

ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
Longboat Global Funds Management, LLC, et al.
11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

Commodity Futures Trading Commission v. Longboat Global Funds Management, LLC
CASE No. 05-CV-2142 PJH

**Notice of Motion and Motion of Temporary Receiver for Order Approving
Payment of Administrative Fees and Expenses Incurred for the Period
October 1, 2005 Through October 31, 2006; Memorandum of Points and
Authorities; Declaration of Brick Kane**

Filed December 1, 2006

1 ROBB EVANS & ASSOCIATES LLC
11450 SHELDON STREET
2 SUN VALLEY, CA 91352
3 TELEPHONE: (818) 768-8100
4 FACSIMILE: (818) 768-8802

5 TEMPORARY RECEIVER
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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10
11 COMMODITY FUTURES TRADING
COMMISSION,

12 Plaintiff,

13 v.

14 ROBERT JOSEPH BEASLEY AND
15 LONGBOAT GLOBAL FUNDS
MANAGEMENT, LLC,

16 Defendants.
17
18

CASE NO. 05-CV-2142-PJH

NOTICE OF MOTION AND
MOTION OF TEMPORARY
RECEIVER FOR ORDER
APPROVING PAYMENT OF
ADMINISTRATIVE FEES AND
EXPENSES INCURRED FOR THE
PERIOD OCTOBER 1, 2005
THROUGH OCTOBER 31, 2006;
MEMORANDUM OF POINTS &
AUTHORITIES; DECLARATION OF
BRICK KANE

Date: January 10, 2007

Time: 9:00 a.m.

Place: Courtroom 3, 17th Floor

450 Golden Gate Ave.

San Francisco, CA 94102

(Hon. Phyllis J. Hamilton)

[ORAL ARGUMENT NOT REQUIRED]

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24 TO THE HONORABLE PHYLLIS J. HAMILTON, UNITED STATES
25 DISTRICT COURT JUDGE, AND TO ALL PARTIES AND THEIR ATTORNEYS
26 OF RECORD:

27 PLEASE TAKE NOTICE that on January 10, 2007, at 9:00 a.m. in Courtroom 3
28 of the United States District Court for the Northern District of California

1 located at 450 Golden Gate Avenue, 17th Floor, San Francisco, California 94102, Robb
2 Evans & Associates LLC, Temporary Receiver in the above-captioned case, will present its
3 Motion for an Order approving payment of administrative fees and expenses incurred for
4 the period October 1, 2005 through October 31, 2006 (“Motion”).

5 The Temporary Receiver’s Motion is based on this Notice of Motion, the
6 Memorandum of Points and Authorities; the Declaration of Brick Kane annexed hereto,
7 and the Court’s records and pleadings on file in this action, and all other evidence, both
8 oral and documentary, as may be presented at the time of hearing.

9 The Temporary Receiver’s Motion will request an Order from the Court approving
10 the payment of the administrative fees of the Temporary Receiver and its staff of
11 \$465,779.28, expenses of \$26,473.11 and legal fees and costs of \$173,289.85 for the period
12 October 1, 2005 through October 31, 2006.

13 PLEASE TAKE FURTHER NOTICE that this Motion is made pursuant to Local
14 Rule 66-3, and is based upon this Notice of Motion, Motion, the accompanying
15 Memorandum of Points and Authorities, and the Declaration of Brick Kane, and upon
16 such other pleadings and oral and documentary evidence as may be presented at or before
17 the time of the hearing on the Motion.

18 Any person or entity opposing this Motion must timely file with the Court and
19 serve upon the Temporary Receiver, whose name and address appear in the upper left-
20 hand corner of the first page of this Motion, a written opposition which complies in all
21 respects with the rules of this Court. Failure to timely file an opposition may be deemed
22 by the Court to be consent to the granting of the Temporary Receiver’s Motion.

23 PLEASE TAKE FURTHER NOTICE that this Motion is posted on the
24 Temporary Receiver’s website at <http://www.robbevans.com/html/longboat.html>, where
25 it may be reviewed in its entirety. A copy of this Motion will be provided to any interested
26 party upon receipt of a request therefore which may be directed to: Robb Evans &
27 Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352
28 telephone: (818) 768-8100, facsimile: (818) 768-8802.

1 PLEASE TAKE FURTHER NOTICE that, if no party objects to the Motion, the
2 Temporary Receiver is willing for the Court to consider it without oral argument.

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4 Dated: December 1, 2006

ROBB EVANS & ASSOCIATES LLC

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By: *Linda Candler*
LINDA CANDLER
COUNSEL TO THE TEMPORARY
RECEIVER

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I.

INTRODUCTION

On August 19, 2005, Robb Evans & Associates LLC (“REA” or “Temporary Receiver”) was appointed as Temporary Receiver in the within action pursuant to a “Consent Order of Preliminary Injunction and Other Equitable Relief” (“Order”). Pursuant to the terms of the Order, REA was appointed as Temporary Receiver for Defendant Longboat Global Funds Management, LLC (“Longboat”) and any affiliates or subsidiaries solely with respect to matters involving Piranha Capital, L.P. (“Piranha”), and all of the funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by them with the full powers of an equity Receiver, except as limited by the terms of the Order.

This action was commenced on May 25, 2005 by the Commodity Futures Trading Commission (“CFTC”) against the Defendants. The CFTC’s Complaint alleges that the Defendants committed fraud by misrepresenting the condition and status of certain investments held by Piranha, a commodity pool that Defendants operated, and failed to disclose Defendant Beasley’s personal financial interest in those investments, in violation of certain provisions of the Commodity Exchange Act (7 United States Code).

Prior Request for Approval of Fees and Expenses.

This is the second request for approval of fees and expenses of the Temporary Receiver and its staff. The first request, for the period August 19, 2005 through September 30, 2005, was approved by this Court on November 29, 2005. This second request has been delayed due the length of time it has taken for the Temporary Receiver to collect and recover payments on the promissory notes due to the Receivership entities. As set out in the attached declaration of Brick Kane, the bank accounts for Piranha Capital LP and Longboat Global Funds had been depleted, and the remaining cash balance of \$106,301.80 transferred to the Receiver at the time of appointment was insufficient to pay fees and expenses incurred. Real property in Montana has now been sold and additional

1 funds have been transferred to the Receiver. As set out in the Temporary Receiver's
2 Third Report of Assets, filed concurrently with this application, the Temporary Receiver
3 has also taken custody and control of \$1,000,000 previously held by Pershing Securities
4 that was the subject of an attachment order issued by the Circuit Court of Cook County,
5 Illinois, which was affirmed when the case was removed to US District Court for the
6 Northern District of Illinois. The Temporary Receiver filed a Motion to Intervene and a
7 Motion to Vacate the Attachment Order. The US District Court granted the Temporary
8 Receiver's Motion to Vacate the Attachment Order on October 20, 2006. The funds were
9 transferred to the Temporary Receiver on November 2, 2006 and the Temporary Receiver
10 has placed those funds in a segregated account pending a resolution by this Court of the
11 priority of investor claims and approval of a claims distribution procedure. Pending a
12 decision by this Court as to the distribution of the Pershing funds, those funds will remain
13 in the segregated account and will not be used for fees and expenses. The Temporary
14 Receiver intends to submit a Motion for Approval of a Claims Distribution Procedure
15 once additional assets are liquidated and additional funds are recovered. The Temporary
16 Receiver's efforts in this regard are set out more fully in the Temporary Receiver's Third
17 Report.

18 II.

19 **TEMPORARY RECEIVER'S FEES AND EXPENSES FOR THE PERIOD** 20 **OCTOBER 1, 2005 THROUGH OCTOBER 31, 2006**

21 The Temporary Receiver seeks approval and authority for payment of the fees and
22 expenses of the Temporary Receiver and its staff for the period October 1, 2005 through
23 October 31, 2006. The fees and expenses for which approval is requested are set forth in
24 the summary entitled "Fund Balance and Administrative Expenses" attached hereto as
25 Exhibit "1". The fees and costs of the Temporary Receiver are then itemized by the
26 Temporary Receiver's fees of \$19,230 (Exhibit "2" hereto), Senior Staff fees of \$37,600
27 (Exhibit "3" hereto), staff fees for investigation of \$1,275 (Exhibit "4" hereto) and legal
28 fees of \$81,945 (Exhibit "5" hereto), for the Temporary Receiver's in-house counsel;

1 \$20,988.99, for the Temporary Receiver's outside counsel for the Illinois Litigation
2 (Exhibit "6" hereto), and \$67,368.84 for the Temporary Receiver's outside counsel for the
3 litigation against Branford Partners (Exhibit "7" hereto).

4 As set forth in detail in Exhibits "1" through "7" hereto, including out-of-pocket
5 expenses as itemized on Exhibit "1," the Temporary Receiver has incurred \$265,542.24 in
6 fees and expenses for the period October 1, 2005 through October 31, 2006. As of the
7 date of filing this Motion, the sum of \$360,419.21 exists in the Receivership Estate. After
8 payment of the fees and expenses set out in this application, the sum of \$113,569.22 will
9 remain in the receivership estate. This is in addition to the \$1,000,000 Pershing deposit
10 that is held in a separate account. It is anticipated that an additional deposit of
11 approximately \$700,000 will be paid upon the sale of a Montana property that is expected
12 to close on December 15, 2006.

13 **Overview of Services Performed by the Temporary Receiver and its Staff.**

14 During the period October 1, 2005 through October 31, 2006, the Temporary
15 Receiver and its staff engaged in ongoing administrative activities relating to the
16 Receivership Estate, including the following:

17 1. The Temporary Receiver and its staff spent numerous hours identifying the
18 assets of the Receivership Estate to determine the value and the best means of liquidation
19 of the assets of the Receivership Estate in order to maximize the return for investors and
20 creditors. This effort is ongoing, and required subpoenas, depositions, witness interviews,
21 meetings, and review of thousands of documents to identify disbursements from Piranha
22 Capital and Longboat Global Funds and the recipients of funds transferred by the
23 Receivership entities.

24 2. The Temporary Receiver responded to numerous telephone inquiries from
25 investors seeking information about the receivership and the status of the fund.

26 3. The Longboat and Piranha Capital records had been transferred to
27 defendant Beasley's attorneys, Gardner Carton and Douglas, and the Temporary Receiver
28 was required to subpoena these documents as they were not produced voluntarily. This

1 required numerous consultations, as Beasley and his attorney raised challenges and claims
2 of privilege and sought protective orders for many of the documents, even though these
3 were files of the Receivership entities. The Temporary Receiver has also learned that not
4 all items were produced, and that Beasley's computer was discovered at an office in
5 Montana and was transferred to Gardner Carton and Douglas. Despite the Temporary
6 Receiver's requests, the computer has not been turned over nor have the contents been
7 disclosed. The Temporary Receiver is still reviewing documents produced by Beasley's
8 attorneys to determine what records are still needed and have not been produced. The
9 Temporary Receiver also obtained and reviewed accounting records held by outside
10 accountants for the Receivership entities. This review is continuing.

11 4. Counsel to the Temporary Receiver has conducted several depositions and
12 witness interviews, including the deposition of Mark Boucher (Boucher). Efforts to
13 reschedule Beasley's deposition, which was postponed just prior to the scheduled date last
14 January, are continuing. Counsel to the Temporary Receiver will also be scheduling
15 depositions and obtaining discovery and document production from other individuals and
16 entities who received proceeds of funds loaned by Piranha Capital LP to Pinnacle West
17 LLC, Sunquest Development and Plutus Alternative Strategies. These are related entities,
18 under the control of Boucher and Jonathan Brake, an associate of Boucher's, and are
19 discussed more fully in the Temporary Receiver's Third Report. The Temporary
20 Receiver's Staff has also negotiated payment on one of the Sterling promissory notes, and
21 is continuing its efforts to collect on the other promissory note to Sterling Capital. This
22 entity was under the control of John C. (Jay) Tausche, another fund manager
23 recommended by Boucher.

24 5. The Temporary Receiver's accountants and financial analysts have reviewed,
25 and are continuing to review, bank records and accounting records for Piranha Capital,
26 LP, Longboat Global Funds, and entities and individuals who received funds from the
27 Receivership entities. This has been time-consuming and expensive, due to the co-
28 mingling of investor funds in various accounts, and the lack of recordkeeping by Piranha

1 Capital LP and Longboat Global Funds. As set out in the Temporary Receiver's Third
2 Report, it now appears that promissory notes were created every time funds were wire
3 transferred out of Piranha or Longboat's accounts to one of the entities under Boucher's
4 control, and that this was an ongoing process as new investor funds were received by
5 Longboat and Piranha. Bank accounts for Pinnacle West LLC also show that in addition
6 to the co-mingling of investor deposits, funds were paid out on a continuous basis to
7 investors who were not investors of Piranha Capital LP. The Temporary Receiver's staff,
8 including counsel to the Temporary Receiver, have spent a substantial amount of time
9 identifying the third parties who were the beneficiaries of millions of dollars in wire
10 transfers from the Pinnacle West bank accounts.

11 6. The Temporary Receiver's Deputies and Counsel have also been required to
12 renegotiate the promissory notes, which were in default, send demand letters and notices
13 of default, record security interests and lis pendens, and verify whether or not real estate
14 projects referred to in the promissory notes even existed. None of this information was
15 readily available from documents provided by Longboat and Piranha Capital pursuant to
16 the subpoena.

17 7. The Temporary Receiver was required to hire outside counsel to file the
18 Motion to Intervene and the Motion to Vacate the Attachment Order in the Northern
19 District of Illinois. Outside Counsel was also retained to file a complaint against Branford
20 Properties and to record a lis pendens against property acquired with funds transferred by
21 Piranha Capital LP to Sunquest Development LLC, the former owner of the property. As
22 set out in the Temporary Receiver's Third Report, this property, located at 12450 Branford
23 Street, Los Angeles, California, was acquired by Sunquest Development LLC, which
24 transferred ownership to a new entity, Sunquest Development II, which subsequently
25 changed its name to Branford Partners LLC. There are many other claims against
26 Sunquest, Sunquest II, and Branford, and the Temporary Receiver and outside counsel
27 have been required to review voluminous documents to identify pending claims and to
28 trace the investments of Piranha Capital in this project.

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III.

MEMORANDUM OF POINTS AND AUTHORITIES

The August 19, 2005 Consent Order of Preliminary Injunction and Other Equitable Relief (“Order”), at Section IV, Paragraph E, directs as follows:

THE PARTIES AGREE AND IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by Longboat. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

Local Civil Rule 66-3 states as follows:

All motions for fees for services rendered in connection with a receivership must set forth in reasonable detail the nature of the services. The motion must include as an exhibit an itemized record of time spent and services rendered and will be heard in open Court.

Local Rule Civil 66-6(e) directs the Receiver to give notice to all interested parties, in accordance with Local Rule 7-2, of the time and place of hearings on motions for fees of the Receiver or of any attorney, accountant or investigator, the notice to state the services performed and the fee requested.

IV.

CONCLUSION

WHEREFORE, the Temporary Receiver prays that this Court enter an Order as follows:

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1. Approving and confirming the administrative fees and expenses of the Temporary Receiver and its staff for the period October 1, 2005 through October 31, 2006, as more particularly set forth herein; and

2. For such other and further relief as the Court may deem just and proper.

Dated: December 1, 2006

ROBB EVANS & ASSOCIATES LLC

By: *Linda J. Candler*
LINDA CANDLER
COUNSEL

DECLARATION OF BRICK KANE

I, BRICK KANE, declare as follows:

1. I am the Chief Operating Officer of Robb Evans & Associates LLC, the duly appointed, qualified and acting Temporary Receiver in the within action. I have reviewed the foregoing Motion and know the contents thereof, and the same is true of my own knowledge, except as to those matters which are stated upon information or belief, and as to those matters, I believe them to be true.

2. One previous request for approval of fees and expenses of the Temporary Receiver and its staff have been submitted and approved by this Court.

3. By this Motion, the Temporary Receiver seeks an Order approving and authorizing payment of administrative fees of the Temporary Receiver and its staff of \$65,779.28, expenses of \$26,473.11, and legal fees and costs of \$173,289.85 for the period October 1, 2005 through October 31, 2006.

4. Attached hereto as Exhibit "1" is an accounting entitled "Fund Balance and Administrative Expenses. Attached hereto as Exhibit "2" is an itemization of the Temporary Receiver's fees of \$19,230. Attached hereto as Exhibit "3" is an itemization of Senior Staff fees of \$37,600. Attached hereto as Exhibit "4" is an itemization of staff fees for investigation of \$1,275. Attached hereto as Exhibit "5" is an itemization of legal fees of \$81,945 (see attached), for the Temporary Receiver's in-house counsel; \$20,968.99; for the Temporary Receiver's outside counsel for the Illinois litigation, and \$67,363.84 for the Temporary Receiver's outside counsel for the litigation against Branford Partners (Exhibits "6" and "7" hereto. As set forth in detail in Exhibits "1" through "7" hereto, including out-of-pocket expenses as itemized on Exhibit "1," the Temporary Receiver has incurred \$265,542.24 in fees and expenses for the period October 1, 2005 through October 31, 2006.

5. During the period October 1, 2005 through October 31, 2006, the Temporary Receiver and its staff engaged in ongoing administrative activities relating to the Receivership Estate, including the following:

1 A. The Temporary Receiver and its staff spent numerous hours
2 identifying the assets of the Receivership Estate to determine the value and the best
3 means of liquidation of the assets of the Receivership Estate in order to maximize
4 the return for investors and creditors. This effort is ongoing, and required
5 subpoenas, depositions, witness interviews, meetings, and review of thousands of
6 documents to identify disbursements from Piranha Capital and Longboat Global
7 Funds and the recipients of funds transferred by the Receivership entities.

8 B. The Temporary Receiver responded to numerous telephone inquiries
9 from investors seeking information about the receivership and the status of the
10 fund.

11 C. The Longboat and Piranha Capital records had been transferred to
12 defendant Beasley's attorneys, Gardner Carton and Douglas, and the Temporary
13 Receiver was required to subpoena these documents as they were not produced
14 voluntarily. This required numerous consultations, as Beasley and his attorney
15 raised challenges and claims of privilege and sought protective orders for many of
16 the documents, even though these were files of the Receivership entities. The
17 Temporary Receiver has also learned that not all items were produced, and that
18 Beasley's computer was discovered at an office in Montana and was transferred to
19 Gardner Carton and Douglas. Despite the Temporary Receiver's requests, the
20 computer has not been turned over nor have the contents been disclosed. Efforts
21 are continuing to review documents and identify documents or other items of the
22 receivership entities that have not been produced. The Temporary Receiver also
23 obtained and reviewed accounting records held by outside accountants for the
24 Receivership entities. This review is continuing.

25 D. Counsel to the Temporary Receiver has conducted several
26 depositions and witness interviews, including the deposition of Mark Boucher
27 (Boucher). Efforts to reschedule Beasley's deposition, which was postponed just
28 prior to the scheduled date last January, are continuing. Counsel to the

1 Temporary Receiver will also be scheduling depositions and obtaining discovery
2 and document production from other individuals and entities who received
3 proceeds of funds loaned by Piranha Capital LP to Pinnacle West LLC, Sunquest
4 Development and Plutus Alternative Strategies. These are related entities, under
5 the control of Boucher and Jonathan Brake, an associate of Boucher's, and are
6 discussed more fully in the Temporary Receiver's Third Report. The Receiver's
7 Staff has also negotiated payment on one of the Sterling promissory notes, and is
8 continuing its efforts to collect on the other promissory note to Sterling Capital.
9 This entity was under the control of John C. (Jay) Tausche, another fund manager
10 recommended by Mr. Boucher.

11 E. The Temporary Receiver's accountants and financial analysts have
12 reviewed, and are continuing to review, bank records and accounting records for
13 Piranha Capital, LP, Longboat Global Funds, and entities and individuals who
14 received funds from the Receivership entities. This has been time-consuming and
15 expensive, due to the co-mingling of investor funds in various accounts, and the
16 lack of recordkeeping by Piranha Capital LP and Longboat Global Funds. As set
17 out in the Temporary Receiver's Third Report, it now appears that promissory
18 notes were created every time funds were wire transferred out of Piranha or
19 Longboat's accounts to one of the entities under Boucher's control, and that this
20 was an ongoing process as new investor funds were received by Longboat and
21 Piranha. Bank accounts for Pinnacle West LLC also show that in addition to the
22 co-mingling of investor deposits, funds were paid out on a continuous basis to
23 investors who were not investors of Piranha Capital LP. The Temporary Receiver's
24 staff, including counsel to the Temporary Receiver, have spent a substantial amount
25 of time identifying the third parties who were the beneficiaries of millions of dollars
26 in wire transfers from the Pinnacle West bank accounts.

27 F. The Temporary Receiver's Deputies and Counsel have also been
28 required to renegotiate the promissory notes, which were in default, send demand

1 letters and notices of default, record security interests and lis pendens, and verify
2 whether or not real estate projects referred to in the promissory notes even existed.
3 None of this information was readily available from documents provided by
4 Longboat and Piranha Capital pursuant to the subpoena.


5 G. The Temporary Receiver was required to hire outside counsel to file
6 the Motion to Intervene and the Motion to Vacate the Attachment Order in the
7 Northern District of Illinois. Outside Counsel was also retained to file a complaint
8 against Branford Properties and to record a lis pendens against property acquired
9 with funds transferred by Piranha Capital LP to Sunquest Development LLC, the
10 former owner of the property. As set out in the Temporary Receiver's Third
11 Report, this property, located at 12450 Branford Street, Los Angeles, California, was
12 acquired by Sunquest Development LLC, which transferred ownership to a new
13 entity, Sunquest Development II, which subsequently changed its name to Branford
14 Partners LLC. There are many other claims against Sunquest, Sunquest II, and
15 Branford, and the Temporary Receiver and outside counsel have been required to
16 review voluminous documents to identify pending claims and to trace the
17 investments of Piranha Capital in this project.

18 6. In light of the extent of the work performed during this period, I believe that
19 the fees and costs of the Temporary Receiver and its staff are reasonable and should be
20 approved and authorized for payment. As of the date of filing this Motion, the sum of
21 \$360,419.21 exists in the Receivership Estate. After payment of the fees and expenses set
22 out in this application, the sum of \$113,569.22 will remain in the receivership estate. This
23 is in addition to the \$1,000,000.00 Pershing deposit that is held in a separate account. It is
24 anticipated that an additional deposit of approximately \$700,000.00 will be paid upon the
25 sale of a Montana property that is expected to close on December 15, 2006. At the time
26 of the Temporary Receiver's appointment, all but approximately \$106,000.00 of the cash
27 balances of the Piranha and Longboat accounts had been depleted, other than the
28 \$1,000,000 held at Pershing Securities which is now held in a segregated account.

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Approximately \$278,000.00 has been collected on the promissory notes and from the sale of real estate. Another Montana property is in the process of being sold which is expected to result in approximately \$700,000.00 being transferred to the Temporary Receiver.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 1 day of December, 2006, at Sun Valley, California.



BRICK KANE

EXHIBIT 1

Robb Evans & Associates LLC, Receiver of Longboat Global
Funds Balance and Administrative Expenses by Month
 From Inception (August 19, 2005) to October 31, 2006

	Previously Reported and Approved	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06
Funds Transferred from Piranha	106,301.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of 200 Acre Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Settlement-Sterling note	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Funds	106,301.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expense Fees									
Receiver's Fees	2,827.50	3,472.50	1,852.50	930.00	1,117.50	1,590.00	510.00	1,065.00	682.50
Senior Staff	1,433.00	1,197.00	2,230.00	2,112.00	4,437.00	2,200.00	2,222.00	1,736.00	6,813.00
Investigation Staff	585.00	1,275.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Support Staff	325.29	350.42	292.32	458.32	559.00	1,695.40	424.97	692.93	521.87
Total Fees	5,170.79	6,294.92	4,374.82	3,500.32	6,113.50	5,485.40	3,156.97	3,493.93	8,017.37
Other Expenses									
Professional Services	0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00
Out of Pocket	0.00	66.93	0.00	169.77	979.74	0.00	0.00	0.00	0.00
Occupancy & Equipment	0.00	0.00	0.00	0.00	18.03	138.38	447.81	100.18	250.38
Supplies & Telephone	0.00	25.47	24.38	13.80	52.35	19.59	83.02	16.37	60.37
Postage & Messenger Service	19.55	92.42	76.95	60.43	66.78	80.79	99.66	17.37	98.61
Appraisal/Survey	0.00	0.00	0.00	2,200.00	5,000.00	0.00	6,000.00	0.00	0.00
Asset/credit searches	0.00	178.90	30.00	0.00	71.94	0.00	0.00	0.00	0.00
Tax	0.00	0.00	0.00	0.00	0.00	0.00	554.00	0.00	0.00
Miscellaneous Expenses	0.00	0.00	190.34	0.00	0.00	(82.34)	0.00	0.00	0.00
Total Other Expenses	19.55	363.72	321.67	4,444.00	6,188.84	156.42	7,184.49	133.92	409.36
Legal Fees & Costs									
L. Candler	0.00	2,992.50	6,075.00	5,850.00	13,050.00	6,097.50	6,682.50	6,570.00	3,735.00
Lawrence, Kamin, Saunders & Uhlenhop LLC	0.00	0.00	0.00	5,708.50	1,269.14	0.00	0.00	10,519.88	175.80
Frاندzel Robins Bloom & Csato,	0.00	0.00	239.00	560.51	0.00	87.50	427.29	2,891.80	2,959.20
Legal costs	0.00	351.87	0.00	4.40	0.00	0.00	216.00	201.50	0.00
Legal Fees & Costs	0.00	3,344.37	6,314.00	12,123.41	14,319.14	6,185.00	7,325.79	20,183.18	6,870.00
Total Expense	5,190.34	10,003.01	11,010.49	20,067.73	26,621.48	11,826.82	17,667.25	23,811.03	15,296.73
Fund Balance	101,111.46	(10,003.01)	(11,010.49)	(20,067.73)	(26,621.48)	(11,826.82)	(17,667.25)	(23,811.03)	(15,296.73)

EXHIBIT

Robb Evans & Associates LLC, Receiver of Longboat Global
Funds Balance and Administrative Expenses by Month
 From Inception (August 19, 2005) to October 31, 2006

	<u>Jun 06</u>	<u>Jul 06</u>	<u>Aug 06</u>	<u>Sep 06</u>	<u>Oct 06</u>	<u>10/1/05- 10/31/06</u>	<u>TOTAL</u>
Funds Transferred from Piranha	0.00	0.00	0.00	0.00	0.00	0.00	106,301.80
Sale of 200 Acre Property	0.00	0.00	0.00	0.00	250,000.00	250,000.00	250,000.00
Settlement-Sterling note	0.00	0.00	28,000.00	0.00	0.00	28,000.00	28,000.00
Total Funds	0.00	0.00	28,000.00	0.00	250,000.00	278,000.00	384,301.80
Expense							
Fees							
Receiver's Fees	2,085.00	1,230.00	1,410.00	915.00	2,370.00	19,230.00	22,057.50
Senior Staff	2,701.00	928.00	975.00	1,417.00	8,632.00	37,600.00	39,033.00
Investigation Staff	0.00	0.00	0.00	0.00	0.00	1,275.00	1,860.00
Support Staff	515.09	784.37	444.17	188.56	746.86	7,674.28	7,999.57
Total Fees	5,301.09	2,942.37	2,829.17	2,520.56	11,748.86	65,779.28	70,950.07
Other Expenses							
Professional Services	0.00	0.00	0.00	0.00	3,000.00	5,000.00	5,000.00
Out of Pocket	0.00	0.00	0.00	0.00	976.16	2,192.60	2,192.60
Occupancy & Equipment	344.13	295.39	504.22	257.33	264.05	2,619.90	2,619.90
Supplies & Telephone	31.30	22.39	102.88	18.72	28.16	498.80	498.80
Postage & Messenger Service	197.26	79.01	182.93	58.81	22.95	1,133.97	1,153.52
Appraisal/Survey	0.00	0.00	0.00	0.00	0.00	13,200.00	13,200.00
Asset/credit searches	0.00	0.00	25.00	0.00	245.00	550.84	550.84
Tax	0.00	0.00	0.00	0.00	0.00	554.00	554.00
Miscellaneous Expenses	0.00	0.00	0.00	508.00	107.00	723.00	723.00
Total Other Expenses	572.69	396.79	815.03	842.86	4,643.32	26,473.11	26,492.66
Legal Fees & Costs							
L. Candler	9,945.00	5,175.00	4,432.50	3,937.50	7,402.50	81,945.00	81,945.00
Lawrence, Kamin, Saunders & Uhlentrop LLC	100.50	301.50	0.00	1,376.70	1,534.97	20,986.99	20,986.99
Frاندzel Robins Bloom & Csato,	624.15	32,822.00	19,474.00	1,999.87	5,283.52	67,368.84	67,368.84
Legal costs	0.00	984.75	0.00	0.00	1,230.50	2,989.02	2,989.02
Legal Fees & Costs	10,669.65	39,283.25	23,906.50	7,314.07	15,451.49	173,289.85	173,289.85
Total Expense	16,543.43	42,622.41	27,550.70	10,677.49	31,843.67	265,542.24	270,732.58
Fund Balance	(16,543.43)	(42,622.41)	449.30	(10,677.49)	218,156.33	12,457.76	113,569.22

EXHIBIT 2

Robb Evans & Associates LLC
Temporary Receiver of Longboat Global Funds Management, LLC et al.
Receiver's Fees
October 1, 2005 to October 31, 2006

Name	Rate	Hours	Amount
B. Kane	225	19.00	4,275.00
A. Jen	150	36.70	5,505.00
K. Johnson	150	62.50	9,375.00
V. Miller	150	0.50	75.00
Total		118.70	19,230.00