



appropriate, subject to the holdback of 20% in accordance with paragraph 62 of the Order Appointing Receiver (Doc. 10) and the court's Order Modifying and Clarifying Order Appointing Receiver (Doc. 39).<sup>1</sup>

Accordingly, the court **grants** the Receiver's Supplemental Quarterly Fee Application (Doc. 89), **grants** the Receiver's Second Quarterly Fee Application (Doc. 97), and **grants** the Receiver's Third Quarterly Fee Application (Doc. 99), subject to the holdback of 20% in accordance with paragraph 62 of the Order Appointing Receiver (Doc. 10) and the court's Order Modifying and Clarifying Order Appointing Receiver (Doc. 39).<sup>2</sup>

The court hereby **authorizes** the Receiver as follows:

With respect to the Receiver's Supplemental Quarterly Fee Application, for the time period from February 14, 2017, through March 31, 2017, the court awards \$5,570 for accounting services rendered by Howard LLP, and awards \$729.61 for web design services rendered by

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<sup>1</sup>In reaching this conclusion, the court has taken into account the twelve factors set forth in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974); *see also Cobb v. Miller*, 818 F.2d 1227, 1231 (5th Cir. 1987). The twelve factors are: "(1) the time and labor required, (2) the novelty and difficulty of the questions, (3) the skill requisite to perform the legal service properly, (4) the preclusion of other employment by the attorney due to acceptance of the case, (5) the customary fee, (6) whether the fee is fixed or contingent, (7) time limitations imposed by the client or the circumstances, (8) the amount involved and the results obtained, (9) the experience, reputation, and ability of the attorneys, (10) the 'undesirability' of the case, (11) the nature and length of the professional relationship with the client, and (12) awards in similar cases." *Cobb*, 818 F.2d at 1231 n.5 (citing *Johnson*, 488 F.2d at 717-19).

<sup>2</sup> Paragraph 62 of the Order Appointing Receiver provides that:

Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. *The total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.*

Order Appointing Receiver ¶ 62 (Doc. 10). Accordingly, the Receiver's request to disburse the amounts held back pursuant to this provision is premature.

NetVida, for a total of **\$6,299.61**, to be paid from the Estate.<sup>3</sup> The court authorizes the Receiver to distribute this amount from the Estate, *subject to the holdback of 20% in accordance with paragraph 62 of the Order Appointing Receiver.*

With respect to the Receiver's Second Quarterly Fee Application, for the time period from April 1, 2017, through June 30, 2017, the court awards **\$121,020.49** for professional services rendered, to be paid by the Estate. The court authorizes the Receiver to distribute this amount from the Estate, *subject to the holdback of 20% in accordance with paragraph 62 of the Order Appointing Receiver.*

With respect to the Receiver's Third Quarterly Fee Application, for the time period from July 1, 2017, through September 31, 2017, the court awards **\$95,523.90** for professional services rendered. to be paid by the Estate. The court authorizes the Receiver to distribute this amount from the Estate, *subject to the holdback of 20% in accordance with paragraph 62 of the Order Appointing Receiver.*

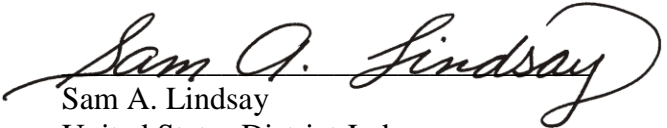
Finally, the court is growing concerned that as the Receivership continues, fees and expenses continue to grow, as evidenced by the Fee Applications at issue in this Order. In that vein, the court anticipates the Receiver filing his Fourth Quarterly Status Report within the next several days, as the previous status report was filed on November 10, 2017. *See* Order Appointing Receiver ¶ 54 (requiring the Receiver to file a status report within thirty days of the end of each

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<sup>3</sup> On June 13, 2017, the court granted the Receiver's original Quarterly Fee Application covering the period of time from the inception of the receivership on February 14, 2017, through March 31, 2017, in the amount of \$94,259.98. *See* Order (Doc. 88). In that Order, the court noted that the "amount requested does not reflect any fees for the accountant or web designer hired by the Receiver. If the Receiver desires to request payment for the accountant or web designer, he must submit a proper fee application to the court." *Id.* at 1-2. On June 14, 2017, the Receiver filed his Supplemental Quarterly Fee Application requesting these fees.

calendar quarter). In addition to the detailed requirements already set forth in paragraphs 45 and 46 of the Order Appointing Receiver, the Receiver is **directed** to include in his status report a frank assessment of whether the Receivership should be continued, as well as an approximation as to the amounts he anticipates the investors receiving based on the current value of the Receivership estate.

**It is so ordered** on this 12th day of February, 2018.

  
Sam A. Lindsay  
United States District Judge