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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA

In re:  
  
MATHON FUND, L.L.C., et al,  
  
Debtors.

Chapter 11 Proceedings  
  
Case No: 05-27993 PHX GBN  
  
(Jointly Administered with Case Nos.  
05-27994 PHX-SSC and  
05-27995 PHX- JMM)

THIS FILING APPLIES TO:

- ALL DEBTORS
- SPECIFIED DEBTORS

**SECOND AND FINAL APPLICATION OF  
MICHAEL W. CARMEL AS COUNSEL  
TO DEBTOR FOR PAYMENT OF FEES  
AND REIMBURSEMENT OF EXPENSES**

Michael W. Carmel, Ltd, counsel for Debtors, hereby submits its Second and Final Application for Payment of Compensation to Counsel and for Reimbursement of Expenses for the period March 16, 2006 through October 31, 2006, as more fully set forth in Exhibit "A" attached hereto in the amount of \$171,062.73. In support of the Fee Application, Michael W. Carmel, Ltd submits the following Memorandum of Points and Authorities

DATED this 8<sup>th</sup> day of December, 2006.

**JABURG & WILK, P.C.**

/s/ 006510

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Lawrence E. Wilk  
Jonathan P. Ibsen  
*Special Counsel for Debtor*

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. Procedural Background

3 1. On or about April 1, 2005, the Arizona Corporation Commission caused to be  
4 filed, in the Superior Court in and for the State of Arizona, a Verified Complaint in the above-  
5 captioned matter against numerous individual defendants and entities, seeking the appointment of  
6 a Receiver over the named Defendants.

7 2. On April 5, 2005, this Court issued its Order appointing James C. Sell Receiver for  
8 the approximately 30 entities named in the Receivership complaint.

9 3. Subsequently, after notice and hearing, the Court on April 14, 2005 issued its  
10 Order approving the Stipulation Regarding Order Appointing Conservator, in which the title of  
11 James C. Sell was changed from Receiver to Conservator (hereinafter, the "Conservatorship  
12 Order"). The rights and obligations of the Conservator remained identical to those of the  
13 Receiver.

14 4. On July 6, 2005 the Court entered an Amended Order approving Joint Motion for  
15 Operating Order which allowed the payment of professional fees in the amount of 80% of the  
16 monthly billings and 100% of the monthly expenses.

17 5. Pursuant to an Order entered in the State Court proceeding on October 25, 2005,  
18 that Court authorized the filing of bankruptcy for three Conservatorship Entities, Mathon Fund I,  
19 LLC, Mathon Fund, LLC and W.S.F. – World Sports Fans, LLC.

20 6. On January 12, 2006, this Court entered an Order allowing for the Joint  
21 Administration of the three bankruptcy estates referenced in paragraph 4, hereof. This Motion is  
22 filed in the Mathon Fund LLC jointly administered case in accordance with the Court's prior Joint  
23 Administration Order.

24 7. On February 17, 2006 the United States Bankruptcy Court entered an Order  
25 Establishing Procedures for Interim Compensation and Reimbursement of Professionals which  
26 authorized the payment of professional fees in the amount of 80% of the monthly billings and  
27 100% of the expenses.

28

1           8.       On October 24, 2006, the United States Bankruptcy Court having held a hearing  
2 regarding confirmation of the Debtors' First Amended Joint Plan of Reorganization dated July 7,  
3 2006 and having considered the Plan and the entire record of the case, Ordered the Plan as  
4 amended and filed by the Debtors and the Committee on August 29, 2006, confirmed by Order  
5 dated October 27, 2006.

6       II.     Fee Application

7           1.       By Operating Order dated July 6, 2005 of the State Court and the Bankruptcy  
8 Court Order Establishing Procedures for Interim Compensation and Reimbursement of  
9 Professionals filed on February 17, 2006, the Courts authorized the payment of 80% of the  
10 monthly billings for fees incurred and reimbursement of 100% of expenses.

11          2.       In compliance with both the State Court and Bankruptcy Court Operating Orders,  
12 monthly statements were provided to the required parties, and partial payments made.

13          3.       The United States Bankruptcy Court by Order dated November 15, 2005  
14 authorized the employment of Michael W. Carmel as Bankruptcy counsel to Debtors.

15          4.       The Second and Final Application of Michael W. Carmel covers the period from  
16 March 16, 2006 through October 31, 2006. Applicants Second and Final Application for  
17 Payment of Fees requests the approval of fees in the amount of \$169,085.00 and reimbursement  
18 of expenses in the amount of \$1,977.73. Pursuant to the Operating Order, Michael W. Carmel  
19 has received \$150,944.12 during the Application period. The payment represents a portion of the  
20 fees billed and 100% of expenses leaving an unpaid balance in the amount of \$20,118.61.

21          5.       The following is a detailed fee summary including a detailed rate and time analysis  
22 as well as file status:

23       Mathon Fund LLC  
24       Mathon Fund I, LLC

25       **Time Period:**                    3/16/06 - 10/31/06

26    Fee Narrative

27       Case Administration

28

1 Attend meetings with Receiver James Sell, and special counsel regarding status of case;  
2 review documents for abandonment; respond to telephone inquiries from investors and creditors  
3 regarding case status; and attend status hearing on bid procedures.

4 19.65 hrs. @ \$350/hr. = \$ 6,877.50

5  
6 **Asset Analysis & Recovery**

7 Review documents for claims to pursue; attend deposition of Mr. Sewell by ACC; work  
8 on Reserve Spa issue; review documents for potential claim against law firm; and review  
9 documents regarding the Wolf Block matter.

10 16.55 hrs. @ \$350/hr. = \$ 5,792.50

11 **Asset Disposition**

12 Meet with Receiver re: Nevada - Harrah's deal; attend hearing re: sale of Mesa property;  
13 review drafts of LVRD Agreement and sales pleadings; work on sales issues with Receiver and  
14 his special counsel; review sale contract on Connecticut property; attend hearing on bidding  
15 procedures; research Nevada law re: LVRD minority shareholder rights and LVRD issues on  
16 increased bid; review Objection by Committee re LVRD sale; review appraisal on LVRD  
17 property; meet with Harrah's representatives prior to sale hearing; attend LVRD sale hearing; and  
18 attend hearing regarding CT sale.

19 27.05 hrs. @ \$350/hr. = \$ 9,467.50

20 **Claims Administration and Objections**

21  
22 Continued review of claims filed; worked on claims analysis; corresponded and responded  
23 to telephone inquires from creditors and investors regarding claims; and worked on Net  
24 Investment figures.

25 39.20 hrs. @ \$350/hr. = \$ 13,720.00

26 **Fee/Employment Applications**

27 Review and work on fee application of Quarles & Brady.

28 6.40 hrs. @ \$350 = \$ 2,240.00

1 **Fee/Employment Objections**

2 Review and meet with counsel regarding the Quarles Brady fee application.

3 1.50 hrs. @ \$350/hr. = \$ 525.00

4 **Business Operations**

5 Review and file Operating Reports; attend meeting with Receiver, special counsel and  
6 accountants regarding tax issues.

7 2.85 hrs. @ \$350/hr. = \$ 997.50

8 **Litigation**

9  
10 Work on settlement of various issues regarding New Stansbury; continue review of  
11 Reserve Spa documents; miscellaneous telephone conversations with client and counsel regarding  
12 Reserve Spa issue; review discovery pleadings; work on O & A litigation; prepare for and attend  
13 depositions in Reserve Spa case; travel to Saint George, Utah for depositions; travel back to  
14 Phoenix; prepare Rule 2004 Application for Wealth Partners; and review transcripts of August  
15 depositions in Reserve Spa case.

16 55.20 hrs. @ \$350/hr. = \$ 19,320.00

17 **Relief from Stay**

18 Review documents re: Utah deed litigation; review and revise Lift Stay Stipulation.

19 3.55 hrs. @ \$350/hr. = \$ 1,242.50

20 **Plan and Disclosure Statement**

21 Work on Plan and Disclosure Statement; review backup Exhibits to Disclosure Statement;  
22 miscellaneous telephone conversations with Receiver; special counsel, and other counsel re Plan  
23 and Disclosure Statement issues; attend meetings with Receiver and special counsel in  
24 preparation of Stipulation in Aid of Plan Confirmation; review drafts of Stipulation, Plan drafts  
25 and Disclosure Statement drafts; review Committee Plan; meet with parties regarding Settlement  
26 Agreement; review draft revisions and deal points to Settlement Agreement; participate in  
27 conference call re Settlement Agreement; attend ACC hearing on approval of settlement; meet  
28 with parties regarding Disclosure Statement; review revised drafts of Disclosure Statement;

1 review final changes to Plan; work on Confirmation issues; research issues re: Net Investment  
 2 calculations; review Objections to Disclosure Statement and proposed language to resolve O & A  
 3 Objections; review Committee's Response; attend Disclosure Statement hearing and meet with  
 4 counsel after hearing re changes; participate in conference calls re Disclosure Statement changes  
 5 and strategy on Plan; work on amendments to Plan and Disclosure Statement; attend Disclosure  
 6 Statement hearing; work on Confirmation issues; review documents for solicitation of investors;  
 7 meet with Receiver and counsel to prepare for solicitation of investors; conduct research on  
 8 ability of net winners to oppose Plan; meet with Committee Members and Investors for Plan  
 9 solicitation; travel to Seattle for solicitation of investors; travel to Salt Lake City, Utah and meet  
 10 with Investors re: Plan vote; travel to Las Vegas to meet with Investors; research issues re:  
 11 Mahaffey client; research Plan and Confirmation issues; work on sales issues; prepare for LVRD  
 12 hearing; prepare for Confirmation hearing and LVRD issue; attend hearing; meet with parties re:  
 13 Plan Confirmation; attend Confirmation hearing; start work on Post-Confirmation matters; and  
 14 review pleadings re Wealth Partners.

15 227.30 hrs. @ \$350/hr. = \$ 79,555.00  
 16 399.25 hrs. @ \$350/hr. = \$139,737.50

17 **Costs:**

18	3/29/06 Messenger Service	\$ 9.01
19	4/28/06 Deposition Transcript (Semple)	258.61
20	9/2006 Airfare	598.20
21	9/2006 Car Rental	239.61
22	9/2006 Airport Parking	30.00
23	9/2006 Meals	137.02
24	10/2006 Airfare	168.10
25	10/2006 Car Rental	230.48
26	10/2006 Airport Parking	53.00
27	10/2006 Hotel	<u>253.70</u>
28	Total:	<b>\$ 1,977.73</b>

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**WSF - World Sports Fans, LLC**

**Time Period: 3/16/06 - 10/31/06**

**Total Time: 83.85 hrs. @ \$350/hr. = \$29,347.50**

**Fee Narrative**

**Asset Analysis & Recovery**

Review documents and pleadings on New Mexico land deal; review deposition transcript regarding New Mexico land; conduct research on New Mexico land and research on potential title company claims.

34.15 hrs. @ \$350/hr. = \$ 11,952.50

**Asset Disposition**

Review papers on property sale and dispute on disbursements

1.00 hr. @ \$350/hr. = \$ 350.00

**Claims Administration & Objections**

Review claims

3.25 hrs. @ \$350/hr. = \$ 1,137.50

**Litigation**

Review Opposition on Remand Motion in the case before the Fifth Judicial District Court of Washington County, State of Utah, Civil No. 050501398, entitled O & A Development, LLC, a Utah Limited Liability Company vs. Reserve Spa, Inc., et al., review discovery documents; telephone conversations with attorney Mack re Reserve Spa depositions; and review O&A case pleadings.

Review pleadings in the pending litigation case in the State of New Mexico, County of Cibola, Thirteenth Judicial District, Cause No. D1333 CV-2006-0085, entitled Raven II Holdings, LLC vs. Quest Title Company, et al.; and participate in conference call with New Mexico Court on Motion to Intervene.

45.45 hrs. @ \$3505/hr. = \$15,907.50



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Gerald L. Shelley, Esq. QUARLES & BRADY STREICH LANE Two N. Central Avenue Phoenix, Arizona 85004-2391	James C. Sell 2222 E. Camelback Road, #110 Phoenix, Arizona 85016 <i>Court Appointed Receiver</i>

*/s/Janet Forster*

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