

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MINNESOTA  
Civil No. 08-5348 (ADM/JSM)

UNITED STATES OF AMERICA, )  
)  
Plaintiff, )  
v. )  
)  
1. THOMAS JOSEPH PETTERS; )  
PETTERS COMPANY, INC., aka )  
PCI; PETTERS GROUP WORLDWIDE, LLC; )  
2. DEANNA COLEMAN aka DEANNA MUNSON; )  
3. ROBERT WHITE; )  
4. JAMES WEHMHOFF; )  
5. LARRY REYNOLDS dba )  
NATIONWIDE INTERNATIONAL RESOURCES )  
aka NIR; )  
6. MICHAEL CATAIN dba )  
ENCHANTED FAMILY BUYING COMPANY; )  
7. FRANK E. VENNES JR., dba )  
METRO GEM FINANCE, )  
METRO GEM INC., )  
GRACE OFFERINGS OF FLORIDA LLC, )  
METRO PROPERTY FINANCING, LLC, )  
38 E. ROBINSON, LLC, )  
55 E. PINE, LLC, )  
ORLANDO RENTAL POOL, LLC, )  
100 PINE STREET PROPERTY, LLC, )  
ORANGE STREET TOWER, LLC, )  
CORNERSTONE RENTAL POOL, LLC, )  
2 SOUTH ORANGE AVENUE, LLC, )  
HOPE COMMONS, LLC, )  
METRO GOLD, INC.; )  
)  
Defendants. )  
)  
DOUGLAS A. KELLEY, )  
Receiver, )  
)  
GARY HANSEN, )  
Receiver. )



other members of my firm prior to my actual appointment as Receiver. All such work was undertaken, however, with the knowledge and consent of both Thomas Petters and the United States Attorney's Office, which informed PCI and PGW that unless a mutually satisfactory individual other than Thomas Petters assumed immediate control of the Petters Companies, the government would seek emergency relief to take over all operations of the companies. All sides expressed a common desire to avoid such a course of action since doing so would irreparably damage the ongoing portions of the business that remained commercially viable (including but not limited to Polaroid and Sun Country Airlines), thereby dissipating value and reducing the potential recovery ultimately available to creditors of the receivership. For this reason, I believe that all of the work performed by me or my agents while acting as an "informal receiver" is properly compensable from the receivership estate.

4. I have reviewed the itemized statement describing services provided by my firm and certify that all of the stated work was actually performed and was necessary to fulfill my duties and responsibilities as Receiver. I further state that all unnecessary or duplicative services were removed from this fee application.

5. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Kelley & Wolter, P.A. in the amount of \$368,428.25.

### III. RECEIVER'S COUNSEL

#### A. Lindquist & Vennum Fee Application

6. I have received a statement from Lindquist & Vennum describing work performed between November 1 and November 30, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

7. I hired Lindquist & Vennum to represent me initially while I served as “informal receiver” and later as my lead counsel when I was formally appointed Receiver in this matter. Their assistance was necessary to avoid waste and dissipation of receivership assets and ongoing value of corporations owned or controlled by the receivership defendants.

8. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Lindquist & Vennum and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

9. I have reviewed the itemized statement describing services provided by Lindquist & Vennum and certify that, to the best of my knowledge and based on the

representation of Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

10. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Lindquist & Vennum in the amount of \$312,038.93.

B. Husch, Blackwell Fee Application

11. I have received a statement from Husch, Blackwell, Sanders, LLP describing work performed between October 14 and November 30, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

12. I hired Husch Blackwell, which is located in St. Louis, Missouri, to assist Lindquist & Vennum as local counsel in asbestos-related litigation pending against Polaroid Corporation and other defendants in the 3<sup>rd</sup> Judicial Circuit Court for Madison County, Illinois, as Case No. 08-L-287. Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations owned or controlled by the receivership defendants.

13. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by Husch Blackwell and certify that the requested rates are within the range charged by attorneys of comparable experience

employed by comparable law firms in their locale for work of a comparable nature and complexity.

14. I have reviewed the itemized statement describing services provided by Husch Blackwell and certify that, to the best of my knowledge and based on the representation of Husch Blackwell and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

15. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Husch Blackwell in the amount of \$914.96.

C. Pretzel & Stouffer Fee Application

16. I have received a statement from Pretzel & Stouffer, Chartered describing work performed in October 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

17. I hired Pretzel & Stouffer, which is located in Chicago, Illinois, to assist Lindquist & Vennum as local counsel in breach of contract litigation brought by Ritchie Special Credit Investments, Ltd. against Thomas Petters, PCI and PGW in Cook County, Illinois Circuit Court as Case No. 2008 L 51021. Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations

owned or controlled by the receivership defendants.

18. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by Pretzel & Stouffer and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

19. I have reviewed the itemized statement describing services provided by Pretzel & Stouffer and certify that, to the best of my knowledge and based on the representation of Pretzel & Stouffer and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

20. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Pretzel & Stouffer in the amount of \$3,695.50.

D. Winstead, PC Fee Application

21. I have received a statement from Winstead, PC describing work performed between October 1 and December 31, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

22. I hired the Winstead firm, which is located in Fort Worth, Texas, to assist

Lindquist & Vennum as local counsel in litigation pending outside of Minnesota. The Winstead law firm has been involved in the following matters:

- C a breach of contract action brought by Apriven Partners LP against Thomas Petters, which is pending in U.S. District Court for the Northern District of Texas as Case No. 08-cv-1760;
- C a patent infringement case brought by LG Electronics, Inc. against PGW and Polaroid, which is pending in U.S. District Court for the Eastern District of Texas as Case No. 08-cv-00163; and
- C a patent infringement action brought by International Control Systems, LLC v. Polaroid Corporation, which is pending in U.S. District Court for the Eastern District of Texas as Case No. 08-cv-00188.

Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations owned or controlled by the receivership defendants.

23. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by the Winstead firm and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

24. I have reviewed the itemized statement describing services provided by the Winstead firm and certify that, to the best of my knowledge and based on the representation of Winstead and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

25. I therefore request Court approval of the Receiver's fee application in favor



of the law firm of Winstead, PC in the amount of \$8,082.49.

E. Berger Singerman Fee Application

26. I have received a statement from Berger Singerman P.A. describing work performed between October 1 and November 30, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

27. I hired Berger Singerman, which is located in Ft. Lauderdale, Florida, to assist Lindquist & Vennum as local counsel in litigation pending outside of Minnesota. Specifically, the Berger Singerman law firm has provided services in the following matters:

- C a breach of contract action brought by Evolutech Comercio E Servico LTDA against Petters Consumer Brands, Polaroid and others, which is currently pending in US. District Court for the Southern District of Florida as Case No. 08-cv-22459;
- C a breach of contract case brought by Idefoto SA against Polaroid Latin America I Corporation, which is also currently pending in U.S. District Court for the Southern District of Florida as Case No. 08-cv-22750;
- C a mechanic's lien action brought by Gregory Kuzniar against Thomas Petters in the 15<sup>th</sup> Judicial Circuit Court for Palm Beach County, Florida as Case No. 2008-CA-033855;
- C a breach of contract action brought by RAF, SA DE CV against Polaroid Latin America I Corporation, which is pending in U.S. District Court for the Southern District of Florida as Case No. 08-cv-22751; and
- C a breach of contract action brought by Spedag Americas, Inc. against PGW

and Polaroid Consumer Electronics, LLC, which is pending in U.S. District Court for the Southern District of Florida as Case No. 07-cv-80576.

Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations owned or controlled by the receivership defendants.

28. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by Berger Singerman and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

29. I have reviewed the itemized statement describing services provided by Berger Singerman and certify that, to the best of my knowledge and based on the representation of Berger Singerman and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

30. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Berger Singerman in the amount of \$2,951.53.

F. Mullen & Henzell Fee Application

31. I have received a statement from Mullen & Henzell, LLP describing work performed between October 1 and October 31, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate

correspondence for an *in camera* review.

32. I hired Mullen & Henzell, which is located in Santa Barbara, California, to assist Lindquist & Vennum as local counsel in a breach of contract action against Polaroid Consumer Electronics, which is pending in Superior Court for Ventura County, California as Case No. 56-2008-00318876. Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations owned or controlled by the receivership defendants.

33. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by Mullen & Henzell and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

34. I have reviewed the itemized statement describing services provided by Mullen & Henzell and certify that, to the best of my knowledge and based on the representation of Mullen & Henzell and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

35. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Mullen & Henzell in the amount of \$8,004.84.

G. Neal Gerber Fee Application

36. I have received a statement from Neal, Gerber & Eisenberg, LLP describing

work performed between October 1 and November 30, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

37. I hired Neal Gerber, which is located in Chicago, Illinois, to assist Lindquist & Vennum as local counsel in litigation brought by Ritchie Investments seeking appointment of Billy Procida as a receiver, which was pending in Cook County, Illinois. Their assistance was necessary to avoid waste and dissipation of receivership assets or to preserve ongoing value of corporations owned or controlled by the receivership defendants.

38. I have been informed of the rates charged in the local community by attorneys performing services similar to those provided by Neal Gerber and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

39. I have reviewed the itemized statement describing services provided by Neal Gerber and certify that, to the best of my knowledge and based on the representation of Neal Gerber and Lindquist & Vennum lawyers, all of the stated work was actually performed and was necessary for representation of The Receiver.

40. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Neal Gerber in the amount of \$38,412.27.

#### IV. COUNSEL FOR INDIVIDUAL DEFENDANTS

##### A. Felhaber Fee Application

41. I have received statements from Felhaber, Larson & Vogt, P.A. describing work performed from November 3 through December 31, 2008. The statements include the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statements reflect the amount of compensation requested for the work performed. I am submitting the statements to the Court under separate correspondence for an *in camera* review.

42. The Felhaber firm was personally retained by Defendant Thomas Petters to represent him in ongoing civil and criminal proceedings arising out of the federal investigation. Jon Hopeman of the Felhaber firm serves as Mr. Petters' chief legal counsel.

43. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Hopeman and the Felhaber law firm and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

44. I have reviewed the itemized statements describing services provided by the Felhaber law firm and certify that, to the best of my knowledge and based on the representation of Mr. Hopeman, all of the stated work was actually performed and was necessary for representation of Mr. Petters.

45. I therefore request Court approval of the Receiver's fee application in favor of the Felhaber law firm in the amount of \$332,910.20.

B. Greene, Espel Fee Application

46. I have received a statement from Greene, Espel, P.L.L.P. describing work performed during the period November 3, 2008 through November 28, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

47. The Greene, Espel firm was personally retained by Defendant James Wehmhoff to represent him in ongoing civil and criminal proceedings arising out of the federal investigation. Andy Luger of the Greene, Espel firm serves as Mr. Wehmhoff's chief legal counsel.

48. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Luger and the Greene, Espel law firm and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

49. I have reviewed the itemized statement describing services provided by the Greene, Espel law firm and certify that, to the best of my knowledge and based on the

representation of Andy Luger, all of the stated work was actually performed and was necessary for representation of Mr. Wehmhoff.

50. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Greene, Espel in the amount of \$46,311.86.

C. Frederic Bruno & Associates Fee Application

51. I have received a statement from Frederic Bruno & Associates describing work performed during the period November 21, 2008 through December 18, 2008. The statement includes the date the work was performed by Mr. Bruno, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

52. The Bruno firm was personally retained by Defendant Larry Reynolds to represent him in ongoing civil and criminal proceedings arising out of the federal investigation. Fred Bruno serves as Mr. Reynold's chief legal counsel.

53. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Bruno and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

54. I have reviewed the itemized statement describing services provided by Mr. Bruno and certify that, to the best of my knowledge and based on the representation of Fred

Bruno, all of the stated work was actually performed and was necessary for representation of Mr. Reynolds.

55. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Frederic Bruno & Associates in the amount of \$15,490.50.

D Colich & Associates Fee Application

56. I have received a statement from Colich & Associates describing work performed during the period September 24 through December 31, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

57. The Colich firm was personally retained by Defendant Michael Catain to represent him in ongoing civil and criminal proceedings arising out of the federal investigation. Mike Colich serves as Mr. Catain's chief legal counsel.

58. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Colich and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

59. I have reviewed the itemized statement describing services provided by Mr. Colich and certify that, to the best of my knowledge and based on the representation of Mr.



Colich, all of the stated work was actually performed and was necessary for representation of Mr. Catain.

60. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Colich & Associates in the amount of \$76,800.00.

#### V. COUNSEL FOR PRESENT AND FORMER EMPLOYEES

61. In my capacity as Receiver, I have received requests from present and former employees of various Petters entities who desired personal legal representation. In my experience, it is customary for corporations to provide independent attorneys to represent employees who are brought into legal proceedings as a consequence of their present or former employment. Indeed, Minnesota law mandates indemnification of such employees if certain statutory criteria are met. Consistent with that law and the general practice followed in this jurisdiction, I am requesting advance payment of legal fees incurred by the following individuals.

##### A. Peter B. Wold, P.A. Fee Application

62. I have received statements from Peter B. Wold, P.A. describing work performed during the period October 1 through November 25, 2008. The statements include the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statements reflect the amount of compensation requested for the work performed. I am submitting the statements to the Court under separate correspondence for an *in camera* review.

63. The Wold firm was personally retained by Mark D. Laumann to represent him in ongoing proceedings arising out of the federal investigation. Mr. Laumann was the controller of PGW. Peter Wold serves as Mr. Laumann's chief legal counsel.

64. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Wold and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

65. I have reviewed the itemized statements describing services provided by the Wold law firm and certify that, to the best of my knowledge and based on the representation of Mr. Wold, all of the stated work was actually performed and was necessary for representation of Mr. Laumann.

66. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Peter B. Wold, P.A. in the amount of \$17,188.00.

B. James E. Ostgard Fee Application

67. I have received statements from James E. Ostgard describing work performed during the period October 2 through January 6, 2009. The statements include the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statements reflect the amount of compensation requested for the work performed. I am submitting the statements to the Court under separate correspondence for an *in camera* review.

68. Mr. Ostgard was personally retained by Deanne Anderson, Sandy Indahl, Lois Kruse, Debbie Lindstrom and Jon McGann to represent them in ongoing proceedings arising out of the federal investigation. Ms. Anderson was an employee of PGW and worked as an executive assistant to Tom Petters. Ms. Indahl was an accountant employed by PCI. Ms. Kruse was a legal records manager for PGW. Ms. Lindstrom was a PCI employee who worked as Deanna Coleman's executive assistant. Mr. McGann was a vice president of real estate for PGW.

69. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Ostgard and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

70. I have reviewed the itemized statement describing services provided by Mr. Ostgard and certify that, to the best of my knowledge and based on the representation of Mr. Ostgard, all of the stated work was actually performed and was necessary for representation of his above-named clients.

71. I therefore request Court approval of the Receiver's fee application in favor of James E. Ostgard in the amount of \$6,800.00.

C. Birrell & Newmark, Ltd. Fee Application

72. I have received a statement from Birrell & Newmark, Ltd. describing work performed during the period September 24 through December 22, 2008. The statement

includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

73. The Birrell & Newmark firm was personally retained by Mary Jeffries to represent her in ongoing proceedings arising out of the federal investigation. Ms. Jeffries was the president and chief operating officer of PGW and is now the chief executive officer of Polaroid. Andy Birrell serves as Ms. Jeffries' chief legal counsel.

74. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Birrell and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

75. I have reviewed the itemized statements describing services provided by Birrell & Newmark and certify that, to the best of my knowledge and based on the representation of Mr. Birrell, all of the stated work was actually performed and was necessary for representation of Ms. Jeffries.

76. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Birrell & Newmark, Ltd. in the amount of \$19,237.50

D. Best & Flanagan Fee Application

77. I have received a statement from Best & Flanagan, LLP describing work

performed during the period September 29 through November 21, 2008. The statement includes the date, the name of the person performing the work, the time expended, and a detailed description of the task(s) performed. Finally, the statement reflects the amount of compensation requested for the work performed. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

78. Best & Flanagan was personally retained by Bill Dunlap to represent him in ongoing proceedings arising out of the federal investigation. Mr. Dunlap was a media and marketing consultant for PGW. Thomas B. Heffelfinger serves as Mr. Dunlap's chief legal counsel.

79. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Best & Flanagan and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable Minnesota law firms for work of a comparable nature and complexity.

80. I have reviewed the itemized statement describing services provided by Best & Flanagan and certify that, to the best of my knowledge and based on the representation of Mr. Heffelfinger, all of the stated work was actually performed and was necessary for representation of Mr. Dunlap.

81. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Best & Flanagan in the amount of \$18,163.02.

E. Sands & Moskowitz Fee Application

82. I have received a statement from Sands & Moskowitz, P.A. describing work performed during the period from October 1, 2008 through January 26, 2009. I am submitting that statement to the Court under separate correspondence for an *in camera* review.

83. Sands & Moskowitz was personally retained by Camille Chee Awai to represent her in ongoing proceedings arising out of the federal investigation. Ms. Chee Awai is the chief executive officer of Petters Capital, LLC. Leonard Sands serves as Ms. Chee Awai's chief legal counsel.

84. I am familiar with the rates charged in the local community by attorneys performing services similar to those provided by Mr. Sands and his law firm and certify that the requested rates are within the range charged by attorneys of comparable experience employed by comparable law firms in their locale for work of a comparable nature and complexity.

85. I have reviewed the statement describing services provided by the Sands & Moskowitz law firm and certify that, to the best of my knowledge and based on the representation of Mr. Sands, all of the stated work was actually performed and was necessary for representation of Ms. Chee Awai.

86. I therefore request Court approval of the Receiver's fee application in favor of the law firm of Sands & Moskowitz in the amount of \$5,000.

VI. INSURANCE REIMBURSEMENT

87. Some or all of the foregoing fees and costs may be reimbursable under certain insurance policies, including directors and officers (D&O) coverage maintained by PCI, PGW or related entities. I am informed that such policies are “reimbursement policies,” which require the insured party to initially pay legal fees and costs before applying for reimbursement from the insurer. After the fee applications described herein are approved and paid, I will apply to the applicable insurers for reimbursement to the maximum extent possible.

FURTHER AFFIANT SAYETH NOT.

s/ Douglas A. Kelley  
Douglas A. Kelley

Subscribed and sworn to before me  
this 17th day of February, 2009.

s/ Lisa Yang  
Notary Public