

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

GLOBAL ONLINE DIRECT, INC.,
BRYANT E. BEHRMANN and
LARRY "BUCK" E. HUNTER,

Defendants.

Civil Action No. 1:07-CV-0767-WSD

**SECOND APPLICATION OF ARNALL GOLDEN GREGORY LLP
FOR PROFESSIONAL FEES AND EXPENSES**

Arnall Golden Gregory LLP ("AGG") brings this Second Application ("Second Application") for professional fees and expenses incurred from May 1, 2008 through February 28, 2009 ("Second Period") in connection with legal services provided to Michael Grassmueck, the federal receiver appointed by this Court, as local counsel. Detailed billing statements of fees totaling \$6,590.50 and expenses totaling \$99.14 requested by AGG, are attached hereto as Exhibit A. These amounts reflect AGG's voluntary reduction of its fees and expenses by write-off of certain fees and expenses in the amount of \$325.77.

This is AGG's Second Application as local counsel for the Receiver. AGG previously filed a First Application for the period through April 30, 2008 ("First

Period”). AGG requested, and this Court approved, the total of \$26,754.00 in fees and \$1,876.14 in expenses for the First Period.

In addition, the SEC has reviewed this Fee Application, along with the Fee Applications filed concurrently herewith by the Receiver, and the receivership estate’s other professionals, and provided comments and requested changes to certain of the Fee Applications. The Receiver, AGG and other professionals have responded to the comments and made the requested changes in the applicable Fee Applications. With the comments addressed, and requested changes made, the SEC has no objection to this Fee Application, and the other filed Fee applications.

I. BRIEF INTRODUCTION.

By order of the Court on June 4, 2007 (the "Order"), Michael G. Grassmueck (the "Receiver") was appointed the permanent receiver of Defendant Global Online Direct and its subsidiaries and affiliates (the "Receivership Estate").

The Order identifies the Receiver's duties and responsibilities as falling within the following categories: (i) securing, protecting and recovering assets, including tangible and intangible assets and chooses in action; (ii) preparing an accounting and investigating the basis for the receivership proceeding; (iii) analyzing claims and developing, with Court approval, a plan for allowing claims and the equitable distribution of assets to investors; (iv) liquidating of assets; and (v) pursuing claims for the benefit of the Receivership Estate. During this Second Period, as in the case of the First Period, the Receiver and his professionals worked diligently to investigate the business practices of the defendant Receivership Entities and individual defendants, to locate and marshal assets, to ascertain what happened to approximately \$42 million of funds raised by the Defendants, to litigate fraudulent conveyance claims to seek recovery of real estate purchased with Receivership Estate assets (“Claw-Back Litigation”), to investigate and explore pursuit of additional third parties who may have received

fraudulent transfer of Estate assets, to value and sell real estate assets for the benefit of the Receivership Estate, and to formulate and seek approval of a claims administration process for investors and creditors. AGG has assisted the Receiver and his other professionals – especially lead counsel Allen Matkins – with these duties and responsibilities. Because Allen Matkins and the Receiver’s forensic accountants Financial Forensics are filing their Second Fee Applications contemporaneously with AGG’s Second Application, rather than repeat further details regarding the activities and progress of the Receiver during the period of the Second Application, AGG respectfully refers the Court to those Second Applications for a more detailed discussion of those issues.

II. SUMMARY OF AGG'S WORK.

AGG has accounted for its work by subject matter based upon categories identified at the outset of the case. The categories of work are as follows:

(1) general receivership matters; (2) employment/fees; (3) investigation and reporting; (4) investor issues; (5) asset recovery/disposition; (6) claims; and (7) fraudulent conveyance. AGG has recorded its time under these general categories as reflected in Exhibit A.

A. Employment/Fees.

AGG spent 9.2 hours on matters relating to employment of professionals for the Receiver and fee applications of the Receiver, as detailed in and reflected by the time entries on Exhibit A-1. The amount of reasonable and necessary fees in this category is \$2,812.00, together with \$98.93 in expenses.

B. Investigation and Reporting.

AGG spent 3.1 hours on matters relating primarily to the Receiver’s Reports filed in this matter, as detailed in and reflected by the time entries on Exhibit A-2. The amount of reasonable and necessary fees in this category is \$711.50.

C. Asset Recovery and Disposition.

AGG spent 5.5 hours on matters relating primarily to issues concerning the recovery, preservation and sale of real property, as detailed in and reflected by the time entries on Exhibit A-3. The amount of reasonable and necessary fees in this category is \$1,459.50, together with \$.21 in expenses.

D. Claims.

AGG spent 4.5 hours on matters relating to the claims administration process, as detailed in and reflected by the time entries on Exhibit A-4. The amount of reasonable and necessary fees for this category is \$1,093.50.

E. Fraudulent Conveyance Claims.

AGG spent 1.4 hours on matters concerning the fraudulent conveyance action asserted against Mary C. Hunter, et. al., as detailed in and reflected by the time entries on Exhibit A-5. The amount of reasonable and necessary fees in this category is \$514.00.

III. THE REQUESTED COMPENSATION IS REASONABLE AND SHOULD BE ALLOWED.

In determining the reasonableness of the fees and expenses requested, the Court should consider the complexity of the problems faced, the benefit of the services to the Receivership Estate, the quality of the work performed and the time records presented. SEC v. Fifth Avenue Coach Lines, Inc., 364 F.Supp. 1220, 1222 (S.D.N.Y. 1973). Cf. S.E.C. v. Elliott, 953 F.2d 1560, 1577 (11th Cir. 1992) (per curiam) (noting that, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation, and that the circumstances surrounding the receivership, including the results, are relevant). As set forth above and in Exhibit A, AGG's total professional fees and expenses were \$6,689.64. Set forth in Exhibit B is a summary of the total hours and billing rates for each professional and paraprofessional, the total blended hourly rate and the year that each

professional was admitted to practice. The time records set forth in Exhibit A are detailed, and include billing rates that are consistent with the rates that AGG typically charges for similar services and the rates considered fair and reasonable in this legal community. The time expended in connection with AGG's representation of the Receiver in this case could have been devoted to originating and handling matters for clients other than the Receiver. AGG has assigned tasks to professionals and paraprofessionals with the requisite level of experience. Rather than repeat the challenges faced by the Receiver and his professionals, and the successes obtained by them, AGG again respectfully refers the Court to the Second Applications filed by Allen Matkins and Financial Forensics, as well as the Reports of the Receiver. In short, AGG has assisted the Receiver and his other professionals in an efficient and non-duplicative manner in complying with their duties and responsibilities in this complex receivership.

AGG is not a party to an agreement or understanding for sharing of compensation with respect to this matter.

WHEREFORE, AGG requests the Court to allow fees as follows:

1. Approving payment of professional fees to AGG for the period May 1, 2008 through February 28, 2009 in the amount of \$6,590.50;
2. Approving reimbursement of expenses to AGG for the period May 1, 2008 through February 28, 2009 in the amount of \$99.14;
3. Authorizing and directing the Receiver to pay AGG with funds out of assets of the receivership entities pursuant to the Order entered in this matter;
4. Granting such further and other relief as the Court deems just and proper.

Dated: May 14, 2009

Respectfully submitted,

By: /s/ Darryl S. Laddin

Darryl S. Laddin (GA Bar. No. 460793)
171 17th Street, NW, Suite 2100
Atlanta, Georgia 30363

Telephone: 404.873.8500

Facsimile: 404.873.8121

dladdin@agg.com

ATTORNEYS FOR RECEIVER
MICHAEL A. GRASSMUECK

EXHIBIT A

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503366
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-2

Employment / Fees

05/29/08	D. Laddin	0.60	Reviewed draft fee applications of Allen Matkins and Financial Forensics (.4); reviewed AGG time entries, in connection with preparation of fee application (.2)
05/29/08	D. Laddin	0.40	Prepared First Interim Fee Application (.4)
06/02/08	D. Laddin	0.60	Prepared AGG fee application (.6)
06/03/08	D. Laddin	1.90	Prepared AGG fee application, and reviewed applicable law regarding receivership compensation (1.9)
06/03/08	D. Nealy	2.30	Review and analysis of Arnall Golden Gregory LLP's invoices and prepare individual timekeeper summary spreadsheet as an exhibit to the related fee application (2.3)
06/05/08	D. Laddin	0.40	Finalized fee application (.4)
07/25/08	D. Laddin	0.20	Reviewed fee applications of Allen Matkins, Financial Forensics, Receiver, Notice of Fee Applications and proposed Order; revised proposed Order; correspondence regarding same

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity Receiver

Client/Matter #23426-2

April 7, 2009
Invoice #503366
Darryl S. Laddin
Page 2

07/28/08	D. Nealy	1.70	Prepare and electronically file first fee applications on behalf of M. Grassmueck, A. Matkins, Arnall Golden Gregory and Financial Forensics for the period June 4, 2007 through April 30, 2008
07/30/08	D. Nealy	0.50	Electronically file certificate of service of Michael A. Grassmueck of the Fee Application Pleadings on Investors and Creditors
08/14/08	D. Nealy	0.50	Review first fee applications of Arnall Golden Gregory LLP with regards to objections deadline and entry of order approving application and relate same to D. Laddin
10/20/08	D. Laddin	0.10	Correspondence with Court regarding fee order; reviewed draft fee order

Total Hours 9.20

Total For Services \$2,812.00

Expenses:

To Westlaw for computerized research for June 2008 98.86

Telecommunications expense incurred 0.07

Total Expenses \$98.93

	Fees	Disbursements	Total
CURRENT CHARGES:	2,812.00	98.93	2,910.93
Total Balance Due:	2,812.00	98.93	2,910.93

Total This Statement \$2,910.93

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

171 17th Street | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity Receiver

Client/Matter #23426-2

April 7, 2009
Invoice #503366
Darryl S. Laddin
Page 3

Attorney and Paralegal Summary

	Hours Worked	Billed Per Hour	Bill Amount
Nealy, Devora L.	5.00	155.00	775.00
Laddin, Darryl S.	4.20	485.00	2,037.00
Total All Attorneys	9.20		2,812.00

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

171 17th Street | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

**Arnall
Golden
Gregory LLP**

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503366
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-2

Employment / Fees

Total This Statement \$ 2,910.93

Amount of Payment Enclosed \$ _____.

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REMITTANCE COPY



Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503367
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-3

Investigation and Reporting

08/11/08	D. Laddin	0.50	Reviewed and commented on draft Second Interim Report of Receiver, and correspondence regarding same
08/11/08	D. Nealy	0.80	Prepare and electronically file receiver's Second Interim Report
08/12/08	D. Nealy	0.80	Prepare certificate of service of receiver's Second Interim Rreport and certificate of service on investors and creditors regarding same
02/12/09	D. Laddin	0.20	Reviewed Third Interim Report prepared by Receiver, and arranged for filing of same (.2)
02/12/09	D. Nealy	0.80	Prepare and electronically file Third Interim Report, draft and electronically file related certificate of service

Total Hours	3.10
Total For Services	\$711.50

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

171 17th Street NW | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity Receiver

Client/Matter #23426-3

April 7, 2009
Invoice #503367
Darryl S. Laddin
Page 2

	Fees	Disbursements	Total
CURRENT CHARGES:	711.50	0.00	711.50
Total Balance Due:	711.50	0.00	711.50

Total This Statement \$711.50

Attorney and Paralegal Summary

	Hours Worked	Billed Per Hour	Bill Amount
Nealy, Devora L.	2.40	155.00	372.00
Laddin, Darryl S.	0.70	485.00	339.50

Total All Attorneys	3.10		711.50
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A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FBI# 58-0543673

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**Arnall
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Gregory LLP**

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Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503367
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-3

Investigation and Reporting

Total This Statement \$ 711.50

Amount of Payment Enclosed \$ _____.

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Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503368
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-5

Asset Recovery / Disposition

06/25/08	D. Laddin	1.00	Reviewed and revised Motion to sell Z Property, and related pleadings, and telephone conferences with Y. Kim regarding same (1.0)
06/26/08	D. Laddin	0.20	Reviewed Z property sales pleadings, and correspondence regarding same (.2)
06/26/08	D. Nealy	1.00	Prepare and electronically file the notice and motion for sale with regards to the Z Avenue Property
07/01/08	D. Laddin	0.10	Correspondence regarding Z sale motion (.1)
07/01/08	D. Nealy	0.50	Prepare and electronically file the certificate of service on investors and creditors regarding the sale of Z Avenue Property
12/17/08	A. Chambliss	2.10	Revise, re-format, and prepare Motion, Notice, Order and Declaration of Grassmueck; prepare Certificate of Service.
12/18/08	D. Laddin	0.40	Reviewed Jefferson Street sale motion and exhibits, and conference with A. Chambliss regarding same, and correspondence regarding same (.4)

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

**Arnall
Golden
Gregory LLP**

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #503368
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-5

Asset Recovery / Disposition

Total This Statement \$ 1,459.71

Amount of Payment Enclosed \$ _____.

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Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #506436
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-6

Claims

10/02/08	D. Laddin	0.10	Reviewed claims procedure motion (.1)
10/02/08	D. Nealy	1.00	Prepare notice and motion for order approving claims procedures and establishing claims bar date for filing
10/03/08	D. Nealy	0.80	Prepare and electronically file bar date motion and notice
10/06/08	D. Nealy	0.50	Electronically file the certificate of service on investors and creditors
10/21/08	D. Nealy	0.20	Review and retrieve word version of exhibit D to the receivers claims bar date motion and forward same to D. Laddin
11/14/08	D. Laddin	0.90	Reviewed information needed for claims hearing, and reviewed claims motion (.3); telephone conference with D. Zaro regarding claims motion hearing (.1); conference call with Court, A. Black, D. Zaro, M. Grassmueck regarding claims procedures and other issues (.5)
11/26/08	D. Laddin	0.10	Correspondence regarding amended proof of claim and order relating thereto (.1)

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

171 17th Street NW | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity Receiver

Client/Matter #23426-6

April 7, 2009
Invoice #506436
Darryl S. Laddin
Page 2

01/11/09	D. Laddin	0.10	Reviewed Notice of claims bar date, and correspondence regarding same (.1)	
01/12/09	D. Nealy	0.80	Prepare and electronically file notice of claims bar date and certificate of service of same	
		Total Hours		4.50
			Total For Services	\$1,093.50
			Total This Statement	\$1,093.50

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FBI# 58-0543673

171 17th Street | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

**Arnall
Golden
Gregory LLP**

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity
Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #506436
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-6

Claims

Total this Statement \$ 1,093.50

Amount of Payment Enclosed \$ _____

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Grassmueck, Michael, in his capacity as Corporate Monitor and Federal
Equity Receiver
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #506435
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-7

Fraudulent Conveyance

05/01/08	D. Laddin	0.10	Attention to filing of consent motion with respect to Hunter discovery, and correspondence regarding same
05/01/08	D. Nealy	0.50	Prepare and electronically file the motion to extend period for depositions
10/28/08	D. Laddin	0.10	Correspondence with co-counsel and Court regarding status of fraudulent conveyance suit
01/15/09	D. Laddin	0.10	Correspondence re Hunter fraudulent conveyance case status
01/21/09	D. Laddin	0.40	Reviewed status of fraudulent conveyance matter, reviewed correspondence regarding same, and drafted correspondence regarding same
02/04/09	D. Laddin	0.20	Reviewed fraudulent conveyance action status (.2)

Total Hours 1.40

Total For Services \$514.00

A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

171 17th Street NW | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

Grassmueck, Michael, in his capacity as Corporate Monitor and Federal Equity
Receiver

Client/Matter #23426-7

April 7, 2009
Invoice #506435
Darryl S. Laddin
Page 2

Total This Statement	\$514.00
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A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FBI# 58-0543673

171 17th Street | Suite 2100 | Atlanta, GA 30363-1031 | 404.873.8500 | Fax: 404.873.8501

**Arnall
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Gregory LLP**

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The Grassmueck Group
P.O. Box 3649
Portland, OR 97208

April 7, 2009
Invoice #506435
Darryl S. Laddin

For Legal Services Rendered In Connection With:

Client/Matter #23426-7

Fraudulent Conveyance

Total this Statement \$ 514.00

Amount of Payment Enclosed \$ _____

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A LATE CHARGE OF 1-1/2% PER MONTH WILL BE APPLIED TO BALANCES OUTSTANDING OVER 60 DAYS

FEI# 58-0543673

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EXHIBIT B

NAME OF PROFESSIONAL/ PARAPROFESSIONAL	YEAR ADMITTED TO PRACTICE	HOURS BILLED CURRENT APPLICATION	2008/2009 RATE	TOTAL FOR APPLICATION
<u>PARTNERS</u>				
Darryl S. Laddin	1990	8.7	\$485.00	\$4,219.50
<u>PARAPROFESSIONALS</u>				
Angela O. Chambliss		2.3	175.00	\$402.50
Devora L. Nealy		12.7	\$155.00	\$1,968.50
		23.7	Blended Hourly Rate \$271.67	Total Fees for Application \$6,590.50