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16 UNITED STATES BANKRUPTCY COURT
17 DISTRICT OF ARIZONA

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

21 Chapter 11 Proceedings
22 Case No: 05-27993 PHX GBN
23 (Jointly Administered with Case Nos.
24 05-27994 PHX-SSC and
25 05-27995 PHX- JMM)

26 THIS FILING APPLIES TO:

- 27 ALL DEBTORS
28 SPECIFIED DEBTORS

**FIRST APPLICATION OF JABURG &
WILK, PC AS LEGAL COUNSEL TO THE
CONSERVATOR AND SPECIAL
COUNSEL FOR THE DEBTORS FOR
PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES**

29 Jaburg & Wilk, P.C., counsel for James C. Sell, Conservator, and Special Counsel for
30 Debtors hereby submits its First Application for Payment of Compensation to Counsel and for
31 Reimbursement of Expenses for the period May 1, 2005 through March 31, 2006, as more fully
32 set forth in Exhibit "A" attached hereto in the amount of \$363,855.82. In support of the Fee
33 Application, Jaburg & Wilk, P.C. submits the following Memorandum of Points and Authorities

34 DATED this 9th day of June, 2006.

JABURG & WILK, P.C.

/s/ 006510

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 and the Bankruptcy Court
 3 Order Established Procedures for Interim Compensation and Reimbursement of Professionals
 4 filed on February 17, 2006, the Courts authorized the payment of 80% of the monthly billings for
 5 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. The First Application of Jaburg & Wilk covers the period from May 1, 2005
 9 through March 31, 2006 (the "Application Period"). Applicants First Application for payment of
 10 fees and reimbursement of expenses requests the approval of fees and expenses in the amount of
 11 \$363,855.92. Pursuant to the Operating Order, Jaburg & Wilk, P.C. have received payment of
 12 \$295,944.92 during the Application Period. The payment represents reimbursement of 100% of
 13 the expenses, \$24,301.32 and 80% of the fees billed in the amount of \$271,643.60, leaving a 20%
 14 unpaid balance of \$67,910.90.

15 4. The following is a detailed timekeeper and rate analysis which sets forth the Pre
 16 and Post Bankruptcy fees incurred for work performed by Jaburg & Wilk, P.C. for the
 17 Conservator, by billing file.

18 11719-001 MATHON/GENERAL

19 Timekeeper	Hours	Rate	Total
20 PRE-BANKRUPTCY			
21 Lawrence E. Wilk	274.7	300.00	82,410.00
22 Lawrence E. Wilk (N/C)	7.0	0.00	0.00
23 Maribeth E. Kascht	3.5	135.00	472.50
24 Jonathan P. Ibsen	198.0	190.00	37,620.00
25 Michelle C. Lombino	2.8	225.00	630.00
26 Roger L. Cohen	7.6	300.00	2,280.00
27 Scott J. Richardson	2.7	300.00	810.00
28 Laura A. Rogal	2.80	75.00	210.00
Beth S. Cohn	0.3	325.00	97.50
POST-BANKRUPTCY			
Lawrence E. Wilk	43.3	300.00	12,990.00

Lawrence E. Wilk (N/C)	1.1	0.0	0.0
Jonathan P. Ibsen	28.7	190.00	5,453.00
TOTAL	572.5		142,973.00

This file represents a file maintained by Jaburg & Wilk which represents time incurred in the pending Receivership proceedings. It represents time incurred prior to the inception of the Bankruptcy proceedings, and includes time incurred in dealing with investors, and the prior Creditors Committee, and investigation of the assets of the various Mathon Entities. It includes sale negotiations, and settlement discussions with various third parties.

11719-002 MATHON/LVRD			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	51.70	300.00	15,510.00
Lawrence E. Wilk (N/C)	0.8	0.00	0.00
Roger L. Cohen	0.3	300.00	90.00
POST-BANKRUPTCY			
Lawrence E. Wilk	2.4	300.00	720.00
Jonathan P. Ibsen	0.7	190.00	133.00
TOTAL	55.9		16,453.00

This file was created to represent the investment commonly referred to as Las Vegas Resort Development (“LVRD”). During the application period, Jaburg & Wilk was involved in negotiations which led to the payoff of various notes owed to the Estate, and discussions as to a reasonable sales price for the remaining one million shares of stock which the Estate still holds in Las Vegas Resort Development.

11719-003 MATHON/ASHLAND BIDDLE			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	27.70	300.00	8,310.00
Maribeth E. Kascht	2.50	135.00	337.50
Beth S. Cohn	1.0	325.00	325.00
POST-BANKRUPTCY			
Lawrence E. Wilk	21.8	300.00	6,540.00
Lawrence E. Wilk (N/C)	0.8	0.0	0.0

Jonathan P. Ibsen	3.7	190.00	703.00
TOTAL	26.30		16,215.50

This is a file that was maintained to reflect the foreclosure, and eventual sale of real property in Baltimore, Maryland, commonly referred to as Ashland Biddle. During the application period, Jaburg & Wilk, was involved in the negotiations for the sale of the property, which have culminated in a purchase contract for the property. In addition, negotiations have been ongoing with various tenants, and with local counsel in Maryland to evict those tenants who have not been paying rents.

11719-004 MATHON/TMC PARTNERS			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	39.9	300.00	11,970.00
Lawrence E. Wilk	0.5	250.00	125.00
Lawrence E. Wilk (N/C)	1.4	0.00	0.00
Beth S. Cohn	0.7	325.00	227.50
Roger L. Cohen	0.2	300.00	60.00
Jonathan P. Ibsen	2.9	190.00	551.00
POST-BANKRUPTCY			
Lawrence E. Wilk	5.1	300.00	1,530.00
Jonathan P. Ibsen	3.7	190.00	703.00
TOTAL	5.4		15,166.50

This file was maintained to deal with a parcel of real property in Connecticut commonly referred to as the New Waterford Airport Property. During the application period, Jaburg & Wilk, has been involved in the foreclosure of the subject property, and the negotiation of several purchase contracts, the last of which is now before the court for court approval. The current sale pending is for \$12,000,000.

11719-005 MATHON/ARIZONA CORPORATION COMMISSION			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Roger L. Cohen	0.2	300.00	60.00
POST-BANKRUPTCY			
Lawrence E. Wilk	1.5	300.00	450.00

TOTAL	1.7		510.00
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This file is a general file maintained with reference to the currently pending Arizona Corporation Commission filings which have led to the appointment of a Receiver, and the subsequent filing of these Bankruptcy proceedings. During the application period Jaburg & Wilk has been involved in negotiating with the Arizona Corporation Commission regarding the liability of the principals, and has aided the Corporation Commission in obtaining financial information regarding the various entities. Currently, Jaburg & Wilk is involved in negotiating a settlement which may resolve the liability of the principals of the company.

11719-006 MATHON/PENDING LITIGATION			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	8.7	300.00	2,610.00
Jonathan P. Ibsen	11.7	190.00	2,223.00
POST-BANKRUPTCY			
Lawrence E. Wilk	1.2	300.00	360.00
Jonathan P. Ibsen	5.8	190.00	1,102.00
TOTAL	27.4		6,295.00

This is a file maintained by Jaburg & Wilk as to various properties that are subject to pending litigation, or may result in litigation. During the period of this application, Jaburg & Wilk has been involved in negotiating with the party plaintiff's and party defendant's, and has enforced the injunctive relief contained in the Receivership Order which has resulted in the pending litigations being stayed.

11719-007 MATHON/RESERVE SPA			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	7.5	300.00	2,250.00
Lawrence E. Wilk (N/C)	0.3	0.0	0.0
Roger L. Cohen	0.3	300.00	90.00
POST-BANKRUPTCY			
Lawrence E. Wilk	1.8	300.00	540.00
TOTAL	9.90		2,880.00

1 This is a file that was maintained for a parcel of real property located in St. George, Utah
 2 commonly referred to as the Reserve Spa. At the inception of the Receivership proceeding, this
 3 parcel of property was in escrow subject to being closed. The property subsequently closed for
 4 the sales price of \$3,200,000. Litigation has since been filed by the purchaser regarding a title
 5 defect that exists on the property. Jaburg & Wilk is currently involved in negotiations regarding
 6 those proceedings.

11719-008 MATHON/CHICAGO TITLE CLAIM			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	5.8	300.00	1,740.00
Roger L. Cohen	0.2	300.00	60.00
TOTAL	6.0		1,800.00

12 This is a file maintained with reference to a parcel of real property in California in which
 13 Mathon holds a \$600,000 plus lien against real property. Due to Chicago Title Insurance
 14 Company's failure to reflect our lien, the property was subsequently refinanced, and our second
 15 position lien now appears in first position. Negotiations are ongoing with Chicago Title regarding
 16 payment of our lien.

11719-009 MATHON/STANSBURY			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	34.0	300.00	10,200.00
Lawrence E. Wilk (N/C)	0.2	0.00	0.00
Jonathan P. Ibsen	11.8	190.00	2,242.00
Kraig Marton	0.4	300.00	120.00
POST-BANKRUPTCY			
Lawrence E. Wilk	22.5	300.00	6,750.00
Lawrence E. Wilk (N/C)	1.2	0.00	0.00
TOTAL	70.1		19,312.00

26 This is a file maintained for the purpose of negotiating the payment of a loan owed to
 27 Mathon. The loan is secured by Mining Leases in Wyoming. During the application period,
 28

Jaburg & Wilk has been involved in negotiating a settlement with the principals of New Stansbury, which negotiations have culminated in a pending sale.

11719-010 MATHON/LOBO EXCAVATING			
Timekeeper	Hours	Rate	Total
POST-BANKRUPTCY			
Lawrence E. Wilk	3.8	300.00	1,140.00
TOTAL	3.8		1,140.00

This file is maintained as a result of a preference action which has been filed against Mathon by Lobo Excavating. During the application period Jaburg & Wilk has been involved in attempting to negotiate a settlement of the pending litigation.

11719-011 MATHON/SIMS			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	11.4	300.00	3,420.00
Lawrence E. Wilk (N/C)	0.2	0.00	0.00
Michelle Lombino	1.9	225.00	427.50
POST-BANKRUPTCY			
Lawrence E. Wilk	0.7	300.00	210.00
Jonathan P. Ibsen	3.5	190.00	665.00
TOTAL	17.7		4,722.50

This is a file maintained with reference to a loan to David Sims. During the application period a settlement was negotiated with Sims whereby he executed a new note, waiving all claims, and agreeing to pay \$6,000,000. Sims has since defaulted, and actions have been commenced to attempt to collect the outstanding balance.

11719-013 MATHON/CHARLTON			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	2.3	300.00	690.00
Lawrence E. Wilk (N/C)	0.1	0.00	0.00
POST-BANKRUPTCY			
Lawrence E. Wilk	70.1	300.00	21,030.00
Lawrence E. Wilk (N/C)	1.7	0.00	0.00
Lawrence E. Wilk	1.9	250.00	475.00

Jonathan P. Ibsen	84.2	190.00	15,998.00
TOTAL	160.3		38,193.00

This is a file maintained for the purpose of dealing with certain real property located outside of San Francisco. During the application period Jaburg & Wilk has been involved in negotiations regarding title to the property, and the pending Charlton Bankruptcy in San Francisco. As a result of the negotiations a settlement was reached whereby the estate recovered approximately \$250,000.00.

11719-016 MATHON/DR. BERRY			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	0.8	300.00	240.00
TOTAL	0.8		240.00

This is a file representing a claim that has been made by Dr. Berry, an investor of Mathon. Dr. Berry has filed litigation which is the subject matter of this file. During the application period Jaburg & Wilk has been involved in negotiating a potential settlement of the pending litigation and ultimately reaching a resolution with Dr. Berry regarding his claim.

11719-018 W.S.F. – WORLD SPORTS FANS			
Timekeeper	Hours	Rate	Total
POST-BANKRUPTCY			
Lawrence E. Wilk	0.4	300.00	120.00
Jonathan P. Ibsen	2.6	190.00	494.00
TOTAL	3.0		614.00

This file has since been incorporated into 11719-21.

11719-020 MATHON/MATHON BANKRUPTCY			
Timekeeper	Hours	Rate	Total
PRE-BANKRUPTCY			
Lawrence E. Wilk	11.9	300.00	3,570.00
Jonathan P. Ibsen	51.5	190.00	9,785.00
Steve Schubert	3.7	125.00	462.50
Roger L. Cohen	0.2	300.00	60.00
POST-BANKRUPTCY			

1	Lawrence E. Wilk	83.5	300.00	25,050.00
2	Lawrence E. Wilk (N/C)	1.1	0.0	0.0
3	Jonathan P. Ibsen	79.1	190.00	15,029.00
4	Janet Forster	2.6	90.00	234.00
5	Steve Schubert	1.1	125.00	137.50
6	TOTAL	234.70		54,328.00

7 This was a general file maintained with reference to the three bankruptcies that were
 8 ultimately filed. During the application period Jaburg & Wilk was involved in the negotiation for
 9 the filing of the Bankruptcies, the subsequent filings and negotiations which involved the three
 10 Bankruptcies as a whole.

11 11719-021 MATHON/W.S.F. – WORLD SPORTS FANS BANKRUPTCY				
12	Timekeeper	Hours	Rate	Total
13	POST-BANKRUPTCY			
14	Lawrence E. Wilk	28.3	300.00	8,490.00
15	Thomas A. Connelly	9.6	225.00	2,160.00
16	TOTAL	37.9		10,650.00

17 This is an individual file representing the World Sports Fans Bankruptcy proceeding. Any
 18 billings which dealt solely with World Sports Fans were placed within this file. During the
 19 application period Jaburg & Wilk was involved in the negotiations of settlements with the
 20 individual principals, who were the owners of World Sports Fans, together with the negotiation
 21 and sale of the office building in the possession of World Sports Fans. Jaburg & Wilk was also
 22 involved with certain litigation that has been initiated in New Mexico regarding the sale of
 23 acreage. Towards this end, Jaburg & Wilk is involved in the filing of removal papers seeking the
 24 removal of the State Court action to the Bankruptcy Court for the United States Bankruptcy
 25 Court, District of Arizona.

26 11719-023 MATHON/MATHON FUND BANKRUPTCY				
27	Timekeeper	Hours	Rate	Total
28	POST-BANKRUPTCY			
29	Lawrence E. Wilk	19.4	300.00	5,820.00
30	Lawrence E. Wilk (N/C)	0.4	0.0	0.0
31	Jonathan P. Ibsen	9.3	190.00	1,767.00

1	Janet Forster	5.0	90.00	450.00
2	Steve Schubert	0.2	125.00	25.00
3	TOTAL	34.30		8,062.00

4 This file was maintained to deal with the Mathon fund, LLC Bankruptcy. During the
5 application period, Jaburg & Wilk was involved in the preparation of the Bankruptcy Schedules,
6 negotiations with investors, discussions regarding preparation of a Plan and Disclosure Statement,
7 and various litigations which included the Charlton lift stay proceeding. Any actions that were
8 taken solely for the purpose of Mathon Fund are billed directly to this file.

9 **III. Payment of Pre-Bankruptcy Work**

10 11 U.S.C. § 543 (c)(2) provides as follows:

11 (c) The Court, after notice and hearing, shall –

12 (2) Provide for the payment of reasonable compensation for
13 services rendered and costs and expenses incurred by such
14 custodian

14 After a hearing on the issue of retaining the Receiver in place, the Court excused compliance in
15 accordance with 11 U.S.C. § 543(d) and James C. Sell continues to manage the ongoing business
16 of the Debtor Entities.

17 Pursuant to 11 U.S.C. § 543(c) and the fact that James C. Sell remains in place, the pre-
18 petition lawyers, and the Receiver are entitled to “reasonable compensation for services rendered
19 and costs and expenses incurred by such custodian.” 11 U.S.C. § 543 (c)(2).

20 Wherefore Jaburg & Wilk, P.C. respectfully requests that this Court issue an Order
21 authorizing the payment of fees and reimbursement of expenses as more fully set forth in Exhibit
22 “A” of available funds from the Conservatorship Estate.

23 DATED this 9th day of June, 2006.

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

25 /s/ 006510

26 _____
27 Lawrence E. Wilk
28 Jonathan P. Ibsen
Special Counsel for Debtor

1 COPY of the foregoing mailed
2 this 9th day of June, 2006.

3 Wendy L. Coy, Esq. 4 ARIZONA CORPORATION COMMISSION, 5 SECURITIES DIVISION 6 1300 West Washington, 3 rd Floor 7 Phoenix, Arizona 85007 8 <i>Counsel for Arizona Corporation Commission</i>	Jonathan Hess OFFICE OF THE U.S. TRUSTEE 230 N. 1 st Avenue, Suite 204 Phoenix, AZ 85003-1725 <i>U.S. Trustee</i>
9 Keith L. Beauchamp, Esq. 10 Bret A. Maidman, Esq. 11 LEWIS & ROCA, LLP 12 40 N. Central Avenue, Suite 1900 13 Phoenix, AZ 85004-4429 14 <i>Attorney for Duane Slade and Guy Williams</i>	Merwin D. Grant, Esq. GRANT & VAUGHN, PC 6225 N. 24 th Street, Suite 125 Phoenix, Arizona 85016 <i>Attorney for Dr. Glauser, Larry Pew & Rich Stewart</i>
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21 James C. Sell 22 2222 E. Camelback Road, #110 23 Phoenix, Arizona 85016 24 <i>Court Appointed Receiver</i>	

25 /s/Janet Forster
26 _____
27
28

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