

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04-60573 CIV-MORENO
Magistrate Judge Simonton

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants,

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.

**BILZIN SUMBERG BAENA PRICE & AXELROD, LLP
FOURTH REQUEST FOR INTERIM COMPENSATION
TO PAY ATTORNEYS' FEES AND COSTS
AND MEMORANDUM IN SUPPORT
(May 1, 2006 through September 30, 2006)**

**Pursuant to Court Order, all objections to this Fourth Interim
Application must be filed and served within ten (10) days of
this Fourth Interim Application.**

Samuel C. Ullman, a Partner of Bilzin Sumberg Baena Price & Axelrod, LLP

("BSBPA"), submits this Fourth Interim Application for an award of interim attorney's fees and

costs incurred by BSBPA as special tax counsel to the Receiver, Roberto Martinez (the "Receiver"), for the period May 1, 2006 through September 30, 2006 (the "Application Period").

BSBPA submits this Fourth Interim Application at the request of the Receiver. This reflects BSBPA's agreement to reduce its billing rates by between 15% and 17%, representing a reduction of fees in this Fourth Interim Application of approximately \$5,759.70.

In support of this Fourth Interim Application, the undersigned submits the following:

1. Attached as **Exhibit "1"** is a Summary of the Fees incurred by BSBPA in its representation of the Receiver for the Application Period. Costs are posted through September 30, 2006.
2. Attached as **Exhibit "2"** is a Summary of all BSBPA timekeepers, their billing rates and the total hours that were charged by each timekeeper. The hourly rate for Samuel C. Ullman, the only partner working on the matter has been reduced to \$415.00 an hour, representing a reduction from his normal hourly rate by 17%. The hourly billing rate for all non-partners has been reduced by 15%. As set forth above, the aggregate savings to the receivership in these negotiated discounts for this period is approximately \$5,759.70.
3. Attached as **Exhibit "3"** is the summary of costs. Total costs for which BSBPA seeks reimbursement are \$141.94.
4. Description of Services.¹ The Receiver bears the statutory responsibility to carry out certain tax-related obligations on behalf of the receivership entities. BSBPA worked with the Receiver's attorneys and his forensic accountants to identify and develop an understanding of the

¹ BSBPA maintains detailed time records that are kept contemporaneously with the services performed. BSBPA will retain its detailed time records and will provide them to the Court for review *in camera* at the request of the Court.

facts that are important for identification and analysis of the federal income tax issues. This included review of many documents and records and conferences with the Receiver, his attorneys and his forensic accountants.

The Receiver has been involved in settlement discussions with various parties. BSBPA has provided advice to the Receiver and his attorneys as to the possible tax consequences of the settlements.

BSBPA has performed an analysis of the federal income tax reporting and withholding requirements of Mutual Benefits Corp. and certain of its affiliates with respect to payments being made to investors. This required BSBPA to review many withholding forms submitted by investors located not only in the United States, but in other countries as well. BSBPA then reviewed the type of payment being made to each investor and the U.S. tax law applicable to a payment of that type being made to an investor in that particular country. Only in that way could BSBPA advise the Receiver as to his tax withholding and reporting requirements.

The poor state of the records that had been maintained by those entities has made this analysis difficult.

In addition, BSBPA has advised the Receiver on numerous substantive tax issues that arose in connection with his obligation to file income tax returns on behalf of the receivership entities. The approach taken by the entities themselves prior to the appointment of the Receiver was not consistent with tax law and good practice. As a result, BSBPA conducted analyses of numerous substantive issues in order to advise the Receiver.

5. For the Application Period, BSBPA seeks reimbursement for 146.40 hours of attorney and paraprofessional time. The total amount of fees sought during the application

period is **\$38,085.80**, reflecting the negotiated discounts totaling approximately \$5,759.70. Total expenses sought by BSBPA for the application period are **\$141.94**.

6. I have carefully reviewed the attached exhibits. I certify that the hours expended and the costs incurred were necessary and reasonable to represent the Receiver during the Application Period.

MEMORANDUM OF LAW

When determining the award of attorneys' fees, the Court should give consideration to the factors for compensation that the 11th Circuit articulated in *In re Norman v. Housing Authority of City of Montgomery*, 836 F.2d 1292 (11th Cir. 1988) - (1) the time and labor properly employed by the attorneys in processing 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, effort were supported by prior governmental action. BSBPA respectfully suggests that its application meets all of the criteria for this interim request for compensation. The Receiver, with the assistance of BSBPA, has stabilized operations, secured assets, and, to the extent possible, maintained the status quo, while communicating regularly with all parties in interest, especially investors.

WHEREFORE, BILZIN SUMBERG BAENA PRICE & AXELROD, LLP, by and through the undersigned counsel, respectfully requests that this Court enter an Order Authorizing the Payment of **\$38,085.80** in fees and reimbursement of **\$141.94** in costs for the Application Period. A proposed form of Order is attached.

Dated: October 31, 2006.

Respectfully submitted,
BILZIN SUMBERG BAENA PRICE &
AXELROD LLP
Special Tax Counsel for the Receiver – Roberto
Martinez
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By: 

Samuel C. Ullman
Florida Bar No.: 109499

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of January, 2007, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel of parties who are not authorized to receive electronically Notices of Electronic Filing.

s/CURTIS MINER

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