

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

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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 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**

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: December 28, 2011
9. Dates of Services Covered: July 1, 2011 through October 31, 2011

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	\$224,929.12
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	\$224,929.12

Expenses Requested

14. Total expense reimbursement requested	\$6,530.13
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	\$6,530.13
18. Gross award requested for this period (#10 + #14)	\$231,459.25
19. Net award requested for this period (#13 + #17)	\$231,459.25
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):	
21. Final fee and expense award requested (#20 + #21)	

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 or expected to be received:

Dates	Sources	Amounts	Fees or Costs?	Description	Period
9/22/2011	Barry E. Mukamal, as Liq. Trustee	\$17,126.55	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	July 2011
9/22/2011	Barry E. Mukamal, as Liq. Trustee	\$105,866.21	Fees & Costs	82% due by Palm Beach Finance II, L.P.	July 2011
9/28/2011	Barry E. Mukamal, as Liq. Trustee	\$2,630.64	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	August 2011
9/28/2011	Barry E. Mukamal, as Liq. Trustee	\$53,812.23	Fees & Costs	82% due by Palm Beach Finance II, L.P.	August 2011
11/7/2011	Barry E. Mukamal, as Liq. Trustee	\$4,539.38	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	September 2011
11/7/2011	Barry E. Mukamal, as Liq. Trustee	\$28,315.83	Fees & Costs	82% due by Palm Beach Finance II, L.P.	September 2011
12/27/11	Barry E. Mukamal, as Liq. Trustee	\$3,240.53	Fees & Costs	18% due by Palm Beach Finance Partners, L.P.	October 2011
12/27/11	Barry E. Mukamal, as Liq. Trustee	\$15,927.89	Fees & Costs	82% due by Palm Beach Finance II, L.P.	October 2011

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
7/28/11	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

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**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**

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 \$231,459.25², consisting of fees in the amount of \$224,929.12 and reimbursement for actual and necessary expenses incurred in the amount of \$6,530.13 during the period of July 1, 2011 through October 31, 2011 (the "Application Period").³ In the Application Period, a total of 479.1 hours were expended by the Firm in its representation of the Monitor, for an average hourly rate of \$469.48 during the

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

² The Firm is requesting \$224,929.12 in fees as a 25% discount from \$299,905.50. *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.

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 \$231,459.25 in connection with 479.1 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. Pursuant to Section 7.1.11 of the Plan, on August 12, 2011, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period July 1, 2011 through July 31, 2011 in the amount of \$122,992.76 (\$120,342.37 for fees and \$2,650.39 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$122,992.76 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from July 1, 2011 through July 31, 2011.

14. Pursuant to Section 7.1.11 of the Plan, on September 15, 2011, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period August 1, 2011 through August 31, 2011 in the amount of \$56,442.87 (\$55,653.75 for fees and \$789.12 for expenses). No objection to the requested fees or costs was lodged. Accordingly, \$56,442.87 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from August 1, 2011 through August 31, 2011.

15. Pursuant to Section 7.1.11 of the Plan, on October 13, 2011, the Firm submitted to the Liquidating Trustee and the U.S. Trustee its invoice for services rendered to the Monitor for the period September 1, 2011 through September 30, 2011 in the amount of \$32,855.21 (\$32,360.25 for fees and \$494.96 for costs). No objection to the requested fees or costs was lodged. Accordingly, \$32,855.21 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from September 1, 2011 through September 30, 2011.

16. Pursuant to Section 7.1.11 of the Plan, on November 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 October 1, 2011 through October 31, 2011 in the amount of \$19,168.41 (\$16,572.75 for fees and \$2,595.66 for costs). No objection to the requested fees or costs was lodged. Accordingly, \$19,168.41 has been paid to the Firm for services rendered to, and costs incurred on behalf of, the Monitor from October 1, 2011 through October 31, 2011.

17. 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 July 1, 2011 through October 31, 2011 in the amount of \$231,459.25.

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 two in-person meetings held in New York and Miami during the Application Period to discuss pending issues, the status of litigation matters and strategy going forward.

During the Application Period, the Firm also conducted extensive research and analysis of potential clawback actions, including strategy for implementing such actions, targets and potential damages. Additionally, the Firm conferred with the Liquidating Trustee's counsel regarding demand letters to and complaints against potential defendants and settlement of clawback actions. 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 also analyzed potential claims against the Offshore Funds' pre-petition professionals and counseled the JOL with respect to such claims. This work entailed extensive research and analysis of the JOL's claims as well as coverage under the applicable insurance policy. The Firm's work included (i) drafting a demand to the insured professional's insurance carrier; (ii) substantive correspondence in defense of the JOL's claim; (iii) communications with counsel for the insurance company with respect to potential resolution of the JOL and Liquidating Trustee's claim; (iv) drafting a mediation statement; and (v) preparing for and attending a mediation with the insured professional's carrier in Miami. Following the mediation, the Firm counseled the JOL and consulted with the Liquidating Trustee with respect to settlement. These discussions resulted in settlements providing for substantial payments to the Liquidating Trustee for the benefit of the Trust Beneficiaries.

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 second post-confirmation fee application and appeared telephonically at a hearing on the same. The Firm also provided comments to counsel for the Liquidating Trustee on the Summary Notice and Notice of Filing the second post confirmation fee applications filed by all professionals retained by the Liquidating Trustee and the Monitor.

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 \$224,929.12 for 479.1 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 \$469.48 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, \$224,929.12 for legal services rendered by the Firm in connection with representation of the Monitor for the period of time from July 1, 2011 through October 31, 2011 and \$6,530.13 for reimbursement of actual and necessary expenses incurred by the Firm, for a total of \$231,459.25.

Dated: December 28, 2011

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 28th day of December, 2011 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
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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**

<u>NAME, DEPARTMENT AND LOCATION</u>	<u>YEAR LICENSED</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
Edward J. Estrada, Financial Industry, New York	1998	\$760.00	183.0	\$139,080.00
Ann Kramer, Litigation – Insurance Recovery	1985	\$860.00	45.9	\$39,474.00
Total Partners:			228.9	\$178,554.00
Christopher A. Lynch, Financial Industry, New York	2004	\$585.00	63.6	\$37,206.00
Chrystal Puleo, Financial Industry, New York	2007	\$540.00	8.5	\$4,590.00
Nicole K. O'Sullivan, Financial Industry, New York	2009	\$465.00	93.20	43,338.00
Sarah K. Kam, Financial Industry, New York	2007	\$550.00	44.0	\$24,200.00
Daniel Schliefsstein - Litigation - Commercial Litigation Eastern, New York	2008	\$445.00	9.7	\$4,413.50
Lillian C. Worthley, Financial Industry, New York	pending	\$355.00	8.8	\$3,124.00
Total Associates			227.8	\$116,871.50
Lawson Huynh, Financial Industry, New York	n/a	\$200.00	21.6	\$4,320.00
William J. Jarboe, Financial Industry, New York	n/a	\$200.00	.8	\$160.00
Total Paraprofessionals:			22.4	\$4,480.00
Total Professional and Paraprofessional Time and Fees:			479.1	\$299,905.50
Less 25%				\$74,976.38
Net Professional and Paraprofessional Fees:				\$224,929.12
Blended Hourly Rate:				\$469.48

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

Expense Description	Amount
Courier Services	\$10.02
PACER	\$567.36
Duplication	\$94.35
Lexis/Westlaw	\$512.41
Taxi	\$352.82
Meals	\$166.02
Courtcall	\$60.00
Airfare	\$1,936.66
Postage	\$0.44
Outside Phone	\$32.45
Legal Services-Mediation	\$2,250.00
Lodging	\$481.60
Parking/Tolls	\$66.00
Total:	\$6,530.13

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.

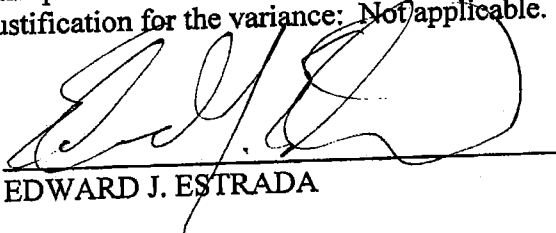
The fees and expenses sought are billed at rates and in accordance with practices customarily employed by the Firm and generally accepted by the Firm's clients.

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
23 day of November, 2011


Notary Public

IDALIA M. COLLADO
NOTARY PUBLIC, State of New York
No. 01CO5042232
Qualified in County of Queens
Commission Expires April, 20 15

Composite Exhibit 4

Contemporaneous Time and Expense Records



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

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

August 11, 2011

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

Invoice Number: 2156946
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through July 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
06/01/11	Estrada	Review and revise draft letter to R. Simpson	1.20
06/01/11	Lynch	Multiple revisions to letter to Richard Simpson (regarding Simms Moss claim); office conferences with Edward Estrada; e-mails with Ann Kramer and Trustee's counsel regarding same; review/analyze letter prepared by Michael Budwick and consider appropriateness of incorporating portions of same; e-mail to Geoff Varga regarding draft letter.	4.40
06/01/11	Kramer	Revise response letter to Simpson (1.0); e-mail exchange with Lynch and Estrada re same (.20); review Budwick draft for onshore Trustee for consistency with our response to Simpson (.60).	1.80
06/02/11	Lynch	Follow up regarding letter to Richard Simpson; office conferences with Edward Estrada; consider appropriateness of modifying letter per client's comments; e-mail to Geoff Varga regarding same; e-mail to Michael Budwick	1.20
06/02/11	O'Sullivan	Review Trustee's letter re: Simms Moss. Review filings in Petters and related cases, summarize and circulate to team.	3.90
06/02/11	Kramer	E-mail exchange with Estrada and Lynch re revisions to response letter to R. Simpson, mediation (.30); revise letter to Simpson per M. Budwick comments (.20); finalize letter to Simpson (.10)	0.60
06/03/11	Estrada	Sims Moss mediation strategy issues (1/2)	1.20

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011Invoice Number 2156946
Page 2

TIME DETAIL

Date	Name	Narrative	Hours
06/06/11	Estrada	Sims Moss and related insurance issues and strategy regarding same (1/2)	0.70
06/07/11	Kramer	Research re mediator candidates for Sims Moss claim	0.50
06/08/11	Kramer	Research re mediator candidates for Sims Moss claim	0.50
06/08/11	Estrada	Sims Moss and Insurer legal and factual issue review	5.30
06/15/11	Estrada	Review insurance and coverage issues; discuss mediation strategy with A. Kramer review case law (50%)	2.80
06/16/11	Kramer	Further research and e-mail exchanges re mediator selection	0.30
06/17/11	Kramer	Weekly conference call and further research re mediator selection.	0.70
06/20/11	Lynch	Research regarding Rothstein settlement; email to Ann Kramer on the same.	1.50
06/20/11	Kramer	Review press re Rothstein settlement and e-mail exchange with E. Estrada re same.	0.20
06/27/11	Lynch	Review mediation directions	0.30
06/27/11	Estrada	Review and discuss drafts Sims Moss settlement agreement and Bar order with G. Varga and compare with prior Bar orders (50%)	1.20
06/27/11	Estrada	Review Winston motion to dismiss and case law (50%)	0.80
07/01/11	Estrada	Telephone conference with Palm Beach Team to discuss status and strategy (50%)	0.60
07/01/11	O'Sullivan	Review filings in Petters and related cases.	0.80
07/01/11	Estrada	Review substantive consolidation filings in Petters actions (50%)	1.30
07/05/11	O'Sullivan	Review filings in Petters and related cases.	0.30
07/06/11	Lynch	Attend to mediator's indemnity matter	0.80
07/07/11	Huynh	Review and update case filings	0.60
07/07/11	Lynch	Follow up with Ann Kramer regarding mediation, research related information	0.40
07/07/11	O'Sullivan	Review filings in Petters and related cases. Summarize and circulate to team.	2.10
07/07/11	Kramer	E-mail exchange with Lynch and Estrada re mediation statement (20); begin work on Mediation statement (1.20)	1.40
07/08/11	Kramer	Continue drafting Mediation statement	5.20
07/08/11	Lynch	Follow-up regarding mediator indemnity	0.20

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Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011Invoice Number 2156946
Page 3

TIME DETAIL

Date	Name	Narrative	Hours
07/11/11	Huynh	Review and update case filings for attorney review	0.50
07/11/11	O'Sullivan	Review filings in Petters and related cases	0.80
07/11/11	Kramer	Drafting Mediation statement	4.60
07/11/11	Estrada	Review filings of Ritchie, Acorn and Interlachen re: claims objection information	1.90
07/12/11	Kramer	Drafting Mediation statement	6.50
07/12/11	Lynch	Review RS invoices for fee statement	0.20
07/13/11	O'Sullivan	Draft/revise memo regarding [REDACTED]	3.30
07/13/11	Lynch	Review mediation statement	0.60
07/13/11	Kramer	Drafting/revise Mediation statement	3.10
07/14/11	Huynh	Review and update case filings	0.70
07/14/11	Estrada	Review fee applications and report on same	1.20
07/14/11	O'Sullivan	Review [REDACTED] issues per E. Estrada (2.2) (50%). Review filings in Petters and related cases (.5)	2.70
07/14/11	Lynch	Review prior correspondence and file and analyze same with respect to mediation statement	1.20
07/14/11	Lynch	E-mails/call with client regarding June Fee Statement	0.30
07/14/11	Lynch	Review Kinetic time in connection with fee statement	0.40
07/14/11	Lynch	Review draft Trustee's mediation statement	0.50
07/15/11	Estrada	Review contractual subordination support (50%)	2.80
07/15/11	Kramer	Work with Estrada and Lynch on mediation statement; review Budwick draft	0.60
07/15/11	Lynch	Review and analyze Trustee's Mediation Statement and related correspondence (50%).	0.40
07/15/11	Lynch	Review and revise Mediation Statement and discuss same with Edward Estrada; review prior correspondence related to Sims Moss claim; discuss research with Dan Schlieffstein.	2.20
07/15/11	Lynch	Weekly call with JOL, Trustee and counsel.	0.80
07/15/11	Lynch	Review and analyze Trustee's Mediation Statement and related correspondence (50%).	0.40
07/15/11	Lynch	Finalize Kinetic fee statement	0.60
07/15/11	O'Sullivan	Attend Palm Beach status call and follow-up regarding same (.9) Review filings in Petters and related cases, summarize and circulate to team (3.2).	4.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011Invoice Number 2156946
Page 4

TIME DETAIL

Date	Name	Narrative	Hours
07/15/11	Estrada	Telephone conference with Palm Beach Team (50%)	0.40
07/18/11	Huynh	Review and update case filings	0.40
07/18/11	Estrada	Review PDIC mediation statement	1.20
07/18/11	Kramer	Draft/revise cover letter to mediator	0.50
07/18/11	Estrada	Review of Sims Moss comments regarding settlement agreements	0.60
07/18/11	Lynch	Review Trustee's mediation statement (.50); review Sims Moss statement (.80); Discuss mediation materials with Will Jarboe (.40); Prepare cover letter to mediator (.30); Finalize JOL mediation statement (.60); Call and e-mail with mediator's assistant (.20).	2.80
07/18/11	Lynch	Follow up regarding payment issues from Trustee	0.10
07/18/11	Jarboe	Confer with C. Lynch re:Hearing Binder and Begin Preparation	0.80
07/19/11	O'Sullivan	Review filings in Palm Beach cases; email to team regarding Harrold tax payments received	1.60
07/19/11	Lynch	Communications regarding preparing materials for Sims Moss mediation	0.30
07/20/11	Estrada	Review of mediation statements and review of mediation strategy	2.60
07/20/11	O'Sullivan	Review [REDACTED] issues per E. Estrada (1.4) (50%).	1.40
07/21/11	O'Sullivan	Review filings in Petters and related cases, summarize and email team regarding same.	2.80
07/21/11	Lynch	Review draft settlement agreement from insurer's counsel and call with Gary Seligman	0.50
07/21/11	Estrada	Review of case law cited in mediation statements	1.40
07/22/11	Lynch	Call with Anne Arundel regarding RS fee application.	0.20
07/22/11	Estrada	Preparation for mediation	2.10
07/24/11	Kramer	Travel to Miami	3.00
07/24/11	Estrada	Travel to Miami for mediation (4.9); Preparation for same (1.9)	6.80
07/25/11	Estrada	Return travel to NY from mediation	5.20
07/25/11	Huynh	Review and update case filings	0.60
07/25/11	Estrada	Attendance at mediation	9.50

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011Invoice Number 2156946
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TIME DETAIL

Date	Name	Narrative	Hours
07/25/11	Estrada	Preparation for mediation, including meeting with Meland Russin and B. Mukamal	1.80
07/25/11	O'Sullivan	Preparation of Reed Smith Fee Application.	2.00
07/25/11	Kramer	Meeting with Varga and Estrada to prepare for mediation (.50) meeting with Mukamal team, Varga and Estrada to prepare for mediation (1.0); mediation (9.50); travel to NYC (5.50)	15.50
07/25/11	Lynch	Work on second fee application for Reed Smith.	0.60
07/25/11	O'Sullivan	Emails to E. Estrada and C. Lynch during Simms Moss Mediation re: various support questions, Offshore Claims, Plan/payment allocations (1.6)	1.60
07/26/11	Estrada	Review indictments of Fry, Prevost, Harrold and Bell	1.40
07/26/11	Lynch	Work on RS post confirmation fee application, e-mails with local counsel regarding same	1.50
07/26/11	Lynch	Work on Kinetic Second post confirmation fee application	0.50
07/27/11	Lynch	Calls with Anne Arundel regarding Reed Smith and Kinetic fee applications; review and revise RS Application; review RS invoices for redaction.	2.60
07/27/11	Estrada	Review and discussions of Kelley adversary proceedings	2.30
07/28/11	Estrada	Review of substantive consolidations filings	1.60
07/28/11	Lynch	Calls with local counsel regarding redactions.	0.20
07/28/11	Lynch	Finalize RS fee application and multiple revisions to Kinetic application; calls and emails with Anne Arundel regarding the same; Calls and email with Kate Latti regarding Kinetic application.	6.80
07/28/11	O'Sullivan	Emails regarding PB admin and status call.	0.30
07/28/11	Estrada	Review plan language regarding litigation allocations and contingency payments	3.40
07/28/11	Estrada	Review support for subordination argument	1.90
07/29/11	Lynch	Telephone call with Ann Gittleman, Kate Latti regarding fee application and revisions to same	1.20
07/29/11	O'Sullivan	Review motion to approve approve settlement with Simms Moss.	0.40
07/29/11	Estrada	Review fund documentation [REDACTED]	2.30
07/31/11	O'Sullivan	Review Petters docket and related cases. Summarize same and circulate to team.	2.90

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011Invoice Number 2156946
Page 6

TIME DETAIL

Date	Name	Narrative	Hours
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Total Hours	178.80
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Time Summary	Hours	Rate	Value
Edward J. Estrada	65.50	at \$ 760.00 =	49,780.00
Ann V. Kramer	45.00	at \$ 860.00 =	38,700.00
Nicole K. O'Sullivan	31.00	at \$ 465.00 =	14,415.00
Christopher A. Lynch	33.70	at \$ 585.00 =	19,714.50
William J. Jarboe	0.80	at \$ 200.00 =	160.00
Lawson Huynh	2.80	at \$ 200.00 =	560.00

Total Fees

123,329.50

Less 25% Per Agreement

(30,832.38)

Current Fees

92,497.12

For Cost Advanced and Expenses Incurred:

PACER	180.56
Duplicating/Printing/Scanning	6.75
Courier Service - Outside	10.02
Taxi Expense	111.76
Meal Expense	81.58
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Travel Agent Fee for Issued Ticket AGNT FEE 89005482174722	22.00
Air Travel Expense Airfare - Edward J. Estrada, Jul 14, 2011 Travel from LGA to Miami AMERICAN 00186676267805	423.40
Air Travel Expense Airfare - Ann V. Kramer, Jul 15, 2011 Varga, Estrada & Mukamal Team Mediation AMERICAN 00186678310803	423.40
Air Travel Expense Travel Agent Fee - Ann V. Kramer, Jul 15 Varga, Estrada & Mukamal Team Mediation AGNT FEE 89005482472664	7.00
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Ju Travel Agent Fee for Change of Ticket AGNT FEE 89005484361006	22.00
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Ju Travel Agent Fee for Ticket with Fare difference AGNT FEE 89005484320233	22.00
Air Travel Expense Airfare - Edward J. Estrada, Jul 21, 201 Ticket Upgrade AMERICAN 00186693462970	491.40
Lodging Lodging - Edward J. Estrada, Jul 24, 201 Epic Miami Hotel - Room Charge	233.00
Lodging Lodging - Ann V. Kramer, Jul 25, 2011 Varga, Estrada & Mukamal Team Mediation	248.60
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Ju Travel Agent Fee for Change of Ticket AGNT FEE 89005485198324	22.00
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Travel Agent Fee for Change of Ticket AGNT FEE 89005485198394	22.00
Air Travel Expense Airfare - Ann V. Kramer, Jul 25, 2011 Varga, Estrada & Mukamal Team Mediation JETBLUE 27986700239783	234.92

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
August 11, 2011

Invoice Number 2156946

Page 7

Parking/Tolls/Other Transportation Parking - Ann V. Kramer, Jul 26,
2011 Varga, Estrada & Mukamal Team Mediation LAGUARDIA
AIRP30001002 -- Parking Receipt
Air Travel Expense Travel Agent Fee - Ann V. Kramer, Jul 26 Varga,
Estrada & Mukamal Team Mediation AGNT FEE 89005485425780

66.00

22.00

Current Disbursements

2,650.39

Total this Invoice

\$ 95,147.51

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

August 11, 2011

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

Invoice Number: 2156945
Client Number: 505162
Matter Number: 60002

For Professional Services Rendered Through July 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
06/15/11	Lynch	Discuss clawback memo with Edward Estrada and Nicole O'Sullivan.	0.30
06/17/11	Lynch	Work on memorandum regarding claw backs, research regarding same.	1.50
06/21/11	Lynch	Office conference with Edward Estrada regarding clawbacks; prepare action list and email to team regarding same; analyze issues.	2.20
06/24/11	Estrada	Review potential clawback recoveries	1.70
06/28/11	Estrada	Strategy and case assessment	2.40
06/29/11	Estrada	Case strategy and analysis of Petters' claims	3.70
06/30/11	Estrada	Review of PDF II clawback claims	3.40
07/12/11	Estrada	Review offshore distribution recoveries - PBF II	6.40
07/12/11	Lynch	Discuss clawbacks with Edward Estrada and Nicole O'Sullivan	0.50
07/15/11	Estrada	[REDACTED]	4.10
07/20/11	Schleifstein	Conferenced with Chris Lynch regarding [REDACTED] research assignment. (50%)	0.20
07/21/11	Schleifstein	Researched [REDACTED] and [REDACTED] for C. Lynch. (50%)	1.85

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
August 11, 2011Invoice Number 2156945
Page 2

TIME DETAIL

Date	Name	Narrative	Hours
07/22/11	Schleifstein	Researched [REDACTED] law re [REDACTED] and [REDACTED] for C. Lynch.(50%)	1.15
07/23/11	Schleifstein	Continued researching [REDACTED] under [REDACTED] law and drafting summary for C. Lynch. (50%)	1.55
07/25/11	Kam	Strategy conference with Christopher Lynch regarding [REDACTED] of the Bankruptcy Code.	0.20
07/25/11	Lynch	Review and analyze draft claw back complaint and plan, disclosure statement in connection with same (.30); office conference with Sarah Kam regarding same (.2).	0.50
07/26/11	Kam	Strategy conference with Christopher Lynch regarding research assignment (.2); begin conducting legal research regarding [REDACTED] of the Bankruptcy Code (2.4).	2.60
07/26/11	Lynch	Review research regarding clawbacks and office conferences with Sara Kam regarding the same.	2.50
07/27/11	Kam	Strategy conference with Christopher Lynch (.2); continue conducting legal research regarding [REDACTED] of the Bankruptcy Code (8.7).	8.90
07/27/11	Schleifstein	Continued drafting [REDACTED] summary of [REDACTED] research. (50%)	1.85
07/27/11	Lynch	Office conferences with Sarah Kam regarding clawback arguments	0.80
07/28/11	Estrada	Review support for [REDACTED] argument	1.90
07/28/11	Lynch	Discuss clawback research with Dan Schleifstein and review same.	0.60
07/28/11	Schleifstein	Completed research on remedy for [REDACTED] memo and completed memo summarizing [REDACTED] for Chris Lynch. (50%)	1.10
07/29/11	Estrada	Review fund documentation in [REDACTED]	2.30
07/29/11	Lynch	Review clawback complaint and consider [REDACTED] based on research	2.80
07/29/11	Kam	Review and analyze offering memorandum.	1.20
Total Hours			58.20

Time Summary

Edward J. Estrada
Daniel A. Schleifstein

Hours	Rate	Value
25.9	at \$ 760.00 =	19684.00
7.70	at \$ 455.00 =	3,503.50

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
August 11, 2011

Invoice Number 2156945

Page 3

Time SummaryChristopher A. Lynch
Sarah K. Kam

Hours	Rate	Value
11.70	at \$ 585.00 =	6,844.50
12.90	at \$ 550.00 =	7,095.00

Total Fees

37,127.00

Less 25% Per Agreement

(9,281.75)

Total this Invoice\$ 27,845.25

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September 15, 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: 2171852
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through August 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
08/01/11	Estrada	Review status and strategy of ongoing litigation (50%)	0.80
08/01/11	Huynh	Review and update case filings for attorney review	1.00
08/03/11	Estrada	Telephone conferences with M. Budwick, G. Varga and Robin Rubens about litigation strategy and action items	1.70
08/08/11	Huynh	Review and update case filings for attorney review	0.30
08/08/11	O'Sullivan	Review/analyze filings in Petters and related cases, summarize same and circulate to team (3.2). Communicate with C. Lynch regarding Reed Smith and Kinetic July invoices (0.3).	3.50
08/08/11	Lynch	Discuss fee statements with Nicole O'Sullivan, email Kate Latti on same.	0.30
08/09/11	Huynh	Review and update case filings for attorney review	0.40
08/09/11	Estrada	Review Jonathan Spring facts	1.40
08/11/11	Estrada	Strategy meeting with M. Budwick and follow-up thereto (50%)	2.10
08/11/11	Huynh	Review and update case filings	0.40
08/11/11	O'Sullivan	Prepare and revise Reed Smith July invoices and cover letter. Communicate with E. Estrada regarding same.	0.90
08/12/11	O'Sullivan	Review filings in Petters and related cases (0.8). Review Reed Smith July invoices, prepare cover letter regarding same, and communicate with E. Estrada regarding same (0.3).	1.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
September 15, 2011Invoice Number 2171852
Page 2

TIME DETAIL

Date	Name	Narrative	Hours
08/15/11	Huynh	Review and update case filings for attorney review	0.30
08/16/11	O'Sullivan	Draft/revise memorandum regarding [REDACTED] (0.5) (50%). Review Kinetic July invoices and prepare cover letter for submission (1.1). Pull Complaint per request of J. Feldman (0.3). Review filings in Petters and related cases and summarize same for team (1.2).	3.10
08/16/11	Estrada	Sims Moss issues regarding Scope of release	0.90
08/17/11	Huynh	Legal research compiling cases for attorney review	2.50
08/18/11	Huynh	Review and update case filings	0.40
08/19/11	Huynh	Review and update case filings for attorney review	0.40
08/19/11	O'Sullivan	Attend weekly Palm Beach status call (1.3). Review filings in Petters and related cases (.5)	1.80
08/19/11	Estrada	Weekly strategy call and follow-up (50%)	0.70
08/19/11	Kramer	Attend Palm Beach status conference call	0.50
08/22/11	Huynh	Review and update case filings for attorney review	0.40
08/23/11	O'Sullivan	Review filings in Petters and related cases, summarize same and circulate to team.	2.10
08/24/11	O'Sullivan	Per request of C. Lynch, review/summarize Opportunity Finance/Sabes/MTD [REDACTED] fraudulent transfer cases.	0.70
08/25/11	Huynh	Review and update case filings for attorney review	0.30
08/25/11	O'Sullivan	Prepare hearing binder/documents for hearing on Fee Applications and Simms Moss settlement. Email same to E. Estrada.	0.90
08/25/11	Huynh	Prepare hearing binder for attorney review	0.50
08/26/11	Estrada	Review correspondence from M. Budwick and status (50%)	0.80
08/28/11	Estrada	Review Howse correspondence	0.60
08/29/11	Huynh	Review and update case filings for attorney review	0.30
08/29/11	Estrada	Preparation for Sims Moss hearing	2.30
08/30/11	Estrada	Preparation for Sims Moss hearing and preparation for same.	1.80
08/30/11	O'Sullivan	Review upcoming dates including deadline object to claims and to bring avoidance actions, and calendar same for team.	0.60
Total Hours			35.80

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
September 15, 2011

Invoice Number 2171852

Page 3

Time Summary

	Hours	Rate	Value
Edward J. Estrada	13.10	at \$ 760.00 =	9,956.00
Ann V. Kramer	0.50	at \$ 860.00 =	430.00
Nicole K. O'Sullivan	14.70	at \$ 465.00 =	6,835.50
Christopher A. Lynch	0.30	at \$ 585.00 =	175.50
Lawson Huynh	7.20	at \$ 200.00 =	1,440.00

Total Fees	18,837.00
Less 25% Per Agreement	<u>(4,709.25)</u>
Current Fees	14,127.75

For Cost Advanced and Expenses Incurred:

PACER	62.96
Duplicating/Printing/Scanning	6.60
Lexis	311.80
Taxi Expense	81.64
Meal Expense	23.94

Current Disbursements	486.94
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Total this Invoice\$ 14,614.69

ReedSmith

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

September 15, 2011

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

Invoice Number: 2171848
Client Number: 505162
Matter Number: 60002

For Professional Services Rendered Through August 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
08/01/11	Kam	Continue reviewing and analyzing offering memorandum (1.2); continue conducting legal research regarding [REDACTED] of the Bankruptcy Code (2.5); conduct legal research regarding recovery of [REDACTED] (1.8); draft email to Christopher Lynch summarizing research (.4).	3.00
08/01/11	Lynch	Review clawback research	0.20
08/02/11	Estrada	Review claims filed by PBF II LPs; review damages claims against same on various theories	3.90
08/02/11	Lynch	Review claw back research and support for claims	0.60
08/03/11	Lynch	Office conferences with S. Kam and E. Estrada regarding [REDACTED] review and analyze research conducted in connection with same	1.10
08/03/11	Estrada	Review of PBF II clawback defendants and claims against same	2.80
08/04/11	Kam	Review conflict search for potential conflicts (1.7); draft email to Edward Estrada regarding potential conflicts (.8).	2.50
08/04/11	Lynch	Office conferences with S. Kam regarding [REDACTED] and review research	0.40
08/04/11	Lynch	Office conference with Edward Estrada regarding clawbacks	0.40
08/04/11	Estrada	Review [REDACTED] based upon [REDACTED]; review clawback date	3.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

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September 15, 2011Invoice Number 2171848
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TIME DETAIL

Date	Name	Narrative	Hours
08/04/11	Kam	Conduct legal research regarding [REDACTED] under [REDACTED] law.	2.30
08/05/11	Estrada	Research and review clawback histories and data, review 546(e) issues	4.60
08/05/11	Schleifstein	Researched [REDACTED] cases and [REDACTED] and drafted insert to brief for Chris Lynch.	1.60
08/05/11	Kam	Conduct legal research regarding [REDACTED] for [REDACTED] claim under [REDACTED] law; draft summary regarding same.	0.70
08/05/11	Lynch	Extended office conferences with S. Kam regarding potential for [REDACTED] and other [REDACTED] claims; work on memorandum regarding same; address [REDACTED] issues; office conference with Edward Estrada regarding same; discuss fraudulent conveyance issues with D. Schleifstein and review research; review offering documents in regards to the foregoing.	2.80
08/05/11	Kam	Continue conducting legal research regarding [REDACTED] under [REDACTED] law.	0.80
08/05/11	Kam	Begin conducting legal research regarding [REDACTED] relating to [REDACTED] claim and [REDACTED].	2.70
08/08/11	Schleifstein	Researched [REDACTED] caselaw for research memo for Chris Lynch.	0.40
08/08/11	Kam	Continue conducting legal research regarding [REDACTED] analysis for [REDACTED] claim and applicable [REDACTED] (2.7); draft summary of research for [REDACTED] memo (1.9); review draft [REDACTED] memo and provide comments (3.5).	4.10
08/08/11	Estrada	Review and revise PBF II clawback memorandum	2.80
08/08/11	Lynch	Extended office conferences with Sarah Kam, Edward Estrada and/or John Scalzo regarding viability of [REDACTED] other [REDACTED] and [REDACTED]	1.20
08/08/11	Lynch	Research, work on memorandum regarding [REDACTED] claims; consider other possible equitable claims.	2.10
08/09/11	Kam	Conduct legal research regarding [REDACTED] under [REDACTED] partnership agreement and promissory note (2.6); conduct legal research regarding applying [REDACTED] under [REDACTED] (1.1); revise [REDACTED] memo and provide comments to Christopher Lynch (1.6).	2.60

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
September 15, 2011Invoice Number 2171848
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TIME DETAIL

Date	Name	Narrative	Hours
08/09/11	Lynch	Extended office conferences with John Scalzo and Sarah Kam regarding issues related to potential [REDACTED] claims by the liquidating trustee; office conference with Edward Estrada regarding the same and equitable defenses.	1.20
08/09/11	Lynch	Review, revise and finalize memorandum to liquidating trustee and JOL concerning viability of [REDACTED] claims.	1.90
08/10/11	Kam	Review Madoff v. HSBC decision on standing (.6); continue conducting legal research regarding [REDACTED] under [REDACTED] of the Bankruptcy Code (3.1); begin drafting motion regarding potential [REDACTED] claims (3.2).	3.40
08/10/11	Estrada	Review clawback data	1.60
08/10/11	Lynch	Office conference with Edward Estrada regarding clawbacks, targets	0.40
08/10/11	O'Sullivan	Communicate with C. Lynch regarding clawback actions. Review charts regarding [REDACTED] analysis.	0.40
08/11/11	Huynh	Review clawback claims and determine new financial amount	0.60
08/11/11	Lynch	Review [REDACTED] analysis and discuss with E. Estrada and S. Kam	0.70
08/11/11	Lynch	Call with Robin Rubens regarding procedure to [REDACTED] and e-mail to E. Estrada regarding same; discuss with S. Kam	0.40
08/11/11	Kam	Continue drafting motion regarding [REDACTED] (7.4); strategy conference with Christopher Lynch regarding [REDACTED] against certain limited partners (.2).	3.80
08/12/11	Estrada	Review clawback analyses	3.60
08/12/11	Kam	Begin reviewing PBF II master investor database to analyze potential claims against certain limited partners.	0.50
08/15/11	Estrada	Review [REDACTED] and impact on damages claims (50%)	1.80
08/15/11	Estrada	Review Harrold plea transcript (50%)	0.60
08/15/11	Kam	Continue analyzing potential claims against certain limited partners (.9); draft email to Edward Estrada and Christopher Lynch regarding same (.2); analyze claims for [REDACTED] against certain limited partners (1.2).	1.20

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
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TIME DETAIL

Date	Name	Narrative	Hours
08/17/11	Kam	Review and analyze plan regarding allowance of Palm Beach Offshore Claims (0.7); conduct legal research regarding enforceability of [REDACTED] (1.1); draft email to Christopher Lynch regarding same (.4).	1.10
08/17/11	Lynch	Call with Sarah Kam regarding [REDACTED] research; emails Edward Estrada regarding the same.	0.30
08/17/11	Estrada	Review [REDACTED] arguments and clawback analysis	3.70
08/23/11	Kam	Review and analyze confirmation order for allowance of Palm Beach Offshore Claims (.9); conduct legal research regarding interpretation of dispute and challenge as it relates to [REDACTED] (.9).	0.90
08/23/11	Lynch	Review case law regarding [REDACTED] in Florida (2.30); Review summary of hearing in Picard v. Katz and review parties' filings in connection with same regarding issues of [REDACTED] (1.4); Review Sarah Kam's research regarding [REDACTED] issues and work on memo (1.60).	2.70
08/23/11	Kam	Review and analyze International Management Associates opinion and appeal for impact.	0.60
08/24/11	Lynch	Discuss research with Chrystal Puleo; additional research on [REDACTED] issue	0.80
08/24/11	Kam	Conduct legal research regarding [REDACTED] of the Bankruptcy Code (1.3); draft summary regarding same (.6).	0.90
08/24/11	Puleo	Discuss with Chris Lynch research regarding [REDACTED] causes of actions in Florida and Minnesota in preparation of memo on subject for claw back actions.	0.10
08/25/11	Lynch	Review clawback complaints from other actions regarding nature of claims	0.70
08/25/11	Puleo	Review and analyze case law on [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	1.10
08/25/11	Puleo	Legal research on status of [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions	1.50
08/25/11	Puleo	Review and analyze treatise information regarding [REDACTED] cause of action in preparation of memo on subject for claw back actions.	0.40
08/26/11	Puleo	Continue to review and analyze case law on [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	0.90

505162 Palm Beach Offshore Investors

Reed Smith LLP

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September 15, 2011Invoice Number 2171848
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TIME DETAIL

Date	Name	Narrative	Hours
08/26/11	O'Sullivan	Review Notice of 2004s examinations for PBF II clawback targets. Calendar same for team.	0.70
08/29/11	Puleo	Compose memo on [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	1.70
08/30/11	Puleo	Revise and compose memo on [REDACTED] of action in Florida in preparation of memo on subject for claw back actions.	0.40
08/31/11	Puleo	Compose memo on what constitutes [REDACTED] on [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	0.30
08/31/11	Puleo	Research on [REDACTED] cause of action in Minnesota in preparation of memo on subject for claw back actions.	1.50
08/31/11	Puleo	Conduct legal research on what constitutes [REDACTED] [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	0.50
08/31/11	Puleo	Discuss with Chris Lynch memo on [REDACTED] [REDACTED] cause of action in Florida in preparation of memo on subject for claw back actions.	0.10

Total Hours 89.70

Time Summary	Hours	Rate	Value
Edward J. Estrada	28.50	at \$ 760.00 =	21,660.00
Nicole K. O'Sullivan	1.10	at \$ 465.00 =	511.50
Daniel A. Schleifstein	2.00	at \$ 455.00 =	910.00
Christopher A. Lynch	17.90	at \$ 585.00 =	10,471.50
Sarah K. Kam	31.10	at \$ 550.00 =	17,105.00
Chrystal A. Puleo	8.50	at \$ 540.00 =	4,590.00
Lawson Huynh	0.60	at \$ 200.00 =	120.00

Total Fees
Less 25% Per Agreement
Current Fees55,368.00
(13,842.00)
41,526.00

For Cost Advanced and Expenses Incurred:

PACER	25.20
Duplicating/Printing/Scanning	78.00
Lexis	70.95
Westlaw	128.03

Current Disbursements

302.18

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
September 15, 2011

Invoice Number 2171848
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Total this Invoice

\$41,828.18

ReedSmith

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October 13, 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: 2182509
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through September 30, 2011

TIME DETAIL

Date	Name	Narrative	Hours
09/01/11	Huynh	Review and update case filings	0.50
09/01/11	O'Sullivan	Review filings in Petters and related cases, summarize and circulate to team.	2.60
09/02/11	Estrada	Weekly group call and follow-up (50%)	0.70
09/02/11	O'Sullivan	Attend Palm Beach status call (50%).	0.60
09/06/11	Huynh	Review and update case filings for attorney review	0.20
09/06/11	Estrada	Review Ritchie Appeal decision.	1.10
09/07/11	O'Sullivan	Review Petters filings including scheduling order regarding Motion for Substantive Consolidation and calendar same for team.	0.60
09/07/11	Estrada	Review potential fraudulent transfer actions; review status and strategy.	1.60
09/08/11	Huynh	Review and update case filings	0.60
09/08/11	O'Sullivan	Draft agenda for in-person meeting; communicate with E. Estrada regarding same; circulate for comment (.4). Review filings in Petters and related cases, summarize and circulate same to team (2.2)	2.60
09/09/11	Estrada	Review status of all litigation and recoveries; preparation for all hands meeting.	1.60

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
October 13, 2011Invoice Number 2182509
Page 2

TIME DETAIL

Date	Name	Narrative	Hours
09/09/11	O'Sullivan	Review Budwick's comments to agenda for in-person meeting, incorporate same and circulate to team (.3). Conduct research regarding rescission and effect on subordination/unjust enrichment claims (1.8) (50%).	2.10
09/12/11	O'Sullivan	Research regarding 546 deadline. Email to E. Estrada regarding same (1.5). Review filings in Petters and related cases (.4).	1.90
09/12/11	Estrada	Round-trip travel to Miami for status and strategy meeting; preparation and attendance at same (50%).	9.30
09/13/11	O'Sullivan	Review Reed Smith August invoices and prepare cover letter, discuss same with E. Estrada.	0.80
09/13/11	Estrada	Review of clawback and subordination case law and memos (50%).	2.60
09/14/11	O'Sullivan	Review/revise August invoices. Discuss with E. Estrada. Revise cover letter regarding same.	1.80
09/14/11	Estrada	Review terms of GP settlements regarding taxes.	0.90
09/15/11	Huynh	Review and update case filings for attorney review	0.50
09/15/11	O'Sullivan	Review filings in Petters and related cases (2.1). Review Kinetic/Reed Smith August bills, revise and communicate with Kinetic regarding same, draft/revise cover letters, communicate with E. Estrada re: same, and circulate for review (2.2).	4.30
09/15/11	Estrada	Review [REDACTED] clawback claims; review recoverability issues	2.70
09/19/11	Kramer	Review Genet e-mail and attachments (.10); Telephone conversation with Budwick and Genet re D&O coverage issue (.30).	0.40
09/20/11	Huynh	Review and organize case filings for attorney review	0.30
09/20/11	Estrada	Review Howse and Vennes claims as articulated by M. Budwick	1.30
09/21/11	Huynh	Review case update per attorney request	0.20
09/22/11	Huynh	Review and update case filings for attorney review	1.20
09/22/11	Estrada	Review PBF II clawback issues, including arguments to be made regarding [REDACTED] (50%)	1.60
09/22/11	O'Sullivan	Review filings in Petters and related cases, summarize and circulate to team.	1.90
09/23/11	O'Sullivan	Palm Beach status call (50%)	0.10
09/26/11	Huynh	Legal research re: case information per attorney request	0.10

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
October 13, 2011Invoice Number 2182509
Page 3

TIME DETAIL

Date	Name	Narrative	Hours
09/26/11	O'Sullivan	Attend weekly Palm Beach team status call (50%).	0.80
09/26/11	Estrada	Group status and strategy calls and follow up (50%)	1.20
09/26/11	Huynh	Review and update case filings for attorney review	0.40
09/27/11	Estrada	Review [REDACTED] legal arguments (50%)	1.90
09/29/11	O'Sullivan	Review filings in Petters and related cases. Summarize and circulate same.	2.70
09/29/11	Huynh	Review and update case filings for attorney review	0.30
09/30/11	Estrada	Review impact of [REDACTED] and [REDACTED] ([REDACTED]) decision (50%)	1.40
Total Hours			55.40

Time Summary	Hours	Rate	Value
Edward J. Estrada	27.90	at \$ 760.00 =	21,204.00
Ann V. Kramer	0.40	at \$ 860.00 =	344.00
Nicole K. O'Sullivan	22.80	at \$ 465.00 =	10,602.00
Lawson Huynh	4.30	at \$ 200.00 =	860.00

Total Fees
Less 25% Per Agreement
Current Fees

33,010.00
(8,252.50)
24,757.50

For Cost Advanced and Expenses Incurred:

PACER	83.44
Duplicating/Printing/Scanning	3.00
Taxi Expense	85.69
Meal Expense	34.61
General Expense Telephonic Court Appearance Fee - Ed Estrada	30.00
Air Travel Expense Airfare - Edward J. Estrada, Sep 06, 201 Jet Blue	105.19
Flights from Westchester, NY to Ft. Lauderdale, FL JETBLUE	
27986802840452	
Air Travel Expense Airfare - Edward J. Estrada, Sep 06, 201 American	97.35
Airlines Flights from Miami, FL to LaGuardia, NY AMERICAN	
00186802840464	
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Se Travel	11.00
Agent Fee for AA Flights AGNT FEE 89005498048445	
Air Travel Expense Travel Agent Fee - Edward J. Estrada, Se Travel	11.00
Agent Fee for Jet Blue Flights AGNT FEE 89005498048434	

Current Disbursements

461.28

Total Balance Due Upon Receipt**\$ 25,218.78**

ReedSmith

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October 13, 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 II Only

Invoice Number: 2182508
Client Number: 505162
Matter Number: 60002

For Professional Services Rendered Through September 30, 2011

TIME DETAIL

Date	Name	Narrative	Hours
09/01/11	O'Sullivan	Review 2004s for PBF II Clawbacks, calendar same for team.	0.40
09/07/11	Estrada	Review clawback defendants and damages analysis.	2.30
09/16/11	Estrada	Review PBFII clawback theories and recoverability issues	2.40
09/19/11	O'Sullivan	Research regarding [REDACTED], and [REDACTED], office conference with L. Wortherly regarding same. (50%).	1.40
09/20/11	O'Sullivan	Research regarding [REDACTED] claim, and [REDACTED], Office conference with E. Estrada and C. Lynch regarding same; office conference with L. Wortherly regarding same; f/u office conference with C. Lynch regarding same (1.9) (50%). Review notices of 2004s re: PBF II clawback targets (0.2)	2.10
09/21/11	O'Sullivan	Research regarding [REDACTED] claim, and [REDACTED], office conference with L. Wortherly regarding same (1.4) (50%).	1.40
09/22/11	Worthley	Memo/email to N. O'Sullivan summarizing [REDACTED] and [REDACTED] research	4.30
09/23/11	O'Sullivan	Research regarding [REDACTED] claim, and [REDACTED] (.9) (50%).	0.90
09/23/11	Worthley	Editing memo/email regarding [REDACTED] research for N. O'Sullivan	1.00

505162 Palm Beach Offshore Investors

Reed Smith LLP

60002 Trust Monitor - PBF II Only
October 13, 2011Invoice Number 2182508
Page 2**TIME DETAIL**

Date	Name	Narrative	Hours
09/26/11	O'Sullivan	Research regarding [REDACTED] claim, and [REDACTED] (50%).	1.20
09/26/11	Worthley	Research re: [REDACTED] - specifically, law on [REDACTED] claim based on [REDACTED]	2.50
09/28/11	Worthley	[REDACTED] research (50%)	1.00
Total Hours			20.90

Time Summary	Hours	Rate	Value
Edward J. Estrada	4.70	at \$ 760.00 =	3,572.00
Nicole K. O'Sullivan	7.40	at \$ 465.00 =	3,441.00
Lillian C. Worthley	8.80	at \$ 355.00 =	3,124.00

Total Fees	10,137.00
Less 25% Per Agreement	(2,534.25)
Current Fees	7,602.75

For Cost Advanced and Expenses Incurred:

PACER	6.16
Westlaw	1.63
Meal Expense	25.89

Current Disbursements

33.68

Total Balance Due Upon Receipt**\$7,636.43**

ReedSmith

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November 9, 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: 2193648
Client Number: 505162
Matter Number: 60003

For Professional Services Rendered Through October 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
10/03/11	Estrada	Review of [REDACTED] issues raise in Petters case; review filings addressing potential claim objections (50%)	3.60
10/03/11	Huynh	Review and update case filings for attorney review	0.30
10/04/11	Huynh	Review production documents and upload onto e-room	1.20
10/04/11	O'Sullivan	Draft agenda for team meeting. Circulate for comment.	0.30
10/06/11	Huynh	Review and update case filings for attorney review	0.40
10/06/11	O'Sullivan	Revise and circulate agenda for PB team meeting.	0.30
10/10/11	Estrada	In-person strategy and status meetings; preparation for and follow-up (50%)	4.70
10/10/11	Huynh	Review and update case filings for attorney review	0.40
10/10/11	O'Sullivan	Attend in-person team meeting (2.8) (33%). Review filings in Petters and related cases, summarize and circulate to team (1.3).	4.10
10/10/11	Huynh	Prepare and upload document production materials onto oursite per attorney request	0.30
10/11/11	Huynh	Review and perform word search within document productions	0.50
10/11/11	O'Sullivan	Review filings in Petters and related cases, summarize and circulate to team .	0.90
10/11/11	Huynh	Review and update case filings	0.30

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
November 9, 2011Invoice Number 2193648
Page 2

TIME DETAIL

Date	Name	Narrative	Hours
10/12/11	O'Sullivan	Review Reed Smith September invoices and communicate with E. Estrada regarding same.	0.50
10/13/11	Estrada	Review of clawback actions involving [REDACTED] and [REDACTED] (50%)	1.60
10/13/11	Huynh	Review and update case filings for attorney review	0.50
10/13/11	O'Sullivan	Review Reed Smith/Kinetic September invoices, draft cover letters and communicate with E. Estrada regarding same.	2.20
10/14/11	Huynh	Review and upload documents onto e-room for attorney review	0.40
10/14/11	O'Sullivan	Review filings in Petters and related cases, summarize and circulate to team.	0.70
10/14/11	Estrada	Review [REDACTED] subscription documents	1.20
10/17/11	Huynh	Review and update case filings for attorney review	0.50
10/17/11	Estrada	Group call regarding strategy and status	0.90
10/17/11	O'Sullivan	Attend Palm Beach status call (50%).	0.20
10/20/11	Huynh	Review and update case filings for attorney review	0.50
10/21/11	O'Sullivan	Review filings in Petters and related cases, summarize and circulate same to team.	1.90
10/24/11	Huynh	Review and update case filings for attorney review	0.40
10/27/11	Huynh	Review and update case filings for attorney review	0.70
10/27/11	Estrada	Group status and strategy call and follow-up (50%)	1.30
10/27/11	O'Sullivan	Review Petters docket and related cases, summarize and circulate to team (2.2). Attend Palm Beach status call (1.2) (50%).	3.40
10/28/11	Estrada	Review adversary and litigation tracking chart	2.30
10/31/11	O'Sullivan	Draft November 10th in-person meeting agenda and circulate to team (0.4) (50%). Review avoidance action/litigation master chart and discuss same with E. Estrada (0.9).	1.30
10/31/11	Huynh	Review and update case filings for attorney review	0.30
Total Hours			38.10

Time Summary	Hours	Rate	Value
Edward J. Estrada	15.60	at \$ 760.00 =	11,856.00
Nicole K. O'Sullivan	15.80	at \$ 465.00 =	7,347.00
Lawson Huynh	6.70	at \$ 200.00 =	1,340.00

505162 Palm Beach Offshore Investors

Reed Smith LLP

60003 Trust Monitor - PBF I and PBF II
November 9, 2011Invoice Number 2193648
Page 3

Total Fees	20,543.00
Less 25% Per Agreement	<u>(5,135.75)</u>
Current Fees	15,407.25

For Cost Advanced and Expenses Incurred:

PACER	209.04
Postage Expense	0.44
Taxi Expense	73.73
Telephone - Outside	32.45
General Expense Telephonic Court Appearance Fee	30.00
Legal Services -- MEDIATION SOLUTIONS, INC.: Mediation	2,250.00

Current Disbursements	2,595.66
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Total Balance Due Upon Receipt	<u>\$18,002.91</u>
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ReedSmith

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Tax ID # 25-0749630

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November 9, 2011

Geoffrey Varga
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PO Box 10387
George Town, Grand Cayman KY1 1004
Cayman Islands

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

Invoice Number: 2193647
Client Number: 505162
Matter Number: 60002

For Professional Services Rendered Through October 31, 2011

TIME DETAIL

Date	Name	Narrative	Hours
10/05/11	Estrada	Review clawback complaints and potential recoveries	1.80
10/05/11	O'Sullivan	Review draft clawback complaint.	0.40
Total Hours			2.20

Time Summary	Hours	Rate	Value
Edward J. Estrada	1.80	at \$ 760.00 =	1,368.00
Nicole K. O'Sullivan	0.40	at \$ 465.00 =	186.00

Total Fees 1,554.00
Less 25% Per Agreement (388.50)

Total Balance Due Upon Receipt

\$ 1,165.50