ORIGINAL

IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

§

JUL 19 2002

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

CLERK, U.S. DISTRICT CO

SECURITIES AND EXCHANGE COMMISSION

Plaintiff.

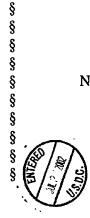
VS.

FUNDING RESOURCE GROUP a/k/a FRG TRUST, ET AL.

Defendants.

NO. 3-98-CV-2689-M

Ву



ORDER

Michael J. Quilling, as Receiver for Funding Resource Group and related entities, has filed an application for \$6,645.50 in fees and \$523.26 in expenses for services performed and costs incurred in prosecuting a claim against David Johnson in the United States District Court for the Western District of Tennessee. *Granite Holdings, et al. v. Johnson*, No. 00-2098-G/V. The Receiver also seeks authority to pay his local counsel, Borod & Kramer, \$15,563.25 in attorney's fees and \$16,521.29 in expenses. The application covers legal services performed and expenses incurred in the *Johnson* litigation from March 1, 2002 through May 31, 2002 as to the Receiver, and from February 1, 2002 through April 30, 2002 as to Borod & Kramer.

The Receiver was ordered to post a copy of this fee application on his website with instructions to all interested parties that any objections must be filed by July 9, 2002. No objections have been received by the Receiver or the Court. A hearing was held on July 19, 2002. The Receiver advised all interested parties of this hearing by posting notice on his website. No one appeared at the hearing or otherwise objected to the fee application. The Securities and

Exchange Commission, through its regional counsel, previously consented to payment of the amount requested.

The Court has reviewed the fee application and exhibits attached thereto, and finds that the time spent, services performed, and hourly rates charged by the Receiver and his local counsel are justified under the factors set forth in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974). No upward or downward adjustment is warranted. However, the Court reaches a different conclusion with respect to the expenses submitted by Borod & Kramer. Of the \$16,521.29 in expenses sought by the Receiver's local counsel, \$14,000.00 represents an expert witness fee paid to L. Harold Levinson, Professor Emeritus of Law at Vanderbilt University. This expense item is supported only by a one page invoice from Levinson indicating that he spent 39.25 hours from March 9-14, 2002 "[r]eviewing documents, researching and drafting report." The Court is unable to approve such a large expenditure without reviewing the expert report and a more detailed invoice documenting the time spent by Levinson on a daily basis for each task.

Accordingly, the fee application is approved as modified. The Receiver is authorized to pay the following law firms fees and expenses for services performed and costs incurred in the *Johnson* litigation:

Law Firm	<u>Fees</u>	Expenses
Quilling, Selander, Cummiskey & Lownds, P.C. Dallas, Texas	\$ 6,645.50	\$ 523.26
Borod & Kramer Memphis, Tennessee	\$15,563.25	\$2,521.29

Levinson spent an additional .75 hours meeting with counsel for the Receiver on March 8, 2002.

All payments shall be charged to the Hammersmith Trust Estate.

The Receiver may submit a revised invoice for Levinson's services, along with a copy of his expert report, in a future fee application.

SO ORDERED.

DATED: July 19, 2002.

JEFR KAPLAN

UNITED STATES MAGISTRATE JUDGE