shall be compensated at 75% as to Reed Smith and 100% as to Levine Kellogg of the firm's respective standard billing rates, respectively.

9. On December 27, 2010, the Monitor filed the Application to Employ Edward J. Estrada of Reed Smith LLP as General Counsel to Geoffrey Varga, as Liquidating Trust Monitor (the "Retention Application") [ECF. No. 504]. On January 27, 2011, the Court entered an order approving the employment of Edward Estrada, Esq. and Reed Smith LLP, *nunc pro tunc* to November 1, 2010, pursuant to the terms of the Retention Application [ECF No. 556].

10. Pursuant to Section 7.1.11 of the Plan, professionals retained by the Liquidating Trustee and Monitor are authorized to receive monthly interim compensation for fees and expenses incurred in carrying out their duties consistent with the Plan and Liquidating Trust Agreements from Trust Assets of the Liquidating Trusts, as long as: (i) notice of the fees and expenses are provided on a monthly basis to the Liquidating Trustee and U.S. Trustee; (ii) no written objections to the fees and expenses sought are received within 10 business days (if objections to the fees and expenses are timely made and cannot be resolved amicably, the Court is to hear and resolve the objections); and (iii) professionals submit applications to the Court for

final approval of reimbursement of fees and expenses previously paid to them, no less than once every four (4) months.

11. On March 15, 2011, the Firm filed its *First Post-Confirmation Application for Allowance and Payment of Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of November 1, 2010 Through January 31, 2011* seeking allowance and payment of fees in the amount of \$60,863.25 (the "First Post-Confirmation Application") [ECF No. 611]. On April 13, 2011, the Court entered an order granting the First Post-Confirmation Application [ECF No. 632].

12. On July 28, 2011, the Firm filed its *Second Post-Confirmation Application for Allowance and Payment of Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of February 1, 2010 Through June 30, 2011* seeking allowance and payment of fees in the amount of \$175,210.16 and expenses in the amount of \$1,287.58 (the "Second Post-Confirmation Application") [ECF No. 673]. On September 1, 2011, the Court entered an order granting the Second Post-Confirmation Application [ECF No. 735].

13. On December 28, 2011, the Firm filed its *Third Post-Confirmation Application for Allowance and Payment of Compensation and Reimbursement of Expenses Incurred by Reed Smith LLP, as Counsel for Geoffrey Varga, the Liquidating Trust Monitor for Palm Beach Finance II, L.P. for the Period of July 1, 2011 through October 31, 2011* seeking allowance and payment of fees in the amount of \$224,929.12 and expenses in the amount of \$6,530.13 (the

“Third Post-Confirmation Application”) [ECF No. 1024]. On February 15, 2012, the Court entered an order granting the Third Post-Confirmation Application [ECF No. 1089].

14. Pursuant to Section 7.1.11 of the Plan, on December 14, 2011, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period November 1, 2011 through November 30, 2011 in the amount of \$32,306.87 (\$31,546.50 for fees and \$760.37 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$32,306.87 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from November 1, 2011 through November 30, 2011.

15. Pursuant to Section 7.1.11 of the Plan, on January 13, 2012, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period December 1, 2011 through December 31, 2011 in the amount of \$40,454.47 (\$39,976.87 for fees and \$477.60 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$40,454.47 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from December 1, 2011 through December 31, 2011.

16. Pursuant to Section 7.1.11 of the Plan, on February 14, 2012, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period January 1, 2012 through January 31, 2012 in the amount of \$15,984.90 (\$15,147.75 for fees and \$837.15 for costs). No objection to the requested fees or costs was lodged. Accordingly, \$15,984.90 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from January 1, 2012 through January 31, 2012.

17. Pursuant to Section 7.1.11 of the Plan, on March 15, 2012, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for

the period February 1, 2012 through February 29, 2012 in the amount of \$14,869.87 (\$14,869.87 for fees and \$0 for costs). No objection to the requested fees or costs was lodged. Accordingly, \$14,869.87 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from February 1, 2012 through February 29, 2012.

18. By this Application, the Firm seeks final allowance of payments already received for services rendered to the Monitor and expenses incurred in representing the Monitor during this third post-effective date period of November 1, 2011 through February 29, 2012 in the amount of \$103,616.11.

IV. SERVICES RENDERED BY THE FIRM TO THE ESTATE

Although more fully set forth in the detailed time entries attached hereto as Exhibit 4, representative legal services rendered by the Firm to the Monitor during the Application Period are as follows:

During the Application Period, the Firm frequently conferred with the Liquidating Trustee's counsel regarding the status of matters, including the numerous discovery requests that the Liquidating Trustee has propounded, actions against various litigation targets and settlements of the same, as well as overall litigation strategy. These communications often took the form of the weekly status calls that were begun pre-confirmation and continue post-Effective Date. These calls involved the Monitor and his counsel as well as the Liquidating Trustee and his counsel. Additionally, the Firm participated in an in-person meeting held in New York during the Application Period to discuss pending issues, the status of litigation matters and strategy going forward.

During the Application Period, the conferred with the Liquidating Trustee's counsel regarding draft complaints against potential defendants. Additionally, the Firm reviewed and commented on motions to dismiss and other substantive filings filed by the clawback action defendants. The Firm conferred with the Liquidating Trustee regarding bar orders, settlement agreements and mediation procedures in connection with the resolution of certain adversary proceedings.

The Firm also closely monitored the multitude of litigations pending in connection with the Petters bankruptcy cases as the same may impact these estates. The Firm prepared comprehensive summaries of these actions and counseled the Monitor with respect to the same. The Firm reviewed in detail filings related to substantive consolidation of the Petters bankruptcy cases, attended the substantive consolidation hearings in Minnesota, and provided a summary and analysis of the same to the Liquidating Trustee and the Monitor.

During the Application Period, the Firm prepared monthly fee statements for submission to Liquidating Trustee and U.S. Trustee as contemplated by the Plan and Liquidating Trust Agreements. Also as contemplated by the Plan and Liquidating Trust Agreements, the Firm prepared its third post-confirmation fee application and appeared telephonically at a hearing on the same.

V. ALLOWANCE AND EVALUATION OF SERVICES RENDERED BY THE FIRM

Section 330(a) of the Bankruptcy Code provides, in relevant part:

- (a)(1) After notice to the parties in interest and the United States trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, an examiner, a professional person employed under Section 327 or 1103—

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
 - (B) reimbursement for actual, necessary expenses.
- (2) The court may, on its own motion or on the motion of the United States Trustee, the United States Trustee for the District or Region, the trustee for the estate, or any other party in interest, award compensation that is less than the amount of compensation that is requested.
- (3) In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—
- (A) the time spent on such services;
 - (B) the rates charged for such services;
 - (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
 - (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
 - (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.
- (4)(A) Except as provided in subparagraph (B), the court shall not allow compensation for —
- (i) unnecessary duplication of services; or
 - (ii) services that were not —

- (I) reasonably likely to benefit the Debtors' estate; or
 - (II) necessary to the administration of the case.
- (B) In a chapter 12 or chapter 13 case in which the Debtors is an individual, the court may allow reasonable compensation to the Debtors' attorney for representing the interests of the Debtors in connection with the bankruptcy case based on a consideration of the benefit and necessity of such services to the Debtors and the other factors set forth in this section.
- (5) The court shall reduce the amount of compensation awarded under this section by the amount of any final compensation awarded under §331, and, if the amount of such final compensation exceeds the amount of compensation awarded under this section, may order the return of the excess to the estate.
- (6) Any compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application.

The Applicant believes that the requested fee of \$101,540.99 for 262.8 hours worked is reasonable considering the factors to be applied under 11 U.S.C. §330(a)(1) and the factors enumerated in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974), made applicable to bankruptcy proceedings by *In re First Colonial Corp. of America*, 544 F.2d 1291 (5th Cir. 1977) as follows:

- a. The time and labor required;
- b. The novelty and difficulty of the questions presented;
- c. The skill required to perform the legal services properly;
- d. The preclusion of other employment by the attorney due to acceptance of the case;
- e. The customary fee for similar work in the community;
- f. Whether the fee is fixed or contingent;

- g. Time limitations imposed by the client or by the circumstances;
- h. The amount involved and the results obtained;
- i. The experience, reputation and ability of the attorneys;
- j. The undesirability of the case;
- k. The nature and length of the professional relationship with the client;
- l. Awards in similar cases;
- m. Whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title; and
- n. Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed.

Consideration of Section 330(a) and *The First Colonial Factors*

The foregoing description of the services rendered by the Firm to the Monitor together with the more detailed description of time expended and services rendered set forth in the attached exhibits, describe the nature and extent of the professional services rendered by the Firm to the Monitor for the benefit of the bankruptcy estate during the Application Period.

Edward J. Estrada is the Partner at the Firm with principal responsibility for the representation of the Monitor as counsel in these cases and for supervision of legal services rendered to the Monitor. Mr. Estrada concentrates his practice in the areas of bankruptcy litigation, creditor's rights, bankruptcy reorganizations, and commercial litigation and has been licensed to practice law since 1998. Whenever possible, the Firm delegated work on the Monitor's legal matters to Associates and Paralegals of the Firm who have lower billing rates than Partners of the Firm. It is noteworthy, however, that, as set forth in the Plan, the

professional fees charged during the Application Period reflect a 25% discount from rates typically charged by the Firm for similar work. Given the foregoing, the average billing rate for the Firm's legal services to the Monitor during the Application Period is \$386.38 per hour.

The Monitor's legal matters demanded considerable legal skills in the areas of bankruptcy, creditor's rights, litigation and business law. The Firm's attorneys enjoy an excellent reputation for their abilities in the areas of bankruptcy, creditor's rights, and complex commercial litigation in the legal community, and the Firm's billing rates reflect customary billing rates in the legal community for legal services similar to the services rendered by the Firm to the Monitor in these cases.

With respect to additional factors enumerated in section 330(a) of the Bankruptcy Code, the legal services rendered by the Firm were necessary to achieve the Monitor's goals and legal obligations at the time the services were rendered. Moreover, the legal services performed by the Firm were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed.

With regard to the remaining *First Colonial* factors, the Firm's fees were fixed; the Firm was not precluded from other employment due to the acceptance of representation on behalf of the Monitor in these cases and the matter is not undesirable. Reed Smith has represented the Monitor in other matters previously and represented Mr. Varga in his capacity as court-appointed JOL in these Bankruptcy Cases and in the court-administered liquidation of other offshore entities. Such representations also involve appearances before U.S. Bankruptcy Courts. Finally, the award requested by the Firm in this Application is similar to awards made by this Bankruptcy Court in similar cases.

VI. CONCLUSION

For the foregoing reasons, the Firm respectfully requests that the Court enter an Order allowing and awarding the Firm, as an administrative expense, \$101,540.99 for legal services rendered by the Firm in connection with representation of the Monitor for the period of time from November 1, 2011 through February 29, 2012 and \$2,075.12 for reimbursement of actual and necessary expenses incurred by the Firm, for a total of \$103,616.11.

Dated: April 30, 2012

Respectfully submitted,

REED SMITH LLP

By: /s/ Edward J. Estrada
Edward J. Estrada, Esq.
599 Lexington Avenue, 22nd Floor
Telephone: 212-521-5400
Facsimile: 212-521-5450
E-mail: eestrada@reedsmith.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Application and all Exhibits thereto were served on the 30th day of April, 2012 via the Court's CM/ECF filing system to recipients registered to receive notices of electronic filings generated by CM/ECF for case no. 09-36379-BKC-PGH.

LEVINE KELLOGG LEHMAN
SCHNEIDER + GROSSMAN LLP
*Local Counsel for Liquidating Trust Monitor for
Palm Beach Finance II, L.P.*
201 South Biscayne Blvd.
Miami Center – 34th Floor
Miami, Florida 33131-4301
Telephone: 305.403.8788
Facsimile: 305.403.8789

By: /s/ Robin J. Rubens
Robin J. Rubens, Esq.
Florida Bar. No. 959413
E-mail: rjr@LKLaw.com

Exhibit 1**Summary of Professional and Paraprofessional Time**

NAME DEPARTMENT AND LOCATION	YEAR LICENSED	RATE	HOURS	AMOUNT
Edward J. Estrada, Financial Industry, New York	1998	\$760.00 \$790.00	38.5 23.7	\$29,260.00 \$18,723.00
John F. Hagan, Jr.	1996	\$700.00 \$730.00	7.3 2.8	\$5,110.00 \$2,044.00
Total Partners:			72.3	\$55,137.00
Christopher A. Lynch, Financial Industry, New York	2004	\$585.00 \$620.00	11.2 2.9	\$6,552.00 \$1,798.00
Nicole K. O'Sullivan, Financial Industry, New York	2009	\$465.00	96.0 24.2	\$39,571.50 \$12,826.00
Lillian C. Worthley, Financial Industry, New York	pending	\$355.00 \$375.00	29.7 4.9	\$10,543.50 \$1,837.50
Total Associates			158.0	\$73,128.50
Lawson Huynh, Financial Industry, New York	n/a	\$200.00 \$215.00	9.8 9.3	\$1,960.00 \$1,999.50
William J. Jarboe, Financial Industry, New York	n/a	\$200.00 \$215.00	5.2 3.7	\$1,040.00 \$795.50
Elizabeth Anne Arundel, Financial Industry, Chicago	n/a	\$295.00	4.5	\$1,327.50
Total Paraprofessionals:			27.7	\$7,122.50
Total Professional and Paraprofessional Time:			262.80	
Gross Professional and Paraprofessional Fees:			\$135,388.00	
Less 25%			\$33,847.00	
Net Professional and Paraprofessional Fees:			\$101,540.99	
(Post Discount) Blended Hourly Rate:			\$386.38	

Exhibit 2**Summary of Requested Reimbursement of Expenses**

REED SMITH EXPENSES	
Courier Services	\$26.07
PACER	\$484.40
Duplication	\$8.85
Westlaw	\$447.17
Taxi	\$261.65
Meals	\$228.61
Airfare	\$214.14
Postage	\$37.91
Outside Phone	\$79.69
Internet	\$15.95
Lodging	\$225.69
Parking	\$45.00
Total:	\$2,075.12

Exhibit 3

Affidavit in Support of Certification

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Edward J. Estrada, being duly sworn, deposes and says:

I am over the age of 18 years old and have personal knowledge of the matters set forth in this affidavit. I make this affidavit in support of the application (the "Application") for entry of an order, pursuant to 11 U.S.C. §§ 330, 331, 503(b)(2), allowing and awarding to Reed Smith LLP (the "Firm"), as an administrative expense, fees and costs incurred in connection with the Firm's representation of the Monitor, as such term is defined in the Plan.

I am the Partner at the Firm responsible for the representation of the Monitor in these cases and, as such, I am designated by the Firm as the professional with responsibility in these cases for compliance with the "Guidelines for Fee Applications for Professionals in the Southern District of Florida in Bankruptcy Cases" (the "Guidelines").

I have read the Application. The Application complies with the Guidelines, and the fees and expenses sought fall within the Guidelines, except as may be specifically noted in this Affidavit and described in the Application.

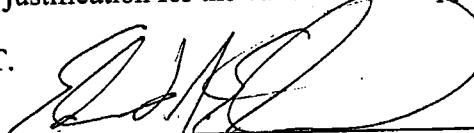
The fees and expenses sought are billed at rates and in accordance with practices customarily employed by the Firm and generally accepted by the Firm's clients.

In seeking reimbursement for the expenditures described on Exhibit 2, the Firm is seeking reimbursement only for the actual expenditure and has not marked up the actual cost to provide a profit or to recover the amortized cost of investment in staff time or equipment or capital outlay.

In seeking reimbursement for any service provided by a third party, the Firm is seeking reimbursement only for the amount actually paid by the Firm to the third party.

The following are the variances with the provisions of the Guidelines, the date of each court order approving the variance, and the justification for the variance: Not applicable.

FURTHER AFFIANT SAYEST NAUGHT.


EDWARD J. ESTRADA

Sworn to before me this
30 day of April, 2012


Notary Public

IDALIA M. COLLADO
NOTARY PUBLIC, State of New York
No. 01CO504232
Qualified in County of Queens
Commission Expires April, 20 15

Composite Exhibit 4

Contemporaneous Time and Expense Records

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

December 14, 2011

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Client/Matter Contact: Geoff Varga
Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2211122
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through November 30, 2011

TIME DETAIL

Date	Name	Narrative	Hours
11/02/11	Estrada	Group status and strategy call; review lawsuits to be commenced (50%)	1.30
11/02/11	O'Sullivan	Attend Palm Beach status call (.2) (50%).	0.20
11/03/11	Estrada	Review substantive consolidation filings in main case	1.40
11/03/11	Huynh	Review and update case filings for attorney review	0.50
11/03/11	Worthley	In office	3.50
11/04/11	O'Sullivan	Review filings in Petters and related cases. Summarize same.	0.90
11/07/11	Huynh	Review and update case files for attorney review	0.20
11/07/11	O'Sullivan	Review filings in Petters and related cases; summarize same and circulate to team.	2.40
11/09/11	O'Sullivan	Review Reed Smith October invoices. Discuss same with E. Estrada.	0.90
11/10/11	Huynh	Review and update case files for attorney review	0.40
11/10/11	Estrada	In-person meeting to address status and strategy of avoidance actions (50%)	5.10
11/10/11	O'Sullivan	Draft letters for Reed Smith October invoices. Discuss same with E. Estrada.	1.20
11/11/11	O'Sullivan	Draft letters for Reed Smith October invoices.; discuss same with E. Estrada (0.3). Review filings in Petters and related cases, summarize same and circulate to team (2.2).	2.50
11/14/11	Huynh	Prepare and circulate updated case filings for attorney review	1.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
December 14, 2011Invoice Number 2211122
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
11/14/11	O'Sullivan	Finalize/circulate Reed Smith October invoices.	0.60
11/14/11	Lynch	Review Robin Rubens summary of meeting with Prevost and Harrold.	0.30
11/15/11	O'Sullivan	Review Kinetic October invoices. Draft letter and circulate same.	1.10
11/16/11	Estrada	Review PBFII tort and avoidance potential causes of action	1.80
11/16/11	O'Sullivan	Work on Third Post-Effective Date Fee Applications for Kinetic and Reed Smith.	4.60
11/16/11	Lynch	[REDACTED] conferences with trust colleagues; [REDACTED]; draft amendment [REDACTED]	2.70
11/16/11	O'Sullivan	Revise Kinetic October invoices. Draft letter and circulate same.	0.40
11/17/11	O'Sullivan	Attention to re-scheduling status call.	0.30
11/17/11	Huynh	Review and update case filings for attorney review	0.50
11/17/11	O'Sullivan	Work on Third Post-Effective Date Fee Applications for Kinetic and Reed Smith.	5.20
11/17/11	Lynch	Office conference with Mike Venditto regarding trust amendment/court approval	0.30
11/17/11	Arundel	Prepare exhibits to 3rd fee application for review of N. O'Sullivan (4.5)	4.50
11/18/11	Lynch	Attention to trust amendment [REDACTED] office conference with M. Venditto and L. Gilberti regarding procedure to follow; draft and circulate form of amendment.	1.20
11/18/11	Lynch	Review sampling of claw back complaints	0.90
11/18/11	O'Sullivan	Work on Third Post-Effective Date Fee Applications for Kinetic and Reed Smith.	4.70
11/21/11	Huynh	Review and update case filings for attorney review	1.20
11/21/11	Lynch	Attention to trust amendment [REDACTED] prepare and revise amendments and email to Michael Budwick regarding same, discuss with E. Estrada	1.00
11/21/11	O'Sullivan	Attend weekly team status call (1.1) (50%). Review filings in Petters and related cases; summarize and circulate to team (.6). Work on Third Post-Effective Date Fee Applications for Kinetic and Reed Smith (1.8).	3.50
11/21/11	Estrada	Group status and strategy call and follow up issues and calls (50%)	1.30

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
December 14, 2011Invoice Number 2211122
Page 3**TIME DETAIL**

Date	Name	Narrative	Hours
11/22/11	O'Sullivan	Review filings in Petters and related cases; summarize and circulate to team (3.6). Work on Third Post-Effective Date Fee Applications for Kinetic (2.4).	6.00
11/22/11	Lynch	Review trust agreements and follow up with M. Budwick	0.30
11/23/11	O'Sullivan	Finalize Third Post-Effective Date Fee Applications for Kinetic (2.8). Attend weekly team status call (.7) (50%)	3.50
11/23/11	Estrada	Status call and strategy call regarding avoidance and tort actions and follow up regarding same (50%)	1.20
11/28/11	Huynh	Review and update case filings for attorney review	0.70
11/28/11	O'Sullivan	Scheduling PB weekly status call emails.	0.30
11/28/11	Lynch	Review articles regarding Ponzi case and IRS return of taxes paid.	0.60
11/29/11	Estrada	Review of filed adversary proceedings	3.80
11/30/11	Estrada	Review of filed adversary proceedings (50%)	2.90
Total Hours			77.00

Time Summary

	Hours	Rate	Value
Edward J. Estrada	18.80	at \$ 760.00 =	14,288.00
Nicole K. O'Sullivan	38.30	at \$ 465.00 =	17,809.50
Christopher A. Lynch	7.30	at \$ 585.00 =	4,270.50
Lillian C. Worthley	3.50	at \$ 355.00 =	1,242.50
Elizabeth Anne Arundel	4.50	at \$ 295.00 =	1,327.50
Lawson Huynh	4.60	at \$ 200.00 =	920.00

Total Fees

39,858.00

Less 25% Per Agreement

(9,964.50)

Current Fees

29,893.50

For Cost Advanced and Expenses Incurred:

PACER	118.48
Duplicating/Printing/Scanning	8.85
Westlaw	281.57
Express Mail Service	37.91
Courier Service - Outside	26.07
Taxi Expense	62.06
Meal Expense	179.60
Telephone - Outside	45.83

Current Disbursements

760.37

Total this Invoice**\$ 30,653.87**

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
December 14, 2011

Invoice Number 2211122

Page 4

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

December 14, 2011

Client/Matter Contact: Geoff Varga
Re: Trust Monitor - PBF II Only

Invoice Number: 2211121
Client Number: 505162
Matter Number: 60002

For Professional Services Rendered Through November 30, 2011

TIME DETAIL

Date	Name	Narrative	Hours
11/01/11	Estrada	Review of [REDACTED] claims	0.80
11/13/11	Estrada	Review PBFII avoidance actions and offshore recoveries	2.10
Total Hours			2.90

Time Summary	Hours	Rate	Value
Edward J. Estrada	2.90	at \$ 760.00 =	2,204.00

Total Fees	2,204.00
Less 25% Per Agreement	(551.00)

Total this Invoice \$ 1,653.00

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

January 12, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2218148
Client Number: 505162
Matter Number: 60003

INVOICE SUMMARY

For Professional Services Rendered Through December 31, 2011

Current Fees	\$ 53,302.50	
Less 25% Per Agreement	(13,325.63)	
Current Disbursements	<u>477.60</u>	40,454.47

Total Balance Due Upon Receipt \$ 40,454.47

Please Remit to:

Mall To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

January 12, 2012

Client/Matter Contact: Geoff Varga
Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2218148
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through December 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
12/01/11	Jarboe	Docket Checks 1/3	0.70
12/02/11	Estrada	Review of substantive consolidation issues at Petters level (50%)	2.40
12/02/11	Jarboe	Research and Prepare Substantive Consolidation Binder Per N. O'Sullivan 1/3	2.20
12/02/11	O'Sullivan	Attend weekly Palm Beach status call (.4) (50%). Preparation for Petters Substantive Consolidation Hearing; discuss same with E. Estrada; discuss same with W. Jarboe. (.7) (33%).	1.10
12/05/11	Jarboe	Palm Beach Case Tracking (50%)	0.30
12/05/11	O'Sullivan	Review Motions and filings in preparation for the Petters Substantive Consolidation Hearing (2.3) (1/3).	2.30
12/06/11	O'Sullivan	Review Motions and filings in preparation for the Petters Substantive Consolidation Hearing (.8) (1/3). Review filings in Petters and related cases and circulate summary of same to team (2.90).	3.70
12/07/11	Jarboe	Prepare Substantive Consolidation Binder (1/3)	0.70
12/07/11	Worthley	Research for E. Estrada	0.70
12/08/11	Huynh	Review and update case filings for attorney review	1.70
12/08/11	O'Sullivan	Review Motions and filings in preparation for the Petters Substantive Consolidation Hearing (1.7) (1/3).	1.70
12/08/11	Worthley	Researching case law for E. Estrada	0.60

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
January 12, 2012Invoice Number 2218148
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
12/08/11	Estrada	Review of onshore adversary proceedings (50%)	1.80
12/08/11	Jarboe	Prepare Substantive Consolidation Binder (1/3)	1.30
12/09/11	Estrada	Reviews of PCI substantive consolidation issues (50%)	2.60
12/09/11	Worthley	Final edits and cover email explaining the Adversary Proceeding chart	2.50
12/09/11	O'Sullivan	Review Motions and filings in preparation for the Petters Substantive Consolidation Hearing (2.1) (1/3).	2.10
12/10/11	O'Sullivan	Preparation for Petters Substantive Consolidation Hearing including Review of Motions and filings (1/3).	2.40
12/11/11	O'Sullivan	Travel to Minnesota for Petters Substantive Consolidation Hearing (2.2) (1/3). Review Motions and filings in preparation for the same (1.9) (1/3)	4.10
12/12/11	Huynh	Review and update case filings for attorney review	0.40
12/12/11	Estrada	Group status and strategy call and follow-up call and follow-up (50%)	0.80
12/12/11	O'Sullivan	Attend Petters substantive consolidation hearing; f/u calls with J. Hagan re: same; summarize notes from same (1/3).	4.80
12/13/11	O'Sullivan	Attend Petters substantive consolidation hearing; summarize notes from same (1/3).	4.20
12/13/11	Estrada	Review hearing reports regarding substantive consolidation (50%)	0.80
12/14/11	O'Sullivan	Petters substantive consolidation hearing; travel time to New York from same; summarize notes re: same (1/3).	3.20
12/14/11	Lynch	Prepare cover letters, etc. for RS November fee statement; communications with N. O'Sullivan regarding the same.	0.60
12/14/11	Hagan, Jr.	Prepare for and attend substantive consolidation trial in Petters bankruptcy case. (33%)	3.00
12/15/11	Huynh	Review and update case filings for attorney review	0.70
12/15/11	O'Sullivan	Notes from Petters substantive consolidation hearing (1.3) (1/3). Preparation of Kinetic and Reed Smith November invoices and cover letter (1.7).	3.00
12/15/11	Worthley	Research re: defenses	1.00
12/15/11	Lynch	Office conference with L. Worthly regarding research and review same. (50%)	0.60
12/16/11	Estrada	Review claim transfers and requests for same (50%)	2.60
12/16/11	Worthley	Research re: defenses	2.40

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
January 12, 2012Invoice Number 2218148
Page 3**TIME DETAIL**

Date	Name	Narrative	Hours
12/17/11	O'Sullivan	Type and summarize notes from Petters substantive consolidation hearing (1/3).	1.70
12/18/11	O'Sullivan	Type and summarize notes from Petters substantive consolidation hearing (1/3).	2.70
12/19/11	Huynh	Review and update case filings for attorney review	0.90
12/19/11	Worthley	Research re: defenses	1.60
12/19/11	Estrada	Review [REDACTED] case law regarding claim (50%)	2.60
12/19/11	O'Sullivan	Type and summarize notes from Petters substantive consolidation hearing (1/3).	0.80
12/19/11	Lynch	Review 11th Cir. jurisprudence researched by L. Worthley.	0.20
12/20/11	O'Sullivan	Review filings in Petters and related cases; summarize and circulate to team.	2.20
12/20/11	Worthley	Research re defenses	2.40
12/21/11	Estrada	Review chart of filed complaints and complaints	1.70
12/21/11	Worthley	Research re: defenses (50%)	2.50
12/21/11	Estrada	Review potential claim objections; discuss same with C. Lynch	0.80
12/22/11	Huynh	Review and update case filings for attorney review	0.80
12/22/11	O'Sullivan	Attend weekly Palm Beach team status call (0.5) (50%).	0.50
12/22/11	Estrada	Group status call and internal follow-up (50%)	0.70
12/22/11	Lynch	Discuss research with Lili Worthley; review draft of research results memo and case cited therein.	0.70
12/23/11	Lynch	Review portion of testimony in Petters subcon trial (50%)	0.40
12/23/11	Lynch	Review/analyze memo re onshore claims issues (50%)	0.50
12/23/11	Hagan, Jr.	Review, analyze, and draft notes re transcript from the substantive consolidation trial in the Petters bankruptcy. (33%)	2.30
12/23/11	O'Sullivan	Review transcripts from Petters substantive consolidation hearing and circulate same (33%).	0.30
12/27/11	Worthley	Redacting invoices for Summary of Third Post-Confirmation application for allowances and payment	0.70

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
January 12, 2012Invoice Number 2218148
Page 4**TIME DETAIL**

Date	Name	Narrative	Hours
12/27/11	O'Sullivan	Revise/finalize Palm Beach Reed Smith and Kinetic Third Post-Confirmation Fee Applications for filing; Communicate with C. Lynch regarding same; Communicate with R. Rubens regarding same (2.9). Review/summarize Petters Substantive Consolidation Post-Trial Briefs and circulate to team (.6) (50%)	3.50
12/27/11	Lynch	Communications with N. O'Sullivan and L. Worthley regarding fee application, addressing time detail issues and updating cover sheets.	0.70
12/28/11	Huynh	Review and update case filings for attorney review	0.20
12/28/11	Worthley	Drafting memo re: defenses, analyzing [REDACTED] law for C. Lynch	6.40
12/28/11	O'Sullivan	Review filings in Petters and related cases.	0.40
12/29/11	Huynh	Review and update case filings for attorney review	0.50
12/29/11	Worthley	Drafting memo re: defenses, analyzing [REDACTED] law for C. Lynch (50%)	2.50
12/29/11	Hagan, Jr.	Review, analyze, and draft notes re each party's post-trial submissions in the substantive consolidation trial in the Petters bankruptcy. (33%)	2.00
12/29/11	Worthley	Drafting memo re: defenses (50%)	2.90
12/30/11	O'Sullivan	Review filings in Petters and related cases, and summarize.	2.10
12/30/11	Lynch	Review revised draft of memo regarding defenses (50%)	0.20
Total Hours			111.40

Time Summary	Hours	Rate	Value
Edward J. Estrada	16.80	at \$ 760.00 =	12,768.00
John F. Hagan, Jr.	7.30	at \$ 700.00 =	5,110.00
Nicole K. O'Sullivan	46.80	at \$ 465.00 =	21,762.00
Christopher A. Lynch	3.90	at \$ 585.00 =	2,281.50
Lillian C. Worthley	26.20	at \$ 355.00 =	9,301.00
William J. Jarboe	5.20	at \$ 200.00 =	1,040.00
Lawson Huynh	5.20	at \$ 200.00 =	1,040.00

Total Fees
Less 25% Per Agreement
Current Fees

53,302.50
(13,325.63)
39,976.87

For Cost Advanced and Expenses Incurred:

PACER
Westlaw

153.44
165.60

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
January 12, 2012

Invoice Number 2218148

Page 5

Parking/Tolls/Other Transportation

45.00

Taxi Expense

100.91

Telephone - Outside

12.65

Current Disbursements

477.60

Total Balance Due Upon Receipt

\$ 40,454.47

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

REMITTANCE PAGE

Please return this page with your payment

January 12, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2218148
Client Number: 505162
Matter Number: 60003

STATEMENT OF ACCOUNT

<u>Invoice Date</u>	<u>Invoice #</u>	<u>Amount</u>	<u>Payment/ Credits</u>	<u>Balance Due</u>
Jan 12, 2012	2218148	53,780.10	13,325.63	\$ 40,454.47
	Total Fees and Expenses Due			\$ 40,454.47
	Total Balance Due Upon Receipt			\$ 40,454.47

Please Remit to:

Mail To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

February 13, 2012

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2229280
Client Number: 505162
Matter Number: 60003

INVOICE SUMMARY

For Professional Services Rendered Through January 31, 2012

Current Fees	\$ 20,197.00	
Less 25% Per Agreement	(5,049.25)	
Current Disbursements	<u>837.15</u>	15,984.90
Total Balance Due Upon Receipt		<u>\$ 15,984.90</u>

Please Remit to:

Mail To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

February 13, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Client/Matter Contact: Geoff Varga
Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2229280
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through January 31, 2012

TIME DETAIL

Date	Name	Narrative	Hours
01/03/12	Estrada	Review substantive consolidation filings and reports (33%)	1.80
01/03/12	Huynh	Review and update case filings for attorney review	0.50
01/03/12	O'Sullivan	Review filings in Petters and related cases; summarize and circulate to team.	2.30
01/04/12	Estrada	Review filings of Acorn, Interlaken and Ritchie (50%)	2.80
01/04/12	Huynh	Provide case filings for local counsel	0.20
01/05/12	Huynh	Review and update case filings for attorney review	0.30
01/06/12	O'Sullivan	Attend Palm Beach status call (50%).	0.50
01/06/12	Estrada	Review Kelley status reports (50%)	1.40
01/09/12	Huynh	Review and update case filings for attorney review	0.60
01/12/12	Huynh	Review and prepare filing updates for attorney review	0.40
01/12/12	Lynch	Review status chart with respect to adversary proceedings; review N. O'sullivan's summary of recent filings	0.70
01/12/12	O'Sullivan	Review Reed Smith and Kinetic December invoices. Draft cover letters re: same (1.1). Review filings in Petters and related cases and circulate summary to team (1.8)	2.90
01/13/12	Estrada	Review notes from group call; discussion of same w/ N. O'Sullivan (50%)	0.70
01/13/12	O'Sullivan	Attend Palm Beach weekly status call and f/u re: same (.8) (50%). Send out December invoices (0.3).	1.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
February 13, 2012Invoice Number 2229280
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
01/17/12	Huynh	Review and update Petters related case filings for attorney review	0.30
01/17/12	O'Sullivan	Review filings in Petters and related cases.	0.60
01/19/12	Huynh	Review and update Petters related case filings for attorney review	0.60
01/19/12	O'Sullivan	Review filings in Petters and related cases.	2.10
01/20/12	Estrada	Status call and updates (50%)	2.70
01/23/12	Huynh	Review and circulate Petters related case filings for attorney review	0.70
01/23/12	O'Sullivan	Review filings in Petters and related cases; summary of same.	0.80
01/24/12	O'Sullivan	Attend weekly status call (0.5) (50%). Review filings in Petters and related cases and circulate summary to team (2.2).	2.70
01/24/12	Hagan, Jr.	Continue analysis of Petters substantive consolidation trial, including preparation of trial impression notes and post-trial submissions (33%)	1.80
01/26/12	Huynh	Review and update Petters related case filings for attorney review	0.40
01/26/12	O'Sullivan	Email re: team call/meeting scheduling.	0.30
01/27/12	Estrada	Weekly status update w/internal follow-up	0.70
01/30/12	Hagan, Jr.	Continue analysis of Petters substantive consolidation trial, including preparation of trial impression notes and post-trial submissions.(33%)	1.00
01/30/12	Estrada	Review complaints of pending adversaries w/outstanding motions to dismiss	2.10
01/30/12	Huynh	Review and circulate Petters related case filings for attorney review	0.80
Total Hours			33.80

Time Summary	Hours	Rate	Value
Edward J. Estrada	12.20	at \$ 790.00 =	9,638.00
John F. Hagan, Jr.	2.80	at \$ 730.00 =	2,044.00
Nicole K. O'Sullivan	13.30	at \$ 530.00 =	7,049.00
Christopher A. Lynch	0.70	at \$ 620.00 =	434.00
Lawson Huynh	4.80	at \$ 215.00 =	1,032.00

Total Fees
Less 25% Per Agreement20,197.00
(5,049.25)

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
February 13, 2012

Invoice Number 2229280

Page 3

Current Fees**15,147.75****For Cost Advanced and Expenses Incurred:**

PACER	212.48
Taxi Expense	98.68
Meal Expense	49.01
Telephone - Outside	21.20
Air Travel Expense Travel Agent Fee - Nicole K. O'Sullivan, Travel Agent Fee for Round Trip Tickets to St. Paul Minneapolis AGNT FEE 89005695964765	7.34
Air Travel Expense Airfare - Nicole K. O'Sullivan, Dec 02, Round Trip Tickets to St. Paul Minneapolis re: Petters Substantive Consolidation Hearing DELTA 00687278709644	206.80
Lodging Lodging - Nicole K. O'Sullivan, Dec 11, Graves 601 Hotel - Room Charge, State, City and Lodging Taxes	75.23
General Expense Internet - Nicole K. O'Sullivan, Dec 11, Graves 601 Hotel - Internet Access	15.95
Lodging Lodging - Nicole K. O'Sullivan, Dec 12, Graves 601 Hotel - Room Charge, State, City and Lodging Taxes	75.23
Lodging Lodging - Nicole K. O'Sullivan, Dec 13, Graves 601 Hotel - Room Charge, State, City and Lodging Taxes	75.23

Current Disbursements**837.15*****Total Balance Due Upon Receipt*****\$ 15,984.90**

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

REMITTANCE PAGE

Please return this page with your payment

February 13, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2229280
Client Number: 505162
Matter Number: 60003

STATEMENT OF ACCOUNT

<u>Invoice Date</u>	<u>Invoice #</u>	<u>Amount</u>	<u>Payment/ Credits</u>	<u>Balance Due</u>
Feb 13, 2012	2229280	21,034.15	5,049.25	\$ 15,984.90
		Total Fees and Expenses Due		\$ 15,984.90
		Total Balance Due Upon Receipt		\$ 15,984.90

Please Remit to:

Mail To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

March 14, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2242132
Client Number: 505162
Matter Number: 60003

INVOICE SUMMARY

For Professional Services Rendered Through February 29, 2012

Current Fees	\$ 19,826.50	
Less 25% Per Agreement	(4,956.63)	
Current Disbursements	0.00	14,869.87

Total Balance Due Upon Receipt \$ 14,869.87

Please Remit to:

Mail To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

March 14, 2012

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

Client/Matter Contact: Geoff Varga
Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2242132
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through February 29, 2012

TIME DETAIL

Date	Name	Narrative	Hours
02/01/12	Estrada	Review Petters status, including Ritchie actions for potential impact on claims (50%)	1.80
02/02/12	Estrada	Review of, and comment on, Kelley letter	0.60
02/02/12	Huynh	Review and circulate Petters related case filings for attorney review	0.70
02/03/12	Estrada	Review and comment on Kelley Letter; discuss same w/ G. Varga	1.10
02/03/12	Huynh	Review court filing and provide for attorney review	0.10
02/06/12	Huynh	Review and circulate Petters related case filings for attorney review	0.30
02/06/12	O'Sullivan	Attend Palm Beach team status call (50%).	0.40
02/07/12	O'Sullivan	Review filings in Petters and related cases and circulate summary of same.	3.40
02/08/12	Estrada	Review of mediation procedures	0.60
02/09/12	Huynh	Review and circulate Petters related case filings for attorney review	0.60
02/09/12	O'Sullivan	Emails re: team call and meeting and calendar same.	0.40
02/09/12	Lynch	Review filings in response to certain clawback complaints	0.30
02/10/12	Lynch	Review pleadings and motion to dismiss filed in response to clawbacks.	0.50
02/11/12	Estrada	Review of Kelley letter	0.80

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
March 14, 2012

Invoice Number 2242132

Page 2

TIME DETAIL

Date	Name	Narrative	Hours
02/12/12	Lynch	Review motion to dismiss arguments raised in clawbacks.	0.20
02/13/12	O'Sullivan	Review and prepare Reed Smith January invoices.	1.30
02/13/12	Estrada	Review unjust enrichment claims in KBC complaints	1.20
02/13/12	Estrada	Review of issues regarding resolution of Petters claims; discussions of same	0.70
02/14/12	Estrada	Review of pending Ritchie actions	1.30
02/14/12	O'Sullivan	Review proposed fee application orders and email to R. Rubens re: same (.4). Circulate Reed Smith January invoices (.2).	0.60
02/15/12	O'Sullivan	Review Kinetic January invoices, draft letter re: same, and circulate same.	0.70
02/16/12	Huynh	Review and update Petters related court filings for attorney review	0.60
02/16/12	O'Sullivan	Attend weekly status call with Liquidating Trustee and counsel. (50%)	0.50
02/17/12	Estrada	Update and status call (50%)	0.80
02/20/12	Huynh	Review and circulate Petters related court filings for attorney review	1.10
02/20/12	O'Sullivan	Review law regarding [REDACTED] and emails re: same (.4) (50%).	0.40
02/21/12	Worthley	Drafting docket summaries for N. O'Sullivan review	4.90
02/21/12	O'Sullivan	Review law regarding [REDACTED] and emails re: same (.5) (50%). Review filings in Petters and related cases and circulate to team (.9).	1.40
02/22/12	Jarboe	Prepare Case Law Documents for Attorney Review	1.90
02/22/12	O'Sullivan	Review law regarding [REDACTED] and emails re: same; pull cases and send to S. Genet (1.5) (50%).	1.50
02/23/12	Huynh	Review and circulate Petters related court filings for attorney review	0.30
02/24/12	Huynh	Review and circulate court filings for attorney review	0.20
02/27/12	O'Sullivan	Emails with M. Budwick regarding palm beach status call and agenda for same.	0.30
02/27/12	Huynh	Review and circulate Petters related court filings for attorney review	0.60
02/27/12	Estrada	Review draft Howse agreement	0.80
02/27/12	Jarboe	Procure Case Law for Attorney Review	1.80

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
March 14, 2012Invoice Number 2242132
Page 3**TIME DETAIL**

Date	Name	Narrative	Hours
02/29/12	Estrada	Review of defenses to claim issues	1.80
02/29/12	Lynch	Research issues concerning [REDACTED] review filings into Petters case.	1.20
Total Hours			37.70

Time Summary

	Hours	Rate	Value
Edward J. Estrada	11.50	at \$ 790.00 =	9,085.00
Nicole K. O'Sullivan	10.90	at \$ 530.00 =	5,777.00
Christopher A. Lynch	2.20	at \$ 620.00 =	1,364.00
Lillian C. Worthley	4.90	at \$ 375.00 =	1,837.50
William J. Jarboe	3.70	at \$ 215.00 =	795.50
Lawson Huynh	4.50	at \$ 215.00 =	967.50

Total Fees	19,826.50
Less 25% Per Agreement	(4,956.63)

Total Balance Due Upon Receipt	\$ 14,869.87
---------------------------------------	---------------------

ReedSmith

599 Lexington Avenue
New York, NY 10022
Telephone: 212-521-5400
Fax: 212-521-5450
Tax ID # 25-0749630

NEW YORK • LONDON • HONG KONG • CHICAGO • WASHINGTON, D.C. • BEIJING • PARIS • LOS ANGELES • SAN FRANCISCO • PHILADELPHIA • SHANGHAI • PITTSBURGH •
MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • OAKLAND

REMITTANCE PAGE

Please return this page with your payment

Geoffrey Varga
Kinetic Partners
42 North Church Street
PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

March 14, 2012

Re: Trust Monitor - PBF I and PBF II

Invoice Number: 2242132
Client Number: 505162
Matter Number: 60003

STATEMENT OF ACCOUNT

<u>Invoice Date</u>	<u>Invoice #</u>	<u>Amount</u>	<u>Payment/ Credits</u>	<u>Balance Due</u>
Mar 14, 2012	2242132	19,826.50	4,956.63	\$ 14,869.87
		Total Fees and Expenses Due		\$ 14,869.87
		Total Balance Due Upon Receipt		\$ 14,869.87

Please Remit to:

Mail To:
Reed Smith LLP
P.O. Box 10096
Uniondale, NY 11555-10096

Wire Instructions:
Mellon Bank N.A.
Philadelphia, PA
ABA Number: 031000037
Swift Code: MELNUS3P (International)
Account #2-022-986
(Please Reference Invoice Number)