

# LECG

## Diversified Lending Group

March 1, 2010 through August 31, 2010

DATE	NAME	DESCRIPTION	HOURS	RATE	AMOUNT
06/14/10	Calder, Vernon	Read and analyzed proposed operating agreement for newly formed RDLG, LLC.	1.50	520.00	780.00
06/17/10	Calder, Vernon	Analyzed IRS examination report. Drafted memorandum to Receiver regarding results of analysis.	1.10	520.00	572.00
06/17/10	Larsen, Leif	Analyzed the IRS 2006 Audit Report for Diversified Lending Group.	0.20	320.00	64.00
06/18/10	Calder, Vernon	Drafted memorandum to David Gill regarding IRS' proposed disallowance of net operating losses. Attempted telephone conversation with IRS auditor. Left voice message.	0.40	520.00	208.00
06/28/10	Calder, Vernon	Discussed via telephone with Brian Casaly, IRS agent, regarding necessary revisions to be made to IRS examination report. Requested allowance of remaining tax loss.	0.20	520.00	104.00
06/30/10	Dahl, Garrit	Analyzed 2007 California payroll tax records to reconcile with payroll reports sent by the California Employment Development Department.	1.80	225.00	405.00
06/30/10	Dahl, Garrit	Analyzed 2008 California payroll tax records to reconcile with payroll reports sent by the California Employment Development Department.	2.00	225.00	450.00
06/30/10	Dahl, Garrit	Prepared correspondence for the California Franchise Tax Board requesting abatement of Electronic Filing Penalty.	0.70	225.00	157.50
07/07/10	Calder, Vernon	Analyzed IRS examination report to verify proposed adjustments. Drafted memorandum to Receiver advising him regarding results of examination.	0.80	520.00	416.00
07/07/10	Calder, Vernon	Reviewed 2009 income tax returns and related tax file - Diversified Lending Group.	2.30	520.00	1,196.00
07/07/10	Callaghan, David	Read and responded to Receiver correspondence related to IRS filings.	0.20	450.00	90.00
07/12/10	Dahl, Garrit	Cleared review notes and finalized correspondence with taxing authorities.	0.20	225.00	45.00
07/16/10	Calder, Vernon	Reviewed 2009 income tax returns and related tax file for Applied Equities, Inc.	0.40	520.00	208.00
07/21/10	Calder, Vernon	Reviewed 2009 income tax returns and related tax file - Applied Equities, Inc.	0.40	520.00	208.00
07/22/10	Calder, Vernon	Finalized review of 2009 income tax returns and related tax file - Applied Equities, Inc.	0.20	520.00	104.00
08/27/10	Calder, Vernon	Attempted telephone conversation with David Callaghan regarding income tax return treatment of cash distributions. Scheduled meeting for August 30.	0.20	520.00	104.00
08/30/10	Calder, Vernon	Reviewed 2009 income tax returns and related tax file - Diversified Lending Group.	2.90	520.00	1,508.00
08/31/10	Calder, Vernon	Participated in conference call to resolve issues regarding tax treatment of disbursement to or on behalf of Freidman.	0.30	520.00	156.00
08/31/10	Calder, Vernon	Reviewed 2009 income tax returns and related tax file - Diversified Lending Group.	0.70	520.00	364.00
<b>Total Task Code: 7000 Tax Compliance / Planning</b>			<b>79.20</b>		<b>\$28,363.00</b>
<b>Task Code: 9000 Case Administration</b>					
03/04/10	Callaghan, David	Read and responded to correspondence from J. Thigpen regarding arranging meeting to enable her examine Diversified Lending Group records and electronic data.	0.20	450.00	90.00
05/12/10	Laybourn, Rachel	Prepared for and attended meeting to discuss status of analysis for future reports and to determine next steps.	1.70	275.00	467.50
06/10/10	Strong, Ray	Discussed case status with staff.	0.70	480.00	336.00
08/19/10	Strong, Ray	Discussed case status and assignments with staff.	0.50	480.00	240.00
<b>Total Task Code: 9000 Case Administration</b>			<b>3.10</b>		<b>\$1,133.50</b>
<b>Task Code: 9200 Fee Application Preparation</b>					
03/11/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	2.20	450.00	990.00
03/11/10	Perry, Evelyn	Updated preliminary fee and cost schedules, prepared draft schedules and submitted for review.	2.30	125.00	287.50
03/12/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.20	450.00	1,440.00

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## Diversified Lending Group

March 1, 2010 through August 31, 2010

DATE	NAME	DESCRIPTION	HOURS	RATE	AMOUNT
03/12/10	Laybourn, Rachel	Reviewed and revised pre-bill text in order to ensure accuracy and consistency in fee application.	2.60	275.00	715.00
03/12/10	Perry, Evelyn	Researched information required to prepare fee and cost schedules for the fee application.	0.80	125.00	100.00
03/15/10	Allred, Connie	Researched information and worked on 2nd LECG fee application.	1.90	160.00	304.00
03/15/10	Laybourn, Rachel	Reviewed and updated time entry detail for codes 1000 thru 1300 in order to ensure accuracy and consistency in preparation for the second fee application.	1.90	275.00	522.50
03/16/10	Allred, Connie	Researched information for 2nd LECG fee application.	1.50	160.00	240.00
03/16/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.50	450.00	1,575.00
03/17/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.80	450.00	1,710.00
03/17/10	Laybourn, Rachel	Reviewed and updated time entry detail for code 1550 in order to ensure accuracy and consistency in preparation for the second fee application.	1.70	275.00	467.50
03/17/10	Laybourn, Rachel	Reviewed and updated time entry detail for codes 1600 thru 6000 in order to ensure accuracy and consistency in preparation for the second fee application.	2.40	275.00	660.00
03/18/10	Laybourn, Rachel	Reviewed and updated time entry detail for code 7000 in order to ensure accuracy and consistency in preparation for the second fee application.	2.10	275.00	577.50
03/18/10	Laybourn, Rachel	Reviewed and updated time entry detail for code 1550 in order to ensure accuracy and consistency in preparation for the second fee application.	1.90	275.00	522.50
03/18/10	Perry, Evelyn	Updated fee and cost schedules as required for the fee application.	2.30	125.00	287.50
03/19/10	Laybourn, Rachel	Reviewed and updated narrative descriptions for second fee application in order to include most current information available in cash database.	1.20	275.00	330.00
03/19/10	Perry, Evelyn	Updated fee and cost schedules required for the fee application.	4.20	125.00	525.00
03/20/10	Perry, Evelyn	Updated fee and cost schedules required for the fee application.	6.30	125.00	787.50
03/22/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.10	450.00	1,395.00
03/22/10	Laybourn, Rachel	Reviewed and analyzed Jackson National and American National aggregate amounts for accurate inclusion in fee application.	2.20	275.00	605.00
03/22/10	Perry, Evelyn	Updated fee and cost schedules through February 2010 required for the fee application.	3.60	125.00	450.00
03/23/10	Callaghan, David	Reviewed Fee Application exhibits to ensure that detailed time entries were complete, task codes were properly assigned, and to identify items to eliminate and write off.	1.70	450.00	765.00
03/23/10	Perry, Evelyn	Updated fee and cost schedules required for the fee application.	5.80	125.00	725.00
03/24/10	Callaghan, David	Reviewed Fee Application exhibits to ensure that detailed time entries were complete, task codes were properly assigned, and to identify items to eliminate and write off.	1.90	450.00	855.00
03/24/10	Laybourn, Rachel	Reviewed and updated time entry detail for codes 9000 thru 9400 in order to ensure accuracy and consistency in preparation for the second fee application.	2.10	275.00	577.50
03/24/10	Laybourn, Rachel	Reviewed and updated time entry detail for code 7000 in order to ensure accuracy and consistency in preparation for the second fee application.	2.40	275.00	660.00
03/24/10	Perry, Evelyn	Updated fee application exhibits. Worked with staff with coordination of updates.	5.20	125.00	650.00
03/25/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.80	450.00	1,710.00
03/25/10	Laybourn, Rachel	Reviewed and updated time entry detail for codes 9000 thru 9400 in order to ensure accuracy and consistency in preparation for the second fee application.	2.50	275.00	687.50
03/25/10	Perry, Evelyn	Updated fee and cost schedules through February 28, 2010 required for the fee application.	4.40	125.00	550.00
03/25/10	Perry, Evelyn	Finalized and documented fee and cost schedules for October 1-31 2009.	0.50	125.00	62.50
03/25/10	Perry, Evelyn	Finalized and documented fee and cost schedules for September 1-30 2009.	0.50	125.00	62.50

# LECG

## Diversified Lending Group

March 1, 2010 through August 31, 2010

DATE	NAME	DESCRIPTION	HOURS	RATE	AMOUNT
03/25/10	Perry, Evelyn	Finalized and documented fee and cost schedules for August 1-31 2009.	0.50	125.00	62.50
03/26/10	Laybourn, Rachel	Reviewed and analyzed narrative descriptions for fee application in order to incorporate pertinent details of tasks and fees.	4.30	275.00	1,182.50
03/26/10	Perry, Evelyn	Finalized and documented fee and cost schedules for November 1-30 2009.	0.50	125.00	62.50
03/26/10	Perry, Evelyn	Finalized and documented fee and cost schedules for December 1-31 2009.	0.50	125.00	62.50
03/26/10	Perry, Evelyn	Finalized and documented fee and cost schedules for January 1-31 2010.	0.50	125.00	62.50
03/26/10	Perry, Evelyn	Finalized and documented fee and cost schedules for February 1-28 2010.	0.50	125.00	62.50
03/26/10	Perry, Evelyn	Worked on combined fee and cost schedules for the fee application.	1.80	125.00	225.00
03/27/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	1.10	450.00	495.00
03/27/10	Perry, Evelyn	Updated and reconciled by-month and by-task schedules required for the fee application.	2.30	125.00	287.50
03/28/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	1.30	450.00	585.00
03/29/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	1.30	450.00	585.00
03/29/10	Perry, Evelyn	Reviewed and updated fee application schedules required for the fee application.	0.50	125.00	62.50
03/30/10	Callaghan, David	Prepared declaration containing narrative description of analyses and tasks completed for the period August 1, 2009 through February 28, 2010 for inclusion in application for payment of professional fees.	3.10	450.00	1,395.00
03/30/10	Laybourn, Rachel	Reviewed and updated schedules related to expenses in order to ensure consistent presentation and formatting for the second fee application.	3.20	275.00	880.00
03/30/10	Perry, Evelyn	Updated, reconciled and finalized schedules required for the fee application and submitted for inclusion in fee application.	1.60	125.00	200.00
03/31/10	Callaghan, David	Reviewed and finalized Fee Application exhibits - including Timekeeper Summary, Fees by Category by Month, Detailed Time Entries, and Detailed Expense Entries.	2.10	450.00	945.00
03/31/10	Callaghan, David	Finalized narrative declaration describing analyses completed and tasks performed for inclusion in Fee Application.	2.30	450.00	1,035.00
03/31/10	Laybourn, Rachel	Reviewed and reconciled summary schedules to ensure accuracy and consistency between schedules and narrative descriptions for the second fee application.	3.60	275.00	990.00
<b>Total Task Code: 9200 Fee Application Preparation</b>			<b>116.50</b>		<b>\$30,976.50</b>
<b>Total Professional Services</b>			<b>2,244.00</b>		<b>\$672,091.00</b>

**EXHIBIT "10"**

# LECG

## Receivership of Diversified Lending Group, Inc.

### Summary of Expenses for March 1, 2010 through August 31, 2010

<u>Expense Category</u>	<u>Amount</u>
Data Retrieval	\$42.96
Express Messenger	45.43
<b>Total Expenses Due</b>	<b>\$88.39</b>

# LECG

## Diversified Lending Group

March 1, 2010 through August 31, 2010

### EXPENSES

Date	Description	Amount
<b>CATEGORY: Data Retrieval / Online Cost Recovery</b>		
04/01/10	Online Cost Recovery Program.	42.96
<b>TOTAL: Data Retrieval:</b>		<b>42.96</b>
<b>CATEGORY: Express Messenger</b>		
03/09/10	Express Messenger COURIER SHIPMENT #798459151932 TO David Gill, Danning Gill et al, LOS ANGELES, CA, US, INVOICE #702741463	7.26
03/11/10	Express Messenger COURIER SHIPMENT #798467840027 TO Anthony Banducci, State of CA /Investigation Div, VALENCIA, CA, US, INVOICE #702828121	10.15
07/28/10	Express Messenger COURIER SHIPMENT #793768763083 TO Chris Hermann, State of CA Franchise Tax Boar, WEST COVINA, CA, US, INVOICE #718197384	7.02
07/28/10	Express Messenger COURIER SHIPMENT #798892333148 TO CDI - Investigation Division, VALENCIA, CA, US, INVOICE #7181 97384	7.02
08/04/10	Express Messenger COURIER SHIPMENT #793793157667 TO Perry Woo, Federal Bureau of Investigatio, LOS ANGELES, CA, U S, INVOICE #718979640	6.99
08/12/10	Express Messenger COURIER SHIPMENT #793817974662 TO Chris Hermann , State of CA Franchise Tax Boar, WEST COVINA, CA, US, INVOICE #719778558	6.99
<b>TOTAL: Express Messenger</b>		<b>45.43</b>
<b>Total Expenses</b>		<b>\$ 88.39</b>

**EXHIBIT "11"**

9/2/2010  
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Pre-bill Worksheet

Nickname Gill-Kouri | 1111  
Full Name David A. Gill, Receiver for Diversified Lending Group et.al  
Address Danning, Gill, Diamond & Kolitz, LLP  
2029 Century Park East, 3rd Floor  
Los Angeles CA 90067

Phone 1  
Phone 3  
In Ref To sale to Kouri - 127 N.Mountain Ave., Montclair  
Fees Arrg. By billing value on each slip  
Expense Arrg. By billing value on each slip  
Tax Profile Exempt  
Last bill  
Last charge 8/14/2010  
Last payment Amount \$0.00

Date ID	User Task	Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
8/5/2009	JSZ 67378 Rev corresp Review of correspondence; prepare correspondence (work 8/5/2009 to 9/25/2009 relates to post closing work for 174 Upper Mountain Avenue, Montclair)	0.10	47.50		Billable
8/6/2009	JSZ 67379 Rev corresp Review of correspondence and legal documents; prepare correspondence	0.20	95.00		Billable
8/6/2009	JSZ 67380 Rev corresp Review of correspondence	0.10	47.50		Billable
8/7/2009	JSZ 67381 Conv.w/3rd.pt Conversation with miscellaneous 3rd party- World Wide Piano	0.10	47.50		Billable
8/24/2009	JSZ 67382 Rev corresp Review of correspondence and legal documents; prepare correspondence	0.20	95.00		Billable
9/21/2009	JSZ 67383 Rev corresp Review of correspondence and legal documents; prepare correspondence	0.40	190.00		Billable
9/21/2009	JSZ 67384 Rev corresp Review of correspondence and file	0.30	142.50		Billable
9/21/2009	JSZ 67385 Conv.w/broker Conversation with broker	0.20	95.00		Billable
9/21/2009	JSZ 67386 Prep/edit corre Prepare or edit correspondence	0.70	332.50		Billable



Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
9/25/2009	JSZ 67387 Rev corresp	475.00	0.40	190.00		Billable
	Review of correspondence; conversation with misc. 3rd party re: piano; assemble exhibits; prepare correspondence					
3/25/2010	JSZ 67277 Rev corresp	475.00	0.20	95.00		Billable
	Review of correspondence re: 127 N.Mountain Avenue, Montclair					
3/25/2010	JSZ 67278 Conv.w/advers	475.00	0.30	142.50		Billable
	Conversation with adversary- not Attorney					
3/25/2010	JSZ 67279 Retrve file	475.00	1.30	617.50		Billable
	Retrieve file from storage; review file; prepare contract					
3/26/2010	JSZ 67293 Conv.w/client	475.00	0.20	95.00		Billable
	Conversation with client					
3/26/2010	JSZ 67294 Conv/AdversAtty	475.00	0.20	95.00		Billable
	Conversation with Adversary					
3/26/2010	JSZ 67307 Conv.w/advers	475.00	0.20	95.00		Billable
	Conversation with adversary- not Attorney- R.Kouri					
3/26/2010	JSZ 67308 Conv/AdversAtty	475.00	0.20	95.00		Billable
	Conversation with Adversary					
3/26/2010	JSZ 67309 Conv/AdversAtty	475.00	0.10	47.50		Billable
	Conversation with Adversary					
3/26/2010	JSZ 67310 Prep/edit corre	475.00	0.20	95.00		Billable
	Prepare or edit correspondence					
3/27/2010	JSZ 67318 Prep Agreement	475.00	1.30	617.50		Billable
	Prepare agreement					
3/29/2010	JSZ 67319 Prep Agreement	475.00	0.40	190.00		Billable
	Prepare agreement					
4/1/2010	JSZ 67357 Rev corresp	475.00	0.30	142.50		Billable
	Review of correspondence; prepare agreement; conversation with client					

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
4/1/2010	JSZ 67358 Prep/edit corre Prepare or edit correspondence; review correspondence	475.00	0.10	47.50		Billable
4/1/2010	JSZ 67359 Edit Agreement Edit agreement; prepare correspondence	475.00	0.80	380.00		Billable
4/5/2010	JSZ 67393 Prep contracts Prepare contracts; edit agreement; prepare correspondence	475.00	0.30	142.50		Billable
4/7/2010	JSZ 67427 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
4/8/2010	JSZ 67494 Rev contracts Review contracts; assemble exhibits; prepare correspondence	475.00	0.30	142.50		Billable
4/8/2010	JSZ 67529 Escrow services Escrow Services	475.00	0.40	190.00		Billable
4/12/2010	JSZ 67567 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
4/13/2010	JSZ 67575 Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00		Billable
4/13/2010	JSZ 67581 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
4/13/2010	JSZ 67582 Rev corresp Review of correspondence and file; prepare correspondence	475.00	0.10	47.50		Billable
4/13/2010	JSZ 67583 Prep/edit corre Prepare or edit correspondence; distribute documents for signing	475.00	0.20	95.00		Billable
4/14/2010	JSZ 67596 Prep/ed leg doc Prepare or edit legal documents	475.00	0.10	47.50		Billable
4/22/2010	JSZ 67697 Rev corresp Review of correspondence and file; assemble exhibits	475.00	0.10	47.50		Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
4/22/2010	JSZ 67698 Rev file Review file; conversation with adversary	475.00	0.10	47.50		Billable
4/26/2010	JSZ 67736 Rev.title searc Review title search	475.00	0.50	237.50		Billable
4/26/2010	JSZ 67737 Conv.w/title co Conversation with title company	475.00	0.10	47.50		Billable
4/26/2010	JSZ 67738 Prep/edit corre Prepare or edit correspondence	475.00	0.30	142.50		Billable
4/26/2010	JSZ 67746 Rev file Review file; assemble exhibits; prepare correspondence	475.00	0.50	237.50		Billable
4/28/2010	JSZ 67779 Rev corresp Review of correspondence	475.00	0.20	95.00		Billable
4/28/2010	JSZ 67780 Prep cert Prepare certification	475.00	0.40	190.00		Billable
4/29/2010	JSZ 67829 Conv.w/client Conversation with client	475.00	0.10	47.50		Billable
4/30/2010	JSZ 67849 Conv.w/title co Conversation with title company	475.00	0.30	142.50		Billable
4/30/2010	JSZ 67850 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
4/30/2010	JSZ 67851 Rev file Review file; assemble exhibits; prepare correpondence	475.00	0.60	285.00		Billable
5/3/2010	JSZ 67922 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
5/3/2010	JSZ 67923 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
5/3/2010 67934	JSZ Rev Mtg Committ Review mortgage committment	475.00	0.10	47.50		Billable
5/3/2010 67940	JSZ Rev corresp Review of correspondence	475.00	0.10	47.50		Billable
5/4/2010 67964	JSZ Rev corresp Review of correspondence; conversation with title co.	475.00	0.20	95.00		Billable
5/6/2010 68031	JSZ Rev corresp Review of correspondence	475.00	0.10	47.50		Billable
5/11/2010 68058	JSZ Rev corresp Review of correspondence and title search; prepare correspondence	475.00	0.20	95.00		Billable
5/11/2010 68059	JSZ Rev order Review order; prepare correspondence	475.00	0.20	95.00		Billable
5/11/2010 68078	JSZ Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
5/11/2010 68079	JSZ Conv.w/title co Conversation with title company	475.00	0.70	332.50		Billable
5/11/2010 68080	JSZ Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
5/11/2010 68125	JSZ Rev corresp Review of correspondence	475.00	0.20	95.00		Billable
5/11/2010 68126	JSZ Prep Clos Docs Prepare closing documents	475.00	1.40	665.00		Billable
5/11/2010 68127	JSZ Prep/edit corre Prepare or edit correspondence	475.00	0.40	190.00		Billable
5/12/2010 68158	JSZ Rev corresp Review of correspondence	475.00	0.10	47.50		Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
5/12/2010	JSZ 68159 Prep Clos Docs Prepare closing documents	475.00	0.30	142.50		Billable
5/12/2010	JSZ 68160 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
5/13/2010	JSZ 68194 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
5/13/2010	JSZ 68195 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
5/13/2010	JSZ 68936 Rev corresp Review of correspondence; prepare correpondence	475.00	0.10	47.50		Billable
5/14/2010	JSZ 68218 Rev leg.doc Review of legal documents	475.00	0.10	47.50		Billable
5/17/2010	JSZ 68275 Rev corresp Review of correspondence	475.00	0.10	47.50		Billable
5/18/2010	JSZ 68277 Rev corresp Review of correspondence and file; review closing documents; prepare closing documents and correspondence	475.00	0.80	380.00		Billable
5/18/2010	JSZ 68280 Conv/AdversAtty Conversation with Adversary- 2 calls	475.00	0.30	142.50		Billable
5/18/2010	JSZ 68295 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
5/20/2010	JSZ 68338 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
5/20/2010	JSZ 68339 Rev corresp Review of correspondence	475.00	0.10	47.50		Billable
5/20/2010	JSZ 68352 Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00		Billable

9/2/2010  
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Pre-bill Worksheet

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Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
5/20/2010	JSZ 68353	Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00	Billable
5/21/2010	JSZ 68364	Rev corresp Review of correspondence and closing documents; prepare correspondence; conversation with title co; prepare correspondence	475.00	0.50	237.50	Billable
5/21/2010	JSZ 68374	Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50	Billable
5/24/2010	JSZ 68389	Rev corresp Review of correspondence; prepare correspondence	475.00	0.10	47.50	Billable
5/24/2010	JSZ 68390	Rev corresp Review of correspondence	475.00	0.10	47.50	Billable
5/24/2010	JSZ 68391	Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50	Billable
5/24/2010	JSZ 68420	Rev corresp Review of correspondence and file; assemble exhibits; prepare correspondence	475.00	0.60	285.00	Billable
5/25/2010	JSZ 68432	Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00	Billable
5/25/2010	JSZ 68446	Conv.w/3rd.pt Conversation with miscellaneous 3rd party- RKouri	475.00	0.10	47.50	Billable
5/27/2010	JSZ 68535	Rev Clos Docs Review closing documents	475.00	0.20	95.00	Billable
5/27/2010	JSZ 68536	Rev file Review file; assemble exhibits	475.00	0.20	95.00	Billable
5/27/2010	JSZ 68537	Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50	Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
5/27/2010	JSZ 68538 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
5/28/2010	JSZ 68560 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
5/28/2010	JSZ 68561 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
5/28/2010	JSZ 68562 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
5/28/2010	JSZ 68563 Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00		Billable
6/1/2010	JSZ 68578 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
6/1/2010	JSZ 68579 Rev leg.docs Review of legal documents and title search	475.00	0.30	142.50		Billable
6/1/2010	JSZ 68591 Rev.Settle.Docs Review settlement documents; compute closing adjustments; legal research; prepare correspondence	475.00	0.20	95.00		Billable
6/2/2010	JSZ 68601 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
6/2/2010	JSZ 68602 Rev Clos Docs Review closing documents	475.00	0.20	95.00		Billable
6/2/2010	JSZ 68603 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
6/2/2010	JSZ 68612 Conv/AdversAtty Conversation with Adversary	475.00	0.30	142.50		Billable
6/3/2010	JSZ 68683 Conv/AdversAtty Conversation with Adversary	475.00	0.40	190.00		Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
6/3/2010	JSZ 68684 Attend closing Attend closing with travel	475.00	1.50	712.50		Billable
6/3/2010	JSZ 68697 Rev file Review file; prepare correspondence; escrow services; prepare correspondence	475.00	0.80	380.00		Billable
6/7/2010	JSZ 68749 Rev corresp Review of correspondence and file; conversation with adversary; prepare correspondence	475.00	0.20	95.00		Billable
6/7/2010	JSZ 68750 Conv/AdversAtty Conversation with Adversary	475.00	0.30	142.50		Billable
6/7/2010	JSZ 68751 Prep Clos Docs Prepare closing documents	475.00	0.40	190.00		Billable
6/7/2010	JSZ 68752 Prep/edit corre Prepare or edit correspondence	475.00	0.20	95.00		Billable
6/7/2010	JSZ 68753 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
6/8/2010	JSZ 68798 Conv.w/client Conversation with client	475.00	0.10	47.50		Billable
6/9/2010	JSZ 68828 Conv/AdversAtty Conversation with Adversary	475.00	0.20	95.00		Billable
6/10/2010	JSZ 68860 Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00		Billable
6/10/2010	JSZ 68861 Conv/AdversAtty Conversation with Adversary	475.00	0.10	47.50		Billable
6/10/2010	JSZ 68862 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable



Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

Date ID	User Task		Rate Markup %	Hours DNB Time	Amount DNB Amt	Total
6/10/2010	JSZ 68905 Escrow services Escrow Services	475.00	0.10	47.50		Billable
6/10/2010	JSZ 68906 Prep/edit corre Prepare or edit correspondence	475.00	0.10	47.50		Billable
6/11/2010	JSZ 68931 Rev corresp Review of correspondence; prepare correspondence	475.00	0.10	47.50		Billable
6/11/2010	JSZ 68932 Rev corresp Review of correspondence; conversation with lender; prepare correspondence	475.00	0.10	47.50		Billable
6/14/2010	JSZ 68960 Rev corresp Review of correspondence; assemble exhibits; prepare correpondence	475.00	0.10	47.50		Billable
6/21/2010	JSZ 69205 Rev file Review file; prepare legal documents- declaration for fee app.	475.00	0.80	380.00		Billable
6/21/2010	JSZ 69206 Rev corresp Review of correspondence; prepare correspondence	475.00	0.20	95.00		Billable
6/24/2010	JSZ 69214 Prep/ed leg doc Prepare or edit legal documents- prepare fee application	475.00	1.00	475.00		Billable
8/11/2010	JSZ 71186 Rev file Review file; conversation with adversary	475.00	0.30	142.50		Billable
8/11/2010	JSZ 71188 Rev corresp Review of correspondence and file	475.00	0.20	95.00		Billable
8/12/2010	JSZ 71190 Prep/edit corre Prepare or edit correspondence	475.00	0.20	95.00		Billable
8/14/2010	JSZ 71187 Rev corresp Review of correspondence and file; review closing documents	475.00	0.30	142.50		Billable
8/14/2010	JSZ 71189 Escrow services Escrow Services	475.00	0.20	95.00		Billable

Gill-Kouri:David A. Gill, Receiver for Diversified Lending Group et.al (continued)

		Amount	Total
<b>TOTAL</b>	<b>Billable Fees</b>	<b>33.70</b>	<b>\$16,007.50</b>

Date ID	User Expense		Price Markup %	Quantity	Amount	Total
4/14/2010	JSZ 68171 \$Exp.ovnit.del Express (overnight) delivery	25.00	1.000	25.00		Billable
5/27/2010	JSZ 68989 \$Exp.ovnit.del Express (overnight) delivery	25.00	1.000	25.00		Billable
6/11/2010	JSZ 68901 \$Exp.ovnit.del Express (overnight) delivery	25.00	1.000	25.00		Billable

<b>TOTAL</b>	<b>Billable Costs</b>					<b>\$75.00</b>
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**Calculation of Fees and Costs**

	Amount	Total
<b>Fees Bill Arrangement: Slips</b>		
By billing value on each slip.		
Total of billable time slips	\$16,007.50	
Total of Fees (Time Charges)		\$16,007.50
<b>Costs Bill Arrangement: Slips</b>		
By billing value on each slip.		
Total of billable expense slips	\$75.00	
Total of Costs (Expense Charges)		\$75.00
Total new charges		\$16,082.50
New Balance Current	\$16,082.50	
Total New Balance		\$16,082.50

EXHIBIT "12"

**MACNEILL & CARLINO, PLLC**  
ATTORNEYS AT LAW

JOHN C. MacNEILL, JR.  
PETER N. CARLINO

6743-A FAIRVIEW ROAD  
CHARLOTTE, NORTH CAROLINA 28210

TELEPHONE: (704) 365-1811  
FACSIMILE: (704) 365-0404

September 16, 2010

Kathy Bazoian Phelps  
Danning, Gill, Diamond & Kollitz, LLP  
2029 Century Park East, Third Floor  
Los Angeles CA 90067

Re: Diversified Lending Group Attorneys Fees

Dear George:

Per your request I am submitting this invoice for my attorney's fees. I have broken down my representation of Diversified Lending Group matters between the proceedings with Linville Falls Property (formerly Coastal Ventures Group II, LLC) and Banjo Creek Campground (formerly Uwharrie Valley Partners, LLC).

1. Linville Falls

A. NARRATIVE

Since my last billing for the period ending March 8, 2010, a portion of the subject real property was leased to a golf course operator and a joint venture limited liability company was formed for the marketing and sale of the remain developed and undeveloped lots.

During this period, I met with and drafted and prepared the lease with the golf course operator and advised the Receiver with regard to North Carolina statutory and case law. I have also assisted in the following matters: dealt with local tax authority and reviewed applicability of tax bills; examined title to the subject property, including revising; coordination and allocation of property between Receiver and lending partner; orderly transfer of property to joint venture entity; worked with HUD counsel in preparing HUD application; rendered title opinion for HUD application; provided advice and counsel with regard to North Carolina statutory requirements; review of plats, survey and tax bills in preparation of marketing and selling the property.

**B. BILLING**

See Attached Exhibit A

**2. Banjo Creek Campground**

**A. NARRATIVE**

Since my last billing for the period ending March 16, 2010, the subject real property remains vested with David Gill, as the court appointed Receiver for Diversified Lending Group, Inc..

Thereafter, I have been assisting in the following matters: preparation of the Independent Contractor Agreement with the site caretaker; negotiation and preparation of lease and contract for the sale of the property; interaction with site supervisor; advise and counsel with regard to North Carolina statutory requirements; acted as escrow agent for earnest money deposit; examined title to the property, which included issuance of title opinion and title insurance binder for the potential buyer of the property; dealt with local utility companies; and, dealt with counsel of potential buyers of the subject property.

**B. BILLING**

See Attached Exhibit B

As such, the total amount due is as follows:

Linville Falls	\$ 8,600.00
Banjo Creek Campground	<u>4,585.00</u>
Total	<u>\$13,185.00</u>

I will be happy to provide any further documentation. Please do not hesitate to contact me.

Sincerely,



Peter N. Carlino  
Attorney at Law

EXHIBIT A  
**MacNeill & Carlino, PLLC**  
**6743-A Fairview Road**  
**Charlotte, North Carolina 28210**  
**704-365-1811**  
**mbcpllc@bellsouth.net**

September 16, 2010  
 Invoice Number: 1015

ReProp-Diversified Lending Group

Date	Description	Hours	Rate	Tax	Total
4/12/2010	Document Review Review of term sheet for golf course lease.	0.42	\$300.00	\$0.00	\$125.00
4/13/2010	Meeting Meeting with Goldan, Brett Miller and Marc Gooden regarding golf course lease; Reviewed terms of lease; discussed engagement of RPM and proposal for sale of property; TC with Salas to review terms.	2.83	\$300.00	\$0.00	\$850.00
4/14/2010	Email/Telephone Call Email with Receiver regarding sale of property and joint venture agreement; TC to Brett Miller regarding proposed lease; email with Secor regarding info for HUD attorney.	0.58	\$300.00	\$0.00	\$175.00
4/15/2010	Email/Telephone Call/Document Drafting Drafted lease for golf course; edited lease per emails with GG and Receiver; emails with Salas	2.25	\$300.00	\$0.00	\$675.00
4/16/2010	Email/Telephone Call/Document Drafting Revised lease regarding option and holdover terms; emailed lease to Miller.	0.58	\$300.00	\$0.00	\$175.00
4/26/2010	Email Review of emails between Miller and GG.	0.17	\$300.00	\$0.00	\$50.00
4/28/2010	Email GG email regarding lease terms.	0.17	\$300.00	\$0.00	\$50.00
5/3/2010	Document Drafting/Review Drafted lease changes; emailed to all parties;	0.42	\$300.00	\$0.00	\$125.00
5/10/2010	Document Drafting/Review Final addendum to lease by Receiver; email with GG and Miller.	0.25	\$300.00	\$0.00	\$75.00
5/11/2010	Email Email regarding property tax bills; Review of Receivers draft motion to court.	0.33	\$300.00	\$0.00	\$100.00
5/12/2010	Email Review of emails between GG and Receiver regarding property taxes; email regarding contact with tax assessor and clerk of court/	0.25	\$300.00	\$0.00	\$75.00
5/19/2010	Document Review Review of tax bill matching to golf course, lots and acreage; TC with GG regarding taxes and payments.	1.08	\$300.00	\$0.00	\$325.00
5/20/2010	Email Emails regarding taxes	0.25	\$300.00	\$0.00	\$75.00
5/26/2010	Email/Telephone Call Emails and TC regarding title claims and Lot 56	0.42	\$300.00	\$0.00	\$125.00

Date	Description	Hours	Rate	Tax	Total
5/27/2010	Email/Document Review Review of master plat and lot spreadsheet; emails regarding lot 56 and personal property tax liability of CVG.	0.33	\$300.00	\$0.00	\$100.00
6/1/2010	Email/Document Review Review of email from Receiver regarding JV agreement with ReProp; Email responding to issue of enforceability of deed of trust and liquidated damages under NC law.	0.92	\$300.00	\$0.00	\$275.00
6/7/2010	Email Email from GG regarding updated lot list and lot status	0.25	\$300.00	\$0.00	\$75.00
6/9/2010	Email/Telephone Call Email and call with Salas regarding HUD title certification and parameters of search	0.25	\$300.00	\$0.00	\$75.00
6/11/2010	Email/Document Review Review of golf course survey; emails with GG.	0.17	\$300.00	\$0.00	\$50.00
6/12/2010	Email/Telephone Call/Document Drafting TC regarding title examination and HUD title certification with Salas, Greene and Hurst; Email to GG regarding scope and timeframe of June 16; Organization of lot list for Hurst and coordination of existing title work, title binder et al.	2.25	\$300.00	\$0.00	\$675.00
6/13/2010	Email Email confirmations regarding title search.	0.17	\$300.00	\$0.00	\$50.00
6/14/2010	Email/Telephone Call/Document Drafting TC with Kernigan regarding HUD opinion requirements; Review of draft opinion letter;	1.08	\$300.00	\$0.00	\$325.00
6/15/2010	Email/Telephone Call/Document Drafting Receipt and review of title work; Comparison of lot list with recorded plats; email with Greene regarding survey/plat of new lots; Initial draft of HUD opinion letter; Initial draft of deeds from Receiver and ReProp into RDLG; Email to GG and Hardymon regarding Rayburn Cooper deed of trust; Drafted list exception documents required for HUD review; Emails with Hurst requesting further title documents.	4.67	\$300.00	\$0.00	\$1,400.00
6/16/2010	Email Emails with GG and Hardymon regarding release of deed of trust	0.08	\$300.00	\$0.00	\$25.00
6/17/2010	Email Review of emails from GG to all parties regarding HUD language for course; Email with regard to preparation of lease.	0.17	\$300.00	\$0.00	\$50.00
6/18/2010	Email Emails with Kernigan regarding opinion letter changes and reliance on title policy; email to Hardymon regarding release.	0.17	\$300.00	\$0.00	\$50.00
6/21/2010	Email/Telephone Call/Document Drafting Drafted and emailed release to Hardymon; emailed Kernigan specimen deed.	0.33	\$300.00	\$0.00	\$100.00
6/23/2010	Email/Telephone Call/Document Drafting Receipt of recorded plats; Drafted revised legal descriptions for DLG and ReProp deeds int RDLG; email from Kernigan regarding opinion letter, amended opinion letter; review of GG and Kernigan emails regarding lot list and lot suitability.	0.83	\$300.00	\$0.00	\$250.00

Date	Description	Hours	Rate	Tax	Total
6/24/2010	Email/Telephone Call Review of title exception documents on flash drive; review of plat for lot 235 et al.; email with GG and Kernigan regarding legal description for lot 235 et al.	0.58	\$300.00	\$0.00	\$175.00
6/25/2010	Document Review Review of Kernigan HUD filing documents	0.50	\$300.00	\$0.00	\$150.00
6/28/2010	Email/Telephone Call/Document Drafting Review of recorded plat from Greene; Drafted revision of legal description in deeds to RDLG; emailed deeds to GG and Receiver; email with Kernigan regarding title exception docs.	0.42	\$300.00	\$0.00	\$125.00
6/29/2010	Email/Telephone Call/Document Drafting Finalization of legal description for RDLG deed; detailed comparison of plats, legal descriptions, ownership and inclusion in sales event; emails with GG and Kernigan regarding final lot list; review of recorded plat from Greene, drafted revision to legal description.	2.33	\$300.00	\$0.00	\$700.00
6/30/2010	Email Email with Kernigan regarding deeds.	0.17	\$300.00	\$0.00	\$50.00
7/1/2010	Email/Telephone Call/Document Drafting Emails regarding recording deeds; Email from Kernigan regarding revisions to HUD opinion letter; Revised opinion letter; Prepared deeds and release for recording in McDowell County; TC to ROD recording desk to arrange recording; Sent out recording	1.00	\$300.00	\$0.00	\$300.00
7/2/2010	Email/Telephone Call/Document Drafting Finalized HUD opinion letter; sent final opinion letter to Kernigan; TC with McDowell County ROD regarding recording	0.67	\$300.00	\$0.00	\$200.00
7/13/2010	Email Email from Secor	0.08	\$300.00	\$0.00	\$25.00
7/16/2010	Email Review of email from GG to lessee of golf course.	0.08	\$300.00	\$0.00	\$25.00
8/11/2010	Email/Telephone Call Email from Salas regarding sales event; TC with Salas regarding acting as closing attorney.	0.25	\$300.00	\$0.00	\$75.00
8/23/2010	Email Review of GG email regarding RPM and sales event; Email to Hardyman.	0.25	\$300.00	\$0.00	\$75.00
8/30/2010	Email/Document Review Review of GG email to lessee regarding exercise of Option to Purchase; review of PSA from lessee; email to Salas.	0.67	\$300.00	\$0.00	\$200.00
	<b>Amount Due</b>	<b>28.67</b>			<b>\$8,600.00</b>

Thank You! - Balance is due upon receipt  
1.5% interest per month on unpaid balances



EXHIBIT B  
**MacNeill & Carlino, PLLC**  
**6743-A Fairview Road**  
**Charlotte, North Carolina 28210**  
**704-365-1811**  
**mbcpllc@bellsouth.net**

September 16, 2010  
 Invoice Number: 1016

Diversified Lending Group, Inc.

Date	Description	Hours	Rate	Tax	Total
3/19/2010	Email Email exchange with Receiver	0.08	\$300.00	\$0.00	\$25.00
3/23/2010	Email/Telephone Call Email from Debtor and TC with his counsel regarding personal property on site.	0.20	\$300.00	\$0.00	\$60.00
3/24/2010	Telephone Call/Document Review/Email Email regarding IC Agreement; review and edit of IC Agreement; emails regarding conference call; TC with Kirkpartrick	0.75	\$300.00	\$0.00	\$225.00
3/25/2010	Email/Telephone Call Call with Salas and Receiver; Discussed terms of sale and request for meeting by old CG members; Email to Perry regarding IC Agreement.	0.42	\$300.00	\$0.00	\$125.00
3/30/2010	Email Email from Salas.	0.08	\$300.00	\$0.00	\$25.00
4/1/2010	Email Email exchange with Receiver, Salas and CBRE.	0.17	\$300.00	\$0.00	\$50.00
4/5/2010	Document Review Review of listing agreement with CBRE for Receiver.	0.50	\$300.00	\$0.00	\$150.00
4/6/2010	Document Review Review Receivers exclusion to listing agreement with CBRE	0.08	\$300.00	\$0.00	\$25.00
4/13/2010	Email Email from Salas	0.08	\$300.00	\$0.00	\$25.00
4/14/2010	Email/Telephone Call Email from Debtor regarding tractor; TC with Debtor's counsel.	0.17	\$300.00	\$0.00	\$50.00
4/28/2010	Document Drafting/Review Draft of Lease Purchase Agreement for Ace Avant	1.33	\$300.00	\$0.00	\$400.00
4/29/2010	Email Emailed contract to Receiver and Salas for review. Responded to Perry email.	0.25	\$300.00	\$0.00	\$75.00
4/30/2010	Email Email contract to Ace Avant; review of Ace Avant email comments and proposed changes to contract.	0.67	\$300.00	\$0.00	\$200.00
5/1/2010	Email Email exchange with Perry regarding changes to contract	0.08	\$300.00	\$0.00	\$25.00
5/3/2010	Email/Telephone Call/Document Drafting Email with Receiver regarding revision; made changes to contract; sent contract to Ace Avant, Receiver and Perry.	0.58	\$300.00	\$0.00	\$175.00

