

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(Palm Beach Division)**

**Case No. 9:19-CV-80633-ROSENBERG**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,  
et al.,

Defendants,

H.S. MANAGEMENT GROUP LLC, et al.,

Relief Defendants.

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**RECEIVER’S FIRST INTERIM APPLICATION FOR ALLOWANCE AND PAYMENT  
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES TO THE RECEIVER  
AND HIS PROFESSIONALS; INCORPORATED MEMORANDUM OF LAW**

Pursuant to paragraph 52 of Section XIII of the Order Granting Plaintiff Securities and Exchange Commission’s Motion for Appointment of Receiver [DE 20] (the “Appointment Order”), Jeffrey C. Schneider, not individually, but solely in his capacity as the Court-appointed receiver (the “Receiver”),<sup>1</sup> submits his First Interim Application for allowance and payment of

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<sup>1</sup> This Court appointed Mr. Schneider as receiver for Argyle Coin, LLC (“Argyle”). On March 28, 2019, approximately two months before the Receiver’s appointment, the Honorable Donald Middlebrooks appointed Mr. Schneider as Corporate Monitor for Defendants Natural Diamonds Investment Co. (“NDIC”) and Eagle Financial Diamond Group, Inc. (“EFDG”) in the related case of *Rounds v. Natural Diamonds Investment Co., et al.*, Case No. 18-cv-81151 (the “Corporate Monitor Action”). This Court recently issued an Order expanding the Receivership to include NDIC and EFDG [DE 94, 104]; however, this Fee Application does not include the time spent by the Receiver during the Corporate Monitorship; it only includes the time of the Receiver and his professionals in connection with *this* case.

compensation and reimbursement of expenses for the quarterly period April, 2019 through June 30, 2019.<sup>2</sup>

The Receiver has attempted to confer with the Securities and Exchange Commission (the “SEC”), the Defendants, and the Relief Defendants regarding this Fee Application. The SEC has confirmed that it has no objection to the relief requested herein or the proposed Order attached hereto. As of this filing, all Defendants and all Relief Defendants have not responded regarding their respective positions to the relief requested herein.

### **PROCEDURAL BACKGROUND**

On May 13, 2019, the SEC filed an emergency action in this Court to enjoin NDIC, EFDG (a/k/a Diamante Atelier), and Argyle (collectively, the “Corporate Defendants”), and their owners, Jose Aman, Harold Seigel and Jonathan Seigel. In the Complaint [DE 1], the SEC asserted various claims against the Corporate Defendants, Aman, and the Seigels. Essentially, the SEC alleged that the Corporate Defendants were a three-tiered Ponzi scheme that promised hundreds of investors large investment returns that ranged from 24% to 100% every year to two years for signing investment contracts supposedly backed by diamonds worth tens of millions of dollars. As a result, the Corporate Defendants raised approximately \$30 million from approximately 300 investors in Canada and the United States from late 2013 through 2018.

The SEC also filed a Motion for Temporary Restraining Order, Asset Freeze, and Other Relief [DE 4] and a Motion for Appointment of Receiver [DE 7]. The SEC advised this Court that

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<sup>2</sup> The Appointment Order requires the Receiver to file Fee Applications 45 days after the end of each quarter. This Fee Application, therefore, covers the quarterly period of April, 2019 through June 30, 2019. The Receiver filed a Motion to Employ Legal Counsel [DE 101], which was resolved by agreed order [DE 126], and confirmed the appointment of counsel *nunc pro tunc*, so this Fee Application also includes counsels’ time in connection with this case through June 30, 2019.

Mr. Schneider had been appointed as Corporate Monitor for NDIC and EFDG in the related Corporate Monitor Action, which was then also pending in the Southern District of Florida.

As a result of the SEC's efforts, this Court appointed the Receiver for Argyle. This means that this Court ordered the Receiver to, among many other things, assume full control of Argyle and to secure, conserve, hold, manage, and prevent the loss of its assets.

There are currently asset freezes over Defendants Aman, Harold Seigel and Seigel entity HS Management (a relief defendant) [DE 40]. In addition, there are currently asset freezes over the other relief defendants, including approximately \$2 million frozen in accounts in the names of Relief Defendants Winners Church and Frederick and Whitney Shipman [DE 59] and dozens of identified diamonds and jewelry pieces held by Relief Defendant Gold 7 of Miami, LLC ("G7") [DE 55].

Since his appointment, the Receiver and his professionals have been working tirelessly, yet efficiently, to effectuate his obligations under the Appointment Order. As further discussed below, this work has primarily involved identifying accounts and assets of Argyle, as well as preserving all relevant books and records regarding Argyle (both hard copy and electronically-stored information ("ESI")).

The Receiver has been appointed to serve as receiver in numerous cases involving the SEC, the Federal Trade Commission ("FTC"), the Commodity Futures Trading Commission, and various Attorneys General during his nearly 30-year career. The Receiver has also served as counsel, or special counsel, to various receivers in SEC and FTC cases. The Receiver has helped to recover approximately \$300 million for defrauded investors during the course of his career. He considers it an honor and a privilege to serve in this capacity, and intends to carry out his duties at the highest level possible for the benefit of the defrauded investors.

Throughout this process, the Receiver and his professionals have worked cooperatively with the SEC and other agencies, with each side mindful of their respective responsibilities and duties. The coordination of the Receiver's and the SEC's efforts has resulted in several immediate accomplishments (further discussed below) for the benefit of the Receivership Estate and, most importantly, victimized investors.

### **INTRODUCTION**

The Receiver and his professionals have been involved in numerous state and federal receiverships, either as receiver or receivership counsel. Like most receiverships, this First Fee Application is front-loaded, as much of the Receiver's and his professionals' services occurred in the first several months of the Receivership (which is the time-period covered by this Fee Application). In other words, the leg-work that the Receiver and his professionals have performed in this period, and will continue to perform for the next few months, will be a large portion of the anticipated asset recovery work in the Receivership.

As more fully discussed in the Receiver's First Report, the Receiver has accomplished much for the benefit of the Receivership Estate and investors since his appointment. Such accomplishments include the following:

- i. Testifying at the May 23, 2019 show cause hearing regarding Winners Church and the Shipmans, and providing a declaration to the SEC regarding the dozens of diamonds and jewelry pieces held by G7, which ultimately resulted in asset freezes over those Relief Defendants' assets [DE 5-12, DE 55, DE 59];
- ii. Demanding, negotiating, and ultimately obtaining possession of 38 pieces of jewelry and diamonds from non-party Carmelo De Stefano pursuant to an Agreed Order [DE 73]; the diamonds were previously appraised before the Receivership for more than \$200,000;
- iii. Expanding the Receivership to include NDIC and EFDG and consolidating those entities from the Corporate Monitor Action to further streamline this proceeding for the benefit of all the victims;

- iv. Communicating by email and telephone with investors regarding the status of this proceeding and creating a receivership website [naturaldiamondsreceivership.com](http://naturaldiamondsreceivership.com) for more efficient updates to and communications with investors and the public. The receivership website also contains important court filings, letters from the Receiver to the investors, a registration form, a “frequently asked questions” section to educate the investors about the receivership process, and an email address ([naturaldiamondsreceivership@klsg.com](mailto:naturaldiamondsreceivership@klsg.com)) and phone number (786.347.2563), so the investors may contact the Receiver directly with questions that were not answered by navigating the website;
- v. Establishing a receivership bank account to deposit and safeguard receivership funds;
- vi. Providing notice of the Appointment Order to certain former employees, and conducting interviews of those employees;
- vii. Providing notice of the Appointment Order to certain vendors including Ideofuzion, the developer of Argyle’s cryptocurrency technology, including the blockchain and code;
- viii. Securing the premises where Argyle (and also EFDG and NDIC) operated, and the books and records within;
- ix. Shutting down Argyle’s business website;
- x. Ceasing all of Argyle’s business operations; and
- xi. Investigating potential targets for purposes of ancillary receivership litigation for the benefit of the Receivership Estate and investors.

The Receiver respectfully requests that this Court appreciate the difficulty, challenge, and magnitude of the tasks that he and his professionals have been confronted with and the time-pressure under which they were obligated to perform those tasks, neither of which can be gleaned from an after-the-fact review of the attached time records. This case was, and continues to be, challenging because of the complexity of the business operations involved, the volume of documents and data, and the voluminous financial transactions from the relevant business and personal accounts. Again, the Receiver’s First Report details many of the Receiver’s and his professionals’ immediate accomplishments.

In addition, as stated above, many receiverships are, generally speaking, front-loaded. In other words, a great deal of work is performed during the early periods during which the Receiver is cancelling leases, interviewing witnesses, obtaining assets, testifying in court, and otherwise “getting up to speed” to stabilize the assets of the receivership. The Receiver also respectfully requests that this Court appreciate the large amount of risk undertaken by the Receiver and his team because there was no guaranty upon the Receiver’s appointment that there would be any assets ultimately secured to compensate the Receiver or his team. In fact, there are currently no funds in Argyle’s bank accounts and there are currently limited known Argyle assets with currently unknown values (*i.e.*, Argyle’s cryptocurrency technology, including the blockchain and code).<sup>3</sup> Indeed, for that reason, the Receiver has no current expectation that the fees sought in this Fee Application will be paid anytime soon; the Receiver nevertheless files this Fee Application because it is required by the Appointment Order, and because he seeks an order entitling himself and his professionals to payment, which payment will be made when the Receivership has sufficient assets with which to do so.

## **DESCRIPTION OF SERVICES**

### **I. The Receiver**

The Receiver is a trial attorney who has served as a District Court receiver and receiver’s counsel in numerous SEC, FTC, and Commodity Futures Trading Commission cases during his nearly 30-year career. The Receiver is Chair of his law firm’s Receivership Practice Group and has served as the firm’s Managing Partner since the firm’s inception. The Receiver has served as Receiver, or as counsel to receivers, in numerous state and federal receiverships and is proud to say that, over the course of his career, he has helped to recover over \$300 million for defrauded

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<sup>3</sup> The Receiver will be investigating and evaluating whether Argyle’s cryptocurrency technology has any value, and if so, how much and how best to sell it.

victims. Because the Receiver views receivership cases as serving the public's interest, the Receiver agreed to substantially reduce his standard hourly rate of \$695.00 per hour, which is what the Receiver charges his typical commercial clients, to \$395.00 per hour for purposes of this case. The Receiver's \$395.00 hourly rate is currently one of the lower receiver rates in the Southern District of Florida in agency receivership cases. The Receiver also capped his rate during the life of this case.

The Receiver also sought commensurate reductions from all of his professionals. The Receiver also obtained their agreement to cap their rates during the life of this case.

## **II. Information about this Fee Application**

This Application has been prepared in accordance with the SEC's Billing Instructions for Receivers in Civil Actions Commenced by the SEC. Pursuant to the Billing Instructions, Exhibit A attached hereto is a Certification by the Receiver confirming, under oath, that this Fee Application complies with the SEC's Billing Instructions.

Exhibit B attached hereto is the Standardized Fund Accounting Report, also known as the SFAR, which is the SEC's accounting form required in civil receivership actions commenced by the SEC.

Exhibit C attached hereto memorializes the professional services rendered by the Receiver, and the necessary and reasonable non-reimbursed out-of-pocket costs attendant to those services. Exhibit C, which was prepared based on the Receiver's contemporaneous daily time records, includes a daily description of the services rendered by the Receiver, along with the hours expended at his reduced hourly rate. Exhibit C reflects that the Receiver billed a total of 32 hours, at a reduced hourly rate of \$395.00 per hour, for a total of \$12,640.00. The Receiver's partner, who occasionally serves as Deputy Receiver, billed a total of 2.60 hours, at a reduced hourly rate of \$350.00 per hour, for a total of \$910.00. Finally, the Receiver's paralegal billed a total of 55.90

hours, at a reduced hourly rate of \$150.00 per hour, for a total of \$8,385.00. Exhibit C also reflects that the Receiver incurred costs of \$4,720.48 during the applicable period, bringing the current total due the Receiver and his firm to \$26,655.48.

Exhibits D and E attached hereto memorialize the professional services rendered by the Receiver's professionals, and the necessary and reasonable non-reimbursed out-of-pocket costs attendant to their services, which are described more fully below.

Exhibit F is a proposed Order granting this Fee Application.

### **III. The Receiver's Counsel**

Pursuant to paragraph 50 of Section XIII of the Appointment Order, the Receiver was required to obtain permission from this Court to retain his legal counsel. On July 10, 2019, the Receiver filed his Motion to Employ Legal Counsel (the law firms of Sallah Astarita & Cox, LLC (the "Sallah Firm") and Silver Law Group (the "Silver Firm")). The Motion to Employ Legal Counsel was resolved by agreed order [DE 126], and confirmed the appointment of counsel *nunc pro tunc*, so this Fee Application also includes counsels' time for their work already done to benefit the Receivership Estate.

Engaging the Sallah and Silver Firms eliminated any learning curve associated with engaging new counsel and saved the victims of this Receivership Estate tens of thousands of dollars in legal fees. The Sallah and Silver Firms have dozens of years of receivership experience and have served as receivers or lead counsel to receivers in countless receiverships involving Ponzi schemes, investment fraud schemes, deceptive telemarketing schemes, and the like in the Southern District of Florida and elsewhere around the Country. Like the Receiver, the attorneys at the Sallah and Silver Firms have all agreed to substantially reduce their standard hourly rates (which range from \$400.00 to \$650.00 per hour) to \$395.00 per hour in order to further increase potential recoveries for the benefit of the Receivership Estate. They have also agreed to cap their rates

during the life of this case.

The Receiver's firm (Levine Kellogg Lehman Schneider + Grossman LLP), which will be handling all issues relating to the Seigels and Relief Defendant H.S. Management Group LLC, have agreed to the same reductions and the same cap during the life of this case. The Receiver will, of course, ensure that there is no duplication of efforts by his attorneys.

Indeed, the Sallah Firm has been doing the bulk of the work in the Corporate Monitor Action and will continue to do so in this case (except as it relates to the Seigels and Relief Defendant H.S. Management Group LLC). The Silver Firm will be used primarily for specialty litigation work involving securities claims.

As stated above, the professional services rendered by the Receiver's firm, and the necessary and reasonable non-reimbursed out-of-pocket costs attendant to those services, are described in more detail on Exhibit C. Exhibit C was prepared based on the Receiver's firm's contemporaneous daily time records, and includes a daily description of the services rendered, the hours expended, and the attorney's reduced hourly rate. The professional services rendered by the Sallah Firm, and the necessary and reasonable non-reimbursed out-of-pocket costs attendant to those services, are described in more detail on Exhibit D. Exhibit D, which was prepared based on the Sallah Firm's contemporaneous daily time records, includes a daily description of the services rendered, the hours expended, and the attorney's reduced hourly rate.<sup>4</sup> Exhibit D reflects that the Sallah Firm has charged a total of 32.80 hours for a total of \$12,956.00.<sup>5</sup>

Exhibit E reflects that the Silver Firm – which has very minimal time in the case – has charged a total of 4.0 hours for a total of \$1,580.00.

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<sup>4</sup> Counsels' billing entries in Exhibits D and E consist of "Case Administration" entries pursuant to the SEC's Billing Instructions.

<sup>5</sup> Mr. Sallah spent several hours during the applicable period, but did not bill them as a courtesy to the Receivership Estate and its victims.

#### IV. Summary Chart

For the Court's convenience, the following is a summary of the total fees and costs of the Receiver and his professionals during the applicable period covered by this Fee Application:

<b>Name</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>Total</b>
Receiver and Levine Kellogg Lehman Schneider + Grossman LLP	90.50	\$21,935.00	\$4,720.48	\$26,655.48
Sallah Astarita Cox LLC	32.80	\$12,956.00	0.00	\$12,956.00
Silver Law Group	4.0	\$1,580.00	0.00	\$1,580.00
<b>Total</b>	<b>127.30</b>	<b>\$36,471.00</b>	<b>\$4,720.48</b>	<b>\$41,191.48</b>

#### MEMORANDUM OF LAW

##### I. Summary of Services Rendered by the Receiver and his Professionals

The professional services rendered by the Receiver and his professionals, and the necessary and reasonable non-reimbursed out-of-pocket costs attendant to those services, are described in more detail on Exhibits C through E attached hereto. The Receiver and his professionals have gone to great lengths to eliminate all block-billing from their respective time entries and to provide as detailed time entries as possible without revealing information protected by the attorney-client privilege, accountant-client privilege, or work product doctrine.

The attached records set forth in narrative form the detailed nature and extent of the professional services rendered by the Receiver and his professionals. These recitals, however, constitute only a summary of the time spent. It must be recognized that a mere reading of the time summaries attached hereto cannot completely reflect the full range of services rendered by the Receiver and his professionals, the complexity of the issues, and the pressures of time and performance which have been placed upon the Receiver and his professionals in connection with this case.

The schedules of disbursements for expenses, which are also part of Exhibits C through E, are those actual and necessary expense items, such as photocopy charges, long distance telephone charges, telecopy charges, delivery charges, and various expenses incurred in connection with this matter. All of these expense items would typically be billed by the Receiver and his professionals to their general commercial clients. In addition, all travel time was reduced by 50% in accordance with the SEC's Billing Instructions.

As set forth above, the Receiver and his professionals have not been paid *any* compensation in connection with the services and expenses set forth herein, and do not expect to be paid for those services until the Receivership has sufficient resources with which to make those payments.

## **II. Applicable Legal Standard and Analysis**

In determining attorneys' fees, a court must (1) determine the nature and extent of the services rendered; (2) determine the value of those services; and (3) consider the factors set forth in *Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d. 714 (5<sup>th</sup> Cir. 1974). *See Grant v. George Schumann Tire & Battery Co.*, 908 F.2d 874, 877-78 (11<sup>th</sup> Cir. 1990) (bankruptcy fee award case addressing the issue of attorney's fees generally before considering specific requirements in the bankruptcy context). The twelve factors set forth in *Johnson*, a case involving an award of attorneys' fees under Federal civil rights statutes, as incorporated by the Eleventh Circuit in *Grant*, a bankruptcy case, are as follows: (1) the time and labor required; (2) the novelty and difficulty of the questions presented; (3) the skill required to perform the legal services properly; (4) the preclusion of other employment by the attorney due to acceptance of the case; (5) the customary fee for similar work in the community; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or by the circumstances; (8) the amount involved and results obtained; (9) the experience, reputation, and ability of the attorney; (10) the undesirability of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in

similar cases.

**A. The Time and Labor Required**

The foregoing summary description, together with the time records attached hereto, detail the time, nature, and extent of the professional services rendered by the Receiver and his professionals during the period covered by this Application. The Receiver and his professionals believe that the time spent is justified by the results that have been achieved thus far. The Receiver and his professionals believe they have played a significant role during the course of this proceeding and will continue to do so in the future.

**B. The Novelty and Difficulty of the Questions Presented**

This case required a high level of skill to secure receivership assets and to carry out the Receiver's many duties.

**C. The Skill Requisite to Perform the Services Properly**

In order to perform the required services, substantial legal skill and experience in the areas of commercial law and litigation were required of the Receiver and his professionals. The Receiver is acutely aware of the financial considerations arising in receiverships such as this. Accordingly, as this Court may gather from the Exhibits attached hereto, the Receiver has staffed the administration of this case efficiently under the direction and immediate supervision of the Receiver.

**D. The Preclusion of Other Employment Due to This Case**

Although the Receiver and his professionals were not explicitly precluded as a result of this case from accepting other matters, matters in this case were treated by the Receiver and his professionals in an expeditious and professional manner. Also, this case required the Receiver and his professionals to devote a significant amount of time to this case, to the preclusion of expending time on other active matters.

**E. The Customary Fee**

The hourly rates of the Receiver and his professionals set forth on the attached exhibits reflect a rate that is generally lower than the hourly rates billed by the Receiver and his professionals to clients in other cases, as well as rates that are consistent with or even lower than other receivers and their retained law firms in similar matters. The Receiver's and his professionals' reduced rates have been confirmed and approved in many other matters in which the Receiver and his professionals have been involved.

**F. Whether the Fee Is Fixed or Contingent**

The compensation of the Receiver and his professionals is subject to the approval of this Court, and the Receiver and his professionals have not received any compensation for their services rendered to date. The above factors should be taken into consideration by this Court, and the compensation should reflect the assumption of the risk of non-payment and delay in payment that may be borne in future applications herein.

**G. The Time Limitations Imposed**

This case imposed time limitations on the Receiver and his professionals due to the necessity for rapid resolutions of issues.

**H. The Experience, Reputation, and Ability of the Professionals**

The Receiver and his professionals enjoy a fine reputation and have proven substantial ability in the fields of equity receiverships, litigation, and business reorganization.

**I. The "Undesirability" of the Case**

This case is not the least bit undesirable, and the Receiver and his professionals are honored and privileged to serve in this case.

**J. The Nature and Length of Professional Relationship**

The Receiver and his professionals have had no prior relationship with the parties in this

case prior to the initial related proceeding of the Corporate Monitor Action.

**K. Awards in Similar Cases**

The amounts requested by the Receiver and his professionals are not unreasonable in terms of awards in cases of similar magnitude and complexity. The compensation requested by the Receiver and his professionals comports with the mandate of applicable law, which directs that services be evaluated in light of comparable services performed in other cases in the community. As stated above, the hourly rates requested by the Receiver and his professionals are generally lower than the ordinary and usual hourly rates billed by the Receiver and his professionals to not only their ordinary clients, notwithstanding the risks associated with this case, but also other receivers and their retained firms who bill at higher hourly rates.

**L. The Source of Payment for the Amounts Sought Hereunder**

The amounts for which payment is requested hereunder shall be paid from funds that are held in the Argyle receivership bank account. However, there are currently no funds in that account. The Receiver requests that this Court still grant this Fee Application, and if and when the Argyle receivership account is funded in the amount of at least the total amount sought in this Fee Application, then the requested payments shall be made from the funds in the Argyle receivership account.

**CONCLUSION**

The Receiver respectfully requests that this Court enter the proposed Order, attached as Exhibit F, approving this First Fee Application of payment and reimbursement of the requested fees and costs, and for such other relief that is just and proper. As stated above, the Receivership Estate does not currently have sufficient funds with which to pay the fees requested in this Fee Application. The Receiver, therefore, merely seeks an order of entitlement, and the Receiver will pay the amounts sought when the Receivership Estate has sufficient funds within which to do so.

**LOCAL RULE CERTIFICATION**

Pursuant to Local Rule 7.3, the Receiver hereby certifies that he has attempted to confer with counsel for the SEC, the Defendants, and the Relief Defendants regarding this Fee Application. The SEC has no objection to the relief requested herein or the proposed Order attached hereto (as Exhibit F). As of this filing, all Defendants and all Relief Defendants have not responded regarding their respective positions to the relief requested herein.

Dated: August 28, 2019

Respectfully submitted,

**SALLAH ASTARITA & COX, LLC**  
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**CERTIFICATE OF SERVICE**

I hereby certify that on August 28, 2019, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: /s/ Patrick J. Rengstl  
PATRICK J. RENGSTL, P.A.

**SERVICE LIST**

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**EXHIBIT A**  
**CERTIFICATION**

STATE OF FLORIDA        )  
  )SS:  
MIAMI-DADE COUNTY     )

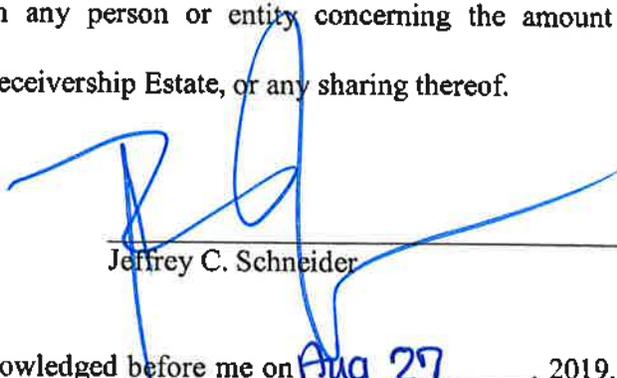
BEFORE ME, the undersigned authority, personally appeared Jeffrey C. Schneider (the "Applicant" or "Receiver"), who, after first having been duly sworn, deposes and says:

Pursuant to paragraph 55 of Section XIII of the Appointment Order, the Receiver certifies that: (i) this Fee Application complies with the terms of the Billing Instructions agreed to by the Receiver, including:

- a. the Receiver has read the Application and the exhibits attached hereto;
- b. to the best of the Receiver's knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses herein are true and accurate and comply with the Billing Instructions;
- c. all fees contained in the Application are based on the rates listed in the fee schedules attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed;
- d. the Receiver has not included in the amount for which reimbursement is sought the amortization of the costs of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission); and
- e. in seeking reimbursement for a service which the Receiver justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Receiver requests reimbursement only for the amount billed to the Receiver by the third-party vendor and paid by the Receiver to such vendor. The Receiver certifies that he is not making a profit on such reimbursable service;

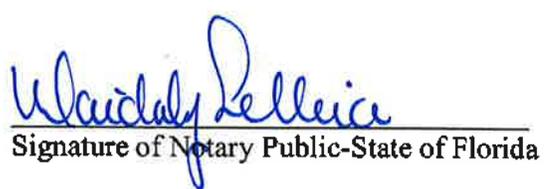
Case No. 9:19-CV-80633-ROSENBERG

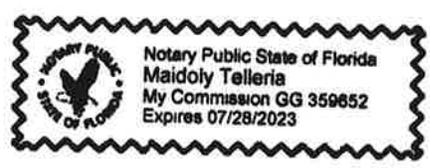
(ii) the fees and expenses herein were incurred in the best interests of the Receivership Estate; and  
(iii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

  
\_\_\_\_\_  
Jeffrey C. Schneider

The foregoing instrument was acknowledged before me on Aug. 27, 2019, by Jeffrey C. Schneider, who is personally known to me [] or who has produced \_\_\_\_\_ [type of identification] as identification.

(NOTARY SEAL)

  
\_\_\_\_\_  
Signature of Notary Public-State of Florida



**EXHIBIT B**  
**Standardized Fund Accounting Report**

STANDARDIZED FUND ACCOUNTING REPORT FOR SECURITIES AND EXCHANGE COMMISSION VS NATURAL DIAMONDS INVESTMENT CO., et al. CASE NO.: 19-CV-80633-ROSENBERG For the period May 1, 2019 through June 30, 2019				
Fund Accounting		Detail	Subtotal	Grand Total
	Cash and Securities			
Line 1		Checking Account	\$0.00	
	<b>TOTAL CURRENT ASSETS</b>		<b>\$0.00</b>	
Line 2	Business Income		\$0.00	
	<b>TOTAL INCOME</b>		<b>\$0.00</b>	
Line 3	Cash and Securities		\$0.00	
	<b>SECURITIES ENDING</b>		<b>\$0.00</b>	
Line 4	Interest/Dividend Income			
	<b>TOTAL INTEREST/ DIVIDEND INCOME</b>		<b>\$0.00</b>	
	Business Asset Liquidation		\$0.00	
	Personal Asset Liquidation		\$0.00	
Line 5	Third-Party Litigation Income		\$0.00	
Line 6	Miscellaneous - Other		\$0.00	
Line 7	<b>TOTAL FUNDS (Lines 1-6)</b>		<b>\$0.00</b>	
Line 8	Decreases in Fund Balance:		\$0.00	
	Disbursements to Investors		\$0.00	
	Disbursements to Receivables Operations		\$0.00	
Line 9	Disbursements to Receiver or Other Professional		\$0.00	
Line 10a				
	<b>TOTAL BUSINESS ASSET EXPENSES</b>		<b>\$0.00</b>	

	Personal Asset Expenses			\$0.00
	Investment Expenses			\$0.00
	Third-Party Litigation Expenses			
Line 10c	1. Attorneys Fees			
Line 10d	2. Litigation Expenses			\$0.00
Line 10e	Tax Administrator Fees and Bonds			\$0.00
Total Third-Party Litigation Expenses	Federal and State Tax Payments			\$0.00
Line 10f	<b>TOTAL DISBURSEMENTS FOR RECEIVERSHIP OPERATIONS</b>			<b>\$0.00</b>
Line 10g	Disbursements for Distribution Expenses Paid by the Fund:			\$0.00
	Distribution Plan Development Expenses			\$0.00
Line 11	Fees:			\$0.00
Line 11a	Fund Administrator			\$0.00
	Independent Distribution Consultant (IDC)			\$0.00
	Distribution Agent			\$0.00
	Consultants			\$0.00
	Legal Advisers			\$0.00
	Tax Advisers			\$0.00
	2. Administrative Expenses			\$0.00
	3. Miscellaneous			\$0.00
	Total Plan Development Expenses			\$0.00
	Distribution Plan Development Expenses			\$0.00
	1. Fees:			\$0.00
Line 11b	Fund Administrator			\$0.00
	Independent Distribution Consultant (IDC)			\$0.00
	Distribution Agent			\$0.00
	Consultants			\$0.00
	Legal Advisers			\$0.00
	Tax Advisers			\$0.00
	2. Administrative Expenses			\$0.00
	3. Investor Identification:			\$0.00
	Notice/Publishing Approved Plan			\$0.00
	Claimant Identification			\$0.00
	Claims Processing			\$0.00
	Web Site Maintenance			\$0.00
	4. Fund Administrator Bond			\$0.00
	5. Miscellaneous			\$0.00
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			\$0.00
	Total Plan Implementation Expenses			\$0.00
	Total Disbursements for Distribution Expenses Paid by the Fund			\$0.00
	Disbursements to Court/Other			\$0.00
	Investment Expenses/Court Registry Investment System (CRIS) Fees			\$0.00
Line 12	Federal Tax Payments			\$0.00
Line 12a	Total Disbursements to Court/Other:			\$0.00
Line 12b	<b>TOTAL FUNDS DISBURSED (Lines 9-12)</b>			<b>\$0.00</b>
	Ending Balance			\$0.00
	Cash & Cash Equivalents			\$0.00
	Investments			\$0.00
Line 13	Other Assets or Unclear Funds			\$0.00
Line 14	Total Ending Balance of Fund			\$0.00
Line 14a				
Line 14b	Report of Items NOT to be Paid by the Fund:			

Line 14c	Disbursements for Plan Administration Expenses Not Paid by the Fund:				\$0.00
	Plan Development Expenses Not Paid by the Fund:				\$0.00
<b>OTHER SUPPLEMENT</b>					
	1. Fees:				\$0.00
	Fund Administrator				\$0.00
Line 15	IDC				\$0.00
Line 15a	Distribution Agent				\$0.00
	Consultants				\$0.00
	Legal Advisers				\$0.00
	Tax Advisers				\$0.00
	2. Administrative Expenses				\$0.00
	3. Miscellaneous				\$0.00
	Total Plan Development Expenses Not Paid by the Fund				\$0.00
	Plan Implementation Expenses Not Paid by the Fund:				\$0.00
	1. Fees:				\$0.00
	Fund Administrator				\$0.00
	IDC				\$0.00
Line 15b	Distribution Agent				\$0.00
	Consultants				\$0.00
	Legal Advisers				\$0.00
	7. Administrative Expenses				\$0.00
	3. Investor Identification:				\$0.00
	Notice/Publishing Approved Plan				\$0.00
	Claimant Identification				\$0.00
	Claims Processing				\$0.00
	Web Site Maintenance				\$0.00
	4. Fund Administrator Bond				\$0.00
	5. Miscellaneous				\$0.00
	6. FARM Reporting Expenses				\$0.00
	Fee Administrator Fees & Bonds Not Paid by the Fund				\$0.00
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund				\$0.00
	Disbursements to Court/Other Not Paid by the Fund:				\$0.00
Total Plan Implementation Expenses Not Paid by the Fund	Investment Expenses/CMS Fees				\$0.00
Line 15c	Federal Tax Payments				\$0.00
	Total Disbursements to Court/Other Not Paid by the Fund:				\$0.00
Line 16	DC & State Tax Payments				\$0.00
Line 16a	No. of Claims:				0
Line 16b	# of Claims Received this Reporting Period				
	# of Claims Received Since Inception of Fund				
Line 17	No. of Claimants/Investors:				
Line 18	# of Claimants/Investors Paid this Reporting Period	0			
	# of Claimants/Investors Paid Since Inception of Fund	0			
Line 18a					\$0.00
Line 18b					
Line 19					
Line 19a					
Line 19b					
Preparer:  Jeffrey E. Schneider, Court-Appointed Receiver Printed Name: Jeffrey E. Schneider Date: 8-28-19					



**EXHIBIT C**  
**Receiver and Levine Kellogg Lehman Schneider + Grossman LLP**

<b>Name</b>	<b>Title</b>	<b>Standard Rate</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Billable Amount</b>
Ana M. Salazar	Receivership Administrator	\$265.00	\$150.00	55.90	\$8,385.00
Jeffrey Schneider	Partner	\$695.00	\$395.00	32.00	\$12,640.00
Stephanie Trabant	Partner	\$620.00	\$350.00	2.60	\$910.00
<b>Total</b>					<b>\$21,935.00</b>

## Levine Kellogg Lehman Schneider + Grossman LLP

22nd Floor, Citigroup Center  
 201 S. Biscayne Blvd.  
 Miami, Florida 33131  
 Tax ID No. 27-1712833

Tax I.D.: 27-1712833

Jeffrey C. Schneider, Receiver for Argyle Coin, LLC

July 1, 2019  
 Bill # 25600

Re: 78578-002  
 Receiver for Argyle Coin

## Professional Fees

	Atty	Description	Hours	Amount
04/08/19	JCS	Conference with A. Berlin.	0.30	118.50
04/25/19	JCS	Conference with A. Berlin and attention to issues regarding funds to Winners Church.	0.60	237.00
05/02/19	JCS	Review and respond to SEC emails.	0.40	158.00
05/06/19	JCS	Review and respond to A. Berlin's emails.	0.20	79.00
05/07/19	JCS	Review Declaration from SEC.	0.40	158.00
05/07/19	JCS	Review I. Encinosa letter with attachments.	0.80	316.00
05/09/19	JCS	Conference with A. Berlin and L. Schmidt.	0.40	158.00
05/09/19	JCS	Review investment contracts.	1.60	632.00
05/09/19	JCS	Revise Declaration.	0.40	158.00
05/10/19	JCS	Conference with B. Buckstein regarding Winner's Church.	0.40	158.00
05/14/19	JCS	Conference with A. Berlin.	0.40	158.00
05/14/19	JCS	Review TRO.	0.40	158.00
05/15/19	JCS	Review and respond to SEC emails.	0.30	118.50
05/16/19	JCS	Review SEC deposition notices.	0.20	79.00
05/20/19	JCS	Review and respond to A. Berlin's emails regarding receivership and SEC depositions.	0.30	118.50
05/20/19	JCS	Review receivership Order.	0.30	118.50
05/21/19	JCS	Review Orders and attention to issues regarding same.	0.30	118.50
05/21/19	JCS	Conference with A. Berlin.	0.40	158.00
05/22/19	JCS	Review and revise consent notice.	0.20	79.00
05/22/19	JCS	Prepare for preliminary injunction hearing.	1.70	671.50

Client Ref: 78578 - 002  
 Bill # 25600

July 1, 2019  
 Page 2

Professional Fees

	Atty	Description	Hours	Amount
05/22/19	JCS	Review account records by Winners Church.	0.50	197.50
05/22/19	JCS	Conference with L. Schmidt.	0.30	118.50
05/23/19	JCS	Travel to and from and attend hearing on Motion for preliminary injunction.	5.60	2,212.00
05/24/19	JCS	Review proposed preliminary injunction.	1.10	434.50
05/24/19	JCS	Review and respond to emails from SEC regarding meeting with Seigels.	0.60	237.00
05/26/19	JCS	Review emails regarding TRL as it relates to Gold.	0.40	158.00
05/28/19	JCS	Prepare for meeting with Seigels.	0.80	316.00
05/28/19	JCS	Attend meeting with Seigels.	1.40	553.00
05/29/19	JCS	Review and revise website pages.	0.60	237.00
05/31/19	JCS	Preliminary review of production by Winners Church.	0.70	276.50
05/31/19	JCS	Conference with A. Berlin regarding next steps.	0.90	355.50
06/03/19	JCS	Review and respond to S. Hofer's emails.	0.30	118.50
06/03/19	JCS	Conference with S. Hofer.	0.50	197.50
06/03/19	JCS	Review and revise website content.	0.60	237.00
06/03/19	JCS	Review Winners Church Findings of Facts.	0.90	355.50
06/04/19	JCS	Review Winners Church bank records.	0.70	276.50
06/04/19	JCS	Review SEC Discovery Notice.	0.20	79.00
06/04/19	JCS	Conference with A. Berlin.	0.70	276.50
06/05/19	JCS	Review SEC exchange with Counsel for Gold 7.	0.20	79.00
06/05/19	JCS	Review I. Encinosa letter.	0.40	158.00
06/07/19	JCS	Finalize website.	0.60	237.00
06/10/19	JCS	Review and revise C. DeStefano's Stipulation.	0.50	197.50
06/19/19	JCS	Review and revise inventory prepared by C. DeStefano.	0.40	158.00
06/20/19	JCS	Arrange for transfer and accounting of coin collection comprising 44 pieces from safe located at the offices of Eagle.	0.60	237.00
06/20/19	JCS	Conference with A. Berlin.	0.20	79.00
06/20/19	JCS	Review Answer and Affirmative Defenses filed by Winners Church.	0.30	118.50

Client Ref: 78578 - 002  
 Bill # 25600

July 1, 2019  
 Page 3

Professional Fees

	Atty	Description	Hours	Amount
06/23/19	JCS	Review lists of assets and email A. Berlin regarding same.	0.30	118.50
06/24/19	JCS	Review and respond to M. Miranda's emails regarding inventory and DeStefano meeting.	0.40	158.00
06/25/19	JCS	Conference with E. Kaplan.	0.40	158.00
06/26/19	JCS	Conference with A. Berlin regarding status of settlement with Winners Church.	0.50	197.50
06/29/19	JCS	Review Scheduling Order Report and A. Resnick's revisions to same.	0.40	158.00

Fee Summary

Name	Hours	Amount
Jeffrey C. Schneider	32.00	12,640.00
<b>Total Fees</b>	<u>32.00</u>	<u>\$12,640.00</u>
<b>Current Bill Total Amount Due</b>		<u><u>\$12,640.00</u></u>

# Please return this page with remittance

to  
Levine Kellogg Lehman Schneider + Grossman LLP  
22nd Floor, Citigroup Center  
201 S. Biscayne Blvd.  
Miami, Florida 33131

Bill # 25600  
Bill Date: July 1, 2019  
Client Code: 78578  
Client Name: Jeffrey C. Schneider, Receiver for Argyle Coin, LLC  
Matter Code: 002  
Matter Name: Receiver for Argyle Coin

Current Bill Total Amount Due

\$12,640.00

Amount enclosed: \_\_\_\_\_

## Levine Kellogg Lehman Schneider + Grossman LLP

22nd Floor, Citigroup Center  
 201 S. Biscayne Blvd.  
 Miami, Florida 33131  
 Tax ID No. 27-1712833

Tax I.D.: 27-1712833

Jeffrey C. Schneider, Receiver for Argyle Coin, LLC

July 1, 2019  
Bill # 25601Re: 78578-003  
Argyle Coin

## Professional Fees

	Atty	Description	Hours	Amount
04/30/19	AMS	Confer with Jeffrey Schneider regarding demand letter served on Church of Palm Beach.	0.10	15.00
05/13/19	AMS	Review background documents, Complaint, Motion for Temporary Restraining Order, and Motion for Appointment of Receiver.	2.00	300.00
05/14/19	AMS	Research, collect and gather information relevant to Jose Aman and Argyle.	1.50	225.00
05/20/19	SRT	Communicate with Receiver regarding affiliates and principals of Argyle.	0.30	105.00
05/21/19	SRT	Prepare Notice of Consent by Receiver regarding actions by SEC.	0.80	280.00
05/22/19	AMS	Conference call with investor, [REDACTED] regarding SEC action.	0.10	15.00
05/22/19	AMS	Review and revise Notice of Consent by Corporate Monitor and Receiver.	0.10	15.00
05/22/19	AMS	Meet and confer with Jeffrey Schneider regarding to do list.	0.20	30.00
05/22/19	AMS	Draft Notice of Filing 28 U.S.C § 754 U.S. District Court of Colorado.	0.60	90.00
05/22/19	AMS	Draft letter to Clerk of Court District Court of Colorado.	0.10	15.00
05/22/19	AMS	Confer with Jeffrey Schneider regarding recording of documents in Colorado.	0.10	15.00
05/23/19	AMS	Conference call with website developer regarding receivership website.	0.80	120.00

Client Ref: 78578 - 003  
 Bill # 25601

July 1, 2019  
 Page 2

Professional Fees

Atty	Description	Hours	Amount
05/23/19 AMS	Draft correspondence to investor [REDACTED] enclosing both Orders appointing receiver and summary of receivership.	0.20	30.00
05/23/19 AMS	Draft Memo for Jeffrey Schneider summarizing deadlines pursuant to the Order Appointing Receiver and TRO.	0.60	90.00
05/24/19 AMS	Secure ownership of website domain for receivership website.	0.30	45.00
05/28/19 AMS	Meeting with Jeffrey Schneider and P. Rengstl regarding SEC case and strategy going forward.	0.50	75.00
05/28/19 AMS	Conduct online research of defendants assets, including mortgages, deeds and liens.	2.80	420.00
05/28/19 AMS	Review periodicals regarding lawsuits filed against corporate defendants.	0.10	15.00
05/29/19 AMS	Draft outline of information and content in connection with development of the receivership website.	5.90	885.00
05/29/19 AMS	Conference with web design team regarding receivership website.	0.20	30.00
05/30/19 AMS	Draft contents for receivership website.	3.80	570.00
06/03/19 AMS	Draft Notice of Filing Order Granting SEC's Motion for Asset Freeze and Appointment Order pursuant to 28 U.S.C. §754 for the District Court of Colorado.	0.80	120.00
06/03/19 AMS	Strategize with Jeffrey Schneider regarding pending motions.	0.40	60.00
06/04/19 AMS	Draft demand letter and request for documents MJM Global Insurance Brokerage Group.	1.00	150.00
06/04/19 AMS	Draft demand letter request for documents to Jewelers Mutual Insurance Co.	0.50	75.00
06/04/19 SRT	Correspond with Mr. Brookmyer regarding Geddes case and Motion to Stay.	0.30	105.00
06/04/19 SRT	Conference with Receiver regarding Motion to Consolidate.	0.20	70.00
06/04/19 AMS	Review documents produced by Winners Church.	1.10	165.00
06/05/19 AMS	Draft demand letter and request for documents addressed to MJM Global Insurance enclosing copy of Order Appointing Receiver and Monitor Order.	1.00	150.00

Client Ref: 78578 - 003  
 Bill # 25601

July 1, 2019  
 Page 3

Professional Fees

Atty	Description	Hours	Amount
06/05/19 AMS	Draft demand letter and request for documents addressed to Gary Miller enclosing copy of Order Appointing Receiver and Monitor Order.	0.60	90.00
06/05/19 AMS	Draft demand letter and request for documents addressed to Jewelers Mutual Insurance Co. enclosing copy of Order Appointing Receiver and Monitor Order.	0.60	90.00
06/05/19 AMS	Draft correspondence and process checks payable to Denver Clerk Recorder's Office in preparation for recording SEC Asset Freeze Order and Order Appointing Receiver.	0.30	45.00
06/06/19 AMS	Work on receivership website; revise contents in registration form; upload court documents.	2.80	420.00
06/06/19 AMS	Update receivership website (upload Court Documents).	1.80	270.00
06/06/19 SRT	Communicate with Mr. O'Reilly and other counsel regarding additional cases against Eagle, National and Argyle.	1.00	350.00
06/07/19 AMS	Case Management; organize document production; develop load files for upload in attorney review platform.	4.80	720.00
06/07/19 AMS	Create hyperlink of various documents produced by Gold 7 of Miami; forward document production to counsel P. Rengstl.	0.60	90.00
06/10/19 AMS	Conference with Jeffrey Schneider regarding transfer of jewelry from Carmelo De Stefano.	0.10	15.00
06/10/19 AMS	Draft Receiver's Letter to Investors.	0.80	120.00
06/10/19 AMS	Review and respond to investor emails regarding status of receivership.	0.20	30.00
06/11/19 AMS	Respond to investor email regarding status of receivership.	0.10	15.00
06/11/19 AMS	Update receivership website to include recent rulings issued by the Court.	0.60	90.00
06/11/19 AMS	Email to Judge Rosenberg enclosing proposed Order concerning the transfer of jewelry to the Receiver.	0.10	15.00
06/11/19 AMS	Review and revise Order regarding transfer of jewelry for filing with the Court.	0.10	15.00
06/12/19 AMS	Conference with investor, [REDACTED] regarding status of receivership.	0.10	15.00

Client Ref: 78578 - 003  
 Bill # 25601

July 1, 2019  
 Page 4

Professional Fees

Atty	Description	Hours	Amount
06/13/19 AMS	Travel to and from Bank; secure receivership assets in safe deposit box.	0.90	135.00
06/13/19 AMS	Review docket sheet for entry of Order concerning the transfer of jewelry.	0.10	15.00
06/13/19 AMS	Respond to Israel Encinosa's email (counsel for Carmelo De Stefano) regarding turn-over of jewelry.	0.10	15.00
06/14/19 AMS	Correspond with Israel Encinosa enclosing Order issued by Judge Rosenberg regarding transfer of jewelry.	0.10	15.00
06/14/19 AMS	Draft Acknowledgment of Receipt of Jewelry between Receiver and Israel Encinosa.	0.40	60.00
06/14/19 AMS	Incorporate Jeffrey Schneider's edits to Acknowledgment.	0.10	15.00
06/14/19 AMS	Review and revise letter to investors.	0.20	30.00
06/14/19 AMS	Review and respond to investor emails regarding status of receivership.	0.20	30.00
06/14/19 AMS	Confer with Jeffrey Schneider regarding receivership account.	0.10	15.00
06/17/19 AMS	Attention to issues regarding securing jewelry between Receiver and Israel Encinosa.	0.10	15.00
06/17/19 AMS	Update receivership website; post Court Documents and Receiver's Letter to Investors.	1.00	150.00
06/19/19 AMS	Prepare documents for meeting with Israel Encinosa regarding turnover of jewelry.	1.20	180.00
06/20/19 AMS	Meeting with Jeffrey Schneider, Manuel Miranda and Jane Ramsey at Tenhagen Appraisals regarding turnover of jewelry by Carmelo de Stefano.	1.10	165.00
06/20/19 AMS	Meeting at Holland & Knight with Manuel Miranda, Jeffrey Schneider regarding turnover of jewelry	1.20	180.00
06/20/19 AMS	Travel to and from bank to secure, document and take pictures of jewelry turned over by Carmelo de Stefano.	2.10	315.00
06/24/19 AMS	Respond to investor emails regarding status of receivership.	0.10	15.00
06/24/19 AMS	Review documents produced by Jewelers Mutual Insurance.	0.60	90.00

Client Ref: 78578 - 003  
 Bill # 25601

July 1, 2019  
 Page 5

Professional Fees

Atty	Description	Hours	Amount
06/24/19 AMS	Download pictures of inventory received from Carmelo de Stefano; organize and cross-reference pictures with invenotry list; create hyper-link of acknowledgment and inventory received and forward to counsel for Carmelo de Stefano.	1.60	240.00
06/24/19 AMS	Review and respond to investor email regarding status of receivership.	0.10	15.00
06/25/19 AMS	Research regarding Art Craft.	1.00	150.00
06/26/19 AMS	Begin working on investor master list in preparation for mass mail out of Receiver's letter to investors.	3.20	480.00
06/27/19 AMS	Review files from J. Tenhagen Gemstones.	0.60	90.00
06/27/19 AMS	Draft Acknowledgment of Receipt between Receiver and Jose Aman regarding turn-over of engagement ring and storage keys.	0.10	15.00
06/27/19 AMS	Meet with Jose Aman regarding turn-over of engagement ring and storage keys; take pictures of inventory received.	0.20	30.00
06/27/19 AMS	Correspond with Kevin O'Reilly enclosing executed Acknowledgment.	0.10	15.00
06/27/19 AMS	Update inventory list to include items turned over by Carmelo de Stefano and Jose Aman.	1.00	150.00

Fee Summary

Name	Hours	Amount
Ana Maria Salazar	55.90	8,385.00
Stephanie Reed Traband	2.60	910.00
<b>Total Fees</b>	<b>58.50</b>	<b>\$9,295.00</b>

Costs

Expenses	Amount
SEC Receivership Website	4,020.00
Color Copies	54.00
Overnight Delivery	99.48
Service of Process	336.00
Recording Fee	211.00
<b>Total Costs</b>	<b>\$4,720.48</b>

Client Ref: 78578 - 003  
Bill # 25601

July 1, 2019  
Page 6

Current Bill Total Amount Due

\$14,015.48

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to  
Levine Kellogg Lehman Schneider + Grossman LLP  
22nd Floor, Citigroup Center  
201 S. Biscayne Blvd.  
Miami, Florida 33131

Bill # 25601  
Bill Date: July 1, 2019  
Client Code: 78578  
Client Name: Jeffrey C. Schneider, Receiver for Argyle Coin, LLC  
Matter Code: 003  
Matter Name: Argyle Coin

Current Bill Total Amount Due

\$14,015.48

Amount enclosed: \_\_\_\_\_

**EXHIBIT D**  
**Sallah Astarita & Cox, LLC**

<b>Name</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Billable Amount</b>
Patrick Rengstl	\$395.00	32.80	\$12,956.00
<b>Total</b>			<b>\$12,956.00</b>

# SALLAH ASTARITA COX LLC

3010 North Military Trail, Suite 210 | Boca Raton, Florida 33431  
Phone: (561) 989-9080 · Fax: (561) 989-9020 | www.sallahlaw.com

ATTORNEYS AT LAW Florida | New York | New Jersey

Jeffrey C. Schneider, Receiver

Statement Date: July 11, 2019  
Statement No. 1  
Account No. 1374.00  
Page: 1

Attn: Jeffrey C. Schneider

RE: Argyle Coin, LLC

***Payments received after 07/11/2019 are not included on this statement.***

### Fees

			Hours	
05/07/2019	PJR	Review and revise J. Schneider declaration for SEC case.	0.40	158.00
05/08/2019	PJR	Call with J. Schneider re final edits to declaration for SEC case.	0.10	39.50
	PJR	Emails with J. Schneider re final edits to declaration.	0.10	39.50
05/15/2019	PJR	Call with J. Schneider re status of service of TRO and other issues from SEC filings.	0.10	39.50
	PJR	Review SEC's complaint, motion for TRO, motion for receiver, and issued TRO.	1.30	513.50
	PJR	Analysis of our files for banks for service of TRO.	0.30	118.50
05/16/2019	PJR	Attention to G7 issues.	0.10	39.50
05/17/2019	PJR	Emails with J. Schneider re G7 issues.	0.20	79.00
05/21/2019	PJR	Call with J. Schneider re status in SEC matter including depositions scheduled this week and PI hearing scheduled this week.	0.20	79.00
	PJR	Emails with J. Schneider and A. Salazar re deadlines to calendar in receivership order and filing 754 notice in Colorado District Court.	0.20	79.00
	PJR	Texts with J. Schneider re Marshall Islands/Argyle.	0.10	39.50
05/22/2019	PJR	Review affidavit of Winners Church.	0.10	39.50
	PJR	Review supplemental affidavit of Winners Church.	0.10	39.50
	PJR	Review affidavit of F. Shipman.	0.10	39.50
	PJR	Review affidavit of W. Shipman.	0.10	39.50
	PJR	Emails with J. Schneider re affidavits of Winners Church and the Shipmans.	0.20	79.00
	PJR	Call with J. Schneider re PI hearing.	0.10	39.50
	PJR	Emails to J. Schneider re Winners Church and claimed exemption under Fla. Stat. Section 726.109(7).	0.20	79.00
	PJR	Review notice of filing by SEC re Seigels' non-opposition to PI.	0.10	39.50
05/23/2019	PJR	Calls with J. Schneider re Winners Church and G7 issues before PI hearing.	0.20	79.00
	PJR	Call with J. Schneider re Winners Church and G7 issues after PI hearing.	0.10	39.50
	PJR	Review Winners Church and Shipmans' Memo in Opposition to PI.	0.30	118.50
	PJR	Review order of rulings from show cause PI hearing.	0.20	79.00

Jeffrey C. Schneider, Receiver  
 Account No. 1374.00  
 RE: Argyle Coin, LLC

Statement Date: 07/11/2019  
 Statement No. 1  
 Page No. 2

		Hours	
	PJR Review admitted evidence from show cause PI hearing.	0.10	39.50
05/28/2019	PJR Travel to/from for purposes of meeting with Seigels, their counsel, and J. Schneider (billed ½ time per SFAR).	0.80	316.00
	PJR Attend meeting with Seigels, their counsel, and J. Schneider.	2.70	1,066.50
	PJR Meeting with J. Schneider and A. Salazar after meeting with Seigels.	0.30	118.50
	PJR Review email from Seigels' counsel requesting documents and respond to J. Schneider re same.	0.20	79.00
05/29/2019	PJR Review emails between E. Cohen and J. Schneider re her discovery requests.	0.20	79.00
	PJR Review Malca-Amit document production.	0.40	158.00
	PJR Email to A. Abuan (former Argyle employee) re meeting request.	0.10	39.50
	PJR Review many texts between Seigels and Aman re G7 issues.	0.30	118.50
	PJR Emails to/from J. Schneider and S. Silver re many texts between Seigels and Aman re G7 issues.	0.10	39.50
	PJR Call with K. O'Reilly re texts between Seigels and Aman re G7 issues.	0.20	79.00
	PJR Draft email to I. Encinosa (counsel for C. De Stefano) re his letter dated 5-7-19.	1.40	553.00
05/30/2019	PJR Calls with A. Abuan re scheduling meeting and contact of Ideofuzion (developer of code for Argyle Coin).	0.30	118.50
	PJR Emails to/from J. Schneider re Ideofuzion (developer of code for Argyle Coin).	0.20	79.00
	PJR Review emails from K. O'Reilly and S. Traband re new lawsuit and filing appointment order in SEC case to stay lawsuit.	0.10	39.50
	PJR Review order imposing preliminary injunction on defendants and relief defendant H&S.	0.20	79.00
	PJR Review order imposing continuing asset freeze on Gold 7.	0.10	39.50
	PJR Review order imposing continuing asset freeze on Winners Church and Shipmans.	0.20	79.00
	PJR Draft motion to employ legal counsel.	0.80	316.00
	PJR Emails to/from J. Schneider re status of contacting S. Hofer (color/rough diamond expert).	0.20	79.00
	PJR Continue to draft email response to I. Encinosa (counsel for C. De Stefano) re his letter dated 5-7-19.	1.10	434.50
	PJR Review I. Encinosa's (counsel for C. De Stefano) letter dated 5-7-19 and many attachments for purposes of finalizing email response to him.	0.40	158.00
05/31/2019	PJR Emails to/from A. Abuan (former Argyle employee) re meeting.	0.10	39.50
	PJR Prepare for meeting with A. Abuan (former Argyle employee).	0.20	79.00
	PJR Continue to draft motion to employ legal counsel.	0.40	158.00
	PJR Draft order granting motion to employ legal counsel.	0.30	118.50
	PJR Review emails between E. Cohen and J. Schneider re her discovery requests.	0.20	79.00
	PJR Continue to review Malca-Amit document production.	0.40	158.00
	PJR Email to A. Abuan (former Argyle employee) re meeting request.	0.10	39.50
	PJR Review many texts between Seigels and Aman re G7 issues.	0.30	118.50
	PJR Emails to/from J. Schneider and S. Silver re many texts between Seigels and Aman re G7 issues.	0.10	39.50
	PJR Call with K. O'Reilly re texts between Seigels and Aman re G7 issues.	0.20	79.00
06/03/2019	PJR Travel to/from J. Schneider's office for purposes of meeting with A. Abuan (former Argyle employee) and J. Schneider (billed ½ time per SFAR).	0.70	276.50
	PJR Attend call with S. Hofer and J. Schneider re potential consulting role with valuing and cutting rough diamonds.	0.20	79.00
	PJR Attend meeting with A. Abuan (former Argyle employee) and J. Schneider.	1.20	474.00
	PJR Meeting with J. Schneider and S. Traband after meeting with A. Abuan.	0.40	158.00

Jeffrey C. Schneider, Receiver  
 Account No. 1374.00  
 RE: Argyle Coin, LLC

Statement Date: 07/11/2019  
 Statement No. 1  
 Page No. 3

		Hours	
	PJR Draft demand email serving Preliminary Injunction and Appointment Order on Ideofuzion.	0.40	158.00
	PJR Continue to draft motion to employ counsel.	0.50	197.50
	PJR Continue to draft proposed order granting motion to employ.	0.10	39.50
	PJR Pull exhibits for motion to employ.	0.20	79.00
	PJR Emails to J. Schneider and rest of legal team re motion to employ, order, and exhibits.	0.20	79.00
	PJR Draft motion to consolidate and expand receivership.	1.20	474.00
	PJR Draft proposed order granting motion to consolidate and expand receivership.	0.90	355.50
06/04/2019	PJR Compile voluminous information and docs requested by potential diamond consultant S. Hofer and send several emails attaching info/docs to him.	1.30	513.50
	PJR Emails to J. Schneider and rest of legal team re motion to employ, proposed order, and exhibits.	0.10	39.50
	PJR Review revised motion to employ by J. Schneider.	0.10	39.50
	PJR Continue to draft motion to consolidate and expand receivership.	0.90	355.50
	PJR Continue to draft proposed order granting motion to consolidate and expand receivership.	0.30	118.50
	PJR Emails to/from J. Schneider and rest of legal team re motion to consolidate and expand, proposed order, and exhibits.	0.20	79.00
	PJR Review J. Schneider's revisions to motion to consolidate and expand receivership.	0.20	79.00
06/07/2019	PJR Continue to compile voluminous information and docs requested by potential diamond consultant S. Hofer and send additional email attaching info/docs to him.	0.60	237.00
	PJR Review emails between J. Schneider and I. Encinosa (C. De Stefano's counsel) re proposed stipulation re 38 pieces of diamonds/jewelry.	0.20	79.00
	PJR Review letter dated June 5, 2019 from I. Encinosa (C. De Stefano's counsel) re proposed stipulation re 38 pieces of diamonds/jewelry.	0.20	79.00
06/10/2019	PJR Review and revise proposed agreed order with C. De Stefano re 38 pieces of jewelry.	0.50	197.50
	PJR Emails to/from J. Schneider re revisions to proposed agreed order with C. De Stefano re 38 pieces of jewelry.	0.20	79.00
	PJR Review Winners Church's supplemental production to SEC.	0.40	158.00
	PJR Review and revise proposed agreed order with C. De Stefano re 38 pieces of jewelry.	0.50	197.50
	PJR Emails to/from J. Schneider re revisions to proposed agreed order with C. De Stefano re 38 pieces of jewelry.	0.20	79.00
	PJR Review Winners Church's supplemental production to SEC.	0.40	158.00
06/11/2019	PJR Review findings of fact and conclusions of law re asset freeze over Winners Church and Shipmans.	0.40	158.00
	PJR Calls with Receiver re (i) finalizing and submitting to Judge Rosenberg for entry the proposed agreed order involving non-party C. De Stefano and (ii) findings of fact and conclusions of law re asset freeze over Winners Church and Shipmans.	0.20	79.00
	PJR Email to C. De Stefano's counsel re logistics of delivery of jewelry pursuant to agreed order.	0.20	79.00
	PJR Draft notice of filing proposed agreed order involving non-party C. De Stefano.	0.30	118.50
	PJR Email to and call with A. Salazar regarding filing notice of filing proposed agreed order involving non-party C. De Stefano.	0.20	79.00
06/12/2019	PJR Review emails from I. Encinosa and J. Schneider re logistics of picking up 38 pieces of jewelry subject to agreed order involving non-party C. De Stefano.	0.10	39.50

Jeffrey C. Schneider, Receiver  
 Account No. 1374.00  
 RE: Argyle Coin, LLC

Statement Date: 07/11/2019  
 Statement No. 1  
 Page No. 4

			Hours	
06/14/2019	PJR	Emails to/from J. Schneider and search file re list of 38 pieces of jewelry subject to agreed order involving C. De Stefano.	0.30	118.50
06/17/2019	PJR	Review emails between J. Schneider and C. De Stefano's counsel re logistics for delivery of 38 pieces of jewelry subject to agreed order.	0.20	79.00
06/18/2019	PJR	Review emails between J. Schneider and C. De Stefano's counsel re logistics for delivery of 38 pieces of jewelry subject to agreed order.	0.10	39.50
06/19/2019	PJR	Review acknowledgements drafted by C. De Stefano's counsel re 38 pieces of jewelry subject to agreed order.	0.20	79.00
	PJR	Review Excel list drafted by C. De Stefano's counsel of 38 pieces of jewelry subject to agreed order.	0.10	39.50
	PJR	Emails to/from J. Schneider re comments/edits to acknowledgements drafted by C. De Stefano's counsel re 38 pieces of jewelry subject to agreed order.	0.20	79.00
06/25/2019	PJR	Review emails between J. Schneider and E. Kaplan re multiple Seigel issues, including coins secured from premises.	0.20	79.00
06/26/2019	PJR	Emails to/from J. Schneider, J. Sallah, and S. Silver re new version of motion to employ.	0.10	39.50
	PJR	Review new version of motion to employ.	0.10	39.50
For Current Services Rendered			32.80	12,956.00

Recapitulation				
Timekeeper	Title	Hours	Rate	Total
Patrick J. Rengstl, Esq.	Of Counsel	32.80	\$395.00	\$12,956.00
<b>Total Current Work</b>				<b>12,956.00</b>
<b>Balance Due</b>				<b><u>\$12,956.00</u></b>

Please include copy with remittance. This statement shall be deemed and correct if not objected to in writing within 10 days after mailing.

**EXHIBIT E**  
**Silver Law Group**

<b>Name</b>	<b>Title</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Billable Amount</b>
Scott L. Silver	Partner	\$395.00	4.00	\$1,580.00
<b>Total</b>				<b>\$1,580.00</b>

**SILVER LAW GROUP'S TIMESHEET**

Securities and Exchange Commission vs. Natural Diamonds Investment Co., et al.		
Case No. 9:19-CV-80633-ROSENBERG		
Attorney/Staff	Date	Activity
<b>Scott L. Silver</b>		
SLS	May 15, 2019	Review SEC's Complaint, Motion for TRO, Motion for Receiver and issued TRO
SLS	May 20, 2019	Review Order Granting Plaintiff Securities and Exchange Commission's Motion for Appointment of Receiver
SLS	May 22, 2019	Review Notice of Filing by SEC regarding Seigel's non-opposition to preliminary injunction
SLS	May 29, 2019	Review texts between Seigels and Aman re G7 issues
SLS	May 29, 2019	Emails with P. Rengstl and J. Schneider regarding texts between Seigels and Aman re G7 issues
SLS	May 30, 2019	Review Order(s) imposing continuing asset freeze
SLS	May 31, 2019	Emails with P. Rengstl and J. Schneider regarding texts between Seigels and Aman re G7 issues
SLS	June 3, 2019	Emails with P. Rengstl and J. Schneider regarding motion to employ, proposed order and exhibits
SLS	June 4, 2019	Emails with P. Rengstl and J. Schneider regarding motion to employ, proposed order and exhibits
SLS	June 4, 2019	Emails with P. Rengstl and J. Schneider regarding motion to consolidate and expand, proposed order and exhibits
SLS	June 11, 2019	Review Findings of Fact and Conclusions of Law Regarding Asset Freeze Against Winners Church, Frederick Shipman and Whitney Shipman
SLS	June 11, 2019	Emails with P. Rengstl and J. Schneider regarding asset freeze against Winners Church and Shipmans
SLS	June 26, 2019	Emails with P. Rengstl, J. Sallah and J. Schneider regarding motion to employ
SLS	June 26, 2019	Emails with P. Rengstl, J. Sallah and J. Schneider regarding motion to consolidate
<b>Total</b>		<b>Rate - \$395.00</b>
		<b>Balance Due \$1,580.00</b>

# EXHIBIT F

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(Palm Beach Division)**

**Case No. 9:19-CV-80633-ROSENBERG**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,  
et al.,

Defendants,

H.S. MANAGEMENT GROUP LLC, et al.,

Relief Defendants.

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**ORDER GRANTING FIRST APPLICATION FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT  
OF EXPENSES TO THE RECEIVER AND HIS PROFESSIONALS**

THIS CAUSE is before the court upon the First Application of Jeffrey C. Schneider, not individually, but solely in his capacity as the court-appointed receiver (the “Receiver”),<sup>1</sup> for Allowance of Compensation and Reimbursement of Expenses to the Receiver and his Professionals [DE 133] (the “First Application”). The Court, having reviewed the First Application, having been advised of the parties’ positions with respect thereto, and being otherwise duly advised in the premises, hereby **ORDERS AND ADJUDGES** as follows:

1. The Motion is **GRANTED**.
2. The Court authorizes the Receiver to make the following payments from the Argyle receivership bank account.

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<sup>1</sup> On May 16, 2019, this Court appointed Mr. Schneider as receiver for Argyle Coin, LLC [DE 20]. On July 11, 2019, this Court granted the Receiver’s Motion to Expand Receivership to include Natural Diamonds Investment Co. and Eagle Financial Diamond Group, Inc. a/k/a Diamante Atelier [DE 97, 104].

- (a) The Receiver is authorized to pay himself compensation in the amount of \$12,640.00; and his law firm compensation in the amount of \$9,295.00 and reimbursement of expenses in the amount of \$4,720.48 (for a total of \$26,655.48).
- (b) The Receiver is authorized to pay Sallah Astarita & Cox, LLC compensation in the amount of \$12,956.00.
- (c) The Receiver is authorized to pay Silver Law Group compensation in the amount of \$1,580.00.

**DONE** and **ORDERED** in Chambers in Palm Beach County, this \_\_\_\_ day of \_\_\_\_\_, 2019.

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ROBIN L. ROSENBERG  
UNITED STATES DISTRICT JUDGE

*Copies furnished to all counsel of record*