



IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA FILED IN DISTRICT COURT
OKLAHOMA COUNTY

Oklahoma Department of Securities)
ex rel. Melanie Hall, Administrator,)
)
 Plaintiff,)
)
 v.)
)
 Premier Global Corporation et al.,)
)
 Defendants.)

DEC - 8 2023
RICK WARREN
COURT CLERK
 125 _____

Case No. CJ-2022-5066
 Judge Don Andrews

**REPLY TO RESPONSE OF DEFENDANT DEAN'S OBJECTION TO RECEIVER'S
 THIRD INTERIM APPLICATION FOR SERVICES AND NECESSARY EXPENSES
 FOR MAY 1, 2023 THROUGH SEPTEMBER 30, 2023**

Eric L. Johnson (the "Receiver"), by and through counsel, hereby submits his Reply that for the reasons set forth in the Third Application and herein, the Response should be overruled.

1. Dean's' ongoing objections to the Receiver's Third Interim Application ("Third Application") relate to two categories of fees incurred by the Receiver and/or his Professionals: (1) Non-Working Travel; and (2) review of legal fees, primarily of Dean and DDI Advisory Group, LLC's ("Dean Defendants") counsel, Steptoe and Johnson LLP (the "Law Firm").

A. Non-Working Travel

2. Dean has an ongoing objection to the following time entries:

Date	Tkp	Description	Hours	Rate	Bill Amount
5/24/2023	ELJ	Non-working travel to and back from Derby Kansas for Property Inspection (Real Estate and Vehicles) and to Meet with Real Estate Broker on 1016 Summerchase.	5.00	250.00	\$1,250.00
5/24/2023	AMC	Non-working travel time to and back from Derby Kansas related to real estate and vehicle follow up inspections	5.00	250.00	\$1,250.00
8/3/2023	ELJ	Non-working travel time to KC to OKC	5.00	250.00	\$1,250.00
8/4/2023	ELJ	Non-working travel time to OKC to KC	5.00	250.00	\$1,250.00
9/28/2023	ECP	Travel to and from Jack Parish interview in Lenexa, KS	7.20	\$250.00	\$1,800.00

		Total	27.2		\$6,800.00
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3. **“Non-Working Travel.”** Dean continues to object to “Non-Working Travel Time.” The Receiver has attempted to explain the nature of this time to Dean. *See June 30, 2023, Letter*, attached as Exhibit 4 to Second Interim Application. As explained to Dean, “working travel time” is time the Receiver and/or his professionals are traveling for the Estate but are also attending to other matters. This time is not billed to the Receivership Estate. “Non-working travel” is time in which the Receiver and/or his professionals are traveling for the Estate and are not attending to a specific, billable task. Such time should still be compensated. If the Receiver and/or his professionals were not traveling on behalf of the Estate, they could be focused on other, billable work (likely at their full rate). **This time is billed at 50% of the already capped/reduced rate for the Estate.** Dean has not provided any explanation as to why the Receiver and/or his professionals should not be compensated for this non-working travel.

4. **May 2023 Derby Inspection.** The Receiver seeks \$2,500 for non-working travel to Derby, KS on May 24, 2023. Many of the Estates’ assets are/were located in Derby, Kansas. On May 24, 2023, the Receiver and his professional(s) inspected vehicles he had placed in storage and met with a real estate broker regarding a significant piece of receivership real estate (which ultimately sold for ~\$1.5 million). Additional assistance was necessary to help the Receiver with the inspection.

5. Round trip to Derby from Kansas City is ~6 hours. The Receiver and Ms. Chase billed for 5 hours and at 50% of their already reduced hourly rates. The Receiver and Ms. Chase were able to work on matters either for the Estate or on other non-estate matters and only seek payment for 5 hours of the 6-hour trip.

6. **August 4, 2023 Court Hearing.** The Receiver seeks \$2,500 for his non-working travel to Oklahoma City, OK to attend the August 4th hearing before this Court. The hearing was

to address the Dean Defendants' request for the payment of their legal fees and Dean's motion to pay his living expenses. Additionally, the Receiver sought approval of his retention of a consultant to assist him in the sale of Estate assets, which retention Dean had objected to. The Receiver felt it necessary to attend the hearing in person to provide additional details that cannot be effectively conveyed telephonically. Such appearances also allow the Receiver to provide the Court and other parties status updates as to the Estate.

7. Round trip to Oklahoma City from Kansas City is ~10 hours, and the Receiver is not aware of any direct flights between these cities. The Receiver often makes the drive to Oklahoma City alone and after normal business hours to utilize his entire day. When possible, the Receiver attempts to conduct calls on this or other matters, but, generally, cannot perform other work while driving.

8. **September 28, 2023 Jake Parish Witness Interview**. The Receiver seeks \$1,800 for the non-working drive time of his counsel, Eric Peterson, to attend/conduct the witness interview of Jake Parish, the son of Defendant Steve Parish. Mr. Peterson is one of the Receiver's primary attorneys in this matter and the Receiver felt it important to have his personal attendance at the interview. Mr. Peterson was an active participant in the interview. Mr. Peterson is based in St. Louis, Missouri. The interview was conducted at the Hinkle Law Firm in Lenexa, Kansas, which represented Mr. Parish at the interview.

9. Round trip between St. Louis and Lenexa is an ~8-hour drive. While there are direct flights between Kansas City and St. Louis, it has been the Receiver's own experience that not much time is saved by flying versus driving. Further, trying to adhere to flight schedules would be inhibiting/constricting upon the parameters of the interview. Flying may also have required the need to incur additional expenses such as a hotel. Again, the ability to do other work is substantially

limited while driving. Further, a portion of the drive was after close of business additionally reducing the ability to conduct any other work.

B. Time Incurred Reviewing Fee Statements

10. On March 14, 2023, the Court entered its Order that related to the payment of the Dean Defendants' fees and expenses (the "Unfreeze Order").

11. The Unfreeze Order establishes procedures related to the payment of certain legal fees with respect to the Dean Defendants and contains two categories of fees: (1) Dean's personal fees rendered in defense of the litigation against him ("Personal Fees"); and (2) Fees incurred in assistance to the Receiver and the Estate ("Receivership Fees").

12. The Unfreeze Order provides Parties shall submit objections within ten (10) business days of receipt of billing statements by the Law Firm and the Receiver shall provide his *in camera* recommendations and a proposed Order to the Court within ten (10) business days of receipt of billing statements by the Law Firm. Considering other work and projects, ten (10) business days can be a tight turnaround, such that the Receiver enlists the assistance of his counsel, primarily Hilary Allen and Elizabeth Lally, with respect required fee examination duties, and, occasion, the review of K&L Gates invoices, which time is minimal.

13. With respect to the review of the Law Firm and K&L Gates' billing statements, Dean objects to the following compensation for August and September:

- a. Receiver: 7 hours. As reflected, the Receiver took the laboring ore in the review of the fees. The Receiver was tasked with this duty by the Court.
- b. Hillary Allen: 4 hours. Ms. Allen is the Receiver's primary counsel for filings and hearings before the Court. In addition to providing insight on local practice and custom, as an experienced litigator, Ms. Allen provides the Receiver valuable insight as to reasonableness of fees.
- c. Elizabeth Lally: 2 hours. Ms. Lally has been a bankruptcy professional for over 15 years and is familiar with the preparation and review of professional billing statements within bankruptcy, which statements are substantially similar to those in

the Estate. Ms. Lally also serves as a bankruptcy fiduciary charged with the task of reviewing fee statements. As such, Ms. Lally provides the Receiver valuable insight as to reasonableness of fees.

14. There is very little explanation as to why Dean is objecting to these entries other than it is "administrative in nature and/or duplicative." As demonstrated by the time entries themselves and the explanation provided, they are neither administrative nor duplicative.

15. Dean Defendants asserts: "this line of work was objected to by the Plaintiff and [Receiver/Spencer Fane] as not being for the benefit of the Receivership Estate at the last hearing, so that objection should be equitably applied." This statement raises the specter of retaliation against the Receiver for performing his court-mandated duties. Further, Dean seems to miss the nuance between the Receiver conducting his court-mandated duties versus time spent for what is colloquially known as "fees on fees." Generally, the Receiver is not seeking compensation for review of his own or his professionals' (even though it has come at some expense). The Receiver notes one time entry for Ms. Chase in the amount of \$350 that likely would fall into such category and which was inadvertently included. The Receiver agrees to a voluntary reduction of \$350.00.


WHEREFORE, the Receiver respectfully requests this Court enter an Order: (1) allowing the Third Interim Fees in the following amounts: (a) \$142,450.00 in fees for the Receiver; (b) \$325,069.53¹ in legal fees and expenses for Spencer Fane; (c) \$74,715.92 in fees and expenses for BRG; (d) \$24,514.58 in fees and expenses to McKoy Torres; (3) ratifying the payments already made pursuant to the monthly compensation procedures; (4) authorizing the payment of the Holdback Amounts; and (5) granting the Receiver such other and further relief this Court deems just and proper.

Dated: Friday, December 8, 2023

¹ Reflects the further voluntary reduction of \$350.00.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on December 8, 2023, a true and correct copy of the above and foregoing was sent electronically to all parties requesting electronic notice and mailed to the parties who have mailing addresses and have entered an appearance.

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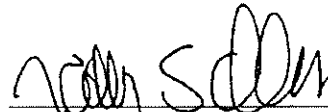
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