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6 e-mail [michael@mcarmellaw.com](mailto:michael@mcarmellaw.com)  
7 *Attorney for the Debtors*

8 Lawrence E. Wilk, #006510  
9 Jonathan P. Ibsen, #023284  
10 **JABURG & WILK, P.C.**  
11 3200 North Central Avenue, Suite 2000  
12 Phoenix, Arizona 85012  
13 (602) 248-1000  
14 e-mail [lew@jaburgwilk.com](mailto:lew@jaburgwilk.com)  
15 *Special Counsel for Debtor*

11 UNITED STATES BANKRUPTCY COURT  
12 DISTRICT OF ARIZONA

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

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

16 THIS FILING APPLIES TO:

- 17  ALL DEBTORS  
18  SPECIFIED DEBTORS

**FIRST APPLICATION OF DONGELL  
LAWRENCE FINNEY CLAYPOOL, LLP  
AS SPECIAL COUNSEL TO THE  
DEBTOR FOR PAYMENT OF FEES AND  
REIMBURSEMENT OF EXPENSES**

20 Dongell Lawrence Finney Claypool, LLP, Special Counsel to the Debtor hereby submits  
21 its First Application for Payment of Compensation to Counsel and for Reimbursement of  
22 Expenses for the period April 1, 2005 through April 30, 2006, as more fully set forth in Exhibit  
23 "A" attached hereto in the amount of \$68,611.95. In support of the Fee Application, Dongell  
24 Lawrence Finney Claypool, LLP submits the following Memorandum of Points and Authorities

25 DATED this 14<sup>th</sup> day of June, 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 II. Fee Application

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

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

8 3. Dongell Lawrence Finney Claypool, LLP, was appointed Special Counsel to the  
9 Debtor by Court Order dated February 14, 2006 on the terms stated in the Application to Employ  
10 Special Counsel which declared Dongell Lawrence Finney Claypool, LLP an "essential vendor to  
11 the Debtor."

12 4. The First Application of Dongell Lawrence Finney Claypool, LLP covers the  
13 period from April 1, 2005 through April 30, 2006 (the "Application Period"). Applicants First  
14 Application for payment of fees and reimbursement of expenses requests the approval of fees and  
15 expenses in the amount of \$68,611.95. Pursuant to the Operating Order, Dongell Lawrence  
16 Finney Claypool, LLP has received payment of \$30,589.26 during the Application Period. The  
17 payment represents reimbursement of 100% of the expenses, \$1,336.45 and a portion of the fees  
18 billed in the amount of \$36,686.24, leaving an unpaid balance of \$38,022.69.

19 Wherefore Dongell Lawrence Finney Claypool, LLP respectfully requests that this Court  
20 issue an Order authorizing the payment of fees and reimbursement of expenses as more fully set  
21 forth in Exhibit "A" from available funds of the Conservatorship Estate.

22 DATED this 14<sup>th</sup> day of June, 2006.

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

24 /s/ 006510

25 \_\_\_\_\_  
26 Lawrence E. Wilk  
Jonathan P. Ibsen  
27 *Special Counsel for Debtor*  
28

1 COPY of the foregoing mailed  
2 this 14<sup>th</sup> day of June, 2006.

3 Wendy L. Coy, Esq. 4 ARIZONA CORPORATION COMMISSION, 5 SECURITIES DIVISION 6 1300 West Washington, 3 <sup>rd</sup> Floor 7 Phoenix, Arizona 85007 8 <i>Counsel for Arizona Corporation Commission</i>	Jonathan Hess OFFICE OF THE U.S. TRUSTEE 230 N. 1 <sup>st</sup> Avenue, Suite 204 Phoenix, AZ 85003-1725 <i>U.S. Trustee</i>
6 Keith L. Beauchamp, Esq. 7 Bret A. Maidman, Esq. 8 LEWIS & ROCA, LLP 9 40 N. Central Avenue, Suite 1900 10 Phoenix, AZ 85004-4429 11 <i>Attorney for Duane Slade and Guy Williams</i>	Merwin D. Grant, Esq. GRANT & VAUGHN, PC 6225 N. 24 <sup>th</sup> Street, Suite 125 Phoenix, Arizona 85016 <i>Attorney for Dr. Glauser, Larry Pew &amp; Rich Stewart</i>
10 Taylor Ashworth 11 Alan A. Meda 12 STINSON, MORRISON & HECKER, LLP 13 1850 N. Central Avenue, Suite 2100 14 Phoenix, Arizona 85004-4584 15 <i>Attorneys for the Official Creditor's Committee</i>	Don C. Fletcher THE CAVANAGH LAW FIRM PA 1850 N. Central Avenue Suite 2400 Phoenix, Arizona 85004-0001
13 James C. Sell 14 2222 E. Camelback Road, #110 15 Phoenix, Arizona 85016 16 <i>Court Appointed Receiver</i>	

16 /s/Janet Forster  
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JABURG & WILK, P.C.  
ATTORNEYS AT LAW  
3200 NORTH CENTRAL AVENUE,  
SUITE 2000  
PHOENIX, ARIZONA 85012

Exhibit "A"

# Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213) 943-6100

Statement as of April 30, 2005  
Statement No. 2821

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

75-3147240

v. Aircraft Seal and Gasket  
Matter ID: 1378-003

Professional Fees			Hours	Rate	Amount
4/1/2005	MTS	Reviewed correspondence from Kirk Guinn re deed of trust on CA property, responded to correspondence and coordinated research	0.40	300.00	120.00
4/3/2005	EKK	Reviewed client files re \$625,000 promissory note secured by deed of trust to Renee Menold's property, researched whether deed of trust may be enforced despite Renee Menold not signing promissory note	2.30	195.00	448.50
4/4/2005	EKK	Conference call with Molly Shields to Robert Koeblitz (attorney for Renee Menold), drafted letter to Koeblitz confirming our representation of Mathon in Aircraft Seal and Gasket matter	0.40	195.00	78.00
4/4/2005	MTS	Reviewed results of research and letter to Koeblitz disputing his claims	0.60	300.00	180.00
4/7/2005	EKK	Spoke with Renee Menold's attorney Robert Koeblitz re possible wrong payoff statement sent to Chicago Title, e-mailed and left message to client re same, spoke with Mr. Koeblitz again re Mathon's payoff demand	0.40	195.00	78.00
Sub-total Fees:					904.50

## Rate Summary

Edward Kim	3.10 hours at \$ 195.00/hr	604.50
Molly T. Shields	1.00 hours at \$ 300.00/hr	300.00
Total hours:	4.10	

**Costs**

4/30/2005	Facsimiles	2.00
4/30/2005	Postage	1.11
	Sub-total Costs:	<u>3.11</u>
	Total Current Billing:	<u>907.61</u>
	Previous Balance Due:	63.85
	Total Now Due:	<u>971.46</u>

## Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213) 943-6100

Statement as of April 30, 2005  
Statement No. 2822

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
4/4/2005	MTS	Several telephone conferences re hearing on Bar-K's motion for relief from stay; telephone conference with Tom Koegel re extensions in adversary proceeding; drafted e-mail status update	1.60	300.00	480.00
4/5/2005	EKK	Attended court hearing re relief from automatic stay telephonically, conference with Molly Shields analyzing pending issues	0.50	195.00	97.50
4/5/2005	EKK	Revised stipulation re extension of time to respond to Debtor's adversary proceeding counter-complaint, drafted e-mail to client sending same	0.20	195.00	39.00
4/5/2005	EKK	Conference call with Kevin Kellis and Molly Shields re relief from stay and future application from trustee to employ broker	0.30	195.00	58.50
4/5/2005	MTS	Attended hearing re relief from stay; drafted correspondence to Tom Koegel re notice of default; drafted correspondence to Kevin Kellis re outcome of hearing; telephone conference with Kevin Kellis and Ed Kim re continuances and upcoming events; left voicemail for Tom Koegel re broker representation	2.80	300.00	840.00
4/6/2005	EKK	Drafted e-mail to trustee's counsel Tom Koegel re extension of time to respond to adversary proceeding counter-complaint	0.20	195.00	39.00
4/13/2005	EKK	Drafted e-mail to Thomas Koegel re status of application to appoint broker and extension of time to May 6	0.10	195.00	19.50
4/15/2005	MCB	Telephone call from and telephone	0.30	300.00	90.00

		conference with Tom Dashiell			
4/15/2005	EKK	Several attempts to contact Trustee's attorney Tom Koegel re listing property for sale	0.20	195.00	39.00
4/18/2005	EKK	Called trustee's attorney Tom Koegel and left voicemail requesting update on status of broker appointment	0.10	195.00	19.50
4/20/2005	EKK	Called and left voicemail with Trustee's attorney Thomas Koegel re trustee's plans for appointing broker, phone conference with Kevin Kellis re our plans to object to application to appoint broker, detailed phone call with Thomas Koegal re time of listing property for sale, drafted e-mail update to Kevin Kellis	0.90	195.00	175.50
4/21/2005	EKK	Reviewed recently filed pleadings and other documents re information on previous efforts to sell Woodside Property	0.60	195.00	117.00
4/22/2005	EKK	Prepared for and attended status conference re trustee's report, drafted e-mail to Kevin Kellis summarizing same	1.40	195.00	273.00
4/24/2005	EKK	Investigated underlying facts re value of Woodside property	0.80	195.00	156.00
4/25/2005	EKK	Drafted e-mail to trustee's counsel requesting update on our request for extension to respond to countercomplaint in adversary proceeding	0.20	195.00	39.00
4/25/2005	MTS	Conferred re status	0.80	300.00	240.00
4/26/2005	MTS	Telephone conference with client re efforts to market and status; drafted correspondence to Thomas Koegel re efforts to market and extension of time to answer	2.10	300.00	630.00
4/27/2005	EKK	Reviewed and analyzed trustee's application to appoint broker	0.20	195.00	39.00
4/27/2005	MTS	Reviewed application to retain broker filed by Trustee; telephone conversation with Kevin Kellis re same and appointment of a receiver; drafted letter to receiver and conferred with Matt Bures re receiver	2.30	300.00	690.00
4/28/2005	MTS	Telephone conference with Thomas Koegel re retention of broker and status of lift stay	1.70	300.00	510.00

motion with Bar-K; telephone conference with Kevin Kellis re status of all related Charlton Bankruptcy matters and ongoing representation

4/29/2005	MCB	Telephone conference with Molly Shields re status	0.20	300.00	60.00
4/29/2005	MTS	Telephone conference with Spencer Scheer, attorney for Bar-K re status of lift stay motion; telephone conference with Ed Standage and Kevin Kellis re representation of the receiver/conservator; drafted letter and conferred with Matt Bures and John Lawrence re terms of continuing representation; telephone conference with Tom Koegel re 3-way settlement	3.30	300.00	990.00

Sub-total Fees: 5,641.50

**Rate Summary**

Matthew Clark Bures	0.50 hours at \$300.00/hr	150.00
Edward Kim	5.70 hours at \$195.00/hr	1,111.50
Molly T. Shields	14.60 hours at \$300.00/hr	4,380.00
Total hours:	<u>21.00</u>	

**Costs**

4/30/2005	Facsimiles	3.00
4/30/2005	Photocopies	25.25
Sub-total Costs:		<u>28.25</u>

**Disbursements**

4/14/2005	On-line Research - LexisNexis Invoice 0502232716, dated 2/28/05, billing period February 1-February 28, 2005	98.31
Sub-total Disbursements:		<u>98.31</u>

Total Current Billing:	<u>5,768.06</u>
Previous Balance Due:	52,471.25
<b>Total Now Due:</b>	<b><u>58,239.31</u></b>

# Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of June 30, 2005  
Statement No. 3101

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

FEI No. 75-3147240

adv. End Real Estate Development LLC  
Matter ID: 1378-002

Professional Fees			Hours	Rate	Amount
5/12/2005	EKK	Prepared draft email to clients re state court action status conference on May 13, 2005	0.30	195.00	58.50
5/13/2005	EKK	Prepared for and attended status conference to monitor status of Charlton bankruptcy, drafted email to M. Shields and M. Bures summarizing events of status conference	1.40	195.00	273.00
5/26/2005	EKK	Telephone conference with ERED's counsel Douglas Carroll re mediation session scheduled for June 15, called mediator Eugene Moscovitch's office re same, emailed Douglas Carroll confirming postponement of mediation	0.20	195.00	39.00
Sub-total Fees:					<u>370.50</u>

Rate Summary		
Edward Kim	1.90 hours at \$ 195.00/hr	370.50
Total hours:	<u>1.90</u>	

## Disbursements

5/5/2005	Telephonic Hearing Account -- Telephonic appearance	55.00
Sub-total Disbursements:		<u>55.00</u>

## Payments

6/9/2005	Write-off	2,211.61
5/23/2005	Payment	16,043.03

Sub-total Payments: 18,254.64

Total Current Billing:	<u>425.50</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>425.50</u></b>

# Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of July 31, 2005  
Statement No. 3225

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
7/14/2005	MTS	Telephone conference with Ed Standage regarding status of adversary proceeding and offers on Woodside Property	0.40	300.00	120.00
7/26/2005	MTS	Reviewed offer on Woodside property; telephone conference with Ed Standage re status and status hearing on August 1	0.50	300.00	150.00
Sub-total Fees:					<u>270.00</u>

Rate Summary		
Molly T. Shields	0.90 hours at \$ 300.00/hr	270.00
Total hours:	<u>1.70</u>	

Payments			
5/23/2005	Payment	Mathon	44,295.95
Sub-total Payments:			<u>44,295.95</u>

Total Current Billing:	<u>270.00</u>
Previous Balance Due:	9,157.66
<b>Total Now Due:</b>	<b><u>9,427.66</u></b>

## Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of June 30, 2005  
Statement No. 3102

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
5/2/2005	MCB	Evaluated status of matter, strategy re objection to broker	0.50	300.00	150.00
5/2/2005	MTS	Drafted objection to Trustee's retention of broker; telephone conference with Tom Koegel re rescheduling lift stay motion and left messages with Ed Standage and Kevin Kellis regarding change in schedule; telephone conference with Tom Koegel, Spencer Scheer and Judge Carlson; telephone conferences with Ed Standage and Kevin Kellis regarding status; reviewed and revised objection to Cashin retention	4.30	300.00	1,290.00
5/3/2005	MTS	Finalize objection; drafted and revised engagement letter; checked docket; telephone conversation informing Kirk Guinn re DLF is not representing him	2.00	300.00	600.00
5/4/2005	MTS	Telephone conference with Spencer Scheer regarding status of settlement; telephone conference with Tom Koegel regarding status of settlement; telephone conference with Ed Standage regarding status of hearing; reviewed, analyzed and revised proposed stipulation; reviewed and commented upon Bar-K revisions to stipulation; telephone conference with Ed Standage regarding my revisions to the stipulation, hearing and engagement letter; preparation for hearing	3.80	300.00	1,140.00
5/5/2005	MTS	Preparation for and attend final hearing on motion for relief from the automatic stay including testimony by appraiser and broker	9.00	300.00	2,700.00

		and conference with all parties and Judge Carlson			
5/6/2005	MTS	Reviewed proposed order regarding stipulation for limited relief from the automatic stay and drafted correspondence to Ed Standage regarding same	0.40	300.00	120.00
5/9/2005	MTS	Telephone conversation with Kevin Kellis regarding status	0.30	300.00	90.00
5/10/2005	MTS	Telephone conversation with Ed Standage and drafted correspondence to attorney for the trustee regarding stay of adversary proceeding	0.40	300.00	120.00
5/12/2005	MCB	Evaluated status and interrelationship with state court proceedings	0.50	300.00	150.00
5/12/2005	MTS	Telephone conference with Ed Standage regarding status and deadline for responsive pleading, drafted e-mail to and responded to e-mails from attorney for the trustee re extension of time to respond to counter-claim and discussed settlement options; drafted correspondence to Ed Standage regarding state court litigation	1.40	300.00	420.00
5/17/2005	MTS	Several telephone conversations Ed Standage regarding status of representation; telephone conference with Tom Dashiell regarding status of broker and trustee's efforts to sell the property; conferred with Tom Koegel regarding status conference and stipulation regarding adversary proceeding	0.90	300.00	270.00
5/24/2005	MTS	Telephone conversation with Tom Foegel regarding settlement structure and information needed	0.80	300.00	240.00
5/31/2005	MCB	Evaluated overall status and strategy and issues re upcoming hearing	0.50	300.00	150.00
5/31/2005	EKK	Downloaded and reviewed status conference statement filed by Trustee, forwarded same to Ed Standage	0.30	195.00	58.50
5/31/2005	EKK	Reviewed most recent docket report re significant recent filings	0.30	0.00	NO CHARGE
5/31/2005	MTS	Drafted correspondence to Ed Standage regarding needed information and upcoming	0.20	300.00	60.00

		hearing			
5/31/2005	MTS	Reviewed status conference report and supporting exhibits	0.20	300.00	60.00
6/1/2005	MTS	Reviewed response from Ed Standage to status inquiry, coordinated telephonic appearance, drafted response to Ed Standage	0.20	300.00	60.00
6/6/2005	MTS	Prepare for and attend status conference hearing; follow up with loan pay-off information; reviewed presentation	1.00	300.00	300.00
6/8/2005	MTS	Telephone conference with Tim Abraham regarding status of calculation of payoff; analysis of pay off and telephone conversation with Ed Standage regarding same	0.50	300.00	150.00
6/13/2005	MTS	Telephone conference with Ed Standage regarding open house and status of adversary	0.30	300.00	90.00
6/22/2005	MTS	Drafted correspondence regarding status with opposing attorney; telephone conference with client regarding continuance; telephone conference with court clerk regarding continuance; drafted notice of continuance; drafted additional correspondence to Tom Koegel regarding status and involvement of Larry Anderson; reviewed response and provided additional information	1.30	300.00	390.00
6/27/2005	MTS	Revised notice of continued hearing; reviewed tax statements and drafted letter to Tom Koegel regarding same	0.60	300.00	180.00

Sub-total Fees: 8,788.50

**Rate Summary**

Matthew Clark Bures	1.50 hours at \$ 300.00/hr	450.00
Edward Kim	0.30 hours at \$ 0.00/hr	0.00
Edward Kim	0.30 hours at \$ 195.00/hr	58.50
Molly T. Shields	27.60 hours at \$ 300.00/hr	8,280.00
Total hours:	<u>29.70</u>	

**Costs**

5/5/2005	Parking - Airport parking (San Francisco hearing)	8.00
	Sub-total Costs:	<u>8.00</u>

**Disbursements**

5/4/2005	On-line Research - Pacer Service	310.72
5/5/2005	Meals - (San Francisco hearing)	12.86
5/20/2005	Federal Express - Delivery to Ed Standrige, Mesa, Arizona - 05/11/05	27.04
5/24/2005	Travel Expenses - transportation in San Francisco - 05/24/05	10.00
5/25/2005	On-line Research - Lexis Nexis	0.54
	Sub-total Disbursements:	<u>361.16</u>

**Payments**

6/9/2005	Write-off	13,943.36
5/23/2005	Payment	44,295.95
	Sub-total Payments:	<u>58,239.31</u>

Total Current Billing:	<u>9,157.66</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>9,157.66</u></b>

## Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 27th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of August 31, 2005  
Statement No. 3411

Mathon Fund I, LLC  
Mr. Ed Standage  
6816 East Brown Road  
Mesa, Arizona 85207

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
7/14/2005	MCB	Reviewed status and related correspondence	0.20	300.00	60.00
8/11/2005	MTS	Commenced review of motion and supporting documentation by trustee to pay certain administrative expenses	0.40	300.00	120.00
8/22/2005	MTS	Completed review of complaint; attempted to contact Tom Daishell re Woodside Property; telephone conference with Ed Standage setting appointment for conference call	0.80	300.00	240.00
8/23/2005	MTS	Telephone conference with Ed Standage regarding memos and other information needed on case, updated client on status of trustee's motion for administrative expenses and hearing, complaint filed by debtor against Bar-K and Gold Mountain and motion by Gold Mountain for relief from the automatic stay; drafted response of Mathon and Integrity to Trustee's motion; reviewed, revised and finalized response to trustee's motion regarding administrative expenses; drafted two memorandums regarding status of case	2.70	300.00	810.00
8/26/2005	MTS	Reviewed Trustee's response to U.S. Trustee' objection to motion; prepare for hearing; attended hearing on administrative expenses; revised and finalized memorandums to Ed Standage; reviewed and analyzed offer received by Trustee; research on offeror	2.10	300.00	630.00

Sub-total Fees: 1,860.00

**Rate Summary**

Matthew Clark Bures	0.20 hours at \$ 300.00/hr	60.00
Molly T. Shields	6.00 hours at \$ 300.00/hr	1,800.00
Total hours:	<u>6.20</u>	

**Costs**

7/31/2005	Postage	0.60
7/31/2005	Facsimiles	16.00
	Sub-total Costs:	<u>16.60</u>

**Payments**

9/19/2005	Payment	Retainer - Trust Account	10,000.00
9/19/2005	Payment	Unapplied Cash	2,572.34
9/19/2005	Payment	Statement No. 3102	9,157.66
9/19/2005	Payment	Statement No. 3225	270.00
	Sub-total Payments:		<u>22,000.00</u>

Total Current Billing:	<u>1,876.60</u>
Previous Balance Due:	<u>-12,572.34</u>
Total Now Due:	<u>-10,695.74</u>

## Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 45th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of September 30, 2005  
Statement No. 3559

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Total Current Billing:	<u>11,359.50</u>
Previous Balance Due:	-10,695.74
<b>Total Now Due:</b>	<b><u>663.76</u></b>

**Remittance Statement**

## Dongell Lawrence Finney LLP

707 Wilshire Boulevard, 45th Floor  
Los Angeles, California 90017-3609  
(213)943-6100

Statement as of September 30, 2005  
Statement No. 3559

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
9/12/2005	EKK	Reviewed and analyzed trustee's opposition to Bar-K's motion for relief from automatic stay, confirmed hearing date of September 16, 2005 re same	0.20	195.00	39.00
9/14/2005	EKK	Researched law re whether junior deed of trust holder may cure default of debtor, and time period within which such cure must be made	0.50	195.00	97.50
9/14/2005	MTS	Reviewed and analyzed Bar K-s affidavits and pay off figures submitted in support of motion for relief from stay; reviewed Bar-K's response to Charlton's objections and issues regarding usury; reviewed opposition by Trustee to motion for relief from the automatic stay and status conference report; conferred with Ed Standage regarding Trustee's position on usury; several telephone conferences with Spencer Sheer regarding settlement and preservation of Mathon interest	2.70	300.00	810.00
9/15/2005	EKK	Reviewed and revised Opposition to Bar-K's motion for relief from stay	0.20	195.00	39.00
9/15/2005	EKK	E-filed Opposition to Bar-K's motion for relief from stay, arranged for delivery of chambers copies and service of same	1.20	195.00	234.00
9/15/2005	MTS	Numerous telephone conferences with Spencer Sheer, attorney for Bar-K, Ed Standage and correspondence with Tom Koegel regarding settlement of Bar-K's motions for relief from stay; conferred with	4.90	300.00	1,470.00

		Larry Wilkes and Jim Sell regarding status of lift stay motion and strategy; drafted and finalized opposition to motion for relief from the automatic stay			
9/16/2005	MTS	Prepared for and attended final hearing on motions for relief from stay; conferred with Trustee and Thomas Koegel regarding status and settlement structure; telephone conference with Ed Standage regarding outcome of hearing; several telephone conferences with Tom Dashiell regarding offer for Woodside property	9.00	300.00	2,700.00
9/20/2005	MCB	Conference with Molly Shields re status	0.20	300.00	60.00
9/20/2005	EKK	Reviewed and analyzed Bar-K's motion to dismiss Charlton's adversary proceeding for law that transaction by California licensed broker obviates usury	0.60	195.00	117.00
9/20/2005	EKK	Researched California law re whether loans made by licensed real estate brokers are exempt from usury law, and whether out-of-state licensed brokers are exempt from usury to same extent as California licensed brokers	1.80	195.00	351.00
9/20/2005	EKK	Drafted memorandum analyzing whether Gold Mountain and Mathon are exempt from California's usury law	0.80	195.00	156.00
9/20/2005	MTS	Several Telephone conferences with Tom Koegel, attorney for the Trustee and Ed Standage re offer on Woodside and structure of settlement; reviewed pay-off figures on Mathon lien and Integrity interest to propose structure of settlement	1.10	300.00	330.00
9/21/2005	EKK	Researched 1979 revision to Article XV of California Constitution re effect of amendment on maximum interest rates for nonexempt lenders	1.10	195.00	214.50
9/21/2005	MTS	Reviewed filings regarding lift stay motion; telephone conference with Tom Koegel, attorney for the Trustee regarding anticipated offer and settlement; reviewed research regarding usury statute and exemptions including analysis of licensed California real estate broker and non-consumer exemptions	2.20	300.00	660.00

9/22/2005	MTS	Reviewed and analyzed purchase agreement; numerous telephone conferences with Lynn Schoenmann, Ed Standage, Jim Sells and Larry Wilkes regarding sale of Woodside property and structure of settlement with the Bankruptcy Estate to permit the sale; returned call of Larry Anderson and directed him to Jim Sell; reviewed ordered filed on docket regarding administration expenses	3.30	300.00	990.00
9/23/2005	EKK	Researched format and legal requirements of affidavit to file in Arizona court	0.50	195.00	97.50
9/23/2005	MTS	Reviewed and analyzed settlement outline from attorney for the Trustee; several telephone conference with Ed Standage regarding same; executed and coordinated delivery of settlement outline; reviewed correspondence from attorney for the trustee regarding status of purchase agreement and additional terms; telephone conference with attorney for the Trustee regarding settlement and sale process	1.10	300.00	330.00
9/24/2005	EKK	Reviewed factual and procedural background of Charlton's bankruptcy action in relation to Woodside Property, began drafting Affidavit of Molly T. Shields re settlement	1.30	195.00	253.50
9/25/2005	EKK	Reviewed pleadings filed in Charlton's bankruptcy action in relation to Woodside Property, further drafted Affidavit of Molly T. Shields re settlement	4.50	195.00	877.50
9/26/2005	EKK	Reviewed and revised affidavit of Molly T. Shields re settlement of Charlton bankruptcy case	0.40	195.00	78.00
9/26/2005	MTS	Telephone conference with Ed Standage regarding questions on purchase agreement and process of approval of sale and settlement	0.20	300.00	60.00
9/27/2005	EKK	Reviewed and analyzed Mathon's Adversary Proceeding, reviewed and analyzed Charlton's counterclaims to same, further drafted and revised Affidavit of Molly T. Shields to include allegations of Mathon's adversary proceeding and Charlton's claim of usury	1.50	195.00	292.50

9/27/2005	MTS	Reviewed and revised affidavit in support of motion by receiver for approval; reviewed order entered on administrative expenses	1.00	300.00	300.00
9/29/2005	EKK	Assisted in further preparation of Affidavit of Molly T. Shields by confirming facts re appointment of Examiner Heather Van De Veide	0.30	195.00	58.50
9/29/2005	MTS	Revised affidavit including review of Examiner's report to include pertinent information and analysis of counter claims; finalized affidavit and drafted correspondence to client conveying affidavit	1.90	300.00	570.00

Sub-total Fees: 11,185.50

**Rate Summary**

Matthew Clark Bures	0.20 hours at \$ 300.00/hr	60.00
Edward Kim	14.90 hours at \$ 195.00/hr	2,905.50
Molly T. Shields	27.40 hours at \$ 300.00/hr	8,220.00
Total hours:	<u>42.50</u>	

**Costs**

8/31/2005	Postage	12.00
8/31/2005	Photocopies	21.50
9/30/2005	Messenger - Worldwide delivery to USBC/San Francisco - 08/17/05	140.50

Sub-total Costs: 174.00

Total Current Billing:	<u>11,359.50</u>
Previous Balance Due:	-10,695.74
<b>Total Now Due:</b>	<b><u>663.76</u></b>

**Dongell Lawrence Finney Claypool LLP**

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213)943-6100

Statement as of October 31, 2005  
Statement No. 3715

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Professional Fees			Hours	Rate	Amount
10/17/2005	MTS	Preparation for and attendance at continued status conference hearing in Charlton Bky case and Mathon/Integrity v. Charlton adversary proceeding; telephone conference with Tom Dashiell regarding bankruptcy procedure and practice, offer procedures and stalking horse fees; Telephone conference with Tom Koegel regarding telephone conference with Tom Dashiell; telephone conference with Ed Standage regarding continued status conference, conversations with Tom Dashiell and Tom Koegel and status	1.90	300.00	570.00
10/20/2005	MTS	Telephone conference with Ed Standage regarding receivership proceedings and next hearings	0.20	300.00	60.00
10/31/2005	MTS	Exchanged messages with Tom Koegel and Tom Dashiell regarding Woodside property	0.20	0.00	NO CHARGE
Sub-total Fees:					630.00

**Rate Summary**

Molly T. Shields	0.20 hours at \$ 0.00/hr	0.00
Molly T. Shields	2.10 hours at \$ 300.00/hr	630.00
Total hours:	2.30	

**Costs**

9/30/2005	Messenger - Worldwide delivery to SC/San Mateo Superior Court - 08/17/05	165.00
Sub-total Costs:		165.00

**Disbursements**

9/30/2005	On-line Research - September 2005	17.96
	Sub-total Disbursements:	<u>17.96</u>

**Payments**

11/14/2005	Payment	Statement No. 3559	663.76
		Sub-total Payments:	<u>663.76</u>

Total Current Billing:	<u>812.96</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>812.96</u></b>

**Dongell Lawrence Finney Claypool LLP**

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Statement as of October 31, 2005  
Statement No. 3715

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Charlton Bankruptcy  
Matter ID: 1378-004

Total Current Billing:	<u>812.96</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>812.96</u></b>

**Remittance Statement**

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609  
(213)943-6100

Statement as of October 31, 2005  
Statement No. 3713

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

adv. End Real Estate Development LLC  
Matter ID: 1378-002

Total Current Billing:	<u>60.00</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>60.00</u></b>

**Remittance Statement**

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213)943-6100

Statement as of October 31, 2005  
Statement No. 3713

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

adv. End Real Estate Development LLC  
Matter ID: 1378-002

Professional Fees			Hours	Rate	Amount
10/3/2005	MTS	Reviewed changes to proposed letter and provided comments	0.20	300.00	60.00
Sub-total Fees:					<u>60.00</u>

Rate Summary		
Molly T. Shields	0.20 hours at \$ 300.00/hr	60.00
Total hours:	<u>0.20</u>	

Payments		
5/23/2005	Payment	Mathon 16,043.03
9/7/2005	Payment	Statement No. 3101 425.50
Sub-total Payments:		<u>16,468.53</u>

Total Current Billing:	<u>60.00</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>60.00</u></b>

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609  
(213)943-6100

Statement as of November 30, 2005  
Statement No. 3818

Integrity 701, LLC  
Mr. Jim Sells  
2222 E. Camelback Rd., Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Woodside Properties  
Matter ID: 1378-005

Total Current Billing:	<u>5,187.00</u>
Previous Balance Due:	<u>0.00</u>
<b>Total Now Due:</b>	<b>0.00</b>

**Remittance Statement**

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213)943-6100

Statement as of November 30, 2005

Statement No. 3818

Integrity 701, LLC  
Mr. Jim Sells  
2222 E. Camelback Rd., Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Woodside Properties  
Matter ID: 1378-005

Professional Fees			Hours	Rate	Amount
11/1/2005	MTS	Telephone conference with Thomas Koegel regarding the sale of Woodside falling through; telephone conference with Tom Dashiell regarding status of sale and Woodside back on the market; telephone conference with Ed Standage regarding update on status	0.90	300.00	270.00
11/9/2005	EKK	Analyzed issues re bankruptcy of Charlton re facts to apprise court of at Nov. 18, 2005 status conference	0.30	195.00	58.50
11/9/2005	MTS	Correspondence with Tom Koegel regarding continuance of hearing; correspondence with Spender Scheerer regarding lift stay motion; correspondence with Tom Koegel regarding offer and strategy with Claremont Partners; drafted correspondence to Ed Standage and Larry Wilkes regarding status of bankruptcy and offer	0.60	300.00	180.00
11/10/2005	MTS	Drafted correspondence to Ed Standage and Larry Wilkes regarding state court hearing and need for direction; conferred with Matt Bures regarding representation	0.20	300.00	60.00
11/11/2005	EKK	Reviewed procedural history of Charlton bankruptcy matter in preparation for drafting case management statement in San Mateo County Superior Court action, prepared case management statement advising court of status of Woodside Property	0.80	195.00	156.00
11/14/2005	MTS	Reviewed motion for relief from stay by Bayport; drafted correspondence to client	0.60	300.00	180.00

		regarding motion for relief and continued hearing on status conference and lift stay by Bar-K			
11/15/2005	EKK	Analyzed effect of Mathon Fund bankruptcy and continuing Charlton bankruptcy, in preparation for apprising San Mateo Superior Court at status conference of bankruptcy details and whether stay should be continued; prepared case management conference statement explaining need for continuation of stay	1.50	195.00	292.50
11/15/2005	MTS	Conference call with Larry Wilk and Ed Kim regarding Mathon Fund I bankruptcy and needed actions on behalf of Integrity 701 LLC in San Mateo County case and Charlton bankruptcy case	0.80	300.00	240.00
11/16/2005	EKK	Revised and finalized case management conference statement for November 18, 2005 hearing, emphasizing bankruptcy of Mathon Fund; arranged for service and filing	1.10	195.00	214.50
11/16/2005	EKK	Prepared notice of Mathon Fund I, LLC's Arizona bankruptcy filing, to be filed in U.S. Bankruptcy Court, San Francisco, Charlton bankruptcy action, arranged for filing	0.60	195.00	117.00
11/16/2005	MTS	Drafted correspondence to Larry Wilk regarding payment of retainer and confirming pleadings to be filed in San Mateo County case and Charlton Bankruptcy case; attention to issues raised by Mathon Fund I filing Chapter 11 bankruptcy; drafted correspondence to Trustee's counsel and counsel for Bar-K regarding Chapter 11 bankruptcy of Mathon Fund I; reviewed and revised case management statement for San Mateo County action; and reviewed notice of Mathon Bankruptcy for filing in Charlton bankruptcy case	2.10	300.00	630.00
11/18/2005	EKK	Prepared for and appeared for status conference hearing in state court action to monitor status of Charlton bankruptcy	1.20	195.00	234.00
11/21/2005	MTS	Telephone conference with Thomas Koegel, attorney for the Charlton Trustee regarding status of Claremont offer and strategy regarding opposing Gold Mountain lift stay	0.90	300.00	270.00



Molly T. Shields	12.80 hours at \$ 300.00/hr	3,840.00
	Total hours: <u>19.40</u>	

**Disbursements**

11/10/2005	Telephone Court Appearance - 11/18/05	60.00
	Sub-total Disbursements: <u>        </u>	60.00

**Payments**

11/30/2005	Payment	Trust application.	5,187.00
		Sub-total Payments: <u>        </u>	5,187.00

**Trust Account**

		Beginning Balance:	0.00
11/21/2005	Integrity -- Nov. retainer		7,500.00
11/30/2005	Trust application.		-5,187.00
		Ending Balance: <u>        </u>	2,313.00

Total Current Billing: <u>        </u>	5,187.00
Previous Balance Due: <u>        </u>	0.00
Total Now Due: <u>        </u>	0.00

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213) 943-6100

Statement as of January 31, 2006

Statement No. 4089

Integrity 701, LLC  
Mr. Jim Sells  
2222 E. Camelback Rd., Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Woodside Properties  
Matter ID: 1378-005

Professional Fees			Hours	Rate	Amount
12/1/2005	EKK	Reviewed and revised Integrity's Opposition to Bar-K's motion for relief from stay and Declaration of Conservator James C. Sell in support, e-filed same; telephone calls to Larry Wilk and James Sell re revisions to Integrity's opposition to Bar-K's motion for relief from automatic stay and Declaration of James Sell in support	2.10	195.00	409.50
12/1/2005	MTS	Drafted and revised Declaration of Jim Sell in opposition to motion; reviewed dockets in all three Arizona bankruptcy cases to determine additional facts for declaration and revised declaration; monitored hearings in Arizona including correspondence sending title report and related information; revised objection to relief from stay; several telephone conferences with Larry Wilk regarding information needed to oppose Bar K's motions in Arizona; directed Ed Kim regarding finalizing and filing of opposition and declaration	3.10	300.00	930.00
12/2/2005	MTS	Left two voice mail messages for Tom Dashiell of Claremont Partners; preparation for and attended hearing on motion for relief from stay; drafted correspondence to Larry Wilk and Jim Sell regarding outcome of hearing, continued hearing and issues raised in Aircraft Seal and Gasket	2.40	300.00	720.00
12/5/2005	MTS	Correspondence and telephone calls attempting to arrange conference call	0.10	0.00	NO CHARGE
12/6/2005	EKK	Reviewed Mathon - Aircraft Seal & Gasket file for information re Mathon's lien on Nevada property; prepared Request for Dismissal of Mathon v. Aircraft Seal &	0.90	195.00	175.50

Date	Initials	Description	Hours	Rate	Amount
		Gasket action pending in Orange County Superior Court			
12/6/2005	MTS	Telephone conference with Larry Wilk regarding Charlton bankruptcy and Aircraft Seal and Gasket; drafted correspondence coordinating conference call with Charlton's trustee to discuss settlement; coordinated drafting and follow up for dismissal on Aircraft Seal and Gasket	0.80	300.00	240.00
12/7/2005	EKK	Reviewed and analyzed Mathon v. Aircraft Seal & Gasket Corp. file re possible Mathon liens on Nevada real property	1.10	195.00	214.50
12/7/2005	MTS	Several telephone conferences with Tom Koegel and Larry Wilk to confirm conference call; telephone conferences with Spencer Scheer's office regarding rescheduling status conference	0.60	300.00	180.00
12/8/2005	MTS	Preparation for and participated in conference call with Larry Wilk, Allan Meda, Jim Sell, Tom Koegel and Lynn Schoenmann regarding status of all bankruptcy proceedings and strategy for sale of Woodside Property; several telephone conferences regarding rescheduling of Friday's hearing on motion for relief from stay and status conferences	1.80	300.00	540.00
12/12/2005	MTS	Preparation for and attendance at continued status conference in bankruptcy case and adversary proceeding; telephone conference with Larry Wilk and Jim Sell regarding strategy in Charlton and dismissal in Aircraft Seal and Gasket; telephone conference with Tom Koegel regarding strategy for sale of Woodside Property	2.30	300.00	690.00
12/13/2005	EKK	Arranged for filing of request for dismissal and service of same	0.30	195.00	58.50
12/13/2005	MTS	Several telephone conferences with Larry Wilk re status, strategy and auctioneer; conference call with Larry Wilk, Allan Meda, Auctioneer, Tom Koegel and Lynn Schoenmann (Charlton Trustee) regarding strategy re Woodside Property; follow up call with Larry Wilk and Tom Koegel re strategy to approach Tom Dashiell; several telephone calls and e-mails to Tom Dashiell re need to firm up offer	2.10	300.00	630.00
12/14/2005	MTS	Telephone conference with Tom Dashiell	1.40	300.00	420.00

		regarding requirements for purchase of Woodside by Claremont Partners; conference with Tom Dashiell, Tom Koegel and Lynn Schoenmann regarding requirements to purchase Woodside Property; correspondence with Larry Wilk re auctioneer and with Larry Wilk, Jim Sell and Allan Meda regarding status; conference with Tom Koegel re follow up			
12/16/2005	MTS	Several telephone conferences with Tom Koegel, Attorney for Trustee Schoenmann regarding auction sale, settlement and marketing; several telephone conferences with Jonathan Ibsen regarding Mathon's position with regard to the motion for relief from the automatic stay; telephone conference with auctioneer coordinating mailing list and providing bankruptcy information; reviewed auctioneer's proposal for sale of Woodside; conference call with Tom Koegel and Martha Simon, attorney for Siebel regarding offer	3.10	300.00	930.00
12/19/2005	MTS	Several telephone conferences in preparation for hearing; attended continued status conference/lift stay motion; conference with Larry Wilk, Jonathan Ibsen and Allan Meda after hearing to discuss strategy and documents needed; telephone conference with Tom Dashiell re hearing and offer; drafted correspondence to client regarding status and documents needed to review status	3.30	300.00	990.00
12/20/2005	MTS	Coordinated conference call with Tom Dashiell of Claremont Partners; coordinated obtaining appraisals for Arizona cases	0.80	300.00	240.00
12/21/2005	MTS	Confirmed authority to accept service for clients of sale motion; prepared for and attended conference call with Tom Dashiell of Claremont Partners regarding Woodside Property with Larry Wilk, Jonathan Ibsen and Allan Meda	1.80	300.00	540.00
12/22/2005	MSK	Reviewed email correspondence from M. Shields re procedural strategy re case and request for appraisals re property; reviewed email notification of bankruptcy docket events	0.20	195.00	39.00
12/22/2005	MTS	Telephone conference with Larry Wilk regarding strategy in opposing motion to sell and in adversary proceeding to quiet title	0.60	300.00	180.00

12/23/2005	MSK	Reviewed email correspondence re status of case and First Virtual and client communication re MSK assignment to case	0.30	195.00	58.50
12/27/2005	MSK	Reviewed Order Granting Bayport's Motion for Relief from Automatic Stay and Notice of Hearing re Application for Compensation by Berger/Lewis; reviewed and researched court docket in search of appraisals re property, reviewed appraisal documents and emailed same to M. Shields; telephone conference with E. Kim re same; reviewed email correspondence from T. Koegel re Virtual	1.50	195.00	292.50
12/27/2005	MTS	Reviewed and forwarded information to Larry Wilk and Jonathan Ibsen regarding valuations and appraisals of Woodside Property	0.40	300.00	120.00
12/28/2005	MTS	Telephone conference with Larry Wilk regarding strategy and venue issues; telephone call to Tom Koegel and reviewed message regarding Trustee's strategy and timing for sale free and clear	0.40	300.00	120.00
12/30/2005	MSK	Reviewed email correspondence re Notice of Continued Hearing and email correspondence with M. Shields re same	0.20	195.00	39.00
12/30/2005	MTS	Several correspondences with Tom Koegel regarding status; confirmed conference call; telephone conference with Tom Dashiell, Larry Wilk, Jonathan Ibsen, and Allan Meda regarding status of offer from Claremont; conference with Larry Wilk and Jonathan Ibsen regarding strategy and deadlines in the two cases	1.10	300.00	330.00
1/3/2006	MTS	Coordinated rescheduling of conference call with Tom Dashiell	0.20	300.00	60.00
1/4/2006	MTS	Analyzed fee applications filed by Examiner and her counsel; drafted response and objection to surcharge; revised and finalized response and objection; telephone conference with Tom Dashiell regarding conference call; drafted correspondence rescheduling conference call	1.70	300.00	510.00
1/5/2006	MSK	Reviewed Response to First and Final Fee Application for Compensation by Examiner and her Counsel; Objection to Surcharge Filed by Creditor Mathon Fund I, LLC	0.30	195.00	58.50
1/5/2006	MTS	Telephone conference with Jonathan Ibsen	1.10	300.00	330.00

		regarding need for contact and availability of witnesses; telephone and follow up e-mail to Thomas Koegel regarding Mark Benson and status; telephone conference with Larry Wilk, Jonathan Ibsen, Jim Sell and Allan Meda regarding status; several telephone calls to Tom Dashiell; drafted correspondence re status and settlement negotiations			
1/6/2006	MSK	Reviewed Joinder to Bar-K's Motion for Relief from Automatic Stay; reviewed email correspondence from M. Shields re same	0.30	195.00	58.50
1/6/2006	MTS	Telephone conference with Larry Wilk regarding status of negotiations in Mathon Bankruptcy case; drafted joinder in Bar-K motion for relief; left voice mail message for Tom Dashiell; drafted correspondence to Larry Wilk and Jonathan Ibsen regarding status of matters	1.80	300.00	540.00
1/16/2006	MTS	Telephone conference with Larry Wilk regarding status of negotiations of lift stay motion in Mathon Bankruptcy case and position of Integrity in Charlton Bky re Bar K lift stay	0.30	300.00	90.00
1/18/2006	MTS	Telephone conference with Larry Wilk regarding status of Bar K lift stay motions and position on Integrity; finalize joinder and coordinated filing and service	0.80	300.00	240.00
1/20/2006	MSK	Reviewed email from court re docket update	0.10	195.00	19.50
1/20/2006	MTS	Reviewed correspondence from Larry Wilk and Jonathan Ibsen regarding lift stay motion by Bar K and respond	0.30	300.00	90.00
1/21/2006	MTS	Analysis of opposition by Trustee to lift stay motion and supporting declaration; reviewed and analyzed motions for sale free and clear; memorandum; four declarations and exhibits; telephone conference with Larry Wilk regarding same and Monday's hearing on lift stay motion	2.10	300.00	630.00
1/23/2006	MTS	Preparation for and attendance at lengthy hearing on motion for relief from stay by Bar-K, status conference in Charlton Bankruptcy case and status conference on adversary proceeding; telephone conference with Allan Meda re issues raised at hearing and potential structures for settlement; drafted correspondence to potential bidder,	6.40	300.00	1,920.00

		Tom Dashiell and responded to inquiries, telephone conference with Larry Wilk, Chuck Firestein and Spencer Scheer regarding outcome of hearing and potential settlements; telephone conference with Larry Wilk, Jonathan Ibsen and Allan Meda regarding outcome of hearing, strategy to move forward and possible settlements; telephone conference with Tom Koegel regarding outcome of hearing and possible settlement; drafted spreadsheet with outline of settlement proposal and circulated to Larry Wilk, Jim Sell, Jonathan Ibsen and Allan Meda with commentary			
1/24/2006	MTS	Drafted correspondence to Larry Wilk, Jonathan Ibsen and Allan Meda regarding follow up on settlement proposal; telephone conference with Tom Koegel	0.40	300.00	120.00
1/25/2006	MTS	Telephone conference with Larry Wilk regarding settlement parameters and commencing settlement discussions; lengthy telephone conference with Tom Koegel, attorney for the Trustee, regarding settlement; lengthy telephone conversation with Spencer Scheer, attorney for Bar K, regarding settlement; drafted correspondence to Larry Wilk and Jonathan Ibsen with results of negotiations	3.10	300.00	930.00
1/26/2006	MTS	Several telephone conference with Spencer Scheer regarding global settlements proposal; drafted several correspondences to Tom Koegel regarding global settlement; reviewed message from and left message for Martha Simmons regarding status; coordinated settlement extension of hearing and response dates	2.30	300.00	690.00
1/27/2006	MTS	Pre-hearing telephone conference with Tom Koegel, Spencer Scheer, and Larry Wilk; preparation for and attendance at continued status conference; several telephone conferences after hearing with Larry Wilk and Spencer Scheer, review and drafted several correspondence to Tom Koegel regarding status of settlement; telephone conference with Spencer Scheer regarding limiting Bar-K's bidding at foreclosure as a basis of settlement; telephone conference with Larry Wilk re same	3.20	300.00	960.00
1/30/2006	MTS	Reviewed e-mail from Spencer regarding Bar-K's position on global settlement;	1.20	300.00	360.00

updated spreadsheet with Bar-K's position and circulated to client; drafted correspondence to Tom Koegel re status of global settlement; drafted correspondence to Spencer Scheer re status of negotiations; telephone conference with Larry Wilk regarding negotiations; telephone conference with Martha Simmons, attorney for buyer First Virtual regarding global negotiations

1/31/2006	MTS	Telephone conference with Spencer Scheer regarding motion for relief from stay and global settlements; reviewed Trustee's proposal regarding global settlement and conference with Larry Wilk regarding same; drafted correspondenced and left voice mails with Tom Koegel; finalize affidavit in support of employment	1.30	300.00	390.00
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Sub-total Fees: 17,083.50

**Rate Summary**

Edward Kim	4.40 hours at \$195.00/hr	858.00
Michael S. Kim	2.90 hours at \$195.00/hr	565.50
Molly T. Shields	2.50 hours at \$ 0.00/hr	0.00
Molly T. Shields	52.20 hours at \$300.00/hr	15,660.00
Total hours:	<u>65.80</u>	

**Costs**

11/30/2005	Messenger - First Legal delivery to San Mateo Sup. Ct., Redwood, CA - 11/17/05	64.00
11/30/2005	Photocopies	51.25
Sub-total Costs:		<u>115.25</u>

**Disbursements**

10/5/2005	Outside Services - Premiere Global Services (telephone conference service) - 9/22/2005	0.51
12/16/2005	Federal Express - delivery to Orange County Superior Court, Santa Ana, CA - 12/12/05	13.74
Sub-total Disbursements:		<u>14.25</u>

Trust Account

12/31/2005	Trust application.	Beginning Balance:	2,313.00
			-2,313.00
		Ending Balance:	<u>0.00</u>
		Total Current Billing:	<u>17,213.00</u>
		Previous Balance Due:	0.00
		<b>Total Now Due:</b>	<u><b>17,213.00</b></u>
			<u>-2,313.00</u>
		Total Due	14,900.00

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213) 943-6100

Statement as of April 30, 2006

Statement No. 4534

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

v. Aircraft Seal and Gasket  
Matter ID: 1378-003

Professional Fees			Hours	Rate	Amount
3/7/2006	MCB	Coordinated with Molly Shields re status of matter and strategic alternatives re same	0.30	300.00	90.00
3/7/2006	MR	Researched and reviewed within the Corporations Code for exemptions of usury loans; researched and reviewed case law regarding possible remedies of illegal contracts; researched and reviewed standing to raise argument regarding enforcing an illegal contract	2.00	195.00	390.00
3/7/2006	MTS	Analysis of legal issues arising out of title insurance company's claims of usury including possible defenses and issues of standing; conference with Michelle R. regarding needed research and parameters	0.80	300.00	240.00
3/8/2006	MR	Reviewed and analyzed legal issues regarding usury deed of trust	0.60	195.00	117.00
3/13/2006	MR	Researched, reviewed and analyzed case file documents to assess legal issues regarding usury deeds of trust; researched and analyzed the California Constitution and California case law regarding usury deeds of trust	1.70	195.00	331.50
3/16/2006	MR	Researched and reviewed case law regarding possible saving mechanisms for usury loans	1.30	195.00	253.50
3/17/2006	MR	Prepared intro for memorandum addressing usury loans	0.90	195.00	175.50
3/28/2006	MR	Researched, analyzed and prepared memorandum on usury loans and possible remedies; researched within the State Dept. of Corporations for defenses to usury loans;	2.30	195.00	448.50

		researched issue of standing and who could assert defense for usury loan; revised memorandum regarding standing			
3/29/2006	MR	Additional research on illegal contracts and when they are enforceable, sophisticated parties, knowing and willing standards; additional revisions to memorandum on usurious loans and exemptions	3.20	195.00	624.00
4/12/2006	MTS	Analyzed memo regarding usury issues and directed further research	0.40	300.00	120.00
4/14/2006	MR	Additional revisions to memorandum on usurious loans	1.60	195.00	312.00
4/14/2006	MR	Researched and analyzed whether Mathon can enforce its deed of trust to collect the original principal amount of its loan	1.50	195.00	292.50
4/14/2006	MR	Updated research on case law that found that even though a contract was found to be illegal, some courts will indeed enforce depending on the sophistication of the parties	1.30	195.00	253.50
4/16/2006	MTS	Revised usury memo and drafted correspondence to Larry Wilk regarding same	0.50	300.00	150.00

Sub-total Fees: 3,798.00

**Rate Summary**

Matthew Clark Bures	0.30 hours at \$300.00/hr	90.00
Michelle Rubalcava	16.40 hours at \$195.00/hr	3,198.00
Molly T. Shields	1.70 hours at \$300.00/hr	510.00
	Total hours: <u>30.20</u>	

**Costs**

4/30/2006	Photocopies	2.00
	Sub-total Costs: <u>2.00</u>	

**Disbursements**

4/30/2006	On-line Research: Lexis Nexis - March 2006	119.64
	Sub-total Disbursements: <u>119.64</u>	

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Statement as of April 30, 2006  
Statement No. 4534

Mathon Fund I, LLC  
Mr. Ed Standage  
2222 East Camelback Road, Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

v. Aircraft Seal and Gasket  
Matter ID: 1378-003

Total Current Billing:	<u>3,919.64</u>
Previous Balance Due:	0.00
<b>Total Now Due:</b>	<b><u>3,919.64</u></b>

**Remittance Statement**

# Dongell Lawrence Finney Claypool LLP

707 Wilshire Blvd, 45th Floor  
Los Angeles, CA 90017-3609

(213) 943-6100

Statement as of April 30, 2006  
Statement No. 4506

Integrity 701, LLC  
Mr. Jim Sells  
2222 E. Camelback Rd., Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Woodside Properties  
Matter ID: 1378-005

Professional Fees			Hours	Rate	Amount
2/1/2006	MSK	Email correspondence with M. Shields re deadlines re Motion to Sell Free and Clear of Liens; directed further action re calendaring of dates	0.20	195.00	39.00
2/1/2006	MTS	Preparation for and attendance at hearing on status conference; numerous settlement telephone conferences with Tom Koegel; Spencer Scheer and Larry Wilk	2.10	300.00	630.00
2/2/2006	MSK	Reviewed email re scheduling change re Status Conference	0.10	195.00	19.50
2/2/2006	MTS	Numerous telephone conferences with Spencer Scheer, Tom Koegel and Larry Wilk regarding global settlement and review of spreadsheet analysis; telephone conference with Allan Meda regarding same; analysis and review of term sheet; drafted correspondence to Tom Koegel with comments	4.30	300.00	1,290.00
2/3/2006	MTS	Analysis of revised term sheets and worksheets; preparation for and attendance at hearing on continued status; several telephone conferences with Larry Wilk, Allan Meda and Tom Koegel regarding global settlement; telephone conference with Martha Simmons and Tom Koegel re title issue	2.70	300.00	810.00
2/6/2006	MTS	Telephone conference with Allan Meda regarding UCC supporting global settlement; telephone conferences with Spencer Scheer and Tom Koegel regarding UCC support of settlement; telephone conference with Larry Wilk regarding status conference hearing and obtaining expedited notice in Mathon for	1.00	300.00	300.00

		settlement			
2/7/2006	MTS	Analyzed and revised stipulation; drafted memorandum regarding bidding procedures; drafted correspondence to Tom Dashiell regarding bidding procedures; drafted correspondence regarding over-bid notification date	1.40	300.00	420.00
2/8/2006	MTS	Telephone conferences with Larry Wilk, Allan Meda and Tom Koegel regarding overbids and the split of proceeds; reviewed proposed changes to stipulation; followed up on bidder information	1.40	300.00	420.00
2/9/2006	MTS	Telephone conference with Larry Wilk and Alan Meda regarding capping claims and stipulation; reviewed correspondence from Tom Koegel regarding capping of claims and further telephone conferences with both Larry Wilk and Alan Meda regarding same	1.50	300.00	450.00
2/10/2006	MTS	Reviewed and analyzed another draft of stipulation; telephone conferences with Tom Koegel, Alan Meda and Larry Wilk regarding split of over bid proceeds when Bar-K is paid in full and need for inclusion in stipulation; revised stipulation with language regarding overbids and circulated to Alan Meda and Larry Wilk	2.70	300.00	810.00
2/13/2006	MTS	Reviewed version 4 of stipulation and correspondence to Larry Wilk and Alan Meda regarding same	0.30	300.00	90.00
2/14/2006	MTS	Drafted correspondence to Alan Meda and Larry Wilk regarding stipulation; telephone conference with Tom Dashiell regarding bidding; correspondence regarding bidding procedure and information to the trustee	1.30	300.00	390.00
2/15/2006	MTS	Several telephone calls with Larry Wilk, Alan Meda and Tom Koegel regarding stipulation, clarification of Bar-ks position regarding foreclosure, drafted correspondence re same; coordinated finalizing stipulation and telephonic appearances	2.00	300.00	600.00
2/16/2006	MTS	Drafted correspondence to Jonathan Ibsen regarding hearing on Friday; follow up and coordinated appearances at hearing; telephone conference with Tom Koegel regarding proposed order	1.20	300.00	360.00

2/17/2006	MTS	Numerous telephone conferences with Larry Wilk, Jonathan Ibsen, Alan Meda, Tom Koegel, Spencer Scheer, Martha Simons and Bret Maidman all regarding stipulation, hearing on sale and objections filed by Duane Slade and Guy Williams and manner and ways to address such objections; telephone conferences regarding results of hearing	4.10	300.00	1,230.00
2/20/2006	MTS	Reviewed correspondence regarding hearings in Arizona; left voice mail messages regarding needed follow up	0.30	300.00	90.00
2/22/2006	MTS	Telephone conference with Larry Wilk regarding outcome of hearing in Arizona and strategized regarding alternatives to proceed with closing on Woodside Property; telephone conference with Tom Koegel regarding settlement options and status of Woodside Property; left detailed voice mail for Spencer Scheer regarding proposal; reviewed correspondence from Spencer Scheer regarding same; correspondence with Larry Wilk and Alan Meda regarding settlement and settlement structure and whether settlement should be in the Arizona BK court or California	1.30	300.00	390.00
2/23/2006	MTS	Telephone call Tom Koegel regarding status of sale and objecting creditors, correspondence with Larry Wilk and Alan Meda regarding same	0.50	300.00	150.00
2/24/2006	MTS	Numerous telephone conferences with Tom Koegel and Larry Wilk regarding Trustee's position and strategy for obtaining a sale of Woodside Property	0.80	300.00	240.00
3/1/2006	MTS	Drafted and responded to correspondence from Larry Wilk and Alan Meda re obtaining a stipulation to allow for a bidding process if a bidder qualifies; drafted correspondence with proposal to Tom Koegel and Spencer Scheer; reviewed and commented upon correspondence from Spencer Scheer regarding terms required by Bar-K	3.00	300.00	900.00
3/2/2006	MTS	Follow up on stipulation and request for extension of time to oppose objections filed by Slade and Williams in Mathon bky; conferred with Larry Wilk regarding strategy and whether to press for bidding process	1.70	300.00	510.00
3/6/2006	MTS	Followed up on status of objections to	0.80	300.00	240.00

		settlements in Mathon bankruptcy cases; drafted correspondence to parties in Charlton bky case regarding status; telephone conference with Larry Wilk regarding same			
3/9/2006	MTS	Responded to correspondence from Martha Simmons, attorney for the buyer, First Virtual; reviewed and analyzed proposed order approving settlements and sale to First Virtual	0.40	300.00	120.00
3/14/2006	MTS	Reviewed closing statement and drafted correspondence circulating both closing statements	0.40	300.00	120.00
3/15/2006	MTS	Followed up on issues re closing statement and payment; drafted correspondence to Larry Wilk, Jonathan Ibsen and Alan Meda re closing details for the Woodside Property; telephone conference with Jonathan Ibsen regarding closing	0.40	300.00	120.00
3/16/2006	MTS	Reviewed correspondence from Janet Forester and sent wiring information to Tom Koegel for closing on Woodside Property	0.20	300.00	60.00
3/21/2006	MTS	Followed up on closing and receipt of funds by client	0.30	300.00	90.00
3/28/2006	MSK	Telephone conference with counsel for End Real Estate re settlement of State matter; email to M. Shields re same	0.40	195.00	78.00
4/16/2006	MTS	Drafted correspondence to Larry Wilk regarding conversion of Charlton bankruptcy	0.20	300.00	60.00
4/21/2006	MTS	Drafted correspondence to Larry Wilk regarding conversion of	0.40	300.00	120.00
4/26/2006	MTS	Telephone conference with Shelly Safrom, attorney for ERED in state court action, regarding dismissal of lawsuit; telephone conference with Larry Wilk regarding same; drafted correspondence to Shelly Safrom re dismissal of suit and provided copies of conservatorship and related documents and Charlton Bky documents; reviewed adversary docket re dismissal; drafted correspondence to Tom Koegel regarding dismissal of adversary	1.40	300.00	420.00

Sub-total Fees: 11,566.50

## Rate Summary

Michael S. Kim	0.70 hours at \$195.00/hr	136.50
Molly T. Shields	38.10 hours at \$300.00/hr	11,430.00
Total hours:	<u>38.90</u>	

## Costs

2/28/2006	Postage	0.39
2/28/2006	Photocopies	1.25
2/28/2006	Photocopies	28.50
3/31/2006	Photocopies	11.50
	Sub-total Costs:	<u>41.64</u>

## Disbursements

2/28/2006	Telephone Charges - Premiere Global Services - 01/23/06	44.94
3/31/2006	Outside Services: Conference call - 2/17/06	11.34
	Sub-total Disbursements:	<u>56.28</u>

Total Current Billing:	<u>11,664.42</u>
Previous Balance Due:	<u>14,900.00</u>
Total Now Due:	<u>26,564.42</u>

## Dongell Lawrence Finney Claypool LLP

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Statement as of April 30, 2006  
Statement No. 4506

Integrity 701, LLC  
Mr. Jim Sells  
2222 E. Camelback Rd., Suite 110  
Phoenix, AZ 85016

FEI No. 75-3147240

Woodside Properties  
Matter ID: 1378-005

Total Current Billing:	<u>11,664.42</u>
Previous Balance Due:	14,900.00
<b>Total Now Due:</b>	<b><u>26,564.42</u></b>

Remittance Statement