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Stapleton Group, QSF Trustee*

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

SECURITIES AND EXCHANGE COMMISSION,

No. 3:16-cv-00438-JR

Plaintiff,

v.

**QSF TRUSTEE’S REQUEST FOR  
APPROVAL OF SECOND INTERIM  
FEE APPLICATION FOR THE  
PERIOD SEPTEMBER 2024  
THROUGH MAY 2025**

AEQUITAS MANAGEMENT, LLC; AEQUITAS  
HOLDINGS, LLC; AEQUITAS COMMERCIAL  
FINANCE, LLC; AEQUITAS CAPITAL  
MANAGEMENT, INC.; AEQUITAS  
INVESTMENT MANAGEMENT, LLC; ROBERT  
J. JESENİK; BRIAN A. OLIVER; and N. SCOTT  
GILLIS,

Defendants.

LR 7-1 CERTIFICATION

Owing to the complexity and volume of the QSF Trustee’s Request for Approval of Second Interim Fee Application, the QSF Trustee has not sought to confer with the other parties or counsel as would normally be required under Local Rule 7-1. In accordance with the direction

**QSF TRUSTEE’S REQUEST FOR APPROVAL OF  
SECOND INTERIM FEE APPLICATION**

BUSH KORNFELD LLP  
LAW OFFICES

601 Union St, Suite 5000



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1 set forth in the Order Appointing Receiver, the Receiver provided the Securities and Exchange  
2 Commission (the “Commission”) copies of this Application prior to filing and conferred only with the  
3 Commission. The Commission indicated it has no objection to this Application.

4 **I. RELIEF REQUESTED**

5 David Stapleton of the Stapleton Group (the “QSF Trustee”) as successor  
6 Trustee/Administrator of the Aequitas Qualified Settlement Fund Irrevocable Trust (the “QSF”),  
7 respectfully requests the Court’s approval to pay the interim fees and expenses on behalf of the QSF  
8 for the period from September 1, 2025 through May 31, 2025 (the “Application Period”).  
9 Specifically, the QSF Trustee requests that the Court approve, on an interim basis, (1) his fees and  
10 expenses in the amounts of \$159,747.00 and \$564.00 respectively, and (2) Bush Kornfeld’s fees and  
11 expenses in the amounts of \$7,182.50 and \$152.94, respectively.

12 The QSF Trustee requests authorization to pay 80% of its fees, or \$127,797.60, and 100% of  
13 \$564.00 in costs. It further requests authorization to pay 80% of Bush Kornfeld’s fees, or \$5,746.00,  
14 and 100% of \$152.94 in costs. The QSF has sufficient funds on hand to pay the requested fees and  
15 costs. The QSF Trustee will seek payment of the remaining 20% balance at a later date.

16 The efforts of the QSF Trustee and Bush Kornfeld on behalf of the QSF are set forth in the  
17 invoices for the QSF Trustee and Bush Kornfeld’s summary invoice, which are attached to the  
18 Declaration of David Stapleton (“Stapleton Declaration”) file contemporaneously herewith. The fees  
19 and expenses submitted to the Court for approval are consistent with the Billing Instructions for  
20 Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission (the  
21 “Billing Instructions”). In accordance with the direction set forth in the Order Appointing Receiver,  
22 the QSF Trustee provided the Commission complete copies of the detailed invoices prior to the filing  
23

1 of this Application and the Commission does not object to the Application. This is the QSF Trustee's  
2 first Application.

## 3 **II. BACKGROUND**

4 Following the liquidation of the entity Defendants' (the "Entity Defendants") assets and the  
5 distribution of proceeds by Court-appointed receiver, Ronald Greenspan (the "Receiver"), the  
6 Receiver, as approved by the Court, established the QSF to resolve or satisfy claims of liability  
7 against the receivership estate (the "Receivership Estate"). On November 1, 2023, the Court  
8 authorized the appointment of the QSF Trustee as successor trustee/administrator of the QSF,  
9 effective upon filing the Joint Notice of Termination, by the Receiver and the QSF Trustee [Dkt.  
10 1045]. The Receiver and the QSF Trustee filed the Joint Notice of Termination on March 29, 2024,  
11 providing for the termination of the Receivership and transfer of authority and control of the QSF to  
12 the QSF Trustee effective as of April 1, 2024 [Dkt. 1052].

### 13 **A. Employed Professionals**

14 On June 13, 2024, the Court entered an order approving the employment of Bush Kornfeld  
15 LLP ("Bush Kornfeld") as counsel for the QSF Trustee, effective November 9, 2023 [Dkt. 1059].

16 As general counsel to the QSF Trustee, Bush Kornfeld provides general outside counsel advice  
17 and support with respect to all matters related to the administration of the QSF, except for litigation.  
18 Bush Kornfeld communicates with the Commission staff and prepares and files pleadings as necessary  
19 related to the administration of the QSF.

### 20 **B. Prior Fee Awards**

21 On December 26, 2024, the Court entered the *Order Granting QSF Trustee's First Interim Fee*  
22 *Application for the Period November 2023 through August 2024* (the "First Interim Order") (1)  
23 approving fees and expenses of the QSF Trustee totaling \$203,757.50 and \$2,013.76, respectively,

1 and awarding payment to the QSF Trustee, on an interim basis, of 80% of his fees, or \$163,006.00,  
2 and reimbursement of 100% of his expenses, or \$2,013.76; (2) approving fees and expenses of Bush  
3 Kornfeld totaling \$11,022.00 and \$300, respectively, and awarding payment to Bush Kornfeld, on an  
4 interim basis, of 80% of its fees, or \$8,817.60, and reimbursement of 100% of its expenses, or \$300.  
5 [Dkt. No. 1064].

6 **C. Services Rendered During the Application Period**

7 **1. The QSF Trustee**

8 During the Application Period, the QSF Trustee incurred fees and expenses in the amounts of  
9 \$159,747.00 and \$564.00, respectively. The QSF Trustees services generally correspond to the  
10 following categories

11 a. *Accounting and Taxes*

12 112.70 hours; Total Fees \$39,484.50

13 During the application period the QSF Trustee and his staff reviewed and approved Accounts  
14 Payable invoices and examined and approved time recorded for professional and other services by the  
15 QSF Trustee, his staff, and by the retained contractor employees of the QSF. The accounting staff  
16 worked with Aequitas contractors to maintain accounting and tax records for the QSF. Following the  
17 departure of one of the Aequitas contractors, the accounting work has since been moved in house.

18 b. *Asset Analysis and Disposition*

19 57.60 hours; Total Fees \$27,178.00

20 During the application period, the QSF Trustee and staff reviewed files and documents of  
21 assets held in the QSF and remaining entities and determined the best process to liquidate the assets.  
22 Some assets were delinquent and required continued collection calls and follow-up. Two of the  
23

1 financial assets were investments in funds or businesses that required additional investigation,  
2 analysis, negotiations, and actions to liquidate.

3 c. *Case Management*

4 144.00 hours; Total Fees \$71,424.00

5 During the application period Case Management required most of the QSF Trustee and his  
6 staff's time. As earlier described in more detail, the QSF Trustee's staff worked directly with the  
7 retained contractors to investigate and evaluate assets, including settlement accounts and investments.  
8 The staff worked directly with the contractors to follow up on delinquent settlement accounts and  
9 identify and liquidate other assets, financial investments, and securities. The staff dedicated substantial  
10 time to creating and supervising a process to review pre-receivership materials, to evaluate whether  
11 they should be retained or removed. The staff also reviewed the recommendations of the contractors  
12 about the ultimate resolution of pre-receivership materials. The staff also interacted frequently with  
13 the Information Technology manager to implement the plan to transfer to virtual storage, discontinue  
14 active servers, and reduce the related expenses.

15 d. *General Administration and Operations*

16 44.30 hours; Total Fees \$16,326.50

17 During the application period this area of operation includes various members of the QSF  
18 Trustee's staff meeting with the retained contractors to discuss issues and procedures and provide  
19 guidance and direction for accounting, operational, and policy matters.

20 e. *Reporting*

21 12.70 hours; Total Fees \$5,334.00

22 During the Application Period, this activity is time dedicated to completing required local,  
23 State and Federal reports and forms.



1 process set forth in the Order Appointing Receiver.” [Dkt. 1045, ¶ 1(o)]. The Order Appointing  
2 Receiver provides that “[t]he Receiver and Retained Personnel are entitled to reasonable  
3 compensation and expense Reimbursement from the Receivership Estates....” [Dkt. 156, ¶ 45].  
4 Applications for compensation and expense reimbursement are on an interim basis, subject to final  
5 review [Dkt. 156, ¶ 47]. Allowed fees are subject to a twenty percent (20%) holdback pending final  
6 review and termination of the QSF. Allowed expenses are not subject to a holdback.

7 The QSF Trustee requests that the Court approve the fees and expenses incurred by the QSF  
8 Trustee and his retained professionals Application Period.

9 **A. The Court has the Authority and Discretion to Approve the Requested Interim Fees and**  
10 **Expenses.**

11 The district court has discretion in awarding fees to the receiver and his professionals. *SEC v.*  
12 *BIC Real Est. Dev. Corp.*, No. 116CV00344LJOJLT, 2018 WL 3701964, at \*1 (E.D. Cal. Aug. 2,  
13 2018). The fees should be “reasonable under the circumstances.” *Id.* “The receiver bears the burden to  
14 demonstrate to the court entitlement to payment of fees and costs in the amount requested.” *SEC v.*  
15 *Total Wealth Mgmt., Inc.*, No. 15-CV-226-BAS-DHB, 2016 WL 727073, at \*1 (S.D. Cal. Feb. 24,  
16 2016) (citation omitted).

17 The court should consider the “time, labor and skill required, but not necessarily  
18 that actually expended, in the proper performance of the duties imposed by the court upon the  
19 receiver, the fair value of such time, labor and skill measured by conservative business standards,  
20 the degree of activity, integrity and dispatch with which the work is conducted and the result  
21 obtained.” *United States v. Code Prod. Corp.*, 362 F.2d 669, 673 (3d Cir. 1966) (citation  
22  
23

1 omitted). The court may also consider the complexity and difficulty of the receivership, the quality of  
 2 work performed, and the benefit provided to the estate. *SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F.  
 3 Supp. 1220, 1222 (S.D.N.Y. 1973).

4 The court should evaluate the reasonableness of the professionals' hourly rate in the context of  
 5 the customary fees for similar services in the geographic location. *SEC v. Fifth Ave. Coach Lines, Inc.*,  
 6 364 F. Supp. at 1222 (citation omitted). "Opposition or acquiescence by the S.E.C. to the fee  
 7 application will be given great weight." *Id.*

8 "An award of interim fees is appropriate 'where both the magnitude and the protracted nature  
 9 of a case impose economic hardships on professionals rendering services to the estate.'" *SEC v. BIC*  
 10 *Real Est. Dev. Corp.*, No. 116CV00344LJOJLT, 2018 WL 3701964, at \*1 (E.D. Cal. Aug. 2, 2018)  
 11 quoting *SEC v. Small Bus. Capital Corp.*, No. 5:12-CV-03237 EJD, 2013 WL 2146605, at \*2 (N.D.  
 12 Cal. May 15, 2013). Courts may withhold a portion of interim fees until the conclusion of the case  
 13 because it may not be able to determine the reasonableness of the fees in light of the services rendered  
 14 until the conclusion of the case. *Id.*

15 Here, the QSF Trustee and Bush Kornfeld provided valuable work for the benefit of the QSF  
 16 with the goal of returning as much as possible to investors and creditors. The QSF Trustee's and Bush  
 17 Kornfeld's billing rates are comparable to those of the Receiver and its professionals in this matter.<sup>2</sup>  
 18 Furthermore, the billing statements and this Application were submitted to the Commission prior to  
 19 filing, and the Commission indicated its consent to the Application. The QSF Trustee and Bush  
 20 Kornfeld respectfully submit that their respective fees and expenses requests are fair and reasonable,  
 21

22 <sup>2</sup> The Receiver and its professionals' rates ranged from \$330 to \$825 per hour. See Declaration of  
 23 Ronald F. Greenspan in Support of Receiver's Request for Approval of Twenty-Ninth Interim Fee Application  
 [Dkt. 1040].

1 that the requested fees and expenses incurred were necessary, and significantly benefitted the QSF,  
2 and accordingly that the requested fees and expenses should be approved and interim payments  
3 authorized.

4 **IV. CONCLUSION**

5 The QSF Trustee respectfully request that this Court enter an Order:

6 1. Approving fees and expenses of the QSF Trustee for the Application Period totaling  
7 \$160,311.00 comprised of fees and expenses in the amounts of \$159,747.00 and \$564 respectively,  
8 and awarding payment to the QSF Trustee, on an interim basis of 80% of its fees, or \$127,797.60, and  
9 100% of \$564.00 in costs.

10 2. Approving fees and expenses of Bush Kornfeld for the Application Period totaling  
11 \$7,182.50 and \$152.94, respectively, and awarding payment to Bush Kornfeld, on an interim basis, of  
12 80% of its fees, or \$5,746.00, and reimbursement of 100% of its expenses, or \$152.94;

13 3. Authorizing the QSF Trustee to pay such sums out of assets of the QSF; and

14 4. For such other and further relief as is appropriate.

15  
16 DATED this 22<sup>nd</sup> day of April, 2026.

17  
18 BUSH KORNFELD LLP

19 By /s/Lesley Bohleber  
20 Christine M. Tobin-Presser, WSBA #27628  
(admitted *pro hac vice*)  
21 Lesley Bohleber, OSB #180098  
*Attorneys for David Stapleton of the Stapleton*  
22 *Group, QSF Trustee*