

1 JOSEPH S. DOWDY, N.C. Bar No. 31941  
joe.dowdy@nelsonmullins.com  
2 BLAIR P. GRAHAM, N.C. Bar No. 36193  
blair.graham@nelsonmullins.com  
3 4140 Parklake Avenue, Suite 220  
Raleigh, NC 27612  
4 Telephone: 919-329-3000  
Facsimile: 919-329-3799  
5

6 Attorneys for  
THOMAS A. SEAMAN, RECEIVER  
7

8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

10 SECURITIES AND EXCHANGE  
11 COMMISSION,

12 Plaintiff,

13 v.

14 LAMBERT VANDER TUIG (a/k/a/  
15 LAMBERT VANDER TAG a/k/a  
16 DEAN I. VANDER TAG), THE  
17 CAROLINA DEVELOPMENT  
COMPANY, INC. (a/k/a THE  
CAROLINA COMPANY AT  
PINEHURST, INC.), AND  
JONATHAN CARMAN,

18 Defendants.  
19

Case No. SACV06-172AHS(MLGx)  
Complaint Filed: February 16, 2006

**(1) NELSON MULLINS RILEY &  
SCARBOROUGH, LLP'S  
SECOND INTERIM  
APPLICATION FOR  
ALLOWANCE OF  
COMPENSATION AND  
REIMBURSEMENT OF  
EXPENSES FOR NOVEMBER 1,  
2007 THROUGH JUNE 30, 2008;**

**(2) DECLARATION OF  
JOSEPH S. DOWDY; AND**

**(3) DECLARATION OF  
THOMAS A. SEAMAN**

[Notice of Eighth Interim Fee  
Applications of the Receiver, Sheppard  
Mullin Richter & Hampton and Second  
Interim Fee Application of Nelson  
Mullins Riley & Scarborough and  
Proposed Orders filed concurrently  
herewith]

Hearing:  
Date: August 4, 2008  
Time: 10:00 a.m.  
Place: Courtroom 10A  
411 W. Fourth Street  
Santa Ana, California

1 Nelson Mullins Riley and Scarborough, LLP ("Nelson Mullins"),  
2 attorneys for the court-appointed Receiver, Thomas A. Seaman ("Receiver"), hereby  
3 submits its second interim fee application ("Fee Application") for allowance of  
4 compensation and reimbursement of expenses incurred from November 1, 2007  
5 through and including June 30, 2008 (the "Period") on behalf of the Receiver as its  
6 counsel in connection with all North Carolina real estate matters related to the  
7 receivership. In support of its Fee Application, Nelson Mullins respectfully  
8 represents as follows:

9  
10 **I. INTRODUCTION.**

11 **A. Nelson Mullins Is Duly Employed As Counsel For The Receiver.**

12 On February 16, 2006, the Court appointed a receiver for Lambert  
13 Vander Tuig (a/k/a Lambert Vander Tag, a/k/a Dean L. Vander Tag, a/k/a Dean L.  
14 Vandertag), The Carolina Development Company, Inc. (a/k/a The Carolina  
15 Company at Pinehurst, Inc.), and Jonathan Carman (collectively, "Carolina"). The  
16 Receiver has employed Nelson Mullins to assist with all North Carolina real estate  
17 matters pertaining to the property held in the receivership situated in North Carolina.

18  
19 **B. Compensation Requested/Amounts Available In The Estate.**

20 In this Fee Application, Nelson Mullins requests that the Court allow  
21 compensation for legal services rendered on behalf of the Receiver during the Period  
22 in the total amount of Six Thousand One Hundred Forty Five and 66/100 Dollars  
23 (\$6,145.66) for the entire period of November 1, 2007 through June 30, 2008. This  
24 is the second interim fee application filed by Nelson Mullins. Nelson Mullins  
25 understands that there are approximately \$9 million in cash and liquid assets  
26 available in the estate.

1 As reflected in the attached declaration of Thomas A. Seaman, the  
2 Receiver instructed Nelson Mullins to undertake the tasks discussed below, has  
3 approved the amounts billed by Nelson Mullins in connection with these tasks, and  
4 has instructed Nelson Mullins to prepare this Fee Application.

5

6 **C. Distribution Of Charges.**

7 Attached hereto as **Exhibit A** and incorporated herein by reference is a  
8 detailed description of the legal services provided by Nelson Mullins, along with a  
9 description of each expense incurred on behalf of the Receiver. Also included on  
10 **Exhibit A** is a distribution of hours and the costs of services rendered by Blair  
11 Graham, Leon Killian III and Joseph Dowdy of Nelson Mullins in connection with  
12 this case overall. These descriptions and tables provide a quick reference to enable  
13 the Court to determine the distribution of efforts by Nelson Mullins among the  
14 various tasks required in connection with the North Carolina real estate matters.

15

16 **II. SUMMARY OF SPECIFIC TASKS PERFORMED BY NELSON**  
17 **MULLINS.**

18 Between November 1, 2007 and June 30, 2008, Nelson Mullins  
19 performed the following tasks, among others, on behalf of the Receiver and at the  
20 Receiver's direction:

21

- 22 • Provided legal advice regarding North Carolina real property  
23 law, procedure for real estate closings, and title issuance;
- 24
- 25 • Reviewed and analyzed purchase agreements;
- 26
- 27
- 28

- Conducted extensive legal research related to North Carolina real property issues as they related to the property in Moore County and the effective way to transfer the property to the investors; and
- Drafted North Carolina real property conveyance documents, including Non-Warranty Deeds and Notice of Satisfaction.

**III. DETAILED ANALYSIS OF ALL TIME RECORDED BY PROFESSIONALS IN CONNECTION WITH THIS CASE.**

**Exhibit A** to this Application is a detailed description of time expended and fees incurred by Nelson Mullins's attorneys in connection with this case.

**Exhibit A** also shows the total activity of each attorney who has billed time on this case. In addition, **Exhibit A** includes a description of each expense incurred by Nelson Mullins on behalf of Carolina and the Receiver.

The amounts sought in this Application are reasonable for the professional services performed by Nelson Mullins on behalf of the Receiver and Carolina, and are the same rates charged to Nelson Mullins's non-receiver clients for similar services. Nelson Mullins believes that the services that Nelson Mullins has rendered constitute necessary and appropriate services incident to the representation of the Receiver. Moreover, Nelson Mullins believes that the services rendered have also provided substantial benefit to the Receiver and Carolina's investors. As such, Nelson Mullins submits that the fees requested are properly compensable.





DECLARATION OF THOMAS A. SEAMAN

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I, Thomas A. Seaman, declare as follows:

1. I am the Receiver for The Carolina Development Company, Inc. and related subsidiaries and affiliates.

2. The following facts are within my personal knowledge unless otherwise stated. I am over the age of eighteen and competent to testify in a court of law. If called to testify as a witness regarding the statements set forth below, I could and would competently testify thereto.

3. I have reviewed the time records and expense records of Nelson Mullins Riley & Scarborough, LLP ("Nelson Mullins") reflected in the within Fee Application for compensation and expenses incurred in representing the Receiver and Carolina in this matter. Based upon my knowledge of the Receiver's needs in this matter, as well as Carolina's needs prior to the appointment of the Receiver, I believe the legal services performed and the fees and expenses incurred by Nelson Mullins were reasonably required to represent the Receiver and Carolina adequately. Thus, I have no objection to the award of the compensation and reimbursement of expenses sought by Nelson Mullins in the Fee Application.

I declare under penalty of perjury pursuant to the laws of the United States of America that the foregoing is true and correct and that this Declaration was executed on July 7, 2008.

/s/ Thomas A. Seaman  
THOMAS A. SEAMAN

List of Exhibits

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- Exhibit A            Distribution of hours / costs of services rendered, by attorney
- Exhibit B            Descriptions of professional education, experience and expertise  
                                 of Blair Graham, Leon Killian, III, Joseph Dowdy and Cathy  
                                 Rudisill

# **EXHIBIT A**



# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
 Attorneys and Counselors at Law  
 Tax ID No. 57-0215445  
 Post Office Box 11070 / Columbia, South Carolina 29211  
 Tel: 803.799.2000

Thomas A. Seaman, Receiver  
 ATTN: Thomas A. Seaman  
 1 Park Plaza  
 Suite 370  
 Irvine, CA 92614

January 4, 2008  
 Invoice 848828 Page 1

Our Matter # 30310/09000 For Services Through 12/31/07  
 Name of Matter: SEC Receivership Proceeding

12/27/07 Correspondence with Mr. Wallin regarding Warranty Deeds to record.  
 B.P. GRAHAM 0.20 hrs. \$44.00

12/28/07 Analyze and review Non-Warranty Deeds. Correspondence with Mr. Wallin regarding the  
 same.  
 B.P. GRAHAM 0.40 hrs. \$88.00

**Fees for Legal Services ..... \$132.00**

**BILLING SUMMARY**

	<u>Hours</u>	<u>Rate/Hr</u>	<u>Dollars</u>
B.P. GRAHAM	0.60	220.00	132.00
<b>TOTAL</b>	<b>0.60</b>	<b>220.00</b>	<b>132.00</b>

Net current billing for this invoice..... \$132.00

**ACCOUNTS RECEIVABLE RECAP**

<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>	
841717	12/04/2007	\$518.65	
		<b>A/R BALANCE</b>	<b>\$518.65</b>

**GRAND TOTAL..... \$650.65**

Thomas A. Seaman, Receiver

January 4, 2008  
 Invoice 848828 Page 2

**REMITTANCE COPY**

Please Return With Your Payment To:

ATTN: Accounts Receivable  
 Nelson Mullins Riley & Scarborough LLP  
 Post Office Drawer 11009  
 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 12/31/07

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$132.00
Charges for Other Services Provided/Expenses Incurred	\$0.00
<b>Net current billing for this invoice .....</b>	<b>\$132.00</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	Invoice Amount	A/R Balance
841717	12/04/2007	\$519.10	\$518.65

<b>Total Accounts Receivable.....</b>	<b>\$518.65</b>
<b>GRAND TOTAL.....</b>	<b><u>\$650.65</u></b>

**Terms of Payment: Balance due within thirty days of invoice date**

**DOMESTIC WIRING INSTRUCTIONS**

Receiving Bank: Columbus Bank & Trust (CB&T)  
 ABA Number: 061100606  
 Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

**FOREIGN WIRING INSTRUCTIONS**

Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 ABA Number: 053200666  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
Attorneys and Counselors at Law  
Tax ID No. 57-0215445  
Post Office Box 11070 / Columbia, South Carolina 29211  
Tel: 803.799.2000

Thomas A. Seaman, Receiver  
ATTN: Thomas A. Seaman  
1 Park Plaza  
Suite 370  
Irvine, CA 92614

March 7, 2008  
Invoice 860693 Page 1

Our Matter # 30310/09000 For Services Through 01/31/08  
Name of Matter: SEC Receivership Proceeding

01/02/08	Strategize with Mr. Killian regarding recording the Non-Warranty Deeds in Moore county. B.P. GRAHAM	0.20 hrs.	\$44.00
01/03/08	Telephone conferences with the Moore County Register of Deeds Office and the Moore County Tax Assessor's Office regarding filing of Non-Warranty deeds and related fees associated therewith. Analyze and review tax records regarding deeded property. B.P. GRAHAM	1.30 hrs.	\$286.00
01/04/08	Draft letters to Moore County Register of Deeds regarding recordation of twenty Non-Warranty Deeds. Conduct research on tax ID numbers for parcels of property affected by the Non-Warranty Deeds to ensure proper transfer of tax liability to new Grantees. Correspond with Mr. Wallin regarding same. B.P. GRAHAM	1.20 hrs.	\$264.00
01/07/08	Conference with Mr. Wallin regarding satisfaction of a security instrument related to Lot 2132. Analyze and review the Satisfaction of Security Instrument and corresponding title commitment related thereto. Confer with Mr. Killian regarding title search in Moore County. B.P. GRAHAM	0.80 hrs.	\$176.00
01/08/08	Multiple correspondence regarding title work for Moore County property. Correspond with Mr. Wallin regarding title concerns regarding Moore County property. B.P. GRAHAM	0.20 hrs.	\$44.00
01/09/08	Multiple correspondence regarding title work for Moore County property. Review and respond to emails from Mr. Wallin regarding title questions concerning Moore County property. B.P. GRAHAM	0.20 hrs.	\$44.00
01/11/08	Multiple correspondence with Mr. Wallin regarding recordation of additional non-warranty deeds in Moore County. Review and respond to emails from Mr. Wallin regarding recordation of additional non-warranty deeds in Moore County. B.P. GRAHAM	0.40 hrs.	\$88.00
01/14/08	Correspond with Mr. Wallin regarding recordation of Non-Warranty Deeds in Moore County regarding tax parcel ID numbers. Conduct legal research on tax parcel ID numbers for Moore County regarding the same. Confer with Ms. McComas regarding researching the Moore County Tax Assessors office to locate the tax parcel ID numbers. Conduct legal research on tax parcel ID numbers for Moore County regarding the same. B.P. GRAHAM	0.70 hrs.	\$154.00

Thomas A. Seaman, Receiver

March 7, 2008  
 Invoice 860693 Page 2

01/16/08 Review and respond to email from Mr. Wallin regarding recordation of Non-Warranty deeds  
 in Moore County.  
 B.P. GRAHAM 0.10 hrs. \$22.00

**Fees for Legal Services ..... \$1,122.00**

**BILLING SUMMARY**

	<u>Hours</u>	<u>Rate/Hr</u>	<u>Dollars</u>
B.P. GRAHAM	5.10	220.00	1,122.00
<b>TOTAL</b>	<b>5.10</b>	<b>220.00</b>	<b>1,122.00</b>

**CHARGES FOR OTHER SERVICES PROVIDED/EXPENSES INCURRED**

01/03/2008	Telephone 1-910-947-6372	0.30
01/03/2008	Telephone 1-910-947-2255	0.25
01/04/2008	Federal Express charge	11.69
01/04/2008	PAYEE: Moore County Registry; REQUEST#: 294191; DATE: 1/4/2008. - Recording fee of twenty Non-Warranty Deeds	340.00
01/04/2008	Postage	1.99
01/07/2008	Telephone 1-714-424-2853	0.05
01/16/2008	Federal Express charge	12.62
01/16/2008	PAYEE: Moore County Registry; REQUEST#: 295722; DATE: 1/16/2008. - Recording fee for 16 Non-Warranty Deeds	278.00
<b>Total Charges for Other Services Provided/Expenses Incurred .....</b>		<b>\$644.90</b>

**DISBURSEMENT SUMMARY**

<u>Description</u>	<u>Dollars</u>
Fed Ex	24.31
Filing Fee	618.00
Postage	1.99
Telephone	0.60
<b>TOTAL</b>	<b>\$644.90</b>

Net current billing for this invoice..... \$1,766.90

**ACCOUNTS RECEIVABLE RECAP**

<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
A/R BALANCE		\$650.65

**GRAND TOTAL..... \$2,417.55**

Thomas A. Seaman, Receiver

March 7, 2008  
 Invoice 860693 Page 3

**REMITTANCE COPY**

Please Return With Your Payment To:

ATTN: Accounts Receivable  
 Nelson Mullins Riley & Scarborough LLP  
 Post Office Drawer 11009  
 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 01/31/08

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$1,122.00	
Charges for Other Services Provided/Expenses Incurred	\$644.90	
<b>Net current billing for this invoice .....</b>		<b>\$1,766.90</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	A/R Balance
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00

<b>Total Accounts Receivable .....</b>		<b>\$650.65</b>
<b>GRAND TOTAL .....</b>		<b><u>\$2,417.55</u></b>

**Terms of Payment: Balance due within thirty days of invoice date**

**DOMESTIC WIRING INSTRUCTIONS**

Receiving Bank: Columbus Bank & Trust (CB&T)  
 ABA Number: 061100606  
 Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

**FOREIGN WIRING INSTRUCTIONS**

Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 ABA Number: 053200666  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701



Thomas A. Seaman, Receiver

March 7, 2008  
 Invoice 860693 Page 2

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 in Moore County.  
 B.P. GRAHAM 0.10 hrs. \$22.00

**Fees for Legal Services ..... \$1,122.00**

**BILLING SUMMARY**

	<u>Hours</u>	<u>Rate/Hr</u>	<u>Dollars</u>
B.P. GRAHAM	5.10	220.00	1,122.00
<b>TOTAL</b>	5.10	220.00	1,122.00

**CHARGES FOR OTHER SERVICES PROVIDED/EXPENSES INCURRED**

01/03/2008	Telephone 1-910-947-6372	0.30
01/03/2008	Telephone 1-910-947-2255	0.25
01/04/2008	Federal Express charge	11.69
01/04/2008	PAYEE: Moore County Registry; REQUEST#: 294191; DATE: 1/4/2008. - Recording fee of twenty Non-Warranty Deeds	340.00
01/04/2008	Postage	1.99
01/07/2008	Telephone 1-714-424-2853	0.05
01/16/2008	Federal Express charge	12.62
01/16/2008	PAYEE: Moore County Registry; REQUEST#: 295722; DATE: 1/16/2008. - Recording fee for 16 Non-Warranty Deeds	278.00
<b>Total Charges for Other Services Provided/Expenses Incurred .....</b>		<b>\$644.90</b>

**DISBURSEMENT SUMMARY**

<u>Description</u>	<u>Dollars</u>
Fed Ex	24.31
Filing Fee	618.00
Postage	1.99
Telephone	0.60
<b>TOTAL</b>	<b>\$644.90</b>

Net current billing for this invoice..... \$1,766.90

**ACCOUNTS RECEIVABLE RECAP**

<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>
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848828	01/04/2008	\$132.00
A/R BALANCE		\$650.65

**GRAND TOTAL..... \$2,417.55**

Thomas A. Seaman, Receiver

March 7, 2008  
 Invoice 860693 Page 3

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 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 01/31/08

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$1,122.00
Charges for Other Services Provided/Expenses Incurred	\$644.90
<b>Net current billing for this invoice .....</b>	<b>\$1,766.90</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	A/R Balance
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00

<b>Total Accounts Receivable .....</b>	<b>\$650.65</b>
<b>GRAND TOTAL .....</b>	<b><u>\$2,417.55</u></b>

**Terms of Payment: Balance due within thirty days of invoice date**

**DOMESTIC WIRING INSTRUCTIONS**

**Receiving Bank:** Columbus Bank & Trust (CB&T)  
**ABA Number:** 061100606  
**Beneficiary Bank:** National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
**Beneficiary Customer:** Nelson Mullins Riley & Scarborough, LLP Operating Account  
**Beneficiary Account Number:** 00322407701

**FOREIGN WIRING INSTRUCTIONS**

**Beneficiary Bank:** National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
**ABA Number:** 053200666  
**Beneficiary Customer:** Nelson Mullins Riley & Scarborough, LLP Operating Account  
**Beneficiary Account Number:** 00322407701



Thomas A. Seaman, Receiver

April 10, 2008  
 Invoice 867033 Page 2

03/11/08	Draft and prepare North Carolina General Warranty Deed between the Carolina Development Company, Inc. and Augustine S. Lim and wife, Irene M. Lim, per the request of Mr. Wallin. Strategize with Mr. Wallin regarding title work for conveyance and drafting North Carolina General Warranty Deed. Correspond with Mr. Wallin and Mr. Premac of Chicago Title regarding title work on Lims property. B.P. GRAHAM	1.30 hrs.	\$286.00
03/12/08	Review and respond to emails from Ms. Wright of Chicago Title Insurance Company regarding title work pertaining to the property of Mr. and Mrs. Lim to be deeded back to Thomas Seaman as Receiver for the Carolina Development Company. Review and respond to emails from Mr. Wallin regarding the same. B.P. GRAHAM	0.50 hrs.	\$110.00
03/20/08	Read and review emails from Ms. Wright of Chicago Title Company regarding title work done on property concerning the General Warranty Deed to be drafted. B.P. GRAHAM	0.30 hrs.	\$66.00
03/24/08	Confer with Mr. Wallin regarding clean title work associated with the General Warranty Deed to be executed between the Lims and Mr. Seaman. B.P. GRAHAM	0.30 hrs.	\$66.00
03/25/08	Draft and prepare North Carolina General Warranty Deed between the Carolina Development Company, Inc. and Augustine S. Lim and wife, Irene M. Lim, per the request of Mr. Wallin. Review and analyze Non-Warranty Deeds and Security Instruments sent by Mr. Wallin to be recorded in the Moore County Registry. Confer with Ms. McComas regarding same. B.P. GRAHAM	0.80 hrs.	\$176.00
03/26/08	Prepare Non-Warranty Deeds and Notice of Satisfaction documents to be recorded in Moore county. Confer with Mr. Wallin regarding the same. B.P. GRAHAM	0.40 hrs.	\$88.00
03/27/08	Draft letter to Moore County Register of Deeds Office regarding recordation of documents. Confer with Mr. Wallin regarding North Carolina legal work and finalizing Deed between receiver and the Lims. Confer with Ms. Manns regarding the same. B.P. GRAHAM	0.70 hrs.	\$154.00
03/31/08	Revise/edit North Carolina General Warranty Deed between Thomas Seaman, as court ordered receiver and the Lims regarding that certain 20.5 acre parcel. Conduct legal research with the Moore County Tax Assessors office to obtain the tax parcel ID number regarding subject parcel. Confer with Mr. Wallin regarding the Deed and the tax parcel ID number. Analyze and review title policy to properly draft Deed. B.P. GRAHAM	1.90 hrs.	\$418.00

**Fees for Legal Services ..... \$2,354.00**

**BILLING SUMMARY**

	<u>Hours</u>	<u>Rate/Hr</u>	<u>Dollars</u>
B.P. GRAHAM	10.70	220.00	2,354.00
TOTAL	10.70	220.00	2,354.00

**CHARGES FOR OTHER SERVICES PROVIDED/EXPENSES INCURRED**

Thomas A. Seaman, Receiver

April 10, 2008  
 Invoice 867033 Page 3

02/26/2008	PAYEE: Moore County Registry; REQUEST#: 300181; DATE: 2/26/2008. - Filing of 10 Non-Warranty Deeds	173.00
02/29/2008	Federal Express charge	12.51
03/11/2008	Telephone 1-714-513-5100	0.10
03/27/2008	PAYEE: Moore County Register of Deeds; REQUEST#: 303884; DATE: 3/27/2008. - Filing fee for twelve non-warranty deeds	204.00
03/31/2008	Telephone 1-910-947-6370	0.10
03/31/2008	Telephone 1-910-947-6388	0.15
<b>Total Charges for Other Services Provided/Expenses Incurred .....</b>		<b>\$389.86</b>

**DISBURSEMENT SUMMARY**

<u>Description</u>	<u>Dollars</u>
Fed Ex	12.51
Filing Fee	377.00
Telephone	0.35
<b>TOTAL</b>	<b>\$389.86</b>

Net current billing for this invoice..... \$2,743.86

**ACCOUNTS RECEIVABLE RECAP**

<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90
<b>A/R BALANCE</b>		<b>\$2,417.55</b>

**GRAND TOTAL..... \$5,161.41**

Thomas A. Seaman, Receiver

April 10, 2008  
 Invoice 867033 Page 4

**REMITTANCE COPY**

Please Return With Your Payment To:

ATTN: Accounts Receivable  
 Nelson Mullins Riley & Scarborough LLP  
 Post Office Drawer 11009  
 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 03/31/08

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$2,354.00	
Charges for Other Services Provided/Expenses Incurred	\$389.86	
<b>Net current billing for this invoice .....</b>		<b>\$2,743.86</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	A/R Balance
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90

<b>Total Accounts Receivable .....</b>		<b>\$2,417.55</b>
<b>GRAND TOTAL .....</b>		<b><u>\$5,161.41</u></b>

**Terms of Payment: Balance due within thirty days of invoice date**

**DOMESTIC WIRING INSTRUCTIONS**

**Receiving Bank:** Columbus Bank & Trust (CB&T)  
**ABA Number:** 061100606  
**Beneficiary Bank:** National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
**Beneficiary Customer:** Nelson Mullins Riley & Scarborough, LLP Operating Account  
**Beneficiary Account Number:** 00322407701

**FOREIGN WIRING INSTRUCTIONS**

**Beneficiary Bank:** National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
**ABA Number:** 053200666  
**Beneficiary Customer:** Nelson Mullins Riley & Scarborough, LLP Operating Account  
**Beneficiary Account Number:** 00322407701



Thomas A. Seaman, Receiver

May 14, 2008  
 Invoice 873055 Page 2

04/25/2008 4/23/2008. - Recordation fo two non-warranty deeds  
 PAYEE: Moore County Registry; REQUEST#: 307393; DATE: 20.00  
 4/25/2008. - Filing Fee for Warranty Deed  
**Total Charges for Other Services Provided/Expenses Incurred ..... \$66.51**

**DISBURSEMENT SUMMARY**

<u>Description</u>	<u>Dollars</u>
Fed Ex	12.51
Filing Fee	54.00
<b>TOTAL</b>	<b>\$66.51</b>

Net current billing for this invoice..... \$526.51

**ACCOUNTS RECEIVABLE RECAP**

<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90
867033	04/10/2008	\$2,743.86
	<b>A/R BALANCE</b>	<b>\$5,161.41</b>

**GRAND TOTAL..... \$5,687.92**

Thomas A. Seaman, Receiver

May 14, 2008  
 Invoice 873055 Page 3

**REMITTANCE COPY**

Please Return With Your Payment To:

ATTN: Accounts Receivable  
 Nelson Mullins Riley & Scarborough LLP  
 Post Office Drawer 11009  
 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 04/30/08

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$460.00
Charges for Other Services Provided/Expenses Incurred	\$66.51
<b>Net current billing for this invoice .....</b>	<b>\$526.51</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	A/R Balance
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90
867033	04/10/2008	\$2,743.86

**Total Accounts Receivable .....** **\$5,161.41**

**GRAND TOTAL .....** **\$5,687.92**

**Terms of Payment: Balance due within thirty days of invoice date**

**DOMESTIC WIRING INSTRUCTIONS**

Receiving Bank: Columbus Bank & Trust (CB&T)  
 ABA Number: 061100606  
 Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

**FOREIGN WIRING INSTRUCTIONS**

Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 ABA Number: 053200666  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701



Thomas A. Seaman, Receiver

July 3, 2008  
 Invoice 879997 Page 2

**Description**

**Dollars**

Telephone  
 TOTAL

0.20  
 \$112.74

Net current billing for this invoice..... \$457.74

<b>ACCOUNTS RECEIVABLE RECAP</b>		
<u>Original Invoice Number</u>	<u>Invoice Date</u>	<u>A/R Amt</u>
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90
867033	04/10/2008	\$2,743.86
873055	05/14/2008	\$526.51
	A/R BALANCE	\$5,687.92

**GRAND TOTAL..... \$6,145.66**

Thomas A. Seaman, Receiver

July 3, 2008  
 Invoice 879997 Page 3

**REMITTANCE COPY**

Please Return With Your Payment To:

ATTN: Accounts Receivable  
 Nelson Mullins Riley & Scarborough LLP  
 Post Office Drawer 11009  
 Columbia, South Carolina 29211  
 Telephone (803) 799-2000

For Services Through 07/01/08

Thomas A. Seaman, Receiver  
 SEC Receivership Proceeding  
 Our Matter # 30310/09000

Fees for Professional Services	\$345.00
Charges for Other Services Provided/Expenses Incurred	\$112.74
<b>Net current billing for this invoice .....</b>	<b>\$457.74</b>

**ACCOUNTS RECEIVABLE RECAP**

Invoice Number	Invoice Date	A/R Balance
841717	12/04/2007	\$518.65
848828	01/04/2008	\$132.00
860693	03/07/2008	\$1,766.90
867033	04/10/2008	\$2,743.86
873055	05/14/2008	\$526.51

**Total Accounts Receivable.....** **\$5,687.92**

**GRAND TOTAL.....** **\$6,145.66**

**Terms of Payment: Balance due within thirty days of invoice date**

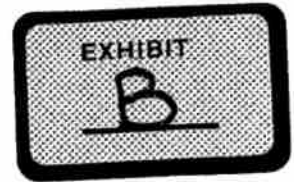
**DOMESTIC WIRING INSTRUCTIONS**

Receiving Bank: Columbus Bank & Trust (CB&T)  
 ABA Number: 061100606  
 Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

**FOREIGN WIRING INSTRUCTIONS**

Beneficiary Bank: National Bank of SC, PO Box 1798, Sumter SC 29151-1798  
 ABA Number: 053200666  
 Beneficiary Customer: Nelson Mullins Riley & Scarborough, LLP Operating Account  
 Beneficiary Account Number: 00322407701

## **EXHIBIT B**



## Joseph S. Dowdy

GlenLake One, Suite 200, 4140 Parklake Avenue, Raleigh, NC 27612  
Tel: 919.877.3867 • Fax: 919.877.3985  
joe.dowdy@nelsonmullins.com

Joseph S. Dowdy is an associate in the Raleigh office of Nelson Mullins Riley & Scarborough. His primary practice areas include commercial and financial services litigation, class action defense, and appellate advocacy.

Mr. Dowdy is a member of the North Carolina State Bar and is admitted to practice before the United States Court of Appeals for the Fourth Circuit and the United States District Courts for the Eastern, Middle and Western Districts of North Carolina. He is also a member of the American Bar Association and the North Carolina Bar Association.

Prior to joining the Firm, Mr. Dowdy completed two clerkships at the North Carolina Court of Appeals. He first served as a law clerk for the Honorable Eric L. Levinson, after which he was invited to serve a second clerkship with the Honorable J. Douglas McCullough.

In 2003, Mr. Dowdy earned a Juris Doctor, with honors, from the University of North Carolina School of Law. During law school, Mr. Dowdy was a member of the North Carolina Law Review. He submitted the winning entry in the Law Review's writing competition for second-year law students, and he published an article addressing an issue of federal constitutional law: "The Supreme Court's 'Immediate Purpose' of Restricting the Doctrine of Special Needs," 80 N.C.L. Rev. 1050 (2003). In 2002, Mr. Dowdy earned a Bachelor of Arts degree in Political Science, with distinction, from the University of North Carolina at Chapel Hill. As an undergraduate, he was inducted into Phi Beta Kappa, Pi Sigma Alpha (the Political Science Honor Society), and Phi Sigma Pi (the National Honor Fraternity).

### Associate

### Practice Areas

Appellate  
Business Litigation  
Class Action Defense  
Financial Institutions

### Education

University of North Carolina  
School of Law  
University of North Carolina at  
Chapel Hill

### Bar Admissions

North Carolina



## Blair Patrick Graham

GlenLake One, Suite 200, 4140 Parklake Avenue, Raleigh, NC 27612  
Tel: 919.329.3871 • Fax: 919.329.3980  
blair.graham@nelsonmullins.com

**B**lair Patrick Graham is an associate of Nelson Mullins Riley & Scarborough LLP who practices in Raleigh in the areas of real estate, corporate law, banking and finance.

Mr. Graham is admitted to practice in Florida and North Carolina. Mr. Graham is a member of the Florida State Bar Association's Real Property Section. He is a member of the American Bar Association section of Real Property, Probate and Trust Law. He enjoys being involved in the Triangle Chapter of the National Association of Industrial and Office Properties and the Triangle Commercial Association of Realtors. Mr. Graham is actively involved as a member of the Greater Raleigh Chamber of Commerce, Young Professionals Network.

Mr. Graham earned a Juris Doctor, cum laude, from the University of Florida, Levin College of Law in 2006. In 2003, he earned a Bachelor of Science degree in Business Administration, cum laude, as a Finance major from the University of Florida.

### Associate

### Practice Areas

Corporate  
Financial Institutions  
Real Estate

### Education

University of Florida, Levin  
College of Law  
University of Florida

### Bar Admissions

Florida  
North Carolina



## Leon "Chip" Killian

GlenLake One, Suite 200, 4140 Parklake Avenue, Raleigh, NC 27612  
Tel: 919.877.3810 • Fax: 919.877.3799  
chip.killian@nelsonmullins.com

### Partner

#### Practice Areas

Commercial Real Estate  
Government Relations and  
Administrative Law  
Affordable Housing and  
Community Development

#### Education

University of North Carolina  
School of Law  
University of North Carolina

#### Bar Admissions

North Carolina

Leon M. "Chip" Killian is a partner of Nelson Mullins Riley & Scarborough LLP. He practices in Raleigh in the business area with a particular focus on lobbying and government relations, including administrative and regulatory matters; and in the commercial real property area, including affordable housing.

Mr. Killian has been a North Carolina State Bar Certified Specialist in Real Property Law, Residential, Business, Commercial and Industrial Transactions since 1989. He has represented developers of many commercial projects including residential country club/golf course communities, industrial parks and other projects involving complex transactions on behalf of developers, owners and lenders. He was recently selected a North Carolina Super Lawyer under category of Real Estate Transactions.

An active member of the North Carolina State Bar Association, Mr. Killian served as a member of the Council, Real Property Section, 1982-85; vice chairman, 1986-87; and chairman, 1987-88; and he was a member of the Board of Governors from 1989-92. Additionally, he is a member of the 30th Judicial District Bar (president, 1985-87), the American Bar Association, the North Carolina Land Title Association, the North Carolina Association of County Attorneys, and the North Carolina Professional Lobbyists Association.

In his legislative practice, Mr. Killian has worked with electric co-operatives, pharmaceuticals, medicaid housing tax credit law, local government law, manufacturing tax credit incentives, mortgage lending, consumer lending, title insurance, managed care, automobile dealership law, and alcoholic beverage control law.

As county attorney for Haywood County since 1971, Mr. Killian has handled public finance transactions including school, justice center, hospital, jail, landfill and other construction projects.

A member and former president of the Waynesville Rotary Club, Mr. Killian is a Paul Harris Fellow, and he is a charter director of the North Carolina International Folk Festival. He has also served on many other civic boards in the Waynesville area.

In 1969, Mr. Killian earned a Juris Doctor from the University of North Carolina School of Law. In 1966, he earned a Bachelor of Science in Business Administration from the University of North Carolina at Chapel Hill.



## Cathy Rudisill

GlenLake One, Suite 200, 4140 Parklake Avenue, Raleigh, NC 27612  
Tel: 919.329.3879 • Fax: 919.877.3799  
cathy.rudisill@nelsonmullins.com

Cathy M. Rudisill, a partner of Nelson Mullins Riley & Scarborough LLP, practices in Raleigh in the areas of banking and finance, corporate law, education, and real estate. Prior to joining Nelson Mullins in 2004, Ms. Rudisill was a partner with another leading North Carolina law firm. She has more than 20 years of experience in commercial real estate and financing transactions. Her practice includes representation of developer clients in preparing and negotiating real estate acquisition agreements; office, warehouse, and retail leases; joint venture and development agreements; and restrictive covenants and other land use agreements. She has worked closely with various developer clients on complex build-to-suit leasing arrangements, including leases with specialized uses such as laboratory space. Ms. Rudisill has also assisted developer clients with matters before local governmental entities such as the Raleigh City Council and the Board of Adjustment. Ms. Rudisill and other Firm attorneys have assisted the City of Raleigh with the new downtown Convention Center and its development.

Ms. Rudisill has assisted financial institutions with financing transactions using all forms of collateral, including real estate collateral. She acts as local counsel on financing transactions to out-of-state lenders reviewing documentation and providing legal opinions on issues of North Carolina law.

Ms. Rudisill is a member of the North Carolina State Bar Association's Real Property Section, the Wake County Bar Association, and the Wake County Real Property Lawyers Association. Active in the Greater Raleigh Chamber of Commerce, Ms. Rudisill served on its Executive Committee and as General Counsel from 2002-03. She was chairwoman of the Local Government Committee from 2001-02, and continues as a member of the board of directors.

Ms. Rudisill has served on the board of directors of the Triangle Chapter of the National Association of Industrial and Office Properties since 2001 and was President for 2006 of the Triangle Chapter. A published author of numerous law-related articles, Ms. Rudisill was named to Business Leader's Impact 100 in 2002. In 1999, she was named to Triangle Business Journal's Top Women in Business, and in 1999, 2000, 2001 and 2002, she received the Triangle Chapter of Commercial Real Estate Women's Member Networking Award. In 2006, Ms. Rudisill was named a "Super Lawyer" by Law & Politics Magazine.

From 1985-86, Ms. Rudisill served as a law clerk for Judge William Drennen of the U.S. Tax Court in Washington, D.C. From 1984-85, she served as a law clerk for Chief Judge Howard A. Dawson, Jr. of the U.S. Tax Court.

Ms. Rudisill earned a Master of Laws in Taxation from Georgetown University. She earned a Juris Doctor from the University of North Carolina School of Law where she was a member of the Holderness Moot Court Bench, and Note and Comment Editor of the North Carolina Journal of International Law and Commercial Regulation. Ms. Rudisill earned a Bachelor of Arts in Psychology from the University of North Carolina at Chapel Hill.

### Partner

### Practice Areas

Real Estate  
Corporate  
Banking and Finance

### Education

Georgetown University  
University of North Carolina  
School of Law  
University of North Carolina at  
Chapel Hill

### Bar Admissions

District of Columbia  
North Carolina

PROOF OF SERVICE

I, the undersigned, declare that I am, and was at the time of service of the papers herein referred to, employed in the County of Orange; over the age of eighteen years and not a party to the within entitled action or proceeding. My business address is 650 Town Center Drive, 4th Floor, Costa Mesa, California 92626-1993.

On July 7, 2008, I served the following document described as **(1) NELSON MULLINS RILEY & SCARBOROUGH, LLP'S SECOND INTERIM APPLICATION FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR NOVEMBER 1, 2007 THROUGH JUNE 30, 2008; (2) DECLARATION OF JOSEPH S. DOWDY; AND (3) DECLARATION OF THOMAS A. SEAMAN** on the interested party(ies) in this action by placing  true copies/ originals thereof enclosed in sealed envelopes and/or packages addressed as follows:

**SEE ATTACHED SERVICE LIST**

**BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Costa Mesa, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

**BY FACSIMILE:** I served said document(s) to be transmitted by facsimile pursuant to Rule 2008 of the California Rules of Court. The telephone number of the sending facsimile machine was 714-513-5130. The name(s) and facsimile machine telephone number(s) of the person(s) served are set forth in the service list. The sending facsimile machine (or the machine used to forward the facsimile) issued a transmission report confirming that the transmission was complete and without error. Pursuant to Rule 2.306(g)(4), a copy of that report is attached to this declaration.

**BY OVERNIGHT DELIVERY:** I served such envelope or package to be delivered on the same day to an authorized courier or driver authorized by the overnight service carrier to receive documents, in an envelope or package designated by the overnight service carrier.

**FEDERAL:** I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on **July 7, 2008**, at Costa Mesa, California.

/s/ Margaret N. Manns  
Margaret N. Manns

**SERVICE LIST**

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Jonathan Charles Carman 22335 Carminto Arroyo Seco Laguna Hills, California 92653 Telephone: (714) 742-4272	In Pro Per
James Bastian, Esq. Marshack, Shulman, Hodges & Bastian 26632 Town Center Dr., Ste. 300 Foothill Ranch, CA 92610 Telephone: (949) 340-3400 Facsimile: (949) 340-3000	Attorneys for Certain Investors