

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re:

Chapter 11

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

Case No. 09-36379-BKC-PGH

Jointly Administered

Debtors.

---

**SUMMARY OF SEVENTH 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, 2012 THROUGH FEBRUARY 28, 2013**

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 29, 2013
9. Dates of Services Covered: November 1, 2012 through February 28, 2013

---

<sup>1</sup> 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	\$40,419.75
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
<b>13. Net Amount of Fees Requested</b>	<b>\$40,419.75</b>

**Expenses Requested**

14. Total expense reimbursement requested	\$1,426.47
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
<b>17. Net Amount of Expense Reimbursements Requested</b>	<b>\$1,426.47</b>
18. Gross award requested for this period (#10 + #14)	\$41,846.22
<b>19. Net award requested for this period (#13 + #17)</b>	<b>\$41,846.22</b>
<b>20. If <u>Final</u> Fee Application, amounts of net awards requested in interim Applications, but <u>not previously awarded</u> (total from History of Fees and Expenses):</b>	
<b>21. Final fee and expense award requested (#20 + #21)</b>	<b>\$41,846.22</b>

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
12/14/2012	Barry E. Mukamal, as Liq. Trustee	\$1,676.35	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	November 2012
12/14/2012	Barry E. Mukamal, as Liq. Trustee	\$7,636.72	Fees & Costs	82% due by Palm Beach Finance II, L.P.	November 2012
1/18/2013	Barry E. Mukamal, as Liq. Trustee	\$2,052.48	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	December 2012
1/18/2013	Barry E. Mukamal, as Liq. Trustee	\$9,350.19	Fees & Costs	82% due by Palm Beach Finance II, L.P.	December 2012
2/15/2013	Barry E. Mukamal, as Liq. Trustee	\$1,481.15	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	January 2013
2/15/2013	Barry E. Mukamal, as Liq. Trustee	\$6,747.50	Fees & Costs	82% due by Palm Beach Finance II, L.P.	January 2013
3/15/2013	Barry E. Mukamal, as Liq. Trustee	\$2,322.33	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	February 2013
3/15/2013	Barry E. Mukamal, as Liq. Trustee	\$10,579.49	Fees & Costs	82% due by Palm Beach Finance II, L.P.	February 2013

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],	\$175,210.16	\$1,287.58

		dated September 1, 2011		
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 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	\$224,929.12	\$6,530.13
4/30/2012	Fourth Post Confirmation Application	Order Approving Fourth 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, 2011 through February 29, 2012 [ECF No. 1258], dated June 1, 2012.	\$101,540.99	\$2,075.12
8/30/12	Fifth Post Confirmation Application	Order Approving Fifth 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 March 1, 2012 through June 30, 2012 [ECF No. 1429], dated September 26, 2012.	\$59,173.11	\$4,142.90
12/28/2012	Sixth Post Confirmation Application	Order Approving Sixth 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 July 1, 2012 through October 31, 2012 [ECF No. 1690], dated January 30, 2013.	\$40,195.12	\$967.46

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.

/

**SEVENTH 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, 2012 THROUGH FEBRUARY 28, 2013**

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 Order<sup>1</sup> 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 \$41,846.22<sup>2</sup>, consisting of fees in the amount of \$40,419.75 and reimbursement for actual and necessary expenses incurred in the amount of \$1,426.47 during the period of November 1, 2012 through February 28, 2013 (the “Application Period”). In the Application Period, a total of 114 hours were expended by the Firm in its representation of the Monitor, for an average hourly rate of \$354.56 during the Application Period.

<sup>1</sup> Capitalized terms not defined herein shall have the meaning given such terms in the Plan, as defined below.

<sup>2</sup> The Firm is requesting \$40,419.75 in fees as a 25% discount from \$53,893.00. *See* ¶ 8.

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 \$41,846.22 in connection with 114 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. On April 30, 2012, the Firm filed its *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* seeking allowance and payment of fees in the amount of \$101,540.99 and expenses in the amount of \$2,075.12 (the “Fourth Post-Confirmation Application”) [ECF No. 1219]. On June 1, 2012, the Court entered an order granting the Fourth Post-Confirmation Application [ECF No. 1258].

15. On August 30, 2012, the Firm filed its *Fifth 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 March 1, 2012 through June 30, 2012* seeking allowance and payment of fees in the amount of \$59,173.11 and expenses in the amount of \$4,142.90 (the “Fifth Post-Confirmation Application”) [ECF No. 1380]. On September 26, 2012, the Court entered an order granting the Fifth Post-Confirmation Application [ECF No. 1429].

16. On December 28, 2012, the Firm filed its *Sixth 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, 2012 through October 31, 2012* seeking allowance and payment of fees in the amount of \$40,195.121 and expenses in the amount of \$967.46 (the “Sixth Post-Confirmation Application”) [ECF No. 1584]. On January 30, 2013, the Court entered an order granting the Sixth Post-Confirmation Application [ECF No. 1690].

17. Pursuant to Section 7.1.11 of the Plan, on December 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 November 1, 2012 through November 30, 2012 in the amount of \$9,313.07 (\$9,121.12 for fees and \$191.95 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$9,313.07 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from November 1, 2012 through November 30, 2012.

18. Pursuant to Section 7.1.11 of the Plan, on January 18, 2013, 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, 2012 through December 31, 2012 in the amount of \$11,406.67 (\$11,079.37 for fees and \$323.30 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$11,406.67 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from December 1, 2012 through December 31, 2012.

19. Pursuant to Section 7.1.11 of the Plan, on February 15, 2013, 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, 2013 through January 31, 2013 in the amount of \$8,228.65 (\$8,090.25 for fees and \$138.40 for costs). No objection to the requested fees or costs was lodged. Accordingly, \$8,228.65 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from January 1, 2013 through January 31, 2013.

20. Pursuant to Section 7.1.11 of the Plan, on March 15, 2013, 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, 2013 through February 28, 2013 in the amount of \$12,901.82 (\$12,129.00 for fees and \$772.82 for costs). No objection to the requested fees or costs was lodged.

Accordingly, \$12,901.82 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from February 1, 2013 through February 28, 2013.

21. 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 seventh post-effective date period of November 1, 2012 through February 28, 2013 in the amount of \$41,846.22.

#### **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 actions against various litigation targets and settlements of the same, as well as overall litigation strategy. These communications often took the form of the bi-weekly status calls involving the Monitor and his counsel as well as the Liquidating Trustee and his counsel. Additionally, the Firm also attended a comprehensive in-person status and strategy meeting in Miami, Florida.

During the Application Period, the Firm reviewed and conferred with the Liquidating Trustee's counsel regarding motions filed in actions brought by the Liquidating Trustee, including, but not limited to the action brought against Fulbright and Jaworski. 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 and settlement agreements in connection with the resolution of certain adversary

proceedings. Also, the Firm was involved in discussions and review of the settlement with investor J. Umbach.

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.

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 sixth 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 \$41,846.22 for 114 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 blended billing rate for the Firm's legal services to the Monitor during the Application Period is \$354.56 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, \$40,419.75 for legal services rendered by the Firm in connection with representation of the Monitor for the period of time from November 1, 2012 through February 28, 2013 and \$1,426.47 for reimbursement of actual and necessary expenses incurred by the Firm, for a total of \$41,846.22.

Dated: April 29, 2013

Respectfully submitted,

REED SMITH LLP

By: /s/ Edward J. Estrada

Edward J. Estrada, Esq.  
599 Lexington Avenue, 22<sup>nd</sup> Floor  
Telephone: 212-521-5400  
Facsimile: 212-521-5450  
E-mail: [eestrada@reedsmith.com](mailto:eestrada@reedsmith.com)

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

<b><u>NAME, DEPARTMENT AND LOCATION</u></b>	<b><u>YEAR LICENSED</u></b>	<b><u>RATE</u></b>	<b><u>HOURS</u></b>	<b><u>AMOUNT</u></b>
Edward J. Estrada, Financial Industry, New York	1998	\$790.00 \$815.00	6.8 14.2	\$5,372.00 \$11,573.00
<b>Total Partners:</b>			<b>21</b>	<b>\$16,945.00</b>
Christopher A. Lynch, Financial Industry, New York	2004	\$620.00 \$655.00	4.8 3.8	\$2,976.00 \$2,489.00
Nicole K. O'Sullivan, Financial Industry, New York	2009	\$530.00 \$610.00	9.8 5.5	\$5,194.00 \$3,355.00
Lillian C. Worthley, Financial Industry, New York	2012	\$375.00 \$445.00	18 17.6	\$6,750.00 \$7,832.00
<b>Total Associates</b>			<b>59.5</b>	<b>\$28,596.00</b>
Lawson Huynh, Financial Industry, New York	n/a	\$215.00 \$225.00	6.6 7.6	\$1,419.00 \$1,710.00
William J. Jarboe, Financial Industry, New York	n/a	\$215.00	8	\$1,720.00
Elizabeth Anne Arundel, Financial Industry, Chicago	n/a	\$310.00	11.3	\$3,503.00
<b>Total Paraprofessionals:</b>			<b>33.5</b>	<b>\$8,352.00</b>
<b>Total Professional and Paraprofessional Time:</b>			<b>114 hours</b>	
<b>Gross Professional and Paraprofessional Fees:</b>			<b>\$53,893.00</b>	
<b>Less 25%</b>			<b>(\$13,473.25)</b>	
<b>Net Professional and Paraprofessional Fees:</b>			<b>\$40,419.75</b>	
<b>(Post Discount) Blended Hourly Rate:</b>			<b>\$354.56</b>	

**Exhibit 2**

**Summary of Requested Reimbursement of Expenses**

<b>REED SMITH EXPENSES</b>	
PACER	\$678.70
Duplication	\$20.55
Westlaw	\$91.14
Outside Telephone	\$34.81
Airfare	\$565.80
Other Expenses	\$30.00
Internet	\$5.47
<b>Total:</b>	<b>\$1,426.47</b>

**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  
29 day of April, 2013

  
Notary Public

IDALIA M. COLLADO  
NOTARY PUBLIC, State of New York  
No. 01CO5042232  
Qualified in County of Queens  
Commission Expires April, 2015

**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

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

December 14, 2012

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2353922  
Client Number: 505162  
Matter Number: 60003

---

## INVOICE SUMMARY

For Professional Services Rendered Through November 30, 2012

Total Fees	\$	12,161.50	
Less 25% Per Agreement		(3,040.38)	
Current Disbursements		<u>191.95</u>	9,313.07

***Total Balance Due Upon Receipt*** **\$ 9,313.07**

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)



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

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

December 14, 2012

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

Invoice Number: 2353922  
Client Number: 505162  
Matter Number: 60003

For Professional Services Rendered Through November 30, 2012

#### TIME DETAIL

Date	Name	Narrative	Hours
11/01/12	Worthley	Weekly docket summary	1.80
11/05/12	Huynh	Review and circulate Petters related court filings for attorney review	0.70
11/06/12	Huynh	Review and circulate court filing for attorney review	0.10
11/08/12	Huynh	Review and circulate Petters related court filings for attorney review	0.40
11/08/12	O'Sullivan	Emails regarding PB Status call.	0.30
11/08/12	Worthley	Weekly Petters docket summary	2.00
11/12/12	Estrada	Weekly status and strategy call and follow-up (50%)	0.60
11/12/12	Huynh	Review and circulate Petters related court filings for attorney review	0.60
11/15/12	Huynh	Review and circulate Petters related court filings for attorney review	0.70
11/15/12	Lynch	Review invoices for monthly statement, review and revise letters.	0.40
11/15/12	Lynch	Review and finalize letter to Trustee and UST re monthly fee statements.	0.60
11/15/12	Worthley	Palm Beach and Kinetic Invoices	2.00
11/15/12	Lynch	Review press regarding Kelly suit against M&I successor in interest; brief review of complaint.	0.40

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
December 14, 2012Invoice Number 2353922  
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
11/19/12	Huynh	Review and circulate Petters related court filings for attorney review	0.70
11/19/12	Worthley	Weekly Petters Docket Summary	1.70
11/19/12	Estrada	Telephone conference with J. Eaton and G. Varga re: claim resolution	0.80
11/19/12	O'Sullivan	Review filings in Petters and related cases and circulate summary to team.	0.40
11/19/12	Lynch	Review filings and summary in PB and Petters cases (50%).	0.30
11/20/12	Lynch	Review of KBC answer and defenses (50%).	0.20
11/26/12	Huynh	Review and circulate Petters filings for attorney review	0.60
11/27/12	Estrada	Review of Umbach settlement and claims; discuss w/ G. Varga	0.90
11/28/12	O'Sullivan	Emails regarding sixth post-confirmation fee application.	0.50
11/28/12	Estrada	Discussions re: Umbach settlement; t/c w/ G. Varga re: same (50%)	0.60
11/28/12	Jarboe	Set up telephonic appearance re: Pre Trial Conference	0.30
11/29/12	Huynh	Review and circulate Petters related court filings for attorney review	0.60
11/29/12	Estrada	Telephonically attend pre-trial conferences (50%)	0.70
11/29/12	Jarboe	Distribute court documents re: Pre-Trial Conference	0.30
11/29/12	Lynch	Review filings in PB adversary proceedings and Petters case (50%).	0.30
11/29/12	Arundel	Prepare Reed Smith sixth fee application (3.4)	3.40
11/30/12	Arundel	Prepare calculation chart for Kinetic's sixth fee application (3.0)	3.00
11/30/12	Lynch	Review Petters' settlements, Fulbright complaint and other filings in PB (50%).	0.40
11/30/12	Worthley	Weekly Petters Docket Summary	1.80
11/30/12	Jarboe	Review Pre-Trial Conference summary, calendar upcoming conferences	1.20
11/30/12	O'Sullivan	Review filings in Petters and related cases and circulate summary.	0.50
Total Hours			29.80

Time Summary	Hours	Rate	Value
Edward J. Estrada	3.60	at \$ 790.00 =	2,844.00

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
December 14, 2012Invoice Number 2353922  
Page 3

Time Summary	Hours	Rate	Value
Nicole K. O'Sullivan	1.70	at \$ 530.00 =	901.00
Christopher A. Lynch	2.60	at \$ 620.00 =	1,612.00
Lillian C. Worthley	9.30	at \$ 375.00 =	3,487.50
Elizabeth Anne Arundel	6.40	at \$ 310.00 =	1,984.00
William J. Jarboe	1.80	at \$ 215.00 =	387.00
Lawson Huynh	4.40	at \$ 215.00 =	946.00

Total Fees	12,161.50
<b>Less 25% Per Agreement</b>	<b><u>(3,040.38)</u></b>
<b>Current Fees</b>	<b>9,121.12</b>

For Cost Advanced and Expenses Incurred:

PACER	160.60
Duplicating/Printing/Scanning	1.35
General Expense	30.00

Current Disbursements	191.95
-----------------------	--------

<b><i>Total Balance Due Upon Receipt</i></b>	<b><u><u>\$ 9,313.075</u></u></b>
--	-----------------------------------



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

## 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

December 14, 2012

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2353922  
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>
Dec 14, 2012	2353922	12,353.45	<b>3,040.38</b>	\$ 9,313.07
	Total Fees and Expenses Due			\$ 9,313.07
	<b>Total Balance Due Upon Receipt</b>			<b>\$ 9,313.07</b>

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 ♦ HOUSTON ♦ SINGAPORE ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ SILICON VALLEY ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE ♦ KAZAKHSTAN

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

January 18, 2013

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2364357  
Client Number: 505162  
Matter Number: 60003

---

## INVOICE SUMMARY

For Professional Services Rendered Through January 4, 2013

Total Fees	\$	14,772.50	
<b>Less 25% Per Agreement</b>		<b>(3,693.13)</b>	
Current Disbursements		<u>323.30</u>	11,402.67

***Total Balance Due Upon Receipt*** **\$ 11,402.67**

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)



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 • HOUSTON • SINGAPORE • MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • KAZAKHSTAN

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

January 18, 2013

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

Invoice Number: 2364357  
Client Number: 505162  
Matter Number: 60003

For Professional Services Rendered Through January 4, 2013

#### TIME DETAIL

Date	Name	Narrative	Hours
12/03/12	Huynh	Review and circulate Petters related court filings for attorney review	0.70
12/03/12	Arundel	Prepare sixth fee application for Kinetic Partners (4.0)	4.00
12/04/12	Estrada	Update call w/ J. Lodoen re: status of case and review of dockets (50%)	1.30
12/06/12	Jarboe	Review court dockets for substantive filings, distribute.	1.90
12/07/12	O'Sullivan	Attend Palm Beach status call with Liquidating Trustee and Monitor (.8); Review filings in Petters and related cases, summarize and circulate to team (.4).	1.20
12/07/12	Estrada	Team update and strategy call and follow-up (50%)	0.80
12/07/12	Worthley	Drafting petters weekly docket summary	1.80
12/10/12	Jarboe	Review court dockets for substantive entries, distribute.	1.80
12/13/12	Jarboe	Review court dockets for substantive entries, distribute.	2.10
12/13/12	Worthley	Preparation and emails regarding monthly invoice letters	0.20
12/13/12	O'Sullivan	Review filings in Petters and related cases and circulate summary to team.	0.30
12/13/12	Worthley	Weekly Petters Docket Summary	1.50
12/14/12	Jarboe	Prepare Court Call. Confer with E. Farber re: Same	0.40
12/14/12	Lynch	Review and finalize monthly statements and email same to distribution list (50%)	0.40
12/14/12	Worthley	Drafting monthly invoices	1.50

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
January 18, 2013

Invoice Number 2364357

Page 2

**TIME DETAIL**

Date	Name	Narrative	Hours
12/17/12	O'Sullivan	Draft/revise Sixth Post-Confirmation Fee Applications for Reed Smith and Kinetic.	1.20
12/17/12	Huynh	Review and circulate Petters related court filings for attorney review	0.50
12/17/12	Worthley	Drafting Petters weekly docket summary	2.50
12/18/12	Lynch	Review Sixth Fee App for Reed Smith and Kinetic Partners and comment on the same.	0.90
12/18/12	O'Sullivan	Draft/revise Sixth Post-Confirmation Fee Applications for Reed Smith and Kinetic.	3.40
12/18/12	Arundel	Assist N O'Sullivan with double check of fee application calculations (.9)	0.90
12/20/12	Huynh	Review and circulate Petters related court filings for attorney review	0.40
12/20/12	O'Sullivan	Draft/revise 6th Post confirmation fee applications.	1.60
12/21/12	Estrada	Team status call	1.10
12/27/12	Lynch	Review filings in Petters and PB bankruptcies (50%).	0.30
12/27/12	Huynh	Review and circulate Petters related court filings for attorney review	0.60
12/27/12	Worthley	Petters weekly summaries	1.20
12/28/12	Lynch	Review M&I related filings and brief review of fee applications (50%).	0.60
12/31/12	O'Sullivan	Review filings in Petters and related cases and circulate summary to team.	0.40
Total Hours			35.50

Time Summary	Hours	Rate	Value
Edward J. Estrada	3.20	at \$ 790.00 =	2,528.00
Nicole K. O'Sullivan	8.10	at \$ 530.00 =	4,293.00
Christopher A. Lynch	2.20	at \$ 620.00 =	1,364.00
Lillian C. Worthley	8.70	at \$ 375.00 =	3,262.50
Elizabeth Anne Arundel	4.90	at \$ 310.00 =	1,519.00
William J. Jarboe	6.20	at \$ 215.00 =	1,333.00
Lawson Huynh	2.20	at \$ 215.00 =	473.00

Total Fees	14,772.50
<b>Less 25% Per Agreement</b>	<b>(3,693.13)</b>
Current Fees	11,079.37

For Cost Advanced and Expenses Incurred:



505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
January 18, 2013

Invoice Number 2364357

Page 3

PACER

191.80

Duplicating/Printing/Scanning

5.55

Westlaw

91.14

Telephone - Outside

34.81

Current Disbursements

323.30

***Total Balance Due Upon Receipt******\$ 11,402.67***



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 • HOUSTON • SINGAPORE • MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • KAZAKHSTAN

## 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

January 18, 2013

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2364357  
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 18, 2013	2364357	15,095.80	<b>3,693.13</b>	\$ 11,402.67
	Total Fees and Expenses Due			\$ 11,402.67
	<b>Total Balance Due Upon Receipt</b>			<b>\$ 11,402.67</b>

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)



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 • HOUSTON • SINGAPORE • MUNICH • ABU DHABI • PRINCETON • NORTHERN VIRGINIA • WILMINGTON • SILICON VALLEY • DUBAI • CENTURY CITY • RICHMOND • GREECE • KAZAKHSTAN

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

February 14, 2013

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2373165  
Client Number: 505162  
Matter Number: 60003

---

### INVOICE SUMMARY

For Professional Services Rendered Through January 31, 2013

Total Fees	\$	10,787.00	
<b>Less 25% Per Agreement</b>		<b>(2,696.75)</b>	
Current Disbursements		<u>138.40</u>	8,228.65
<b><i>Total Balance Due Upon Receipt</i></b>			<b><u>\$ 8,228.65</u></b>

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)



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 ♦ HOUSTON ♦ SINGAPORE ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ SILICON VALLEY ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE ♦ KAZAKHSTAN

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

February 14, 2013

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

Invoice Number: 2373165  
Client Number: 505162  
Matter Number: 60003

For Professional Services Rendered Through January 31, 2013

#### TIME DETAIL

Date	Name	Narrative	Hours
01/02/13	Estrada	T/c w/ M. Budwick re: filing of USB complaint and review of same.	0.90
01/02/13	Lynch	Review motion for leave to file late claim	0.10
01/03/13	Huynh	Review and circulate Petters related court filings	0.30
01/04/13	Estrada	Team status and strategy call (50%).	0.80
01/04/13	O'Sullivan	Attend Palm Beach status call (.8). Review filings in Petters and related cases and circulate summary to team (0.4).	1.20
01/07/13	Huynh	Review and circulate Petters filings for attorney review	0.60
01/10/13	Huynh	Review and circulate Petters related filings for attorney review	0.40
01/11/13	Worthley	Drafting weekly petter's docket summaries	1.20
01/14/13	Huynh	Review and circulate Petters filings for attorney review	0.60
01/14/13	Worthley	Palm beach invoice letters	1.00
01/14/13	O'Sullivan	Review filings in Petters and related cases and circulate summary.	0.70
01/15/13	Worthley	Drafting monthly invoice letters	0.90
01/15/13	Lynch	Review and finalize monthly statements for KP and RS (50%)	0.20
01/16/13	Huynh	Review and circulate Petters related court filings	0.40
01/17/13	Huynh	Review and circulate Petters related documents for attorney review	0.40

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
February 14, 2013Invoice Number 2373165  
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
01/17/13	Worthley	Petter weekly docket summary	0.60
01/17/13	Worthley	Drafting invoice letters for Reed Smith Fees	0.30
01/17/13	O'Sullivan	Review filings in Petters and related cases and circulate summary regarding same.	0.30
01/18/13	Lynch	Review, revise and finalize RS monthly statement.	0.30
01/18/13	O'Sullivan	Attend Palm Beach status call and f/u regarding same (50%).	0.50
01/18/13	Estrada	Case status and strategy and internal follow-up (50%)	1.10
01/21/13	Estrada	Review of recent settlements and remaining adversaries (50%).	0.60
01/22/13	Estrada	Review MORs and filed claims (59%)	1.20
01/24/13	Huynh	Review and circulate Petters related court filings for attorney review	0.40
01/24/13	Worthley	Weekly Petters docket summary	1.30
01/25/13	Worthley	Petters docket summary	1.30
01/28/13	Huynh	Review and circulate Petters related court filings	0.30
01/28/13	Lynch	Review Petters filings.	0.30
01/29/13	Worthley	Updating Petters Docket summary	0.70
01/29/13	Lynch	Prepare for and attend telephonically hearing on RS fee 6th Fee Application and First Application as Special Counsel (50%).	0.50
01/29/13	O'Sullivan	Review filings in Petters Bankruptcy and related cases and circulate summary to team (0.3); Review orders regarding fee applications (0.2)	0.50
01/31/13	Lynch	Review filings in Palm Beach cases.	0.10
01/31/13	Huynh	Review and circulate Petters related court filings for attorney review	0.40

Total Hours	20.40
-------------	-------

Time Summary	Hours	Rate	Value
Edward J. Estrada	4.60	at \$ 815.00 =	3,749.00
Nicole K. O'Sullivan	3.20	at \$ 610.00 =	1,952.00
Christopher A. Lynch	1.50	at \$ 655.00 =	982.50
Lillian C. Worthley	7.30	at \$ 445.00 =	3,248.50
Lawson Huynh	3.80	at \$ 225.00 =	855.00

Total Fees

10,787.00

Less 25% Per Agreement

(2,732.13)

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
February 14, 2013

Invoice Number 2373165  
Page 3

Current Fees 8,090.25

For Cost Advanced and Expenses Incurred:

PACER	126.40
Duplicating/Printing/Scanning	12.00

Current Disbursements 138.40

<b><i>Total Balance Due Upon Receipt</i></b>	<b>\$ 8,228.65</b>
--	--------------------



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 ♦ HOUSTON ♦ SINGAPORE ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ SILICON VALLEY ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE ♦ KAZAKHSTAN

**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

February 14, 2013

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2373165  
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 14, 2013	2373165	10,925.40	<b>2,696.75</b>	\$ 8,228.65
	Total Fees and Expenses Due			\$ 8,228.65
	<b>Total Balance Due Upon Receipt</b>			<b>\$ 8,228.65</b>

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)



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 ♦ HOUSTON ♦ SINGAPORE ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ SILICON VALLEY ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE ♦ KAZAKHSTAN

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

March 15, 2013

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

Invoice Number: 2384983  
Client Number: 505162  
Matter Number: 60003

For Professional Services Rendered Through February 28, 2013

#### TIME DETAIL

Date	Name	Narrative	Hours
02/01/13	Estrada	Review of case status and strategy and follow-up (50%)	0.80
02/01/13	Worthley	Petters docket summary	0.80
02/01/13	O'Sullivan	Attend Palm Beach bi-weekly update call and f/u re same (50%).	0.70
02/04/13	Huynh	Review and circulate Petters related court filings for attorney review	0.30
02/04/13	Lynch	Review filing in PB adversary proceedings.	0.10
02/05/13	O'Sullivan	Review filings in Petters and related cases and circulate summary to team.	0.30
02/05/13	Worthley	Drafting Petters docket summary	1.50
02/07/13	Huynh	Review and circulate Petters related court filings for attorney review	0.20
02/07/13	Worthley	Drafting petters docket summary	1.10
02/08/13	O'Sullivan	Draft agenda for in-person Palm Beach team meeting (50%) (0.3). Summary of filings in Petters and related cases (0.2).	0.50
02/11/13	Huynh	Review and circulate Petters related court filings for attorney review	0.70
02/13/13	Estrada	Round-trip travel to Miami for in-person status and strategy meeting (50%)	8.80
02/13/13	Worthley	Emails requesting January invoices for letters	0.20



505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
March 15, 2013Invoice Number 2384983  
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
02/14/13	Huynh	Review and circulate Petters related court filings for attorney review	0.40
02/14/13	Worthley	Discussions and emails regarding jan invoices	0.30
02/15/13	Lynch	Review and finalize monthly fee statements.	0.30
02/15/13	Worthley	Drafting and sending Invoice Letters for Jan 2013	1.80
02/15/13	Worthley	Drafting Petters Docket Summary	1.80
02/15/13	O'Sullivan	Review and summarize filings in Petters and related cases and circulate summary to team.	0.80
02/18/13	Huynh	Review and circulate Petters related court filings for attorney review	0.60
02/18/13	Lynch	Review filings, claim objection deadline order in PB cases.	0.20
02/22/13	Worthley	Drafting weekly Petters docket summary.	1.00
02/25/13	Huynh	Review and circulate Petters related court filings for attorney review, provide attorney with plan confirmation documents	0.70
02/25/13	Lynch	Review filings in PB adversary proceedings.	0.30
02/26/13	Huynh	Circulate court calendar for attorney review	0.30
02/26/13	Lynch	Review Chapter 11 Trustee response to F&J MTD and order on M&I MTD.	1.40
02/28/13	Worthley	Drafting of summary Petters docket	1.80
02/28/13	Huynh	Review and circulate Petters related court filings for attorney review	0.60
Total Hours			28.30

**Time Summary**

	Hours	Rate	Value
Edward J. Estrada	9.60	at \$ 815.00 =	7,824.00
Nicole K. O'Sullivan	2.30	at \$ 610.00 =	1,403.00
Christopher A. Lynch	2.30	at \$ 655.00 =	1,506.50
Lillian C. Worthley	10.30	at \$ 445.00 =	4,583.50
Lawson Huynh	3.80	at \$ 225.00 =	855.00

Total Fees	16,172.00
Less 25% Per Agreement	(4,043.00)
Current Fees	12,129.00

For Cost Advanced and Expenses Incurred:

PACER	199.90
Duplicating/Printing/Scanning	1.65

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II  
March 15, 2013Invoice Number 2384983  
Page 3Air Travel Expense Airfare - VENDOR: Edward J. Estrada, Feb 01,  
201 Travel between NY and Miami for hearing and client meetings  
DELTA 00672032523971

222.90

Air Travel Expense Travel Agent Fee - VENDOR: Edward J. Estrada,  
Fe Travel between NY and Miami for hearing and client meetings  
AGNT FEE 89005864856941

11.00

Air Travel Expense Travel Agent Fee - VENDOR: Edward J. Estrada,  
Fe Travel between NY and Miami for hearing and client meetings  
AGNT FEE 89005868348224

11.00

Air Travel Expense Airfare - VENDOR: Edward J. Estrada, Feb 13,  
201 Travel between NY and Miami for hearing and client meetings  
AMERICAN 00172061932980

154.95

Air Travel Expense Travel Agent Fee - VENDOR: Edward J. Estrada,  
Fe Travel between NY and Miami for hearing and client meetings  
AGNT FEE 89005868389981 -- Ann Gittelman

11.00

Air Travel Expense Airfare - VENDOR: Edward J. Estrada, Feb 13,  
201 Travel between NY and Miami for hearing and client meetings  
AMERICAN 00172061933330 -- Ann Gittelman

154.95

General Expense Internet - VENDOR: Edward J. Estrada, Feb 14, 20  
Travel between NY and Miami for hearing and client meetings  
GOGOAIR.COM

5.47

Current Disbursements

772.82

***Total this Invoice******\$ 12,901.82***



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 ♦ HOUSTON ♦ SINGAPORE ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ SILICON VALLEY ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE ♦ KAZAKHSTAN

**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 15, 2013

**Re: Trust Monitor - PBF I and PBF II**

Invoice Number: 2384983  
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 14, 2013	2373165	8,228.65	0.00	\$ 8,228.65
Mar 15, 2013	2384983	16,944.82	<b>4,043.00</b>	12,901.82
	Total Fees and Expenses Due			\$ 21,130.47
	<b>Total Balance Due Upon Receipt</b>			<b>\$ 21,130.47</b>

Please Remit to:

**Mail To:**  
Reed Smith LLP  
P.O. Box 10096  
Uniondale, NY 11555-0096

**Wire Instructions:**  
BNY Mellon Bank N.A.  
Philadelphia, PA  
ABA Number: 031000037  
Swift Code: IRVTUS3N (International)  
Account #2-022-986  
(Please Reference Invoice Number)