

1 COATS ROSE, P.C.
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8 Attorneys for THOMAS A. SEAMAN,
9 RECEIVER

10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

16 LAMBERT VANDER TUIG (a/k/a/
17 LAMBERT VANDER TAG a/k/a
18 DEAN I. VANDER TAG), THE
19 CAROLINA DEVELOPMENT
20 COMPANY, INC. (a/k/a THE
21 CAROLINA COMPANY AT
22 PINEHURST, INC.), AND
23 JONATHAN CARMAN,

24 Defendants.

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

- (1) **COATS ROSE'S FIRST INTERIM APPLICATION FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FROM NOVEMBER 10, 2005 THROUGH APRIL 30, 2006;**
- (2) **DECLARATION OF ARTHUR VAL PERKINS; AND**
- (3) **DECLARATION OF THOMAS A. SEAMAN**

[Notice Of First Interim Fee Applications Of Thomas A. Seaman, Sheppard Mullin Richter & Hampton, Coats Rose and Mack Barclay Inc. Filed Concurrently Herewith]

Hearing
Date: June 12, 2006
Time: 10:00 a.m.
Place: Courtroom 10A
411 W. Fourth Street
Santa Ana, California

1 Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats Rose"), attorneys for
2 the court-appointed Receiver, Thomas A. Seaman ("Receiver"), hereby submits its
3 first interim fee application ("Fee Application") for allowance of compensation and
4 reimbursement of expenses incurred from February 16, 2006 through and including
5 April 30, 2006 (the "Period") on behalf of the Receiver as its counsel in connection
6 with an application for a waste discharge permit in Collin County, Texas (the
7 "Application"). In addition, Coats Rose seeks compensation and reimbursement of
8 expenses incurred from November 10, 2005 through February 15, 2006, for work
9 performed for The Carolina Development Company, Inc. ("Carolina") prior to the
10 appointment of the Receiver. In support of its Fee Application, Coats Rose
11 respectfully represents as follows:

12
13 **I. INTRODUCTION.**

14 **A. Coats Rose is Duly Employed as Counsel for the Receiver.**

15 On February 16, 2006, the Court appointed a receiver for Lambert
16 Vander Tuig (a/k/a Lambert Vander Tag, a/k/a Deal L. Vander Tag, a/k/a Deal L.
17 Vandertag), The Carolina Development Company, Inc. (a/k/a The Carolina
18 Company at Pinehurst, Inc.), and Jonathan Carman (collectively, "Carolina"). The
19 Receiver has employed Coats Rose as its counsel in connection with an application
20 presently pending before the Texas Commission on Environmental Quality
21 ("TCEQ"). Coats Rose represented Carolina beginning on November 10, 2005 and
22 has represented the Receiver since the Receiver was appointed on February 16,
23 2006.

24
25 **B. Compensation Requested/Amounts Available in the Estate.**

26 In this Fee Application, Coats Rose requests that the Court allow
27 compensation for legal services rendered on behalf of the Receiver during the Period
28 in the total amount of Three Thousand Eight Hundred and Fifty Dollars and No

1 Cents (\$3,850.00) and expenses incurred in the total amount of One Hundred Fifteen
2 Dollars and Sixty-Six Cents (\$115.66). Additionally, Coats Rose requests that the
3 Court allow compensation for legal services rendered on behalf of Carolina from
4 November 10, 2005 through February 15, 2006 in the total amount of Thirty-One
5 Thousand Two Hundred Forty-Two Dollars and Fifty Cents (\$31,242.50) and
6 expenses incurred in the total amount of Six Hundred Forty-One Dollars and
7 Seventy-Two Cents (\$641.72). For the entire period of November 10, 2005 through
8 April 30, 2006, Coats Rose requests compensation for legal services in the amount
9 of Thirty-Five Thousand Ninety-Two Dollars and Fifty Cents (\$35,092.50) and
10 expenses incurred of Seven Hundred Fifty-Seven Dollars and Fifty-Eight Cents
11 (\$757.38). This is the first interim fee application filed by Coats Rose and,
12 therefore, Coats Rose has not yet received any compensation nor reimbursement of
13 expenses. Coats Rose understands that there are approximately \$5,590,000.00 in
14 cash and liquid assets available in the estate.

15

16 As reflected in the attached declaration of Thomas A. Seaman, the
17 Receiver instructed Coats Rose to undertake the tasks discussed below, has
18 approved the amounts billed by Coats Rose in connection with these tasks, and has
19 instructed Coats Rose to prepare this Fee Application.

20

21 **C. Distribution of Charges.**

22 Attached hereto as Exhibit A and incorporated herein by reference is a
23 detailed description of the legal services provided by Coats Rose, along with a
24 description of each expense incurred on behalf of Carolina and the Receiver. Also
25 included on Exhibit A is a distribution of hours and the costs of services rendered by
26 the various attorneys utilized by Coats Rose in connection with this case overall.
27 These descriptions and tables provide a quick reference to enable the Court to

28

1 determine the distribution of efforts by Coats Rose among the various tasks required
2 in connection with the TCEQ application.

3
4 **II. BACKGROUND OF THE CELINA BRIDGES PROPERTY AND THE**
5 **WASTE DISCHARGE PERMIT APPLICATION.**

6 **A. Events Occurring Prior to Carolina's Purchase of the Property.**

7 In April 2004, 14875 Partners, Ltd. owned property in Collin County,
8 Texas known as "Celina Bridges." In order to maximize the value of Celina
9 Bridges, 14875 Partners, Ltd. filed an application with the TCEQ for a waste
10 discharge permit for a domestic wastewater treatment facility to be located on the
11 property (the "Application"). After notice of the Application was given, the TCEQ
12 received objections from, among others, the City of Celina ("Celina"), the Upper
13 Trinity Regional Water Authority (a regional water and wastewater provider)
14 ("Upper Trinity") and Ms. Julia Jackson Gray (an adjacent landowner). Celina's
15 objection was later withdrawn under the terms of a Development Agreement
16 between Celina and 14875 Partners, Ltd. by which it was agreed that the permit, if
17 granted, will be transferred to Celina.

18
19 Under the rules of the TCEQ, unless all objections can be resolved
20 administratively, the objections will result in the TCEQ referring the referenced
21 Application to the State Office of Administrative Hearings ("SOAH") for an
22 administrative hearing before an administrative law judge ("ALJ"). This can result
23 in a delay of as long as 12 to 18 months in the granting of a waste discharge permit
24 such as that sought by the Application.

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B. Carolina Purchases the Celina Bridges Property and Retains Coats Rose

Carolina purchased the Celina Bridges property from 14875 Partners, Ltd. in August 2005. In connection with this purchase, Carolina retained Coats Rose on or around November 10, 2005 to work towards a resolution of all objections and to represent Carolina's interests before the TCEQ and SOAH as necessary. After being retained by Carolina, Coats Rose has, among other things:

- Communicated extensively with representatives of TCEQ regarding the Application and the various objections to the Application;
- Represented Carolina at a meeting of the Commissioners of the TCEQ held on November 30, 2005 during which the Application was referred to SOAH for an administrative hearing;
- Negotiated and finalized a settlement agreement with Ms. Julia Jackson Gray, one of the objectors;
- Obtained a continuance of the administrative hearing in order to continue settlement negotiations with Upper Trinity, another objector;
- Negotiated with Upper Trinity and prepared a Memorandum of Understanding describing Upper Trinity's intention on withdrawing its request for a hearing;

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- Continued negotiations with Celina regarding the Memorandum of Understanding and an amendment to the Development Agreement required as a part of the Memorandum of Understanding.

C. The Receiver is Appointed and Retains Coats Rose

After the Receiver was appointed on February 16, 2006¹, the Receiver retained Coats Rose to continue these efforts. Between February 16, 2006 and April 30, 2006, Coats Rose has, among other things:

- Prepared, reviewed and revised a final status report to ALJ;
- Prepared a second amendment to the development agreement with Celina;
- Reviewed extensive information pertaining to Celina and the development agreement;
- Communicated extensively regarding the Celina development agreement;

These efforts have caused Upper Trinity to agree to withdraw its objection to the Application. In addition, Coats Rose continues to negotiate with Celina and is hopeful that Celina will eventually agree to the Amendment to the Development Agreement so that the Memorandum of Understanding can be

¹ For a summary of the scope and circumstances surrounding the Receivership, please refer to the Receiver's Fee Application filed concurrently herewith.

1 completed and filed with the TCEQ and SOAH. Coats Rose and the Receiver are
2 awaiting a SOAH decision as to whether this matter will proceed to a contested case
3 hearing. Because of the possibility that all objections will not be withdrawn, Coats
4 Rose has also been preparing for a potential hearing in front of the SOAH.

5
6 **III. DETAILED ANALYSIS OF ALL TIME RECORDED BY**
7 **PROFESSIONALS IN CONNECTION WITH THIS CASE.**

8 Exhibit A to this Application is a detailed description of time expended
9 and fees incurred by Coats Rose's attorneys in connection with this case. Exhibit A
10 also shows the total activity of each attorney who has billed time on this case. In
11 addition, Exhibit A includes a description of each expense incurred by Coats Rose
12 on behalf of Carolina and the Receiver. All expenses incurred prior to February 16,
13 2006 were incurred on behalf of Carolina, while all expenses incurred after February
14 15, 2006 were incurred on behalf of the Receiver.

15
16 The amounts sought in this Application are reasonable for the
17 professional services performed by Coats Rose on behalf of the Receiver and
18 Carolina, and are the same rates charged to Coats Rose's non-receiver clients for
19 similar services. Coats Rose believes that the services that Coats Rose has rendered
20 constitute necessary and appropriate services incident to the representation of the
21 Receiver. Moreover, Coats Rose believes that the services rendered have also
22 provided substantial benefit to the Receiver and Carolina's investors. As such,
23 Coats Rose submits that the fees requested are properly compensable.

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1 **IV. STATEMENT OF QUALIFICATIONS OF COATS ROSE**
2 **PROFESSIONALS CHARGING MATERIAL TIME IN CONNECTION**
3 **WITH THIS CASE.**

4 The professional qualifications of those attorneys who have performed
5 work on this matter to date — Arthur Val Perkins and Julianne Kugle — are
6 attached as Exhibit B.

7
8 **V. CONCLUSION.**

9 Based on the foregoing, Coats Rose requests that its fees and costs be
10 approved and awarded as set forth in this Application.

11
12 Dated: May 18, 2006

13 COATS ROSE YALE RYMAN & LEE, P.C.

14
15 By Arthur Val Perkins
16 ARTHUR VAL PERKINS
17 Counsel for Receiver
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DECLARATION OF ARTHUR VAL PERKINS

I, Arthur Val Perkins, hereby declare and say that:

1. I am an attorney licensed to practice law in the State of Texas and am a member of the bar of Texas. I am a partner in the law firm of Coats Rose Yale Ryman & Lee, P.C. ("Coats Rose"), and one of the attorneys with principal responsibility for this matter. I have responsibility for overseeing the billing in this matter. I have personal knowledge of the facts set forth herein, and if called as a witness could testify competently thereto.

2. The Receiver has reviewed the fee and expense statements reflected in this Fee Application and the Receiver has approved 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 May 18, 2006.



ARTHUR VAL PERKINS

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DECLARATION OF THOMAS A. SEAMAN

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 Coats Rose Yale Ryman & Lee, P.C. ("Coats Rose") 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 Coats Rose 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 Coats Rose 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 May 19, 2006.



THOMAS A. SEAMAN

List of Exhibits

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Exhibit A
Exhibit B

Distribution of hours / costs of services rendered, by attorney
Descriptions of professional education, experience and expertise of each attorney who billed time

EXHIBIT A

COATS | ROSE
COATS ROSE YALE RYMAN & LEE
A Professional Corporation

3 E. Greenway Plaza
Suite 2000
Houston, Texas 77046
Phone: 713-651-0111
Fax: 713-651-0220
Web: www.coatsrose.com
Tax I.D. # 76-0294490

THOMAS SEAMAN COMPANY
1 PARK PLAZA, SUITE 370
IRVINE, CA 92614

Attention: THOMAS A. SEAMAN, CFA - JUDICIAL RECEIVER

May 18, 2006
Client: 006262
Matter: 000001
Invoice #: 20067028
Resp. Atty.: AVP
Page: 1

RE: 14875 PARTNERS, LTD. - TCEQ APPLICATION

For Professional Services Rendered Through December 31, 2005

SERVICES

Date	Atty	Description of Services	Hours	Amount
11/10/2005	AVP	Review file materials [CA15].	1.75	\$437.50
11/10/2005	AVP	Phone conferences with co-counsel, client engineer and TCEQ representatives. [CA13].	1.75	\$437.50
11/11/2005	AVP	Review TCEQ pleadings and orders. [CA06].	1.25	\$312.50
11/11/2005	AVP	Phone conferences with engineer and co-counsel. [CA13].	1.25	\$312.50
11/11/2005	AVP	Legal research. [CA03].	1.00	\$250.00
11/14/2005	AVP	Email communication with client, co-counsel, engineer, TCEQ representatives and representatives of County and Upper Trinity. [CA14].	2.25	\$562.50
11/14/2005	AVP	Telephone conferences with client, co-counsel, engineer, TCEQ representatives and representatives of County and Upper Trinity. [CA13].	2.25	\$562.50
11/15/2005	AVP	Phone conferences. [CA13].	0.25	\$62.50
11/15/2005	AVP	Email communications. [CA14].	0.25	\$62.50
11/15/2005	AVP	Review draft settlement proposals. [CA16].	1.00	\$250.00
11/15/2005	AVP	Review TCEQ regulations regarding amendments to permit application. [CA03].	1.00	\$250.00

SERVICES

Date	Atty	Description of Services	Hours	Amount
11/16/2005	AVP	Email communications with co-counsel, engineer and TCEQ representatives. [CA14].	0.50	\$125.00
11/16/2005	AVP	Telephone conferences with co-counsel, engineer and TCEQ representatives. [CA13].	0.50	\$125.00
11/18/2005	AVP	Phone conferences with Upper Trinity representatives. [CA13].	0.50	\$125.00
11/18/2005	AVP	Phone conferences with TCEQ representative. [CA13].	0.50	\$125.00
11/18/2005	AVP	Review engineering. [CA06].	0.50	\$125.00
11/18/2005	AVP	Email communication with client, engineer and co-counsel. [CA14].	0.50	\$125.00
11/18/2005	AVP	Review TCEQ draft settlement agreement and forward to all parties. [CA16].	0.50	\$125.00
11/21/2005	AVP	Phone conferences with client, engineer, co-counsel, TCEQ mediator and TCEQ staff attorney [CA13].	1.00	\$250.00
11/21/2005	AVP	Review email communication. [CA14].	0.50	\$125.00
11/21/2005	AVP	Review engineering material regarding settlement. [CA15].	1.50	\$375.00
11/22/2005	AVP	Phone conferences with representative of Upper Trinity, with Mr. Green, with Mr. Tate, and with Mr. Wiegert re: settlement issues. [CA13].	2.50	\$625.00
11/28/2005	AVP	Phone conferences with Mr. Tate, Mr. Green, Mr. Wiegert, Ms. Gray attorney, Mr. Lucas and Ms. Lee regarding status and hearing. [CA13].	3.50	\$875.00
11/29/2005	AVP	Phone conferences with Ms. Lee, Mr. Lucas, Mr. Detheridge and Mr. Lucas regarding settlement issues. [CA13].	2.50	\$625.00
11/30/2005	AVP	Attend TCEQ hearing. [CA05].	4.50	\$1,125.00
12/02/2005	AVP	Phone conferences with co-counsel. [CA13].	0.30	\$75.00
12/14/2005	AVP	Phone conferences with client, co-counsel and TCEQ attorney, clerk and mediator. [CA13].	1.00	\$250.00
12/14/2005	AVP	Prepare, review and revise draft settlement agreement and withdrawal of hearing request and forward same to clients. [CA16].	2.50	\$625.00
12/15/2005	AVP	Review all file materials and attorney's notes. [CA15].	1.00	\$250.00
12/15/2005	AVP	Legal research. [CA03].	1.00	\$250.00
12/15/2005	AVP	Conference with co-counsel. [CA13].	1.00	\$250.00
12/15/2005	AVP	Prepare, review and revise draft outline of meeting agenda and outline and draft royalty agreement provision. [CA12].	1.50	\$375.00

May 18, 2006
 Client: 006262
 Matter: 000001
 Invoice #: 20067028

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SERVICES

Date	Atty	Description of Services	Hours	Amount
12/20/2005	AVP	Telephone communication with clients and TCEQ representatives regarding status of settlement and hearing. [CA13].	0.50	\$125.00
12/20/2005	AVP	Email communication with clients and TCEQ representatives regarding status of settlement and hearing. [CA14].	0.50	\$125.00
12/21/2005	AVP	Telephone communication with client and co-counsel regarding status. [CA13].	0.50	\$125.00
12/22/2005	AVP	Phone conferences with clients. [CA13].	1.00	\$250.00
12/28/2005	AVP	Email communication with clients and consultants. [CA14].	0.75	\$187.50
12/28/2005	AVP	Phone conferences with Upper Trinity representatives and with TCEQ mediator. [CA13].	0.75	\$187.50
12/29/2005	AVP	Email communication with clients regarding status of Upper Trinity meeting and related issues. [CA14].	1.00	\$250.00
12/30/2005	AVP	Email communication with client and Upper Trinity representative regarding meeting and status of continued representation. [CA14].	1.00	\$250.00
Total Professional Services			47.80	\$11,950.00

PERSON RECAP

Person	Level	Hours	Rate	Amount
AVP ARTHUR V. PERKINS	DIRECTOR	47.80	\$250.00	\$11,950.00

DISBURSEMENTS

Date	Description of Disbursements	Amount
11/29/2005	ARTHUR VAL PERKINS - Parking	\$37.45
11/29/2005	ARTHUR VAL PERKINS - GASOLINE	\$33.40
11/29/2005	ARTHUR VAL PERKINS - HOTEL	\$87.17
Total Disbursements		\$158.02

May 18, 2006
 Client: 006262
 Matter: 000001
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Page: 4

Total Services	\$11,950.00
Total Disbursements	\$158.02
Total Current Charges	\$12,108.02
Previous Balance	\$0.00
<i>Less Payments</i>	(\$0.00)
<i>Less Retainer Applied</i>	(\$0.00)
<i>Less Trust Applied</i>	(\$0.00)
<i>Less Credits/Write Offs</i>	(\$0.00)
PAY THIS AMOUNT	\$12,108.02

Trust Balance	\$0.00
Retainer Balance	\$0.00

TOTALS

Total Current Fees	\$11,950.00
Total Current Expenses	<u>\$158.02</u>
Current Grand Total	\$12,108.02

AGGREGATE FILE HOURS, FEES AND EXPENSES

Hours:	47.80	
Fees:	\$11,950.00	
Expenses:	\$158.02	
Total Fees & Expenses:		\$12,108.02

MATTER RECAP

	<u>Current Invoice</u>	<u>Since Inception</u>	<u>Total</u>
Services	\$11,950.00	\$0.00	\$11,950.00
Disbursements	\$158.02	\$0.00	\$158.02
Total	\$12,108.02	\$0.00	\$12,108.02

TASK RECAP

Services			Disbursements	
<u>Category</u>	<u>Hours</u>	<u>Amount</u>	<u>Category</u>	<u>Amount</u>
CA03	3.00	\$750.00		\$158.02
CA05	4.50	\$1,125.00		
CA06	1.75	\$437.50		
CA12	1.50	\$375.00		
CA13	21.55	\$5,387.50		
CA14	7.25	\$1,812.50		
CA15	4.25	\$1,062.50		
CA16	4.00	\$1,000.00		
	<u>47.80</u>	<u>\$11,950.00</u>		<u>\$158.02</u>

BREAKDOWN BY PERSON

<u>Person</u>	<u>Category</u>	<u>Hours</u>	<u>Amount</u>
AVP ARTHUR V. PERKINS	CA03	3.00	\$750.00
AVP ARTHUR V. PERKINS	CA05	4.50	\$1,125.00
AVP ARTHUR V. PERKINS	CA06	1.75	\$437.50
AVP ARTHUR V. PERKINS	CA12	1.50	\$375.00
AVP ARTHUR V. PERKINS	CA13	21.55	\$5,387.50
AVP ARTHUR V. PERKINS	CA14	7.25	\$1,812.50
AVP ARTHUR V. PERKINS	CA15	4.25	\$1,062.50
AVP ARTHUR V. PERKINS	CA16	4.00	\$1,000.00
		<u>47.80</u>	<u>\$11,950.00</u>

COATS | ROSE
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Client: 006262
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Resp. Atty.: AVP
Page: 1

RE: 14875 PARTNERS, LTD. - TCEQ APPLICATION

For Professional Services Rendered Through January 31, 2006

SERVICES

Date	Atty	Description of Services	Hours	Amount
01/01/2006	AVP	Review file materials. [CA15].	0.30	\$82.50
01/04/2006	JBK	Review letter from Texas Commission on Environmental Quality regarding Wastewater Discharge Permit and Hearing related to same. [CA12].	0.25	\$62.50
01/04/2006	JBK	Coordinate publication of Notice of Hearing. [CA12].	0.25	\$62.50
01/05/2006	AVP	Phone conferences with co-counsel and client regarding status. [CA13].	0.50	\$137.50
01/06/2006	AVP	Phone conferences with clients and consultants regarding status. [CA13].	2.00	\$550.00
01/07/2006	AVP	Review development agreement and service plan. [CA12].	2.00	\$550.00
01/09/2006	AVP	Review Development Agreement. [CA12].	1.00	\$275.00
01/10/2006	AVP	Review file and settlement materials. [CA16].	0.50	\$137.50
01/10/2006	AVP	Review TCEQ order and related material. [CA06].	0.50	\$137.50
01/11/2006	AVP	Meeting with clients, consultant and engineer. [CA04].	3.00	\$825.00
01/11/2006	AVP	Meeting with Upper Trinity representatives. [CA17].	3.00	\$825.00
01/11/2006	AVP	Meeting with City Manager of Celina. [CA17].	3.00	\$825.00
01/13/2006	AVP	Phone conference with Ms. Gray attorney. [CA13].	0.50	\$137.50

SERVICES

Date	Atty	Description of Services	Hours	Amount
01/13/2006	AVP	Forward settlement material. [CA16].	0.20	\$55.00
01/13/2006	AVP	Review Upper Trinity material. [CA15].	0.30	\$82.50
01/15/2006	AVP	Review development agreement. [CA12].	0.75	\$206.25
01/15/2006	AVP	Review file materials. [CA15].	0.50	\$137.50
01/15/2006	AVP	Prepare first draft of memorandum of understanding and withdrawal letter. [CA06].	1.25	\$343.75
01/16/2006	AVP	Review and revise draft memorandum and withdrawal letter. [CA06].	1.00	\$275.00
01/16/2006	AVP	Review Development Agreement regarding amendment. [CA12].	1.00	\$275.00
01/16/2006	AVP	Email communication with Mr. Tate and Mr. Wiegert regarding amendment. [CA14].	0.50	\$137.50
01/16/2006	AVP	Telephone communication with Ms. Gray's attorney regarding amended settlement agreement. [CA13].	0.50	\$137.50
01/16/2006	AVP	Review and revise amended settlement agreement. [CA16].	1.50	\$412.50
01/17/2006	AVP	Review and revise draft memorandum of understanding. [CA06].	1.00	\$275.00
01/17/2006	AVP	Phone conferences with Mr. Tate and Mr. Wiegert regarding memorandum, amendment to Development Agreement and settlement with Ms. Gray. [CA13].	1.00	\$275.00
01/17/2006	AVP	Email memorandum and attachments to clients. [CA14].	0.80	\$220.00
01/18/2006	AVP	Review Gray revised settlement. [CA16].	0.50	\$137.50
01/18/2006	AVP	Email communication with clients and consultants regarding Gray revised settlement. [CA14].	0.40	\$110.00
01/18/2006	AVP	Phone conference with client representative. [CA13].	0.40	\$110.00
01/20/2006	AVP	Review amendments to memorandum. [CA06].	0.50	\$137.50
01/25/2006	AVP	Phone conference with Mr. Tate. [CA13].	1.25	\$343.75
01/25/2006	AVP	Email communications with clients and consultants and Ms. Gray's attorney. [CA14].	1.25	\$343.75
01/26/2006	AVP	Phone conference with Ms. Lee. [CA13].	0.50	\$137.50
01/27/2006	AVP	Review and revise memorandum of understanding. [CA06].	1.00	\$275.00
01/27/2006	AVP	Review and transmit email communication to all clients and consultants regarding revised memorandum. [CA14].	0.50	\$137.50
01/27/2006	AVP	Phone conference with Mr. Detherage and Mr. Lucas regarding Gray settlement. [CA13].	0.50	\$137.50

SERVICES

Date	Atty	Description of Services	Hours	Amount
01/27/2006	AVP	Prepare, review and revise draft amendment to development agreement [CA12].	2.00	\$550.00
01/27/2006	AVP	Email communication with Upper Trinity and City of Celina regarding amendment. [CA14].	0.50	\$137.50
01/27/2006	AVP	Email communication with Mr. Brenard and Mr. Wiegert regarding status. [CA14].	0.30	\$82.50
01/27/2006	AVP	Review settlement agreement. [CA16].	1.00	\$275.00
01/31/2006	AVP	Phone conference with Upper Trinity representative. [CA13].	0.50	\$137.50
01/31/2006	AVP	Phone conference with Mr. Wiegert. [CA13].	0.50	\$137.50
01/31/2006	AVP	Email communication with Celina City Manager. [CA14].	0.50	\$137.50
Total Professional Services			39.20	\$10,767.50

PERSON RECAP

Person	Level	Hours	Rate	Amount
AVP ARTHUR V. PERKINS	DIRECTOR	38.70	\$275.00	\$10,642.50
JBK JULIANNE B. KUGLE	DIRECTOR	0.50	\$250.00	\$125.00

DISBURSEMENTS

Date	Description of Disbursements	Amount
01/10/2006	FEDERAL EXPRESS CORP. - Courier Service	\$9.69
01/10/2006	Photocopies	\$8.75
01/10/2006	Photocopies	\$1.75
01/11/2006	ARTHUR VAL PERKINS - Parking	\$13.00
01/11/2006	ARTHUR VAL PERKINS - AIRFARE	\$229.60
01/11/2006	ARTHUR VAL PERKINS - RENTAL CAR	\$95.27
01/12/2006	FEDERAL EXPRESS CORP. - Courier Service	\$11.29
01/12/2006	FEDERAL EXPRESS CORP. - Courier Service	\$11.29
01/12/2006	Photocopies	\$23.00
Total Disbursements		\$403.64

May 18, 2006
 Client: 006262
 Matter: 000001
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Page: 4

Total Services	\$10,767.50
Total Disbursements	\$403.64
Total Current Charges	\$11,171.14
Previous Balance	\$12,108.02
<i>Less Payments</i>	(\$0.00)
<i>Less Retainer Applied</i>	(\$0.00)
<i>Less Trust Applied</i>	(\$0.00)
<i>Less Credits/Write Offs</i>	(\$0.00)
PAY THIS AMOUNT	\$23,279.16

Trust Balance	\$0.00
Retainer Balance	\$0.00

TOTALS

Total Current Fees	\$10,767.50
Total Current Expenses	<u>\$403.64</u>
Current Grand Total	\$11,171.14

AGGREGATE FILE HOURS, FEES AND EXPENSES

Hours:	39.20	
Fees:	\$22,717.50	
Expenses:	\$561.66	
Total Fees & Expenses:		\$23,279.16

MATTER RECAP

	<u>Current Invoice</u>	<u>Since Inception</u>	<u>Total</u>
Services	\$10,767.50	\$11,950.00	\$22,717.50
Disbursements	<u>\$403.64</u>	<u>\$158.02</u>	<u>\$561.66</u>
Total	\$11,171.14	\$12,108.02	\$23,279.16

TASK RECAP

Services

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA04	3.00	\$825.00
CA06	5.25	\$1,443.75
CA12	7.25	\$1,981.25
CA13	8.15	\$2,241.25
CA14	4.75	\$1,306.25
CA15	1.10	\$302.50
CA16	3.70	\$1,017.50
CA17	6.00	\$1,650.00
	<u>39.20</u>	<u>\$10,767.50</u>

Disbursements

<u>Category</u>	<u>Amount</u>
	\$403.64
	<u>\$403.64</u>

BREAKDOWN BY PERSON

<u>Person</u>	<u>Category</u>	<u>Hours</u>	<u>Amount</u>
AVP ARTHUR V. PERKINS	CA04	3.00	\$825.00
AVP ARTHUR V. PERKINS	CA06	5.25	\$1,443.75
AVP ARTHUR V. PERKINS	CA12	6.75	\$1,856.25
AVP ARTHUR V. PERKINS	CA13	8.15	\$2,241.25
AVP ARTHUR V. PERKINS	CA14	4.75	\$1,306.25
AVP ARTHUR V. PERKINS	CA15	1.10	\$302.50
AVP ARTHUR V. PERKINS	CA16	3.70	\$1,017.50
AVP ARTHUR V. PERKINS	CA17	6.00	\$1,650.00
JBK JULIANNE B. KUGLE	CA12	0.50	\$125.00
		<u>39.20</u>	<u>\$10,767.50</u>

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Houston, Texas 77046
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Web: www.coatsrose.com
Tax I.D. # 76-0294490

THOMAS SEAMAN COMPANY
1 PARK PLAZA, SUITE 370
IRVINE, CA 92614

Attention: THOMAS A. SEAMAN, CFA - JUDICIAL RECEIVER

May 18, 2006
Client: 006262
Matter: 000001
Invoice #: 20067030
Resp. Atty.: AVP
Page: 1

RE: 14875 PARTNERS, LTD. - TCEQ APPLICATION

For Professional Services Rendered Through February 28, 2006

SERVICES

Date	Atty	Description of Services	Hours	Amount
02/01/2006	AVP	Email status reports to clients and consultants. [CA14].	0.50	\$137.50
02/02/2006	AVP	Phone conferences with client, Mr. Detherage and Mr. Stalnaker regarding settlement issues. [CA13].	1.00	\$275.00
02/03/2006	AVP	Phone conference with Mr. Stalnaker [CA13].	0.50	\$137.50
02/03/2006	AVP	Email communication with client. [CA14].	0.50	\$137.50
02/06/2006	AVP	Phone conferences with Mr. Detherage, Ms. Lee and consultants. [CA13].	1.50	\$412.50
02/06/2006	AVP	Prepare, review and revise email and telefax communication and correspondence to Mr. Lucas, Ms. Lee, Mr. Detherage and Mr. Albert, with copies to all clients and consultants regarding Gray settlement and MOU. [CA14].	1.00	\$275.00
02/06/2006	AVP	Draft amendments to amendment to development agreement. [CA12].	1.00	\$275.00
02/06/2006	AVP	Conferences with Mr. Green. [CA13].	1.00	\$275.00
02/07/2006	AVP	Review and revise draft amendment to development agreement. [CA12].	1.50	\$412.50
02/07/2006	AVP	Email communication with all parties regarding amendment and Gray agreement. [CA14].	1.00	\$275.00

SERVICES

Date	Atty	Description of Services	Hours	Amount
02/07/2006	AVP	Phone conferences with Mr. Detherage and Mr. Wiegert. [CA13].	1.00	\$275.00
02/08/2006	AVP	Conferences with Mr. Green and Mr. Wiegert to review and revise draft memorandum. [CA13].	2.00	\$550.00
02/08/2006	AVP	Phone conference with Mr. Lucas regarding TCEQ settlement issues. [CA13].	1.50	\$412.50
02/09/2006	AVP	Review and revise draft amendment and forward to all parties. [CA12].	1.00	\$275.00
02/09/2006	AVP	Review and revise memorandum and send to all parties. [CA06].	1.00	\$275.00
02/09/2006	AVP	Review all recent email communication regarding memorandum and amendment. [CA14].	0.50	\$137.50
02/13/2006	AVP	Conference call with clients and Mr. Stalnaker. [CA13].	1.00	\$275.00
02/13/2006	AVP	Review and revise draft memorandum and amendment. [CA06].	1.00	\$275.00
02/13/2006	AVP	Phone conferences with Mr. Stalnaker and Mr. Wiegert. [CA13].	1.50	\$412.50
02/14/2006	AVP	Phone conferences with all parties regarding agreements. [CA13].	1.00	\$275.00
02/14/2006	AVP	Phone conferences with all parties regarding SOAH hearing. [CA13].	1.00	\$275.00
02/14/2006	AVP	Prepare, review and revise motion to continue hearing. [CA06].	1.50	\$412.50
02/14/2006	AVP	Review Lindner email communication. [CA14].	1.00	\$275.00
02/14/2006	AVP	Conferences with Mr. Green. [CA13].	1.00	\$275.00
02/14/2006	AVP	Review and revise draft amendment to development agreement to reflect MUD acknowledgment. [CA12].	2.50	\$687.50
02/14/2006	AVP	Email communication with all parties regarding revisions to draft amendment. [CA14].	0.50	\$137.50
02/15/2006	AVP	Phone conferences and email communication with all parties regarding hearing continuance. [CA13].	0.50	\$137.50
02/15/2006	AVP	Phone conference with SOAH clerk re continuance. [CA14].	0.25	\$68.75
02/15/2006	AVP	Review and revise draft amendment. [CA12].	1.25	\$343.75
02/15/2006	AVP	Finalize Gray withdrawal. [CA06].	0.50	\$137.50
02/16/2006	AVP	Email communications with TCEQ staff attorney, TCEQ mediator, Mr. Detherage, Mr. Stalnaker and client regarding	1.00	\$275.00

May 18, 2006
 Client: 006262
 Matter: 000001
 Invoice #: 20067030

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SERVICES

Date	Atty	Description of Services	Hours	Amount
02/16/2006	AVP	Gray withdrawal. [CA14]. Review and forward to all parties the final SOAH Order on continuance. [CA06].	0.50	\$137.50
Total Professional Services			32.50	\$8,937.50

PERSON RECAP

Person	Level	Hours	Rate	Amount
AVP ARTHUR V. PERKINS	DIRECTOR	32.50	\$275.00	\$8,937.50

DISBURSEMENTS

Date	Description of Disbursements	Amount
02/06/2006	FEDERAL EXPRESS CORP. - Courier Service	\$11.31
02/06/2006	Photocopies	\$0.25
02/06/2006	Photocopies	\$7.50
02/06/2006	Telecopy	\$4.00
02/14/2006	Photocopies	\$11.25
02/14/2006	Photocopies	\$0.25
02/14/2006	Photocopies	\$0.25
02/14/2006	Telecopy	\$5.00
02/14/2006	Telecopy	\$5.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/14/2006	Telecopy	\$6.00
02/15/2006	Photocopies	\$0.75
02/15/2006	Photocopies	\$0.50
02/15/2006	Telecopy	\$4.00
02/16/2006	Photocopies	\$3.75
02/16/2006	Telecopy	\$10.00

May 18, 2006
 Client: 006262
 Matter: 000001
 Invoice #: 20067030

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DISBURSEMENTS

Date	Description of Disbursements	Amount
02/16/2006	Telecopy	\$10.00
02/16/2006	Telecopy	\$10.00
02/16/2006	Telecopy	\$10.00
02/16/2006	Telecopy	\$10.00
02/17/2006	Photocopies	\$3.50
02/17/2006	Photocopies	\$2.25
02/17/2006	Telecopy	\$3.00
Total Disbursements		\$142.56

Total Services	\$8,937.50
Total Disbursements	\$142.56
Total Current Charges	\$9,080.06
Previous Balance	\$23,279.16
Less Payments	(\$0.00)
Less Retainer Applied	(\$0.00)
Less Trust Applied	(\$0.00)
Less Credits/Write Offs	(\$0.00)
PAY THIS AMOUNT	\$32,359.22

Trust Balance	\$0.00
Retainer Balance	\$0.00

May 18, 2006
Client: 006262
Matter: 000001
Invoice #: 20067030

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TOTALS

Total Current Fees	\$8,937.50
Total Current Expenses	<u>\$142.56</u>
Current Grand Total	\$9,080.06

AGGREGATE FILE HOURS, FEES AND EXPENSES

Hours:	32.50
Fees:	\$31,655.00
Expenses:	\$704.22
Total Fees & Expenses:	\$32,359.22

MATTER RECAP

	<u>Current Invoice</u>	<u>Since Inception</u>	<u>Total</u>
Services	\$8,937.50	\$22,717.50	\$31,655.00
Disbursements	<u>\$142.56</u>	<u>\$561.66</u>	<u>\$704.22</u>
Total	\$9,080.06	\$23,279.16	\$32,359.22

TASK RECAP

Services

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA06	4.50	\$1,237.50
CA12	7.25	\$1,993.75
CA13	14.50	\$3,987.50
CA14	6.25	\$1,718.75
	<u>32.50</u>	<u>\$8,937.50</u>

Disbursements

<u>Category</u>	<u>Amount</u>
	\$142.56
	<u>\$142.56</u>

BREAKDOWN BY PERSON

Person

AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS

Category

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA06	4.50	\$1,237.50
CA12	7.25	\$1,993.75
CA13	14.50	\$3,987.50
CA14	6.25	\$1,718.75
	<u>32.50</u>	<u>\$8,937.50</u>

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Tax I.D. # 76-0294490

THOMAS SEAMAN COMPANY

1 PARK PLAZA, SUITE 370

IRVINE, CA 92614

Attention: THOMAS A. SEAMAN, CFA - JUDICIAL RECEIVER

May 18, 2006

Client: 006262

Matter: 000001

Invoice #: 20067031

Resp. Atty.: AVP

Page: 1

RE: 14875 PARTNERS, LTD. - TCEQ APPLICATION

For Professional Services Rendered Through March 31, 2006

SERVICES

Date	Atty	Description of Services	Hours	Amount
03/13/2006	AVP	Phone conferences with client and co-counsel. [CA14].	0.50	\$137.50
03/14/2006	AVP	Phone conferences with client, Mr. Lindner and Mr. Thomas. [CA14].	1.00	\$275.00
03/16/2006	AVP	Review agreement and related documents. [CA12].	0.50	\$137.50
03/16/2006	AVP	Conferences with co-counsel. [CA13].	0.50	\$137.50
03/16/2006	AVP	Phone conferences with client. [CA13].	0.50	\$137.50
03/20/2006	AVP	Telephone conferences with client, Mr. Lindner and Mr. Stalnaker. [CA13].	0.75	\$206.25
03/20/2006	AVP	Prepare, review and revise draft and final status report to ALJ. [CA06].	1.50	\$412.50
03/20/2006	AVP	Email communication with client and Mr. Wiegert. [CA14].	0.75	\$206.25
Total Professional Services			6.00	\$1,650.00

May 18, 2006
 Client: 006262
 Matter: 000001
 Invoice #: 20067031

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PERSON RECAP

Person	Level	Hours	Rate	Amount
AVP ARTHUR V. PERKINS	DIRECTOR	6.00	\$275.00	\$1,650.00

DISBURSEMENTS

Date	Description of Disbursements	Amount
03/20/2006	FEDERAL EXPRESS CORP. - Courier Service	\$11.41
03/20/2006	Photocopies	\$6.25
03/20/2006	Photocopies	\$1.25
03/20/2006	Telecopy	\$6.00
03/20/2006	Telecopy	\$6.00
03/27/2006	Photocopies	\$21.75
03/27/2006	Photocopies	\$0.50
Total Disbursements		\$53.16

Total Services	\$1,650.00
Total Disbursements	\$53.16
Total Current Charges	\$1,703.16
Previous Balance	\$32,359.22
Less Payments	(\$0.00)
Less Retainer Applied	(\$0.00)
Less Trust Applied	(\$0.00)
Less Credits/Write Offs	(\$0.00)
PAY THIS AMOUNT	\$34,062.38

Trust Balance	\$0.00
Retainer Balance	\$0.00

TOTALS

Total Current Fees	\$1,650.00
Total Current Expenses	<u>\$53.16</u>
Current Grand Total	\$1,703.16

AGGREGATE FILE HOURS, FEES AND EXPENSES

Hours:	6.00	
Fees:	\$33,305.00	
Expenses:	\$757.38	
Total Fees & Expenses:		\$34,062.38

MATTER RECAP

	<u>Current Invoice</u>	<u>Since Inception</u>	<u>Total</u>
Services	\$1,650.00	\$31,655.00	\$33,305.00
Disbursements	<u>\$53.16</u>	<u>\$704.22</u>	<u>\$757.38</u>
Total	\$1,703.16	\$32,359.22	\$34,062.38

TASK RECAP

Services

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA06	1.50	\$412.50
CA12	0.50	\$137.50
CA13	1.75	\$481.25
CA14	2.25	\$618.75
	<u>6.00</u>	<u>\$1,650.00</u>

Disbursements

<u>Category</u>	<u>Amount</u>
	\$53.16
	<u>\$53.16</u>

BREAKDOWN BY PERSON

Person

AVP ARTHUR V. PERKINS
 AVP ARTHUR V. PERKINS
 AVP ARTHUR V. PERKINS
 AVP ARTHUR V. PERKINS

Category

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA06	1.50	\$412.50
CA12	0.50	\$137.50
CA13	1.75	\$481.25
CA14	2.25	\$618.75
	<u>6.00</u>	<u>\$1,650.00</u>

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Web: www.coatsrose.com
Tax I.D. # 76-0294490

THOMAS SEAMAN COMPANY
1 PARK PLAZA, SUITE 370
IRVINE, CA 92614

Attention: THOMAS A. SEAMAN, CFA - JUDICIAL RECEIVER

May 18, 2006
Client: 006262
Matter: 000001
Invoice #: 20067032
Resp. Atty.: AVP
Page: 1

RE: 14875 PARTNERS, LTD. - TCEQ APPLICATION

For Professional Services Rendered Through April 30, 2006

SERVICES

Date	Atty	Description of Services	Hours	Amount
04/06/2006	AVP	Email communication with client regarding status. [CA14].	0.50	\$137.50
04/10/2006	AVP	Review all file materials. [CA15].	0.50	\$137.50
04/10/2006	AVP	Conference call with client. [CA13].	0.50	\$137.50
04/13/2006	AVP	Forward to client copies of second amendment to development agreement and TAC reimbursement regulations. [CA12].	0.50	\$137.50
04/24/2006	AVP	Review Celina material. [CA15].	0.50	\$137.50
04/24/2006	AVP	Review file materials. [CA15].	0.50	\$137.50
04/27/2006	AVP	Review Celina material and all agreement information. [CA15].	2.50	\$687.50
04/27/2006	AVP	Phone conferences with clients. [CA13].	1.00	\$275.00
Total Professional Services			6.50	\$1,787.50

May 18, 2006
Client: 006262
Matter: 000001
Invoice #: 20067032

Page: 2

PERSON RECAP

Person	Level	Hours	Rate	Amount	
AVP	ARTHUR V. PERKINS	DIRECTOR	6.50	\$275.00	\$1,787.50
Total Services				\$1,787.50	
Total Disbursements				\$0.00	
Total Current Charges				\$1,787.50	
Previous Balance				\$34,062.38	
Less Payments				(\$0.00)	
Less Retainer Applied				(\$0.00)	
Less Trust Applied				(\$0.00)	
Less Credits/Write Offs				(\$0.00)	
PAY THIS AMOUNT				\$35,849.88	
Trust Balance				\$0.00	
Retainer Balance				\$0.00	

TOTALS

Total Current Fees	\$1,787.50
Total Current Expenses	<u>\$0.00</u>
Current Grand Total	\$1,787.50

AGGREGATE FILE HOURS, FEES AND EXPENSES

Hours:	6.50
Fees:	\$35,092.50
Expenses:	\$757.38
Total Fees & Expenses:	\$35,849.88

MATTER RECAP

	<u>Current Invoice</u>	<u>Since Inception</u>	<u>Total</u>
Services	\$1,787.50	\$33,305.00	\$35,092.50
Disbursements	<u>\$0.00</u>	<u>\$757.38</u>	<u>\$757.38</u>
Total	\$1,787.50	\$34,062.38	\$35,849.88

TASK RECAP

Services

<u>Category</u>	<u>Hours</u>	<u>Amount</u>
CA12	0.50	\$137.50
CA13	1.50	\$412.50
CA14	0.50	\$137.50
CA15	4.00	\$1,100.00
	<u>6.50</u>	<u>\$1,787.50</u>

Disbursements

<u>Category</u>	<u>Amount</u>
	<u>\$0.00</u>

BREAKDOWN BY PERSON

Person

AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS
AVP	ARTHUR V. PERKINS

Category

Hours

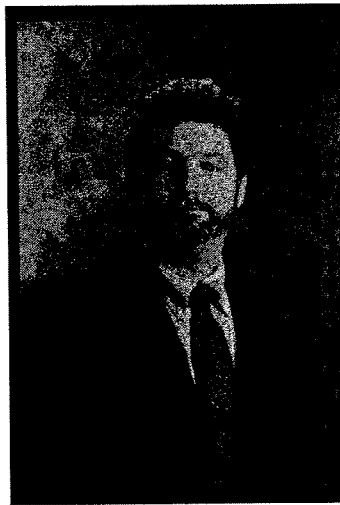
Amount

CA12	0.50	\$137.50
CA13	1.50	\$412.50
CA14	0.50	\$137.50
CA15	4.00	\$1,100.00
	<u>6.50</u>	<u>\$1,787.50</u>

EXHIBIT B

ARTHUR VAL PERKINS | Director

With over 20 years of experience in litigation and in municipal and legislative representation, Val has represented clients not only on all levels of the state and federal courts but also before the Texas Legislature and before a number of Texas municipalities and administrative agencies.



Val graduated Phi Beta Kappa from Tulane University and received his law degree *cum laude* from the Harvard Law School in 1979. He is licensed to practice before all Texas state courts and in the United States District Courts for the Southern District of Texas and the United States Court of Appeals for the Fifth Circuit. He has also appeared in matters before the Supreme Court of Texas and the United States Supreme Court.

As a lobbyist, Val has represented clients before the Texas Legislature in business, construction, health care, real estate, housing and other issues since 1981, as well as in administrative matters and in administrative hearings before state agencies, Houston area city councils and school district boards.

Val has extensive litigation experience not only in general and commercial litigation but also in areas of real estate, construction, environmental, zoning and public liability law and as a municipal lawyer, having represented Houston area municipalities on a full time basis and in matters of individual case representation since 1980.

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294032.1/000001.000001

JULIANNE B. KUGLE

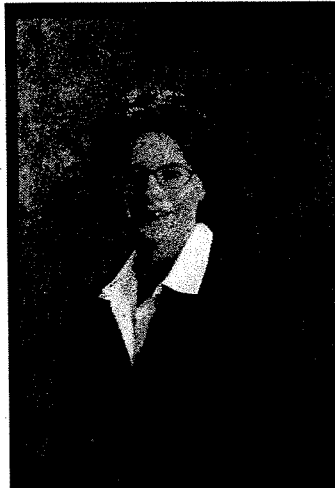
Director

Ms. Kugle is a Director in the Public Finance and Real Estate Sections of the firm. Her area of practice includes representation of special purpose districts, real estate developers and landowners.

Ms. Kugle represents municipal utility districts, public improvement districts

and tax increment investment zones located throughout Texas.

Her representation as general counsel and bond counsel to special purpose districts involves creation and administration of such districts and the issuance of tax-exempt financings. Ms. Kugle's representation of real estate developers is primarily focused on residential and commercial projects, including the acquisition, development and disposition of property.



Ms. Kugle was born in New Braunfels, Texas, August 8, 1969. She is a graduate of Texas A&M University, Class of 1991 (B.S. Agricultural Economics) and the University of Houston Law Center (J.D., 1994). Ms. Kugle was admitted to the bar in Texas in 1994 and joined Coats | Rose in 1997, after working at Phillips Petroleum Company. She is a member of the Houston Bar Association, the State Bar of Texas, the American Bar Association and the National Association of Bond Lawyers.

COATS | ROSE

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A Professional Corporation

293960.1/000001.000001

EXHIBIT B

1 PROOF OF SERVICE

2 Case No. SACV06-172 AHS(ANx)

3 I, the undersigned, declare that I am, and was at the time of service of
4 the papers herein referred to, employed in the County of Orange; over the age of
5 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.

6 On May 19, 2006, I served the following document described as:

7 **(1) COATS ROSE'S FIRST INTERIM APPLICATION FOR ALLOWANCE**
8 **OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FROM**
9 **NOVEMBER 10, 2005 THROUGH APRIL 30, 2006; (2) DECLARATION OF**
ARTHUR VAL PERKINS; AND (3) DECLARATION OF THOMAS A.
SEAMAN

10 on the interested party(ies) in this action by placing true copies/ originals
thereof enclosed in sealed envelopes and/or packages addressed as follows:

11 See Attached Service List

- 12 **BY MAIL:** I am "readily familiar" with the firm's practice of collection and
13 processing correspondence for mailing. Under that practice it would be
14 deposited with the U.S. postal service on that same day with postage thereon
15 fully prepaid at Costa Mesa, California in the ordinary course of business. I
16 am aware that on motion of the party served, service is presumed invalid if
17 postal cancellation date or postage meter date is more than one day after date
18 of deposit for mailing in affidavit.
- 19 **BY FACSIMILE:** I served said document(s) to be transmitted by facsimile
20 pursuant to Rule 2008 of the California Rules of Court. The telephone
21 number of the sending facsimile machine was 714-513-5130. The name(s)
22 and facsimile machine telephone number(s) of the person(s) served are set
23 forth in the service list. The sending facsimile machine (or the machine used
24 to forward the facsimile) issued a transmission report confirming that the
25 transmission was complete and without error. Pursuant to Rule 2008(e), a
copy of that report is attached to this declaration.
- 26 **BY OVERNIGHT DELIVERY:** I served such envelope or package to be
27 delivered on the same day to an authorized courier or driver authorized by the
28 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 May 19, 2006, at Costa Mesa, California.



Margaret N. Manns

SERVICE LIST

SACV06-00172 AHS (ANx)

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Karen Matteson, Esq. Securities and Exchange Commission 5670 Wilshire Boulevard, 11 th Floor Los Angeles, California 90036-3648 Telephone: (323) 965-3840 Facsimile: (323) 965-3908	Attorney for Plaintiff Securities and Exchange Commission
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Steven M. Goldsobel, Esquire 1900 Avenue of Stars, Suite 1800 Los Angeles, CA 90067 Telephone: (310) -552-4848 Facsimile: (310) -552-9291 steve@sgoldsobel.com	Attorney for Defendant Lambert Vander Tuig (California Local Counsel)