

# **EXHIBIT A-2**



# PALTER • STOKLEY • SIMS

A Professional Limited Liability Company

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W Craig Stokley, Receiver  
Palter Stokley Sims PLLC  
8115 Preston Road, Suite 600  
Dallas, TX 75225

August 31, 2017

Matter Number: HCHR01-00

Invoice Number: 006899

Regarding: HCH Receivership\General

***Professional services rendered:***

<u>Date</u>	<u>Staff</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Charges</u>
7/03/2017	WCS	Attention to discovery requests from Patrick Howard's counsel. Research issues related to same.	2.20	\$325.00	\$715.00
7/05/2017	KDB	Prepare initial drafts of Receiver's Responses to Howard's Request for Production, Request for Admissions and Interrogatories.	0.50	\$125.00	\$62.50
7/05/2017	KJS	Review and analysis of correspondence from Bracewell regarding preservation of documents. Preparation and revision of correspondence to Bracewell regarding discovery requests. Review and analysis of case filings and attention to updates to investors and website. Preparation of correspondence to creditors regarding website and claims process. Confer with Riva regarding payments. Confer with Receiver regarding Unequal and sale of Tu bottles. Attention to update of creditor matrix. Attention to update of investor matrix.	1.70	\$300.00	\$510.00
7/05/2017	KTDT	Call to Katie Yang at W Hotel regarding overdue refund for OE Capital event. Call to Eric Holder at Texas Workforce Commission regarding notice of delinquent employer's quarterly report. Call to Sharonda Newton at Texas Workforce Commission regarding same. Calculate Texas state unemployment tax for first quarter of 2017. Search Texas Workforce Commission	1.20	\$125.00	\$150.00

website for status change form and begin preparation of form.

7/05/2017	NLM	Confer with receiver regarding response to Howard's discovery requests. Pursue strategy regarding same. Pursue research relating to same. Confer with Kimberly Sims regarding same.	2.00	\$250.00	\$500.00
7/05/2017	SJM	Attention to receivership filings.	0.20	\$100.00	\$20.00
7/05/2017	WCS	Detailed analysis regarding discovery issues and authorized discovery in the receivership matter. Research Rule 26 issues related to same. Revise and edit letter to counsel for Patrick Howard regarding harassing discovery requests.	4.50	\$325.00	\$1,462.50
7/06/2017	KJS	Receipt and review of correspondence from Joe Cox regarding discovery requests. Confer with Receiver regarding responses and objections to discovery. Preparation of initial correspondence to Joe Cox in response.	0.60	\$300.00	\$180.00
7/06/2017	KTDT	Receive call from the W Hotel Director of Finance regarding refund of the canceled OE Capital event cancellation fee. Correspondence regarding same. Call to Sharonda Newton at Texas Workforce Commission. Check bank to confirm incoming wire. Correspondence regarding same. Receive call from Sharonda Newton regarding OE Capital report for first quarter of 2017.	0.40	\$125.00	\$50.00
7/06/2017	NK	Conduct legal research at request of receiver.	4.30	\$200.00	\$860.00
7/06/2017	WCS	Attention to correspondence from counsel for Patrick Howard regarding Howard's discovery attempts. Confer regarding response to same. Research issues related to Howard's discovery.	3.80	\$325.00	\$1,235.00
7/07/2017	KJS	Analysis of Receivership action items related to Unequal and TU. Receipt and review of notice of additional tax payment due related to employees. Attention to tax payments and filings with Texas Workforce Commission.	0.50	\$300.00	\$150.00

7/07/2017	KTDT	Research new employee Social Security numbers for Texas Workforce Commission report. Log on to Texas Workforce Commission website to set up online reporting for OE Capital per discussion with Sharonda Newton. Call to Sharonda Newton regarding Texas Workforce Commission account number. Complete account setup and file OE Capital report for first quarter of 2017. Log on to Bank and update QuickBooks register. Issue check for Texas Workforce Commission. Complete Texas Workforce Commission status change form. Prepare check and status change form for mailing via Certified Mail.	1.70	\$125.00	\$125.00
7/07/2017	WCS	Attention to correspondence Patrick Howard sent containing false information about the Receivership. Analyze options regarding same. Confer regarding same. Attention to inquiry from investor regarding tax documents. Attention to Whrzt transaction and correspondence regarding Rick Stahl sitting in board seat for Receivership investors.	3.10	\$325.00	\$1,007.50
7/10/2017	KJS	Correspondence to Joe Cox regarding final request for withdrawal of discovery requests.	0.20	\$300.00	\$60.00
7/10/2017	WCS	Attention to Whrzt transaction. Analyze lawsuit against Whrzt in light of representations to the contrary by Whrzt. Address issues related to same. Confer with counsel regarding same. Attention to correspondence from Patrick Howard's counsel. Analyze inaccuracies contained in same. Confer regarding response to same. Research issues related to discovery proposed by Patrick Howard's counsel and why such discovery is not permitted without a court order.	4.30	\$325.00	\$1,397.50
7/11/2017	WCS	Attention to selling TU inventory. Attention to Whrzt transaction and issues related to authorized shares and logistics of transaction. Analysis regarding shares and percentages.	2.30	\$325.00	\$747.50
7/13/2017	WCS	Attention from creditor SAP inquiry. Respond to investor inquiry.	0.60	\$325.00	\$195.00
7/14/2017	WCS	Detailed review of reply brief filed by Patrick Howard related to various motions -- discovery, strike, seal.	3.60	\$325.00	\$1,170.00

Confer regarding same. Analysis regarding same.

7/17/2017	WCS	Respond to inquiry from investor.	0.20	\$325.00	\$65.00
7/19/2017	WCS	Attention to issues with warehousing vendor.	0.50	\$325.00	\$162.50
7/20/2017	WCS	Respond to investor inquiry.	0.40	\$325.00	\$130.00
7/21/2017	KTDT	Research check payment. Review correspondence regarding payment. Log on to Bank and update QuickBooks register. 7/12/17 bank reconciliation.	0.40	\$125.00	\$50.00
7/21/2017	WCS	Confer with Ken Siletski regarding billing for warehousing inventory for TU. Correspond regarding same. Respond to investor inquiry. Receive call from Tully Minoski regarding receivership. Confer regarding same.	2.50	\$325.00	\$812.50
7/24/2017	KJS	Review and analysis of correspondence from Howard's counsel regarding discovery. Preparation of initial objections to discovery requests. Confer with Receiver related to discovery and pending quarterly report. Begin preparation of Quarterly Report.	0.70	\$300.00	\$210.00
7/24/2017	NLM	Confer with Receiver regarding reply or response to latest brief filed by Howard in connection with contempt order. Pursue strategy regarding same. Review and analyze email from Howard's counsel relating to same. Pursue strategy regarding response to discovery responses.	1.00	\$250.00	\$250.00
7/24/2017	WCS	Attention to correspondence from counsel for Patrick Howard regarding their discovery requests. Attention to objections to discovery. Research issues related to same. Review draft discovery responses.	2.40	\$325.00	\$780.00
7/25/2017	WCS	Respond to investor inquires. Coordinate tax issues with tax professionals including RMD issues as well as K-1s for 2015 and 2016.	3.30	\$325.00	\$1,072.50
7/26/2017	KTDT	Prepare preliminary second quarter accounting report for review.	0.60	\$125.00	\$75.00
7/26/2017	WCS	Correspond with accounting professionals regarding	1.40	\$325.00	\$455.00

taxes for 2015 and 2016 for all Receivership Entities.  
Attention to warehousing TU inventory.

7/27/2017	WCS	Review initial draft of quarterly status report. Revise and edit same. Attention to potential buyer of TU inventory. Respond to investor inquiry correspondence. Attention to issues related to discovery responses to Patrick Howard's discovery requests.	6.50	\$325.00	\$2,112.50
7/28/2017	NLM	Review and revise discovery responses. Pursue strategy regarding same. Confer with Receiver regarding same.	1.50	\$250.00	\$375.00
7/28/2017	WCS	Attention to discovery responses served by Patrick Howard's counsel. Research issues related to same. Draft and revise quarterly status report for Q2 of 2017.	5.80	\$325.00	\$1,885.00
7/31/2017	KJS	Final preparation and revision of Receiver's responses and objections to Howard's Request for Admissions, Request for Production and Interrogatories. Preparation and revision of Receiver's Quarterly Report. Receipt and review of correspondence from counsel for Galaxy regarding storage of TU bottles.	2.60	\$300.00	\$780.00
7/31/2017	KTDT	Receive invoice and check request. Issue check for Galaxy Global Logistics, send copy and prepare for mailing. Compile detailed review of tax filings and payments during the second quarter for receiver's report. Attention to periodic reporting to court.	2.00	\$125.00	\$250.00
7/31/2017	WCS	Prepare for meeting with FBI and postal inspector. Draft, revise, and edit quarterly status report. Attention to resolving cost issues with warehousing vendor for TU inventory. Finalize responses to Howard's discovery requests. Serve same. Respond to investor inquiries.	7.40	\$325.00	\$2,405.00
8/01/2017	KJS	Final preparation and revision of Receiver's Quarterly Report. Meeting with Receiver regarding pending investigation and receivership status.	1.50	\$300.00	\$450.00
8/01/2017	NLM	Prepare for meeting with FBI and Receiver. Attend meeting with FBI and Receiver.	2.50	\$250.00	\$625.00
8/01/2017	SJM	Review, finalization and filing of Receiver's Second Quarterly Report.	2.00	\$100.00	\$200.00

8/01/2017	WCS	Respond to investor inquiries regarding receivership. Meet with FBI and Postal Inspector at their request. Finalize and file Receiver's Quarterly status report for Q2 of 2017.	6.30	\$325.00	\$2,047.50
8/02/2017	KJS	Telephone conference with counsel for Galaxy regarding payment, receivership and status of stored water bottles. Confer with Receiver regarding same.	0.30	\$300.00	\$90.00
8/02/2017	WCS	Attention to correspondence from warehousing company handling TU inventory. Correspond with counsel regarding Whrzt transaction.	0.60	\$325.00	\$195.00
8/04/2017	KJS	Preparation of summary of receivership action items for website updates and quarterly application.	0.60	\$300.00	\$180.00
8/04/2017	KTDT	Receive D. Soblinskas check. Prepare for endorsement and deposit. Check bank and update QuickBooks register. Attention to periodic reporting to court.	1.50	\$125.00	\$187.50
8/04/2017	NK	Review and revise second quarterly fee application.	1.70	\$200.00	\$340.00
8/04/2017	WCS	Attention to correspondence and voicemail related to warehousing TU inventory. Analysis regarding options related to same.	0.60	\$325.00	\$195.00
8/07/2017	WCS	Investigate third party claims. Correspond related to Whrzt transaction and need for call regarding same.	0.80	\$325.00	\$260.00
8/08/2017	WCS	Prepare for meeting with tax professionals regarding 2015 and 2016 taxes for receivership entities. Attention to negotiations with Galaxy Global regarding warehousing TU inventory. Confer with counsel regarding Whrzt transaction.	3.30	\$325.00	\$1,072.50
8/09/2017	KJS	Review and attention to reoccurring payables of receivership.	0.20	\$300.00	\$60.00
8/09/2017	KTDT	Discuss new debit card received from bank and updating payment information to keep accounts active. Activate new card. Update payment information with new card by online login for Zoho, and by phone for	1.00	\$125.00	\$125.00

GoDaddy. Prepare credit card authorization form for iNSYNQ. Correspondence regarding same.

8/09/2017	NLM	Prepare for meeting with outside tax advisors for Receiver. Attend meeting with tax advisors. Pursue strategy regarding documents needed to prepare taxes. Review Zoho database for information needed to prepare tax returns.	4.00	\$250.00	\$1,000.00
8/09/2017	WCS	Meet with tax professionals regarding taxes for receivership entities. Attention to inquiry from accountants. Send correspondence to Dave Owens with Midland IRA to obtain information related to K-1s. Respond to inquiry from postal inspector. Confer regarding same.	6.50	\$325.00	\$2,112.50
8/10/2017	NLM	Meeting with Receiver regarding analysis of potential third party claims.	2.00	\$250.00	\$500.00
8/10/2017	WCS	Correspond regarding information needed by tax professionals to complete tax filings for 2015 and 2016. Review same. Coordinate with Midland IRA regarding information related to K-1s. Correspond regarding same.	3.40	\$325.00	\$1,105.00
8/11/2017	KLE	Assimilate investor information at request of receiver.	2.00	\$100.00	\$200.00
8/11/2017	KTDT	Prepare cover page for iNSYNQ and fax updated credit card authorization form to keep account active. Issue check.	0.00	\$125.00	\$0.00
8/11/2017	NLM	Pursue data from Zoho reports for purposes of tax preparation. Confer with Kate Elsinger regarding same. Confer with Receiver regarding same.	2.00	\$250.00	\$500.00
8/11/2017	WCS	Correspond with investors regarding inquiry related to status as investor. Attention to negotiation with Galaxy Global Warehousing.	2.40	\$325.00	\$780.00
8/14/2017	KTDT	Attention to periodic reporting to court.	0.40	\$125.00	\$50.00
8/14/2017	WCS	Correspond with Midland IRA regarding needed information for each investor for tax reporting purposes.	0.50	\$325.00	\$162.50



8/15/2017	WCS	Correspond with tax professionals regarding information needed from Midland IRA. Respond to inquiry from postal inspector. Attention to investor inquiries.	1.80	\$325.00	\$585.00
8/16/2017	KJS	Attention to update of investor contact information.	0.10	\$300.00	\$30.00
8/16/2017	WCS	Respond to inquiry from third party creditor. Respond to investor inquiry. Detailed attention to information needed by tax professionals related to each investor. Review same.	2.70	\$325.00	\$877.50
8/18/2017	WCS	Attention to investor inquiry.	0.50	\$325.00	\$162.50
8/21/2017	WCS	Attention to negotiation with warehousing company storing TU inventory. Correspond regarding same.	1.20	\$325.00	\$390.00
8/22/2017	WCS	Address tax issues with tax professionals. Research issues related to same. Forward subscription agreement sample to tax professionals. Review subscription agreements for each investor for tax purposes. Respond to inquiry from tax professionals. Address issues with warehousing of TU inventory.	6.30	\$325.00	\$2,047.50
8/24/2017	KJS	Telephone conference with John E. (Evan) Sanchez regarding receivership.	0.10	\$300.00	\$30.00
8/24/2017	WCS	Attention to Whrzt transaction issues. Correspond with counsel for Galaxy Global related to warehousing TU Perform inventory. Detailed analysis and research regarding claims against third parties. Attention to creditor inquiry. Attention to tax issues and correspondence from Midland IRA related to K-1s. Confer with accounting professionals regarding same.	6.20	\$325.00	\$2,015.00
8/25/2017	WCS	Attention to execution of documents related to Whrzt transaction. Review same.	1.50	\$325.00	\$487.50
8/28/2017	WCS	Attention to Whrzt closing items. Confer with counsel regarding same, and any issues related to closing. Attention to tax information obtained from Florida. Send correspondence to Rick Stahl regarding Whrzt.	3.30	\$325.00	\$1,072.50
8/29/2017	WCS	Attention to creditor inquiry. Respond to investor	1.60	\$325.00	\$520.00

inquiry regarding receivership, and K-1s. Attention to tax issues.

8/30/2017	KJS	Review and attention to request for information by Receivership CPAs.	0.20	\$300.00	\$60.00
8/30/2017	WCS	Follow up on status for Whrzt transaction. Respond to investor inquiries. Respond to inquiries from accountants regarding EIN letters for certain entities. Send correspondence to Tracy Alexander regarding same. Send correspondence to Larry Wheeler regarding K1.	3.10	\$325.00	\$1,007.50
8/31/2017	WCS	Attention to transaction documents with Whrzt. Correspond regarding same. Confer regarding same and need to finalize transaction. Attention to outstanding issues related to transaction. Attention to investor inquiries.	2.40	\$325.00	\$780.00

Total Fees \$44,970.00

**Expenses**

<u>Description</u>	<u>Charges</u>
Postage - Certified Mail	\$5.17
Total Expenses	<u>\$5.17</u>
Total New Charges	<u>\$44,975.17</u>
Retained Balance from Previous Invoices	\$24,137.60

Balance Due \$69,112.77