

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: 04-60573-CIV-MORENO

IN RE:

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MUTUAL BENEFITS CORP.,
JOEL STEINGER a/k/a JOEL
STEINER, LESLIE STEINGER
a/k/a LESLIE STEINER and
PETER LOMBARDI,

Defendants,

and

VIATICAL BENEFACTORS, LLC,
VIATICAL SERVICES, INC.,
KENSINGTON MANAGEMENT, INC.,
RAINY CONSULTING CORP.,
TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC.,
SKS CONSULTING, INC., and
CAMDEN CONSULTING, INC.

Relief Defendants.

**NINTH INTERIM APPLICATION FOR COMPENSATION OF FEES
AND COSTS OF ACCOUNTANTS FOR RECEIVER**

**Pursuant to Court Order, any objections to this Application
must be filed on or before ten days from the date of service
indicated on the Certificate of Service attached hereto.**

Berkowitz Dick Pollack & Brant, Certified Public Accountants and Consultants,
LLP ("BDPB"), accountant to Roberto Martínez, court-appointed receiver (the
"Receiver") of Mutual Benefits Corp. ("MBC"), Viatical Benefactors, LLC ("VBLLC") and

Viatical Services, Inc. ("VSI"), (collectively the "Receivership Entities"), hereby requests the Court to enter an order authorizing the Receiver to pay the reasonable accountant's fees and costs incurred by BDPB for the three-month period, from January 1, 2007 through May 31, 2007, inclusive from the receivership estate, and in support thereof states the following.

By this Application, BDPB requests compensation for services rendered January 1, 2007 through May 31, 2007 (the "Application Period") in the amount of \$659,815.88 for fees and \$0.00 for expenses to be paid by the Receivership Entities. This fee application includes fees of approximately \$310,000.00 incurred by BDPB's information technology professionals in connection with the design, development, testing and implementation of a Premium Billing and Tracking System, created to enable VSI to allocate the billing of administrative fees and policy premiums to investors, track the collection of these fees and premiums, and reallocate fees and premiums among investors as required. In addition, this fee application includes fees of approximately \$190,000.00 incurred by BDPB in connection with litigation brought by the Receiver against Mutual Benefit's prior auditors. Excluding these extraordinary projects, BDPB incurred average monthly fees of approximately \$32,000.00 for the five month period, substantially below the \$64,107 average monthly fees incurred by BDPB in the 32 months preceding this fee application. This request reflects the application of a ten percent (10%) discount to our standard rates for all professionals and paraprofessionals working on this matter totaling \$73,312.88. Furthermore, BDPB has contributed an additional 65 hours of time *gratis* and *pro bono* to the receivership, representing ~~\$15,077~~ in professional fees. ~~The total savings to the receivership reflected in these negotiated and voluntary discounts is \$88,390.00.~~

DESCRIPTION OF SERVICES

During the Application Period, BDPB has rendered extensive and necessary services for and on behalf of the receivership estate. BDPB was particularly involved in assisting the Receiver with the implementation of this Court's Disposition Order, which required BDPB to evaluate the services that will need to be provided by VSI, assist in establishing policies, procedures and internal controls and to design information systems to administer the billing, collection and payment of insurance premiums. BDPB has also had particular involvement accounting for death benefits received in connection with matured policies, providing for the distribution of death benefit proceeds to investors and identifying additional opportunities to generate asset recoveries for investors.

In addition to the above, BDPB rendered the following services:

- Accounting services for MBC including processing and printing of checks, preparation of bank reconciliations, posting of entries into accounting system and recording of bills and invoices.
- Assist Receiver in the preparation of financial statements for Receivership entities to be filed with the Court.
- Analysis of various tax issues in connection with the preparation and filing of State and Federal tax returns.

COMPENSATION:

The determination of fees to be awarded is largely within the discretion of the trial court. *Monaghan v. Hill*, 140 F.2d 31 (9th Cir. 1944). This discretion is, however,

predicated on the assumption that careful consideration is given to all evidence of the value of the accountants' services in the light of the factors relevant to a determination. These factors are set forth in *In re Gypsum Cases*, 386 F.Supp. 959 (N.D. Cal. 1974) and *In re Norman v. Housing Authority of City of Montgomery*, 836 F.2d 1292 (11th Cir. 1988), as follows: (1) the time and labor properly employed in the servicing of the case; (2) the quality of services rendered; (3) the scope of the activity and conspiracy under attack; (4) the financial risk involved; (5) the magnitude, complexity and novelty of the issues involved; (6) the beneficial results obtained; and (6) the degree to which, if any, efforts were supported by prior governmental action. BDPB requests the Court to consider these factors in determining reasonable compensation for the services rendered to date by BDPB, as summarized below:

a. Time and Labor Required - The exhibits attached to this application include: The Summary of Third Interim Application for Compensation of Fees and Costs of Accountants for the Receiver (Exhibit 1); Summary of Professional and Paraprofessional Time (Exhibit 2); and the Summary of Professional and Paraprofessional Time by Activity Code Category (Exhibit 3).¹

b. Novelty and Difficulty of Services and Skills Requisite to the Accounting.

The issues presented in this case are novel given the size of the Receivership entities, the difficulty of dealing with the records and the unique nature of the Receivership Entities' businesses. Additionally, certain key accounting staff left the

¹ BDPB maintains detailed time records that are kept contemporaneously with the services performed. Receiver's counsel (CHE) will retain BDPB's detailed time records and will provide them to the Court for review *in camera* at the request of this Court.

employ of MBC prior to or in connection with the appointment of the Receiver, and were not available to assist the Receiver during this application period.

The extensive experience and capabilities of the professionals involved with this case possess the accounting, financial analysis, tax and consultation skills required for the successful completion of the objectives of the Receiver.

c. The Skill Requisite to Perform the Services Properly. BDPB has staffed the engagement with personnel experienced in accounting, auditing, financial analysis, reporting and disclosure, tax compliance and information technology.

d. The Preclusion of Other Employment by the Professional Due to Acceptance of this Case. BDPB has not been precluded from any other employment due to the acceptance of this case.

e. The Customary Fee. The customary fee for services of the type rendered herein -- BDPB charges commercial clients on one or more of the following criteria: reasonable fee for services rendered, hourly charges, or fixed fee. To the extent hourly charges are relevant, BDPB commands from commercial clients hourly rates ranging from \$95 an hour to \$400 per hour depending on the level of professional skill required.

f. Whether the Fee is Fixed or Contingent. The fee is contingent inasmuch as the Receiver relies upon a Court Order approving the fee. BDPB has not entered into any agreement to fix a fee.

g. Time Limitations Imposed by the Client or Other Circumstances. BDPB was directed to commence work by the Receiver on May 4, 2004 to assist the Receiver as forensic accountants with respect to any and all litigation consulting services, investigatory accounting services, forecasts, advise on the accounting aspects of litigation matters, tax considerations, valuations and other services as required.

h. The Amount Involved and the Results Obtained - The above summary, together with exhibits, details the time, nature and extent of the professional services rendered by BDPB for the benefit of the investors and creditors.

i. The Experience, Reputation, and Ability of the Professional. BDPB is an established accounting firm comprised of thirteen directors and over 100 personnel. Its professionals and staff working on this case are experienced in matters of this kind.

j. Undesirability of Case. This case is not undesirable. BDPB is privileged to have the opportunity to serve the Receiver and appear before the Court in this proceeding.

k. Nature and Length of Professional Relationship With Client. BDPB's relationship with the Receiver began on May 4, 2004.

l. Awards in Similar Cases. The amount requested by BDPB is reasonable in terms of awards in cases of similar magnitude and complexity. The compensation which BDPB requests comports with the mandate of the Bankruptcy Code, which directs that services be evaluated in light of comparable services performed in non-bankruptcy cases in the community. Considering the results obtained thus far, this fee request is appropriate. Likewise, as with all major accounting firms, BDPB's overhead expenses are substantial. Much of the fee, which the Court awards BDPB, will merely defray such significant overhead expenses already incurred and paid during the pendency of this case.

k. Government Support - Although the SEC investigated and filed the initial pleadings in this case, BDPB has assisted the Receiver to secure and protect the ~~assets of the Receivership Entities and investigate the operations of the Receivership Entities through investigation and analysis.~~

CONCLUSION

The Applicant respectfully requests that this Court authorize the Receiver to compensate BDPB for their accountants' fees for reasonable and necessary services rendered during the Application Period in the amount of \$659,815.88 to be paid by the estate of the Receivership Entities.

Respectfully submitted,

Berkowitz Dick Pollack & Brant
Certified Public Accountants and Consultants, LLP
Accountants for the Receiver
200 South Biscayne Boulevard, Sixth Floor
Miami, FL 33131
Tel: (305) 379-7000 Fax: (305) 379-8200


Scott M. Bouchner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of this application, with all exhibits, was forwarded along with the application for the Counsel for the Receiver this 6th day of ~~June~~^{July} 2007 to all parties on the attached service list.

COLSON HICKS EIDSON
Attorneys for Receiver
255 Aragon Avenue
Second Floor
Coral Gables, Florida 33134
(305) 476-7400


By 
Curtis Miner
Florida Bar No. 885681

EXHIBIT 1

EXHIBIT 1

**SUMMARY OF SEVENTH INTERIM APPLICATION
FOR COMPENSATION OF FEES AND COSTS OF
BERKOWITZ DICK POLLACK & BRANT**

1	Name of applicant	Berkowitz Dick Pollack & Brant Certified Public Accountants & Consultants, LLP
2	Role of applicant	Accountants for Receiver
3	Name of certifying professional	Scott Bouchner
4	Date Receiver appointed	May 4, 2004
5	Date of application for employment	May 26, 2004
6	Date of Order approving employment	June 3, 2004
7	Dates of services rendered	January 1, 2007 through May 31, 2007
8	Total Fees requested for this period	\$ 659,815.88
9	Total expenses requested for this period	\$ -
10	Total fees and expenses requested to be awarded	\$ 659,815.88

HISTORY OF FEE APPLICATIONS

Application Number	Application Period	Date Submitted	Amount Requested	Amount Awarded	Date Awarded
1	05/04/04 - 06/18/04	07/02/04	\$ 228,589.43	\$ 228,589.43	10/22/04
2	06/18/04 - 09/30/04	12/15/04	\$ 193,806.45	\$ 193,806.45	06/01/05
3	10/01/04 - 01/31/05	03/16/05	\$ 266,723.10	\$ 266,723.10	06/01/05
4	02/01/05 - 05/31/05	07/20/05	\$ 201,553.00	\$ 180,107.00	08/18/05
5	06/01/05 - 09/30/05	11/04/05	\$ 168,136.20	\$ 120,000.00	01/10/06
6	10/01/05 - 12/31/05	03/09/06	\$ 177,969.25	\$ 150,000.00	03/26/06
7	01/01/06 - 09/30/06	10/25/06	\$ 563,457.83	\$ 490,000.00	02/21/07
8	10/01/06 - 12/31/06	03/22/07	\$ 251,193.98	\$ 250,000.00	05/07/07
9	01/01/07 - 05/31/07		\$ 659,815.88		
TOTAL			\$ 2,051,429.24	\$ 1,879,225.98	

EXHIBIT 2

**SUMMARY OF PROFESSIONAL AND PARAPROFESSIONAL TIME
FROM JANUARY 1, 2007 THROUGH MAY 31, 2007
EXHIBIT 2**

Name	Director, Associate Or Paraprofessional	Total Hours	Standard Hourly Rate	Agreed-Upon Hourly Rate	Discounted Fee
Richard Pollack	Director	39.25	\$400.00	\$360.00	\$14,130.00
John Young	Director	115.50	\$350.00	\$315.00	\$36,382.50
Jeff Mutnik	Director	7.80	\$350.00	\$315.00	\$2,457.00
Scott Bouchner	Director	186.75	\$350.00	\$315.00	58,826.25
Andrew Bernstein	Director	43.50	\$350.00	\$315.00	\$13,702.50
Gary Rosenthal	Director	1.75	\$350.00	\$315.00	\$551.25
Adam Firestein	Associate	3.00	\$290.00	\$261.00	\$783.00
Anthony Guerriero	Associate	10.00	\$275.00	\$247.50	\$2,475.00
Joe Schirra	Associate	711.00	\$265.00	\$238.50	169,573.50
Joel Glick	Associate	16.50	\$265.00	\$238.50	\$3,935.25
Griselle Umpierre	Associate	1.50	\$260.00	\$234.00	\$351.00
Richard Fechter	Associate	69.50	\$250.00	\$225.00	15,637.50
Andreea Cioara	Associate	61.25	\$225.00	\$202.50	\$12,403.13
Greg Brogna	Associate	423.85	\$225.00	\$202.50	85,829.63
Humberto Comellas	Associate	109.50	\$225.00	\$202.50	22,173.75
Michelle Elsner	Associate	39.25	\$185.00	\$166.50	6,535.13
Ricardo Torres	Associate	723.25	\$175.00	\$157.50	113,911.88
Juan Bernal	Associate	334.00	\$175.00	\$157.50	52,605.00
Aaron Smith	Associate	17.25	\$175.00	\$157.50	2,716.88
Susan DiNardo	Associate	284.25	\$150.00	\$135.00	38,373.75
Brett Stillman	Associate	6.50	\$150.00	\$135.00	877.50
Adam Katz	Associate	13.00	\$150.00	\$135.00	\$1,755.00
Gregory Geibel	Associate	0.75	\$115.00	\$103.50	\$77.63
John Vides	Associate	16.50	\$115.00	\$103.50	\$1,707.75
Lindsey Bray	Associate	19.00	\$105.00	\$94.50	\$1,795.50
Ann Marie Cornwall	Para Professional	3.00	\$65.00	\$58.50	\$175.50
Lesma Baez	Para Professional	0.50	\$65.00	\$58.50	\$29.25
Ilene Diaz	Para Professional	0.75	\$65.00	\$58.50	\$43.88
Total		3,258.65			\$659,815.88

EXHIBIT 3

**SUMMARY OF PROFESSIONAL AND PARAPROFESSIONAL TIME
 BY ACTIVITY CODE CATEGORY
 FROM JANUARY 1, 2007 THROUGH MAY 31, 2007
 EXHIBIT 3**

Name	Director or Associate	Hours	Agreed-Upon Hourly Rate	Discounted Fee
Accounting Assistance				
Joe Schirra	Associate	144.25	\$238.50	\$34,403.63
Michelle Elsner	Associate	39.25	\$166.50	\$6,535.13
Scott Bouchner	Director	2.00	\$315.00	\$630.00
Accounting Assistance Sub-Total		185.50		\$41,568.75
Fee Application				
Joel Glick	Associate	16.50	\$238.50	\$3,935.25
Richard Fechter	Associate	20.00	\$225.00	\$4,500.00
Scott Bouchner	Director	4.50	\$315.00	\$1,417.50
Fee Application Sub-Total		41.00		\$9,852.75
Information Technology				
Aaron Smith	Associate	17.25	\$157.50	\$2,716.88
Brett Stillman	Associate	6.50	\$135.00	\$877.50
Greg Brogna	Associate	407.60	\$202.50	\$82,539.00
Humberto Comellas	Associate	109.50	\$202.50	\$22,173.75
Juan Bernal	Associate	334.00	\$157.50	\$52,605.00
Ricardo Torres	Associate	723.25	\$157.50	\$113,911.88
Scott Bouchner	Director	5.25	\$315.00	\$1,653.75
Susan DiNardo	Associate	284.25	\$135.00	\$38,373.75
Information Technology Sub-Total		1,887.60		\$314,851.50
Litigation				
Adam Firestein	Associate	3.00	\$261.00	\$783.00
Adam Katz	Associate	13.00	\$135.00	\$1,755.00
Andrew Bernstein	Director	43.50	\$315.00	\$13,702.50
Anthony Guerriero	Associate	10.00	\$247.50	\$2,475.00
Gary Rosenthal	Director	1.75	\$315.00	\$551.25
Greg Brogna	Associate	16.25	\$202.50	\$3,290.63
Griselle Umpierre	Associate	1.50	\$234.00	\$351.00
Joe Schirra	Associate	4.00	\$238.50	\$954.00
John Young	Director	115.50	\$315.00	\$36,382.50
Lindsey Bray	Associate	19.00	\$94.50	\$1,795.50
Richard Fechter	Associate	49.50	\$225.00	\$11,137.50
Richard Pollack	Director	34.25	\$360.00	\$12,330.00
Scott Bouchner	Director	105.50	\$315.00	\$33,232.50
Litigation Sub-Total		416.75		\$118,740.38
Receivership Operations				
Joe Schirra	Associate	276.25	\$238.50	\$65,885.63
Richard Pollack	Director	5.00	\$360.00	\$1,800.00
Scott Bouchner	Director	66.25	\$315.00	\$20,868.75
Receivership Operations Sub-Total		347.50		\$88,554.38

**SUMMARY OF PROFESSIONAL AND PARAPROFESSIONAL TIME
 BY ACTIVITY CODE CATEGORY
 FROM JANUARY 1, 2007 THROUGH MAY 31, 2007
 EXHIBIT 3**

Name	Director or Associate	Hours	Agreed-Upon Hourly Rate	Discounted Fee
Tax Issues				
Andreea Cioara	Associate	61.25	\$202.50	\$12,403.13
Ann Marie Cornwall	Para Professional	3.00	\$58.50	\$175.50
Gregory Geibel	Associate	0.75	\$103.50	\$77.83
Ilene Diaz	Para Professional	0.75	\$58.50	\$43.88
Jeff Mutnik	Director	7.80	\$315.00	\$2,457.00
Joe Schirra	Associate	286.50	\$238.50	\$68,330.25
John Vides	Associate	16.50	\$103.50	\$1,707.75
Lesma Baez	Para Professional	0.50	\$58.50	\$29.25
Scott Bouchner	Director	3.25	\$315.00	\$1,023.75
Tax Issues Sub-Total		380.30		\$86,248.13
Total		3,258.65		\$659,815.88