

B. Additional Grounds for Granting the Receiver's Fee Petition

Beyond the reasons previously cited by the SEC and the Receiver, additional grounds support granting the fee petition. At the September 23, 2020 hearing, the Court reaffirmed the importance of the Receiver's work and his continued benefit to the estate. The Court also ruled that the Receiver should continue his work administering the claims and priority-dispute resolution processes. (ECF No. 801). Given the Court's affirmation of the Receiver's work and guidance for the Receiver to continue, the Receiver's request for a lien – to be paid only by the “winners” of the priority determination process – is even more warranted. Indeed, it would be fundamentally unjust to have the Receiver continue his Court-mandated efforts under threat that he will not be paid for his work.

Finally, the lenders again attack the Receiver for the amount of his fees and for liquidity issues facing the Receivership. In response, the Receiver notes that his average legal billing rate has decreased to within \$2 per hour of his lowest billing rate to date (which he achieved during the prior billing period). (ECF No. 800, p. 18). The Receiver further advised the Court that, following the Court's ruling on his rent restoration motion (ECF No. 796) and the sale of property with significant equity beyond any claimed security interests, in excess of \$2.2 million in unencumbered funds will soon be available to the Receiver and available to pay his general expenses. (ECF No. 800, p. 19). The Receiver's billing rates being near their all-time lows and the Receiver continuing to successfully bring unencumbered funds into the Estate further demonstrates that he is entitled to be compensated for his efforts.

C. Conclusion

The Receiver seeks compensation for work he performed and directed, using his reasonable business judgment, which benefitted the Receivership Estate. His bills reflect his efforts to both fulfill his Court-imposed mandates and to respond to voluminous motions and objections by the institutional lenders. Accordingly, the Court should allow the Receiver to be paid for his efforts, and to continue working for the benefit of the victimized investors and other creditors.

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Respectfully submitted,

/s/ Benjamin Hanauer
Benjamin J. Hanauer (hanauerb@sec.gov)
Timothy J. Stockwell (stockwellt@sec.gov)
U.S. Securities and Exchange Commission
175 West Jackson Blvd., Suite 1450
Chicago, IL 60604
Phone: (312) 353-7390
Facsimile: (312) 353-7398

CERTIFICATE OF SERVICE

I hereby certify that I provided service of the foregoing Reply, via ECF filing, to all counsel of record and Defendant Shaun Cohen, on September 29, 2020. I further certify that I caused the foregoing Response to be served on Defendant Jerome Cohen, via email at jerryc@reagan.com.

/s/ Benjamin Hanauer

Benjamin J. Hanauer
175 West Jackson Blvd., Suite 1450
Chicago, IL 60604
Phone: (312) 353-7390
Facsimile: (312) 353-7398

One of the Attorneys for Plaintiff