

**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 UNOPPOSED NINTH 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”) for Natural Diamonds Investment Co (“NDIC”), Eagle Financial Diamond Group (“EFDG”), and Argyle Coin, LLC (“Argyle”), submits his Ninth Interim Application for allowance and payment of compensation and reimbursement of expenses for the quarterly period of October 1, 2021 through December 31, 2021.

The Receiver has conferred with the only entity that is still a party to this case, the Securities and Exchange Commission (the “SEC”), which has consented to the relief requested herein.

## **INTRODUCTION AND BRIEF BACKGROUND**

As with his quarterly status report filed earlier this month, the Receiver will not spend significant time here analyzing his prior accomplishments and will instead just briefly highlight his accomplishments this quarter. During this quarter, the Receiver and his team spent significant time evaluating all claims for completeness and accuracy and worked to schedule the auction of diamonds, jewelry and other items the Receiver secured since his appointment. The Eleventh Quarterly Status Report [DE 312] has a more detailed explanation of the Receiver's efforts during the quarter, and the specific details of the work of the Receiver and his professionals are described in more detail below and in the attached time sheets.

## **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. 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 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 updated quarterly 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 15.0 hours, at a reduced hourly rate of \$395.00 per hour, for a total of \$5,925.00.

Exhibits D, E, and F 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 G is a proposed Order granting this Fee Application.

## **III. The Receiver's Counsel and Their Services**

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")), which was resolved by agreed order [DE 126]. 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 partners and of counsel 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. Associates are billed at less than that maximum reduced rate. They have also agreed to cap their rates during the life of this case.

The Receiver's firm (Levine Kellogg Lehman Schneider + Grossman LLP) has agreed to similar reductions and a cap of \$350.00 during the life of this case. The Receiver has endeavored to prevent duplication of efforts by his attorneys.

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>1</sup> Exhibit D reflects that the Sallah Firm has charged a total of 1.3 hours for a total of \$513.50.

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 E. Exhibit E 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 Receiver's partner, Stephanie Reed Traband, who serves as co-counsel, billed a total of 53.3 hours, at a reduced hourly rate of \$350.00

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<sup>1</sup> Counsels' billing entries in Exhibits D and E consist of "Case Administration" and "Asset Analysis and Recovery" entries pursuant to the SEC's Billing Instructions.

per hour, for a total of \$18,655.00. Associate Marcelo Diaz-Cortes spent 79.70 hours evaluating and analyzing claims and working to resolve potential objections. Other associates at the Receiver's firm, Gabriel Lievano and Roman Rodriguez-Tejera, were added to the team to assist in the claims evaluation process (Lievano for 12.8 hours and Rodriguez-Tejera for 33.0 hours). Tony Bell continued his work to confirm that the stay remains in place in the state court cases (7.1 hours). All associates were billed at a reduced rate of \$275.00 for a total of \$36,465. Finally, the Receiver's paralegals billed a total of 21.1 hours, at a reduced hourly rate of \$150.00 per hour, for a total of \$3,165.00. Exhibit E also reflects that the Receiver's firm incurred costs of \$270.70 during the subject period.<sup>2</sup>

Lastly, Exhibit F reflects the time spent by the accountants retained by the Receiver to prepare and file the 2020 tax returns for the Receivership Entities. On June 3, 2020, this Court entered an order [DE 210] granting the Receiver's unopposed motion to retain Kaufman & Company, P.A. The Court approved the reduced rates proposed by the Receiver and Kaufman and Company for the accounting services to be provided--\$382.50 for the primary accountant, Dana Kaufman. Mr. Kaufman's colleagues, from associates to directors, also reduced their hourly rates to a range of \$212.50-\$361.25. During the subject quarter, Kaufman & Company finished preparing and filing the Receivership Entities' tax returns for 2020.

The schedules of disbursements for expenses, which are also part of the attached Exhibits, are those actual and necessary expense items, such as photocopy charges, long distance telephone charges, telecopy charges, delivery charges, website maintenance expenses, and various other 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.

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<sup>2</sup> The Silver Firm did not have any billable time or expenses during the subject period.

#### 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 subject period covered by this Fee Application:

<b>Name</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>Total</b>
Receiver	15.0	\$5,925.00	\$0	\$5,925.00
Sallah Astarita Cox LLC	1.3	\$513.50	\$0	\$513.50
Levine Kellogg Lehman Schneider + Grossman LLP	207.0	\$58,285.00	\$13.68	\$58,298.68
Kaufman & Company, P.A.	12.8	\$4,607.25	\$0	\$4,607.25
<b>Total</b>	<b>236.1</b>	<b>\$69,330.75</b>	<b>\$13.68</b>	<b>\$69,344.43</b>

#### V. 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: (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 did not receive any compensation for their services for more than 18 months because there were insufficient funds in the receivership accounts during that time. 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.

**G. The Time Limitations Imposed**

This case imposed some 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. The Argyle receivership account was previously funded with the approximate \$2 million in settlement monies from Relief Defendants Winners Church/the Shipmans and has been further funded with the Froehlich \$750,000 settlement funds and the funds from the auction of the diamonds and pieces of jewelry he has secured in this proceeding.

**CONCLUSION**

The Receiver respectfully requests that this Court enter the proposed Order, attached as Exhibit G, approving this Ninth Fee Application of payment and reimbursement of the requested fees and costs, and for such other relief that is just and proper.

**LOCAL RULE CERTIFICATION**

Pursuant to Local Rule 7.1(a)(3), the Receiver hereby certifies that he has conferred with counsel for the SEC. The SEC consents to the relief requested herein.

Dated: February 16, 2022

Respectfully submitted,  
**LEVINE KELLOGG LEHMAN  
SCHNEIDER + GROSSMAN LLP**  
*Co-Counsel for the Receiver*  
201 S. Biscayne Blvd., 22nd Floor  
Miami, FL 33131  
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Fax: (305) 403-8789

s/ Stephanie Reed Traband  
Email: [srt@klsg.com](mailto:srt@klsg.com); [jhd@klsg.com](mailto:jhd@klsg.com)  
Florida Bar No. 0158471

-and-

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**Patrick J. Rengstl, P.A.**  
Fla. Bar No. 0581631  
Email: [pjr@sallahlaw.com](mailto:pjr@sallahlaw.com)

**CERTIFICATE OF SERVICE**

I hereby certify that on February 16, 2022, 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/ Stephanie Reed Traband  
STEPHANIE REED TRABAND

**SERVICE LIST**

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**Via Email:** Jose Aman, pro se, E-mail: [joseaman123@gmail.com](mailto:joseaman123@gmail.com)

## EXHIBIT A

### CERTIFICATION

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

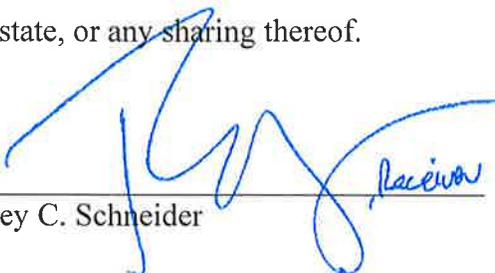
BEFORE ME, the undersigned authority, personally appeared Jeffrey C. Schneider (the “Applicant” or “Receiver”), who, after first having been duly sworn, deposes and says:

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.

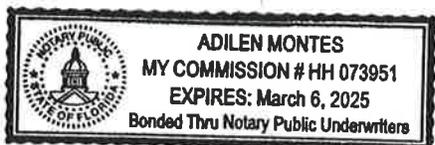
The Receiver certifies that he is not making a profit on such reimbursable service;

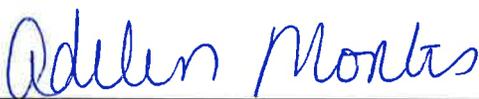
- (ii) the fees and expenses herein were incurred in the best interests of the Receivership Estate; and
- (iii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation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

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

The foregoing instrument was acknowledged before me on February 15, 2022, 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

<u>STANDARDIZED FUND ACCOUNTING REPORT</u>				
SECURITIES AND EXCHANGE COMMISSION				
vs.				
NATURAL DIAMONDS INVESTMENT CO., et al.				
CASE NO.: 19-CV-80633-ROSENBERG				
Reporting Period October 1, 2021 through December 31, 2021				
FUND ACCOUNTING				
			Detail	Subtotal
<b>Line 1</b>	Beginning Balance			\$2,293,588.53
<b>Line 2</b>	Business Income			\$0.00
<b>Line 3</b>	Cash and Securities			\$0.00
<b>Line 4</b>	Interest/Dividend Income			\$0.00
<b>Line 5</b>	Business Asset Liquidation			\$0.00
<b>Line 6</b>	Personal Asset Liquidation			\$0.00
<b>Line 7</b>	Third-Party Litigation Income			\$0.00
<b>Line 8</b>	Miscellaneous - Other		Acknowledgment of Receipt of Diamond from Ron Cheron	\$650.00
	<b>TOTAL FUNDS (Lines 1-8)</b>			<b>\$2,294,238.53</b>
	<b>Decreases in Fund Balance:</b>			
<b>Line 9</b>	<b>Disbursements to Investors</b>			\$0.00
<b>Line 10</b>	<b>Disbursements for Receivership Operations</b>			\$0.00
Line 10a	Disbursements to Receiver or Other Professionals		Order Granting Eighth Fee Application	\$28,306.20
Line 10b	Business Asset Expenses (Bank Service Charge)		Wire Transfer Fee -\$35.00 Wire Transfer Fee-\$35.00 Safe Deposit Rental-\$125.00	\$195.00
Line 10c	Personal Asset Expenses			\$0.00
Line 10d	Investment Expenses			\$0.00
Line 10e	Third-Party Litigation Expenses ☐			\$0.00
	Attorneys Fees			\$0.00
	Litigation Expenses			\$0.00
	<b>Total Third-Party Litigation Expenses</b>			<b>\$0.00</b>
	<b>Total Disbursements for Receivership Operations:</b>			<b>\$28,501.20</b>
<b>Line 11</b>	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
Line 11a	Distribution Plan Development Expenses:			
	Fees			\$0.00
	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
	Administrative Expenses			\$0.00
	Miscellaneous - Other			\$0.00
	<b>Total Plan Development Expenses</b>			<b>\$0.00</b>
Line 11b	Distribution Plan Implementation Expenses:			
	Fees			
	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

	Administrative Expenses			\$0.00
	Investor Identification			\$0.00
	Notice/Publishing Approved Plan			\$0.00
	Claimant Identification			\$0.00
	Claims Processing			\$0.00
	Website Maintenance/Call Center			\$0.00
	Fund Administrator Bond			\$0.00
	Miscellaneous - Other			\$0.00
	Federal Account for Investor Restitution (FAIR) Reporting Expenses			\$0.00
	Total Plan Implementation Expenses Not Paid by the Fund			\$0.00
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>\$0.00</b>
<b>Line 12</b>	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			\$0.00
Line 12b	Federal Tax Payments			\$0.00
	<b>Total Disbursements to Court/Other:</b>			<b>\$0.00</b>
	<b>Total Funds Disbursed (Lines 9-11):</b>			<b>\$28,501.20</b>
<b>Line 13</b>	<b>Ending Balance (As of 12/31/2021):</b>			<b>2,265,737.33</b>
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			\$0.00
Line 14b	Other Assets or Uncleared Funds			
	<b>Total Ending Balance of Fund - Net Assets</b>			
<b>OTHER SUPPLEMENTAL INFORMATION:</b>		<b>Report of Items NOT to be Paid by the Fund:</b>		
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			<b>\$0.00</b>
Line 15a	Fees			\$0.00
	Fund Administrator			\$0.00
	IDC			\$0.00
	Distribution Agent			\$0.00
	Consultants			\$0.00
	Legal Advisers			\$0.00
	Tax Advisers			\$0.00
	Administrative Expenses			\$0.00
	Miscellaneous			\$0.00
	<b>Total Plan Development Expenses Not Paid by the Fund</b>			<b>\$0.00</b>
<b>Line 15b</b>	<b>Plan Implementation Expenses Not Paid by the Fund:</b>			<b>\$0.00</b>
	Fees			
	Fund Administrator			\$0.00
	IDC			\$0.00

	Distribution Agent			\$0.00
	Consultants			\$0.00
	Legal Advisers			\$0.00
	Tax Advisers			\$0.00
	Administrative Expenses			\$0.00
	Investor Identification:			\$0.00
	Notice/Publishing Approved Plan			\$0.00
	Claimant Identification			\$0.00
	Claims Processing			\$0.00
	Website Maintenance/Call Center			\$0.00
	Fund Administrator Bond			\$0.00
	Miscellaneous			\$0.00
	FAIR Reporting Expenses			\$0.00
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>			<b>\$0.00</b>
Line 15c	<b>Tax Administrator Fees &amp; Bonds Not Paid by the Fund:</b>			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			<b>\$0.00</b>
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			<b>\$0.00</b>
Line 16a	Investment Expenses/CRIS Fees			\$0.00
Line 16a	Federal Tax Payments			\$0.00
	<b>Total Disbursements to Court/Other Not Paid by the Fund:</b>			<b>\$0.00</b>
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			<b>\$0.00</b>
<b>Line 18</b>	<b>No. of Claims:</b>		212	
Line 18a	# of Claims Received This Reporting Period		212	
Line 18b	# of Claims Received Since the Inception of Fund		212	
<b>Line 19</b>	<b>No. of Claimants/investors:</b>		212	
Line 19a	# of Claimants/Investors Paid This Reporting Period		0	
Line 19b	# of Claimants/Investors Paid Since Inception of Fund		0	

Receiver:



By: \_\_\_\_\_  
 Jeffrey C. Schneider, Court Appointed Receiver

Jeffrey C. Schneider  
 (printed name)

Date: January 31, 2022

**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 UNOPPOSED NINTH APPLICATION FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT  
OF EXPENSES TO THE RECEIVER AND HIS PROFESSIONALS**

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

1. The Ninth Application is **GRANTED**.
2. The Court authorizes the Receiver to make the following payments from the Argyle receivership bank account, which total \$69,344.43:

(a) The Receiver is authorized to pay himself compensation in the amount of \$5,925.00;

- (b) The Receiver is authorized to pay his law firm Levine Kellogg Lehman Schneider + Grossman LLP compensation in the amount of \$58,285.00 and reimbursement of expenses in the amount of \$13.68, for a total of \$58,298.68;
- (c) The Receiver is authorized to pay Sallah Astarita & Cox, LLC compensation in the amount of \$513.50; and
- (d) The Receiver is authorized to pay Kaufman & Company, P.A. compensation in the amount of \$4,607.25.

**DONE** and **ORDERED** in Chambers in Palm Beach County, this \_\_\_\_ day of \_\_\_\_\_, 2022.

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ROBIN L. ROSENBERG  
UNITED STATES DISTRICT JUDGE

*Copies furnished to all counsel of record*