

EXHIBIT B

APRIL 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10253917
Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 16
May 19, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
4/1/11	RJU	Review correspondence from G Schepps to Judge Ferguson relating to trial by jury and fees;	0.30	\$142.50
4/4/11	RJU	Gather information needed regarding costs incurred by Ondova estate, including analysis of fees connected to receivership.	1.00	\$475.00
4/4/11	RJU	Review latest Schepps letter regarding receiver conduct (.20); review motions filed with District Court by Mr Vogel (.40); call with D Sherman regarding receivership wrap up issues (.40);	1.00	\$475.00
4/5/11	RJU	Correspondence to D Sherman regarding possible	1.40	\$665.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
		claim related to Ondova in receivership (.30); conference with R Hunt regarding wind down of receivership issues (.30); two calls with R Hunt to D Sherman regarding same (.80);		
4/5/11	JJW	Review recent order on attorney withdrawal and future retentions (.10); confer with R. Urbanik regarding status update and protocol and motion for payment (.10).	0.20	\$120.00
4/5/11	RMH	Review all recent district court filings and begin work on Baron appeal brief (3.0); Research specific cases in which ex parte order issues cured by subsequent hearing (1.90).	4.90	\$2,107.00
4/6/11	RMH	Review Schepps response to Motion for Sanctions (.20). Draft Application for Fees from Receiver (.90).	1.10	\$473.00
4/6/11	RJU	Review letter from Schepps to Judge Ferguson regarding release of funds (.20); review brief filed by Schepps in Fifth Circuit (.40); call to D Sherman regarding latest Schepps filings (.30);	0.90	\$427.50
4/7/11	RJU	Call to P Loh regarding issues concerning receivership (.40); review two new Schepps pleadings - emergency motion to stay (.50); conference with R Hunt regarding pleadings filed by Schepps (.20); conference with R Hunt regarding pleadings filed under seal by receiver (.50); begin work on motion for reimbursement of professional fees (2.5);	4.10	\$1,947.50
4/7/11	RMH	Begin drafting reply in support of Motion for Sanctions (6.70). Telephone conference P. Loh and R. Urbanik about status and goals of receivership (.40).	7.10	\$3,053.00
4/7/11	PDM	Pull copies of receivership pleadings and forward to D. Sherman.	0.50	\$95.00
4/8/11	RJU	Review two pleadings filed by G Schepps related to attorney assessment (.60); review correspondence from J Blakely regarding several motions filed under seal (.50); call from M Sutherland regarding latest developments in receivership and Carrington Coleman claim (.40);	1.50	\$712.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
4/8/11	RMH	Continue drafting Reply in Support of Motion to Dismiss and for Sanctions.	2.90	\$1,247.00
4/11/11	RMH	Final review and filing of Reply in Support of Motion for Sanctions (.80). Add authorities on notice pleading to distinguish case from pre-1938 rules (1.10).	1.90	\$817.00
4/12/11	PDM	Obtain copies of recently filed pleadings in the receivership matter and forward to D. Sherman.	0.50	\$95.00
4/12/11	RMH	Review Baron's latest filings, check on notices of interlocutory appeal and analyze how to respond (.30). Review 5th Circuit docket, calendar appeal dates for five appeals, email to R. Urbanik about same (.40). Work on response to Herring Motion to Dismiss (.40).	1.10	\$473.00
4/13/11	PDM	Analysis of invoices regarding time spent on receivership in preparation of request for reimbursement of fees.	6.30	\$1,197.00
4/13/11	RJU	Begin work on application for reimbursement including meetings with R Hunt and P Moore;	2.00	\$950.00
4/14/11	PDM	Complete analysis of fee statements relative to Baron receivership in preparation of request for payment of same.	1.00	\$190.00
4/15/11	LJP	Begin assisting R. Urbanik with preparation of Trustee's fee reimbursement application in receivership case (.2).	0.20	\$57.00
4/15/11	PDM	Assist R. Urbanik with preparation of fee request related to Baron receivership.	4.60	\$874.00
4/15/11	RMH	Prepare appeal portion of fee reimbursement application (3.20). Conference with D. Roossien on receivership issues and conference with R. Urbanik about same (1.30).	4.50	\$1,935.00
4/15/11	RJU	Work on Trustee's motion for reimbursement from receivership (6.0); two calls with D Ruckman regarding receivership issues (.50); conference with R Hunt regarding receivership matters - including status of appeals (.40); correspondence to J Blakely regarding domain names (.20);	7.10	\$3,372.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236 00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
4/15/11	DLR	Confer with Mr. Hunt regarding receivership issues and advise same on various points.	1.10	\$434.50
4/18/11	DLR	Advise co-counsel regarding receivership law issue.	0.10	\$39.50
4/18/11	RJU	Work on trustee's Motion for Reimbursement (6.0); review two new Schepps motions and visit with R Hunt regarding same (.50); call to P Loh regarding motion filed to move hearing on April 25 (.30);	6.80	\$3,230.00
4/18/11	PDM	Revise chart of pleadings filed by Baron (.40); create chart of expenses related to court reporters, legal research (Westlaw) and transcript fees (1.20).	1.60	\$304.00
4/18/11	PDM	Revise list of pleadings filed by Baron in Fifth Circuit appeals needed for Trustee's motion;	0.70	\$133.00
4/19/11	PDM	Continued review of time entries relative to receivership action and categorize same in preparation of fee reimbursement request and assist R. Urbanik with preparation of exhibits for fee request.	3.50	\$665.00
4/19/11	RMH	Address pleadings needed for fee reimbursement application (.30), Review briefing issues (.70). Review fee reimbursement application and make comments (.90).	1.90	\$817.00
4/19/11	LJP	Review pleadings related to the Receiver's assessment of unpaid attorneys' fees claims and assist with the preparation of certain portions of the Trustee's motion for reimbursement of expenses incurred in connection with the receivership proceeding (4.5)	4.50	\$1,282.50
4/19/11	RJU	Work on motion for reimbursement (8.5); review motion by Receiver regarding scheduling hearing (.20); correspondence to D Ruckman regarding receivership wrap up issues (.40);	9.10	\$4,322.50
4/19/11	DLR	Coordinate efforts with Mr. Hunt relative to reimbursement issues.	0.10	\$39.50
4/20/11	DLR	Confer with Mr. Urbanik regarding status and proposed course of action.	0.10	\$39.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 9 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
4/20/11	RJU	In connection with receivership, prepare for and attend conference call with D Ruckman regarding receivership wind down issues (1.0); call to F Perry to obtain information needed for appeals, upcoming hearings on Ondova litigation (1.2); conference with R Hunt to address work on appeals, wind down of receivership, Ondova estate wind down and other matters (1.2);	2.80	\$1,330.00
4/20/11	LJP	Further work addressing issues related to Trustee's reimbursement application in receivership case (3.7).	3.70	\$1,054.50
4/20/11	RMH	Draft Brief on Appeal for the first (Baron) appeal.	2.00	\$860.00
4/20/11	PDM	Obtain recently filed pleadings in receivership case and forward to D. Sherman (1.0); prepare hearing binder for reimbursement application (.5).	1.50	\$285.00
4/21/11	RMH	Continue work on appeal brief for Baron appeal.	2.10	\$903.00
4/21/11	DLR	Assist Mr. Urbanik with recommendations to be made to Receiver regarding steps needed to be completed and form of request for discharge.	0.20	\$79.00
4/21/11	AMM	Research of previous U.S. District Court/Appellate Court cases for J. Baron and affiliates and preparation of memorandum regarding same.	4.80	\$912.00
4/21/11	RJU	In connection with receivership appeals, meet with R Hunt and legal assistant regarding research needed on prior litigation matters (1.0); conference with R Parker, D Roossien and J McGee regarding procedure for winding up receivership (1.0); draft correspondence to B Golden regarding receivership wrap up issues (.50);	2.50	\$1,187.50
4/22/11	AMM	Continue research of previous U.S. District Court/Appellate Court cases for J. Baron and affiliates and preparation of memorandum regarding same.	5.70	\$1,083.00
4/22/11	DLR	Review filings and orders in receivership proceedings; coordinate efforts with Mr. Urbanik and Mr. Hunt on appellate issues.	0.10	\$39.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 10 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
4/22/11	RJU	Review orders from Judge Ferguson (.20); correspondence to / from B Golden regarding receivership issues (.50); review Baron filing (.20); correspondence to M Thomas regarding same (.10); work with legal assistant on information needed for appeals (.50);	1.50	\$712.50
4/22/11	RMH	Review new cases on interlocutory appeals of receivership.	0.20	\$86.00
4/22/11	RMH	Further research on independent basis of jurisdiction in vexatious litigant cases.	1.00	\$430.00
4/25/11	RMH	Continue work on Baron appeal brief.	5.70	\$2,451.00
4/25/11	AMM	Continue research of U.S. District Court/Appellate Court cases relative to cybersquatting and domain name infringement by J. Baron and affiliates and preparation of memorandum regarding same.	3.40	\$646.00
4/25/11	RJU	Prepare outline for presentation to Judge Jernigan regarding status of bankruptcy case and receivership (1.2); review latest pleadings filed by G Schepps (.40);	1.60	\$760.00
4/26/11	RJU	Confer with R Hunt regarding status of appeals and review various motions and orders regarding assessment of attorney fee claims in preparation for meeting with B Golden (1.5); attend meeting with B Golden, R Hunt and D Roossien (2.0); review motions filed by Schepps and exhibit and witness lists filed by parties in preparation for 4-28 hearing (.70);	4.20	\$1,995.00
4/26/11	AMM	Complete research for U.S. District Court/Appellate Court cases relative to cybersquatting and domain name infringement by J. Baron and affiliates and finalize memorandum regarding same.	6.80	\$1,292.00
4/26/11	JJW	Meeting with R. Urbanik regarding update on today's meeting with Mr. Vogel's counsel and issues to be addressed; attendance at same; update on results (.30).	0.30	\$180.00
4/26/11	DLR	Meeting with Receiver's counsel regarding appeal	2.10	\$829.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10253917

Matter Description: ONDOVA LIMITED COMPANY

Page 11 of 16

May 19, 2011

Date	Init	Description	Hours	Amount
		and motion for discharge (2.0); confer with Mr. Hunt regarding same and handling of upcoming hearing (.10).		
4/26/11	RMH	Work on briefs on appeal (5.90). Meeting with Receiver's counsel to discuss strategy for exit (2.00).	7.90	\$3,397.00
4/27/11	RMH	Continue drafting briefs on appeal.	4.70	\$2,021.00
4/27/11	PDM	Download recent pleadings filed in Ondova receivership matter and forward to D. Sherman (2.5).	1.00	\$190.00
4/27/11	JJW	Meeting with R. Urbanik on the discussions with P. Vogel's counsel and address decisions reached; address go-forward plan and my discussion with D. Ruckman.	0.20	\$120.00
4/27/11	AMM	Organize documents/pleadings from research of numerous cases with the U.S. District Court as well as State District Court relating to the cybersquatting and infringement on domain names of other entities by Baron and related entities and prepare attorney notebook for documents.	1.30	\$247.00
4/27/11	RJU	Review witness and exhibit lists filed by parties (.30); review correspondence between Schepps and B Golden (.20); review pleading filed by D Ferguson, G Pronske and G Lyon regarding fee reimbursements (.40); work with R Hunt on drafting appeal response (.50);	1.40	\$665.00
4/28/11	RJU	Prepare for hearing on attorney claim assessments (1.2); work with R Hunt on Fifth Circuit appeals (.80); attend hearing in receivership (4.5); call to D Sherman following hearing regarding outcome of hearing (.40);	6.90	\$3,277.50
4/28/11	DLR	Confer with Mr. Urbanik regarding open matters (.10); preparation for hearing and attend same (4.20); confer with Mr. Urbanik and Receiver's counsel regarding next steps (.20).	4.50	\$1,777.50
4/28/11	RMH	Continue work on appeal briefs.	9.90	\$4,257.00
4/29/11	RMH	Work on matters related to appeals.	3.30	\$1,419.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10253917
 Matter Description: ONDOVA LIMITED COMPANY

Page 12 of 16
 May 19, 2011

Date	Init	Description	Hours	Amount
4/29/11	DLR	Briefly review and advise Mr. Urbanik regarding relative value of revising proposed findings and conclusions.	0.10	\$39.50
4/29/11	RJU	Call with D Sherman regarding April 28th hearing (.30); call with D Nelson on go forward domain name issues in receivership (.50); work with R Hunt on appellate briefing (2.0);	2.80	\$1,330.00

Total For 25181.80 \$69,063.50

MAY 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10254998
Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 14
June 14, 2011

25 BARON RECEIVERSHIP

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10254998
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 14
 June 14, 2011

Date	Init	Description	Hours	Amount
5/2/11	DLR	Confer with Mr. Urbanik regarding status and proposed course of action.	0.50	\$197.50
5/2/11	RMH	Complete and file briefs on appeal.	3.70	\$1,591.00
5/2/11	RJU	Review proposed findings (.40); calls with D Roossien and R Hunt regarding findings (.40); call to P Loh regarding findings and sales procedures (.40); review Schepps pleading filed on 5-1-11 (.30); conference with R Hunt regarding Fifth Circuit appeals (.30);	1.80	\$855.00
5/3/11	RJU	Review Schepps motion regarding new trial evidence (.20); review Schepps letter to Judge Ferguson (.20); draft correspondence to B Golden and P Loh regarding sales of domain names (.50); review revised findings and conclusions (.30); call with D Sherman regarding latest developments in receivership (.50); correspondence to P Loh regarding information requested by attorneys at hearing (.40); correspondence from M Thomas regarding fee issues (.10);	2.20	\$1,045.00
5/3/11	RMH	Review latest Schepps filings concerning attorneys' fees and emails about same (.60). Respond to Schepps email about appeal briefs (.50).	1.10	\$473.00
5/4/11	RJU	Review findings and conclusions submitted by Receiver (.30); review correspondence from P Loh concerning receivership issues (.10); review Receiver's motion regarding evidence (.30); review four new Schepps motions (.50);	1.20	\$570.00
5/5/11	RJU	Review response briefs filed by R Hunt;	0.50	\$237.50
5/5/11	PDM	Download recently filed pleadings in Baron receivership.	0.30	\$57.00
5/6/11	RJU	Review: (1) Schepps letter to Judge Ferguson; (2) P Loh reply to Schepps letter; (3) several Schepps filings regarding newly discovered evidence; (4) correspondence to / from B Golden regarding Fifth Circuit issues on proper party related to second appeal; (5) several pleadings filed by Baron regarding Stan Broome (1.8).	1.80	\$855.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10254998

Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 14

June 14, 2011

Date	Init	Description	Hours	Amount
5/6/11	RMH	Calls and emails about 5th Circuit treatment of our brief.	0.60	\$258.00
5/9/11	RJU	Review: (1) various deposition notices regarding S Broome; (2) several versions of letters to Baron attorneys by Gardere (3); email correspondence to / from R Hunt and B Golden regarding second Fifth Circuit appeal issue regarding proper appellee; and (4) letter by P Vogel to Judge Ferguson (2.0);	2.00	\$950.00
5/9/11	RMH	Work on issues related to appeal brief. Correspondence with B. Golden about various issues on the appeals.	0.90	\$387.00
5/10/11	RMH	Calls with Golden, et al. concerning briefing issue in Novo Point appeal (.60); draft Motion for Leave to File Motion to Supplement Record (1.80).	2.40	\$1,032.00
5/10/11	RJU	Several extended conference calls with R Hunt regarding Fifth Circuit second appeal issues (1.2); review deposition notices and pleadings regarding Stan Broome dispute in receivership (.30); review various orders from Judge Ferguson regarding new Baron motions on recently discovered evidence (.60); review Schepps pleading regarding objection to Trustee's application for reimbursement (.60); correspondence to / from B Golden regarding Fifth Circuit appeal issues (.20); review correspondence from M Sutherland and reply to same regarding receivership matters (.30);	3.20	\$1,520.00
5/11/11	RJU	Review Order regarding financing options entered by District Court (.30); update call regarding Receivership with Mr Sherman and forward latest pleadings of importance (.60); call from D Nelson regarding Baron blog regarding receivership case (.30); review orders, notices regarding S Broome matter and deposition (.40); meeting with R Hunt and D Roossien on receivership go forward strategy, work on dealing with Fifth Circuit appeal issues, and conference call with D Sherman regarding same (3.0); call with M Sutherland regarding various receivership	5.00	\$2,375.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10254998
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 14
 June 14, 2011

Date	Init	Description	Hours	Amount
		issues (.40);		
5/11/11	DLR	Consultation with R Urbanik and D Roossien regarding appellate issues and go-forward strategy.	1.60	\$632.00
5/11/11	RMH	Calls to 5th Circuit about briefing issues (.60). Email correspondence with Schepps regarding same (.30). Conference call with R. Urbanik and D. Roossien regarding appeal strategy (2.30).	3.20	\$1,376.00
5/12/11	RMH	Revise Motion on Novo Point appeal.	0.70	\$301.00
5/12/11	DLR	Follow-up with Receiver's counsel regarding appellate issues.	0.10	\$39.50
5/12/11	RJU	Work with R Hunt on Fifth Circuit filing (.50); correspondence from D Sherman regarding M Sutherland correspondence (.20); correspondence from B Golden regarding status of appeal pleadings (.20); review latest orders from District Court (.50);	1.40	\$665.00
5/12/11	PDM	Obtain recently filed pleadings from Baron receivership and forward same to D. Sherman.	0.50	\$95.00
5/12/11	LJP	Analyze Baron pleadings to determine impact on Ondova and its Motion for Reimbursement (.5).	0.50	\$142.50
5/13/11	RJU	Two calls with R Hunt regarding Fifth Circuit issues related to second appeal and review draft of Motion of Trustee to Consolidate Appeal or, in the Alternative, to Designate Trustee as Appellee and Request for Expedited Consideration (2.0); review Receiver's Submission of Revised Findings and Conclusions (.40); review orders from Fifth Circuit on reinstated appeals (.30); review Receiver's Fourth Motion on Attorney Fee Claims (.40);	3.10	\$1,472.50
5/13/11	DLR	Receive update regarding appellate developments; follow-up with Receiver regarding same.	0.70	\$276.50
5/13/11	RMH	Prepare and file motion concerning brief in Novo Point Appeal.	0.80	\$344.00
5/17/11	RJU	Review correspondence between Carrington and Receiver and extended call with M Sutherland of	1.20	\$570.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10254998
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 14
 June 14, 2011

Date	Init	Description	Hours	Amount
		Carrington Coleman regarding Carrington's claim (1.2);		
5/18/11	RJU	Review draft motion prepared by M Sutherland regarding Carrington Coleman claim (.30); several calls with M Sutherland regarding same (1.0); calls with P Loh regarding Carrington Coleman matter (.60); call with B Golden and P Vogel regarding Carrington matter (.50); call to D Sherman regarding latest developments in receivership (.40); review Findings and Conclusions (.40);	3.20	\$1,520.00
5/19/11	RJU	Review order regarding attorney assessment and regarding sanctions motions (.20); forward update from Fifth Circuit to D Sherman (.10); call with R Hunt to P Loh regarding communication from Fifth Circuit (.30);	0.60	\$285.00
5/20/11	RMH	Draft Motion for Extension on behalf of the Receiver.	1.60	\$688.00
5/24/11	RJU	Review ninth communication to Baron attorneys (.40); work with R Hunt regarding status of filings at Fifth Circuit, including issues related to Receiver's response (.60);	1.00	\$475.00
5/25/11	RJU	Conference with R Hunt regarding status of Fifth Circuit appeals;	0.40	\$190.00

Total For 2547.80 \$21,475.00

JUNE 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10256159
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 18
 July 19, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
5/24/11	RMH	Review latest filings from all parties in District and Appeals Courts.	0.40	\$172.00
5/25/11	RMH	Review additional Baron filings.	0.20	\$86.00
6/1/11	RJU	Review several pleadings (motions for leave) filed by Baron in District Court (.40); meeting with R Hunt regarding motions (.30); forward pleadings to Mr Sherman (.20); two calls with P Loh regarding Baron pleadings (.60); conference with D Roossien regarding latest developments in Receivership (.30); call with D Sherman regarding receivership (.50);	2.30	\$1,092.50
6/1/11	PDM	Obtain copies of orders from receivership action (.3); prepare chart of appeals (1.5).	1.80	\$342.00
6/2/11	RJU	Review orders from R Ferguson regarding Baron motions for leave;	0.30	\$142.50
6/3/11	RJU	Update call to D Sherman regarding receivership (.20); meeting with R Hunt regarding Fifth Circuit matters (.30);	0.50	\$237.50
6/3/11	PDM	Prepare chart listing orders affected by appeal / order #586.	0.80	\$152.00
6/6/11	RMH	Telephone conference with Receiver's counsel about appeal issues (.30). Work on Fifth Circuit matters (1.30).	1.60	\$688.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10256159

Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 18

July 19, 2011

Date	Init	Description	Hours	Amount
6/6/11	RJU	Review order from Fifth Circuit regarding appellee brief (.20); meeting with R Hunt on Fifth Circuit Ruling (.30); call with R Hunt to B Golden and P Loh (.50); call to D Sherman regarding latest receivership issues (.40);	1.40	\$665.00
6/7/11	RMH	Work on changes to create amicus brief.	3.50	\$1,505.00
6/8/11	RMH	Further correspondence with Herring and meeting about same.	2.00	\$860.00
6/10/11	PDM	Review dockets in Fifth Circuit appeals and obtain recently filed pleadings; prepare chart of appeal cases.	0.80	\$152.00
6/10/11	RJU	Review pleading filed by Baron (Response to Vogel's Motion for Reconsideration) (.30); correspondence from Fifth Circuit regarding brief filed on June 7th (.20); review draft pleading on privacy service forwarded by P Loh (.30); call to P Loh regarding draft pleading and various other outstanding receivership issues (.40); call to D Sherman regarding receivership issues (.30);	1.50	\$712.50
6/13/11	RJU	Review revised motion from Mr Vogel regarding adding privacy company as receivership party (.20); correspondence from Fifth Circuit regarding Trustee's response brief and confer with R Hunt regarding same (.30);	0.50	\$237.50
6/14/11	RJU	Call from former Baron attorney, Jeff Hall, regarding latest developments in bankruptcy case and timing of payment;	0.40	\$190.00
6/15/11	RJU	Correspondence to / from M Sutherland regarding Carrington Coleman claim; review several pleadings filed by Carrington Coleman;	0.60	\$285.00
6/17/11	RJU	Review correspondence from court reporter regarding transcript (10); call with J Blakely regarding documents being requested by G Schepps (.30);	0.40	\$190.00
6/17/11	PDM	Analysis of invoices to determine time spent on Fifth Circuit appeals.	2.80	\$532.00
6/17/11	RMH	Review of latest emails, court filings and related matters in the Baron case.	1.90	\$817.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10256159

Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 18

July 19, 2011

Date	Init	Description	Hours	Amount
6/21/11	RMH	Review Judge Ferguson's stay order and telephone conference R. Urbanik about same.	0.30	\$129.00
6/22/11	RJU	Review order from Judge Ferguson on matters to be addressed with Fifth Circuit (.30); meeting with R Hunt regarding order (.30); review Schepps pleading (.60); call to D Sherman on receivership (.50);	1.70	\$807.50
6/23/11	RJU	Conference with R Hunt and call to P Loh regarding Receivership and latest developments regarding same (1.2);	1.20	\$570.00
6/23/11	AMM	Revise charts relating to orders on appeal with the Fifth Circuit; prepare chart for motions on appeal.	0.70	\$133.00
6/23/11	RMH	Work on responses related to latest Schepps filings.	2.10	\$903.00
6/24/11	RMH	Prepare response to latest Motion to Stay and work on overall Fifth Circuit strategy.	1.30	\$559.00
6/24/11	LJP	Assist with analysis of appealed orders and District Court's order staying certain appealed orders (1.1).	1.10	\$313.50
6/24/11	RJU	Call with D Sherman regarding receivership issues (.20); work with L Pannier regarding orders from Judge Ferguson (.30); letter to B Golden regarding meeting (1.0);	1.50	\$712.50
6/24/11	DLR	Confer with Mr. Urbanik regarding status and proposed course of action.	0.20	\$79.00
6/27/11	DLR	Consultation regarding overall strategy and next steps.	1.30	\$513.50
6/27/11	RMH	Prepare strategy memo on receivership and appeals (2.90). Begin drafting response to Motion to Stay, review order denying Motion to Stay and related pleadings (1.40). Meeting with R. Urbanik and D. Roossien to discuss same (1.0). Correspondence with B. Golden about moot motions (.40).	5.70	\$2,451.00
6/27/11	RJU	Review order from Fifth Circuit regarding Baron pleading (.20); call to R Hunt regarding various Fifth Circuit issues and planning for meeting with	5.10	\$2,422.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10256159
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 18
 July 19, 2011

Date	Init	Description	Hours	Amount
		receiver (.60); work on portion of fee application related to receivership and Baron appeals (1.0); meeting with D Rossien and R Hunt on appeals and other receivership issues (1.0); call from attorney C Payne regarding his possible involvement in receivership (.50); call to B Golden regarding C Payne (.40); correspondence to attorneys regarding conference call (.20); correspondence to/from M Sutherland regarding receivership (.40); call attorney regarding entry of appearance (Amica Insurance) and review motion filed regarding domain name (.80);		
6/28/11	RJU	Review Schepps filing in District Court case (.30); correspondence to attorneys regarding status of receivership and options regarding next steps (.40); prepare for call with attorneys for Receiver (.50); conduct conference call with P Vogel, P Loh, B Golden, D Sherman, R Hunt and D Roossien on receivership (1.1); meeting with R Hunt regarding Fifth Circuit briefing (.40); review correspondence from J Blakely regarding Baron health care issues (.30);	3.00	\$1,425.00
6/28/11	RMH	In office discussion with Ray Urbanik about matters related to Baron (2.50). prepare for and attend conference call with all parties about draft Motion for Fifth Circuit (2.10).	4.60	\$1,978.00
6/28/11	DLR	Attend conference with Receiver, Trustee and counsel regarding appellate issues.	0.80	\$316.00
6/29/11	RMH	Work on Fifth Circuit motion. Continue work on motion in 5th Circuit.	5.20	\$2,236.00
6/29/11	RJU	Call from P Loh regarding his communication with Judge Ferguson's clerk (.20); call to D Sherman regarding latest developments in receivership (.20); correspondence to G Schepps regarding request for extension (.20); work with R Hunt on Fifth Circuit pleading (.50);	1.10	\$522.50
6/30/11	RMH	Letter to Fifth Circuit about extensions of time (.60); Work on Fifth Circuit motion (2.90). In office discussion R. Urbanik about strategy on appeal (.40).	3.90	\$1,677.00

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10256159
Matter Description: ONDOVA LIMITED COMPANY

Page 9 of 18
July 19, 2011

Total For 2564.50 \$26,806.50

JULY 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10257605
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 15
 August 17, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
7/1/11	RMH	Review latest Receiver filings.	0.60	\$258.00
7/5/11	RMH	Review recent orders from Judge Ferguson.	2.80	\$1,204.00
7/5/11	RJU	Work with R Hunt on motion to be filed at Fifth Circuit regarding expediting appeals (1.5); call to D Sherman regarding latest developments in receivership (.40);	1.90	\$902.50
7/6/11	RMH	Work on Fifth Circuit motion.	4.70	\$2,021.00
7/6/11	RJU	Work with R Hunt on motion for expedited consideration of appeals (2.0); review objection filed by Schepps to Carrington Coleman motion, objection to ex parte motion to sell domain names (Document 480) (.40); review fee request filed by Peter M. Barrett (.30); review Receiver's Notice to Baron Attorneys (.30); call to D Sherman regarding latest developments in receivership (.40);	3.40	\$1,615.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10257605
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 15
 August 17, 2011

Date	Init	Description	Hours	Amount
7/6/11	RJU	Correspondence to / from M Thomas regarding upcoming hearing (.20); correspondence to / from R Puri regarding payments due to Ondova pursuant to settlement agreement (.30);	0.50	\$237.50
7/8/11	RJU	Review correspondence between G Schepps, B Golden and R Hunt regarding various Fifth Circuit matters (.80);	0.80	\$380.00
7/8/11	RMH	Respond to Schepps email about mootness.	1.30	\$559.00
7/8/11	PDM	Obtain copies of pleadings from Fifth Circuit for R. Urbanik.	0.50	\$95.00
7/11/11	RJU	Attend status conference on motions for substantial contribution (2.0); email to T Davis regarding new setting (.10); call to D Sherman regarding outcome of hearing (.40);	2.50	\$1,187.50
7/11/11	RJU	Prior to hearing on substantial contribution motions, review all filings in Fifth Circuit (1.0);	1.00	\$475.00
7/12/11	RJU	Review filings by Receiver (.40); review certain Schepps filings regarding false statements made by Baron counsel concerning dates and address with R Hunt (1.0);	1.40	\$665.00
7/12/11	AMM	Review docket for pleadings relating to continued hearing; prepare notice of continued hearing in the main case; prepare notice of hearing in the adversary proceeding; e-file each pleading; correspondence to Equivalent Data regarding service of same.	1.10	\$209.00
7/13/11	RJU	Call to M Sutherland regarding pleading filed in District Court case and possible Fifth Circuit appeal by Carrington Coleman (.80); call to P Loh regarding Carrington Coleman (.20); meeting with R Hunt regarding briefing schedule and incorrect information presented to Fifth Circuit clerk by G Schepps (.40);	1.40	\$665.00
7/13/11	PDM	Obtain current docket in receivership case for R. Urbanik and obtain several pleadings.	0.30	\$57.00
7/13/11	RMH	Review Schepps extension motion to determine if misstatements were made to the Court.	3.60	\$1,548.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10257605
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 15
 August 17, 2011

Date	Init	Description	Hours	Amount
7/14/11	RJU	Review notice filed by Receiver regarding financial condition of estate and notice to Baron attorneys (.70); forward various new pleadings to D Sherman (.20); review Schepps motion for continuance on briefing (.40); review correspondence between B Golden and G Schepps (.30);	1.60	\$760.00
7/15/11	RJU	Call from Karen at Fifth Circuit Clerk's office regarding various matters related to Baron appeals and extensions requested by Schepps;	0.30	\$142.50
7/18/11	RJU	Review two briefs filed by G Schepps (1.0); correspondence and calls to / from B Golden, D Nelson and M Thomas regarding Ondova domain names (1.2);	2.20	\$1,045.00
7/18/11	RMH	Review replies filed by Baron, and motions for extension to determine if additional sanctionable conduct. Draft sur-reply briefs.	4.10	\$1,763.00
7/19/11	RMH	Calls and emails about sur-reply brief, and complete drafting of briefs and motions.	0.90	\$387.00
7/19/11	RJU	Meeting with R Hunt to review and revise Trustee's sur-reply on two Fifth Circuit appeals (1.0); call from P Loh on Texas Lawyer article (.20); call with D Nelson regarding correspondence from M Thomas on domain names (.40); reply correspondence to M Thomas (.30);	1.90	\$902.50
7/24/11	RJU	Correspondence to / from B Golden regarding pleadings filed by Olson and Payne in bankruptcy case (.50);	0.50	\$237.50
7/25/11	RJU	Correspondence to / from M Sutherland regarding his claim in bankruptcy case and receivership (.40);	0.40	\$190.00
7/26/11	RJU	Calls with D Sherman and P Loh regarding Carrington Coleman correspondence and motion on their claim;	0.50	\$237.50
7/27/11	RJU	Call from M Sutherland regarding Carrington Coleman claim (.30); call to P Loh regarding same (.20); review new subpoenas from Gardere	0.80	\$380.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10257605
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 15
 August 17, 2011

Date	Init	Description	Hours	Amount
		to Baron public relations firm (.30);		
7/28/11	RJU	Correspondence from G Schepps regarding extension and reply (.20); review correspondence to / from B Golden regarding status (.20); review G Schepps motion (.20); review order from Fifth Circuit (.10);	0.70	\$332.50
7/28/11	RMH	Review most recent Schepps Motion for additional time in the appeal and Clerk's order granting in part.	0.40	\$172.00
7/29/11	RJU	Review correspondence from Receiver on status (.30); call from attorney owed funds from attorney assessment (.20);	0.50	\$237.50
7/29/11	RMH	Review latest Schepps filings.	0.40	\$172.00
Total For 25			43.00	\$19,037.50

AUGUST 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10259194
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 18
 September 21, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
8/1/11	RJU	Call from M Sutherland regarding Carrington Coleman claim matter;	0.20	\$95.00
8/3/11	RJU	Call from M Sutherland regarding filing on Carrington Coleman claim (.30); review Carrington Coleman motion (.40); review Receiver's latest filing (.40); call with D Sherman regarding Carrington Coleman claim (.30);	1.40	\$665.00
8/5/11	RJU	Calls to / from B Golden regarding reply to Trustee's request for reimbursement (.30); review draft pleading sent by B Golden (.50); call with D Sherman regarding receivership (.40);	1.20	\$570.00
8/8/11	RJU	Review Schepps' opposition to subpoena and Receiver's Response to Schepps' filing; review Fifth Circuit order; review District Court order;	1.20	\$570.00
8/8/11	RMH	Review materials filed with District Court and	0.60	\$258.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10259194
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 18
 September 21, 2011

Date	Init	Description	Hours	Amount
		Fifth Circuit by Baron's counsel and Receiver.		
8/9/11	RJU	Meeting with R Hunt regarding discussions with Receiver on abeyance of Trustee reimbursement request (.50); review draft Receiver motion (.30); extended call with P Vogel and B Golden regarding same (.70);	1.50	\$712.50
8/9/11	DLR	Confer with Mr. Hunt regarding recent developments and consultation regarding strategy on various issues.	0.30	\$118.50
8/9/11	PDM	Prepare chart of fees and expenses incurred by Receiver and Gardere in receivership action.	0.80	\$152.00
8/9/11	RMH	Review Baron's 4th Motion to Stay and related filings in both courts.	0.80	\$344.00
8/10/11	RMH	Review Fifth Circuit order on 4th motion to stay, email to R. Urbanik concerning same.	0.30	\$129.00
8/10/11	LJP	Begin working on draft "protocol motion" to be filed in bankruptcy and receivership cases (.4).	0.40	\$114.00
8/10/11	RJU	Draft proposed correspondence for receivership issue (1.2); extended call with D Sherman regarding receivership request (.50); correspondence to / from B Golden on Trustee request for reimbursement (.70); meeting with R Hunt on preparation of protocol for claims between estates (.50); call to D Nelson regarding domain name valuation issues (.60);	3.50	\$1,662.50
8/11/11	DLR	Follow-up discussion with Mr. Urbanik regarding strategic issues relative to receivership (.1); review various correspondence relative to same exchanged with Receiver's counsel (.1).	0.20	\$79.00
8/11/11	RJU	Review orders of Fifth Circuit regarding latest Baron filings in appeals (.30); forward latest orders to D Sherman (.10); finalize and send email correspondence to B Golden regarding protocol motion (1.0); work with R Hunt and J McGee on preparation of protocol motion (1.50); review correspondence from B Golden regarding same (.30); revisions to draft protocol motion sent by B Golden (1.0);	4.20	\$1,995.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10259194
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 18
 September 21, 2011

Date	Init	Description	Hours	Amount
8/11/11	LJP	Further work on gathering background information for and preparing protocol motion (1.3).	1.30	\$370.50
8/11/11	RMH	Work on protocol motion.	2.30	\$989.00
8/12/11	RMH	Review Baron's round of appeal briefs.	1.30	\$559.00
8/12/11	LJP	Revise Joint Motion regarding Trustee's Fee Motion filed in the Receivership (1.0).	1.00	\$285.00
8/12/11	RJU	Continue meetings / drafting protocol motion including forwarding motion to B Golden (1.5); review draft protocol motion prepared by R Hunt (.50); review correspondence from Receiver regarding same (.50);	2.50	\$1,187.50
8/15/11	RJU	Review filing by Receiver in Fifth Circuit regarding Ondova Motion for Reimbursement (.50); call with D Sherman regarding Receiver's filing (.30); review other filings by Receiver (.30); strategy conference with D Roossien regarding Receivership status (.60); review briefs filed by Mr Baron on four appeals (.50);	2.20	\$1,045.00
8/15/11	DLR	Consultation with R. Urbanik regarding open issues in case and next strategic steps.	0.50	\$197.50
8/15/11	RMH	Review court filings and emails about Receivership issues.	0.40	\$172.00
8/16/11	RJU	Correspondence to D Sherman regarding Receiver filings with Fifth Circuit on August 12th;	1.00	\$475.00
8/17/11	RJU	Review latest group of pleadings and briefs filed by Baron in Fifth Circuit;	0.80	\$380.00
8/18/11	RJU	Review correspondence from Fifth Circuit regarding Receiver filing and forward to D Sherman (.40); conference with R Hunt regarding correcting appellee on one of the four Baron appeals (.30);	0.70	\$332.50
8/18/11	LJP	Analyze Fifth Circuit's response to Receiver's response to Trustee's reimbursement request (.2).	0.20	\$57.00
8/19/11	LJP	Discussion with Trustee regarding strategy to respond to Novo Point appeals and motion to stay	0.90	\$256.50

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10259194

Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 18

September 21, 2011

Date	Init	Description	Hours	Amount
		and begin implementing that strategy (.9).		
8/19/11	RJU	Review appeals filed by C Payne (.40); strategy meeting with L Pannier regarding appeals (.30); call with D Sherman regarding Payne appeals (.40); call to B Golden and P Vogel regarding Payne appeals (.70); review various recent filings by G Schepps (1.0); forward orders to B Golden and P Vogel (.20);	3.00	\$1,425.00
8/19/11	RMH	Review latest Baron filings, and Fifth Circuit Order denying additional time (.30). Email correspondence with counsel about unauthorized appearance for Novo Point (.20).	0.50	\$215.00
8/21/11	LJP	Begin preparing Trustee's show cause motion and motion to strike recent Novo Point filings (1.2).	1.20	\$342.00
8/22/11	LJP	Further work on preparing show cause motion and motion to strike recent Novo Point pleadings (2.4).	2.40	\$684.00
8/24/11	LJP	Research effectiveness of sale order after being appealed and summary research (.5); further work on show cause motion (.7); prepare motion for expedited hearing on show cause motion (1.0).	2.20	\$627.00
8/25/11	LJP	Prepare order on motion for expedited hearing (.5); finalize, file, and coordinate service of show cause motion and motion for expedited hearing (.5)	1.00	\$285.00
8/25/11	RMH	Correspondence with B. Golden about Trustee designation (.3), research motions on file (.2), outline motion points (.6).	1.10	\$473.00
8/25/11	DLR	Confer with Mr. Urbanik regarding status of Receivership and proposed course of action.	0.10	\$39.50
8/25/11	RJU	Review and revise the motion for show cause order and related motion for expedited hearing (Payne and Schepps) (1.2); correspondence to Payne and Schepps on certificate of conference (.30); call from C Payne regarding motion for show cause order (.60); correspondence from B Golden on 3rd appeal (.30); call to D Sherman on proper appellee on 3rd appeal (.30);	2.70	\$1,282.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10259194
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 18
 September 21, 2011

Date	Init	Description	Hours	Amount
8/26/11	RJU	Correspondence to / from T Davis regarding setting on motion for sanctions (Payne and Schepps);	0.30	\$142.50
8/26/11	LJP	Finalize, file, and serve notice of hearing on show cause motion (.3).	0.30	\$85.50
8/26/11	DRR	Attend and participate in meeting with Mr. Urbanik, Mr. Pannier and Mr. Hunt regarding strategy.	1.80	\$738.00
8/29/11	RMH	Email to C. Sherman concerning 3rd appeal and review related matters (.8). Complete motion for new appellee (3.5).	4.30	\$1,849.00
8/30/11	RMH	Complete and file Motion in 3rd appeal	1.20	\$516.00
8/31/11	RMH	Review all pleadings related to show cause motions, analyze due process and other procedural concerns, and email to R. Urbanik about same.	1.10	\$473.00
8/31/11	AMM	Review Appellant's Designation of Records to be included on appeal as well as Appeal Guidelines; calendar deadline for Trustee to file Designation of additional documents to be included in record of appeal.	0.60	\$114.00
8/31/11	LJP	Conduct preliminary review of appeal documents purportedly filed on behalf of Novo Point (.3).	0.30	\$85.50

Total For 2555.80 \$23,147.50

SEPTEMBER 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10260291
Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 16
October 14, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
9/1/11	RJU	Prepare for and attend hearing on Trustee's motion to show cause why Christopher Payne and Gary Schepps should not be held in contempt (5.0);	5.00	\$2,375.00
9/1/11	RMH	Review latest four (4) filings in the Baron receivership and appeal.	0.40	\$172.00
9/2/11	LJP	Conference call regarding Court's ruling on show cause motion and motion to strike and on impact on current appeals (.3).	0.30	\$85.50
9/6/11	RMH	Review filings and email concerning Baron receivership and appeal.	0.20	\$86.00
9/7/11	RJU	Review various pleadings filed by G Schepps in	2.20	\$1,045.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10260291

Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 16
October 14, 2011

Date	Init	Description	Hours	Amount
		Fifth Circuit (.40); correspondence to / from G Schepps on latest certificates of conference (.30); correspondence to / from P Loh and B Golden regarding appeal briefing schedule, etc (.30); conference with R Hunt regarding briefing schedule for appeals (.40); conference call with R Hunt, B Golden and P Loh regarding appeals, upcoming briefs and other matters regarding receivership (.80);		
9/7/11	RMH	Review Fifth Circuit filings and briefing deadlines in preparation for conference call.	2.60	\$1,118.00
9/8/11	RJU	Correspondence to/from G Schepps regarding certificates of conference on various motions / briefs in Fifth Circuit (.40); meeting with R Hunt on Fifth Circuit briefs, deadlines and responding to Schepps (.60);	1.00	\$475.00
9/9/11	RJU	Conference with R Hunt regarding various Carrington Coleman filings (.40); continued emails to and from G Schepps regarding certificates of conference on Fifth Circuit matters (.40);	0.80	\$380.00
9/9/11	PDM	Obtain pleadings from Fifth Circuit appeals cases for R. Urbanik.	0.60	\$114.00
9/9/11	RMH	Prepare motions for extension of time and motions to dismiss in several appeals (3.50). Review Carrington Brief on Appeal to see if it has impact on Trustee (.60). Review Baron Response to Motion to Dismiss in case no. 11-10289 (.30).	4.40	\$1,892.00
9/10/11	RMH	Complete research and drafting of Reply in Support of Motion to Dismiss.	2.60	\$1,118.00
9/12/11	RMH	Draft Brief on Appeal for case nos. 11-10289, 11-10390.	3.70	\$1,591.00
9/13/11	LJP	Analyze Rule 2019 pleading filed by Schepps and address notice of appeal issues, including deadline to supplement the records on appeal (.6).	0.60	\$171.00
9/13/11	RJU	Call with P Loh and R Hunt regarding filing deadlines on various appeals (.50); review briefs filed by Receiver and drafts of Trustee's briefs	1.10	\$522.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10260291
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 16
 October 14, 2011

Date	Init	Description	Hours	Amount
		(.30); meeting with R Hunt on Carrington Coleman appeal (.30);		
9/13/11	DLR	Consultation with R. Hunt regarding alternatives in receivership matter.	0.10	\$39.50
9/13/11	RMH	Email to Corky Sherman about Carrington appeal.	0.90	\$387.00
9/13/11	RJU	Review Schepps and Payne Rule 2019 statement (.40); letter to District Court Clerk and Bankruptcy Clerk regarding order of Bankruptcy Court striking appeals filed by Payne and Schepps (1.0);	1.40	\$665.00
9/14/11	RMH	Complete Reply in Support of Motion to Dismiss in case no. 11-10289 (1.30); calls to clerk about filing issues (.10).	1.40	\$602.00
9/14/11	DLR	Review and consider memorandum from Mr. Hunt regarding alternatives; add further comments to discussion.	0.10	\$39.50
9/15/11	RMH	Work on issues related to extensions and briefing in case nos. 11-10289, 11-10290, 11-10390	1.40	\$602.00
9/16/11	RMH	Review daily filings (4) for Baron case.	0.40	\$172.00
9/19/11	RMH	Prepare notice of appearance forms and related calls to Fifth Circuit about briefing schedule.	0.90	\$387.00
9/23/11	RJU	Review two Baron motions filed in Fifth Circuit cases, one Receiver reply and two Fifth Circuit Orders;	0.50	\$237.50
9/26/11	RJU	Review two motions filed by J Baron and latest orders from Fifth Circuit;	0.60	\$285.00

Total For 2533.20 **\$14,561.50**

OCTOBER 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. *****
Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 15
October 31, 2011

25 BARON RECEIVERSHIP

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. *****
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 15
 October 31, 2011

Date	Init	Description	Hours	Amount
10/3/11	RJU	Review order from Fifth Circuit (.20); call with R Hunt and call with P Loh regarding significance of Fifth Circuit ruling (.40); forward order in correspondence to D Sherman (.30);	0.90	\$427.50
10/3/11	RMH	Prepare appellate Brief in case no. 11-10390.	3.00	\$1,290.00
10/4/11	RMH	Continued work on brief on appeal.	4.20	\$1,806.00
10/5/11	RMH	Research issues related to receivership jurisdiction over third parties for brief on appeal.	4.60	\$1,978.00
10/5/11	RJU	Conference call with R Hunt and P Loh regarding Fifth Circuit order and planning for briefing of appeals due by Baron on October 6th (.60); review update correspondence from P Vogel on same (.20);	0.80	\$380.00
10/5/11	DLR	Consultation with R. Hunt regarding appellate issue.	0.60	\$237.00
10/6/11	RMH	Draft and research brief on appeal in cases 289, 290, 390 and 501 (4.80). Review cases on plenary v summary disposition and effect on Rule 4 service of process (1.10).	5.90	\$2,537.00
10/7/11	RMH	Continued work on consolidated appeals 289, 290, 390 and 501 (2.50). Research and draft brief sections on jurisdiction concerning attorneys' fees related to matters on appeal and jurisdiction to enter interlocutory orders during receivership (3.70).	6.20	\$2,666.00
10/7/11	RJU	Review brief filed by J Baron on appeals 11-10501 (.50); correspondence to / from P Loh regarding scheduling meeting on reply to brief (.10);	0.60	\$285.00
10/10/11	RJU	Conference with R Hunt regarding appellate brief (.40); conference call with P Loh, R Hunt and B Golden regarding Fifth Circuit briefing (.60);	1.00	\$475.00
10/10/11	RMH	Continued work on brief on appeal in consolidated cases 289, 290, 390 and 501, including arguments on insufficiently specific briefing, harmless error and due process.	7.20	\$3,096.00
10/11/11	RMH	Draft brief section on supposed error in	6.20	\$2,666.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. *****
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 15
 October 31, 2011

Date	Init	Description	Hours	Amount
		appointing Damon Nelson (1.30). Continue work on brief on appeal - research "reverse alter ego" assertions along with "error to appoint Damon Nelson" claims (4.90).		
10/11/11	RJU	Review first draft of appeal brief prepared by R Hunt on appeal numbers 11-10289, 11-10290, 11-10390 and 11-10501;	2.00	\$950.00
10/12/11	RJU	Call with P Loh in preparation for status conference on substantial contribution motion (.50);	0.50	\$237.50
10/12/11	RJU	Review pleading filed by Baron regarding Martin Thomas (.20); call to D Sherman regarding status of Fifth Circuit matters (.30); call with R Hunt to P Loh on receivership briefing (.40); review several new Receiver filings (.30);	1.20	\$570.00
10/12/11	RMH	More work on appeal brief, especially issues related to Baron's attorney hiring.	5.00	\$2,150.00
10/13/11	RJU	Attend status conference on substantial contribution motions and Baron / Pronske and Patel adversary proceeding (2.5);	2.50	\$1,187.50
10/13/11	RMH	Work on appeal brief - chart mootness arguments and review record excerpts, draft statement of facts and related materials.	4.60	\$1,978.00
10/14/11	RMH	Calls and emails with Receiver's counsel regarding recent filings (.70); make revisions to brief based on same (2.20).	2.90	\$1,247.00
10/14/11	RJU	Work with R Hunt on latest draft of Fifth Circuit appeal brief;	1.20	\$570.00
10/14/11	PDM	Review docket and 2019 statement filed by Schepps.	0.20	\$38.00
10/17/11	PDM	Review invoices and highlight entries related to Novo Point.	2.00	\$380.00
10/17/11	IJP	Research Rule 2019 and related requirements in N.D. Tex (1.9).	1.90	\$541.50
10/17/11	RJU	Review file information on various Cook Island entities and global settlement agreement in connection with preparing reply to Schepps /	3.10	\$1,472.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. *****
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 15
 October 31, 2011

Date	Init	Description	Hours	Amount
		Payne 2019 statement (.70); call with M Bell regarding same (.40); begin work on reply to Rule 2019 statements filed by Schepps and Payne (2.0);		
10/17/11	MPB	Receipt and review of Novo Point and Quantec "resolution", review of closing ownership chart and related telephone conference with R. Urbanik and work regarding related issues.	0.60	\$210.00
10/17/11	RMH	Work on Brief on appeal.	3.60	\$1,548.00
10/18/11	RMH	Work on brief on appeal and work on Payne / Schepps appearance issues.	4.90	\$2,107.00
10/18/11	MPB	Receipt and review of Novo Point filing; review Settlement Agreement (including trust resignations/appointments) and draft related memo regarding authority issues to R. Urbanik.	0.90	\$315.00
10/18/11	RJU	Finalize and file reply to Rule 2019 Statements filed by Schepps and Payne;	2.50	\$1,187.50
10/18/11	LJP	Revise Trustee's response to Schepps and Paynes' 2019 statement (.4); file and coordinate service of same (.2).	0.60	\$171.00
10/18/11	PDM	Prepare charts of attorney time related to Novo Point motions and appeals.	0.80	\$152.00
10/18/11	PDM	Review Fifth Circuit docket for date of entry of appeal.	0.20	\$38.00
10/19/11	PDM	Prepare invoice including only time spent on Novo Point matter for show cause hearing.	0.80	\$152.00
10/19/11	RJU	Work on analysis of legal fees related to Payne / Schepps contempt hearing on Oct 24;	0.70	\$332.50
10/19/11	RJU	Review and revise brief for Fifth Circuit appeals;	1.50	\$712.50
10/19/11	RMH	Telephone conference R. Urbanik about his comments on the brief.	3.40	\$1,462.00
10/19/11	RMH	Complete record references (2.3); additional research on Receiver's right to compromise claims (1.3).	3.60	\$1,548.00
10/19/11	MEW	Begin compilation of titles of orders included in Baron's appeals, docket numbers related thereto	3.30	\$792.00

Munsch Hart Kopf & Hart, P.C.
 File No. 011236.00001
 Invoice No. *****
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 15
 October 31, 2011

Date	Init	Description	Hours	Amount
		and supplemental record references for same in connection with preparation of chart requested by R. Hunt.		
10/20/11	MEW	Work related to completion of chart requested by R. Hunt to be used as exhibit for Response to Baron's Appeal of Orders.	3.50	\$840.00
10/20/11	RMH	Final revisions to appeal brief (1.70); arrange filing of Brief on Appeal in case nos 11-10289, 11-10290, 11-10390 and 11-10501 (.40).	2.10	\$903.00
10/21/11	RJU	Review and edit final version of brief filed in Fifth Circuit (.40);	0.40	\$190.00
10/21/11	RJU	Review various pleadings, transcript and other documents and prepare for hearing on Mr Payne and Mr Schepps (1.2); review reply filed by Payne and confer with L Pannier regarding research needed (1.0).	2.20	\$1,045.00
10/21/11	LJP	Begin analyzing Paynes' response to show cause motion (.4).	0.40	\$114.00
10/23/11	LJP	Analyze Payne's response to show cause motion, focusing on analyzing and, when applicable, distinguishing case law cited therein (2.8).	2.80	\$798.00
10/24/11	LJP	Prepare for and attend show cause hearing regarding Schepps and Payne (7.0).	7.00	\$1,995.00
10/24/11	PDM	Prepare hearing notebook for show cause hearing.	0.80	\$152.00
10/24/11	DRR	Telephone conversation with Mr. Urbanik regarding privilege issues.	0.20	\$82.00
10/24/11	RJU	Prepare for and attend hearing on Show Cause motion (8.0);	8.00	\$3,800.00
10/25/11	RJU	Review several pleadings filed by G Schepps including objection To D. Nelson fees (.50); call with P Loh regarding continued hearing regarding Mr Schepps and Mr Payne (.60); call from J MacPete regarding hearing on Oct 24th (.40);	1.50	\$712.50
10/25/11	LJP	Coordinate obtaining transcript from 10-24 show cause hearing (.2).	0.20	\$57.00
10/26/11	LJP	Analyze Schepps' response to the show cause	1.20	\$342.00

Date	Init	Description	Hours	Amount
		order and further analysis of Payne's response and begin outlining responses to same (1.2).		
10/27/11	LJP	Further work on issues regarding Court's show cause order and powers thereunder.	0.40	\$114.00
10/27/11	RMH	Review Fifth Circuit filings related to appeal filed on 10/27.	0.30	\$129.00
10/28/11	RMH	Emails to R. Urbanik about Baron appeal with Receiver.	0.20	\$86.00
10/28/11	LJP	Further research on contempt and sanction issues and other issues related to Court's show cause order against Schepps and Payne.	1.90	\$541.50
10/28/11	RJU	Several calls from D Nelson regarding information requested by P Loh (.40); locate email to G Pronske from settlement discussions on global settlement and executed copy of settlement agreement and forward to D Nelson (.60); review correspondence from P Loh regarding fee requests and correspondence to / from D Sherman on same (.30); call from transcription service regarding transcript of Oct 24th hearing on C Payne (.30);	1.60	\$760.00
10/31/11	RJU	Meeting with L Pannier regarding preparation of reply to briefing of C Payne and information needed from Receiver (.50); call to P Loh regarding obtaining information on prior motion / hearing and orders regarding motion to show cause regarding G Schepps authority to represent Quantec and Novo Point (.40);	0.90	\$427.50
10/31/11	LJP	Further work on research regarding reply to Payne's and Schepps' responses to the Court's show cause order (2.7).	2.70	\$769.50

Total For 25134.00 \$53,751.00

NOVEMBER 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10263062
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 16
 December 16, 2011

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
11/1/11	RMH	Review latest filings from Receiver and Baron.	0.30	\$129.00
11/1/11	LJP	Work on memo and response in reply to Schepps and Payne responses (7.5).	7.50	\$2,137.50
11/2/11	LJP	Work on response to Schepps and Payne responses (2.9).	2.90	\$826.50
11/2/11	RMH	Calls and emails to R. Urbanik about Baron's filings (.30); review filings and work on strategy to defend (1.50).	1.80	\$774.00
11/4/11	RMH	Review Motion for Sanctions and other items, correspondence to R. Urbanik about same.	0.30	\$129.00
11/4/11	LJP	Participate in strategy meeting regarding reply to Schepps and Payne response to Court's show cause order (.6).	0.60	\$171.00
11/4/11	LJP	Prepare brief response to Schepps' request for case law supporting statements regarding Baron's inability to assert a claim to servers.com (.7).	0.70	\$199.50
11/7/11	RMH	Review Fifth Circuit docket sheet for information on Baron emergency motion, emails to R.	0.60	\$258.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10263062
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 16
 December 16, 2011

Date	Init	Description	Hours	Amount
		Urbanik about same.		
11/9/11	RJU	Correspondence from D Sherman regarding hearing on Payne / Schepps (.20); call from P Vogel and B Golden regarding Schepps / Payne matter (.30); correspondence from G Schepps regarding emergency Fifth Circuit filing (.30);	0.80	\$380.00
11/9/11	MPB	Assist R. Urbanik on issues related to Quantec (Inc and LLC) and Novo Point (Inc and LLC) and concerning global Settlement Agreement.	0.90	\$315.00
11/9/11	LJP	Work on reply in support of Court's show cause order (5.2).	4.00	\$1,140.00
11/10/11	LJP	Further work on Reply in Support of Show Cause Order (3.0).	3.00	\$855.00
11/10/11	MPB	Receipt and review of Schepps objection to sale of petfinders.com (.30). Review Settlement Agreement and correspondence related to Excluded Disputed Domains (.40). Telephone conferences and correspondence with R Urbanik and D Nelson regarding related issues (.10). Draft memo regarding Novo Point claim (3.0).	3.80	\$1,330.00
11/10/11	RJU	Work with M Bell on preparation of response to G Schepps pleading regarding Petfinders, LLC in connection with show cause hearing set for November 15th (1.0); work on brief in response to C Payne reply to motion (2.0);	3.00	\$1,425.00
11/10/11	RMH	Review Fifth Circuit motion to stay on petfinders and emails to R. Urbanik about same (.60); Draft Response and Motion for Sanctions (2.1).	2.70	\$1,161.00
11/10/11	RJU	Begin preparation for hearing on November 15 regarding Mr Payne and Mr Schepps (1.2); review order from Fifth Circuit (.10);	1.30	\$617.50
11/11/11	RJU	Review analysis prepared by M Bell regarding 2010 settlement agreement (.40); attend meeting at Gardere to prepare for hearing regarding G Schepps and C Payne (4.0);	4.40	\$2,090.00
11/11/11	PDM	Update list of pleadings filed by Baron/Schepps in District Court case and prepare similar list for Fifth Circuit appeal.	1.20	\$228.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10263062
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 16
 December 16, 2011

Date	Init	Description	Hours	Amount
11/11/11	PDM	Prepare exhibit binder of Christopher Payne's exhibits to be used at 11/15 show cause hearing.	0.70	\$133.00
11/11/11	MPB	Conference with R Urbanik regarding points in memo; work regarding same.	0.40	\$140.00
11/11/11	LJP	Participate in meeting with Receiver's counsel regarding preparations for show cause hearing (2.6).	2.60	\$741.00
11/13/11	RJU	Review and revise brief regarding Motion to Show Cause / Payne, Schepps (2.0); review other documents to use as exhibits, and call with L Pannier regarding suggested edits (1.5);	3.50	\$1,662.50
11/14/11	RJU	Prepare for hearing regarding contempt as to attorneys Payne and Schepps - including calls with Receiver's counsel; review of 10-25 transcript, review pleadings related to issues, prepare cross-examinations (5.20); conferences with R Hunt and L Pannier regarding hearing issues (.80);	6.00	\$2,850.00
11/14/11	RMH	Review latest court filings (1 order, 3 from Receiver, 1 from Baron). Emails with Receiver's counsel regarding same.	0.40	\$172.00
11/14/11	LJP	Revise, finalize, and file Reply in Support of Show Cause Order (1.7); assist with preparation for continued hearing on show cause order (.2).	1.90	\$541.50
11/15/11	LJP	Prepare for and attend continued show cause hearing.	9.00	\$2,565.00
11/15/11	RMH	Assist in preparations for show cause hearing (.80). Review newest emergency motion to stay in Fifth Circuit and draft Response to Motion to Stay (5.50).	6.30	\$2,709.00
11/15/11	RJU	Preparation for hearing on show cause contempt motion including conference with R Hunt and L Pannier regarding strategy on cross-examination of Payne and Schepps, review of several recent Schepps pleadings regarding Novo Point and Petfinders, LLC, review and selection of additional exhibits, review of transcript, etc (4.5) attend show cause hearing (5.0);	9.50	\$4,512.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10263062
 Matter Description: ONDCVA LIMITED COMPANY

Page 8 of 16
 December 16, 2011

Date	Init	Description	Hours	Amount
11/16/11	RJU	Review Schepps Fifth Circuit motion to stay bankruptcy order and Fifth Circuit order (.50) work with R Hunt on reply (.50); call with P Loh regarding testimony of Lisa Katz and go forward approach regarding various appeals concerning Quantec and Novo Point (.40);	1.40	\$665.00
11/16/11	RJU	Call from R Panko (counsel for Discovery Communications) regarding emergency motion to stay bankruptcy order and forward order, emergency motion and Fifth Circuit order to Mr. Panko (.60.);	0.60	\$285.00
11/16/11	RMH	Further work on Petfinders stay response.	3.00	\$1,290.00
11/16/11	PDM	Work on obtaining transcript for November 15 hearing, testimony of Lisa Katz.	0.20	\$38.00
11/16/11	DLR	Assist with research regarding receivership law applicable to sanctions motions.	0.20	\$79.00
11/16/11	LJP	Assist with Fifth Circuit response brief to Schepps' motion to stay order approving petfinders.com sale (.5).	0.50	\$142.50
11/17/11	RMH	Complete Brief on Petfinders Motion to Stay.	5.10	\$2,193.00
11/17/11	RJU	Work with R Hunt on preparation of reply in Fifth Circuit regarding Petfinders LLC motion for stay;	1.50	\$712.50
11/17/11	MJM	Research of Secretary of State records to locate certificate of formation and email copy of same to Richard Hunt.	0.20	\$39.00
11/18/11	RJU	Review and revise reply to Fifth Circuit regarding stay order on bankruptcy approval of sale of domain name;	0.60	\$285.00
11/18/11	RMH	Finalize Response to Motion to Stay, assemble exhibits, and file (3.50); calls to Court of Appeals about filing procedure (.40).	3.90	\$1,677.00
11/21/11	RMH	Review Baron / NovoPoint reply briefs in various appeals.	1.10	\$473.00
11/21/11	RJU	Follow up on filing of Fifth Circuit pleading with R Hunt (.20); correspondence to B Golden regarding Fifth Circuit pleading (.10); review	1.10	\$522.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10263062
 Matter Description: ONDOVA LIMITED COMPANY

Page 9 of 16
 December 16, 2011

Date	Init	Description	Hours	Amount
		final version of Fifth Circuit filing (.30); call from D Sherman regarding brief filed in Fifth Circuit (.30); forward brief to counsel for Discovery Communications (.20);		
11/22/11	RJU	Review G Pronske motion filed in Baron / Pronske adversary proceeding and correspondence to P Loh and B Golden regarding same;	0.60	\$285.00
11/22/11	LJP	Analyze Pronske's motion to enter scheduling order and whether Trustee is proper party to respond to same (.3).	0.40	\$114.00
11/28/11	RJU	Begin preparation for continued show cause hearing scheduled for December 5th.	1.00	\$475.00
11/29/11	AMM	Review files relating to transcript of ruling only for October 23-24, 2011 hearing regarding the motions to show cause, strike document, etc. (.30); telephone call with Judge Jernigan's clerk requesting information on whether transcript of the entire two-day trial was requested (.20); confer with R. Urbanik several times regarding same (.20).	0.70	\$133.00
11/29/11	DLR	Consultation with Mr. Urbanik regarding receivership issue; respond to inquiry from Receiver's counsel regarding point of law applicable to receivership question.	0.50	\$197.50
11/29/11	RMH	Review reply in support of motion for stay, and provide comments to client and other counsel.	1.40	\$602.00
11/30/11	RMH	Review replies filed by Baron in main cases (1.50); meeting with R. Urbanik to discuss appeals (2.30).	3.80	\$1,634.00
11/30/11	DLR	Confer with Mr. Hunt regarding upcoming contempt hearing.	0.80	\$316.00
11/30/11	RJU	Review latest pleadings filed by G Schepps in Ondova main case (two appeals) (.30); strategy meeting with R Hunt, conference call with P Loh and B Golden regarding preparation for hearing on December 5th on Payne and Schepps (1.5); work with R Hunt on preparation for hearing	2.60	\$1,235.00

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10263062
Matter Description: ONDOVA LIMITED COMPANY

Page 10 of 16
December 16, 2011

Date	Init	Description	Hours	Amount
		(.80);		
Total For 25			111.30	\$43,585.50

DECEMBER 2011
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265435
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 11
 February 22, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
12/1/11	RMH	Draft new motion to stop filings (2.0); attend meeting with Receiver's counsel on contempt hearing (3.40).	5.40	\$2,322.00
12/1/11	RJU	Preparation for continued show cause hearing including meeting at Gardere with P Vogel, P Loh and B Golden;	5.00	\$2,375.00
12/1/11	LJP	Preliminary analysis of latest Schepps/Baron appeals (.3).	0.30	\$85.50
12/2/11	LJP	Participate in strategy meeting regarding continued contempt and sanctions hearing on 12-5 (1.3).	1.30	\$370.50
12/2/11	DLR	Draft insert for contempt motion.	1.00	\$395.00
12/2/11	RJU	Preparation for hearing on show cause motion (Schepps/Payne) (2.5);	2.50	\$1,187.50
12/2/11	RMH	Continued preparation for hearing on contempt (3.60); draft motion for additional sanctions against Schepps (3.50).	7.10	\$3,053.00
12/4/11	RMH	Prepare cross-examination of Schepps.	3.60	\$1,548.00
12/5/11	RMH	Prepare for hearing (4.2); attend hearing on Mction for Contempt against Schepps and Payne (4.0).	8.20	\$3,526.00
12/5/11	LJP	Revise and upload order enjoining Gary Schepps.	0.40	\$114.00
12/5/11	RJU	Prepare for third hearing on Court's show cause order, including preparation with R Hunt and L Pannier, call with D Sherman prior to hearing, review of Schepps response filed morning of hearing and preparation of order enjoining Schepps from filing any further pleadings (4.0); attend show cause hearing (4.0);	8.00	\$3,800.00
12/6/11	RMH	Work on order language for Bankruptcy Court and continue work on blanket motion to stop filings.	0.70	\$301.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265435
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 11
 February 22, 2012

Date	Init	Description	Hours	Amount
12/7/11	RMH	Work on motion to stop Schepp filing in Fifth Circuit (.40). Work on reply to Payne letter brief (.90).	1.30	\$559.00
12/7/11	RJU	Review letter brief filed by counsel for Christopher Payne (.50); work with R Hunt on Trustee's brief (.40); calls with P Loh and B Golden on Payne letter brief (.30);	1.20	\$570.00
12/8/11	RJU	Work with R Hunt on letter brief related to Payne / Schepps matter (1.0); call with P Loh regarding letter brief (.30); correspondence to / from G Schepps regarding his request to file additional briefing with Fifth Circuit (.30); review various pleadings and Order from Judge Ferguson regarding ICANN matters (.50); call with J MacPete regarding letter brief on Schepps and Payne (.40);	2.50	\$1,187.50
12/8/11	RMH	Review arguments from Plaintiff's counsel concerning Fifth Amendment adverse inferences and respond to same.	0.50	\$215.00
12/8/11	LJP	Assist with and file letter brief in support of Court's show cause order (.4).	0.40	\$114.00
12/8/11	RMH	Draft Reply Letter Brief in Support of Sanctions related to Schepps/Payne contempt proceedings.	1.10	\$473.00
12/9/11	DLR	Review update regarding progress of issue previously addressed with Receiver.	0.10	\$39.50
12/9/11	RJU	Review Schepps filing in Fifth Circuit requesting additional briefing (.40); calls with R Hunt and P Loh regarding latest Schepps filing (.40); call to Mary Yeager at Fifth Circuit Clerk's Office regarding filing by Schepps (.20); calls with P Loh regarding supplemental briefing on Payne and Schepps hearing (.40); review letter brief filed by J MacPete (.40);	1.80	\$855.00
12/9/11	RMH	Review and prepare response to Schepps' motion to continue extending briefing in the appeals (.90). Review additional Fifth Circuit filings (.20).	1.10	\$473.00
12/12/11	RMH	Call to Fifth Circuit about Baron motion seeking	0.30	\$129.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265435
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 11
 February 22, 2012

Date	Init	Description	Hours	Amount
		additional briefing.		
12/12/11	RJU	Review brief filed by J MacPete (.30); call with P. Loh and B. Golden regarding various Receivership issues (.60); review Receiver's report regarding status of the case (.40);	1.30	\$617.50
12/13/11	RJU	Review Schepps motion regarding filing additional briefing (.40); conference with P Loh and B Golden regarding filing response (.30); work with R Hunt on response (.50);	1.20	\$570.00
12/13/11	RMH	Revise response to Baron et al. motion for more briefing and arrange filing with the Fifth Circuit (1.30). Additional calls with all counsel regarding same (.60).	1.90	\$817.00
12/14/11	RJU	Review Schepps emergency motion regarding WIPO Arbitration and call to P Loh regarding same (.60); letter to Judge Jernigan regarding contempt by G Schepps (1.0); review order from Fifth Circuit on Schepps request for additional briefing (.20); call from D Sherman regarding latest developments in Fifth Circuit concerning Schepps and WIPO issues (.20); call to P Loh regarding latest order (.20);	2.20	\$1,045.00
12/14/11	RMH	Review Novo Point Fifth Circuit motion concerning WIPO claims.	0.20	\$86.00
12/15/11	RMH	Calls and emails to D Sherman about recent Jernigan order barring Schepps from further filings.	0.30	\$129.00
12/15/11	RJU	Review order from Judge Jernigan regarding G Schepps contempt;	0.30	\$142.50
12/16/11	RJU	Call from JD Blakely regarding transcript issue (.10); review reply to Schepps motion filed by Receiver (.20); call from D Sherman regarding various matters related to Receivership (.30);	0.60	\$285.00
12/20/11	RJU	Review various pleadings filed in Fifth Circuit regarding WIPO name dispute matter - including Schepps motion for leave, Fifth Circuit Order and pleading filed by Schepps;	1.00	\$475.00
12/21/11	RJU	Review latest Receivership pleadings related to	0.50	\$237.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265435
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 11
 February 22, 2012

Date	Init	Description	Hours	Amount
		Schepps interference;		
12/21/11	RMH	Review nine new filings in Court of Appeals and Northern District to determine whether they had an impact on the Trustee and emails to R. Urbanik about same.	0.70	\$311.50
12/22/11	RJU	Review correspondence from Jones Day attorneys regarding decision by WIPO to end investigation;	0.30	\$142.50
12/28/11	RJU	Review two latest appeals filed by Mr Baron of orders of the Bankruptcy Court and forward to Trustee;	0.60	\$285.00
12/29/11	RMH	Telephone conference with R. Urbanik about latest filings and review notices of appeal from Schepps.	0.40	\$178.00

Total For 2565.30 \$29,014.00

26 SERVERS DISPUTE

JANUARY 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 10
 February 23, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
1/4/12	RJU	Review latest motions filed by Receiver and ICANN regarding WIPO proceeding (.80).	0.40	\$190.00
1/5/12	RJU	Reviw clarification order issued by Judge Jernigan (.30); meet and work with R Hunt regarding letter to Judge Jernigan regarding suggested revision related to G Schepps standing and two pre-hearing (Dec 5) appeals filed by Schepps (1.0); review and revise letter to Judge Jernigan (.50); call with attorneys at Gardere regarding latest developments in pending mattes (.30);	2.10	\$997.50
1/6/12	PDM	Review updated main case docket and obtain several orders.	0.30	\$60.00
1/9/12	PDM	Review adversary document, motion to revise scheduling order and Receiver's response.	0.20	\$40.00
1/9/12	RJU	Attend hearing on Pronske and Patel matter - status conference for scheduling order on adversary proceeding (2.0); review latest filings by G Schepps (.40); letter to G Schepps regarding mootness of petfinders appeal (1.0); begin work on motion for reconsideration (1.0);	4.40	\$2,090.00
1/10/12	PDM	Review adversary and main case dockets and obtain pleadings.	0.50	\$100.00
1/10/12	DLR	Respond to inquiry from Mr. Urbanik regarding Receivership.	0.10	\$41.00
1/10/12	RMH	Prepare Motion for Expedited, Interim Relief in Fifth Circuit.	4.20	\$1,869.00
1/11/12	PDM	Prepare list of transcripts on system in bankruptcy and adversary case for use in appeal record.	1.40	\$280.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 10
 February 23, 2012

Date	Init	Description	Hours	Amount
1/11/12	DLR	Meeting with Mr. Urbanik and Mr. Hunt regarding alternatives to address open issues.	1.90	\$779.00
1/12/12	PDM	Prepare binders containing to appellee's record related to notices of appeal filed under docket numbers 704 and 705 (3.20); prepare letters to Court transmitting same (.30).	3.50	\$700.00
1/12/12	PDM	Revise list of transcripts for all pending adversaries and appeals.	1.00	\$200.00
1/17/12	RMH	Review, revise and circulate Fifth Circuit Motion for Interim Relief (3.40); review recent motion filed by Receiver (.30).	3.70	\$1,646.50
1/18/12	RMH	Review three latest filings from Schepps and work on interim relief motion.	3.10	\$1,379.50
1/18/12	RJU	Review motion filed in District Court by G Schepps concerning pleading filed in Fifth Circuit by Receiver (.50); review revised proposed motion for wind up of Receivership prepared by R Hunt and revised by D Roossien (1.0); review orders from Judge Ferguson regarding WIPO / ICANN matters (.40); work on revisions to proposed Fifth Circuit pleading (1.0);	2.90	\$1,377.50
1/18/12	DLR	Assist with preparation of motion for interim relief.	1.80	\$738.00
1/19/12	DLR	Assist with preparation of motion for interim relief.	0.30	\$123.00
1/19/12	RJU	Review and revise motion for Fifth Circuit on interim relief;	1.00	\$475.00
1/19/12	RMH	Review incoming filings from Northern district and Fifth Circuit (.30). Conference calls to R. Urbanik and D. Roossien concerning emergency motion in Fifth Circuit (.80).	1.10	\$489.50
1/20/12	RMH	Review issues on appeal, docket response date, and prepare response.	2.20	\$979.00
1/20/12	DLR	Assist with preparation of motion for interim relief.	0.30	\$123.00
1/25/12	RMH	Revisions to interim motion (4.50); check record references (.80); various calls to R. Urbanik	5.90	\$2,625.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 10
 February 23, 2012

Date	Init	Description	Hours	Amount
		about same (.60).		
1/26/12	RJU	Work on and finalize Fifth Circuit Motion regarding bankruptcy and receivership wind down;	6.00	\$2,850.00
1/27/12	RJU	Correspondence to D Sherman regarding order from Fifth Circuit regarding referral of Gardere motion to District Court;	0.30	\$142.50
1/30/12	RJU	Review orders issued by Fifth Circuit regarding Receiver / Gardere fee request and forward to D Sherman;	0.80	\$380.00
1/31/12	RMH	Various calls with Court and other parties about Schepps latest emergency motions (.30). Prepare response to same (.50).	0.80	\$356.00
1/31/12	DLR	Review update regarding developments and confer with Mr. Hunt regarding status and proposed course of action.	0.10	\$41.00

Total For 2550.30 \$21,072.50

JANUARY 2012
APPEAL OF COURT SALE ORDERS

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 10
 February 23, 2012

28 APPEALS OF SALE ORDERS

Date	Init	Description	Hours	Amount
1/5/12	LJP	Begin preparation of motion to dismiss petfinders.com appeal as moot.	1.50	\$450.00
1/6/12	LJP	Prepare letter to Schepps regarding voluntary dismissal of petfinders.com appeal (.40).	0.40	\$120.00
1/6/12	RJU	Review and revise letter to G Schepps regarding petfinders appeal;	0.50	\$237.50
1/11/12	RJU	Review correspondence from G Schepps on petfinders appeal issue (.30); meeting with R Hunt regarding Schepps response (.20); work with L Pannier on designation of items for two appeals filed by G Schepps including analysis of transcripts at different hearings (.80); meeting with D Roossien and R Hunt to discuss strategy / next steps in connection with Baron receivership (1.3); work on motion for reconsideration of	4.10	\$1,947.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 10
 February 23, 2012

Date	Init	Description	Hours	Amount
		clarification order (1.5);		
1/11/12	LJP	Analyze petfinders.com and servers.com appeals and prepare, file and serve designations of additional items for the record on appeal (3.6).	3.60	\$1,080.00
1/12/12	LJP	Coordinate preparation of hard copies of Appellee's designation being sent to the Court (.4); assist with obtaining or organizing relevant hearing transcripts for appeal purposes (.3).	0.70	\$210.00
1/18/12	LJP	Analyze latest Schepps appeal (.5); investigate whether servers.com appeal has been docketed with District Court (.2).	0.70	\$210.00
1/31/12	RJU	Review correspondence from G Schepps and pleadings filed by G Schepps regarding request for stay of Fifth Circuit order permitting sale of names;	0.70	\$332.50

Total For 2812.20 \$4,587.50

JANUARY 2012
APPEAL OF COURT BAR ORDER

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 10
 February 23, 2012

29 APPEAL OF SCHEPPS BAR ORDER

Date	Init	Description	Hours	Amount
1/9/12	RMH	Work on letter to Judge Jernigan regarding Schepps continuing to file papers following bar order.	0.60	\$267.00
1/10/12	LJP	Analyze basis for motion to reconsider the Court's "clarification order" regarding the prior order forbidding Schepps from filing any further documents in the Ondova bankruptcy case (.4); assist with preparing motion for reconsideration (.3).	0.70	\$210.00
1/10/12	RJU	Review of latest appeals filed by G Schepps and analysis of orders concerning prohibition on Schepps filings in BK court (1.0); conference with R Hunt concerning clarification order and issue of whether two Nov 28 appeals should be included (.50); begin draft motion for reconsideration of clarification order (1.5); call to P Loh regarding go forward steps regarding Schepps appeals (.30); review various filings by	3.60	\$1,710.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10265488
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 10
 February 23, 2012

Date	Init	Description	Hours	Amount
		Receiver concerning WIPO matter (.30);		
1/17/12	RJU	Review Statement of Issues on Appeal related to G Schepps appeal of interim order (.40); review correspondence from P Loh regarding proposed motion to pay Receiver fees and correspondence to D Sherman regarding same (.50); review motion filed by Gardere and meeting with R Hunt regarding same (.80); conference call with R Hunt and D Sherman (.60);	2.30	\$1,092.50
1/20/12	RJU	Work on Trustee's designation of items on appeal - latest Schepps appeal to District Court;	1.20	\$570.00
1/23/12	RJU	Work with R Hunt on designation of record for Schepps appeal (on motion relating to sanctions and contempt);	0.70	\$332.50
1/24/12	RMH	Review transcripts to see if record on appeal complete for Schepps appeal of no-appearance order (.40).	0.40	\$178.00
1/30/12	RMH	Prepare request for supplemental record on appeal for Schepps appeal of order barring him from practicing before bankruptcy court.	0.90	\$400.50
1/31/12	LJP	Review Trustee's designation in connection with Schepps appeal of contempt order (.3).	0.30	\$90.00

Total For 2910.70 \$4,850.50

FEBRUARY 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDCVA LIMITED COMPANY

Page 3 of 11
 May 4, 2012

Date	Init	Description	Hours	Amount
2/3/12	RJU	Follow up with K Nielsen and D Nelson on Domain Fest auction sales results;	1.00	\$475.00
2/6/12	RJU	Correspondence from K Nielsen regarding results from auction sale;	0.30	\$142.50
2/8/12	AMM	Review docket for domain names sold by motions to sell property, Docket Nos. 656 and 658; conference call with R. Urbanik informing him that Docket No. 656 related to sale of Petfinders and Docket No. 658 for sale of servers.com.	0.20	\$38.00
2/14/12	RJU	Review correspondence from K Nielsen regarding status of sale efforts regarding domain names (.30); extended call with D Nelson regarding sale options (.80);	1.10	\$522.50
2/17/12	RJU	Review contract on mondial and servers with Sedo (1.20); call to D Nelson regarding most recent sale efforts (.40); draft letter to K Nielsen regarding possible early termination of listing agreement (.80);	2.40	\$1,140.00
2/21/12	RJU	Call to D Nelson regarding strategy regarding sale of estate domain names;	0.70	\$332.50

Total For 135.70 **\$2,650.50**

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 11
 May 4, 2012

Date	Init	Description	Hours	Amount
		Schepps (.40); review various filings by Receiver and Schepps regarding Fifth Circuit and District Court orders and forward to D Sherman (.50); coordinate handling of various appeals with R Hunt (.20);		
2/2/12	DLR	Monitor developments regarding appeal and confer with Mr. Hunt on same.	0.30	\$123.00
2/2/12	AMM	Telephone conference with Juan Blanco at the U.S. Bankruptcy Court regarding notice of deficiency; revise the Appellee's Designation of Additional Items to be Included on Appeal as directed by the Court; confer with R. Urbanik regarding same.	0.70	\$133.00
2/3/12	PDM	Revise, file and serve Amended Designation of Record on Appeal.	0.30	\$60.00
2/3/12	RJU	Work with R Hunt on Schepps appeal (docket 742);	0.50	\$237.50
2/6/12	RJU	Work with R Hunt on preparation of motion regarding related cases on three Schepps appeals (1.2);	1.20	\$570.00
2/7/12	RJU	Review Monday and Tuesday ECF updates on three Baron appeals (.40); conference with R Hunt regarding appeal chart (.20); call with R Hunt to P Loh, P Vogel and B Golden regarding four appeals Trustee is handling, appeal being handled by Receiver and progress of domain name sales by Receiver (.50);	1.10	\$522.50
2/7/12	PDM	Review docket and obtain copy of order #760.	0.30	\$60.00
2/8/12	RJU	Correspondence with G Schepps regarding notice of related cases (.40); work on notices with R Hunt (1.10); call with R Hunt to P Loh regarding various Receivership issues (.70);	2.20	\$1,045.00
2/9/12	RMH	Review seven new notices and filings in the District Court and Court of Appeals to determine their effect, if any, on the Trustee (1.10); calls and emails about same to R. Urbanik (.20).	1.30	\$578.50
2/15/12	RMH	Review Fifth Circuit Order deferring ruling on payment of fees to Trustee etc.	0.20	\$89.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 11
 May 4, 2012

Date	Init	Description	Hours	Amount
2/16/12	RJU	Review order from Fifth Circuit on Trustee's Motion for Interim Relief filed on January 26th and call to D Sherman regarding same (.50); work on reply to Schepps opposition to transfer of case on Petfinder's appeal (1.2); meeting with R Hunt on status of various other Receivership matters and go forward strategy in light of latest Fifth Circuit ruling (1.0);	2.70	\$1,282.50
2/17/12	RJU	Review various sealed order and motions regarding Receivership and forward to D Sherman (.40); work with R Hunt on Petfinders reply (1.5).	1.90	\$902.50
2/17/12	JHO	Review template of brief seeking dismissal of appeal for mootness, and conduct file review of underlying sale order, motion and objections (.20); research legal authorities for 363(m) mootness and good faith purchaser arguments (.60); and prepare insert for motion briefing (1.20).	2.00	\$770.00
2/20/12	RJU	In connection with various ongoing G Schepps litigation, review and revise motion to dismiss and brief in support thereof regarding petfinders.com sale (2.0); review G Schepps pleadings in two cases - 3:12-00416-0 and 3:12-00387-B (.50); begin work on second motion for reimbursement (2.5);	5.00	\$2,375.00
2/21/12	PDM	Obtain updated dockets on District Court appeals.	0.30	\$60.00
2/21/12	PDM	Review Fifth Circuit docket and District Court docket for pleadings filed by Hunt on behalf of D. Sherman during period 4/1/11-12/31/11 and prepare spreadsheet detailing same.	2.20	\$440.00
2/21/12	RJU	Work with legal assistant on obtaining needed information for Trustee's second request for reimbursement from Receivership;	0.60	\$285.00
2/22/12	RJU	Call to P Loh regarding scheduled hearing regarding sealed documents (.30); call to D Sherman regarding afternoon hearing (.10); attend 3:30 pm hearing before Judge Ferguson (2.5); meeting with US Marshall following hearing (.20); review orders regarding transfer on	3.50	\$1,662.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 11
 May 4, 2012

Date	Init	Description	Hours	Amount
		two appeals to Judge Ferguson - Case nos: 3:12-0387 and 3:12-00416 (.40);		
2/22/12	RJU	Work on Trustee's second motion for reimbursement (1.0);	1.00	\$475.00
2/22/12	PDM	Continue review of various appeals dockets for briefs filed by Hunt and pleadings filed by Schepps; create spreadsheet of same.	5.80	\$1,160.00
2/24/12	RJU	Work on second motion for reimbursement for filing in District Court case and Fifth Circuit case;	1.00	\$475.00
2/24/12	RMH	Review filings by Receiver and Baron in courts of appeal and District Court.	0.60	\$267.00
2/29/12	RMH	Prepare narrative of Fifth Circuit work performed for application for fees as Receivership expense.	2.10	\$934.50

Total For 2540.10 \$15,932.50

FEBRUARY 2012
APPEAL OF COURT SALE ORDERS

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 11
 May 4, 2012

28 APPEALS OF SALE ORDERS

Date	Init	Description	Hours	Amount
2/17/12	RMH	Check on sealed orders in District Court to see if they impact Ondove bankruptcy estate (.30). Work with assistant on comprehensive list of Fifth Circuit orders (.40). Prepare Reply on Motion to Transfer in Petfinders appeal from Bankruptcy Court (2.60). Draft motion to transfer for latest Schepps bankruptcy appeal (1.60).	4.90	\$2,180.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 11
 May 4, 2012

Date	Init	Description	Hours	Amount
2/20/12	PDM	Review pleadings filed in adversary cases and download same; review docket for various orders (.20); prepare exhibits to Appellee's Motion and Brief to Dismiss Appeal (.70); review Fifth Circuit docket for stay orders on Petfinders (.30); finalize Amended Motion to Dismiss and exhibits and e-file same (.40).	1.60	\$320.00
2/28/12	RJU	Review response filed by Baron in opposition to dismissal due to mootness (.30); call from G Schepps regarding extension of appeal brief in Petfinders (.30);	0.60	\$285.00
2/29/12	RMH	Work on motion to dismiss Petfinders appeal (1.20). In office discussion R. Urbanik about briefing deadlines (.20). Review Response to Motion to Dismiss from Schepps and confirm misrepresentation about notice issues (.40).	1.80	\$801.00
2/29/12	RJU	Meeting with R Hunt regarding request by Schepps for extension of briefing deadlines (.30); email correspondence to G Schepps (.20); review and revise motions to dismiss appeals (.30);	0.80	\$380.00

Total For 289.70 \$3,966.50

FEBRUARY 2012
APPEAL OF COURT BAR ORDER

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269145
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 11
 May 4, 2012

29 APPEAL OF SCHEPPS BAR ORDER

Date	Init	Description	Hours	Amount
2/17/12	RJU	Work with R Hunt on motion on related case - appeal of order barring attorney Gary Schepps from appearing (.80);	0.80	\$380.00
2/29/12	RMH	Prepare Motion to Dismiss appeals. Review Schepps response to same.	0.80	\$356.00

Total For 291.60 \$736.00
Total Hours: 112.90
Total Fees:\$46,462.00

TIMEKEEPER SUMMARY

MARCH 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10269229
Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 12
May 8, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
3/1/12	RMH	Work on narrative for Trustee Motion for District Court.	1.10	\$489.50
3/2/12	RJU	Worked on Motion for Reimbursement;	1.50	\$712.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 12
 May 8, 2012

Date	Init	Description	Hours	Amount
3/5/12	RMH	Review Schepps' motions related to the record on various appeals and draft response to motions (2.60). Review Schepps replies (.40); prepare information on work done in Fifth Circuit for fee reimbursement (1.70); begin review of Schepps' Briefs on appeal in the bankruptcy appeals (.70).	5.40	\$2,403.00
3/6/12	DLR	Consultation with R. Hunt regarding point of receivership law.	0.40	\$164.00
3/6/12	RJU	Work on Fifth Circuit motion for reimbursement to Ondova estate;	2.50	\$1,187.50
3/7/12	RJU	Work on motion to reimburse Ondova estate (2.5); call to D Sherman regarding Fifth Circuit motion (.60); call from B Golden and P Loh regarding draft Fifth Circuit motion (.50); call with D Sherman on status (.50);	4.10	\$1,947.50
3/7/12	RMH	Complete Protocal Motion and arrange filing. Telephone conference client about same.	0.90	\$400.50
3/14/12	RJU	Work with legal assistant on protocal motion (.50); correspondence to P Loh and B Golden regarding conference call (.20); meeting with R Hunt regarding options concerning estate reimbursement claims in receivership (.60);	1.30	\$617.50
3/14/12	PDM	Review invoices and create chart of receivership fees from April - December 2012 (1.60); request additional edits to invoices (.20).	1.80	\$360.00
3/15/12	RMH	Telephone conference with Judge Ferguson's clerk about sur-reply on Baron Brief (.30). Conference call with Receiver's counsel about strategy related to future payment of Trustee's legal expenses (.90).	1.20	\$534.00
3/20/12	DLR	Confer with Mr. Urbanik regarding status and proposed course of action.	0.10	\$41.00
3/21/12	RMH	Prepare list of emergency and stay matters (2.20).	2.20	\$979.00
3/22/12	RMH	Work with legal assistants on complete list of Baron/Schepps filing for protocal motion.	0.80	\$356.00
3/22/12	RJU	Work on agreement relative to protocal motion.	2.00	\$950.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 12
 May 8, 2012

Date	Init	Description	Hours	Amount
3/22/12	PDM	Review Bankruptcy Court docket and all District Court dockets and prepare charts of pleadings filed between October 1, 2011 and January 21, 2012 (2.10).	2.10	\$420.00
3/23/12	PDM	Continue review of Fifth Circuit court dockets and summary of pleadings filed by Baron.	3.90	\$780.00
3/23/12	RJU	Work on protocol motion.	2.50	\$1,187.50
3/23/12	RMH	Final review of reimbursement motion.	0.20	\$89.00
3/27/12	RJU	Correspondence to P Loh regarding draft protocol motion (.20); correspondence to D Faulkner regarding motion (.20); follow up call to P Loh on motion (.10); review Receiver's motion on Cook Island Trust tax issues (.20);	0.70	\$332.50
3/28/12	RJU	Call to P Loh regarding Receiver comments on draft protocol motion;	0.30	\$142.50

Total For 2535.00 \$14,093.50

MARCH 2012
APPEAL OF COURT SALE ORDERS

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 12
 May 8, 2012

28 APPEALS OF SALE ORDERS

Date	Init	Description	Hours	Amount
3/1/12	RJU	Meeting with R Hunt regarding request by Schepps for extension (.40); correspondence to G Schepps regarding same (.20); work with R Hunt on motions to dismiss (.70);	1.30	\$617.50
3/1/12	RMH	Review orders of DC granting Schepps 5 days to file brief.	0.70	\$311.50
3/5/12	RJU	Review two appeal briefs filed by G Schepps' and	2.70	\$1,282.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 12
 May 8, 2012

Date	Init	Description	Hours	Amount
		two motions to supplement and amend the record related to briefs (1.2); meeting with R Hunt on options to respond to Schepps' efforts to introduce items into record on a late basis (.50); call with D Sherman regarding latest developments and forward Schepps' pleadings (.50); review / revise reply prepared by R Hunt - Appellee's Response to Appellant's Motion to Supplement the Record (.50);		
3/6/12	RMH	Research and draft Trustee's Brief on Appeal (District Court), including research of cases cited by Appellant to the effect that proceedings under Section 363 required Rule 7001 procedural protections and constitutional issues.	6.60	\$2,937.00
3/6/12	RJU	Reviewed Schepps' motions to supplement the record past deadline and Schepps' appeal brief (.70); correspondence to D Sherman regarding same (.20); conference with R Hunt regarding replies to erroneous information in Schepps' pleadings (.40);	1.30	\$617.50
3/7/12	RJU	Review Appellant's Motion for Stay Pending Appeal in Servers appeal (Docket 11) filed on 3-6-12 (.50);	0.50	\$237.50
3/13/12	RJU	Conference with R Hunt regarding briefing issues on two appeals, including options concerning Judge Ferguson ruling on allowing certain portions of transcript;	0.50	\$237.50
3/16/12	RMH	Further revisions to Petfinders Brief on Appeal and research standing issues.	3.20	\$1,424.00
3/16/12	RJU	Review draft brief prepared by R Hunt regarding sale order appeals;	0.50	\$237.50
3/22/12	PDM	Revise chart of items filed in Fifth Circuit appeals.	1.00	\$200.00
3/23/12	RMH	Revise Brief on Appeal.	0.50	\$222.50
3/24/12	RMH	Complete Brief and record references in Petfinders appeal by Schepps.	1.10	\$489.50
3/26/12	RJU	Review / revise appellate briefs (District Court) regarding appeals by Baron of order approving	1.50	\$712.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 12
 May 8, 2012

Date	Init	Description	Hours	Amount
		sale of servers.com and petfinders.com (1.5);		
3/27/12	RJU	Forward final versions of briefs to D Sherman;	0.20	\$95.00
3/29/12	PDM	Update pleading notebooks on District Court appeals cases.	0.50	\$100.00
Total For 28			22.10	\$9,722.00

MARCH 2012
APPEAL OF COURT BAR ORDER

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 12
 May 8, 2012

29 APPEAL OF SCHEPPS BAR ORDER

Date	Init	Description	Hours	Amount
3/1/12	RJU	Work with R Hunt on motion to dismiss;	0.60	\$285.00
3/5/12	RJU	Review appellate brief filed by G Schepps and related motion to supplement and amend the record (.80); discuss options regarding brief and motion filed by Schepps with R Hunt (.40); call to D Sherman regarding filings and forward same (.30); review / revise response filed by R Hunt - Appellee's Response to Motion to Supplement the Record (.60);	2.10	\$997.50
3/6/12	RJU	Review motion filed by G Schepps to supplement record past deadline; review appeal brief; forward latest filings by G Schepps to D Sherman (.40); conference with R Hunt regarding strategy and options regarding Schepps' efforts to supplement record past deadline (.60);	1.00	\$475.00
3/6/12	AMM	Retrieve/review 13 pleadings relating to appeals filed by Baron, Schepps, et al. and Petfinders, et al., and transmit each pleading to R. Urbanik for forwarding to D. Sherman.	0.80	\$152.00
3/12/12	RMH	Prepare brief on appeal in Case 416 - Schepps' appeal of order barring his appearance.	2.10	\$934.50
3/13/12	RMH	Research issues related to contempt as opposed to sanctions and regulation of attorneys before the court and incorporate into Brief on Appeal.	6.10	\$2,714.50
3/13/12	RJU	Conference with R Hunt regarding strategy options on appeal - including approach concerning ruling by Judge Ferguson on allowing certain portions of transcript;	0.50	\$237.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269229
 Matter Description: ONDOVA LIMITED COMPANY

Page 9 of 12
 May 8, 2012

Date	Init	Description	Hours	Amount
3/14/12	RMH	Research and draft Brief on Appeal in Schepps Bar Order appeal (Case 416).	4.30	\$1,913.50
3/15/12	PDM	Obtain current dockets on appeal matters; prepare binders for Servers.com, Petfinders and the appeal on the bar order.	2.50	\$500.00
3/16/12	RJU	Review draft brief prepared by R Hunt on bar order appeal;	0.50	\$237.50
3/17/12	RMH	Complete research and drafting of Brief on Schepp's Appeal of Schepps Bar Order.	5.10	\$2,269.50
3/23/12	RMH	Work on Response Brief - forward draft to D. Sherman for review.	1.60	\$712.00
3/24/12	RMH	Complete Brief with additional research and record references on Schepps Bar Order.	1.20	\$534.00
3/26/12	RMH	Revise conditional motion to supplement (.40). Complete and file Brief. (.90)	1.30	\$578.50
3/26/12	RJU	Review / revise appellate brief regarding appeal of Bar order (.40); draft motion concerning incomplete record and Schepps' failure to supplement the record (1.10);	1.50	\$712.50
3/27/12	RJU	Forward final version of briefs to D Sherman;	0.20	\$95.00
3/28/12	RJU	Review and revise motion prepared by R Hunt and meeting with R Hunt regarding record issues in appeal;	0.60	\$285.00
3/28/12	RMH	Work on motion to supplement record on appeal (2.10). In office discussion with R. Urbanik to discuss conditional motion to supplement (.60). Make revisions to clarify procedural posture (.70).	3.40	\$1,513.00
3/30/12	RMH	Various calls and emails from D. Sherman about Schepps' appeal (.40). Revise motion for leave (1.70).	2.10	\$934.50
3/30/12	RJU	Worked with R Hunt on motion regarding clarification of record in Bar Order appeal (2.0); call to clerk regarding problems with Bar Order on appeal (.30); review orders from Judge Ferguson on three latest Schepps' appeals and call	2.70	\$1,282.50

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10269229
Matter Description: ONDOVA LIMITED COMPANY

Page 10 of 12
May 8, 2012

Date	Init	Description	Hours	Amount
		from D Sherman regarding same (.40);		
Total For 29			40.20	\$17,363.50

APRIL 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269682
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 7
 May 23, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
4/2/12	RJU	Reviewed Receiver motions filed on Jan 17, 2012 and Feb 27, 2012 (sealed motion) regarding sale of assets and payment of professional fees and call to P Loh regarding same (2.0);	2.00	\$950.00
4/9/12	RMH	Review reply briefs in all three appeals (1.00). In office discussion R. Urbanik about status of appeals from bankruptcy matters (.50).	1.50	\$667.50
4/9/12	RJU	Meeting with R Hunt regarding information needed for pleading to be filed with Fifth Circuit on motion for reimbursement;	0.50	\$237.50
4/10/12	RJU	Continue work on information needed for Fifth Circuit motion;	0.60	\$285.00
4/13/12	RMH	Review orders in the various Schepps appeals, correspondence about status conference and pre-conference meeting of parties.	0.50	\$222.50
4/16/12	DLR	Meeting with Trustee and Receiver's counsel regarding status conference issues.	2.10	\$861.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269682
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 7
 May 23, 2012

Date	Init	Description	Hours	Amount
4/16/12	PDM	Review electronic orders and pleadings filed in District Court cases on Friday and calendar status conference date.	0.30	\$60.00
4/16/12	RJU	Call with P Loh regarding status conference issues (.20); call with D Sherman to discuss meeting with Gardere (.30); prepare for and attend meeting at Gardere regarding preparation for status conference on 4-23-12 (3.0);	3.50	\$1,662.50
4/17/12	RJU	Review correspondence from G Schepps, orders from Judge Ferguson and call to P Loh regarding 4-23 status conference;	0.40	\$190.00
4/17/12	RMH	Review exchange of letters between Schepps and Judge Ferguson.	0.60	\$267.00
4/19/12	DLR	Coordinate with Mr. Hunt on status conference.	0.20	\$82.00
4/19/12	RMH	In office discussion with D. Roossien about status conference hearing.	0.20	\$89.00
4/20/12	RMH	Review Mandamus filing from Schepps concerning the stricken bankruptcy appeals and gather information for use at status conference.	1.10	\$489.50
4/23/12	RJU	Prepare for and attend status conference on Receivership;	4.00	\$1,900.00
4/23/12	PDM	Obtain updated dockets for use at status conference.	0.20	\$40.00
4/23/12	DLR	Preparation for and attend status conference and post-hearing discussions with client and other counsel regarding next steps.	3.00	\$1,230.00
4/23/12	RMH	Prepare for and attend status conference (3.60). In office discussion with R. Urbanik about status conference (.40).	3.40	\$1,513.00
4/24/12	RMH	Draft Motion to Lift Stay concerning Motion for Reimbursement pending in District Court.	1.30	\$578.50
4/24/12	RJU	Correspondence from P Loh regarding motion on sale of servers and petfinders (.40); call to P Loh and B Golden regarding draft motion (.30); call to D Sherman regarding latest developments in Receivership (.30); conference with R Hunt regarding assistance needed on pleadings for	1.50	\$712.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269682
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 7
 May 23, 2012

Date	Init	Description	Hours	Amount
		Receivership per status conference on 4-23-12 (.50);		
4/25/12	RMH	Draft Motion to Lift Stay concerning Motion for Reimbursement in District Court.	2.30	\$1,023.50
4/26/12	RMH	Work on Motion to Lift Stay for payment of fees (.30). Review additional 14 filings by Receiver and Baron (.30).	0.60	\$267.00
4/27/12	RMH	Review latest filings from Receiver, including Motion related to proceeds from sale of Mondial, et al.	0.30	\$133.50
4/30/12	RMH	Meeting with R. Urbanik to discuss drafting, review latest filings from Receiver.	0.20	\$89.00

Total For 2530.30 \$13,550.50

APRIL 2012
APPEAL OF COURT SALE ORDERS

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10269682
Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 7
May 23, 2012

28 APPEALS OF SALE ORDERS

Date	Init	Description	Hours	Amount
4/2/12	PDM	Obtain and review Fifth Circuit docket.	0.20	\$40.00
4/9/12	RJU	Review Baron reply briefs in District Court appeals;	0.60	\$285.00

Total For 280.80 \$325.00

APRIL 2012
APPEAL OF COURT BAR ORDER

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10269682
Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 7
May 23, 2012

29 APPEAL OF SCHEPPS BAR ORDER

Date	Init	Description	Hours	Amount
4/3/12	RJU	Work with R Hunt on designation of record for Bar order appeal;	1.00	\$475.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10269682
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 7
 May 23, 2012

Date	Init	Description	Hours	Amount
4/3/12	RMH	Revise Motion to Supplement, collect and arrange supplemental record on appeal.	3.20	\$1,424.00
4/9/12	RJU	Review G Schepps reply brief regarding Judge Jernigan Bar Order;	0.40	\$190.00
4/19/12	RMH	Review lists of Schepps filings to confirm completeness in anticipation of status conference.	2.00	\$890.00
4/23/12	RMH		0.10	\$44.50

Total For 296.70 **\$3,023.50**

MAY 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 2 of 8
 June 14, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
5/1/12	RJU	Review and revise motion to terminate stay to allow District Court to consider motion for reimbursement;	1.00	\$475.00
5/1/12	RMH	Draft additional Motions to Lift Stay on general matters and payment of Baron attorneys.	3.10	\$1,379.50
5/2/12	RJU	Work with R Hunt on two motions regarding Receivership - Motion to Lift Stay regarding Docket 467 and General Motion to lift stay (1.0);	2.00	\$950.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 8
 June 14, 2012

Date	Init	Description	Hours	Amount
		work with R Hunt on issues related to mandamus request from Mr Baron - including review of pleading, correspondence to D Sherman and call to Judge Jernigan 's law clerk (1.0);		
5/2/12	RMH	Revisions to Motions to Lift Stay.	2.30	\$1,023.50
5/2/12	RMH	Review Schepps Petition for Mandamus (1.90); call to Clerk about same (.40).	2.30	\$1,023.50
5/3/12	RMH	Review incoming orders on various motions (.40). Draft response to Receiver's Motion to Direct Proceeds (3.10). Revise Trustee's Motion to Lift Stay (General) (.80); Calls with R. Urbanik, Clerk of Court and Receiver's counsel about same (.60).	4.90	\$2,180.50
5/3/12	RJU	Review various orders issued by District Court regarding fee requests and other Receivership matters (.60); two calls with P Loh regarding orders issued by District Court (.50); review and revise motion to lift stay in Receivership prepared by R Hunt (.70);	1.80	\$855.00
5/4/12	RMH	Complete and file Motion to Lift Stay generally (1.20). [REDACTED] Review Schepps latest notice of appeal and emergency motion (.70).	5.30	\$2,358.50
5/5/12	RMH	Email from Receiver's counsel with requests for more documents.	0.20	\$89.00
5/7/12	RMH	Telephone conference with R. Urbanik about need for Motion to Clarify (.30). Draft Motion to Clarify (2.20). [REDACTED]	3.60	\$1,602.00
5/8/12	RJU	Review recent orders from Judge Ferguson and obtain information from claims analysis regarding fees in order to prepare for call with B Golden and P Loh (.70); conference call with P Loh and B Golden regarding various issues related to Receivership and recent orders from Judge Ferguson and options for handling upcoming Receivership matters (1.0); review Report filed by Judge Jernigan in Fifth Circuit regarding	2.70	\$1,282.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 8
 June 14, 2012

Date	Init	Description	Hours	Amount
		mandamus petition (.50); confer with R Hunt regarding directive from Fifth Circuit regarding emergency motion filed by G Schepps in Fifth Circuit (.50);		
5/8/12	RMH	Calls and emails concerning Schepps Motion to Stay in Fifth Circuit (.50); [REDACTED] draft Response to Emergency Motion to Stay in Case 12-10489 (3.80).	5.20	\$2,314.00
5/9/12	RMH	Draft Response to Emergency Motion to Stay in 12-10489 (.90). Telephone conference with Clerk of District Court about order to clarify (.20). Draft Motion to Clarify (2.40). Further work on Response to Motion to Stay (.70).	4.20	\$1,869.00
5/9/12	RMH	Draft Motion to Lift Stay to Pay Former Baron Attorneys.	2.70	\$1,201.50
5/9/12	RJU	Work with R Hunt on preparing motion for payment of attorney fee claims in Receivership case (1.1); call to D Sherman regarding latest developments regarding Receivership (.30); review pleading filed by G Schepps in Fifth Circuit on May 8th seeking a stay of orders entered by District Court (.50); work with R Hunt on response to Schepps Emergency Motion to Stay filed with Fifth Corcuit (.60);	2.50	\$1,187.50
5/10/12	RMH	Final review/revisions and filing of Response to Emergency Motion to Stay in Case No. 12-10469 (1.30). Final review/revisions and filing of Motion to Clarify Order to Reimburse Trustee (1.20). Telephone conference R. Urbanik about Motion to Lift Stay to Pay Former Baron Attorneys and make revisions to same (1.60).	4.10	\$1,824.50
5/11/12	RMH	Review Schepp's Replies in Support of Mandamus and in support of Emergency Motion to Stay.	0.90	\$400.50
5/11/12	RMH	[REDACTED] calls with R. Urbanik	2.10	\$934.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 8
 June 14, 2012

Date	Init	Description	Hours	Amount
		about same (.30).		
5/14/12	RMH	Review Fifth Circuit and District Court orders on Baron's Motion to Stay (.20); Review six filings by Receiver (.70); In office discussion R. Urbanik about Receiver motions (.20).	1.10	\$489.50
5/14/12	RJU	Review pleading filed by Receiver in Fifth Circuit, G Schepps "Proposed" reply to responses of Trustee and Receiver and orders issued by District Court and Fifth Circuit (1.0); [REDACTED]	2.00	\$950.00
5/15/12	RMH	[REDACTED]	2.00	\$890.00
5/15/12	PDM	Locate fee applications for 2011 and early 2012 and forward to R. Hunt for review.	0.30	\$60.00
5/16/12	RMH	[REDACTED]	4.50	\$2,002.50
5/17/12	RMH	Begin preparing response to Judge Ferguson's request for briefing on ownership of domain names (2.8); [REDACTED] call Judge Jernigan's chambers on letter from Fifth Circuit (.40); draft Response to Fifth Circuit directive (3.10).	7.60	\$3,382.00
5/17/12	RJU	Review orders of Judge Ferguson regarding various appeals of bankruptcy court orders (.30); review order of Fifth Circuit regarding mandamus petition and work with R Hunt on issues concerning same (1.0); [REDACTED] call with P Loh regarding motion to be filed in Receivership (.20); update call to D Sherman regarding Receivership (.30);	2.80	\$1,330.00
5/18/12	RJU	[REDACTED] set up conference call with Receiver (.20); check on status of, and review, Fifth Circuit pleading regarding mandamus petition (.40);	0.90	\$427.50

Munsch Hardt Kopf & Hart, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 8
 June 14, 2012

Date	Init	Description	Hours	Amount
5/18/12	RMH	Work on Response to Directive from Fifth Circuit. Further work on Response to Fifth Circuit directive in mandamus case.	5.10	\$2,269.50
5/21/12	RMH	Review new Fifth Circuit pleadings from Schepps and determine if response needed (1.0).	1.00	\$445.00
5/21/12	RJU	Work with R Hunt on follow up pleadings for Receivership and in preparation for call with B Golden and P Loh (1.50); call with P Loh and B Golden (.50); call to D Sherman regarding latest developments concerning wrap up of Receivership (.60);	2.60	\$1,235.00
5/22/12	RMH	Review transcripts and review Briefs on issues related to ownership of domain names to respond to Ferguson request (2.80). Research issues on registration and domain name ownership (1.90).	4.70	\$2,091.50
5/22/12	PDM	Prepare transcript request for 7/26/11 hearing.	0.30	\$60.00
5/22/12	RJU	Call to D Sherman regarding information needed on administrative time expenses and to discuss strategy and options to begin wind down phase of Ondova case (.80); conference with R Hunt regarding preparation of pleadings concerning wind down of case (.50); gather financial information needed for preparation of relevant pleadings (.70);	2.00	\$950.00
5/23/12	RMH	Continue work on letter brief to Judge Ferguson (2.00); additional research on nature of property interest in Internet domain names (2.10).	4.10	\$1,824.50
5/23/12	RJU	Calls with P Loh and B Golden regarding Receivership (.60); review complaint filed by Netsphere and various orders issued by District Court (.50);	1.10	\$522.50
5/25/12	RMH	Review Receiver's response to Judge Furgeson's Letter request of May 14 (.70); complete and file Trustee's response (4.30).	5.00	\$2,225.00
5/29/12	RJU	Call from G Pronske regarding latest developments in Receivership;	0.30	\$142.50
5/29/12	RMH	Review three filings by Schepps and Receiver in District Court action.	0.40	\$178.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10270661
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 8
 June 14, 2012

Date	Init	Description	Hours	Amount
5/29/12	RJU	Review Gary N Schepps Letter Brief regarding May 16 2012 order on appeal 367 and appeal 387 and Conrad Herring letter brief on appeal 244;	2.00	\$950.00
5/30/12	RJU	[REDACTED]	2.00	\$950.00
5/30/12	RMH	[REDACTED] Review Order on Petition for Mandamus and forward (.20).	0.60	\$267.00
5/31/12	RMH	Review Motion to Terminate Stay etc.	0.90	\$400.50
5/31/12	RJU	[REDACTED] forward to P Loh, B Golden and P Vogel information regarding Ondova assets and liabilities (.50); correspondence to / from K Enger at Lain Faulkner regarding amount owed to Ondova on estate income tax refund (.40); [REDACTED]	5.10	\$2,422.50

Total For 25109.30 \$49,415.50

JUNE 2012

RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 12
 August 21, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
6/1/12	RMH	Conference call with D. Sherman and R. Urbanik to review matters related to 5th Circuit directives on consolidation and briefing (.40); review additional 5th Circuit and District Court filings (.80).	1.20	\$534.00
6/1/12	DLR	Consultation with R. Hunt regarding Receivership law issue.	0.10	\$41.00
6/1/12	RJU	Review order from Fifth Circuit concerning Writ of Mandamus and order regarding briefing on Case 12-10489 (.30); call with R Hunt to D. Sherman regarding new Fifth Circuit orders (.40); continue work on bankruptcy motion regarding approval of settlement agreement with Receiver (2.0);	2.70	\$1,282.50
6/3/12	RMH	Email correspondence with opposing counsel concerning Motion to Reconsider.	0.30	\$133.50
6/4/12	RJU	Review Motion to Reconsider Court Directive on Briefing filed June 3rd by J Baron in Fifth Circuit and forward to D Sherman (.50); for purposes of replying to Fifth Circuit Motion to Reconsider as well as preparation of motion for approval of settlement agreement with Receiver, review various pleadings filed by Netsphere parties, orders of Judge Ferguson and Judge Jernigan from 2009 and work on motion and reply (4.5);	5.00	\$2,375.00
6/4/12	DLR	Consultation with R. Hunt regarding Receivership law point.	0.10	\$41.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 12
 August 21, 2012

6/4/12	RMH	Email with Schepps about his newest demand for relief (.40). Telephone conference R. Urbanik about same (.20). Work on research concerning transfer of bankruptcy asset to Receiver (.80).	1.40	\$623.00
6/5/12	RJU	Work with R Hunt on reply to pleading filed by Baron on June 3, 2012 in Fifth Circuit - Motion to Reconsider Court Directive on Briefing Periods;	5.00	\$2,375.00
6/5/12	RMH	Telephone conference with Clerk of 5th Circuit about response to Schepp's Motion for Reconsideration (.30). Telephone conference R. Urbanik and P. Loh about appropriate response (.70). Begin drafting response (4.10).	5.10	\$2,269.50
6/6/12	RMH	Continued work on response to Motion for Reconsideration.	0.60	\$267.00
6/6/12	PDM	Create notebook for District Court case.	0.30	\$60.00
6/6/12	DLR	Confer with Receiver's counsel regarding inquiry as to Receivership law and practice.	0.10	\$41.00
6/7/12	RMH	Add fact narratives to Response to Motion for Reconsideration.	3.60	\$1,602.00
6/7/12	RJU	Draft settlement agreement on Receivership settlement and continued work on motion to approve settlement agreement (3.5); call with J McGee on strategy for combining Receivership and bankruptcy case to facilitate settlement and wind down (.50);	4.00	\$1,900.00
6/8/12	JMM	Call with R. Urbanik regarding possible settlement with Receiver on wind down of bankruptcy case and receivership.	0.50	\$192.50
6/8/12	IJB	Research and draft notes for Ray Urbanik on the potential of getting a 157(d) reference withdrawal.	2.50	\$375.00
6/8/12	RMH	Complete Response to Motion for Reconsideration (1.30); update appeal information in Motion to Approve (.60).	1.90	\$845.50
6/8/12	RJU	Review latest orders issued by District Court (.40); work on Receivership settlement agreement motion (1.1);	1.50	\$712.50
6/11/12	RJU	Work on settlement agreement and related motion (2.0); work on Fifth Circuit response regarding	5.60	\$2,660.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 12
 August 21, 2012

		Baron opposition to Directive (3.0); research Section 1112(b) closing of case and call with L Lambert at US Trustee office regarding same (.60);		
6/11/12	PDM	Review District Court case docket and pull various pleadings needed for pleading preparation.	0.30	\$60.00
6/12/12	RJU	Work on opposition to Baron motion for reconsideration in Fifth Circuit regarding June 1, 2012 Directive;	4.20	\$1,995.00
6/12/12	RMH	Complete Response to Motion for Reconsideration in 5th Circuit (4.90); review orders from 5th Circuit and District Court (.70); review Schepps Motion (.30).	5.90	\$2,625.50
6/13/12	RMH	Continued work on 5th Circuit issues and strategy to disbar Schepps and shut down Baron (.90). Outline potential claims of Trustee against Baron individually for money damages (1.20).	2.10	\$934.50
6/13/12	RJU	Work on motion for Fifth Circuit regarding opposition to Baron Motion for Reconsideration (2.0); work on settlement agreement and motion on agreement with Receivership (4.0); conference call with B Golden, R Loh and P Vogel regarding latest developments including Fifth Circuit ruling, motion filed by Baron on June 10, 2012, closing of Ondova and withdrawal of reference (1.2); call to K Enger regarding Ondova tax returns on corporation entity and conference with A Beebe on status of Ondova with TX Secretary of State (.60);	7.80	\$3,705.00
6/14/12	RMH	Draft Response to Schepps' District Court Motion to Stay.	2.10	\$934.50
6/14/12	RJU	Review draft motion from Receiver's counsel regarding payment of attorney fees of claimants in Receivership and call with B Golden regarding same (.80); conference with J Ong regarding structured dismissal of Ondova case and withdrawal of the reference (.60); correspondence to D Sherman regarding latest developments in Receivership (.20); work on settlement agreement motion (3.0);	4.60	\$2,185.00
6/15/12	RJU	Review Baron's Fifth Circuit Motion to Stay	3.80	\$1,805.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 12
 August 21, 2012

		Order to Sell (Mondial.com), Amended Notice of Appeal to Fifth Circuit and Notice of Materials Served on Appellate Counsel (.50); review Receiver's Motion to Clarify Instructions on Payments to Former Baron attorneys and proposed order (.60) work on settlement agreement and on motion to approve settlement agreement (2.50);		
6/18/12	RJU	Reviewed numerous filings by Receiver, Netsphere and Mr Baron and meeting with R Hunt on: Netsphere Parties Response to District Court May 23 Advisory, Receiver Response to Cochell Motion, Motion to Clarify Order on Payment to former Baron Lawyers filed by Receiver, Receiver Response to Netsphere filing of 6-15-12, Mr Baron's Notice of Amended Appeal, Mr Baron's Notice of Materials Served on Appellate Counsel (3.3); continue work on draft Trustee - Receiver settlement agreement and motion and forward to D Sherman for comments (3.0);	6.30	\$2,992.50
6/19/12	RJU	Conference call with R Hunt and P Loh regarding various orders and pleadings from June 15 and June 18 (.70); review research on requirement of paying interest on claims related to settlement agreement with Receiver and payment of claims on Ondova and closing of case (.60); finalize settlement agreement and related motion and forward to Receiver (2.5); review memorandum from R Hunt on wrap up of Receivership (.60); call to D Sherman regarding latest developments in Receivership (.70); worked with R Hunt on response to motion to stay sale of Mondial.com (Fifth Circuit) (.40);	5.30	\$2,517.50
6/20/12	RJU	Worked with R Hunt on objection to motion for new attorney S Cochell (1.2); reviewed Fifth Circuit order on denial of stay of order on mondial.com sale (.30); conference with R Hunt on possible appeal of order from District Court related to reversal of Bar Order (1.0); review order of District Court regarding denial of motion to pay Baron attorneys (.30); work with R Hunt on motion for clarification of order related to reversal of Bar Order (.80); call with E Taube on	4.10	\$1,947.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 12
 August 21, 2012

		latest developments in Receivership (.50);		
6/20/12	RMH	Complete Response to Schepps' Motion to Stay in the 5th Circuit concerning mondial.com (1.90). Update status report (.40).	2.30	\$1,023.50
6/21/12	RJU	Review Receiver's response to Cochell motion (.20); review Cochell's reply to Receiver's response (.20); work with R Hunt on Trustee's response to Cochell motion (1.0); continue meeting with R Hunt on possible motion for clarification on reversal of Judge Jernigan Bar Order (1.0); worked with R Hunt on Trustee objection to Cochell employment (1.0);	3.40	\$1,615.00
6/21/12	RMH	Telephone conference with R. Urbanik about Motion for New Counsel and our response, strategy concerning Ferguson's overruling of the Bar Order (.70). Draft response to motion for appointment of counsel (4.60).	5.30	\$2,358.50
6/22/12	RMH	Conference call with R. Urbanik about Response to Motion for Appointment of Attorney (.30), and revise (1.0).	1.30	\$578.50
6/22/12	DLR	Consultation regarding appropriate course of action in light of recent court ruling.	0.10	\$41.00
6/26/12	PDM	Obtain copies of orders for hearing binder (.5); research information on Schepps' legal practice (.8); review January 4, 2011 hearing transcript for testimony of Pronske (.5); create list of hearings and transcripts for both District and Bankruptcy Courts (.8); review Bankruptcy Court docket and obtain pleadings filed by Schepps or Payne since June 1, 2011 (1.0); update docket binders (.3).	3.90	\$780.00
6/26/12	RJU	Review reply filed by S Cochell to Trustee's response to motion to engage new counsel (.40); prepare for hearing on 6-27-12 on employment of new counsel (2.0); meeting with R Hunt on various outstanding issues regarding Receivership (.70);	3.10	\$1,472.50
6/27/12	RJU	In preparation for hearing on motion to employ new attorney for Mr Baron, review relevant pleadings, locate and review prior orders from Bankruptcy and District Courts regarding Mr Baron's hiring and firing of lawyers, locate and review pleadings related to the numerous appeals	9.00	\$4,275.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273393
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 12
 August 21, 2012

		filed by Baron in Fifth Circuit; call to P Loh at Gardere, and call with Mr Sherman regarding same; organize exhibits needed and prepare presentation outline (5.0); attend hearing (4.0);		
6/27/12	PDM	Prepare hearing notebooks and gather pleadings needed for exhibits for today's hearing.	3.00	\$600.00
6/28/12	RJU	Review motion for reconsideration filed by G Pronske (.40); call with G Pronske regarding same (.30); call to Judge Ferguson's clerk regarding completing response to motion for reconsideration (.30);	1.00	\$475.00
6/29/12	RJU	Review following orders: Order Modifying Receivership Order and Addressing Baron Insurance, Order Denying Receiver Ex Parte Motion regarding United Healthcare, two Orders unsealing motions; second Order Modifying Receivership Order and Addressing Baron's Insurance; Notice filed by Receiver regarding "Anticipated Increase in Expenses" (1.5); review Baron Fifth Circuit Brief (1.2); review order requesting parties to submit plan of reorganization to wind down Receivership (.30); review Fifth Circuit letter to G Schepps regarding filings not in compliance with Fifth Circuit Rules (.30); begin work on motion for reimbursement (.60);	3.90	\$1,852.50
6/29/12	PDM	Review Receivership docket for all fee applications and orders entered regarding fee applications filed by Receiver and Gardere and create summary of same regarding fees requested and fees allowed.	4.80	\$960.00

Total For 25129.10 \$56,063.50

JULY 2012

RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 14
 August 21, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
7/2/12	PDM	Revise and efile Response to Jeffrey Baron's Motion for Leave and serve same via email.	0.40	\$80.00
7/2/12	RMH	Review Baron filing on supplementing the record, and email correspondence to R. Urbanik about same (1.60). Assist R. Parker with filing of Response (.30).	1.90	\$845.50
7/2/12	RHP	Meet and confer with Ray Urbanik regarding procedural history and preparing Response in Opposition to Motion for Leave (.60); Review and analyze Receivership Order, transcript from hearing on Motion to Vacate, Report and Recommendation from Judge Jernigan to District Court Judge regarding appointment of Receiver, and numerous other pleadings and correspondence to gain understanding of factual background and procedural history (2.10); Telephone conference with Richard Hunt regarding same (.70); Draft Response in Opposition to Motion for Leave (2.80).	6.20	\$2,201.00
7/2/12	RJU	Calls and correspondence from attorneys at Gardere regarding preparation of response to Baron's Motion for Leave - Motion to Request Correction of Record and Clarification Regarding Secret Ex Parte Meetings - Docket 974 (.50); review Baron pleading - Docket 974 (.50); call to R Hunt and work with R Parker on response to docket 974 and file same (4.0); review of Baron Fifth Circuit brief filed on June 29 (.50); call to D Sherman regarding latest developments in Receivership (.50);	6.00	\$2,850.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 14
 August 21, 2012

7/3/12	RJU	Review order vacating order on filing of suggestions (.30); call from attorney G Pronske on status of receivership and bankruptcy case (.40); review filing by S Cochell regarding representation of Baron (.30); forward latest pleadings to D Sherman and call to Mr Sherman regarding same (.50);	1.50	\$712.50
7/5/12	RJU	Call with attorneys at Gardere regarding latest developments (.50); two calls regarding Receivership strategy with R Hunt (.50);	1.00	\$475.00
7/6/12	RJU	Conference and working meeting with D Roossien regarding strategy concerning Receivership winddown (1.5); in connection with revision to settlement agreement and settlement agreement motion, review various pleadings and update per new strategy (2.5);	4.00	\$1,900.00
7/6/12	DLR	Consultation with R. Urbanik regarding recent developments and next steps.	1.20	\$492.00
7/6/12	PDM	Update chart of fees relative to Baron Receivership.	2.30	\$460.00
7/9/12	RMH	Review Carrington Coleman's Motion to Dismiss and Lift Stay in Fifth Circuit (.30). Meeting with R. Urbanik on tasks (1.20); Call to District Clerk on order status, and begin working on Motion regarding the Bar Order in Judge Jernigan's Court (1.90). Review new "corrected" briefs on appeal and begin drafting response to the three latest briefs on appeal (2.80).	6.20	\$2,759.00
7/9/12	DLR	Review appellate briefing and assist Mr. Hunt with structure of remaining briefing.	2.40	\$984.00
7/9/12	RJU	Meeting with R Hunt regarding various outstanding projects, including brief due July 30th, motion for reimbursement of fees, motion for additional findings and settlement agreement motion (1.2);	1.20	\$570.00
7/10/12	RJU	Call with D Sherman regarding strategy on Ondova and Receivership in light of recent orders of Bankruptcy Court (1.0); working meeting with R Hunt on Second Motion for Reimbursement, Motion for Findings and settlement agreement motion (1.5);	2.50	\$1,187.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 14
 August 21, 2012

7/10/12	DLR	Consultation with R. Hunt regarding procedural issue.	0.10	\$41.00
7/10/12	KAK	Meet with Mr. Hunt regarding assignment.	0.20	\$50.00
7/10/12	RMH	Continue work on last round of appeal briefs as well as findings for Bankruptcy Court (3.20). Work on Second Motion for Reimbursement (3.50).	6.70	\$2,981.50
7/11/12	RMH	Work on Motion for Findings, reimbursement motion and Fifth Circuit brief.	2.90	\$1,290.50
7/11/12	KAK	Begin work on research of all filings in this case, from April 1, 2011 to present.	4.00	\$1,000.00
7/12/12	KAK	Work on timeline charts of all filings in all cases for use in presentation for attorney fees; Begin review of documentation for additional conference calls and billable events.	5.90	\$1,475.00
7/12/12	DLR	Confer with counsel regarding recent developments; suggest course of action.	0.70	\$287.00
7/12/12	RJU	Attend meeting at Gardere with P Vogel and attorneys from Dykema law firm (1.0); meeting with D Roossien and R Hunt regarding employment of new firm for Receiver at present stage of Receivership (1.1); call with D Sherman regarding same (.50); call with attorneys G Pronske, E Taube and M Sutherland regarding possible employment of new counsel for Receiver (.40); work on settlement agreement motion and on Receivership settlement agreement (2.0); work on motion for additional findings (.80); correspondence to / from J Fine to schedule meeting (.30); review motion and order on employment of Dykema (.30);	6.40	\$3,040.00
7/12/12	RMH	Draft Motion for Findings (2.80); work on brief on appeal and motion for reimbursement (2.80); review Motion for New Counsel and accompanying orders (.30).	5.90	\$2,625.50
7/13/12	RMH	Work on matters related to new Receiver counsel (1.40), revise Motion for Findings (.60); work on brief (3.40); and conference call with new Receiver's counsel (.80).	6.20	\$2,759.00
7/13/12	RJU	Call to P Vogel regarding withdrawal of Gardere and employment of Dykema (.90); provide	7.00	\$3,325.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 14
 August 21, 2012

		comments to R Hunt on motion for additional findings (.30) call to D Sherman regarding information learned from Mr Vogel on Receivership and decision to switch counsel and discuss general strategy (.70); work on Receivership settlement agreement motion and forward to P Vogel and J Fine (1.5); conference with D Roossien and R Hunt on status of various matters in Receivership and change of Receiver counsel (1.0); participate in afternoon conference call with J Fine, P Vogel and C Kratovil, new Receiver counsel (2.0); call from creditor of Ondova - M Sutherland of Carrington Coleman - regarding same (.40); review orders from Judge Ferguson on motion for leave, employment of Cochell (.20);		
7/13/12	DLR	Meeting with counsel regarding developments and next steps (1.0); call with Receiver's new counsel regarding same (.80); preparation for meeting with Receiver's new counsel (1.60).	3.40	\$1,394.00
7/13/12	KAK	Work on timeline charts of all filings in all cases for use in presentation for attorney fees.	6.70	\$1,675.00
7/14/12	RMH	Complete Motion for Findings.	2.10	\$934.50
7/15/12	RMH	Work on Brief on Appeal, Second Motion for Reimbursement (6.80); related emails to R. Urbanik (.40).	7.20	\$3,204.00
7/16/12	RMH	Prepare for meetings with new Receiver's various counsel (.70). Meetings with Receiver's bankruptcy counsel (2.50). Meeting with Receiver's appellate counsel (1.10). Work on statement of facts for Brief (4.30).	8.60	\$3,827.00
7/16/12	PDM	Review list of adversary cases filed and docket sheets for same (.2); create chart of Ondova financial status (.4)	0.60	\$120.00
7/16/12	DLR	Continue preparation for meeting with Receiver's new counsel (.30); attend same (2.50); follow-up discussions with Trustee and Mr. Urbanik; follow-up discussion with Mr. Hunt (.40).	3.20	\$1,312.00
7/16/12	RJU	In preparation for meeting with Receiver's new counsel, review various pleadings concerning Receivership and meeting with D Roossien and R Hunt on same (2.0); attend meeting with J Fine, C	5.50	\$2,612.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 14
 August 21, 2012

		Kratovil and P Vogel (R Hunt, D Sherman and D Roossien also attend) (2.5); make final revisions to settlement agreement motion (1.0);		
7/17/12	RJU	Call from M Sutherland regarding latest developments concerning new counsel for Receiver and efforts on paying claims and winding down Ondova and Receivership (.40); draft follow up email to J Fine and P Vogel regarding next steps and attaching revised form of Trustee / Receiver settlement agreement (1.2); call with D Sherman regarding latest developments and various options / strategies concerning Fifth Circuit matters and winding down Ondova and Receivership (1.0); work with R Hunt on Fifth Circuit briefing and preparation of chronology of background facts, orders, etc. (2.0); review renewed motion for leave filed by J Baron on 7-16-12, Docket No. 1033 (.30);	4.90	\$2,327.50
7/17/12	KAK	Review and revise information tables of all filings of Trustee and others, including Research of District, Fifth Circuit and Bankruptcy Courts.	3.90	\$975.00
7/17/12	DLR	Further consultation with R. Urbanik and R. Hunt regarding next steps in light of proposals of Receiver's new counsel.	1.30	\$533.00
7/17/12	PDM	Revise Trustee's Motion for Approval of Settlement (1.1); revise chart of motions to stay in appeals (.3).	1.40	\$280.00
7/17/12	RMH	Continue review of all early transcripts to prepare statement of facts for Brief (5.70). Calls with R. Urbanik about Motion for Findings and related strategic matters (.80).	6.50	\$2,892.50
7/18/12	RMH	Continued work on brief on appeal.	4.90	\$2,180.50
7/18/12	PDM	Locate pleadings for use in preparation of motion for approval of settlement.	0.30	\$60.00
7/18/12	RJU	Call with D Sherman regarding ongoing analysis of strategy concerning wind down steps, appellate situation and discussions with Receiver's new counsel (.80); work with R Hunt on Fifth Circuit brief (.60); correspondence to J Fine regarding Netsphere / Manila litigation (.50); extended call with J Fine to provide background information and to discuss go forward options (1.0);	2.90	\$1,377.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 8 of 14
 August 21, 2012

7/19/12	RJU	In office meeting with R Hunt and D Roossien regarding ongoing discussions with Receiver's new counsel on various options for winding down Receivship and Fifth Circuit briefing (1.0); call to D Sherman regarding positions and approach for scheduled 3 pm meeting (.50);	1.50	\$712.50
7/19/12	DLR	Conferences with Mr. Urbanik and Mr. Hunt regarding preliminary conclusions of Receiver's new counsel and preparation for requested follow-up meeting.	1.10	\$451.00
7/19/12	RMH	Continued work on brief on appeal (5.30). Meetings with R. Urbanik regarding follow-up meeting with Receiver's new counsel (1.0).	6.30	\$2,803.50
7/20/12	RMH	Continued work on Fifth Circuit brief.	6.50	\$2,892.50
7/20/12	DLR	Preparation of recommendations as to Receivership wind-down versus bankruptcy plan (1.20); discussion with Mr. Hunt regarding same; memorandum to Mr. Urbanik regarding same (.60).	1.80	\$738.00
7/21/12	RMH	Continue work on brief, especially cases concerning ex parte receivership limitations.	3.20	\$1,424.00
7/23/12	KML	Conference with D. Roossien regarding the Receivership and strategy.	0.40	\$180.00
7/23/12	RJU	Extended call from L Lambert regarding latest developments in Ondova matter and discuss options for wind down in Ondova case (.80); in office conference with R Hunt regarding strategy concerning Ondova, status of Fifth Circuit brief and other developments (.50); correspondence to J Fine and P Vogel regarding scheduling meeting in light of Dykema cancellation of July 16th meeting (.70); update call to D Sherman regarding same (.50); call and correspondence with Dykema attorneys regarding request for extension of briefing in Fifth Circuit (.70); review pleading filed by Dykema in Fifth Circuit (.30);	3.50	\$1,662.50
7/23/12	RMH	Various calls and emails with R. Urbanik concerning appeal brief and other status issues.	0.50	\$222.50
7/23/12	DLR	Assist with preparation of term sheet for plan.	0.70	\$287.00
7/24/12	DLR	Receive updates regarding follow-up on task list	0.10	\$41.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 9 of 14
 August 21, 2012

		and other issues.		
7/24/12	RMH	Prepare report on status of District Court open motions and court of appeals open matters (1.20). Work on Brief on Appeal (1.60).	2.80	\$1,246.00
7/24/12	PDM	Prepare spreadsheets of pleadings filed by Receiver.	5.20	\$1,040.00
7/25/12	PDM	Continued review of District Court and Fifth Circuit docket and revise charts of pleadings filed by Receiver.	6.50	\$1,300.00
7/25/12	RMH	Continue work on brief (1.50); exchange emails with Receiver's counsel about common issues on appeal (.40).	1.90	\$845.50
7/25/12	RMH	Draft Brief sections on Receivership sanctions and facts concerning Baron's misconduct.	3.90	\$1,735.50
7/25/12	RJU	Work with R Hunt on preparation for meeting with US Trustee on July 27th (1.2);	1.20	\$570.00
7/26/12	RMH	Continue work on brief (5.90). Meeting with Receiver's counsel to discuss briefing strategy (1.30).	7.20	\$3,204.00
7/27/12	RMH	Continued work on brief on appeal - additional facts about events in Fall of 2010 (4.60). Conference call Receiver's counsel (1.0). Conference at U.S. Trustee's office (2.0).	7.60	\$3,382.00
7/27/12	RJU	Meeting with R Hunt in preparation for call with J Fine (1.0); Conference call with R Hunt to J Fine regarding various outstanding matters concerning Receivership and Ondova and address wind down of both, Fifth Circuit briefing, briefing work performed by Munsch Hardt for Receiver, strategic options concerning timing of Receivership wind down, attorney fee claims, possible plan of reorganization or liquidation in Ondova case (1.0); call to D Sherman regarding meeting with L Lambert scheduled at 2 pm (.50); attend meeting at 2 pm (2.0);	4.50	\$2,137.50
7/27/12	DLR	Review and consider Hunt memorandum (.2); review update regarding determination to proceed with plan (.1).	0.30	\$123.00
7/30/12	DLR	Confer with Mr. Hunt regarding assistance and preparation of appellate reply points; follow-up	0.30	\$123.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10273394
 Matter Description: ONDOVA LIMITED COMPANY

Page 10 of 14
 August 21, 2012

		with Mr. Urbanik regarding course of action to be taken on various issues.		
7/30/12	RJU	Review latest Interlocutory Appeal filed by J Baron (.30); begin rough outline of liquidating plan and disclosure statement (2.0).	2.30	\$1,092.50
7/30/12	RMH	Telephone conference D. Roossien about strategy and plan, as well as briefing (.30). Work on Brief sections attacking Baron's new authorities and arguments (7.40).	7.70	\$3,426.50
7/31/12	RMH	Continued work on appeal brief, especially record references concerning Baron's failure to testify at the January hearing (8.10). Meeting with R. Urbanik and D. Roossien to discuss fee application from Receiver and appropriate response to it (.60). Telephone conference with Receiver's counsel about coordinating briefing (1.10).	9.80	\$4,361.00
7/31/12	PDM	Revise chart of fee applications.	0.10	\$20.00
7/31/12	RJU	Review Trustee's Motion for Status Conference and order (.30); call to L Lambert regarding draft motion and other case issues (.40); review Gardere fee request filed by P Vogel, Receiver (.40); forward several filings to D Sherman (.10); meeting with R Hunt regarding brief status, outcome of hearing, preparation of documentation to submit to Receiver's new counsel regarding request for reimbursement and other issues related to Receivership (.60); meeting with D Roossien regarding United States Trustee's motion, latest developments in Ondova and strategy meeting regarding structure of Liquidating Chapter 11 plan (1.0);	2.80	\$1,330.00
7/31/12	DLR	Review updates regarding developments; review Receiver's fee application; exchange correspondence with Mr. Urbanik regarding same (.60); confer with same regarding outline for plan and interaction of same with Receivership (.50).	1.10	\$451.00

Total For 25237.00 \$97,898.00

AUGUST 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275702
 Matter Description: ONDOVA LIMITED COMPANY

Page 3 of 13
 October 15, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
8/1/12	RJU	Review Fifth Circuit brief prepared by R Hunt and provide suggested revisions (1.5);	1.50	\$712.50
8/1/12	RMH	Continue drafting brief (6.10). Review statement of facts from Receiver's counsel and confer with same concerning common issues (1.30). Add record excerpts (2.40).	9.80	\$4,361.00
8/2/12	RMH	Draft Brief, arrange record excerpts (6.30). Call with Receiver's counsel about strategy and briefing issues (.90). work on appendix of items not in the record (2.10).	9.30	\$4,138.50
8/2/12	KAK	Research information on docket sheets for 17 Supplemental Appeals (1.10); Prepare updated information on docket sheets for use by Mr. Hunt (1.30); Research transcripts in case (1.10).	3.50	\$875.00
8/2/12	RJU	Call from G Pronske regarding latest developments in Receivership, concern over not winding up Receivership and paying attorney claims prior to Fifth Circuit Ruling and other issues concerning Receivership (.80); work with R Hunt on Fifth Circuit brief (2.5);	3.30	\$1,567.50
8/2/12	PDM	Review District Court docket for financial report filed by Receiver.	0.20	\$40.00
8/3/12	RMH	Work on brief appendix, continued research and drafting.	3.30	\$1,468.50
8/3/12	DLR	Assist with preparation of appellate brief.	5.60	\$2,296.00
8/4/12	DLR	Continue to assist with preparation of appellate brief.	2.20	\$902.00
8/4/12	RMH	Complete appendix (1.80); incorporate brief suggestions from D. Roossien (.90); review brief	3.10	\$1,379.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275702
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 13
 October 15, 2012

		from co-counsel (.40).		
8/5/12	RMH	Continue revisions to jurisdictional sections and chart of interlocutory orders.	2.80	\$1,246.00
8/6/12	RMH	Research, finalize and file Brief on Appeal.	9.30	\$4,138.50
8/6/12	RJU	Review and revise Trustee's Fifth Circuit Brief (3.0);	4.20	\$1,995.00
8/6/12	PDM	Review docket for transcripts (.70); send email to K. Rehling requesting copies of same (.30); advise A. Berry of missing transcripts (.20).	1.20	\$240.00
8/7/12	RMH	Review Receiver's Brief on Appeal and complete work on appendix of bankruptcy record references (2.0). Work with legal assistant on assembly of all authorities for use in preparing oral argument (.40). Conferences with Receiver's counsel concerning requested extension of time, emails about same (.60)	3.00	\$1,335.00
8/7/12	RJU	Review final version of Trustee's brief and review brief filed for Receiver by Dykema (1.0); calls to J Fine and C Kratovil regarding Receiver's brief (.30); forward both Fifth Circuit briefs to D Sherman, L Lambert and N Resnick (.30);	1.60	\$760.00
8/8/12	RJU	Review G Schepps' motion for extension of time and Fifth Circuit order;	0.30	\$142.50
8/8/12	RMH	Work on outline for settlement with Receiver (1.0); conference calls with R. Urbanik about same (1.10).	2.10	\$934.50
8/10/12	RJU	Work on analysis needed of fees of Trustee regarding defense of Receivership;	1.20	\$570.00
8/13/12	RJU	Correspondence to J MacPete regarding information needed on new claims being alleged by Netsphere and Manila and review response (.50);	0.50	\$237.50
8/14/12	RJU	In coordination with request by Mr Fine, work with legal assistant on going back through invoices and analyzing breakout of work between Fifth Circuit and District Court work, work dealing with G Schepps and C Payne and other administrative work related to Receivership (2.5);	2.50	\$1,187.50
8/14/12	RMH	Attend settlement meeting with Receiver and his	2.20	\$979.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275702
 Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 13
 October 15, 2012

		counsel to discuss Receivership financial picture.		
8/14/12	PDM	Begin creation of chart of breakdown of fees billed to category 25/Baron Receivership.	2.20	\$440.00
8/18/12	RMH	Review latest Schepps' filings.	0.20	\$89.00
8/20/12	RJU	Correspondence to / from J MacPete regarding claim asserted by Manila / Netsphere (.60); review filings by G Schepps in District Court regarding Leave to Reconsider Stay Pending Appeal and Record (.80); review file information regarding time period following global settlement agreement in connection with B Beckham affidavit (.70); work with legal assistant on checking into criminal background and possible disbarment related to attorney Jay Kline who also submitted affidavit in Baron filing (.60);	2.70	\$1,282.50
8/20/12	KAK	Begin work on chart of appeals and briefs.	1.20	\$300.00
8/20/12	RMH	Review Baron's Motion for Leave to File Motion to Reconsider (.40), Telephone conference R. Urbanik about same (.70).	1.10	\$489.50
8/21/12	RMH	Review Schepps' Reply Brief and meeting with R. Urbanik to discuss response, plan term sheet and contingencies related to reversal on appeal (1.40). Prepare appendix for appeal (5.70).	7.10	\$3,159.50
8/21/12	RJU	Review Fifth Circuit brief filed by G Schepps on 8-20 and brief meeting with R Hunt regarding questionable new factual issues set forth in brief (1.0); further review of brief and conduct conference call with J Fine, D Schenk, C Kratovil, R Hunt and P Vogel at 3 pm (2.0); call with D Sherman regarding questionable issues raised in 8-20 filing by Baron (.50);	3.50	\$1,662.50
8/22/12	RMH	Prepare appendix for appeal (1.80). Work on contingency of reversal, and prepare letter brief to court of appeals (3.60).	5.40	\$2,403.00
8/22/12	RJU	Work with R Hunt in connection with letter brief being prepared for Fifth Circuit filing on Aug 27, 2012;	0.40	\$190.00
8/23/12	RMH	Work on and file letter brief in Fifth Circuit as sur-reply on July 27 appeal (1.10). Email correspondence to R. Urbanik about same (.20).	1.30	\$578.50

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275702
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 13
 October 15, 2012

8/28/12	RMH	Review latest Fifth Circuit filings from Schepps and from possible amicus.	0.70	\$311.50
8/29/12	RJU	Correspondence to J Fine regarding eight domain names transferred to Quantec and Novo Point in July 2011;	0.40	\$190.00
8/30/12	RJU	Correspondence to R Hunt, C Kratovil and D Schenk regarding whether a reply was needed to amicus brief (.20);	0.20	\$95.00
8/31/12	RJU	Conference with R Hunt regarding status of preparing reply to amicus brief in Fifth Circuit;	0.30	\$142.50
8/31/12	RMH	Outline oral argument and related issues for appeal (1.30). Research cases on reversed receiverships and the consequences of reversal (2.10). Calendar deadlines concerning purported Amicus Brief (.20). Telephone conference R. Urbanik about same (.60). Draft response to Motion for Leave on Amicus Brief (3.40).	7.60	\$3,382.00

Total For 25107.00 \$46,221.50

SEPTEMBER 2012
RECEIVERSHIP PROJECT AREA

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275714
 Matter Description: ONDOVA LIMITED COMPANY

Page 4 of 18
 October 16, 2012

25 BARON RECEIVERSHIP

Date	Init	Description	Hours	Amount
9/4/12	RMH	Prepare Motion for Leave to file Appendix (1.10). Review Baron response to Receiver's opposition to Amicus Brief (.30). Complete and File response on Amicus Brief (.80).	2.20	\$979.00
9/4/12	DLR	Confer with Mr. Urbanik regarding feature of plan taken from Provident Royalties matter.	0.10	\$41.00
9/4/12	RJU	Call to D Sherman regarding Fifth Circuit matters, including with respect to amicus brief filed by American Justice Foundation and forward copies of various filings to D Sherman (.70);	0.70	\$332.50
9/5/12	RMH	Draft insert concerning Fifth Circuit appeals for disclosure statement (1.80). Draft response to Baron Motion for Leave to file Motion to Stay (1.80).	3.60	\$1,602.00
9/6/12	RMH	Draft Response to Motion for Leave to file (3.80). Telephone conference Fifth Circuit Clerk about our Motion to Supplement (.40).	4.20	\$1,869.00
9/6/12	RJU	Work with R Hunt on response to latest (19th) motion to vacate filed by Baron;	0.50	\$237.50
9/7/12	DLR	Comments to disclosure statement.	0.40	\$164.00
9/7/12	RJU	Work with R Hunt regarding response needed to Baron's 19th motion to stay due on 9-10-12;	0.90	\$427.50
9/7/12	RMH	Revise Response to Motion for Leave per R. Urbanik's comments (1.80). Draft portion of disclosure statement concerning pending appeals of bankruptcy orders (.80).	2.60	\$1,157.00
9/10/12	RMH	Meeting with R. Urbanik to discuss appeal strategies, review Disclosure Statement and Plan.	2.00	\$890.00
9/11/12	DLR	Consultation regarding potential for bar order.	0.40	\$164.00

Munsch Hardt Kopf & Harr, P.C.

File No. 011236.00001

Invoice No. 10275714

Matter Description: ONDOVA LIMITED COMPANY

Page 5 of 18

October 16, 2012

9/11/12	RJU	Review Receiver's response to Baron's 19th motion to stay or vacate Receivership and call with D Sherman regarding allegations raised in both our response and Receiver's response to latest Baron pleading (.60);	0.60	\$285.00
9/11/12	RMH	Review court emails and notice of hearing, and begin outline of issues on appeal for oral argument.	1.80	\$801.00
9/12/12	RJU	Review correspondence from Fifth Circuit regarding scheduled argument and conference with D Roossien and R Hunt regarding same (.30); planning and strategy meeting regarding various Ondova; Receivership issues with D Roossien and R Hunt (1.0);	1.30	\$617.50
9/12/12	DLR	Further consultation regarding bar order (.30); receive update regarding developments relative to bankruptcy and appeal and consultation regarding open items; review update regarding oral argument (.80).	1.10	\$451.00
9/13/12	RMH	Begin preparation for Fifth Circuit oral argument (3.60); review latest court filing (.30).	3.90	\$1,735.50
9/14/12	RMH	Continue oral argument outline for appeal by adding material from Schepps 3/27/12 brief (6.90); review filings from Courts of Appeal and District Court (.40).	7.30	\$3,248.50
9/17/12	RMH	Continue Fifth Circuit Oral Argument outline with Schepps10/6/2011 Brief.	4.00	\$1,780.00
9/18/12	RMH	Telephone conference R. Urbanik about non-disclosure agreement with Receiver (.60); work on appeal outline (4.10).	4.70	\$2,091.50
9/19/12	DLR	Assist with preparation for hearing.	0.10	\$41.00
9/19/12	RJU	Call from G Pronske regarding upcoming hearings in District Court and Bankruptcy Court on disclosure statement and Receiver's application to enter into agreement;	0.50	\$237.50
9/19/12	RMH	Work on narratives for fee application and meeting with R. Urbanik about same.	2.00	\$890.00
9/19/12	RJU	In connection with upcoming hearings, meet with R Hunt in connection with information needed on work in District Court and Court of Appeals to	1.00	\$475.00

Munsch Hardt Kopf & Harr, P.C.
 File No. 011236.00001
 Invoice No. 10275714
 Matter Description: ONDOVA LIMITED COMPANY

Page 6 of 18
 October 16, 2012

		support fee application approval standards;		
9/20/12	RMH	Prepare portion of chart showing legal work concerning principal briefs in case 11-10113 (2.30).	2.30	\$1,023.50
9/24/12	RMH	Work on charts for District Court fee application (.70); review pleadings from Schepps and Dykema (.40).	1.10	\$489.50
9/24/12	DLR	Receive update regarding developments.	0.10	\$41.00
9/25/12	RMH	Work on appeal presentation and charts showing activities for fee application (3.20); Review Schepps reply in support of motion for leave to file Motion to Reconsider (.30).	3.50	\$1,557.50
9/26/12	RMH	Review Cochelle motion (.30). Meeting with R. Urbanik to discuss strategy for hearing on Receiver's Motion to Approve (1.10); prepare materials for response to that Motion (6.20).	7.60	\$3,382.00
9/26/12	DLR	Assist with preparation for hearing.	0.30	\$123.00
9/26/12	JLH	Strategy meeting with Ray U., Dennis R., and Richard H. (.30); review and analyze pleadings filed by Gary Schepps (.10); review and analysis of numerous Baron's pleadings for admissions to be used at September 27th and 28th hearings (2.30); prepare detailed chart, evidencing Court documents filed by Baron's counsel in Receivership (1.50); review and analysis of Court documents filed by Schepps in Chapter 11 Bankruptcy Court (.80); prepare detailed chart, evidencing Bankruptcy Court documents filed by Baron's counsel in bankruptcy case (.70)	5.70	\$1,710.00
9/27/12	DLR	Assist with preparation for hearing.	0.30	\$123.00
9/27/12	RMH	Prepare for and attend hearing on Receiver's Motion to Approve Settlement.	8.00	\$3,560.00
9/27/12	KAK	Work on researching and locating all docket sheets related to this matter for court filing.	2.00	\$500.00
9/27/12	RJU	Prepare for hearing in District Court (4.0); Attend hearing on motion for Receiver to Enter into Plan Settlement (4.5);	9.50	\$4,512.50
9/28/12	DLR	Receive update regarding hearing.	0.10	\$41.00
9/30/12	KAK	Work on docket sheet charting for District Court	1.60	\$400.00

Munsch Hardt Kopf & Harr, P.C.
File No. 011236.00001
Invoice No. 10275714
Matter Description: ONDOVA LIMITED COMPANY

Page 7 of 18
October 16, 2012

		filing.		
9/30/12	RMH	Prepare agreed expedited discovery order and protective order.	2.10	\$934.50

Total For 2590.10 \$38,914.50

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC.,	§	
AND MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
V.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

**JEFFREY BARON’S EMERGENCY MOTION FOR RECONSIDERATION OF
THE COURT’S ORDER GRANTING THE EMERGENCY MOTION FOR
PROTECTIVE ORDER AND CONTROL ORDER**

Jeffrey Baron moves for emergency reconsideration of the Court’s Order Granting the Emergency Motion for Protective Order and Control Order (the “Order”), and in support states:

I. Summary of Argument

The Court issued the Order Granting the Emergency Motion for Protective Order without allowing counsel for Baron an opportunity to respond to the Receiver’s motion and to correct obviously inaccurate representations made to the Court about the Expedited Scheduling Order. Contrary to the Receiver’s representations to the Court, **Judge Jernigan’s Order expressly allowed discovery of other witnesses not specifically identified in the Order. [Bk. Dkt. 858 at 5, ¶ 8].**

Secondly, Jeff Baron already has a computer file that includes a superset of all the domain names—the computer file with names was a part of, and a basis of, the global

settlement agreement. Thirdly, no one is attempting to give electronic information personally to Jeff Baron. Counsel for Baron contends that the entire purpose of an “Attorneys Eyes Only” provision is to allow an expert witness and a party’s lawyer to have full access to sensitive information, including electronic information, to provide a valuation of the domain names within the time deadlines set by the Court.

Thirdly, the subpoenas were issued with reference to this case, and not pursuant to the bankruptcy case, as the domain names are not part of the Ondova bankruptcy estate. The question of what to do with the assets of the receivership estate falls well outside the jurisdiction of a bankruptcy judge. Fourth, the claims regarding the Stalking Horse Bidder’s withdrawing his bid if the Baron’s counsel is provided electronic copies of the domain names are unsupported hearsay and were not the subject of any discussion before Judge Jernigan.

Fifthly, Jeff Baron’s rights to due process should not be dictated by an unidentified Stalking Horse Bidder, whose only interest is to obtain the domain names at the lowest price possible. There is no *rational* basis for any bidder to conclude that Baron’s lawyers’ possession of an electronic list of domain names has anything to do with them. **Courts should not allow bidders to prevent a court from ensuring that sale of an asset is based on an *accurate* valuation of assets, as it is not in the receivership’s best interest to sell assets at the lowest possible price.** The Receiver’s willingness to allow a bidder to limit the Court’s power with irrational demands is disturbing.

Reconsideration of the Court’s Order [Dkt. 1072] is both appropriate and fair. Counsel requests an immediate emergency hearing to resolve the matter.

Finally, there is no evidence suggesting that interested bidders, including the Stalking Horse Bidder, will not be interested in purchasing the assets in three months, six months. The Receiver and Trustee's race to sell the assets appears calculated to liquidate all of the receivership assets before the Fifth Circuit can rule on the pending appeal. The Fifth Circuit has reserved a day of oral argument on November 5, 2012, exclusively to address the appeal. It is for this Court to *protect* the subject matter of the receivership pending appeal and not allow the Trustee or the Receiver to implement a Joint Liquidating Trust Plan that is clearly an attempt to defeat the jurisdiction of the Fifth Circuit before it renders a decision in this case.

II. Statement of Facts

1. On September 10, 2012, the Trustee and Receiver jointly moved for approval of a Liquidating Trust, auction procedures and sale. [Bk. Dkt. 810, Dkt. 1046 filed 9/14/12].
2. At the hearing before this Court on September 28, 2012, the Court did not grant the motions as the parties were seeking to sell the property through the bankruptcy process.
 - a. The Court did indicate to the parties that the Court believed that the idea of a Liquidating Trust was a "reasonable approach" and would enable the Court to quickly close out the receivership and the bankruptcy.
 - b. The Court entered an order directing the parties to engage in expedited discovery on issues relating to the proposed sale and Liquidating Trust and specifically approved an

“Attorney’s Eyes Only” provision to be included in a protective order that allows counsel and an expert to review documents relating to the identity of the domain names.

3. On October 12, 2012, the Bankruptcy Court held a hearing and approved dates for taking certain depositions in that case, but limited discovery by specifying that an electronic version of the domain names from the receiver would not be provided to counsel for Baron or his expert. At first, the Bankruptcy Court ordered that Baron’s attorney and expert could have the receiver’s copy of the domain names electronically (Bk. Dkt. 856, Transcript at 56), but then changed that ruling. (Bk. Dkt. 852 at 110).
4. Baron objects to any restrictions on his being able to review information regarding the value of the domain names, as it makes it virtually impossible for him to provide testimony about the value of the domain names. Baron is, in his own right, an expert witness on valuation of domain names, but will likely be unable to opine on the value of the domain names because he is, or will likely be denied access to the relevant information.
5. The Bankruptcy Court did not hear evidence that would have supported such the extraordinary measure of preventing an attorney or an expert witness from having the receiver’s electronic version of the domain names. Generalized concerns about the risk of possible distribution to third parties are insufficient to establish

good cause for such a measure. F.R.Civ.P. 26(c) (good cause required to limit how discovery is produced). There is not even a scintilla of evidence suggesting that counsel for Baron, an officer of the court, would even consider distributing electronic evidence in violation of a protective order.

6. On one hand, the Bankruptcy Court excluded a Declaration of Damon Nelson to help the Court understand the valuation process (Bk. Dkt. 856 at 52) but accepted representations of counsel, unaccompanied by evidence, that there was a risk that disclosure of domain names electronically to either counsel for Baron or his attorney objectively posed a risk of disclosure. [Bk. Dkt. 856 at 56; See Dkt. 1070 at 5]. The Receiver did not dispute counsel's argument that receipt of the information in paper form would impede his ability to timely provide a timely, cost-effective and *meaningful* valuation of the domain names.
7. If the Bankruptcy Court is going to require evidence on valuation issues from Baron, the Court must also require the Trustee and Receiver to produce competent, live testimony to support their claims including the claim that:
 - a. "In particular, the Stalking Horse Bidder has made clear that it **will withdraw from the bidding and not participate in the auction** if Baron **or his counsel** are

provided with an electronic (rather than paper) copy of the domain names.” [Dkt. 1070 at 5] (emphasis in original).

- b. The Receiver then asserts that if the Stalking Horse Bidder walks away, the Plan will not be viable. *Id.* In other words, **the Receiver implicitly, if not expressly concedes that the Stalking Horse Bidder will likely be the only serious bidder in the auction. In light of the limited period and unspecified advertising, notice of the auction is insufficient to secure independent third party bids.**

8. On October 17, 2012, Baron issued subpoenas for seeking production of documents and testimony. [Dkt.1070]
9. The Receiver objected by erroneously claiming that Judge Jernigan’s Expedited Scheduling Order did not allow depositions and document discovery of other witnesses not specifically identified in the Expedited Scheduling Order. “Consistent with these limitations, the only fact witnesses that Judge Jernigan authorized Baron to depose were the Receiver, the Trustee, and Damon Nelson...Notably, Baron did not seek—much less receive—permission to depose any other fact witnesses.” [Dkt. 1070 at 4]. The receiver’s statement is inaccurate and untrue.
10. Judge Jernigan’s Expedited Scheduling Order expressly provides for the discovery and deposition of other witnesses. Paragraph 8 of the order provides: “Witnesses designated pursuant to the

preceding paragraph shall be deposed on such dates and at such times as to which the parties may agree within the discovery period set by this Court.”

11. The Court, on October 18, 2012, at about 8:11 a.m., entered an Order Granting the Receiver’s Emergency Motion for Protective Order and Discovery Control Order. [Dkt. 1072]. The Court’s ruling appears was based on a one-sided, misleading version of events.

12. This Court’s Order requires counsel to withdraw the depositions of the Domain Holdings Group witnesses.

a. Such an order, however, is contrary to this Court’s Order Denying Motion to Quash Subpoenas and Deposition Notice Served by Receiver Upon Media Liaison (Dkt. 660).

b. In rejecting the request *by Mr. Baron* for relief from those depositions, this Court held that the “The only court that may quash a subpoena is the court that issues it. [citations omitted]. The subpoenas presently at issue were issued in the Southern District of Florida, Miami Division.

c. When Mr. Baron sought relief from this Court from depositions noticed by the receiver, this Court clearly held that “only those...courts may quash the respective subpoenas they issued. This Court may not. *See In re Sealed Case*, 141 F.3d 337, 341(D.C. Cir. 1998) (“nothing

in the rules even hints that any other court may be given power to quash or enforce [subpoenas].”

III. Argument

A. The Bankruptcy Court Lacks Jurisdiction to Limit Discovery On Matters Involving Non-Bankruptcy Assets, and further authorized the deposition of witnesses.

The subpoenas were issued after a careful consideration of the jurisdictional power of an Article I bankruptcy court, as well as the language of the order itself. As set out above, the Expedited Discovery Order *unequivocally allowed discovery of third parties* and third party witnesses. [Bk. Dkt. 858 at 5, ¶ 8].

1. The Joint Plan to Transfer Non-Bankruptcy Assets into a Bankruptcy Estate Violates Constitutional Guarantees of Due Process.

The Court’s Order granting the Receiver’s protective order motion raises fundamental issues of due process and constitutional issues relating to the powers of a bankruptcy court over non-bankruptcy assets. Neither Baron, Quantec, LLC and Nova Point, LLC are in bankruptcy; yet, the Bankruptcy Court is exercising control over these assets.

Baron contends that the Bankruptcy Court lacks subject matter jurisdiction over non-bankruptcy assets in receivership. Thus, any order by the Bankruptcy Court prohibiting discovery in another district is *void ab initio*.

Similarly, discovery issues in a district court case before an Article III judge cannot be transformed into a “core proceeding” under the Code and cannot be “referred” to a bankruptcy judge. See 28 U.S.C. § 157; 28 U.S.C. § 636. Neither Baron, Novo Point, L.L.C. or Quantec, L.L.C. are in bankruptcy and their property interests cannot be

transferred to a bankruptcy court for discovery, or any other purpose. As to liquidating trusts, the Bankruptcy Code itself expressly states, in 11 U.S.C. § 1123(a)(5)(B), that assets of the “estate” may be transferred into a liquidating trust. Congress did not intend, nor does the express language of the Code allow *non-bankruptcy assets* to be *de facto* placed into bankruptcy for purposes of a Chapter 11 reorganization.

To the extent that the Receiver claims that a liquidating trust may be created under the Bankruptcy Code, that argument is misplaced and wholly unsupported. Under the Code, the retained assets of the bankruptcy estate may be transferred to a liquidating trust. Section 1123(a)(5)(B) provides that: “[A] plan shall ...provide adequate means for the plan’s implementation, such as...transfer of all or any part of the property of the **estate**, whether organized before or after the confirmation of such plan.” (emphasis supplied). *See e.g., Torch Liquidating Trust Ex. Rel. Bridge Assoc., LLC v. Stockhill*, 561 F.3d 377, 387 (5th Cir. 2009). If the assets are not part of the bankruptcy estate, it is clear that such a transfer may not occur under the Bankruptcy Code.¹

Mr. Baron disputes that the domain names are part of the bankruptcy estate. The disputed assets are owned by different entities and, pursuant to the Code, may not be transferred into a bankruptcy estate without a finding and determination of Ondova’s claim to ownership of the assets. Neither the Trustee nor the Receiver have claimed that Ondova owns part or all of the assets. Moreover, raising such a claim would violate the terms of the Global Settlement Agreement.

¹ The Trustee and Receiver apparently suggest that they are negotiating a settlement and that a Liquidating trust may be used for that purpose. Even *assuming* that a transfer could be effected (which it cannot), the Court should not transfer any amounts from sale of the domain names that exceed the amount of the alleged settlement, which would be far less than the \$4.1 million bid.

A taking, or transfer of the assets, as proposed by the Receiver/Trustee, must be settled in an adversary proceeding. Part VII of the Bankruptcy Rules. Rule 7001 defines an "adversary proceeding" as: [A] proceeding in a bankruptcy court (1) to recover money or property, except a proceeding under § 725 of the Code, Rule 2017, or Rule 6002, (2) to determine the validity, priority, or extent of a lien or other interest in property, other than a proceeding under Rule 4003(d). *See In re Simmons*, 765 F. 2d 547, 552 n. 5 (5th Cir. 1985). If the Court allows a transfer of the assets to the bankruptcy estate, Baron must have the opportunity to file an adversary action, and the due process rights afforded adversary actions must be afforded Mr. Baron. He has been denied those rights.

Review of the assets in the Receivership does not support a claim against the LLCs and their assets. Both Novo Point, LLC and Quantec LLC are organized under the laws of Cook Islands. In determining what law should be applied, Texas law looks to the jurisdiction of incorporation, which is the Cook Islands. However, Cook Islands law does not recognize alter ego liability with respect to Cook Islands LLCs. Even *assuming* that an alter-ego claim could be made by Ondova, (which it did not), the Global Settlement Agreement released all claims against Baron and the LLC's. Ondova received substantial funds in consideration for the release of claims against Ondova. The Trustee cannot rely on the Global Settlement Agreement as authority for creating the liquidating trust but then raise arguments that were released as a result of the Global Settlement Agreement.

The Trustee and the Receiver apparently wish to side-step congressionally mandated procedures, and basic principles of due process to frustrate the relief sought by Mr. Baron on appeal and circumvent any need to resolve issues of subject matter jurisdiction and ownership of the assets.

While the Receiver, the Trustee and the Court may believe that the Joint Plan to create a Liquidating Trust is a reasonable approach to terminating the bankruptcy and the receivership, Congress did not make allowance in the Code for commingling bankruptcy and non-bankruptcy assets to create a liquidating trust, selling the assets and offering buyers § 363 protection.² Congress clearly did not empower bankruptcy courts to launder assets so that an attempt could be made to divest the Court of Appeals of jurisdiction over the appeal of a district court's receivership orders.

B. The Discovery from Domain Holdings Group, LLC Clearly is Relevant to Valuation of the Domain Names.

The Trustee/Receiver seek to prevent discovery of relevant information from Domain Holdings Group, Inc. regarding the value of the domain names. Significantly, neither the Trustee nor the Receiver claim the discovery is irrelevant. Quite the opposite-- monetizers routinely value the domain names to promote, market or to sell the domain names and contain statistical information essential to market analysis of the domain names. These valuations and related statistical information of the domains' performance will be highly relevant to determining value.

Counsel for Baron requested the domain names and other data as it is maintained by the witness because: (1) this is how the information is maintained in the ordinary

² Mr. Baron has not had an *advocate* in the bankruptcy court, nor has he had paid counsel in the district court for almost two years. As this court discovered at the October September 27, 2012 hearing, the Court paid Martin Thomas to serve Mr. Baron as bankruptcy counsel, but he turned out to be solely a "watcher", and did not raise a single objection or file a single document for Mr. Baron. At the hearing, Thomas *admitted* that he was *told not* to file documents for Baron. The emails produced by Thomas appear to indicate that he was instructed not to advocate positions for Baron by either the Receiver or the Trustee, or their respective lawyers. This clearly violated Baron's right to due process.

course of DGH's business; and (2) the expert needs the information in that form so that he can cost-effectively analyze valuation issues *within* the time frames imposed by this Court. There is not one scintilla of evidence that counsel's request was for an evil or sinister purpose, or that the requests were designed to thwart the sale process.

C. Failure to Provide Electronic Documents to Baron's Expert Violates Due Process Where, as here, the Court Has Ordered Valuation of 150,000 Domain Names on an Expedited Basis.

As previously set out, the Receiver has done everything possible to delay the production of a paper list of domains to counsel for Baron and a possible expert, resulting in more than a two week delay. Counsel asked for the list from day one of his appointment on September 27, 2012. A formal request for production of documents was served on October 5, 2012. The Trustee declined to produce anything until October 19, 2012, barely ten days before expert disclosures, which are due on October 29, 2012. The Trustee and the receiver have still not produced.

1. Use of Computerized Technology is Essential to the Valuation Process. At the very minimum, the Court Should Allow Baron's Expert to Receive Electronic Information for Limited Purposes of Valuation.

The value of electronic information is the ability to analyze the financial data and provide statistics to an expert witness on valuation. Information about each domain name, the number of actual "hits" per month, and other data all go to calculating a true "market value" to the assets which have no intrinsic value as marketing domains. Requiring Baron's expert on valuation to use paper requires the additional time and cost of scanning in the data, reformatting to restore the database structure, etc. Since the Court has limited the time allowed for expert opinions, adding unnecessary burdens to

intentionally increase the cost and time required by the effort in forming an opinion cannot be the result intended by this Court.

The Trustee and Receiver apparently prefer that Baron's valuation expert waste time and money converting thousands of pages of paper back into the original database format of the *millions* of bytes of database data. Even *assuming* that this Court accepts the hearsay representations of counsel regarding the Stalking Horse Bidder's threat to withdraw his bid if Baron or his lawyer receive electronic information, the Stalking Horse Bidder's threat, as communicated by the Receiver, does not include disclosure of electronic information to Baron's expert witness for purposes of valuation.

2. Failure to Provide Electronic Information to Baron's Expert or his Attorney is a Clear Denial of Due Process.

The Receiver and Trustee's alleged concern is that if Baron's attorney, an officer of the Court, and his expert witness receive a copy of an electronic version of the domain names, the names will somehow be used to thwart the auction. First, there is no evidence to support this misguided argument. Nonspecific, generalized concerns that Mr. Baron is "vexatious" is not a substitute for objective proof that Baron would somehow be able to use the domain names to frustrate the auction.³ Secondly, this is not a trade secret case involving discovery of the formula to Coca-Cola. This is a sale of over 150,000 individual domain names. Even if this were the Coca-Cola case, it is *unprecedented* to simply deny an expert witness and a party's attorney an electronic version of the formulae. The Bankruptcy Court's order limiting discovery of electronic information to

³ Baron will not have access to information regarding the identities of the Stalking Horse Bidder, bidders or potential bidders. Without a showing that this knowledge would threaten the auction, such exclusion itself appears to violate Mr. Baron's right to a *meaningful* hearing.

counsel and Baron's expert witness on an "Attorneys Eyes Only" basis is a *clear violation of Mr. Baron's rights to due process*. Mr. Baron had previously been provided with a superset of the very same names in a computerized file. Therefore, although the exact mix of names is unknown, every name included in that mix is already disclosed. Thus, there is no rational basis to try to hide the domain names from Mr. Baron.

Thus, the Receiver and Trustee have never articulated a *rational* basis for their alleged fear as to how Baron would misuse the information if, in fact, he somehow obtained the information. Their failure to articulate a logical argument on this issue is because there is no logic to this argument. In fact, the names and information for the same domains were included in discovery previously provided to Gary Schepps over a year ago on behalf of Novo Point, LLC and Quantec, LLC. There is no possible way that Baron can block the auction by non-judicial action if he got a copy of the updated list of domain names from the database.

The Receiver and the Trustee have done everything possible to delay discovery of domain names that could have been provided to counsel over two weeks ago. Their insistence on "paper" documents is consistent with Baron's perception that they wish to make it as difficult (or impossible in the time constraints) for Baron to analyze the data on assets that Baron contends are grossly undervalued.

In their latest effort to obstruct Baron from obtaining information that refutes their fire sale auction price, the Receiver and Trustee contend that the Stalking Horse will walk away from bidding if Baron or his attorney, an officer of the court, gets an electronic version of the domain names. [Dkt. 1070 at 3]. If the receiver feels this way, they can designate the information 'eyes only' and Mr. Baron will be required to seek court

approval before he is provided the material personally. The order should allow Baron's expert witness and lawyer to obtain the electronic information. **This is exactly why courts grant AEO provisions.** The Court cannot allow a mysterious, unidentified bidder to *dictate* Jeff Baron's due process rights. Such a result defies the concept of due process and fundamental fairness.

Moreover, it is inconceivable that the Receiver, purportedly acting as a fiduciary for Jeff Baron, negotiated away Jeff Baron's right to have his lawyer receive full access to electronic information in this proceeding without so much as a "by-your-leave." Baron contends that the Receiver was acting in his self-interest and not in Baron's best interest. The Court should not allow the Receiver to violate his fiduciary duties to Jeff Baron to simply close a deal in a way that deprives Jeff of his right to effective and meaningful assistance of counsel.

Neither the Receiver nor the Trustee have provided the Court with a simple answer to a simple question: **If these domain names have generated a substantial stream of income over the last two years, what is the rush to sell the property before Jeff Baron can obtain a full, fair and adequate market appraisal of the domain names?** If given discovery and an additional two months, or even just two additional weeks, the task can be accomplished and guarantee a fair result. This Court should allow a meaningful hearing, and that requires a meaningful opportunity to secure evidence as to the value of the assets involved.

D. Any Judicial Determination on Quashing a Subpoena Should be Made by the Southern District of Florida.

The Court has ordered counsel to withdraw the subpoenas to Domain Holdings Group, Inc. effectively quashing the subpoenas. This order runs contrary to the Court's Jeffrey Baron's Emergency Motion for Reconsideration of Court's Order Granting Protective Order

earlier holding that the Court had no authority whatsoever to quash subpoenas issued in another district. Baron respectfully submits that the Court had it right---the Southern District of Florida should determine whether a subpoena should be enforced. Regardless of the party, Baron respectfully submits that the same rule of law should be applied to the Receiver as applied to Baron.

Current events inescapably lead Baron to conclude that the current discovery process is designed to fail, thus: (1) enabling the Trustee and Receiver to quickly sell undervalued assets to an unidentified “Stalking Horse Bidder;” and (2) thereby frustrate the jurisdiction of the Fifth Circuit Court of Appeals before it can hear and decide the appeals pending before that court. While the Trustee, Receiver, or this Court may take issue with Baron’s appellate arguments on due process and the legitimacy of this receivership, the district court should not allow the Receiver, Trustee and the Stalking Horse Bidder drive the litigation to a premature sale of assets that deprive the receivership estate of tens of millions of dollars and, in the process, violate Jeff Baron’s due process rights.

IV. Conclusion

It appears that the value of the domain name portfolio is a minimum “floor” value of \$40,000,000 to \$120,000,000---over ten to thirty times the \$4.1 million ‘maximized’ value asserted by the Receiver. The insistence of a the Stalking Horse Bidder to preclude Baron’s lawyer from receiving information, as well as his insistence on closing by or before December 1, 2012, supports Baron’s contention that the Receiver is complicit in attempting to sell the domain names for pennies on the dollar, at the lowest possible

value, and in the shortest possible time to attempt dismissal of the bankruptcy and the receivership before the Fifth Circuit renders a decision in the case.

Moreover, signing a contract that unfairly impedes Baron's attorneys and experts from obtaining electronic evidence to establish value was not in the best interest of the estate and violates the Receiver's fiduciary duty to Baron. Baron has a beneficial interest in the domain names, and deserves a fair opportunity for him, his lawyer and expert value the property. Allowing a bidder to negotiate away Jeff's due process rights to assistance by his attorney is hardly in his best interest. Quashing the subpoenas, or directing Baron's attorney to withdraw the subpoenas does not advance the ultimate goal of valuation; that is, maximizing the value of the assets, whether by sale, or by continued management.

Very respectfully,

/s/ Stephen R. Cochell
Stephen R. Cochell
The Cochell Law Firm, P.C.
Texas Bar No. 24044255
7026 Old Katy Rd., Ste 259
Houston, Texas 77096
(713)980-8796 (phone)
(713)980-1179 (facsimile)
srcochell@cochellfirm.com

CERTIFICATE OF SERVICE

This is to certify that, October 21, 2012, a copy of this Motion was served on all counsel through the Court's ECF system.

/s/ Stephen R. Cochell
Stephen R. Cochell

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSPHERE, INC.,
MANILA INDUSTRIES, INC. AND
MUNISH KRISHAN**

PLAINTIFFS,

V.

**JEFFREY BARON AND
ONDOVA LIMITED COMPANY,**

DEFENDANTS.

§
§
§
§
§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 3:09-CV-0988-F

**DANIEL J. SHERMAN, CHAPTER 11 TRUSTEE’S RESPONSE
TO BARON’S EMERGENCY MOTION FOR RECONSIDERATION**

Daniel J. Sherman, Chapter 11 Trustee (the “Trustee”) files this Response to Baron’s Emergency Motion for Reconsideration of the Court’s Order Granting the Emergency Motion for Protective Order and Control Order [Docket No. 1076] as follows:

ARGUMENT

A. The transaction now at issue is a settlement that the Receiver and the Trustee are authorized to make.

The Receivership Order of November 24, 2010 specifically empowers the Receiver to “institute, compromise, adjust, defend, appear in, intervene in, or become a party to such actions and proceedings” as the Receiver deems necessary and advisable, to “investigate, conserve, hold and manage all Receivership Assets,” to exercise the power to sell individual Receivership Parties, to “prevent the inequitable distribution of assets and determine, adjust and protect the interest of creditors who have transacted business with the Receivership Party,” and finally to

have “all powers granted in equity to receivers.” (Docket No. 130 at pp. 6-7). Those powers include the power to sell, with the Court’s approval, assets of the Receivership.

The Trustee has similar powers under the provisions of the Bankruptcy Code. He can sell or transfer assets of the bankruptcy estate pursuant to 11 U.S.C. §363 and he can compromise claims pursuant to Bankruptcy Rule 9019.

The settlement (“Settlement Agreement”) contained in the Joint Plan being proposed by the Trustee and the Receiver (“Plan”) proposes the creation of a Liquidating Trust to wind down both estates in order to pay the claims of Baron’s and Ondova’s creditors. Because Baron has refused to pay creditors in the past, and this is a constant pattern by Baron, he naturally opposes the Settlement Agreement.

B. It is perfectly appropriate to limit the parties to one forum for discovery.

The Bankruptcy Court has pending before it the Plan which includes approval of the Settlement Agreement. Whether the Plan should be approved depends in part of the fairness of the Settlement Agreement. The Bankruptcy Court determined that the parties in interest should be permitted to take discovery about the fairness of the transaction on specific terms set out in the Expedited Discovery Order. Since Mr. Baron has appeared in the Bankruptcy Court to object to the Plan he has submitted to the jurisdiction of the Bankruptcy Court with respect to matters concerning his objection, including discovery on that objection.

This Court, in the meantime, has made it clear that it is not going to allow duplicative discovery proceedings. (Docket No. 1072) This is a very appropriate way to conserve to judicial resources. The fact issues that Mr. Baron has raised with respect to the Settlement Agreement in this Court are identical to the fact issues he has raised concerning the Settlement Agreement and Plan in the Bankruptcy Court. All the discovery devices available in this Court are available in

the Bankruptcy Court. There is no reason at all to have parallel discovery in the District Court and Bankruptcy Court, with Mr. Baron serving discovery and issuing subpoenas from whichever Court he finds convenient, and running from one judge to the other any time he doesn't like a ruling on discovery.

Mr. Baron's claim that discovery cannot be transferred to the Bankruptcy Court because only an Article III Court can govern proceedings concerning the Receivership Assets rests on confusion about the nature of discovery proceedings. Permitting a party to take discovery about the value of an asset is not the same thing as seizing the asset or bringing it into the Ondova bankruptcy estate. The Bankruptcy Court has allowed Mr. Baron to take discovery about the value of the domain names in the possession of the Receiver just as it might have allowed Mr. Baron to take discovery about the value of any property that the Trustee proposed to acquire in a settlement with a third party. It is the height of absurdity to claim that the Bankruptcy Court must take control of an asset in order to allow Mr. Baron's counsel to ask questions about it.

Nor is this Court transferring its case to the Bankruptcy Court for discovery. The Bankruptcy Court is controlling discovery with respect to a matter that is undoubtedly within its jurisdiction; that is, the approval of a Rule 9019 settlement and confirmation of a Chapter 11 Plan. All this Court has done is recognize that because the parties are already engaged in discovery in the bankruptcy proceedings it would be a waste of time and effort for this Court to permit duplicate discovery and spend time regulating that discovery. There has been no transfer of proceedings; merely the sound decision not to duplicate the Bankruptcy Court's efforts. Nothing being done in either Court infringes on Mr. Baron's ability to conduct appropriate discovery.

C. This Court has properly required Mr. Baron to seek discovery relief from the Bankruptcy Court.

Baron's argument concerning the importance of the discovery he seeks should be directed to the Bankruptcy Court. The Bankruptcy Court's Expedited Discovery Order was the result of several hours of hearings concerning the needs of the parties for discovery and the time constraints that might limit that discovery. Judge Jernigan has the power to permit what Mr. Baron wants and the first hand experience necessary to judge whether he needs it. There is absolutely no reason for this Court to invest additional time on a matter that has already occupied so much time in the Bankruptcy Court.

CONCLUSION

For all of the reasons set forth herein, Mr. Baron's Emergency Motion for Reconsideration should be denied.

Respectfully submitted this 24th day of October, 2012.

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Richard M. Hunt
Raymond J. Urbanik
Texas Bar No. 20414050
Richard Hunt
Texas Bar No. 10288700
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584
rurbanik@munsch.com
rhunt@munsch.com

**ATTORNEYS FOR DANIEL J.
SHERMAN, CHAPTER 11 TRUSTEE**

CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of October 2012, I caused a true and correct copy of the foregoing document to be served electronically on all parties receiving notice through the Court's ECF system.

/s/ Richard M. Hunt _____

Richard M. Hunt

Horse Bidder to withdraw his bid if the domain names were released to counsel and his expert. Counsel made an email inquiry last night as to whether the Receiver had any evidence to support this statement, but has received no response.

Similarly, the delays in production are another concern. The Receiver was ordered to produce documents by October 19, 2012, and delayed discussion of a protective order until shortly before. This, despite requests by counsel to get this done earlier, resulting in further delay. **The Receiver did not produce documents until late Monday, October 22, 2012 and is making yet another production today.** The Receiver also frustrated discovery from Domain Group Holdings, Inc. by filing a motion seeking relief based on statements that they know are inaccurate and untrue. Simply stated, the Receiver is attempting to “run down the clock” on expedited discovery in an effort to deprive Jeffrey Baron of due process and an opportunity for a *meaningful* hearing.

The responsibility for that hearing, with respect to the receivership assets, does not rest in the Bankruptcy Court. The Receiver cannot avoid the fact that non-bankruptcy assets cannot be commingled with bankruptcy assets. The Receiver does not address the statutory limits, but avoids the issue entirely, because the Receiver’s proposal to place assets from Novo Point and Quantec into bankruptcy is unsupported. The alleged “settlement” does not come to \$4.1 million dollars, and hardly justifies a sale of the assets before they are properly valued. The desire for settlement, i.e. to pay the Trustee’s legal fee for gratuitously filing a handful of mostly duplicative appellate reply briefs, does not justify a fire-sale of assets. The function of a receivership is to conserve assets, not to serve as a war-chest to fund a defense of orders challenged by a party on appeal.

The assets, moreover, are not within the jurisdiction of the bankruptcy court. The mere fact that there are parallel actions is not an excuse to dispose of jurisdictional limits on Article I courts. A bankruptcy court is a creature of statutory creation. It can confirm a Chapter 11 plan if the assets are within the “estate” of the bankrupt, in this Ondova. The domain name assets are not in the Ondova estate, so the plan cannot be confirmed under the Code. Taking and selling non-estate assets is not in the list of powers granted by Congress to bankruptcy courts.

Further, the Receiver has a fiduciary duty to Mr. Baron. He cannot enter into, or allow anyone else to enter into contracts with bidders where, as here, the tail is wagging the dog. Since when do potential purchasers get to dictate the terms of a public auction? The “threat,” *if it was made* appears to support the conclusion that the Stalking Horse Bidder is more than a simple bidder, but someone who is driving this transaction whether it is fair or not. The Stalking Horse bidder apparently had information well before any other bidder, and may have it in electronic form.

By contrast, other bidders have to invest \$500,000 just to find out what assets are on sale, and then they can only review them in paper form.¹ **They have no reasonable opportunity to conduct due diligence. They have no valuation from an appraiser,** and no way to conduct their own valuation because they do not have the domain names. What kind of person bids without doing a valuation? The logical inference is that it is someone who has inside information, knows the value of the information, and is driving the sale in a way that deprives Baron or interested bidders from valuing the assets—and thus eliminates all other bidders and can purchase the assets at pennies on the dollar.

¹ Most domainers don’t have \$500,000 cash just to make a bid, and generally finance their multi-million dollar purchases of domain names. Most banks or lending institutions will not finance a loan that is not secured.

The need for discovery is highlighted where the Receiver and Trustee chose to have the Receiver's law firm sell the property under conditions that will discourage and chill almost all qualified bidders, and which ensures that the domain names go to the Stalking Horse Bidder. The Receiver intentionally choose not to have had an independent auction house specializing in domain names to sell the domain names. Firms such as Sedo have sold hundreds of portfolios at the highest value possible and knows multiple, qualified and motivated domain name buyers in the market.

The Court should not allow the Receiver to mislead the Court to obtain relief and continue on a path to selling property on a "cents-on-the-dollar" to enrich a Stalking Horse Bidder who is interested only in the lowest price, and not purchase at fair value. The Receiver failed to answer the question as to "Why these domain names will not have the value in three months or six months that they have today? There appears to be no reason for the rushed liquidation other than a desire to sell these assets before the Fifth Circuit rules on the legality of the receivership and other significant issues raised on appeal. Counsel is informed by potential expert witnesses that sale of domain name assets under these circumstances will not produce fair value and may grossly rob the receivership estate of millions----which ultimately should be returned to its rightful owner.

Accordingly, Mr. Baron requests this Honorable Court to grant reconsideration of the Order, allow counsel and his expert to have the receiver produce electronic information in its electronic format and to take appropriate action to address the discovery issues in the district court case.

Very respectfully,

/s/ Stephen R. Cochell
Stephen R. Cochell
The Cochell Law Firm, P.C.
Texas Bar No. 24044255
7026 Old Katy Rd., Ste 259
Houston, Texas 77096
(713)980-8796 (phone)
(713)980-1179 (facsimile)
srcochell@cochellfirm.com

CERTIFICATE OF SERVICE

This is to certify that, October 24, 2012, a copy of this Document was served on all counsel through the Court's ECF system.

/s/ Stephen R. Cochell
Stephen R. Cochell


arguments should be addressed first to Judge Jernigan; as a bankruptcy judge she has the expertise to determine whether the proposal complies with bankruptcy law. Pursuant to this Court's oral order made at the hearing on September 27, 2012, this Court will review Judge Jernigan's findings and determinations at a later time and fully consider any objections made by the parties.

Furthermore, this Court is concerned that Mr. Baron's counsel proposes simultaneously that Mr. Baron would not see the electronic files under an "Attorney's Eyes Only" protective order, yet that Mr. Baron's valuation is necessary as he is an expert on this issue. Mr. Baron may not evade a protective order which would prevent him from personally viewing material by asserting his status as an expert. Moreover, this Court has authorized funds to hire an expert, so Baron will not be under any disadvantage in this regard.

To be clear, Baron may not depart from Judge Jernigan's Scheduling Order without filing a motion to do so before Judge Jernigan. Otherwise, strict compliance with the Scheduling Order is required. This Court will not permit duplicative discovery proceedings to take place, and it is reasonable to limit the parties to one forum for discovery. That forum is the Bankruptcy Court. The motion is **DENIED**.

IT IS SO ORDERED.

SIGNED this 25th day of October, 2012.


Royal Furgeson
Senior United States District Judge

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., Et. Al.	§	
<i>Plaintiffs,</i>	§	
vs.	§	Civil Action No. 3-09CV0988-F
	§	
JEFFREY BARON, Et. Al.	§	
<i>Defendants.</i>	§	

**NOTICE OF APPEAL TO THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

Notice is hereby given that Jeffrey Baron, defendant, Novo Point LLC and Quantec LLC, non-parties affected by orders in Civil Action No. 3-09CV0988-F, hereby appeal to the United States Court of Appeals for the Fifth Circuit from:

- a. [DOC 1062] The District Court's Order approving 1043 Receiver's Seventeenth Application for Reimbursement of Fees Incurred by Martin K. Thomas. (Ordered by Judge Royal Furgeson on 10/1/2012) (Entered: 10/01/2012).
- b. [DOC 1061] The District Court's Order approving 1040 Receiver's Nineteenth Application. (Ordered by Judge Royal Furgeson on 10/1/2012) (axm) Modified text and linkage on 10/2/2012 (axm). (Entered: 10/01/2012).
- c. [DOC 1060] The District Court's Order approving 1049 Receiver's Twentieth Fee Application. (Ordered by Judge Royal Furgeson on 10/1/2012) (Entered: 10/01/2012).
- d. [DOC 1057] The District Court's Order granting doc 1048 Motion for Attorney Fees (Ordered by Judge Royal Furgeson on 9/28/2012) (Entered: 09/28/2012).

e. [DOC 1055] The District Court's Order granting doc 1050 Motion for Attorney Fees and ordering that the Receiver should pay Dykema its fees in the sum of \$241,511.31 on or before October 5, 2012. (Ordered by Judge Royal Furgeson on 9/28/2012) (Entered: 09/28/2012).

This appeal is taken pursuant to 28 U.S.C. §1291 and §§1292(a)(1) and (2).

The parties to the orders appealed from and the names, addresses, and telephone numbers of their respective attorneys are as follows:

Appellant: Defendant Jeffrey Baron

Non-Party Appellants: Novo Point, LLC and Quantec, LLC

Represented on Appeal by:

Gary N. Schepps
Drawer 670804
Dallas, Texas 75367
Telephone (972) 200-0000
Facsimile (972) 200-0535
legal@schepps.net

Appellee: Peter S. Vogel, receiver

Represented by: David J Schenck
Dykema Gossett PLLC
1717 Main Street, Suite 4000
Dallas, Texas 75201
Telephone (214) 462-6400
Facsimile (214) 462-6401
dschenck@dykema.com

Dated: October 28, 2012.

Respectfully submitted,

/s/ Gary N. Schepps
Gary N. Schepps
State Bar No. 00791608
Drawer 670804
Dallas, Texas 75367
Telephone (972) 200-0000
Facsimile (972) 200-0535
legal@schepps.net

**APPELLATE COUNSEL
FOR JEFFREY BARON**

**APPELLATE COUNSEL
FOR NOVO POINT, LLC and
QUANTEC, LLC**

CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system and including:

David J Schenck
Dykema Gossett PLLC
1717 Main Street, Suite 4000
Dallas, Texas 75201
dschenck@dykema.com

/s/ Gary N. Schepps
Gary N. Schepps

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC., AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

RECEIVER’S FORMER COUNSEL’S OPEN INVOICES

From late November 2010 through early July 2012, the law firm of Gardere Wynne Sewell LLP (“Gardere”) served as the Receiver’s counsel in this matter. For the 17-month period of January 2011 through May 2012, unpaid portions (*i.e.*, 25%) of invoices submitted by Gardere for its work performed on behalf of the Receiver total \$435,601.97. For the two-month period of June through July 2012, the entire amount of Gardere’s invoice remains unpaid and totals \$94,784.25. In sum, the unpaid amounts on invoices submitted by Gardere in this matter total \$530,386.22.

For the Court’s convenience, the Receiver files this notice to summarize the information contained in numerous filings on the Court’s docket relating to unpaid amounts of invoices submitted by Gardere for its work performed on behalf of the Receiver.

A. INVOICES FULLY UNPAID

Time Period of Invoice	Docket No. of Fee Application Filing the Invoice	Total Amount
June 1 – July 6, 2012	1035	\$94,784.25

B. INVOICES PARTIALLY UNPAID (25% UNPAID)

Time Period of Invoice	Fee Application Docket No.	Docket No. of Order Partially Granting Fee Application	Unpaid Amount (25%)
Jan. 1 – 31, 2011	324	386	\$30,838.66
Feb. 1 – 28, 2011	418	427	\$40,860.05
March 1 – 31, 2011	491	533	\$38,748.97
April 1 – 22, 2011	493	535	\$19,955.60
April 23 – May 31, 2011	606	807	\$44,485.00
June 1 – July 15, 2011	648 at Ex. B	807	\$27,120.94
July 16 – Aug. 31, 2011	678 at Ex. D	807	\$40,938.55
Sept. 1 – 30, 2011	698 at Ex. B	807	\$19,153.51
Oct. 1 – 31, 2011	713 at Ex. B	807	\$18,205.94
Nov. 1 – Dec. 14, 2011	750 at Ex. B	807	\$40,522.45
Dec. 15 – Dec. 31, 2011	781 at Ex. B	807	\$11,698.18
Jan. 1 – Feb. 21, 2012	840 at Ex. D	906	\$31,571.77
Feb. 22 – 29, 2012	853 at Ex. B	906	\$8,150.00
March 1 – 31, 2012	877 at Ex. B	906	\$19,581.15
April 1 – 20, 2012	879 at Ex. B	906	\$12,726.52
April 21 – May 31, 2012	993	1009	\$31,044.68

C. TOTALS

Outstanding Invoices	Unpaid Amount
Invoices Fully Unpaid	\$94,784.25
Invoices Partially Unpaid (25% Unpaid)	\$435,601.97
TOTAL AMOUNTS UNPAID:	\$530,386.22

Respectfully submitted,

/s/ Peter S. Vogel

Peter S. Vogel, Receiver
Texas Bar No. 20601500

GARDERE WYNNE SEWELL LLP

1601 Elm Street
3000 Thanksgiving Tower
Dallas, Texas 75201
Telephone: (214) 999-3000
Telecopier: (214) 999-4667

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on October 29, 2012.

/s/ Peter S. Vogel

Peter S. Vogel

**United States District Court
Northern District of Texas
Office of the Clerk**

Dallas Division

Nov 6, 2012

Clerk
U.S. Court of Appeals - Fifth Circuit
600 Maestri Place
New Orleans, LA 70130

SUBJECT: 10-11202/3:09cv988 Netsphere, Inc. v. Jeffrey Baron

Dear Clerk:

In connection with the appeal cited above, the following record is transmitted:

Record on appeal or Supplemental record on appeal
consisting of 3 volumes of the record and/or any of the items indicated below:

 Volume(s) of the transcript Volume(s) of depositions
 Container(s) of exhibits Folder(s) of State Court Papers
 Sealed documents Audio Visual Tapes
 PSI and SOR page Sealed

Other: _____

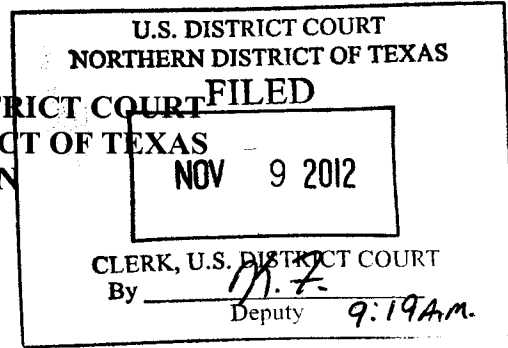
ATTENTION: Some of the documents noted above are ORIGINAL DOCUMENTS and must be returned to the district court.

UPS Tracking #: _____

Sincerely,
KAREN MITCHELL
Clerk of Court

By: s/ S VanCamp
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



NETSPHERE, INC.,
MANILA INDUSTRIES, INC., AND
MUNISH KRISHAN
Plaintiffs,

§
§
§
§
§
§
§
§
§
§
§

V.

CIVIL ACTION NO. 3:09-CV-0988-F

JEFFREY BARON AND
ONDOVA LIMITED COMPANY,
Defendants.

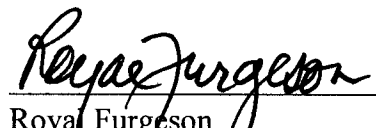
ORDER APPROVING THE RECEIVER'S SECOND DYKEMA FEE APPLICATION

BEFORE THE COURT is The Receiver's Second Dykema Fee Application in the above action. The Court first notes the daunting challenge that Dykema Gossett PLLC ("Dykema") confronted in undertaking the representation of the Receiver during a critical stage in the litigation. The Court also notes the exceptional performance of the Dykema lawyers in representing the Receiver by coming up-to-speed so quickly. In addition, the Court notes that Dykema's Fee Application is reasonable in every respect. Finally, the Court notes that, given the probability that this matter will conclude shortly, it is appropriate to pay Dykema's Fees immediately and in their entirety.

Under the circumstances, it is ORDERED that Dykema's Fee Application is approved and that the Receiver should pay Dykema its fees in the sum of \$157,382.60 on or before **November 16, 2012**.¹

IT IS SO ORDERED.

SIGNED this 9th day of November, 2012.


Royal Ferguson
Senior United States District Judge

¹ This resolves Docket No. 1068.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC., AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
V.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

THE RECEIVER’S THIRD DYKEMA FEE APPLICATION

Peter S. Vogel, Receiver over Jeffrey Baron and the Receivership Parties (the “Receiver”), files this Third Application for Reimbursement of Fees and Expenses Incurred (“Third Dykema Fee Application”) by Dykema Gossett PLLC (“Dykema”) for the period of September 1, 2012 through September 30, 2012 (the “Third Application Period”). In support of the Third Dykema Fee Application, the Receiver states as follows:

I. SUMMARY OF REQUEST

Name of Applicant: Peter S. Vogel on behalf of Dykema Gossett PLLC

Role in Case: Counsel to Peter S. Vogel, Receiver

Application Period: September 1, 2012 – September 30, 2012

Summary of Request (September 1, 2012 to September 30, 2012)

	<u>Fees</u>	<u>Expenses</u>		<u>Total</u>
Amounts Requested	\$120,047.50	\$3,103.09		\$123,150.59
Less: Amounts Previously Paid	<u>\$0.00</u>	<u>\$0.00</u>		<u>\$0.00</u>
Total Compensation Due	\$120,047.50	\$3,103.09	=	\$123,150.59
	<u>100%</u>	<u>100%</u>		
Total Req. Paid By This Appl.	\$120,047.50	\$3,103.09	=	\$123,150.59

II. PRELIMINARY STATEMENT

In this Third Dykema Fee Application, the Receiver asks this Court for approval and allowance of all (100%) fees earned and expenses incurred by Dykema during the Third Application Period. As shown by the record before this Court and the exhibits attached hereto, throughout the Third Application Period, Dykema has worked diligently on a daily basis to assist the Receiver in carrying out his duties under this Court's Order Appointing Receiver (the "Receivership Order") and other related orders. As shown on the record before this Court, the Receiver believes that Dykema's work has resulted in identifiable, tangible, and material progress in carrying out the Receivership Order and winding-up the Receivership. Accordingly, the Third Dykema Fee Application should be approved.

III. SUPPORT

In support of the Dykema Fee Application, the Receiver has attached as Exhibit A hereto, a true and correct redacted¹ copy of Dykema's Invoice for Legal Services Rendered on Behalf of the Receiver during the Third Application Period, detailing all fees requested for payment by Dykema and including narratives of the work performed by Dykema on behalf of the Receiver.

IV. REQUEST

On July 6, 2012, Dykema was substituted in as counsel for the Receiver. On July 12, 2012, the Receiver filed his expedited application to approve Dykema's retention, to be effective the first day of employment, July 6, 2012 [Doc. No. 1025] (the "Retention Application"). Dykema's engagement letter was attached to the Retention Application and the Court approved the terms of Dykema's engagement on July 12, 2012 [Doc. No. 1026].

¹ The Dykema fee statement has been redacted to preserve attorney client privilege and confidentiality.

Since engaging Dykema, the Receiver has a) filed a comprehensive brief addressing numerous consolidated expedited appeals in the Fifth Circuit, b) conducted negotiations with the Ondova Chapter 11 Trustee culminating in a joint settlement proposal and Term Sheet providing for a comprehensive joint Plan Settlement to wind-down and resolve this case and the related Ondova bankruptcy case, c) filed a comprehensive joint Plan and Disclosure Statement in the Ondova Bankruptcy Court to implement the joint Plan Settlement, d) identified, negotiated and obtained a \$4.1 million stalking horse bid for the primary assets of the Receivership, e) filed a Receiver's Motion in this Court to secure this Court's preliminary approval of the joint Plan Settlement, the stalking horse bid, and the joint plan process, f) negotiated extensively with and secured the participation of additional bidders for the primary assets of the Receivership, g) sought and obtained preliminary approval of the plan sale procedures, h) conducted extensive expedited discovery, and i) conducted proceedings in the Bankruptcy Court, this Court and the Fifth Circuit.

Based upon the foregoing work product, the Receiver respectfully requests that this Court enter an order (a) allowing and authorizing compensation to Dykema in the amount of **\$123,150.59**, for the period from September 1, 2012, through September 30, 2012; (b) directing the Receiver, and his agents or representatives, to immediately pay **\$123,150.59** to Dykema from the Receivership Assets to which the Receiver has obtained access to date, and to the extent that the Receiver controls available cash funds. Given the limited cash position of the Receivership estate, the retention Application calls for the prioritization of payment to Dykema for fees as they are incurred. Therefore, the Receiver asks for authority to prioritize payment to Dykema and to immediately pay Dykema from the more than \$1.6 million of Receivership cash on hand.

Respectfully submitted,

DYKEMA GOSSETT PLLC

By: /s/ David J. Schenck

David J. Schenck

State Bar No. 17736870

Jeffrey R. Fine

State Bar No. 07008410

Christopher D. Kratovil

State Bar No. 24027427

1717 Main Street, Suite 4000

Dallas, Texas 75201

(214) 462-6455

(214) 462-6401849 (Telecopier)

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on November 9, 2012.

/ By: /s/ David J. Schenck

David J. Schenck

EXHIBIT A



400 Renaissance Center • Detroit, MI 48243 • EIN# 38-1446628

DUE UPON RECEIPT

PETER S. VOGEL, RECEIVER
THANKSGIVING TOWER, SUITE 3000
1601 ELM STREET
DALLAS, TX 75201

OCTOBER 15, 2012
CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604

FOR PROFESSIONAL SERVICES RENDERED

RE: BARON RECEIVERSHIP MATTERS

FEES	\$ 120,047.50
DISBURSEMENTS	3,103.09
TOTAL AMOUNT DUE.....	<u>\$ 123,150.59</u>



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 2

RE: BARON RECEIVERSHIP MATTERS

DATE	ID	DESCRIPTION	HOURS
09/04/12	CDKR	RECEIVED AND REVIEWED TRUSTEE'S 5TH CIRCUIT LETTER BRIEF. RECEIVED AND REVIEWED BARON'S REPLY IN SUPPORT OF USJF'S MOTION FOR LEAVE TO FILE AMICUS BRIEF. RECEIVED AND REVIEWED BARON'S LATEST SUPPLEMENTAL RECORD. CALL WITH MR. SCHENCK AND MR. VOGEL REGARDING NEW FIFTH CIRCUIT FILINGS AND RECORD STATUS.	1.00
09/04/12	DJSCH	RESPONSE OF BARRON TO AMICUS FILING, CALL WITH P. VOGEL RE: [REDACTED] REVIEWING MOTION TO AMEND RECORD, CALL TO 5TH CIR. CLERK RE: STATUS, UPDATES FROM J. FINE RE: LIQUIDATION PLAN, 5TH CIR. FILINGS RE: RECORD AND BRIEF, CALL FROM CLERK RE: 3 MORE PAPER COPIES, AND TRYING TO LOCATE SCHEPPS TO SERVE BRIEF (PAPER COPIES) RETURNED BY POST OFFICE, TRUSTEE RESPONSE TO USJ AMICUS.	6.50
09/04/12	JRF	ATTENTION TO 5TH CIRCUIT RESPONSE TO LATEST BARON FILING. EXTENDED TELEPHONE CALLS WITH [REDACTED] REGARDING DUE DILIGENCE INFORMATION, CONFIRMATION HEARING AND SALE SCHEDULING. EXTENDED CALLS WITH RAY URBANIK RE [REDACTED] REVISE THE LOI FOR QUANTEC AND NOVO POINT. EXTENDED TELEPHONE CALLS WITH PETER VOGEL. CONFER WITH RAY URBANIK ON PLAN DEVELOPMENT ISSUES AND STRATEGY.	5.20
09/05/12	CDKR	RECEIVED AND REVIEWED BARON'S 5TH CIRCUIT LETTER BRIEF. CONFERENCE WITH MR. SCHENCK REGARDING SAME. CALL FROM MR. VOGEL REGARDING SAME.	0.40
09/05/12	DJSCH	LETTER FROM SCHEPPS AND CORRESPONDENCE VIA EMAIL RE: RESPONSE, TRUSTEE MOTION IN 5TH CIRCUIT.	1.00
09/05/12	JRF	ATTENTION TO FUNNYGAMES AND POKERSTAR ISSUES. RECEIVE SCHEPPS 9/4/12 LETTER AND CONFER RE HOW TO RESPOND TO SAME. EXTENDED TELEPHONE CONFERENCES WITH STALKING HORSE REP [REDACTED] CALLS WITH PETER VOGEL. CALLS WITH RAY URBANIK. ATTENTION TO SALE PROCEDURES AND RECEIVER'S PLAN DRAFTING.	6.30
09/05/12	NGM	REVIEW AND ANALYZE DOMAIN NAME DEACTIVATION MEMOS.	3.40
09/06/12	CDKR	RECEIVED AND REVIEWED BARON'S 5TH CIRCUIT LETTER BRIEF. CONFERENCE WITH MR. SCHENCK REGARDING CASE STATUS AND STRATEGY. CALL FROM MR. VOGEL REGARDING STATUS OF 5TH CIRCUIT APPEAL AND BARON'S FILING IN THAT COURT.	0.60
09/06/12	DJSCH	MEETING WITH FINE RE: LIQUIDATION AND OFFER, EMAILS RE: FORWARDING OF EARNEST MONEY.	1.50



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 3

DATE	ID	DESCRIPTION	HOURS
09/06/12	JRF	REVIEW DRAFT ONDOVA PLAN. EXTENDED TELEPHONE CONFERENCES WITH PETER VOGEL. MEET WITH DJS RE: STALKING HORSE BID, ALSO CALLS WITH RAY URBANIK. TELEPHONE CALLS WITH [REDACTED] RE STALKING HORSE BID. RECEIVE EXECUTED [REDACTED] LOI AND COMMUNICATIONS AND STRATEGY RE SAME.	4.70
09/07/12	CDKR	RECEIVED AND REVIEWED BARON'S LATEST 5TH CIRCUIT LETTER BRIEF. REVIEWED JEFF FINE'S DRAFT OF RESPONSE TO BARON'S MOTION IN THE TRIAL COURT REGARDING LIVING CONDITIONS.	0.40
09/07/12	DJSCH	EMAILS RE: LIQUIDATION PLAN AND STATUS, REVIEWED AND COMMENT ON DRAFT RESP. TO MOTION TO SUPPLEMENT THE RECORD RE: LIVING CONDITIONS, ANOTHER MOTION FROM BARON IN FIFTH CIRCUIT, CONFIDENTIALITY AGREEMENT.	2.50
09/07/12	JRF	DRAFT RESPONSE TO MOTION FOR LEAVE. EXTENDED TELEPHONE CALLS WITH PETER VOGEL. WORK ON RECEIVER'S PLAN AND SALE PROCEDURES. TELEPHONE CONFERENCES WITH RAY URBANIK RE SAME AND RELATED ISSUES. ATTENTION TO DOMAIN NAME SALE ISSUES AND OTHER MATTERS IN RELATION TO LOI.	6.80
09/09/12	JRF	DRAFT DECLARATION AND REVISE RESPONSE TO MOTION FOR LEAVE. WORK ON RECEIVER'S PLAN AND RELATED ONDOVA DOCUMENTS.	5.00
09/10/12	DJSCH	STALKING HORSE AGREEMENT AND WIRE IN BOUND FOR SAME (.5); REVISIONS TO AND FILING RESPONSE TO LIVING CONDITIONS MOTION (FOR LEAVE TO RECONSIDER STAY) (4.0).	4.50
09/10/12	JRF	TELEPHONE CONFERENCES WITH [REDACTED] AND [REDACTED] RE LOI AND [REDACTED] DEPOSIT. WORK ON RESPONSE AND DECLARATION RE MOTION FOR LEAVE. DRAFT MAJOR INSERTIONS INTO THE 7TH AND 9TH VERSIONS OF THE JOINT PLAN. VERY EXTENDED TELEPHONE CONFERENCE WITH TAX PROFESSIONALS RE TAX CONSEQUENCES OF JOINT PLAN. EXTENDED TELEPHONE CONFERENCES WITH PETER VOGEL RE PLAN PROVISIONS. VERY EXTENDED TELEPHONE CONFERENCES AND EMAILS AND REVISIONS WITH RAY URBANIK RE THE JOINT PLAN. REVIEW AND FINALIZE CHANGES TO CONFIDENTIALITY AGREEMENT WITH THE CHAPTER 11 TRUSTEE. LATE EVENING REVIEW OF REVISED DISCLOSURE STATEMENT AND PLAN AND TELEPHONE CALLS WITH RAY URBANIK RE SAME.	10.80
09/11/12	JRF	TELEPHONE CONFERENCE WITH GARY LYONS. TELEPHONE CONFERENCE WITH PETER VOGEL. TELEPHONE CONFERENCE WITH RAY URBANIK. DRAFT MOTION FOR SALE PROCEDURES IN DISTRICT COURT. DRAFT [REDACTED] APA.	6.00
09/12/12	ALP	OFFICE CONFERENCE WITH JEFF FINE REGARDING REDACTION OF JULY, 2012 FIRM INVOICES IN PREPARATION FOR FILING WITH COURT (.2); REVIEW AND REDACTION OF JULY, 2012 FIRM INVOICES REGARDING SAME (1.3).	1.50
09/12/12	DJSCH	TRUSTEES DISCLOSURE AND PLAN STATEMENT REVIEWED (1.0), THOMAS FEE APPLICATION FILED AND REVIEWED (.5), DISCLOSURE DOC. FOR DISTRICT COURT PROCEEDING (1.5), ORAL ARGUMENT SETTING AND CALLS RE: SAME WITH TEAM (.5).	3.50



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 4

DATE	ID	DESCRIPTION	HOURS
09/12/12	JCD	EVALUATE DRAFT SHA AND PROVIDE COMMENTS TO J FINE.	2.20
09/12/12	JRF	DRAFT [REDACTED] APA. TELEPHONE CONFERENCE WITH DEAN FERGUSON. TELEPHONE CONFERENCE WITH [REDACTED] FINALIZE AND FILE MARTIN THOMAS FEE APPLICATION.	8.40
09/13/12	DJSCH	QUICK REVIEW OF ASSET PURCHASE AGREEMENT	1.00
09/13/12	JCD	WORK WITH J FINE REGARDING TRUSTEE COMMENTS AND VARIOUS PROVISIONS OF DRAFT SHA; GENERATE NEW PROVISIONS FOR DRAFT SHA AND COMMENTS.	2.30
09/13/12	JRF	TRANSMIT JUDGE FERGUSON ORDER TO MARTIN THOMAS. DRAFT RECEIVER'S MOTION TO APPROVE PLAN SETTLEMENT, AUCTION PROCEDURES AND STALKING HORSE BID AND BREAK-UP FEE. REVISE STALKING HORSE APA (TO 4TH VERSION) AND CIRCULATE SAME. CONFER WITH JOHN DICKEY RE THE APA.	7.60
09/14/12	ALP	OFFICE CONFERENCE WITH JEFF FINE REGARDING REDACTION OF JULY, 2012 MONTHLY INVOICES FOR PRIVILEGE IN PREPARATION OF FILING WITH THE USBC (.2); REDACTION OF SAME (1.3).	1.50
09/14/12	DJSCH	REVISIONS TO DRAFT MOTION AND MEETING WITH J. FINE REGARDING SAME, FILED, AND CALL RE: NEED FOR HEARING PRIOR TO 9/27.	3.50
09/14/12	JRF	MULTIPLE DRAFTS AND FINALIZE APA FORM, RECEIVER'S MOTION. TO COURT AND MEET WITH DJS RE: HEARING. TELEPHONE CONFERENCE WITH PETER VOGEL, AND RAY URBANIK. MULTIPLE EMAILS TO VARIOUS PARTIES.	8.30
09/14/12	KAT	SHEPARDIZE CASE LAW AND SUPPLEMENT WITH RECENT CASE CITATIONS FOR RECEIVER'S MOTION FOR ENTRY OF ORDERS AND BRIEF IN SUPPORT THEREOF.	1.90
09/16/12	JRF	DRAFT AND FILE NOTICE TO BANKRUPTCY COURT OF RECEIVER'S MOTION. DRAFT DYKEMA'S FIRST FEE APPLICATION. EMAILS ON VARIOUS MATTERS. CATCH-UP ON EMAIL CORRESPONDENCE.	2.50
09/16/12	NGM	REVIEW AND ANALYZE COURT FILINGS.	1.10
09/17/12	CDKR	AT THE REQUEST OF MR. FINE, REVIEW AND REVISION OF NOTICE OF FILING RECEIVER'S MOTION IN BANKRUPTCY COURT. REVIEW OF RELATED E-MAILS AND CORRESPONDENCE.	0.60
09/17/12	DJSCH	REVIEWED AND FILED FEE APPLICATIONS, HEARING SET ON LIQUIDATION AND WRAP UP PLAN, CALLS [REDACTED] TO P. VOGEL AND TEAM.	1.50
09/18/12	CDKR	REVIEW AND EDITING OF APPLICATION FOR ATTORNEYS' FEES. REVIEW OF ORDER FROM 5TH CIRCUIT DENYING USJF'S MOTION TO PARTICIPATE AS AMICUS CURIAE. CONFERENCE WITH MR. SCHENCK REGARDING CASE STATUS AND STRATEGY.	0.50
09/18/12	DJSCH	CALL FROM P. VOGEL REGARDING 21ST FEE APPLICATION, CORRECTED AND FILED SAME; REVIEWING STALKING HORSE CORRESPONDENCE FROM PROSPECTIVE BIDDER.	1.50



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 5

DATE	ID	DESCRIPTION	HOURS
09/18/12	JRF	REVIEW VARIOUS INQUIRIES AND RESPOND TO STALKING HORSE BIDDER QUESTIONS.	1.60
09/19/12	ALP	OFFICE CONFERENCE WITH JEFF FINE REGARDING REDACTION OF JULY, 2012 FIRM INVOICE IN PREPARATION FOR FILING WITH USBC (.2); REDACTION OF SAME (1.3)	1.50
09/19/12	CDKR	REVIEW AND EDITING OF APPLICATION FOR ATTORNEYS' FEES. REVIEW OF E-MAILS REGARDING MR. BARON'S PURPORTED LIVING CONDITIONS, AND MR. FINE'S RESPONSE THERETO. CONFERENCE WITH MR. SCHENCK REGARDING CASE STATUS AND STRATEGY. REVIEW OF ORDER FROM 5TH CIRCUIT DENYING USJF'S MOTION TO PARTICIPATE AS AMICUS CURIAE.	1.50
09/19/12	JRF	RESPOND TO VARIOUS CLAIMANT INQUIRIES. RESPOND TO QUESTIONS FROM STALKING HORSE BIDDER. FINALIZE AND FILE DYKEMA FIRST FEE APPLICATION. PREPARE FOR DISTRICT COURT AND BANKRUPTCY COURT HEARINGS ON PLAN SETTLEMENT.	3.90
09/20/12	DJSCH	ARGUMENT CALENDARED, REVIEW FEE APPLICATION, MEETING W/ J. FINE RE: UPCOMING HEARING & VARIOUS D. NELSON CORRESPONDENCE REGARDING SALE TERMS.	3.50
09/20/12	JRF	VERY EXTENDED CONFERENCE WITH DAMON NELSON RE AUCTION PROCEDURES. CONFER WITH RECEIVER AND DJS. RESPOND TO VARIOUS CREDITOR INQUIRIES. PREPARE FOR HEARINGS. RESEARCH AUCTION PROCEDURES QUESTIONS.	6.60
09/21/12	ALP	OFFICE CONFERENCE WITH JEFF FINE REGARDING REVIEW OF SEVERAL SPREADSHEETS CONCERNING NOVO POINT AND QUANTEC AND CONVERTING SAME TO PDF FILES; REVIEW OF SPREADSHEETS AND CONVERSION OF SAME.	1.30
09/21/12	JRF	CONFER WITH RECEIVER. REVIEW REVENUE CHARTS PRODUCED BY DAMON NELSON PRIOR TO RELEASING SAME TO STALKING HORSE BIDDER. EXTENDED CONFERENCES RE STALKING HORSE BIDDER QUESTIONS AND HOW TO STRUCTURE AUCTION. FILE DYKEMA FIRST FEE APPLICATION.	5.70
09/24/12	CDKR	CONFERENCE WITH MR. FINE, AND PREPARATION FOR THURSDAY HEARING, INCLUDING PREPARATION OF HEARING NOTEBOOKS.	0.70
09/24/12	DJSCH	AUGUST TIME ENTRIES REVIEWED AND EDITED.	2.00
09/24/12	JRF	ATTENTION TO PREPARING FOR HEARINGS ON SEPTEMBER 27 AND 28. TELEPHONE CONFERENCES WITH RAY URBANIK, PETER VOGEL, STALKING HORSE BIDDER AND DAMON NELSON.	2.20
09/25/12	CDKR	RECEIVED AND REVIEWED MOTION OPPOSING PLAN SETTLEMENT AND REQUESTING THE APPOINTMENT OF NEW COUNSEL FILED BY MR. COHELL, AND FORMULATION OF RESPONSIVE ARGUMENTS. RECEIVED AND REVIEWED MR. MARTIN'S MOTION TO WITHDRAW AS BANKRUPTCY COUNSEL, AND FORMULATION OF RESPONSIVE ARGUMENTS. CALL WITH RECEIVER, PETER S. VOGEL, REGARDING MULTIPLE CASE ISSUES. DISCUSSION OF CASE STRATEGY WITH MR. SCHENCK AND MR. FINE. PREPARATION FOR THURSDAY HEARING, INCLUDING PREPARATION OF HEARING NOTEBOOKS.	4.20



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 6

DATE	ID	DESCRIPTION	HOURS
09/25/12	DJSCH	BARON REPLY TO SUPPLEMENT LIVING CONDITIONS AND MEETING WITH TEAM REGARDING CORRECTING REPRESENTATIONS IN SAME, MEETING REGARDING STALKING HORSE BID. MOTION TO SUBSTITUTE COUNSEL.	3.50
09/25/12	JRF	REVIEW OPPOSITION FILINGS. CONFER WITH RAY URBANIK. CONFER WITH RECEIVER. TELEPHONE CONFERENCES WITH STALKING HORSE BIDDER. PREPARE FOR HEARINGS.	4.60
09/25/12	NGM	REVIEW AND ANALYZE DEACTIVATION MEMOS.	2.50
09/26/12	CDKR	PREPARATION FOR KEY HEARING BEFORE DISTRICT COURT ON APPROVAL OF PLAN SETTLEMENT, INCLUDING MEETING WITH MR. SCHENCK AND MR. FINE. PREPARATION OF DIRECT EXAMINATION OF MR. VOGEL. PREPARATION OF POTENTIAL CROSS-EXAMINATION OF MR. VOGEL. REVIEW OF KEY PAPERS, PLEADINGS AND EXHIBITS. CONFERENCE CALL WITH TRUSTEE'S COUNSEL REGARDING HEARING ISSUES AND PRESENTATION.	4.80
09/26/12	DJSCH	SEPTEMBER BILL REVISED, PREPARATION FOR HEARING WITH VOGEL AND KRATOVIL, CALLS REGARDING SAME.	5.50
09/26/12	JRF	EXTENDED TELEPHONE CONFERENCE WITH STALKING HORSE BIDDER. REVIEW COHELL FILINGS AND HEARING PREPARATION MATERIALS.	1.50
09/26/12	NGM	REVIEW AND ANALYZE DEACTIVATION MEMOS.	2.00
09/27/12	CDKR	PREPARATION FOR KEY HEARING BEFORE DISTRICT COURT ON APPROVAL OF PLAN SETTLEMENT, INCLUDING REVIEW OF PAPERS AND PLEADINGS FILED BY ALL PARTIES. PREPARATION OF DIRECT EXAMINATION OF MR. VOGEL. PREPARATION OF POTENTIAL CROSS-EXAMINATION OF MR. VOGEL. PRE-HEARING MEETING WITH MR. VOGEL TO PREPARE HIM TO TESTIFY AT HEARING. PRE-HEARING STRATEGY SESSION WITH MR. SCHENCK AND MR. FINE. ATTENDED HEARING AND ASSISTED MR. SCHENCK AND MR. FINE AT SAME. POST-HEARING CONFERENCE AND ANALYSIS OF HEARING AND COURT'S ORDER.	9.20
09/27/12	DJSCH	PREPARATION FOR AND ATTEND HEARING AND MEETING THEREAFTER WITH COUNSEL.	10.00
09/27/12	JRF	EARLY MORNING MEETING WITH THE RECEIVER PREPARING FOR HEARING ON RECEIVER'S MOTION. PREPARE EXHIBITS, TIME LINE, AND RELATED TESTIMONY FOR RECEIVER MOTION HEARING. NOONTIME MEETING WITH RECEIVER PREPARING FOR HEARING. ATTEND RECEIVER HEARING--OBTAIN GRANTING OF MOTION. EXTENDED TELEPHONE CONFERENCE WITH STALKING HORSE BIDDER RE RESULTS OF HEARING. TELEPHONE CONFERENCE WITH RAY URBANIK RE AMENDMENTS TO DISCLOSURE STATEMENT AND PLAN. LATE NIGHT REVIEW OF FIRST AMENDED DISCLOSURE STATEMENT AND PLAN.	12.50
09/27/12	NGM	REVIEW AND ANALYZE DEACTIVATION MEMOS.	0.80



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 7

DATE	ID	DESCRIPTION	HOURS
09/28/12	CDKR	MEETING WITH MR. SCHENCK AND MR. FINE TO DISCUSS CASE STATUS AND STRATEGY. REVIEW AND EDITING OF PROPOSED ORDER. REVIEW OF CORRESPONDENCE FROM 5TH CIRCUIT REGARDING ORAL ARGUMENT, AND DISCUSSION OF SAME WITH MR. SCHENCK. RECEIVED AND REVIEWED SEVERAL ORDERS FROM DISTRICT COURT. DISCUSSION OF DISCOVERY STRATEGY WITH MR. SCHENCK AND MR. FINE.	3.50
09/28/12	DJSCH	ATTEND HEARING, MEETING WITH TEAM REGARDING DISCOVERY AND DRAFT ORDER FROM YESTERDAY'S HEARING.	4.50
09/28/12	JRF	PREPARE FOR AND ATTEND BANKRUPTCY COURT HEARING APPROVING JOINT RECEIVER'S TRUSTEE PLAN. DRAFT ORDER RE RECEIVER'S MOTION. EXTENSIVE CONFERENCES WITH RAY URBANIK, STALKING HORSE BIDDER AND RECEIVER. ATTENTION TO APA PROVISION RE PRO RATION AND VARIOUS PORTFOLIO DOMAIN NAME ISSUES.	8.20
TOTAL ATTORNEY & PARALEGAL TIME			223.80
TOTAL LEGAL FEES			\$ 120,047.50



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 8

DISBURSEMENTS

09/27/12	MISCELLANEOUS EXPENSES - JEFFREY R. FINE PARKING AT COURTHOUSE FOR HEARING 09/27 & 09/28	20.00
07/27/12	TRAVEL-AIR ONLY - ROSA M. TUMIALAN LANDY AIR FARE TO/FROM DALLAS	1,249.58
07/27/12	TRAVEL EXPS.-EXCEPT AIR TRL& MEALS - ROSA M. TUMIALAN LANDY HOTEL - TRIP TO DALLAS	940.84
07/27/12	TRAVEL EXPS.-EXCEPT AIR TRL& MEALS - ROSA M. TUMIALAN LANDY CAB FARE - FROM AIRPORT	58.65
09/04/12	FEDEX: MARY FRANCES YEAGER, CLERK : FIFTH CIRCU	28.06
09/05/12	SPIRAL BINDER	7.08
09/28/12	HOLE PUNCH 1 IN	8.28
	PHOTOCOPY EXPENSES	97.20
	TELECOMMUNICATIONS	3.70
	SCANNING EXPENSES	7.00
	PRINTING EXPENSES	614.00
	POSTAGE	11.50
	LEGAL RESEARCH - OTHER DATABASES	57.20

TOTAL DISBURSEMENTS \$ 3,103.09

**NOTE: INCURRED DISBURSEMENTS NOT APPEARING
ON THIS INVOICE WILL BE BILLED LATER.**



PETER VOGEL
OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
INVOICE NO. 1478604
PAGE NO. 9

BILLING SUMMARY

ID	TIMEKEEPER	HOURS	RATE	AMOUNT
JRF	JEFFREY R. FINE	118.40	560.00	66,304.00
CDKR	CHRISTOPHER D. KRATOVIL	27.40	495.00	13,563.00
DJSCH	DAVID J. SCHENCK	56.00	570.00	31,920.00
JCD	JOHN C. DICKEY	4.50	565.00	2,542.50
KAT	KEVIN A. TETERS	1.90	270.00	513.00
NGM	NEAL G. MASSAND	9.80	395.00	3,871.00
ALP	ALEXA L. PARNELL	5.80	230.00	1,334.00
TOTAL		223.80		120,047.50



PETER VOGEL

OCTOBER 15, 2012

CLIENT-MATTER NO. 108946-0001
BANKRUPTCY/APPEAL
INVOICE NO. 1478604
PAGE NO. 10

FEES	\$ 120,047.50
DISBURSEMENTS	3,103.09
TOTAL AMOUNT DUE.....	\$ <u>123,150.59</u>

DYKEMA GOSSETT PLLC

**DYKEMA GOSSETT PLLC
DEPT CH 16382
PALATINE, IL 60055-6382**

**CLIENT CHECK INFORMATION
PLEASE COMPLETE:**

THIS INVOICE IS PAYABLE UPON RECEIPT.

**CHECK #: _____ DATE: _____ AMOUNT: _____
PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE.**

FOR FIRM USE:

RECEIVED DATE: _____

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC., AND	§	
MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
V.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	&
ONDOVA LIMITED COMPANY,	§	
	§	CIVIL ACTION NO. 3:12CV4489-L
DEFENDANTS.	§	

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
ONDOVA LIMITED COMPANY,	§	CASE NO. 09-34784-SGJ
	§	(CHAPTER 11)
DEBTOR.	§	

THE RECEIVER’S NOTICE OF RELATED CASES AND CASE DEVELOPMENTS

Peter S. Vogel, Court-appointed Receiver (the “Receiver”) over Jeffrey Baron (“Baron”) and the Receivership Parties, respectfully files this Notice of Related Case and Motion to Transfer Case, and asks the three impacted Courts to take notice of the related cases and case developments, as follows:

SUMMARY

1. The underlying Bankruptcy Case (09-34784-SGJ) from which the above-captioned new appeal (3:12CV4489-L) to Judge Lindsay’s Court is taken is already under the supervision of Judge W. Royal Furgeson because it is a related case to Case No. 3:09-cv-988,

Netsphere et al v. Baron et al. pending in Judge Furgeson’s Court (the “*Netsphere* Case”). It was in the *Netsphere* Case that Judge Furgeson appointed Peter S. Vogel as Receiver over Baron and conducted hearings appointing Mr. Cochell (the signatory of the appeal proceeding and emergency stay application) and directed Judge Jernigan to conduct the proceedings that are the subject of the appeal and the emergency motion to stay. Under this Court’s Local Rule 3.3 a Notice of Related Action should have been filed in connection with the proceeding now assigned to Judge Lindsay. Indeed, this action was filed while the parties were conducting oral argument at the Fifth Circuit in New Orleans and addressing the very issues presented in the emergency stay request. After that argument, but before the filing of the emergency motion, the Fifth Circuit requested the parties to address the same stay issues presented to Judge Lindsay for ruling by way of “emergency motion.” The fact of the filing was not identified to the Fifth Circuit or Judge Furgeson. Neither was the emergency motion. Baron’s “Emergency Motion” before Judge Lindsay was filed shortly *after* counsel for the Trustee had informed the counsel filing it (in writing), Exhibit A, that his appeal had been improperly filed before Judge Lindsay. The Fifth Circuit has now issued an Order (Exhibit B) addressing and resolving these stay issues.

DISCUSSION

2. Baron’s new appeal to Judge Lindsay’s Court (3:12CV4489-L) is most recent in a string of seven appeals filed by Baron and his affiliates from the underlying Bankruptcy Case (09-34784-SGJ). In every single instance—including in this latest appeal—Baron and his counsel failed to notify the District Court that the appeal was closely related to the *Netsphere* Case already pending before Judge Furgeson. Notwithstanding Baron’s improper failure to disclose the relationship to the *Netsphere* Case, all of Baron’s previous bankruptcy appeals were

either dismissed or transferred to Judge Furgeson due to his role in presiding over the *Netsphere* Case.

3. Because Baron and his counsel have once again taken an appeal from the Bankruptcy Case without disclosing its status as a related case to the *Netsphere* Case, transfer to Judge Furgeson's Court is once again appropriate. Moreover, Baron's persistent failure to disclose the existence of the related *Netsphere* Case when taking appeals to the District Court is worthy of judicial scrutiny and correction.

4. Baron's failure to disclose his latest bankruptcy appeal's relationship to the *Netsphere* Case is particularly egregious and troubling. Indeed, Baron's latest bankruptcy appeal has an intimate and obvious relationship to the *Netsphere* Case because the Order Baron has appealed is part of a joint proceeding in which the Receiver appointed by Judge Furgeson and the Chapter 11 Trustee in the underlying Bankruptcy Case have proposed a *joint* Chapter 11 bankruptcy plan. The Order on appeal from the Bankruptcy Court grants an interlocutory Motion to Approve Sale Procedures that was simultaneously filed in the *Netsphere* Case before Judge Furgeson. Indeed, on September 27, 2012, Judge Furgeson held a lengthy evidentiary hearing on the Receiver's and the Trustee's joint Motion to Approve Sale Procedures and preliminarily granted it, subject to further review and approval by the Bankruptcy Court. Consistent with the direction provided by Judge Furgeson, the Bankruptcy Court subsequently reviewed and granted the Trustee's and the Receiver's Motion to Approve Sale Procedures. It is this Order of the Bankruptcy Court that Baron is now attempting to appeal to Judge Lindsay's Court in Case No. 3:12CV4489-L, *but without disclosing* the relationship to the *Netsphere* Case or Judge Furgeson's September 27, 2012 preliminary approval of the auction procedures.

5. Even more troubling was the timing of the filing of Baron's latest appeal from the Bankruptcy Court to the District Court, as it was filed, quite literally, while the parties were presenting oral argument in New Orleans to the Fifth Circuit on Wednesday, November 7, 2012 in an interlocutory appeal filed by Baron challenging, *inter alia*, the validity of Judge Furgeson's appointment of the Receiver in the *Netsphere* Case.

6. Troubled by the existence of a new appeal related to the *Netsphere* Case but outside the supervision of Judge Furgeson, counsel to the Trustee, Ray Urbanik, informed Baron's counsel, Stephen Cochell, via an e-mail at 8:31 am on Thursday morning (November 8) of his obligation to re-file the new appeal and to alert the District Court to the related proceedings: "It appears this pleading was erroneously filed in the your new appeal case of Judge Jernigan's order, which I understand has been assigned to Judge Sam Lindsay instead of the Receivership case before Judge Furgeson, and therefore needs to be re-filed." *See* Exhibit A. Notwithstanding this accurate information, Baron's counsel failed to re-file or otherwise informed Judge Lindsay of the pendency of the related *Netsphere* case before Judge Furgeson.

7. At oral argument, the Fifth Circuit expressed concern that its jurisdiction over the question of whether the Receiver was validly appointed would be mooted by the auction on November 9, the Plan Confirmation hearing on November 13 in the Bankruptcy Court, and, if confirmed, the resultant closing on the sale of the assets and wind-down of the Receivership. At the request of the Fifth Circuit, Baron, the Trustee and the Receiver all submitted supplemental briefing on the mootness/stay issue prior to noon on November 8, 2012, with Baron's supplemental brief advocating for a stay.

8. At 12:09 pm on November 9, 2012, the Fifth Circuit issued an Order that: (1) declined to stay the auction; (2) did not stay the Plan Confirmation Hearing in the Bankruptcy

Court scheduled for November 13, 2012; and (3) directed. the Trustee and the Receiver not to close the sale of the assets auctioned by the Receivership prior to November 30, 2012 without leave of the Fifth Circuit. A copy of this Order is attached as Exhibit B. In other words, the Fifth Circuit's Order *did not stay* any proceedings in the District Court or the Bankruptcy Court, but instead merely ordered the Receiver not to close on the sale of the auctioned assets prior to November 30 without leave of the Fifth Circuit.

9. Having failed to inform Judge Lindsay of the related *Netsphere* Case or of the Fifth Circuit's simultaneous consideration of the stay issue, Baron filed a separate Emergency Motion to Stay in Judge Lindsay's Court in Case No. 3:12CV4489-L at approximately 10:30 pm on the night of November 8, 2012. Baron made the identical arguments and submitted the identical evidence to Judge Lindsay's Court that he had submitted to the Fifth Circuit earlier in the day.

10. In the late morning of November 9, 2012, and likely unaware of the related proceedings in the Fifth Circuit and Judge Furgeson's Court, Judge Lindsay issued an Order staying the sale of assets by the Receivership. That Order is attached as Exhibit C, and it was issued a matter of minutes before the Fifth Circuit's Order attached as Exhibit B. Judge Lindsay's Order is silent as to whether the November 13, 2012 Plan Confirmation in the Bankruptcy Court may go forward.

11. Prior to the issuance of either the Fifth Circuit's Order (Exhibit B) or Judge Lindsay's Order (Exhibit C), the auction of the Internet domain names by the Receivership was completed as scheduled. A high bid of \$5.2 million (a \$1.1 million increase from the original Stalking Horse Bid) was obtained via the multi-party auction held at the offices of the U.S. Trustee in the Dallas Federal Building. The sale of these domain names to the winning bidder

will not, however, be consummated until after: (1) the Plan is confirmed by the Bankruptcy Court, whether at the scheduled November 13, 2012 Plan Confirmation Hearing or at some later date; and (2) leave of the Fifth Circuit is obtained to close prior to November 30, 2012.

CONCLUSION

For all of the foregoing reasons, the Receiver respectfully requests that the Courts take notice of these parallel and interrelated proceedings and cases. The Receiver defers to the Court's as to how to most efficiently administer this unusual situation.

Respectfully submitted,

DYKEMA GOSSETT PLLC

By: /s/ David J. Schenck

David J. Schenck

State Bar No. 17736870

Jeffrey R. Fine

State Bar No. 07008410

Christopher D. Kratovil

State Bar No. 24027427

1717 Main Street, Suite 4000

Dallas, Texas 75201

(214) 462-6455

(214) 462-6401849 (Telecopier)

**ATTORNEYS FOR THE
RECEIVER, PETER S. VOGEL**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via the Court's ECF system on all counsel of record on November 9, 2012.

/s/ David J. Schenck _____

David J. Schenck

EXHIBIT A

Chavez, Donna

From: Kratovil, Christopher
Sent: Friday, November 09, 2012 5:18 PM
To: Chavez, Donna
Subject: FW: Activity in Case 3:12-cv-04489-L Baron et al v. Sherman Motion to Appoint Counsel

From: Urbanik, Raymond [mailto:RUrbanik@Munsch.com]
Sent: Thursday, November 08, 2012 8:31 AM
To: srcochell@cochellfirm.com
Cc: Kevin_Frye@txnd.uscourts.gov; Fine, Jeffrey; Schenck, David; Kratovil, Christopher; Hunt, Richard
Subject: FW: Activity in Case 3:12-cv-04489-L Baron et al v. Sherman Motion to Appoint Counsel

Mr Cochell

It appears this pleading was erroneously filed in the your new appeal case of Judge Jernigan's order, which I understand has been assigned to Judge Sam Lindsay instead of the Receivership case before Judge Ferguson, and therefore needs to be re-filed.

Thank you

Raymond J. Urbanik
MUNSCH HARDT KOPF & HARR, P.C.
500 North Akard Street, Suite 3800
Dallas, Texas 75201-6659
Direct: (214) 855-7590
Fax: (214) 978-4374
rurbanik@munsch.com
munsch.com

From: ecf_txnd@txnd.uscourts.gov [mailto:ecf_txnd@txnd.uscourts.gov]
Sent: Wednesday, November 07, 2012 11:30 PM
To: Courtmail@txnd.uscourts.gov
Subject: Activity in Case 3:12-cv-04489-L Baron et al v. Sherman Motion to Appoint Counsel

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

*****NOTE TO PUBLIC ACCESS USERS***** Judicial Conference of the United States policy permits attorneys of record and parties in a case (including pro se litigants) to receive one free electronic copy of all documents filed electronically, if receipt is required by law or directed by the filer. PACER access fees apply to all other users. To avoid later charges, download a copy of each document during this first viewing. However, if the referenced document is a transcript, the free copy and 30 page limit do not apply.

If you need to know whether you must send the presiding judge a paper copy of a document that you have docketed in this case, click here: [Judges' Copy Requirements](#). Unless exempted, attorneys who are not admitted

to practice in the Northern District of Texas should seek admission promptly. [Forms and Instructions](http://www.txnd.uscourts.gov) found at www.txnd.uscourts.gov.

U.S. District Court

Northern District of Texas

Notice of Electronic Filing

The following transaction was entered by Cochell, Stephen on 11/7/2012 at 11:29 PM CST and filed on 11/7/2012

Case Name: Baron et al v. Sherman

Case Number: [3:12-cv-04489-L](#)

Filer: Jeffrey Baron

Document Number: [2](#)

Docket Text:

[MOTION to Appoint Counsel to Represent Jeffrey Baron on Fee Matters filed by Jeffrey Baron with Brief/Memorandum in Support. \(Attachments: # \(1\) Proposed Order on Appointment of Counsel to Represent Jeffrey Baron on Fee Applications\) \(Cochell, Stephen\)](#)

3:12-cv-04489-L Notice has been electronically mailed to:

Case Admin Sup txnb_appeals@txnb.uscourts.gov

Daniel John Sherman corky@syllp.com

Jeffrey R Fine jfine@dykema.com, jrf5825@gmail.com

Raymond J Urbanik rurbanik@munsch.com

Richard M Hunt rhunt@munsch.com, aberry@munsch.com

Stacey G Jernigan sgj_settings@txnb.uscourts.gov, anna_saucier@txnb.uscourts.gov

Stephen R Cochell srcochell@gmail.com

3:12-cv-04489-L Notice required by federal rule will be delivered by other means (as detailed in the Clerk's records for orders/judgments) to:

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=11/7/2012] [FileNumber=6585876-0] [429ab88fd00fa49a10f0ae32d4be1c1ef448915f70a14fcfb48400b1d03dc657b9892b88c056d05bf7b5d5c6aeb28ee6aa3a814a07f1653261b57d455665388d]]

Document description:Proposed Order on Appointment of Counsel to Represent Jeffrey Baron on Fee

Applications

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=11/7/2012] [FileNumber=6585876-1
] [bd6f531167b7c8398e17cbcbfc673e432cb4ac9622996d6ec9306a0b4c993b697cf
e09e183e57fb5307224ad51052f3349e8b2793c8c1aaad40e4d96da59f603]]

Notice: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. Nothing contained in this message or in any attachment shall constitute a contract or electronic signature under the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act or any other statute governing electronic transactions.

IRS Circular 230 Notice: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Exhibit B

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

No. 10-11202

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL,

Appellee

CONS. w/ 11-10501

NETSPHERE, INC., ET AL,

Plaintiffs

v.

No. 10-11202

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 12-10444

In re: NOVO POINT, L.L.C.,

Petitioner

CONS. w/ 12-10489, 12-10657, and 12-10804

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT, L.L.C.; QUANTEC, L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court
for the Northern District of Texas

Before DeMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

ORDER:

No. 10-11202

On November 2, 2012, counsel for the Receiver informed us that a confirmation hearing was scheduled for November 13 on a plan to wind down the Receivership. On November 6, the day before oral argument, counsel for Appellants notified us that an auction of certain Receivership assets was to be held on November 9, 2012. Concerned after oral argument that these developments might moot some if not all the issues presented, we ordered the parties to submit written responses on four factual and legal issues.

In their responses, both the Receiver and the Trustee assure the Court that the auction to be held on November 9 will not result in an immediate transfer of title to any property currently under the control of the Receiver. The Receiver states that no closing will occur with a successful bidder until sometime between November 14 and November 30. The Trustee states that he and the Receiver “will not close the asset sale if Mr. Baron acts expeditiously to bring the matter before this Court.”

In light of these representations, we conclude that the auction itself will not affect the issues before the Court, but the closing of a sale would present significant mootness concerns. In order to maintain our ability to resolve the relevant issues, it is essential that any closing with a bidder from the auction be delayed until the end of the time period identified by the Receiver and Trustee.

Disbursement of any other assets of the Receivership should be as limited as possible until this Court resolves the appeals. We enter no order at this point to effectuate that determination, but we inform the parties of the Court’s intent and willingness to entertain motions to stay significant disbursements. The Court intends to resolve these appeals on an expedited basis.

IT IS ORDERED that sales of the assets scheduled to be auctioned on November 9, 2012, not be closed prior to November 30, 2012, without order of this Court.

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

**NETSPHERE, INC.,
MANILA INDUSTRIES, INC.,
AND MUNISH KRISHAN,**

Plaintiffs,

v.

**JEFFREY BARON AND
ONDOVA LIMITED COMPANY,**

Defendants.

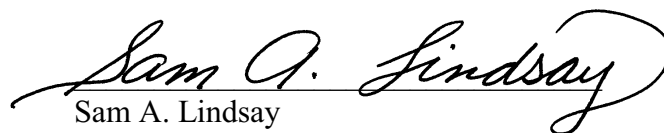
§
§
§
§
§
§
§
§

Civil Action No. **3:12-CV-4489-L**
Bankruptcy Case No. **09-34784**

ORDER

Before the court is Jeffrey Baron’s Emergency Motion for Stay Pending Appeal, filed November, 8, 2012. Movant Jeffrey Barron (“Barron”) seeks to stay the sale of assets at issue in Bankruptcy Case No. 09-34784 pursuant to Federal Rule of Bankruptcy Procedure 8005. According to Barron, he has a legal interest in the property and will suffer irreparable injury if the Trustee is permitted to sell the property valued at \$65 million via auction starting at \$4.1 million based on an undervaluation of the property by the Receiver appointed in the bankruptcy. Due to the urgency of the motion, the pendency of the sale of the property, the court’s inability to conduct a full hearing on the matter before the sale, and the irreparable injury that could occur if the sale is permitted to proceed, the court **grants** Jeffrey Baron’s Emergency Motion for Stay Pending Appeal and temporarily **stays** the sale of the property at issue until it has the opportunity to receive and review additional briefing from the parties and conduct a hearing on the matter, if necessary. Accordingly, the court **stays** the sale of the property scheduled to take place today, and Trustee Daniel J. Sherman **shall not proceed with the sale of the property until further order of this court.**

It is so ordered this 9th day of November, 2012.


Sam A. Lindsay
United States District Judge

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC.,	§	
MANILA INDUSTRIES, INC.,	§	
AND MUNISH KRISHAN	§	
	§	
PLAINTIFFS,	§	
	§	
V.	§	CIVIL ACTION NO. 3:09-CV-0988-F
	§	
JEFFREY BARON AND	§	
ONDOVA LIMITED COMPANY,	§	
	§	
DEFENDANTS.	§	

**MOTION FOR STAY OF FEE DISBURSEMENTS OR, IN THE ALTERNATIVE,
REQUEST FOR APPOINTMENT AS COUNSEL FOR JEFFREY BARON FOR
REPRESENTATION ON ISSUES REGARDING APPLICATIONS BY THE TRUSTEE
AND RECEIVER FOR ATTORNEYS FEES, REQUEST FOR RECONSIDERATION
OF ORDER ON RECEIVER’S SECOND DYKEMA APPLICATION AND REQUEST
FOR EXTENSION OF TIME TO RESPOND TO FEE APPLICATIONS**

Jeffrey Baron, by and through counsel, requests the Court enter a stay on consideration of, and payment of attorneys fees to the Receiver and Trustee or, in the alternative, to authorize Stephen R. Cochell, to represent Mr. Baron on recently filed attorneys fee applications by the Receiver and the Trustee, and to reconsider an order granting the Receiver’s application for attorneys fees. In support of his motion, Jeffrey Baron states:

1. The Court authorized Mr. Cochell to represent him in the bankruptcy and district court on issues relating to approving the Receiver entering into the Plan settlement and approving auction procedures and approving the Stalking Horse Bid. [Doc. 815]
2. The representation and arrangement to compensate Mr. Cochell, however, was limited to these matters and did not extend to issues involving the review and evaluation of the Receiver and Trustee’s attorney’s fees.

3. The Trustee recently filed a fee application seeking \$653,563 [Doc.1075] and the Receiver filed a fee application seeking \$155,356 [Doc. 1068], amounting to \$808,919.

4. Thus, Mr. Baron is unrepresented on claims amounting to \$808,919.

5. On November 9, 2012, the same day that the Court authorized disbursement to the Receiver's attorneys, the Fifth Circuit entered an order staying all proceedings and directing that:

Disbursement of any other assets of the Receivership should be as limited as possible until this Court resolves the appeals. We enter no order at this point to effectuate that determination, but we inform the parties of the Court's intent and willingness to entertain motions to stay significant disbursements. The Court intends to resolve these appeals on an expedited basis. (emphasis supplied).

5. Mr. Baron requests the Court stay the fee applications submitted by the Trustee and the Receiver, and enter an order reconsidering its decision to grant the Second Dykema Application and stay payment of those fees pending the outcome of the appeal.

6. Mr. Baron has requested that Mr. Cochell represent him in these attorneys fees matters.

7. If the Court does not stay consideration or payment of the fee applications, counsel requests the Court reconsider and set aside the order granting the Receiver's Second Dykema Application so that counsel can object to the applications. Counsel did file a Request for Appointment as Counsel for Mr. Baron Regarding Request for Attorneys Fees from the Receiver and Trustee with the caption for this case, but erroneously filed the request in a miscellaneous action before Judge Lindsay. Docket Entry 4, 3:12cv4489. Reconsideration is proper and equitable where, as here, counsel took steps to request the Court for leave to represent Mr. Baron, but made a mistake in filing the request.

8. If the Court does not stay consideration or payment on the fee applications, Baron requests that the Court appoint Cochell and direct the Receiver to pay a retainer of \$45,000 and expert fees of \$50,000 to represent Mr. Baron in evaluating and potentially opposing fee

applications recently filed with the Court. Counsel also requests an extension of time to respond to the applications. An expert would have to be retained to conduct analysis of the fees, and to opine on the reasonableness of the fees. Counsel would also be required to evaluate the reasonableness of the fees and work with the expert to determine and present objections for thousands of time entries. Unfortunately, this process is not inexpensive, but is necessary in a case where the fees have outstripped the assets of the bankruptcy estate. Duplication of work, excessive billing and unnecessary billing are likely in the instant case.

6. The representation would extend to potential objections to all fees to be approved by this Court and the Bankruptcy Court.

7. Mr. Baron also requests the Court for an extension of time to respond to the pending fee applications. Due to the expedited discovery schedule, Mr. Baron did not focus on the need for representation or request counsel to file this application until shortly before the deadline to file responses.

WHEREFORE, Jeffrey Baron requests the Court stay all consideration or payment of fees to the Trustee or the Receiver or in the alternative, to authorize and direct the Receiver to pay Mr. Cochell a retainer of \$45,000 for fees and \$50,000 for expert and related computer support to evaluate and file objections to fee applications pending before the Court and final approval of all fees paid by the Bankruptcy and District Court.

Very respectfully,

/s/ Stephen R. Cochell
Stephen R. Cochell
The Cochell Law Firm, P.C.
Texas Bar No. 24044255
7026 Old Katy Rd., Ste 259
Houston, Texas 77096
(713)980-8796 (phone)
(713)980-1179 (facsimile)
srcochell@cochellfirm.com

CERTIFICATE OF CONFERENCE

Counsel conferred with counsel for the Trustee or the Receiver prior to filing this motion who did not state their concurrence or non-concurrence in the above request.

CERTIFICATE OF SERVICE

This is to certify that, on November 11, 2012, a copy of the above was served on all counsel of record through the Court's ECF filing system.

/s/ Stephen R. Cochell
Stephen R. Cochell

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

NETSPHERE, INC., Et. Al.	§	
<i>Plaintiffs,</i>	§	
vs.	§	Civil Action No. 3-09CV0988-F
	§	
JEFFREY BARON, Et. Al.	§	
<i>Defendants</i>	§	

ORDER GRANTING MOTION FOR STAY OF FEE DISBURSEMENTS

The Court, having reviewed Jeffrey Baron's Motion for Stay of Fee Disbursements or, in the Alternative, Request for Appointment as Counsel for Jeffrey Baron for Representation on Issues Regarding Applications By the Trustee and Receiver for Attorney fees, Request for Reconsideration of Order on Receiver's Second Dykema Application and Request for Extension of Time to Respond to Fee Applications; and being otherwise fully advised in the premises;

IT IS HEREBY ORDERED that the Motion for Stay on Fee Disbursements is GRANTED. Baron's motion for Reconsideration of Order on Receiver's Second Dykema Application is also GRANTED. Disbursements on these two fee applications submitted by the Trustee and the Receiver shall be delayed until December 1, 2012. The Court will then take up the matter of appointment of counsel for Mr. Baron for purposes of representing him on potential fee issues.

IT IS SO ORDERED.

Hon. Royal Furgeson
Senior United States District Judge

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

No. 10-11202

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL,

Appellee

CONS. w/ 11-10501

NETSPHERE, INC., ET AL,

Plaintiffs

v.

No. 10-11202

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 12-10444

In re: NOVO POINT, L.L.C.,

Petitioner

CONS. w/ 12-10489, 12-10657, and 12-10804

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT, L.L.C.; QUANTEC, L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court
for the Northern District of Texas

Before DeMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

ORDER:

No. 10-11202

On November 2, 2012, counsel for the Receiver informed us that a confirmation hearing was scheduled for November 13 on a plan to wind down the Receivership. On November 6, the day before oral argument, counsel for Appellants notified us that an auction of certain Receivership assets was to be held on November 9, 2012. Concerned after oral argument that these developments might moot some if not all the issues presented, we ordered the parties to submit written responses on four factual and legal issues.

In their responses, both the Receiver and the Trustee assure the Court that the auction to be held on November 9 will not result in an immediate transfer of title to any property currently under the control of the Receiver. The Receiver states that no closing will occur with a successful bidder until sometime between November 14 and November 30. The Trustee states that he and the Receiver “will not close the asset sale if Mr. Baron acts expeditiously to bring the matter before this Court.”

In light of these representations, we conclude that the auction itself will not affect the issues before the Court, but the closing of a sale would present significant mootness concerns. In order to maintain our ability to resolve the relevant issues, it is essential that any closing with a bidder from the auction be delayed until the end of the time period identified by the Receiver and Trustee.

Disbursement of any other assets of the Receivership should be as limited as possible until this Court resolves the appeals. We enter no order at this point to effectuate that determination, but we inform the parties of the Court’s intent and willingness to entertain motions to stay significant disbursements. The Court intends to resolve these appeals on an expedited basis.

IT IS ORDERED that sales of the assets scheduled to be auctioned on November 9, 2012, not be closed prior to November 30, 2012, without order of this Court.

BTXN 049 (rev. 12/11)

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

In Re:
Ondova Limited Company

NetSphere, Inc., et al

vs.
Jeffrey Baron, et al

Debtor(s)
Appellant(s)
Appellee(s)

Case No.: 09-34784-sgj11
Chapter No.: 11



3:09-CV-0988-F

NOTICE OF TRANSMITTAL

I am transmitting:

- Two copies of the Motion for leave to Appeal 28 U.S.C. § (USDC Civil Action No. DNC Case).
- Two copies of the Motion for Stay Pending Appeal (USDC Action No. – DNC Case).
- Two copies of the Proposed Findings of Fact and Conclusions of Law.
- Two copies of Motion to Extend Time To File Designation (USDC Civil Action No DNC Case).
- On , the Record on Appeal was transmitted. The designation of record or item(s) designated by were not filed when the record was transmitted. The item(s) were filed on awaiting instructions from the assigned district judge.
- Other Report and Recommendation to District Court. Findings of Fact and Conclusions of Law.
- Two copies of:

TO ALL ATTORNEYS: File all subsequent papers captioned and numbered with the appropriate division of the United States District Clerk's Office. Any questions concerning this proceeding should be directed to the U.S. District Clerk's Office at (214) 753-2200.

DATED: 11/21/12

FOR THE COURT:
Tawana C. Marshall, Clerk of Court
by: /s/J. Blanco, Deputy Clerk

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Stacy G. C. George
United States Bankruptcy Judge

Signed November 21, 2012

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
Ondova Limited Company,	§	Bankruptcy Case No. 09-34784-
	§	SGJ-11
Debtor.	§	

NetSphere, Inc., et. al	§	
	§	
Plaintiffs,	§	Civil Action No. 3:09 -CV-
	§	0988-F
v.	§	
	§	
Jeffrey Baron, et. al	§	
	§	
Defendants.	§	

REPORT AND RECOMMENDATION TO THE DISTRICT COURT
REGARDING THE THIRD AMENDED JOINT PLAN OF LIQUIDATION FOR
DEBTOR'S [ONDOVA LIMITED COMPANY'S] ESTATE UNDER CHAPTER 11 OF
THE UNITED STATES BANKRUPTCY CODE
[DE #924, FILED NOVEMBER 12, 2012]¹

¹ "DE # _" as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No.

The above-referenced bankruptcy judge held an evidentiary hearing on November 13, 14, 16 and 19 ("Confirmation Hearing") to consider confirmation of a Third Amended Joint Plan of Liquidation for Debtor's Estate Under Chapter 11 of the United States Bankruptcy Code (the "Joint Plan") [DE # 924]. The Joint Plan was proposed jointly by: (a) Daniel J. Sherman, the Chapter 11 Trustee ("Chapter 11 Trustee") over the bankruptcy estate of Ondova Limited Company ("Ondova" or the "Debtor"), and (b) Peter S. Vogel, the Receiver ("Receiver") presiding over the equity receivership ("Receivership") established by Your Honor, Judge Royal Furgeson, in the United States District Court for the Northern District of Texas, Dallas Division ("District Court"), in Case No. 3:09-CV-0988-F ("District Court Case"), on November 24, 2011, with respect to Mr. Jeffrey Baron ("Baron") and Baron's affiliated entities other than Ondova (collectively, the "Receivership Entities"). As this Court knows, Mr. Baron was formerly the chief officer and sole equity owner of the Chapter 11 Debtor, Ondova. The Joint Plan contemplates approval and implementation of: (a) a so-called "Plan Settlement"² between the Ondova bankruptcy estate and the Receivership Entities; (b) a sale of significant assets contributed to the Joint Plan by the Receivership; (c) the creation of a Liquidating Trust to accept substantially all the assets and liabilities of both the Ondova bankruptcy estate and the Receivership, which Liquidating Trust would resolve and pay all remaining claims of and against the Receivership and the Debtor, with a return of residual funds or assets to Baron after the satisfaction of all claims; and (d)

09-34784-SGJ-11 .

² All capitalized terms used herein that are not expressly defined herein shall have the meaning ascribed to them in the Joint Plan.

certain releases of parties and professionals. The bankruptcy court heard testimony from six (6) witnesses and reviewed extensive documentary evidence during the 4-day Confirmation Hearing. The court, on occasion, took judicial notice of case filings or case events, when requested by a party. Based upon the evidence submitted, the bankruptcy court has approved and confirmed the Joint Plan, pursuant to Section 1129 of the Bankruptcy Code and, as part and parcel, has approved the overall fairness and equity of the Plan Settlement, pursuant to Bankruptcy Rule 9019 (including the ancillary releases of parties and professionals that has been proposed) and the overall fairness of the sale process and proposed sale of assets further described herein, pursuant to Section 363 and 105 of the Bankruptcy Code. The bankruptcy court has overruled all pending objections to the Joint Plan.

Attached are the Findings of Fact and Conclusions of Law in support of the bankruptcy court's confirmation of the Joint Plan, which the bankruptcy court has signed and entered on this date. This bankruptcy court hereby submits its Findings of Fact and Conclusions of Law in support of the Joint Plan to the District Court, and hereby recommends that, after duly considering these Findings and Conclusions, the District Court adopt them and also approve the Joint Plan as it relates to the Receivership.

END OF REPORT AND RECOMMENDATION

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

Stacy H. C. George
United States Bankruptcy Judge

Signed November 21, 2012

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER
CONFIRMING THIRD AMENDED JOINT PLAN OF LIQUIDATION FOR DEBTOR'S
ESTATE UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE
[DE #924, FILED NOVEMBER 12, 2012]¹

I. Introduction

The above-referenced bankruptcy judge held an evidentiary hearing on November 13, 14, 16 and 19 ("Confirmation Hearing") to consider confirmation of a Third Amended Joint Plan of

¹ "DE # _" as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11 .

Liquidation for Debtor's Estate Under Chapter 11 of the United States Bankruptcy Code (the "Joint Plan") [DE # 924]. The Joint Plan was proposed jointly by: (a) Daniel J. Sherman, the Chapter 11 Trustee ("Chapter 11 Trustee") over the bankruptcy estate of Ondova Limited Company ("Ondova" or the "Debtor"), and (b) Peter S. Vogel, the Receiver ("Receiver") presiding over the equity receivership ("Receivership") established by the United States District Court for the Northern District of Texas, Dallas Division ("District Court"), in Case No. 3:09-CV-0988-F ("District Court Case"), on November 24, 2011, with respect to Mr. Jeffrey Baron ("Baron") and Baron's affiliated entities other than Ondova (collectively, the "Receivership Entities"). Baron was formerly the chief officer and sole equity owner of the Chapter 11 Debtor, Ondova. The Joint Plan contemplates approval and implementation of: (a) a so-called "Plan Settlement"² between the Ondova bankruptcy estate and the Receivership Entities; (b) a sale of significant assets contributed to the Joint Plan by the Receivership; (c) the creation of a Liquidating Trust to accept substantially all the assets and liabilities of both the Ondova bankruptcy estate and the Receivership, which Liquidating Trust would resolve and pay all remaining claims of and against the Receivership and the Debtor, with a return of

² All capitalized terms used herein that are not expressly defined herein shall have the meaning ascribed to them in the Joint Plan.

residual funds or assets to Baron after the satisfaction of all claims; and (d) certain releases of parties and professionals. The bankruptcy court heard testimony from six (6) witnesses and reviewed extensive documentary evidence during the 4-day Confirmation Hearing. The court, on occasion, took judicial notice of case filings or case events, when requested by a party. Based upon the evidence submitted, the court hereby approves and confirms the Joint Plan, pursuant to Section 1129 of the Bankruptcy Code and, as part and parcel, approves the overall fairness and equity of the Plan Settlement, pursuant to Bankruptcy Rule 9019 (including the ancillary releases of parties and professionals that has been proposed) and the overall fairness of the sale process and proposed sale of assets further described herein, pursuant to Section 363 and 105 of the Bankruptcy Code. The court overrules all pending objections to the Joint Plan. Finally, this court will also make a report and recommendation to the District Court, proposing that the District Court, after considering these Findings and Conclusions, approve the Joint Plan as it relates to the Receivership. The following are the bankruptcy court's findings of fact and conclusions of law from the Confirmation Hearing, pursuant to Fed. R. Bankr P. 7052 and Fed. R. Civ. P. 52. The court reserves the right to supplement or amend these Findings of Fact and Conclusions of Law. Any Finding of Fact set forth herein that is more in the nature of a Conclusion of Law should be deemed as such,

notwithstanding subheadings herein, and *vice versa*.

II. Jurisdiction

The Confirmation Hearing was a contested matter. Fed. R. Bankr P. 9014. Bankruptcy subject matter jurisdiction existed in the contested matter pursuant to 28 U.S.C. § 1334(b). This bankruptcy court had authority to exercise the bankruptcy subject matter jurisdiction in the contested matter, pursuant to 28 U.S.C. § 157(a) and the Standing Order of Reference of Bankruptcy Cases and Proceedings (Misc. Rule No. 33), for the Northern District of Texas, dated August 3, 1984, and pursuant to various specific orders of the District Court entered in the related District Court Case. Additionally, statutory "core" matters have been involved in this contested matter, as contemplated by at least 28 U.S.C. § 157(b)(2)(A), (B), (L), (N) and (O).

III. Findings of Fact

1. By way of background, Ondova filed a voluntarily Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, on July 27, 2009 (Case No. 09-34784-SGJ-11) at a time when Ondova was still controlled by Ondova's former president and sole equity owner, Mr. Baron. As alluded to earlier, Mr. Baron and related non-Ondova entities that Mr. Baron once controlled are currently the subject of a federal equity receivership.

2. Ondova was formerly in the business of being an internet

domain name registrar ("Registrar"). As is fairly well known, an "internet domain name" is a term that most typically ends in the characters ".com" or ".net" and is essentially an internet address. Testifying experts in this case referred to domain names as something similar to "virtual real estate."

3. Ondova was formerly engaged in the business of being something like a "middle man" in the domain name world in that, for a fee, Ondova could register a ".com" or ".net" domain name for a person wanting to own and use a domain name (the latter being referred to as a "Registrant"). Ondova performed this "middle man" registration activity pursuant to a license it had from the Internet Corporation for Assigned Names and Numbers ("ICANN")—which is, essentially, a creature of the United States Department of Commerce—and also pursuant to an agreement with Verisign, Inc. ("Verisign")—which is a private corporation that essentially acts as the operator of the huge ".com" and ".net" registries. Verisign is not in any way related to Ondova.

4. Approximately six weeks after Mr. Baron filed the Ondova bankruptcy case, this bankruptcy judge ordered the appointment of a Chapter 11 Trustee, on September 11, 2009 [DE # 85], when certain creditors and the bankruptcy court became concerned that Mr. Baron did not understand basic fiduciary duties and did not want to cooperate in many regards. Among other things, Mr. Baron hired and fired lawyers repeatedly and did not wish to testify on certain relevant subjects (asserting his Fifth Amendment

privilege against self-incrimination, rather than testifying about the business affairs of Ondova). The United States Trustee, thus, appointed the individual named Daniel J. Sherman as the Ondova Chapter 11 Trustee on September 17, 2009 [DE # 98]. No party ever appealed the order directing the appointment of a chapter 11 trustee.

5. Over the course of the Ondova bankruptcy case, it was reported by parties that there were hundreds of thousands of “.com” and “.net” domain names (perhaps 600,000 or more in number) that had been owned by various offshore companies/trusts that Mr. Baron owned or controlled, or by a joint venture that Mr. Baron was a part of, and a few domain names were even owned by Ondova.³ Certain of these domain names were subject to claims of trademark-infringement (and posed litigation risks and burdens); certain of these domain names were possibly valuable; and certain of these domain names were likely not-so-valuable. There was various litigation in both the bankruptcy court and before the District Court (Judge Royal Furgeson), regarding these domain names.

6. Certain litigation before Judge Royal Furgeson regarding

³ The term “ownership” *vis-a-vis* an internet domain name is somewhat imprecise. A member of the public can register a domain name for use on the internet, and thereby become known as the “registrant” for the domain name. This right to usage of a name is more similar to a lease right, as opposed to ownership of the name. Obviously, there are often individuals or companies who register a trademark for certain names and these people are more in the nature of “owners.”

certain domain names was originally styled *NetSphere Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*, Civil Action No. 3:09-CV-0988-F (earlier defined as the "District Court Case"). Eventually, a Mutual Settlement and Release Agreement ("2010 Global Settlement")⁴ was reached and approved by the bankruptcy court on July 28, 2010 [DE # 394] that appeared to resolve much of the Ondova bankruptcy case, the Judge Furgeson District Court Case, and many other pending lawsuits and disputes in various courts. There were dozens of parties to this 2010 Global Settlement, including Mr. Baron and various offshore entities that Mr. Baron controlled directly or indirectly. However, Mr. Baron promptly began hiring and firing more lawyers and undertaking litigation tactics that seemed aimed at undermining the 2010 Global Settlement, driving up costs, and delaying the Ondova bankruptcy case. Eventually, District Judge Furgeson appointed a receiver over Mr. Baron's assets and personal affairs, in an Order Appointing Receiver, signed by him on November 24, 2010, as clarified by a second order on December 17, 2010 (collectively, the "Receivership Orders"). The Receivership Orders did the following, among other things: (a) put the assets and business affairs of Mr. Baron (other than Ondova-which was, of course, already in a bankruptcy case under the control of a Chapter 11 Trustee) into a personal

⁴ Exh. N-1.

receivership, with Peter S. Vogel as the Receiver—mostly so that the 2010 Global Settlement could be at long-last finalized; (b) clarified that various entities that Mr. Baron controlled, including an entity named Novo Point and an entity named Quantec, were parties included as part of the receivership (the “Receivership Parties”). The entities Novo Point and Quantec owned (or were Registrants for) most of the domain names controlled by Mr. Baron.

7. The bankruptcy case and Receivership District Court case have been lengthy and wildly contentious, largely because Mr. Baron has opposed through attorneys virtually every action proposed by either the Chapter 11 Trustee or the Receiver (many times the Chapter 11 Trustee and Receiver have proposed joint actions—seeking approval in both the District Court and bankruptcy court) and, when either the Chapter 11 Trustee or Receiver have obtained court permission to take an action, Mr. Baron has usually appealed the applicable court order. This court has been informed that there are several dozen appeals now pending at the United States Court of Appeals for the Fifth Circuit (“Fifth Circuit”).

8. Against this back drop, the Chapter 11 Trustee and Receiver have now proposed the Joint Plan to attempt to finally put an end to the Ondova bankruptcy case and the Receivership. It was reported to the bankruptcy court prior to the confirmation Hearing that the Receivership currently has approximately \$1.5

million of cash on hand and the Ondova bankruptcy estate currently has approximately \$900,000 of cash on hand. There are well in excess of \$3 million of unpaid administrative expenses and claims that are pending against the Ondova estate and against Mr. Baron or Mr. Baron's entities (and some claimants have asserted claims against both Ondova and Mr. Baron jointly and severally or interchangeably). Many of the claims are former lawyers' fee claims, but there have also been other creditors of various types asserting claims against Ondova and Mr. Baron—not the least of which was the University of Texas, which was asserting trademark infringement claims against Ondova (asserting approximately \$4 million of damages, which the Chapter 11 Trustee negotiated down to \$250,000). There were various other claimants asserting trademark infringement claims.

9. The lines between Mr. Baron, Ondova, and the Receivership Parties have sometimes been blurry. The Chapter 11 Trustee and Receiver have presented credible arguments and evidence of alter ego *vis-a-vis* Mr. Baron and the various entities he controlled. Moreover, certain claimants (lawyers) who were engaged by Mr. Baron individually to represent Mr. Baron's interests have made "substantial contribution" claims against the Ondova bankruptcy estate, pursuant to Section 503(b)(3)(D) and (4) of the Bankruptcy Code. Moreover, Ondova has incurred various legal fees and expenses associated with the

Receivership (including fees and expenses incurred at the Fifth Circuit) that the Chapter 11 Trustee asserts should be reimbursed by the Receivership. In light of these facts, and to avoid the expense, delay and complexity of further litigation, the Receiver and Chapter 11 Trustee reached the Plan Settlement (as further defined in the Joint Plan). The Plan Settlement contemplates, among other things: (a) a settlement of all claims by and between the Chapter 11 Trustee, on the one hand, and the Receivership Entities, on the other hand, conditioned on confirmation and consummation of the Joint Plan; (b) establishment of a Liquidating Trust (with the Chapter 11 Trustee to serve as Liquidating Trustee); (c) acceptance by the Liquidating Trust of essentially all the liability asserted against the Receivership, the Receivership Entities, the Ondova estate and Ondova (with the exception of Manilla/NetSphere's alleged damages now being asserted against Mr. Baron for Mr. Baron's alleged breach of the post-Ondova-bankruptcy 2010 Global Settlement); (d) transfer to the Liquidating Trust of the domain name portfolios that are held by the Receivership Entities known as Novo Point and Quantec, and/or the sale proceeds of such domain names, with such domain names to be liquidated in an auction and sale process pursuant to Section 363 of the Bankruptcy Code; (e) transfer to the Liquidating Trust of all remaining assets of the Ondova bankruptcy estate and the Receivership, except for certain amounts of Receivership cash on

hand necessary to pay unpaid Receivership counsel fees and other costs (with the establishment of a wind-down plan for the Receivership in conjunction with the Liquidating Trust); and (f) residual assets of the Liquidating Trustee to be returned to Mr. Baron ultimately. Any and all professional fee and expense claims not already approved will be required to be approved by either the District Court or the bankruptcy court (as appropriate).

10. To be clear, a pooling of assets and liabilities is contemplated between the Ondova bankruptcy estate and Receivership (see Section 1123(a)(5)(C) of the Bankruptcy Code), and the justification that has been proposed for same is not just alter ego facts and arguments, but the fact that the Ondova estate has cogent arguments that it has incurred fees and expenses that should be reimbursed by the Receiver and there are many claimants who could cogently argue claims against both Ondova and the Baron entities. The court finds that the Plan Settlement between the Ondova estate and the Receivership is fair and equitable and is in the best interests of the two estates, the various creditors of both, and also to Baron. In making this finding, the court is considering a multitude of factors, including the complexity and likely duration of further litigation in both the bankruptcy court and District Court if there is no settlement, and any attendant expense; the inconvenience and delay associated with such litigation; the

proportion of creditors who do not object to, or who affirmatively support the proposed settlement; the extent to which the settlement is truly the product of arms' length bargaining and not the product of fraud or collusion (in fact, the court specifically finds that the Chapter 11 Trustee and Receiver have bargained at arms' length and in good faith regarding the Plan Settlement); and this court has considered, generally, all factors bearing on the wisdom of the compromise. The court has given deference to the reasonable views of creditors here. And the court has consulted case law such as *Protective Committee for Independent Stockholders of TMT Trailer Ferry v. Anderson*, 88 S. Ct. 1157 (1968); *United States v. AWECO, Inc. (In re AWECO)*, Inc.0, 725 F.2d 293 (5th Cir. 1984), cert denied, 105 S. Ct. 244 (1984); and *Connecticut Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Co.)*, 68 F.3d 914 (5th Cir. 1995).

11. As mentioned earlier, as part and parcel of the Joint Plan Confirmation Hearing, is a joint request of the Chapter 11 Trustee and the Receiver that this court approve a sale of certain internet domain name assets "as is, where is," and free and clear of all interests, pursuant to Section 363(f) and 105 of the Bankruptcy Code, and pursuant to the equitable jurisdiction that has been referred to this court by District Judge Furgeson. The internet domain name assets (which will hereinafter simply be

referred to as the "Domain Names") that are proposed to be sold have been held in recent years by the Receivership Parties known as Novo Point and Quantec. The Receiver and Chapter 11 Trustee have proposed that the Domain Names be permitted to be sold for \$5.2 million (cash) to an entity named Trans Ltd., which was the winning bidder in an auction presided over by the Receiver on November 9, 2012 ("Winning Bidder"). If for any reason, this sale cannot close, the Receiver and Chapter 11 Trustee have proposed that the Domain Names be permitted to be sold for \$5.1 million (cash) to an entity named Special Jewel Ltd., which was the second-highest bidder at the auction on November 9, 2012 ("Back-Up Bidder"). By way of background, in late September and early October 2012, both the District Court and the bankruptcy court approved certain sale procedures to be undertaken by the Receiver and Chapter 11 Trustee to attempt to market and sell the Domain Names. Motions to start the sale process were filed on September 14, 2012 and ultimately vetted and approved in hearings in the District Court and bankruptcy court on September 27, 2012 and September 28, 2012, respectively. The marketing and auction procedures approved contemplated use by the Receiver and Chapter 11 Trustee of a \$4.1 million stalking horse bid that had been received by what-is-now the Back-Up Bidder and exposing that bid to the market place and soliciting higher or better bids. The stalking horse bid was accompanied by a \$500,000 cash deposit (which was placed with the Receiver's law firm in an escrow) and

competing bidders were required to put up a \$500,000 deposit as well. A minimum overbid was required of \$4.3 million, and subsequent overbids would be required to be in \$100,000 increments. The Receiver and Chapter 11 Trustee asked for and were granted permission to engage in certain advertising and other marketing efforts to attempt to find interested bidders for the Domain Names. The marketing procedures proposed and approved have been referred to as too-fast by Baron, but timing-wise and procedure-wise, they were typical of what is frequently approved in complex Chapter 11 bankruptcy cases. Among other things, interested bidders were required to sign confidentiality agreements before they could receive data regarding the Domain Names.

12. For the record, the court will define more specifically the Domain Names. The Domain Names are approximately 153,000 ".com" and ".net" internet domain names (approximately 3,300 of which are held in Novo Point and the remainder of which are held in Quantec). The Domain Names have been submitted to the bankruptcy court for review⁵ and were somewhat described in various witness testimony. The Domain Names can be described and categorized as follows: (a) a relatively small percentage of the 153,000 Domain Names are what the court would refer to as generic names (e.g., "eyedoctors.com")

⁵ Exh. 42.

or "dinnerware.com") that do not appear to be obviously trademark-infringing in any way (hereinafter, the "Generic Names");⁶ (b) an extremely large percentage of the Domain Names are what the court would refer to as intentionally misspelled names (hereinafter, the "Typosquatting Names")—in other words, names that any reasonable person would consider strikingly similar to some commercial entity that likely owns a trademark in connection with its business (such as a banking institution or movie company), but certain letters have been transposed or added to the Domain Name such that the Domain Name is not exactly the same as the commercial business's name (e.g., "wellsfagro.com"); (c) another portion of the Domain Names are names of schools, cities, municipalities that may not be trademarked ("Institutional Names"); (d) another portion of the names are in the nature of gaming ("Gaming Names"); and (e) a very large percentage of the Domain Names are clearly, under the "know-it-when-you-see-it" definition of former Justice Potter Stewart,⁷ pornography-oriented ("Pornography Names"). Within the category of Pornography Names, is a very disturbing subset of Domain Names that no reasonable person could deny are descriptive of child

⁶ It appears that the roughly 3,300 names in the Novo Point portfolio are largely Generic Names but in the much larger Quantec portfolio the Generic Names seem to be a small percentage of the names.

⁷ *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (concurring opinion of J. Stewart).

pornography (e.g., "childsexporn.com," pedophilesex.com," "naked13yearolds.com"-with there being many, many names that are far more course than these three examples ("Child Pornography Names"). There are also a small percentage of very disturbing racial/hate crime oriented names ("Race/Hate Names"). As part of the sale process, the Winning Bidder and Back-Up Bidder have agreed to carve out from the sale the Child Pornography Names and Race/Hate Names, and the Chapter 11 Trustee and Receiver have agreed not only to deactivate these Domain Names but report them to appropriate law enforcement officials for such officials to presumably take appropriate action as they may deem fit.

13. This court describes herein the categories or types of Domain Names for a variety of reason. First, the question of value of these names has been hotly disputed at the Confirmation Hearing. Mr. Baron has objected vehemently to the sale of the Domain Names. He believes they are worth \$60+ million, which is far less than the \$5.2 million Winning Bid for the Domain Names. But the credible evidence from the Confirmation Hearing (from the Receiver; the Chapter 11 Trustee; Mr. Baron; Matthew Morris (the Receiver's expert); Thies Lindenthal (Mr. Baron's expert); and Steve Lieberman, a lawyer representative for the Winning Bidder, by telephone) **just does not support such a conclusion.** As pointed out, a great many of the Domain Names are Typo-Squatting Names (subject to challenge as trademark infringing and likely to

be culled out, as further described below) or are Pornography Names (many of which will be culled out because of their Child Pornography nature). The Generic Names are the names that mostly have potential interest and value and some history of earning revenue. The court also points out the nature of the Domain Names for another reason. Mr. Baron has represented himself as being a "grandfather" of the internet and a business entrepreneur being deprived of his livelihood. Mr. Baron has spent enormous time in the court system, purportedly to protect his business interests. The Confirmation Hearing was the first time this bankruptcy court (and perhaps any court) has been given a full flavor for the nature of the Domain Names. As set forth above, a great majority of the names are centered around what is commonly referred to as typo-squatting or cyber-squatting and, essentially, involves leasing a name that is arguably subject to another person's trademark. And, while this court does not pass judgment on the societal value of the Pornography Names, certainly, it does not pass the "smell-test" (or good faith notions) to ask this court or any other court to value or protect Mr. Baron's right to Child Pornography Names such as "naked13yearolds.com."⁸

14. In any event, on further analyzing the proposed sale for \$5.2 million of the Domain Names, the court further reviews

⁸ Ex. 42 (page 395 of 945).

the evidence concerning the steps leading up to this now-proposed sale. The credible evidence was that both District Judge Ferguson and this bankruptcy judge, as well as the United States Trustee, had expressed the view by Spring-Summer 2012 at various hearings that the Receivership and Chapter 11 case had gone on too long and needed to be brought to a conclusion. Since there is less cash on hand than there are administrative claims and creditor claims, it appeared that monetization of certain of the non-liquid assets of Ondova's estate or the Receivership (i.e., the Domain Names) would be necessary in order to resolve all creditor claims and conclude the Receivership and Chapter 11 case. There seemed to be no other viable option other than a sale of the Domain Names. At one time, Mr. Baron's lawyer had suggested the possibility to the Receiver of perhaps trying to obtain a new lender loan, collateralized by the Domain Names, and using the new loan to pay off the Receivership and bankruptcy estate debt and then end the Receivership/bankruptcy case that way. Only one lender was recommended by Mr. Baron's lawyer and such lender proposed an approximately \$1 million loan at a 32% interest rate and the lender seemed to lack credibility (the Receiver actually credibly testified that he feared the lender was proposing something criminal in nature). The Receiver contacted various banks himself, but they did not have much interest and did not consider the Domain Names to be acceptable collateral. Thus, the Receiver began investigating the

possibility of selling the Domain Names in a bundle. In the past, certain persons have randomly contacted Receiver with an interest in buying certain names. Certain Domain Names were sold earlier during the Receivership on a one-off basis or in small groups. Also, the Receiver frequently is contacted by persons who believe certain Domain Names are trademark-infringing and these people have asked the Receiver to release such Domain Names. In any event, the Receiver credibly testified that he believes that there have become fewer and fewer Domain Names in the Novo Point and Quantec portfolios that seem to have value on a standalone basis. At this time, the Receiver does not believe there are any remaining Domain Names that "light up the market place," to use the Receiver's words.

15. An individual named Damon Nelson, a former Ondova employee whom District Judge Furgeson allowed the Receiver to appoint as a temporary manager of the Domain Names portfolios, had begun investigating values and marketing possibilities for the Domain Names back in early 2011. Damon Nelson marketed or at least submitted the Domain Names portfolios to 24 of the top brokers in the domain name industry. The Receiver believed in 2011, based on those investigations, that the Domain Names as a whole might have a value of \$3.5 million. The Receiver received in September 2012 an unsolicited offer of \$3.5 million from the entity known as Special Jewel Ltd. and the Receiver eventually negotiated this offer up to \$4.1 million and obtained the

agreement of this bidder to be a stalking horse bidder, whose bid would be subject to higher or better offers. In October 2012, both District Judge Furgeson and the bankruptcy judge authorized a bid process for the Domain Names. The Receiver subsequently bought so-called banner advertisements notifying the marketplace that the Domain Names were for sale. A website was built that promoted the sale. The portfolios were identified and historical revenue information for the Domain Names was made available. Advertisements were placed in the Wall Street Journal (United States, China, and European versions). Persons were allowed to participate in an auction on November 9, 2012 if they provided evidence of financial wherewithal to fund their purchase price (e.g., bank letter), if they put up a \$500,000 deposit, and if they signed a letter of intent and form of Asset Purchase Agreement.

16. The Receiver initially received bids from three parties, but one of the parties backed out before the November 9, 2012 auction. Eventually, a bidder named Trans Ltd. submitted the highest bid at the November 9, 2012 auction in the amount of \$5.2 million ("Winning Bidder") and Special Jewel remained in as a possible "backup bidder" at \$5.1 million (Back-Up Bidder").

17. The Receiver credibly testified that Domain Names are not cost-free to hold indefinitely-which is one reason why selling them sooner rather than later seemed to be prudent to

him. For example, the costs associated with these Domain Names include an annual cost to register the names of \$7.58 per name for "dot com" names and slightly less for "dot net" names. The Receiver also credibly testified that there has been about another \$30,000 per month of overhead associated with keeping up the Domain Names through services of Damon Nelson and certain lawyers. Among other things, these individuals have assisted with the analysis (early on) of determining what non-performing Domain Names could or should be deleted. The Receivership Entities formerly registered a larger number of Domain Names than the current 153,000.

18. The credible testimony from multiple witnesses was that there are three main ways to yield value from internet domain names: (a) "the parking method" (which is the main way Baron utilized the names)—this refers to simply creating a website using a name and placing advertisements or other links at the website and earning revenue from the advertisements placed on the website or click revenue when users click on links; (b) "building out" a website utilizing a domain name—which is more sophisticated than the parking method, in that you come up with ways to draw people to the website through search engine optimization and other techniques; or (c) selling a name.

19. Mr. Baron testified that one can also enter into partnerships to lease domain names to parties who want to use them. Mr. Baron has ended up in litigation the few times he has

attempted that in the past.

20. Mr. Baron has never sold a domain name himself. But he has numerous criticisms of the Receiver's marketing/sale procedures in this case. Mr. Baron believes that Domain Names should be sold in small groups (not in a huge bundle of 153,000 names like is proposed by the Receiver). Mr. Baron believes the Receiver should have advertised longer than was done here, and marketed to people that are reputable. Mr. Baron said he would remove names that are not good ones. Mr. Baron said that the \$500,000 deposit requirement chilled bidding.

21. The Receiver's expert (Matthew Morris) credibly testified that he believed the Domain Names were worth from \$3-5 million. He used a methodology for valuing the names that was a hybrid between an income (or discounted cash flow approach) and a market value approach. A large number of the Domain Names in the portfolio do not generate income. Mr. Morris admitted that there is a dilemma in valuing domain names whether to use a traditional income approach (deriving value through utilizing some appropriate multiple of income) or, alternatively, whether some sort of intrinsic or inherent value is more appropriate. The problem with using some sort of intrinsic value is that many domain names have value because of an organization that spent millions of dollars building a concept (*i.e.*, google.com or amazon.com) as opposed to the name itself having some inherent

cache. It is much like gazing into a crystal ball, trying to predict whether a particular name might someday have some sort of appeal. Matthew Morris credibly testified that between 27-30% of domain names are typically not renewed by a registrant. The court found Mr. Morris to be credible. Mr. Morris believes that past income is the most reliable of all factors that might point to value.

22. Mr. Morris also credibly testified that he thought an auction process is a preferred method for maximizing value with domain names at this point in time. Domain names are inherently unique. For unique assets (for example art work would be unique; gold would not be unique), an auction is a preferred method of sale because it allows for price discovery; there could be a wide range of value that different, widespread people ascribe to the assets.

23. Mr. Morris also credibly testified that the fact that these Domain Names have been held by an individual who has been involved in so much litigation is a negative factor. The evidence has shown that Mr. Baron is a litigious individual. This fact can deter interested bidders-although a Section 363 bankruptcy sale increases confidence that a buyer will get assets free and clear of the past litigation.

24. Mr. Morris also credibly testified that selling these assets in a big bundle is superior ("diversification is good") because it spreads out overhead associated with these names.

25. Mr. Morris also credibly testified about the so-called "UDRP" process or mechanism, pursuant to which domain names with trademark infringement allegations can be arbitrated; in other words, claimants can assert claims against domain name holders who hold names that allegedly infringe on a claimant's trademark. 82% of such claimants end up obtaining the allegedly infringing domain name. Mr. Morris testified that the more UDRP problems a portfolio of domain names has, the more it diminishes the value of the names. If one markets a portfolio with a lot of "typo squatting" names in the public, it highlights it to trademark owners and can cause problems. Novo Point and Quantec have a lot of "typo squatting" names; thus, the more one might carve up the Novo Point and Quantec portfolios and prolong the sale process, the more this might become a negative factor. Additionally, on the topic of typo-squatting names, there is more search engine sophistication now that diminishes the value of typo-squatting names. In the past, if one misspelled a domain name, one likely ended up at the site of the misspelled name (assuming there was such a site). Now, search engines typically have a typo-adjusting mechanism asking the typist if he meant to spell the more commonly recognized term (e.g., "did you mean wells fargo?").

26. Mr. Morris also credibly testified that it is more advantageous to sell the Domain Names now versus later. There

are changes on the horizon in this industry. Specifically, there are new TDL names (*i.e.*, Top Level Domain names) launching in coming months, so that there will not be just “.com” and “.net” domain names that are prevalent in the future. There will be “dot” followed by other letters. This will create a greatly expanded universe of domain names and a “noisier” internet. This has the potential to diminish the value of “.com” and “.net” domain names. Also, the advent of “apps” (that is, applications used by iPhones and iPads) has some negative impact on internet searching. **Mr. Morris credibly testified that the income stream is likely downward slopping for the Domain Names.** Time value of money is also a factor.

27. Mr. Morris credibly testified that he looked at the list of Domain Names; statistics with some of them; income characteristics of the names from the reports from monetizers (an entity known as Domain Holdings has been the most recent monetizer for the Domain Names).

28. Mr. Morris also credibly testified that Mr. Baron is a factor with regard to the marketability of these names. The Receiver credibly testified that people are afraid of being sued by him, given a reputation he has developed for being a vexatious litigator.

29. Mr. Baron testified that either names owned by Ondova or the Receivership Parties (unclear which) at one time earned

\$1.5 million per month through monetization efforts. There is no evidence of this other than Mr. Baron's word. Mr. Morris testified that his research showed the portfolio of Domain Names had never earned anywhere close to this amount of revenue. The court cannot and does not find it to be true, by a preponderance of the evidence.

30. As mentioned earlier, Mr. Baron referred to himself in testimony as a "grandfather of the domain name industry." The court finds this to be somewhat of an exaggeration of Mr. Baron's business model or stature in the internet industry.

31. Mr. Baron's expert, Dr. Lindenthal, was less experienced overall than Mr. Morris (age wise and in the overall field of valuation), but happened to have approximately one year's experience working as a product manager for Sedo, LLC—which is a large, well known broker of internet domain names. Dr. Lindenthal described himself as having worked in the internet industry for more than a decade and has a fair amount of experience studying price trends in the secondary market of domain names. Dr. Lindenthal obtained his PhD in Real Estate Finance just over one year ago. After a *Daubert*-objection⁹ was lodged by the Receiver's counsel, the court did not let Dr. Lindenthal testify as to his opinion on the value of the Domain

⁹ *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993).

Names, because he could not share the methodology he used—it is proprietary information of Sedo, LLC. See Fed .R. Ev. 702 (court must have the ability to ascertain whether an expert witness's testimony is the product of reliable principles and methods and that the witness has applied the principles and methods reliably to the facts of the case). However, the court did allow Dr. Lindenthal to testify that he thought there were about 3,300 Domain Names that potentially had value (and further testified that Sedo, LLC will typically not be involved with selling domain names that have UDRP problems, child porn, hate crimes—and this was a large portion of the Quantec/Novo Point portfolio). Dr. Lindenthal testified that there were different factors to consider in evaluating a domain name: how often is it looked for; is it in the finance, insurance or science industries (these tend to be the most valuable); how long is the name (shorter is better); names with hyphens or numbers are less attractive; certain languages (English) and Arabic characters tend to be more valuable. Once looking at these factors, one might look at similar comparables and for what price those similar comparable names might have sold. ***Dr. Lindenthal thought that it could take a very long time to manually appraise the whole portfolio of Domain Names here (and it could cost several hundreds of thousands of dollars), but it looked like there were some "great names."*** Dr. Lindenthal did not think new TDLs and iPhone apps

were as negative for domain names going forward as Mr. Morris.

32. Dr. Lindenthal further testified that a broker such as his company, Sedo, LLC, typically charges about a 15% commission on domain name sales. The court notes that Sedo, LLC was hired approximately one year ago to attempt to sell one domain name owned by Ondova that all parties thought had substantial value (servers.com), but Sedo, LLC has not obtained a bid yet that parties consider favorable.

33. On balance, the court finds that Mr. Morris provided the most credible overall testimony regarding the Domain Names (although Dr. Lindenthal provided some helpful testimony as well) and, based on the credible evidence, this court finds and concludes that the marketing, auction and sale process were fair and reasonable and the product of reasonable business judgment, an arms length, good faith and fair process, there was a business justification therefore, and the result was a fair price and winning bid and back up bid that are reasonably equivalent to the best evidence of market value of the Domain Names.

34. The court also finds that the Winning Bidder and Back-up Bidder (if the latter is ultimately the purchaser), were good faith purchasers for value. This finding is based on the overall evidence from the Receiver and Chapter 11 Trustee regarding the sale process. But it is also based on the limited testimony that the court heard from the representative of the Winning Bidder. The Winning Bidder originally did not want to reveal the identity

of the human beings behind Trans Ltd. Ultimately, the human beings' identity was revealed (first in camera to the bankruptcy judge and United States Trustee, and then in open court on the record—with Mr. Baron's counsel being allowed to ask specific questions regarding the human beings). The representative for Trans Ltd. credibly testified that the human beings behind Trans Ltd. are afraid of being sued by Mr. Baron, based on Mr. Baron's reputation. The court believes that—while these individuals may have privacy concerns that may or may not be rational—the individuals are not in any way "insiders" (11 U.S.C. § 101(31)) and have not colluded or engaged in any other improper means in connection with the Domain Names sale. They should take the Domain Names assets with the protections contemplated by Section 363(f) of the Bankruptcy Code.

35. The court makes one last point with regard to the Domain Names sale. It has been argued that this court does not have authority to approve the sale of assets that are owned by the Receivership. First, the court notes that the Plan Settlement (which this court has ruled is fair and equitable and in the best interest of all parties including Baron) essentially contemplates the transfer of the Receivership Assets to the Ondova Liquidating Trust, for reasons already described. But even if the Plan Settlement were not alone grounds, the court notes that at least the following cases provide support for this court approving the sale of the Receivership Domain Names. *In re*

Indian Motorcycle Co., Inc., 261 B.R. 800, 803 (B.A.P. 1st Cir. 2001) (wherein, after negotiation, a Chapter 7 trustee in certain Massachusetts bankruptcy cases and a Receiver entered an agreement for the joint sale of the assets of the bankruptcy estates and the receivership estate which would allocate sufficient funds from the sale to the bankruptcy estates to pay all claims, with the remainder going to the Receiver as owner of the equity; the agreement was approved by the bankruptcy court on January 19, 1996 and the district court on January 29, 1996; ultimately, in late 1998 and early 1999, both courts approved the joint sale of the assets; as part of the sale, the parties agreed that \$3.5 million would be allocated to the Debtors and held in escrow in order to satisfy any claims against the Debtors' estates.); *In re Stone & Webster, Inc.*, 286 B.R. 532, 539 (Bankr. D. Del. 2002) (holding that consolidation of the estates of separate debtors may sometimes be appropriate, as when the affairs of an individual and a corporation owned or controlled by that individual are so intermingled that the court cannot separate their assets and liabilities).

IV. Conclusions of Law

36. The Plan Settlement is fair, equitable and in the best interests of the bankruptcy estate, the Receivership and Mr. Baron. Fed. R. Bankr. Pro. 9019. *Protective Committee for Independent Stockholders of TMT Trailer Ferry v. Anderson*, 88 S.

Ct. 1157 (1968); *United States v. AWECO, Inc. (In re AWECO), Inc.*, 725 F.2d 293 (5th Cir. 1984), *cert denied*, 105 S. Ct. 244 (1984); and *Connecticut Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Co.)*, 68 F.3d 914 (5th Cir. 1995).

37. The auction and sale process was fair, reasonable, there was a sound business justification for same, and the Chapter 11 Trustee and Receiver exercised reasonable business judgment. The Domain Names are entitled to be sold free and clear of interests, pursuant to Sections 105 and 363(f) of the Bankruptcy Code.

38. Finally, with regard to the Joint Plan overall and its confirmability, the court finds and concludes that notice of the Joint Plan has been in compliance with Bankruptcy Code Section 1125 and 1126 and Bankruptcy Rules 3017 and 3018 and other applicable authority. It appears from the record that all creditors and other parties in interest have been given the requisite notice and copies of the Joint Plan solicitation materials and ballots. It appears that solicitation was in compliance with applicable law. And the court finds and concludes that the Joint Plan has been accepted by a requisite number of holders of impaired claims and interests. The court accepts as credible evidence the Ballot Certification filed with the court. The court finds and concludes that all pending objections to the Joint Plan should be overruled.

39. The Joint Plan, as modified, meets the requirements of Section 1122, 1123 and 1129 of the Code. Specifically, the classification of claims and interests in the Joint Plan is proper and consistent with Section 1122; the means for the Joint Plan's implementation appears to be proper and within the guidelines of Section 1123; the Joint Plan complies with the applicable provisions of Title 11; the plan proponents have complied with the applicable provisions of Title 11; the Joint Plan has been proposed in good faith and not by any means forbidden by law; any payment made or to be made by the proponents, or by the Debtor, or by a person issuing securities or acquiring property under the plan, for services or costs and expenses in connection with the case, or in connection with the Plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable; the proponents of the Joint Plan have disclosed the identity and affiliations of any individual proposed to serve after confirmation as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor that is a joint plan proponent with the Debtor, or a successor to the Debtor; the Joint Plan meets the so called "best interests" test of Section 1129(a)(7) of the Bankruptcy Code; the Joint Plan is feasible; with respect to each class in the plan, all classes have either accepted the plan or such class is not impaired under the Plan, or, with respect to any nonaccepting class, the Joint Plan may be cram

downed on the members of the class, in that the Joint Plan is fair and equitable does not discriminate as contemplated by Section 1129(b) of the Bankruptcy Code.

40. The court also finds and concludes that all transfers of property under the Joint Plan are made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property.

41. With regard to plan modifications that have been announced in court, the court specifically finds that they meet the requirements of Section 1122, 1123 and 1129 and so the plan, as modified, will be the plan that the court now confirms. Acceptances of the plan will be deemed to apply to the plan as modified without further notice, solicitation or hearing being required, since any described proposed plan modifications do not adversely change the treatment of the claim of any creditor or the interest of an equity security holder who has not accepted in writing the modification.

42. The court specifically finds and concludes that the Joint Plan provides intrinsic benefits in that it ends pre-bankruptcy and pre-Receivership litigation except for claims that Manilla/NetSphere intends to pursue against Mr. Baron for Mr. Baron's alleged breach of the 2010 Global Settlement. With this one exception, Mr. Baron will be litigation-free and is estimated to receive residual cash of a few million dollars. All claims other than NetSphere/Manilla's alleged breach-of-the 2010-Global

Settlement claims can be paid pursuant to the terms of this Joint Plan. As mentioned earlier, this bankruptcy case and Receivership have been about more than simply claims of former lawyers and claims of Manilla/NetSphere. The University of Texas asserted a \$4 million claim against the Ondova bankruptcy estate relating to trademark infringement which the Chapter 11 Trustee eventually settled at \$250,000 (which has not been paid yet) and the Chapter 11 Trustee also settled large claims asserted against Ondova by such entities as Grupo Andrea and Liberty Media. In addition to ending litigation, this court finds and concludes that the Joint Plan effectuates a responsible wind-down of a questionable business model that was partly centered around cyber-squatting.

43. Finally, the court will specifically address the so-called releases, exculpations, and injunctions in the Joint Plan. The court determines that these are not the type of impermissible plan releases or exculpation described by the Fifth Circuit in *Bank of N.Y Trust Co. v. Off. Unsec. Creds. Comm. (In re Pacific Lumber Co.)*, 584 F.3d 229 (5th Cir. 2009). First, the court finds many of them to be more in the nature of compromises and settlements that may occur in a plan pursuant to Section 1123(b) (3) (A)—which says that a plan may “provide for the settlement or adjustment of any claim or interest belong to the debtor or the estate.” Moreover, other of the releases seem

supportable under such cases as *Feld v. Zale Corp. (In re Zale Corp.)*, 62 F.3d 746 (5th Cir. 1995) given that this is a case with extremely unusual circumstances and broad and complex compromises. But even if such releases are not supportable under that authority, this court determines that the releases and injunctions should be construed as temporary, and only approved on a temporary basis, for so long as the Joint Plan is being performed. See *In re Seatco*, 257 B.R. 469 (Bankr. N.D. Tex. 2001).

44. This court reserves the right to supplement and amend these Findings of Fact and Conclusions of Law. Any objection to the Joint Plan or plan process that is not otherwise herein addressed is overruled and denied. All pending motions relating to confirmation, including motions to continue, to reopen discovery, or recuse the judge, are hereby denied as having no merit. A separate order shall be entered forthwith confirming the Joint Plan. A separate Report and Recommendation will be presented to District Judge Furgeson.

###END OF FINDINGS OF FACT AND CONCLUSIONS OF LAW###

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

No. 10-11202

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL,

Appellee

CONS. w/ 11-10501

NETSPHERE, INC., ET AL,

Plaintiffs

v.

No. 10-11202

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 12-10444

In re: NOVO POINT, L.L.C.,

Petitioner

CONS. w/ 12-10489, 12-10657, and 12-10804

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT, L.L.C.; QUANTEC, L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court
for the Northern District of Texas

Before DeMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

ORDER:

No. 10-11202

On November 9, 2012, this court entered an order that sales of the assets that were then scheduled to be auctioned on November 9, not be closed prior to November 30, 2012, without order of this court.

The court is preparing its ruling on these consolidated appeals but is not yet ready to hand it down.

IT IS THEREFORE ORDERED that the stay earlier entered by this court, prohibiting a closing on sales of assets prior to November 30, be extended indefinitely. Neither the Receiver nor anyone on his behalf may sell any assets subject to the Receivership prior to the decision of this court on these appeals.

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON, Et Al

Defendants

v.

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL

Defendants

v.

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL

Appellee

CONS. w/ 11-10501

NETSPHERE, INCORPORATED, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C. NOVO POINT, L.L.C.

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

PETER S. VOGEL

Appellee.

CONS. w/ 12-10444

In re: NOVO POINT L.L.C.

Petitioner

CONS. w 12-10489, 12-10657, and 12-10804

NETSPHERE, INCORPORATED, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT L.L.C.; QUANTEC L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court for the
Northern District of Texas, Dallas

Before DEMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

PER CURIAM:

IT IS ORDERED that motion of appellants Jeffrey Baron, Novo Point, L.L.C. and Quantec L.L.C. for stay pending appeal is DENIED.

IT IS FURTHER ORDERED that motion of appellants Jeffrey Baron, Novo Point, L.L.C. and Quantec L.L.C. to place under seal exhibits J-O attached to the motion is GRANTED.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,
MANILA INDUSTRIES, INC., AND
MUNISH KRISHAN

PLAINTIFFS,

V.

JEFFREY BARON AND
ONDOVA LIMITED COMPANY,

DEFENDANTS.

§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 3:09-CV-0988-F

&

CIVIL ACTION NO. 3:12CV4489-L

THE RECEIVER’S NOTICE OF RELATED PROCEEDINGS

Peter S. Vogel, Court-appointed Receiver (the “Receiver”) over Jeffrey Baron (“Baron”) and the Receivership Parties, respectfully files this Notice of Related Proceedings in order that the Courts will be in a position to take notice of the related cases and case developments, as follows:

SUMMARY

This Court is in receipt of a detailed Report and Recommendation and has an appeal of the Bankruptcy Court’s Order confirming a liquidation plan pending before it. For reasons that are unclear, a motion to stay in the interim was lodged in the Fifth Circuit but not in this Court. Because that filing relates to matters pending before this Court, the Receiver is filing a notice copy of the pleading in this Court. As the Receiver was preparing to file his response in the Fifth Circuit, that Court entered an Order denying the requested stay and, then, separately extended its

early stay in view of its ongoing work on the pending appeals. Both Orders are attached together with the Motion to Stay and the Receiver's intended Response. As one or more of the exhibits to the Motion were filed under seal in the Fifth Circuit, they are not filed here. Meanwhile, the Bankruptcy Court has scheduled a hearing for the morning of December 3, 2012 on Mr. Baron's Stay Application in that Court. As noted in the response filing, the Receiver is currently working with the U.S. Trustee to identify and clarify any pending issues in connection with the sales process.

CONCLUSION

The Receiver respectfully requests that the Courts take notice of these parallel and interrelated proceedings.

Respectfully submitted,

DYKEMA GOSSETT PLLC

By: /s/ David J. Schenck
David J. Schenck
State Bar No. 17736870
Jeffrey R. Fine
State Bar No. 07008410
Christopher D. Kratovil
State Bar No. 24027427

1717 Main Street, Suite 4000
Dallas, Texas 75201
(214) 462-6400
(214) 462-6401 (Telecopier)

**ATTORNEYS FOR RECEIVER PETER S.
VOGEL**

THE RECEIVER'S NOTICE OF RELATED PROCEEDINGS – PAGE 2

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above Notice of Related Proceedings has been served electronically upon the parties receiving CM/ECF notice of this case on November 28, 2012.

/s/ David J. Schenck

THE RECEIVER'S NOTICE OF RELATED PROCEEDINGS – PAGE 3

DALLAS\433372.1
ID\DJSCH - 108946\0001

13-10696.25792

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON, Et Al

Defendants

v.

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL

Defendants

v.

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL

Appellee

CONS. w/ 11-10501

NETSPHERE, INCORPORATED, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC L.L.C.; NOVO POINT L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C. NOVO POINT, L.L.C.

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

PETER S. VOGEL

Appellee.

CONS. w/ 12-10444

In re: NOVO POINT L.L.C.

Petitioner

CONS. w 12-10489, 12-10657, and 12-10804

NETSPHERE, INCORPORATED, ET AL

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT L.L.C.; QUANTEC L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court for the
Northern District of Texas, Dallas

Before DEMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

PER CURIAM:

IT IS ORDERED that motion of appellants Jeffrey Baron, Novo Point, L.L.C. and Quantec L.L.C. for stay pending appeal is DENIED.

IT IS FURTHER ORDERED that motion of appellants Jeffrey Baron, Novo Point, L.L.C. and Quantec L.L.C. to place under seal exhibits J-O attached to the motion is GRANTED.

United States Court of Appeals
FIFTH CIRCUIT
OFFICE OF THE CLERK

LYLE W. CAYCE
CLERK

TEL. 504-310-7700
600 S. MAESTRI PLACE
NEW ORLEANS, LA 70130

November 28, 2012


MEMORANDUM TO COUNSEL OR PARTIES LISTED BELOW:

No. 10-11202, 11-10113, 11-10289, 11-10290, 11-10390
11-10501, 12-10003, 12-10489, 12-10657, 12-10804,
12-11082 Netsphere, Inc. v. Jeffrey Baron
USDC No. 3:09-CV-988
No. 12-10444 In Re: Novo Point, L.L.C.
USDC No. 09-34784

Enclosed is an order entered in this case.

Sincerely,

LYLE W. CAYCE, Clerk


By: Mary C. Stewart
Mary C. Stewart, Deputy Clerk
504-310-7694

Mr. Thomas Fenton Allen Jr.
Mr. Craig Alan Capua
Mr. Curt M. Covington
Mr. Richard M. Hunt
Mr. Edwin Paul Keiffer
Mr. Christopher D. Kratovil
Mr. Gary Gene Lyon
Ms. Tawana C. Marshall
Ms. Karen S. Mitchell
Mr. David John Schenck
Mr. Gary N. Schepps
Mr. Jeffrey Michael Sutherland
Mr. Raymond James Urbanik
Mr. Peter S. Vogel

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

No. 10-11202

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

CONS. w/ 11-10113

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 11-10289

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

v.

DANIEL J. SHERMAN,

Appellee

CONS. w/ 11-10290

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON, ET AL,

Defendants

v.

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

No. 10-11202

v.

PETER S. VOGEL,

Appellee

CONS. w/ 11-10390

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

v.

ONDOVA LIMITED COMPANY,

Defendant - Appellee

PETER S. VOGEL,

Appellee

CONS. w/ 11-10501

NETSPHERE, INC., ET AL,

Plaintiffs

v.

No. 10-11202

JEFFREY BARON,

Defendant - Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants - Appellants

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,

Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

CONS. w/ 12-10003

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant-Appellant

QUANTEC, L.L.C.; NOVO POINT, L.L.C.,

Movants-Appellants

GARY SCHEPPS,

Appellant

v.

No. 10-11202

PETER S. VOGEL,

Appellee

CONS. w/ 12-10444

In re: NOVO POINT, L.L.C.,

Petitioner

CONS. w/ 12-10489, 12-10657, and 12-10804

NETSPHERE, INC., ET AL,

Plaintiffs

v.

JEFFREY BARON,

Defendant - Appellant

NOVO POINT, L.L.C.; QUANTEC, L.L.C.,

Movants - Appellants

v.

PETER S. VOGEL; DANIEL J. SHERMAN,

Appellees

Appeal from the United States District Court
for the Northern District of Texas

Before DeMOSS, SOUTHWICK, and HIGGINSON, Circuit Judges.

ORDER:

No. 10-11202

On November 9, 2012, this court entered an order that sales of the assets that were then scheduled to be auctioned on November 9, not be closed prior to November 30, 2012, without order of this court.

The court is preparing its ruling on these consolidated appeals but is not yet ready to hand it down.

IT IS THEREFORE ORDERED that the stay earlier entered by this court, prohibiting a closing on sales of assets prior to November 30, be extended indefinitely. Neither the Receiver nor anyone on his behalf may sell any assets subject to the Receivership prior to the decision of this court on these appeals.

United States Court of Appeals
FIFTH CIRCUIT
OFFICE OF THE CLERK

LYLE W. CAYCE
CLERK

TEL. 504-310-7700
600 S. MAESTRI PLACE
NEW ORLEANS, LA 70130

November 28, 2012

MEMORANDUM TO COUNSEL OR PARTIES LISTED BELOW:

No. 10-11202, 11-10113, 11-10289, 11-10290, 11-10390,
11-10501, 12-10003, 12-10489, 12-10657, 12-1804,
12-11082 Netsphere, Inc. v. Jeffrey Baron
USDC No. 3:09-CV-988
No. 12-10444 In Re: Novo Point, L.L.C.
USDC No. 09-34784

Enclosed is an order entered in this case.

Sincerely,

LYLE W. CAYCE, Clerk


By: Mary C. Stewart, Deputy Clerk
504-310-7694

Mr. Thomas Fenton Allen Jr.
Mr. Craig Alan Capua
Mr. Curt M. Covington
Mr. Richard M. Hunt
Mr. Edwin Paul Keiffer
Mr. Christopher D. Kratovil
Mr. Gary Gene Lyon
Ms. Tawana C. Marshall
Ms. Karen S. Mitchell
Mr. David John Schenck
Mr. Gary N. Schepps
Mr. Jeffrey Michael Sutherland
Mr. Raymond James Urbanik
Mr. Peter S. Vogel

No. 10-11202
(and consolidated cases)

In the
**United States Court of Appeals
for the Fifth Circuit**

No. 10-11202
NETSPHERE, INC. Et Al,
Plaintiffs

v.

JEFFREY BARON,
Defendant-Appellant

v.

ONDOVA LIMITED COMPANY,
Defendant-Appellee

Appeal of Ex Parte Order Appointing Receiver
Where No Claims were Pled in the Property Seized

Cons. w/ No. 11-10113
NETSPHERE INC., Et Al, Plaintiffs
v.
JEFFREY BARON, Et Al, Defendants
v.
QUANTEC L.L.C.; NOVO POINT L.L.C.,
Appellants
v.
PETER S. VOGEL,
Appellee

From the United States District Court
Northern District of Texas, Dallas Division
Civil Action No. 3-09CV0988-F

POST-ARGUMENT EMERGENCY MOTION FOR STAY

Cons. w/ No. 11-10289
NETSPHERE, INC., ET AL, *Plaintiffs*
v.
JEFFREY BARON, *Defendant- Appellant*
v.
DANIEL J SHERMAN, *Appellee*

Cons. w/ No. 11-10290
NETSPHERE, INC. ET AL, *Plaintiffs*
v.
JEFFREY BARON, ET AL, *Defendants*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Non-Party Appellants*
v.
PETER S. VOGEL, *Appellee*

Cons. w/ No. 11-10390
NETSPHERE, INC. ET AL, *Plaintiffs*
v.
JEFFREY BARON, Defendant – *Appellant*
QUANTEC L.L.C.; NOVO POINT L.L.C., *Appellants*
v.
ONDOVA LIMITED COMPANY, Defendant – *Appellee*
v.
PETER S. VOGEL, *Appellee*

Cons. w/ No. 11-10501
NETSPHERE, INC. ET AL, *Plaintiffs*
v.
JEFFREY BARON, Defendant – *Appellant*
QUANTEC L.L.C.; NOVO POINT L.L.C., *Appellants*
CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,
Appellant
v.
PETER S. VOGEL; DANIEL J. SHERMAN, *Appellees*

Cons. w/ No. 12-10003
NETSPHERE, INC. ET AL, *Plaintiffs*

v.

JEFFREY BARON, *Defendant – Appellant*
QUANTEC L.L.C.; NOVO POINT L.L.C., *Appellants*

GARY SCHEPPS, *Appellant*

v.

PETER S. VOGEL, *Appellee*

Cons. w/ No. 12-10444

In re: NOVO POINT LLC, Petitioner

Cons. w/ No. 12-10489

NETSPHERE, INC. ET AL, *Plaintiffs*

v.

JEFFREY BARON, *Defendant – Appellant*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Appellants*

v.

PETER S. VOGEL; DANIEL J. SHERMAN , *Appellees*

Cons. w/ No. 12-10657

NETSPHERE, INC. ET AL, *Plaintiffs*

v.

JEFFREY BARON, *Defendant – Appellant*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Appellants*

v.

PETER S. VOGEL; DANIEL J. SHERMAN , *Appellees*

TABLE OF CONTENTS

Procedural History 7

Jurisdiction of the Court of Appeals & Standard for Relief 8

A. To Protect Jurisdiction (28 U.S.C. §1651) 8

B. Pursuant to Fed.R.App.P. 8(a)(2)(A) 9

The Receivership Property Involved in the November 9 ‘Auction’ 10

A. 3,000 Domain Names owned by Novo Point LLC 10

B. 150,000 Domain Names owned by Quantec LLC 11

C. Netsphere’s Claims & Settlement 12

The Meritless Justification Offered for the Mass Disposal of Assets on the Eve of this Court’s Ruling on the Merits..... 13

Valuation of the Domain Names..... 14

A. Vogel’s Appraiser - \$64,900,000.00 14

B. Vogel’s New ‘At most 8 times Income’ Theory 15

C. Judicial Estoppel 16

The Pre-Arranged Sale and the Rigged ‘Auction’ 17

A. Summary: “Something very odd is going on here” 17

B. The Legal Standard for Auctions 17

C. The Key Players and the Pre-Arranged Sale 18

D. The Rigged Auction – Despen Trust Ltd. Bids against Itself 20

E. The Rigged Auction – Exclusion of Bona Fide Bidders..... 20

Success on the Merits 22

A. The district court lacks subject-matter jurisdiction to impose a receivership over property that is not itself subject to a claim at controversy before the court. *Cochrane v. WF Potts Son & Co.*, 47 F.2d 1026, 1028-1029 (5th Cir. 1931). Similarly, a party seeking

to impose a receivership must have the standing to apply for one. *Williams Holding Co. v. Pennell*, 86 F.2d 230, 230 (5th Cir. 1936).22

B. Equity jurisdiction to impose a receivership over private property extends only to “preserve and protect the property pending its final disposition” where a claim seeking “a final decree involving the disposition of property” is at controversy before the court. *Gordon v. Washington*, 295 U.S. 30, 36-37 (1935). Receiverships are “to preserve the subject-matter in dispute”. *Forgay v. Conrad*, 47 U.S. 201, 204-205 (1848).22

C. Private property not at controversy before the court is off-limits to the court’s equitable reach. *In re Fredeman Litigation*, 843 F.2d 821-822, 825 (5th Cir. 1988); *De Beers Consol. Mines, Ltd. v. United States*, 325 U.S. 212, 220 (1945).22

D. Where a district court lacks jurisdiction, it is without power to make any disposition of the assets ordered into receivership. *Lion Bonding & Surety Co. v. Karatz*, 262 U.S. 640, 642 (1923). Similarly, where a court lacks jurisdiction or authority to impose a receivership over property, it lacks discretion to award any part of that property to pay the costs of the receivership. *Atlantic Trust Co. v. Chapman*, 208 U.S. 360, 373 (1908).22

E. Filing of a notice of appeal confers jurisdiction on the court of appeals and divests the district court of its control over all aspects of the case involved in the appeal. *Griggs v. Provident Consumer Discount Co.*, 459 U.S. 56, 58 (1982).23

F. Due Process requires that *ex parte* seizure of private property be supported by sworn application establishing the need for the *ex parte* relief, and a bond to pay the absent party damages should the issuance of the order be wrongful. *See Connecticut v. Doehr*, 501 U.S. 1, 4 (1991).23

G. The district court is authorized to impose an *ex parte* injunction only if the movant gives security proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined. *Phillips v. Chas. Schreiner Bank*, 894 F.2d 127, 131 (5th Cir.1990).23

H. Receivership cannot be used to adjudicate alter ego claims. *Bollore SA v. Import Warehouse, Inc.*, 448 F.3d 317 (5th Cir. 2006).23

I. The Seventh Amendment right to jury trial cannot be dispensed with nor can it be impaired by blending with a demand for equitable relief. *Scott v. Neely*, 140 U.S. 106, 109-110 (1891).....23

Irreparable Injury, Harm & the Public Interest23

Serious Legal Issues Presented on Appeal25

PRAYER.....26

REQUEST FOR FILING EXHIBITS J-O UNDER SEAL.....28

CERTIFICATE OF EMERGENCY28

CERTIFICATE OF NOTICE.....28

CERTIFICATE OF SERVICE.....29

TO: HON. SENIOR JUDGE HAROLD R. DEMOSS, JR.,
HON. JUDGE LESLIE H. SOUTHWICK, and
HON. JUDGE STEPHEN A. HIGGINSON,

Appellants Jeffrey Baron, Novo Point LLC, and Quantec LLC, move jointly for the entry of an order by November 29, 2012 (1) protecting the Court's jurisdiction to provide an effective remedy for the Appellants should this Court find in their favor on the merits, and (2) staying the disbursement of assets of the receivership estates of Jeffrey Baron, Novo Point LLC and Quantec LLC, pending the decision of this Court on the merits of these appeals.

Procedural History

On November 9, 2012, this Honorable Court ruled that the sale of the assets of Novo Point LLC and Quantec LLC would present significant mootness concerns that could impede the Court's "ability to resolve the relevant issues". Ex. L. This Court also ruled that in addition to the mootness concerns presented by "closing with a bidder from the auction", "[d]isbursement of any other assets of the Receivership should be as limited as possible until this Court resolves the appeals". *Id.* This Honorable Court informed the parties of its intention to entertain motions to stay significant disbursements. *Id.*

On November 9, 2012, the receiver proceeded with the 'auction' and on November 21, 2012 the Bankruptcy Court issued an order approving the sale. BKR. DOC 948. The Bankruptcy Court ordered that the automatic fourteen day

stay to allow appeal of its order was “waived in its entirety”, subject only to the Order of this Honorable Court.¹ *Id.* at page 6.

Jurisdiction of the Court of Appeals & Standard for Relief

A. To Protect Jurisdiction (28 U.S.C. §1651)

Pursuant to 28 U.S.C. §1292(a)(2), this Court is vested with jurisdiction over the appeals from the District Court’s order to appoint Peter Vogel as receiver over all of Jeffrey Baron’s property and a broad category of property owned by unidentified non-parties, which was subsequently clarified to include the property of Novo Point LLC and Quantec LLC. R. 1619, 3934.

Additionally, the Supreme Court has recognized that in the analogous circumstance of a state court appeal, when a receivership order is appealed the effect of the appeal is that the appellate court has “jurisdiction over the res the same as the trial court had”. *Palmer v. Texas*, 212 U.S. 118, 126 (1909).² As a matter of binding precedent, “The filing of a notice of appeal is an event of

¹ By law, there is an automatic fourteen day stay imposed upon orders of the Bankruptcy Court approving the sale of assets, in order that motions for stay can be considered and such orders may be reviewed on appeal by an Article III court. Bankruptcy Rule 6004(h). Accordingly, where a bankruptcy court waives the automatic stay, the bankruptcy court’s order selling property of the bankruptcy estate will not be subject to reversal on the appeal from that order to an Article III court. This is because 11 U.S.C. §363(m) provides that unless stayed pending appeal the validity of a sale under §363(b) may not be affected by a reversal on the appeal from the order authorizing the sale. *American Grain Ass’n v. Lee-Vac, Ltd.*, 630 F.2d 245, 247 (5th Cir. 1980). Notably, as a matter of controlling precedent, the same rule does not apply to sales outside of bankruptcy. *Citibank, NA v. Data Lease Financial Corp.*, 645 F.2d 333, 336 (5th Cir. 1981).

² Property is placed into receivership, is taken into possession by the court through its representative, the receiver. *See Booth v. Clark*, 58 U.S. 322, 331 (1855).

jurisdictional significance — it confers jurisdiction on the court of appeals and divests the district court of its control over those aspects of the case involved in the appeal.” *Griggs v. Provident Consumer Discount Co.*, 459 U.S. 56, 58 (1982). In the analogous situation of an injunction, this Honorable Court has ruled that the district court **“should be limited to maintaining the status quo and ought not to extend to the point that the district court can divest the court of appeals from jurisdiction while the issue is before us on appeal.”** *Coastal Corp. v. Texas Eastern Corp.*, 869 F.2d 817, 820 (5th Cir. 1989).

This Honorable Court has also previously ruled that where an appeal is allowed from an interlocutory order, the district court is divested of jurisdiction as to “matters relating to” the orders on appeal and “for that reason, fees cannot be recovered for work relating to these orders”. *Taylor v. Sterrett*, 640 F.2d 663, 668 (5th Cir. 1981).

Pursuant to 28 U.S.C. §1651, this Honorable Court may issue “all writs necessary or appropriate” in aid of its jurisdiction.

B. Pursuant to Fed.R.App.P. 8(a)(2)(A)

Pursuant to Fed.R.App.P. 8(a)(2)(A), this Court may issue an order to stay all or part of the receivership ordered entered by the District Court.³

³ On August 18, 2012, a motion for stay was filed in the District Court. SR. v18 p164. That motion was based on testimony from attorneys who came forward to reveal that in or about September 2010, counsel for **the Ondova Trustee Sherman aggressively solicited them to make fee claims against Jeff Baron—even when told that no fees were owed.** SR. v18

This Court has adopted the four-factor test to determine whether stay pending appeal should be granted under Rule 8(a). *Belcher v. Birmingham Trust National Bank*, 395 F.2d 685 (5th Cir. 1968). Those factors are: (1) Likelihood of success on the merits; (2) A showing of irreparable injury if the stay is not granted; (3) Whether granting the stay would substantially harm the other parties; and (4) Granting of the stay would serve the public interest. *Id.* This Court has further ruled that the appellant “need not always show a ‘probability’ of success on the merits; instead, the movant need only present a substantial case on the merits when a serious legal question is involved and show that the balance of the equities weighs heavily in favor of granting the stay.” *Arnold v. Garlock, Inc.*, 278 F.3d 426, 439 (5th Cir. 2001).

The Receivership Property Involved in the November 9 ‘Auction’

A. 3,000 Domain Names owned by Novo Point LLC

The property auctioned by the receiver on November 9, 2012 includes approximately 3,000 domain names owned by Novo Point LLC. The value of these domain names, such as “Analyst.com”, “ChristmasTree.com”, etc... averages approximately \$12,000 per domain and **the value of the Novo Point domain name portfolio exceeds \$36,000,000.00**. Ex. K, page 3.

p173. The District Court has declined to rule on the motion, and in light of the November 9, 2012 sale of all of the receivership assets of Quantec LLC and Novo Point LLC, it is impracticable to wait for a ruling from the District Court.

No party pled any claims against Novo Point LLC at any time. Novo Point is not in bankruptcy. Rather, **Novo Point LLC's domain names** make up what is known as the "Blue Horizon" portfolio and **are not related to the District Court lawsuit in any way.** Moreover, Novo Point LLC's domain names were not part of the Netsphere/Baron joint venture and have nothing to do with Netsphere. In the underlying District Court lawsuit, Netsphere never claimed any right in or to any domain name from the "Blue Horizon" portfolio. R. 45-48, 112. Instead, in the global settlement agreement, **Netsphere and Sherman (for Ondova) expressly disavowed any rights in the "Blue Horizon" domain names**, and irrevocably abandoned and quitclaimed to Novo Point LLC any possible interest in them. R. 2241.

However, unless a stay is issued by this Honorable Court prior to November 30, 2012, the receiver and trustee will immediately consummate the Nov. 9 sale and leave Novo Point LLC an empty shell with its creditors unpaid, and with taxes unreported and unpaid for the past two years— since Mr. Vogel seized the company's assets as receiver. E.g., SR. v15 p1639.

B. 150,000 Domain Names owned by Quantec LLC

Like Novo Point LLC, no claim was pled against Quantec LLC. Like Novo Point LLC, Quantec LLC has never been alleged to have engaged in any wrongdoing. Quantec LLC is not in bankruptcy and no judgment has been

entered against it. The domains owned by Quantec LLC are known as “Odd Group Portfolio” against which Netsphere made **no claim for relief in the underlying District Court lawsuit**. R. 2240, 112, 45-48.

In the underlying District Court lawsuit, the Netsphere parties alleged that pursuant to a 2009 agreement, Baron was obligated to effectuate transfer of a specific list of domain names that the parties agreed was “the Netsphere Parties’ share of the Manila Domain Names”. R. 43,46. Netsphere had provided “two lists of domain names”, R. 44, referred to as the “Even Group Portfolio” and the “Odd Group portfolio”. R. 2239, 112. Based on a coin toss, **Netsphere won the “Even Group” as Netsphere’s share**. R. 112. Netsphere then sued in the District Court below to compel Ondova to effectuate the transfer of the “Even” list of domain names– “the Netsphere Parties’ share of the Manila Domain Names” pursuant to the 2009 agreement. R. 45, 47-48. In the District Court lawsuit Netsphere claimed an ownership right only as to the “Even Group”. *Id.*

C. Netsphere’s Claims & Settlement

Netsphere’s suit to recover the domain names promised to it in the 2009 agreement, the “Even Group”, was settled in July 2010 and approved by the Bankruptcy Court. R. 2234-62, 2225. By October 8, 2010, as attested to by Sherman’s counsel, “the settlement has been consummated.” BKR.DOC 535 at 13.

There is absolutely no question that the lawsuit settled. In the words of the Bankruptcy Court “**We nailed that down like never in the history of my career has that ever been nailed down in a court with regard to a settlement agreement.**” BKR. DOC 535 at 71. The Manila Related Parties agreed that they never had any ownership interest in Novo Point LLC or Quantec LLC, R. 2257, 2235, and, along with Jeff Baron, Novo Point and Quantec were fully released by Ondova and Netsphere from all possible liability. R. 2251-2253.

The Meritless Justification Offered for the Mass Disposal of Assets on the Eve of this Court’s Ruling on the Merits

The sole basis offered by the receiver for liquidating all of the assets of Novo Point LLC and Quantec LLC is that Sherman alleges he is due an additional \$701,000.00 attorney’s fee— from the receivership estates— for defending the receivership on appeal. SR. v19 p651-653. As a preliminary matter of law, the payment would be improper in light of the controlling precedent of this Honorable Court that when a trial court is divested of jurisdiction relating to the matter appealed from, “fees cannot be recovered” in the trial court for work relating to orders that have been appealed. *Taylor*, 640 F.2d at 668. Incredibly, **Mr. Sherman is not sure of any legal basis by which he is entitled to recover fees** from the receivership estates in the first place. BKR. DOC. 933 at 34:10-25.

Moreover, there is more than \$1.6 Million of cash on hand in the receivership estates' accounts. SR. v19 p398. The domains also generate over a million dollars in net income annually.⁴ Ex. C, pages 7, 17. Accordingly, if the purpose was payment of more fees to Sherman, **he could simply be paid in cash.** Clearly, there is some other reason for the push to try to irrevocably transfer the \$65,000,000.00 in domain name assets to shell companies owned by a nominal owner in Nevis. However, **no explanation** has been offered as to why all the assets of Novo Point LLC and Quantec LLC should be liquidated **on the eve of this Honorable Court's Ruling on the Merits** of this appeal of the receivership order.

Valuation of the Domain Names

A. Vogel's Appraiser - \$64,900,000.00

An independent appraisal by Estibot established that the domain name portfolios at issue are **worth more than \$64,900,000.** Ex. K, page 3. The Estibot appraisal was performed because in previously selling millions of dollars of the companies' domain name assets, Mr. Vogel presented both this Honorable Court and the trial court with sworn testimony repeatedly affirming the following:

⁴ At Oral Argument, the Appellee's counsel **erroneously** represented to this Honorable Court that the domain names needed to be liquidated quickly because they were a great expense, draining the receivership. The cost of registering the names is around \$70,000 per month as the Appellees represented. However, the domain names generate over \$170,000 *per month* in income, leaving a net profit of \$100,000.00 *per month*. Ex. C, pages 7, 17.

- a. “Estibot.com is a widely used and accepted” for “domain name appraisal”.
- b. “Estibot uses a vast amount of data including, but not limited, to previous sales data, keyword data, cost-per click data, type-in data, and a statistically generated algorithm to arrive at the most accurate domain value”.
- c. “Estibot.com’s appraisals typically are within 20% (either above or below) of the eventual sale price based upon my experience participating in and/or observing numerous domain name sales involving an Estibot.com appraisal.”
- d. “Domains which received an appraisal of less than \$5,000 on Estibot.com did not merit another appraisal which most likely cost money and not yield a significantly different result.”

Ex. J. pages 2-3, 12-13, 18-21.

In addition to Vogel’s appraisers Estibot and Sedo, two independent appraisers who specialize in domain name valuations and sales have all corroborated the value of the domain names at over \$65,000,000.00. Ex. K, O.

B. Vogel’s New ‘At most 8 times Income’ Theory

After it was revealed that Estibot appraised the domain names at over \$64 Million, Mr. Vogel hired an expert to provide a different opinion. The hired expert’s opinion is very simple– he assumes the price of domain names is at most eight (8) times their current net income and therefore multiplies that number times the annual income derived from the domains to determine their valuation. Ex. M, page 44:12-23. The expert’s assumption, however, was not based on any actual domain name sales prices. Ex. M, page 12:12-17.

Moreover, the expert never tested or validated his theory and never examined the income to sales price ratio of actual domain name sales. Ex. M, page 88:18-22. Not surprisingly, the hired expert's opinion is not corroborated by any source. Rather, when the actual domain name sales are examined, the sales prices average at more than 64 times the domain names' annual income, a ratio eight times greater than the untested ratio erroneously assumed by the receiver's expert. Ex. K, pages 4-6.

C. Judicial Estoppel

Mr. Vogel repeatedly obtained relief from the Court based on the sworn showing that **“Estibot.com’s appraisals typically are within 20% (either above or below) of the eventual sale price”**. Ex. J, pages 2-3, 12-13, 18-21; e.g. Doc 425-1. Based on that that showing and sworn evidence Vogel repeatedly offered as to the validity of the Estibot appraisals, the Court approved Vogel's motions to sell millions of dollars in domain names. E.g., SR. v15 p1956. Accordingly, the doctrine of Judicial Estoppel should prevent **Mr. Vogel from now contradicting the sworn statements he has previously offered** and “playing fast and loose” with the courts, by **completely changing his position based upon the exigencies of the moment**. *US v. McCaskey*, 9 F.3d 368, 378 (5th Cir. 1993); *Ergo Science, Inc. v. Martin*, 73 F.3d 595, 598 (5th Cir. 1996).

The Pre-Arranged Sale and the Rigged ‘Auction’

A. Summary: “Something very odd is going on here”

An independent bidder that attempted to participate in the ‘public auction’ best summarizes what is going on, as follows:

“Something very odd is going on here. I have phoned and emailed the contact on the website about the sale– but I cannot get a response from alleged trustee or the receiver.”

Declaration of Eli Pearlman, Ex. A p. 3.

B. The Legal Standard for Auctions

The Supreme Court has recognized that “[A]ny fraud by auctioneers is more dangerous than by owners”. *Veazie v. Williams*, 49 U.S. 134, 154 (1850).

With respect to pre-arranged deals worked out beforehand that are then cloaked in the form of a public sale with competition, the Supreme Court has held:

“To make a private bargain beforehand between the party who wishes to buy and the person authorized to sell, as to the price and other incidents of the contract, and then invoke the forms of a public sale with competition to give effect to the private bargain is a course of procedure well calculated to defeat the purpose for which the public sale is required”.

Porter v. Graves, 104 U.S. 171, 174 (1881).

Finally, the Supreme Court has ruled that a role of appellate review is to “preserve the sanctity of the judicial auction process and to uphold public confidence in judicial sales”. *Latvian Shipping Co. v. Baltic Shipping Co.*, 99 F.3d 690, 694 (5th Cir. 1996).

C. The Key Players and the Pre-Arranged Sale

In February 2012, Vogel (through Damon Nelson) contracted with **Domain Holdings Group** to manage the Novo Point LLC and Quantec LLC domain portfolios. Ex. C. Accordingly, Domain Holdings Group has all of the inside information regarding domain performance, number of visitors, income, etc. Domain Holdings Group is owned by Name Drive U.S., a shell for **Key Drive Group**, that itself owns about 170 other apparently shell corporations. See Ex. D, page 66.

On June 1, 2012 this Honorable Court notified the parties that the case would be set for oral argument.⁵ According to Vogel's internal documents, almost immediately thereafter Vogel aggressively turned to crafting an agreement involving shifting the receivership assets to the Ondova bankruptcy, and selling them through Domain Holding Group to an offshore shell company as a 'bankruptcy portfolio'. See Ex. B.

By the end of August, 2012, Vogel had worked out a formal contract with "**Special Jewel, Ltd.**" or its 'designee' to acquire all of the assets of both Quantec LLC and Novo Point LLC for \$4.9 Million through the bankruptcy court. Ex. E. Special Jewel, Ltd., is incorporated in Nevis, West Indies. *Id.* The management of Special Jewel is an individual named "**Chanelle Sturge**". *Id.* at

⁵ Document 511873667 filed on 6/01/2012 in case 10-11202.

p. 5. Ms. Sturge is a front—she is actually an employee of **Despen Trust Ltd.** of Nevis.⁶

The attorney who represents the Domain Holdings Group’s ownership is **Stevan Lieberman**. Ex. D, page 66. Mr. Lieberman also represents “**Special Jewel, Ltd.**”, the “Stalking Horse” bidder in the ‘auction’. *Id.* at 9. Notably, when question under oath, Mr. Lieberman was not at liberty to identify the owner of Special Jewel. *Id.* at 11.

Mr. Lieberman also represents “**Trans, Ltd.**”, the only other bidder participating at the Nov. 9th ‘auction’. *Id.* at 5. Trans, Ltd. is also incorporated in Nevis. Ex. I. When questioned under oath, Mr. Lieberman stated he was not at liberty to identify the officers, directors, or owners of Trans, Ltd. *Id.* at 8.

Trans, Ltd. was the ‘winning’ bidder. Ex. I. The representative of Trans, Ltd. is **Dexter Bowrin**. *Id.* at 26. After an *ex parte* conference with the Bankruptcy Judge, Mr. Lieberman testified that Dexter Bowrin is an owner of Trans, Ltd. Ex. D, p. 62. Dexter Bowrin is a front– he is an employee of **Despen Trust Ltd.** Ex. G.

⁶ Chanelle Sturge and Despen Trust Ltd. were made infamous by a NBC-New York investigative news report about setting up shill companies. Ex. H, p.2. According to Facebook, Ms. Sturge has worked at Despen Trust Ltd., studied at Clarence Fitzroy Bryant College and lives in Charlestown, Saint Kitts and Nevis. <<http://www.yasni.com/chanelle+sturge-woods/check+people>>.

To summarize:

- a. Mr. Lieberman represents the owners of Domain Holdings Group (who Vogel hired to manage the domain names), “Special Jewel, Ltd.” (who Vogel signed up as the ‘Stalking Horse’ bidder), as well as “Trans, Ltd.” (the only other bidder at the November 9th auction, and the ‘winning’ bidder).
- b. Chanelle Sturge was held out as the owner/representative of “Special Jewel, Ltd.” and Dexter Bowrin was held out as the owner/representative of “Trans, Ltd.” However, both **Sturge and Bowrin are actually employees of Despen Trust Ltd. of Nevis, which owns both bidders**, “Special Jewel” and “Trans”.

D. The Rigged Auction – Despen Trust Ltd. Bids against Itself

On November 9, 2012, **only two bidders participated in the ‘public auction’** conducted by Vogel’s counsel. Ex. M. **Both** bidders are shell companies **owned and operated by the same owner, Despen Trust Ltd. of Nevis**, and represented by the same attorney, Mr. Lieberman. The result of the ‘public’ auction was that Vogel sold over \$65,000,000.00 in receivership assets for only \$5.2 Million.

E. The Rigged Auction – Exclusion of Bona Fide Bidders

The testimony of Eli Pearlman, an attorney for one of the largest domain name companies in the world, lays out how Vogel and his counsel Jeffrey Fine conducted the sham auction to exclude *bona fide* bidders. Ex. A. The facts testified to by Mr. Pearlman are as follows:

- a. Vogel's advertising for the Auction led to a website "courtoorderedomainsale.com". At the website there was no phone number, email, or mailing address is listed. Instead, a form could be filled in to request further information. Ex. F. Mr. Pearlman filled in the form, and requested to participate in the auction. Ex. A, page 1. However, after the form was filled in, nobody contacted Mr. Pearlman. Instead, he was sent a form email letter from Mr. Fine, counsel for the Receiver, with the return address of "courtoorderedomainsale@gmail.com".
- b. When Mr. Pearlman attempted to send a letter requesting further information, the **email met with a 'permanent failure' and went nowhere**. Ex. A, p.2.
- c. **Mr. Pearlman** persisted and **sent Mr. Fine a *second email* directly to Mr. Fine's email address at his law firm**. *Id.* at page 2. Mr. Fine did not respond.
- d. Mr. Pearlman persisted and **telephoned Mr. Fine** requesting that he contact Mr. Pearlman about the auction. Mr. Fine did not respond.
- e. Still, Mr. Pearlman persisted and ***again telephoned Mr. Fine*** and left ***another message*** requesting that he contact Mr. Pearlman about the auction. Mr. Fine did not respond.
- f. So, on October 30, 2012 Mr. Pearlman ***again wrote*** Mr. Fine, now for the **third time**, provided his phone number, explicitly **explained that he represented one of the largest domain name companies in the world and was attempting to participate in the auction.** Mr. Pearlman requested Mr. Fine call to discuss the auction. Mr. Fine still did not respond.
- g. After the auction date had passed and his client had been excluded as a bidder, Mr. Pearlman contacted Steve Cochell and revealed that "I have phoned and emailed ... but I cannot get a response from alleged trustee or the receiver." *Id.* at 3.

Obviously, Mr. Fine would have contacted Eli Pearlman after receiving his first phone call or email unless Mr. Fine was seeking to avoid having *bona*

fide bidders participate in the auction. **Mr. Fine’s refusal to contact Mr. Pearlman in the face of *multiple* phone calls and *multiple* emails, clearly demonstrates the intention to prevent competitive bidding in order to transfer the assets to a pre-determined buyer.** Whether under cover of “Special Jewel, Ltd.” or “Trans, Ltd.”, that pre-determined buyer is the same—Despen Trust Ltd. of Nevis.

Success on the Merits

There is controlling precedent that is dispositive of the appeal, including as follows:

- A. **The district court lacks subject-matter jurisdiction to impose a receivership over property that is not itself subject to a claim at controversy before the court.** *Cochrane v. WF Potts Son & Co.*, 47 F.2d 1026, 1028-1029 (5th Cir. 1931). Similarly, **a party seeking to impose a receivership must have the standing to apply for one.** *Williams Holding Co. v. Pennell*, 86 F.2d 230, 230 (5th Cir. 1936).
- B. **Equity jurisdiction to impose a receivership over private property extends only to “preserve and protect the property pending its final disposition” where a claim seeking “a final decree involving the disposition of property” is at controversy before the court.** *Gordon v. Washington*, 295 U.S. 30, 36-37 (1935). **Receiverships are “to preserve the subject-matter in dispute”.** *Forgay v. Conrad*, 47 U.S. 201, 204-205 (1848).
- C. **Private property not at controversy before the court is off-limits to the court’s equitable reach.** *In re Fredeman Litigation*, 843 F.2d 821-822, 825 (5th Cir. 1988); *De Beers Consol. Mines, Ltd. v. United States*, 325 U.S. 212, 220 (1945).
- D. **Where a district court lacks jurisdiction, it is without power to make any disposition of the assets ordered into receivership.** *Lion Bonding & Surety Co. v. Karatz*, 262 U.S. 640, 642 (1923). Similarly,

where a court lacks jurisdiction or authority to impose a receivership over property, it lacks discretion to award any part of that property to pay the costs of the receivership. *Atlantic Trust Co. v. Chapman*, 208 U.S. 360, 373 (1908).

- E. **Filing of a notice of appeal** confers jurisdiction on the court of appeals and **divests the district court of its control over all aspects of the case involved in the appeal**. *Griggs v. Provident Consumer Discount Co.*, 459 U.S. 56, 58 (1982).
- F. **Due Process** requires that *ex parte* seizure of private property be supported by **sworn application establishing the need for the *ex parte* relief**, and a **bond to pay the absent party damages** should the issuance of the order be wrongful. *See Connecticut v. Doehr*, 501 U.S. 1, 4 (1991).
- G. The district court is authorized to impose an *ex parte* injunction only if the movant gives **security proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined**. *Phillips v. Chas. Schreiner Bank*, 894 F.2d 127, 131 (5th Cir.1990).
- H. **Receivership cannot be used to adjudicate alter ego claims**. *Bollore SA v. Import Warehouse, Inc.*, 448 F.3d 317 (5th Cir. 2006).
- I. **The Seventh Amendment right to jury trial cannot be dispensed with** nor can it be impaired by blending with a demand for equitable relief. *Scott v. Neely*, 140 U.S. 106, 109-110 (1891).

Irreparable Injury, Harm & the Public Interest

This Honorable Court has ruled that **the sale of the assets of Novo Point LLC and Quantec LLC would present significant mootness concerns that could impede the Court’s “ability to resolve the relevant issues”**. Similarly, unless consummation of the November 9th ‘auction’ sale is stayed, Novo Point LLC and Quantec LLC face the death penalty loss of over \$59,700,000.00– the

difference between the ‘auction’ price of their assets, and the assets’ actual appraised value.

With respect to the **need to keep in place this Court’s stay prohibiting consummation of the completed and approved ‘auction’**, the Supreme Court has recognized that “the need to preserve the sanctity of the judicial auction process and to uphold public confidence in judicial sales” is a proper basis for action by the Appellate Court. *Latvian Shipping Co.*, 99 F.3d at 694. While the unusual proceedings⁷ in the Bankruptcy Court are not before this Court on appeal, none of the receivership parties are in bankruptcy and **the property involved is receivership res**. Accordingly, a stay is necessary to protect the power of this Court to provide effective relief should it find in favor of the Appellants on the merits. *See e.g., Mills v. Green*, 159 U.S. 651, 653 (1895).

While issuing a stay protects the public interest and integrity of the Courts, there is no harm to any party by granting one. The stated need for the mass liquidation is to pay Mr. Sherman an additional \$700,000.00 fee for defending the appeal of the receivership. If the merits are resolved in Mr. Sherman’s favor, **there is \$1.6 Million in cash held in receivership from**

⁷ In unusual proceedings prohibited by Fed.R.Bankr.P. 9003(a) and 9003(b), the Bankruptcy Judge cleared the courtroom for a private, *ex parte* session with the ‘winning bidder’ and the U.S. Trustee. From the perspective of open proceedings, the record is chilling, “THE COURT: -- **in the courtroom. And the doors are closed. No one can hear**”. Ex. D at 20:16-20. Then, when the unusual auction proceedings were discovered (such as excluding *bona fide* bidders) and raised to the attention of the Bankruptcy Court, the Bankruptcy Court was neither interested in allowing discovery nor in considering testimony on the matter. BKR. DOC. 943.

which he can be paid. There is no necessity to liquidate all the assets of Novo Point LLC or Quantec LLC.

Serious Legal Issues Presented on Appeal

While the Appellants contend that the jurisdictional issues are dispositive, the instant appeals also present a series of serious legal issues with respect to (1) jurisdiction, (2) the Constitution, and (3) the limitations on fee awards in receiverships. For example, Appellants contend that this Court should recognize that the Fourth Amendment requires a **sworn** showing of cause be made out by oath or affirmation **prior** the entry of an order authorizing an officer to seize a person's property as receiver.

The vast difference between what a party is willing to *allege* compared to what that same party will swear to under oath is clearly illustrated in this case. Sherman was willing to *allege* that Jeff Baron was “not complying”, SR. v2 p293, and “not cooperating”, R. 1577, with the order to mediate former attorney's alleged claims, and therefore the Court needed to “**appoint Mr. Vogel as the receiver in essence to make sure that a mediation of those attorneys' fees claims can occur**”, SR. v2 p293, since Baron “so obstructed the efforts to employ a mediator that the claims that he has created cannot be resolved without court action”, R. 1871. The District Court believed. SR v2 p353. But when Sherman was placed under oath, a very different story was

told— suddenly, *under oath*, it wasn't Jeff Baron who flaunted the Court's orders, rather, "**none of the lawyers would agree to mediate**". BKR. DOC 933 at 23:8.

Similarly, *under oath* Sherman admitted that "the Chapter 11 Trustee, the Netsphere parties, Mr. Baron individually ... **all of the parties released each other for anything** up to and including the date of the global settlement agreement," *Id.* at 48. Moreover, *under oath* Sherman admitted that "other than an intent", with respect to obligations due Ondova, **there was no provision in the agreement that he thinks Mr. Baron violated**, *Id.* at 56, and in fact, "Mr. Baron didn't actually owe [Ondova] any performance under the global settlement agreement". *Id.* at 58.

Accordingly, aside from the underlying procedural and jurisdictional defects, if a **sworn** showing of probable cause were required before the District Court was empowered to issue an order authorizing its officer to seize all of Mr. Baron's property, the order would never have issued in the first place.

PRAYER

Wherefore, Jeffrey Baron, Novo Point LLC, and Quantec LLC jointly pray that this Honorable Court consider and grant this motion and order:

- (1) That the stay imposed by this Court prohibiting consummation of the November 9, 2012 'auction' sale be continued in full force;
- (2) That title to the domain names held in Receivership not be transferred or encumbered without further order of this Court;

- (3) That no substantial distributions of the assets of the Receivership be made except by further order of this Court, except only distributions to pay renewal fees for the domain portfolios, and for Mr. Baron's expenses as approved by the District Court, or by further order of this Court;
- (4) That the receiver pay all domain renewal fees so that no domains are 'lost' due to non-payment;
- (5) That the Receivership Order's restrictions and prohibitions on Mr. Baron's right to engage in commercial transactions, to possess assets, to earn and acquire income, to purchase and hold property, to travel freely with his property, and to freely retain hired counsel, be immediately stayed;
- (6) That the Vogel receivership order shall be stayed as to all injunctions imposed against Jeffrey Baron;
- (7) That the Vogel receivership order be stayed as to all future wages and income of Jeffrey Baron;
- (8) That the Vogel receivership order be entirely stayed as to Jeffrey Baron personally; and
- (9) That all other and further relief as found just by this Court shall issue.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps
Texas State Bar No. 00791608
5430 LBJ Freeway, Suite 1200
Dallas, Texas 75240
(972) 200-0000 - Telephone
(972) 200-0535 - Facsimile
Email: legal@schepps.net
COUNSEL FOR APPELLANTS

REQUEST FOR FILING EXHIBITS J-O UNDER SEAL

Exhibits J-O contain material that may be covered by a protective order in the District Court requiring the filing of the material under seal. In an abundance of caution this request is made in conformity with that order, seeking leave to file Exhibits J-O under seal.

CERTIFICATE OF EMERGENCY

This is to certify that the facts giving rise to the need for emergency relief are true and complete. **A ruling is requested by November 29, 2012.**

CERTIFIED BY: /s/ Gary N. Schepps
Gary N. Schepps
COUNSEL FOR APPELLANTS

CERTIFICATE OF NOTICE

This is to certify that notice of the filing of this request for emergency relief was provided by telephone to the Clerk of the Fifth Circuit Court of Appeals and to counsel for the Appellee.

CERTIFIED BY: /s/ Gary N. Schepps
Gary N. Schepps
COUNSEL FOR APPELLANTS

CERTIFICATE OF SERVICE

This is to certify that this brief was served this day on all parties who receive notification through the Court's electronic filing system.

CERTIFIED BY: /s/ Gary N. Schepps
Gary N. Schepps
COUNSEL FOR APPELLANTS

Case Nos. 12-10489 and 12-10657

**IN THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT**

=====

Consolidated with 10-11202

NETSPHERE, INC. et. al,

Plaintiffs

v.

JEFFREY BARON,
Defendant/Appellant

v.

ONDOVA LIMITED COMPANY,

Defendant/Appellee

Consolidated with No. 11-10113

NETSPHERE INC., et al, Plaintiffs

v.

JEFFREY BARON, et al, Defendants

v.

QUANTEC L.L.C.; NOVO POINT L.L.C.,
Movants – Receivership Parties

v.

PETER S. VOGEL,
Appellee

Consolidated with No. 11-10289

NETSPHERE, INC., et al., *Plaintiffs*

v.

JEFFREY BARON, *Defendant-Appellant*

v.

DANIEL J. SHERMAN, *Appellee*

Consolidated with No. 11-10290

NETSPHERE, INC., et al., *Plaintiffs*

v.

JEFFREY BARON et al., *Defendants*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Movants-Receivership Parties*

v.

PETER S. VOGEL, *Appellee*

Consolidated with No. 11-10390

NETSPHERE INC., et al., *Plaintiffs*

v.

JEFFREY BARON, *Defendant-Appellant*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Movants-Receivership Parties*

v.

ONDOVA LIMITED COMPANY, *Defendant-Appellee*,

v.

PETER S. VOGEL, *Appellee*

Consolidated with. 11-10501

NETSPHERE, INC., et al., *Plaintiffs*

v.

JEFFREY BARON, *Defendant-Appellant*

QUANTEC L.L.C.; NOVO POINT L.L.C., *Movants-Receivership Parties*

CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.,
Appellant

v.

PETER S. VOGEL; DANIEL J. SHERMAN, *Appellees*

Consolidated with No. 12-10003

NETSPHERE, IN. et al., *Plaintiffs*

v.

JEFFREY BARON, *Defendant/Appellants*

v.

QUANTEC L.L.C.; NOVO POINT L.L.C., *Movants-Receivership Parties*

v.

GARY SCHEPPS, *Appellant*

v.

PETER S. VOGEL., *Appellee*

Consolidated with No. 12-10444

In Re: NOVO POINT LLC, *Petitioner*

Consolidated with 12-10489

NETSPHERE, INC. et al., *Plaintiffs*

v.

JEFFREY BARON, *Defendant-Appellant*

NOVO POINT L.L.C.; QUANTEC L.L.C.; *Movants-Appellants*

v.

PETER S. VOGEL; DANIEL J. SHERMAN, *APPELLEES*

Consolidated with 12-10687

NETSPHERE, INC., et al., *Plaintiffs,*

v.

JEFFREY BARON, *Defendant-Appellant*

v.

NOVO POINT L.L.C.; QUANTEC L.L.C., *Movants-Appellees,*

v.

PETER S. VOGEL; DANIEL J. SHERMAN, *Appellee*

=====
Appealed from the United States District Court
Northern District of Texas, Dallas Division
Civil Action No. 3-09CV0988-F

Honorable Judge William Royal Furgeson, Jr., Presiding
=====

**RESPONSE TO APPELLANT’S POST-ARGUMENT EMERGENCY
MOTION TO STAY**

Appellant Jeffrey Baron (“Appellant” or “Baron”) has filed the wrong motion at the wrong time in the wrong court, supported only by hearsay evidence that was never presented to—much less admitted by—the Bankruptcy Court or the District Court. Baron’s misleading and omission-plagued Post-Argument Emergency Motion to Stay (the “Motion to Stay”) should be denied.

Remarkably, although evidentiary in nature, Baron’s Motion to Stay fails to disclose that the Bankruptcy Court dedicated over four full days earlier this month to an evidentiary Plan Confirmation Hearing focused on, *inter alia*, evaluating the fairness, propriety and commercial reasonability the auction of the domain names that Baron’s Motion now attacks as improper. In other words, the Plan Confirmation was a

multi-day bench trial on the same issues now presented in Baron's Motion to Stay. At the Plan Confirmation Hearing before the Bankruptcy Court on November 13, 14, 16, 19 and 20, Baron did not seek or obtain the admission of much of the purported "evidence" that now accompanies his Motion to Stay in this Court. Similarly, Baron's Motion to Stay relies heavily on a purported \$65 million valuation of the domain names that the Receiver and the Trustee jointly propose to sell (Motion at 14-16), notwithstanding that the Bankruptcy Court granted the Receiver's *Daubert*¹ challenge to Baron's expert's secret valuation methodology, and therefore excluded this \$65 million valuation from evidence. See Findings of Fact and Conclusions of Law of November 21, 2012 at ¶ 31, attached hereto at Exhibit A.

Indeed, Baron entirely fails to inform this Court that on November 21, 2012, the Bankruptcy Court issued 35-pages of findings of fact and conclusions of law that, *inter alia*, held "that the marketing, auction and sale process ***were fair and reasonable and the product of***

¹ See *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993); FED. R. EVID. 702. The Bankruptcy Court refused to allow Baron's valuation expert to testify, as follows: "After a *Daubert*-objection was lodged by the Receiver's counsel, ***the court did not let Dr. Lindenthal testify as to his opinion on the value of the Domain Names***, because he could not share the methodology he used—it is proprietary information of [his employer] Sedo, LLC." Findings of Fact and Conclusions of Law of November at ¶ 31 (emphasis added).

reasonable business judgment, an arms-length, good faith and fair process, there was a business justification therefore, and the result was a fair price and winning bid and back up bid that are reasonably equivalent to the best evidence of market value of the Domain Names.” See Findings of Fact and Conclusions of Law of November at ¶ 33 (emphasis added). Notably, and in sharp contrast to the core contention in Baron’s Motion to Stay (at pp. 10-16), the Bankruptcy Court expressly found that the \$5.2 million high-bid achieved via the November 9 auction of the domain names was fair and commercially reasonable:

First, the question of value of these names has been hotly disputed at the Confirmation Hearing. Mr. Baron has objected vehemently to the sale of the Domain Names. He believes they are worth \$60+ million, which is far less than the \$5.2 million Winning Bid for the Domain Names. But the credible evidence from the Confirmation Hearing (from the Receiver; the Chapter 11 Trustee; Mr. Baron; Matthew Morris (the Receiver’s expert); Thies Lindenthal (Mr. Baron’s expert); and Steve Lieberman, (a lawyer representative for the Winning Bidder, by telephone) *just does not support such a conclusion.*

Findings of Fact and Conclusions of Law of November at ¶ 13 (emphasis in original). Contrary to the hyperbolic allegations made in Baron’s Motion to Stay, the Bankruptcy Court further found that “The

Receiver's expert (Matthew Morris) credibly testified that he believed the Domain Names were worth from \$3-5 million" (*id.* at ¶ 21) and that "the Winning Bidder and Back-up Bidder (if the latter is ultimately the purchaser), were good faith purchasers for value." *Id.* at ¶ 34.

Stated simply, Baron's Motion to Stay improperly pretends that the four-day Plan Confirmation Hearing in the Bankruptcy Court did not take place, and instead asks the Fifth Circuit to conduct its own independent evidentiary inquiry—free of any record from any trial court and based on evidence that was either not presented to the Bankruptcy Court,² or that the Bankruptcy Court excluded or found not to be credible. The Fifth Circuit is neither tasked with nor equipped to conduct the sort of original evidentiary inquiry that Baron apparently desires, particularly as the Bankruptcy Court (albeit without any

² Baron seems to have purposefully failed to even attempt introduce certain "evidence" that now serves as the basis for his Motion to this Court. For example, the November 13, 2012 e-mail from a Los Angeles lawyer named Eli L. Pearlman to Baron's trial counsel, Stephen Cochell, is the key exhibit in support of Baron Motion to Stay. *See* Motion at 17, 20-22. However, this purportedly "critical" hearsay e-mail was never presented to—much less admitted by—the Bankruptcy Court. Baron's failure to present this e-mail to the Bankruptcy Court is revealing, as Baron's counsel received it during the noon hour on the first day (Tuesday, November 13, 2012) of the multi-day Plan Confirmation Hearing. Tellingly, despite now relying heavily on it before the Fifth Circuit, Baron did not seek the admission of this hearsay e-mail on the afternoon of November 13, or at any point during the continuation of the hearing on November 14, 16, 19 or 20. More strangely still, the Pearlman e-mail of November 13, 2012 was sent to Baron's counsel a matter of only minutes after Judge Jernigan issued a bench ruling denying Baron's Motion to Continue the Plan Confirmation Hearing and request to reopen discovery.

mention in Baron's Motion) just conducted such a hearing and entered exhaustive Findings of Fact and Conclusions of Law reporting its findings and explicitly rejecting the evidentiary arguments at the heart of Baron's Motion. See Exhibit A at ¶¶ 1-44. It would be improper for this Court to grant Baron an Emergency Stay based on "evidence" that Baron strategically declined to offer in the Bankruptcy Court (such as the Eli Pearlman e-mail of November 13, 2012) or that the Bankruptcy Court just last week rejected as lacking credibility or as inadmissible (such as the *Daubert*-barred secret formula-based valuation testimony of Baron's purported expert).

Separately, Baron also fails to disclose that prior to filing his Emergency Motion to Stay in the Fifth Circuit, he failed to seek a stay—on an emergency basis or otherwise—from either the Bankruptcy Court (Judge Jernigan) or the District Court (Judge Furgeson). Federal Rules of Appellate Procedure 8(a)(1) and 8(a)(2)(A) forbid Baron from requesting a stay from the Fifth Circuit without first requesting that same relief in the trial court. Moreover, Baron's failure to seek a stay from the District Court is particularly odd here, as he has already filed a Notice of Appeal in the District Court and is evidently seeking to

challenge the Bankruptcy Court's Order Confirming the Joint Plan (attached as Exhibit B) in that court.

Notwithstanding the manifest irregularities and fatal procedural flaws that plague Baron's Emergency Motion for Stay, the Receiver is, consistent with his ethical and fiduciary duties, in the process of investigating the very serious (indeed, potentially criminal) allegations made by Baron's counsel in this Court. The Receiver represents that, absent an intervening order from this Court, he intends to file a Motion to Take Notice in the Bankruptcy Court and the District Court that will include Mr. Baron's stay filing here, and give those two trial courts the opportunity to investigate and receive evidence—as they see fit and deem necessary—regarding the allegations made by Baron in his Emergency Motion to Stay.

CONCLUSION

For all the foregoing reasons, Baron's Emergency Motion to Stay should be denied. Baron has attempted a transparent end-run around the jurisdiction of the Bankruptcy Court and the District Court, and has improperly asked the Panel to serve as an evidence-taking court. To the extent the scandalous allegations made in Baron's Emergency Motion to

Stay warrant investigation, that task should be undertaken by the Bankruptcy Court and the District Court and the Receiver intends to bring Baron's allegations to the attention of both those tribunals.

Respectfully submitted,

/s/ David J. Schenck

David J. Schenck
State Bar No. 17736870
Jeffrey R. Fine
State Bar No. 07008410
Christopher D. Kratovil
State Bar No. 24027427

DYKEMA GOSSETT PLLC
1717 Main Street, Suite 4000
Dallas, Texas 75201
(214) 462-6400
(214) 462-6401 (Fax)

**ATTORNEYS FOR PETER S.
VOGEL, RECEIVER**

CERTIFICATE OF SERVICE

This is to certify that this brief was served this day on all parties who receive notification through the Court's electronic filing systems.

DATED: November 28, 2012.

CERTIFIED BY: /s/ David J. Schenck

David J. Schenck
Counsel for Appellee, Peter S. Vogel, Receiver

EXHIBIT A



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Stacy G. C. George
United States Bankruptcy Judge

Signed November 21, 2012

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
§
ONDOVA LIMITED COMPANY, § Case No. 09-34784-SGJ-11,
§
Debtor. §

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER
CONFIRMING THIRD AMENDED JOINT PLAN OF LIQUIDATION FOR DEBTOR'S
ESTATE UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE
[DE #924, FILED NOVEMBER 12, 2012]¹

I. Introduction

The above-referenced bankruptcy judge held an evidentiary hearing on November 13, 14, 16 and 19 ("Confirmation Hearing") to consider confirmation of a Third Amended Joint Plan of

¹ "DE # _" as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No. 09-34784-SGJ-11 .

Liquidation for Debtor's Estate Under Chapter 11 of the United States Bankruptcy Code (the "Joint Plan") [DE # 924]. The Joint Plan was proposed jointly by: (a) Daniel J. Sherman, the Chapter 11 Trustee ("Chapter 11 Trustee") over the bankruptcy estate of Ondova Limited Company ("Ondova" or the "Debtor"), and (b) Peter S. Vogel, the Receiver ("Receiver") presiding over the equity receivership ("Receivership") established by the United States District Court for the Northern District of Texas, Dallas Division ("District Court"), in Case No. 3:09-CV-0988-F ("District Court Case"), on November 24, 2011, with respect to Mr. Jeffrey Baron ("Baron") and Baron's affiliated entities other than Ondova (collectively, the "Receivership Entities"). Baron was formerly the chief officer and sole equity owner of the Chapter 11 Debtor, Ondova. The Joint Plan contemplates approval and implementation of: (a) a so-called "Plan Settlement"² between the Ondova bankruptcy estate and the Receivership Entities; (b) a sale of significant assets contributed to the Joint Plan by the Receivership; (c) the creation of a Liquidating Trust to accept substantially all the assets and liabilities of both the Ondova bankruptcy estate and the Receivership, which Liquidating Trust would resolve and pay all remaining claims of and against the Receivership and the Debtor, with a return of

² All capitalized terms used herein that are not expressly defined herein shall have the meaning ascribed to them in the Joint Plan.

residual funds or assets to Baron after the satisfaction of all claims; and (d) certain releases of parties and professionals. The bankruptcy court heard testimony from six (6) witnesses and reviewed extensive documentary evidence during the 4-day Confirmation Hearing. The court, on occasion, took judicial notice of case filings or case events, when requested by a party. Based upon the evidence submitted, the court hereby approves and confirms the Joint Plan, pursuant to Section 1129 of the Bankruptcy Code and, as part and parcel, approves the overall fairness and equity of the Plan Settlement, pursuant to Bankruptcy Rule 9019 (including the ancillary releases of parties and professionals that has been proposed) and the overall fairness of the sale process and proposed sale of assets further described herein, pursuant to Section 363 and 105 of the Bankruptcy Code. The court overrules all pending objections to the Joint Plan. Finally, this court will also make a report and recommendation to the District Court, proposing that the District Court, after considering these Findings and Conclusions, approve the Joint Plan as it relates to the Receivership. The following are the bankruptcy court's findings of fact and conclusions of law from the Confirmation Hearing, pursuant to Fed. R. Bankr P. 7052 and Fed. R. Civ. P. 52. The court reserves the right to supplement or amend these Findings of Fact and Conclusions of Law. Any Finding of Fact set forth herein that is more in the nature of a Conclusion of Law should be deemed as such,

notwithstanding subheadings herein, and *vice versa*.

II. Jurisdiction

The Confirmation Hearing was a contested matter. Fed. R. Bankr P. 9014. Bankruptcy subject matter jurisdiction existed in the contested matter pursuant to 28 U.S.C. § 1334(b). This bankruptcy court had authority to exercise the bankruptcy subject matter jurisdiction in the contested matter, pursuant to 28 U.S.C. § 157(a) and the Standing Order of Reference of Bankruptcy Cases and Proceedings (Misc. Rule No. 33), for the Northern District of Texas, dated August 3, 1984, and pursuant to various specific orders of the District Court entered in the related District Court Case. Additionally, statutory "core" matters have been involved in this contested matter, as contemplated by at least 28 U.S.C. § 157(b)(2)(A), (B), (L), (N) and (O).

III. Findings of Fact

1. By way of background, Ondova filed a voluntarily Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, on July 27, 2009 (Case No. 09-34784-SGJ-11) at a time when Ondova was still controlled by Ondova's former president and sole equity owner, Mr. Baron. As alluded to earlier, Mr. Baron and related non-Ondova entities that Mr. Baron once controlled are currently the subject of a federal equity receivership.

2. Ondova was formerly in the business of being an internet

domain name registrar ("Registrar"). As is fairly well known, an "internet domain name" is a term that most typically ends in the characters ".com" or ".net" and is essentially an internet address. Testifying experts in this case referred to domain names as something similar to "virtual real estate."

3. Ondova was formerly engaged in the business of being something like a "middle man" in the domain name world in that, for a fee, Ondova could register a ".com" or ".net" domain name for a person wanting to own and use a domain name (the latter being referred to as a "Registrant"). Ondova performed this "middle man" registration activity pursuant to a license it had from the Internet Corporation for Assigned Names and Numbers ("ICANN")—which is, essentially, a creature of the United States Department of Commerce—and also pursuant to an agreement with Verisign, Inc. ("Verisign")—which is a private corporation that essentially acts as the operator of the huge ".com" and ".net" registries. Verisign is not in any way related to Ondova.

4. Approximately six weeks after Mr. Baron filed the Ondova bankruptcy case, this bankruptcy judge ordered the appointment of a Chapter 11 Trustee, on September 11, 2009 [DE # 85], when certain creditors and the bankruptcy court became concerned that Mr. Baron did not understand basic fiduciary duties and did not want to cooperate in many regards. Among other things, Mr. Baron hired and fired lawyers repeatedly and did not wish to testify on certain relevant subjects (asserting his Fifth Amendment

privilege against self-incrimination, rather than testifying about the business affairs of Ondova). The United States Trustee, thus, appointed the individual named Daniel J. Sherman as the Ondova Chapter 11 Trustee on September 17, 2009 [DE # 98]. No party ever appealed the order directing the appointment of a chapter 11 trustee.

5. Over the course of the Ondova bankruptcy case, it was reported by parties that there were hundreds of thousands of ".com" and ".net" domain names (perhaps 600,000 or more in number) that had been owned by various offshore companies/trusts that Mr. Baron owned or controlled, or by a joint venture that Mr. Baron was a part of, and a few domain names were even owned by Ondova.³ Certain of these domain names were subject to claims of trademark-infringement (and posed litigation risks and burdens); certain of these domain names were possibly valuable; and certain of these domain names were likely not-so-valuable. There was various litigation in both the bankruptcy court and before the District Court (Judge Royal Furgeson), regarding these domain names.

6. Certain litigation before Judge Royal Furgeson regarding

³ The term "ownership" *vis-a-vis* an internet domain name is somewhat imprecise. A member of the public can register a domain name for use on the internet, and thereby become known as the "registrant" for the domain name. This right to usage of a name is more similar to a lease right, as opposed to ownership of the name. Obviously, there are often individuals or companies who register a trademark for certain names and these people are more in the nature of "owners."

certain domain names was originally styled *NetSphere Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*, Civil Action No. 3:09-CV-0988-F (earlier defined as the "District Court Case"). Eventually, a Mutual Settlement and Release Agreement ("2010 Global Settlement")⁴ was reached and approved by the bankruptcy court on July 28, 2010 [DE # 394] that appeared to resolve much of the Ondova bankruptcy case, the Judge Furgeson District Court Case, and many other pending lawsuits and disputes in various courts. There were dozens of parties to this 2010 Global Settlement, including Mr. Baron and various offshore entities that Mr. Baron controlled directly or indirectly. However, Mr. Baron promptly began hiring and firing more lawyers and undertaking litigation tactics that seemed aimed at undermining the 2010 Global Settlement, driving up costs, and delaying the Ondova bankruptcy case. Eventually, District Judge Furgeson appointed a receiver over Mr. Baron's assets and personal affairs, in an Order Appointing Receiver, signed by him on November 24, 2010, as clarified by a second order on December 17, 2010 (collectively, the "Receivership Orders"). The Receivership Orders did the following, among other things: (a) put the assets and business affairs of Mr. Baron (other than Ondova-which was, of course, already in a bankruptcy case under the control of a Chapter 11 Trustee) into a personal

⁴ Exh. N-1.

receivership, with Peter S. Vogel as the Receiver—mostly so that the 2010 Global Settlement could be at long-last finalized; (b) clarified that various entities that Mr. Baron controlled, including an entity named Novo Point and an entity named Quantec, were parties included as part of the receivership (the “Receivership Parties”). The entities Novo Point and Quantec owned (or were Registrants for) most of the domain names controlled by Mr. Baron.

7. The bankruptcy case and Receivership District Court case have been lengthy and wildly contentious, largely because Mr. Baron has opposed through attorneys virtually every action proposed by either the Chapter 11 Trustee or the Receiver (many times the Chapter 11 Trustee and Receiver have proposed joint actions—seeking approval in both the District Court and bankruptcy court) and, when either the Chapter 11 Trustee or Receiver have obtained court permission to take an action, Mr. Baron has usually appealed the applicable court order. This court has been informed that there are several dozen appeals now pending at the United States Court of Appeals for the Fifth Circuit (“Fifth Circuit”).

8. Against this back drop, the Chapter 11 Trustee and Receiver have now proposed the Joint Plan to attempt to finally put an end to the Ondova bankruptcy case and the Receivership. It was reported to the bankruptcy court prior to the confirmation Hearing that the Receivership currently has approximately \$1.5

million of cash on hand and the Ondova bankruptcy estate currently has approximately \$900,000 of cash on hand. There are well in excess of \$3 million of unpaid administrative expenses and claims that are pending against the Ondova estate and against Mr. Baron or Mr. Baron's entities (and some claimants have asserted claims against both Ondova and Mr. Baron jointly and severally or interchangeably). Many of the claims are former lawyers' fee claims, but there have also been other creditors of various types asserting claims against Ondova and Mr. Baron—not the least of which was the University of Texas, which was asserting trademark infringement claims against Ondova (asserting approximately \$4 million of damages, which the Chapter 11 Trustee negotiated down to \$250,000). There were various other claimants asserting trademark infringement claims.

9. The lines between Mr. Baron, Ondova, and the Receivership Parties have sometimes been blurry. The Chapter 11 Trustee and Receiver have presented credible arguments and evidence of alter ego *vis-a-vis* Mr. Baron and the various entities he controlled. Moreover, certain claimants (lawyers) who were engaged by Mr. Baron individually to represent Mr. Baron's interests have made "substantial contribution" claims against the Ondova bankruptcy estate, pursuant to Section 503(b)(3)(D) and (4) of the Bankruptcy Code. Moreover, Ondova has incurred various legal fees and expenses associated with the

Receivership (including fees and expenses incurred at the Fifth Circuit) that the Chapter 11 Trustee asserts should be reimbursed by the Receivership. In light of these facts, and to avoid the expense, delay and complexity of further litigation, the Receiver and Chapter 11 Trustee reached the Plan Settlement (as further defined in the Joint Plan). The Plan Settlement contemplates, among other things: (a) a settlement of all claims by and between the Chapter 11 Trustee, on the one hand, and the Receivership Entities, on the other hand, conditioned on confirmation and consummation of the Joint Plan; (b) establishment of a Liquidating Trust (with the Chapter 11 Trustee to serve as Liquidating Trustee); (c) acceptance by the Liquidating Trust of essentially all the liability asserted against the Receivership, the Receivership Entities, the Ondova estate and Ondova (with the exception of Manilla/NetSphere's alleged damages now being asserted against Mr. Baron for Mr. Baron's alleged breach of the post-Ondova-bankruptcy 2010 Global Settlement); (d) transfer to the Liquidating Trust of the domain name portfolios that are held by the Receivership Entities known as Novo Point and Quantec, and/or the sale proceeds of such domain names, with such domain names to be liquidated in an auction and sale process pursuant to Section 363 of the Bankruptcy Code; (e) transfer to the Liquidating Trust of all remaining assets of the Ondova bankruptcy estate and the Receivership, except for certain amounts of Receivership cash on

hand necessary to pay unpaid Receivership counsel fees and other costs (with the establishment of a wind-down plan for the Receivership in conjunction with the Liquidating Trust); and (f) residual assets of the Liquidating Trustee to be returned to Mr. Baron ultimately. Any and all professional fee and expense claims not already approved will be required to be approved by either the District Court or the bankruptcy court (as appropriate).

10. To be clear, a pooling of assets and liabilities is contemplated between the Ondova bankruptcy estate and Receivership (see Section 1123(a)(5)(C) of the Bankruptcy Code), and the justification that has been proposed for same is not just alter ego facts and arguments, but the fact that the Ondova estate has cogent arguments that it has incurred fees and expenses that should be reimbursed by the Receiver and there are many claimants who could cogently argue claims against both Ondova and the Baron entities. The court finds that the Plan Settlement between the Ondova estate and the Receivership is fair and equitable and is in the best interests of the two estates, the various creditors of both, and also to Baron. In making this finding, the court is considering a multitude of factors, including the complexity and likely duration of further litigation in both the bankruptcy court and District Court if there is no settlement, and any attendant expense; the inconvenience and delay associated with such litigation; the

proportion of creditors who do not object to, or who affirmatively support the proposed settlement; the extent to which the settlement is truly the product of arms' length bargaining and not the product of fraud or collusion (in fact, the court specifically finds that the Chapter 11 Trustee and Receiver have bargained at arms' length and in good faith regarding the Plan Settlement); and this court has considered, generally, all factors bearing on the wisdom of the compromise. The court has given deference to the reasonable views of creditors here. And the court has consulted case law such as *Protective Committee for Independent Stockholders of TMT Trailer Ferry v. Anderson*, 88 S. Ct. 1157 (1968); *United States v. AWECO, Inc. (In re AWECO)*, Inc.0, 725 F.2d 293 (5th Cir. 1984), cert denied, 105 S. Ct. 244 (1984); and *Connecticut Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Co.)*, 68 F.3d 914 (5th Cir. 1995).

11. As mentioned earlier, as part and parcel of the Joint Plan Confirmation Hearing, is a joint request of the Chapter 11 Trustee and the Receiver that this court approve a sale of certain internet domain name assets "as is, where is," and free and clear of all interests, pursuant to Section 363(f) and 105 of the Bankruptcy Code, and pursuant to the equitable jurisdiction that has been referred to this court by District Judge Furgeson. The internet domain name assets (which will hereinafter simply be

referred to as the "Domain Names") that are proposed to be sold have been held in recent years by the Receivership Parties known as Novo Point and Quantec. The Receiver and Chapter 11 Trustee have proposed that the Domain Names be permitted to be sold for \$5.2 million (cash) to an entity named Trans Ltd., which was the winning bidder in an auction presided over by the Receiver on November 9, 2012 ("Winning Bidder"). If for any reason, this sale cannot close, the Receiver and Chapter 11 Trustee have proposed that the Domain Names be permitted to be sold for \$5.1 million (cash) to an entity named Special Jewel Ltd., which was the second-highest bidder at the auction on November 9, 2012 ("Back-Up Bidder"). By way of background, in late September and early October 2012, both the District Court and the bankruptcy court approved certain sale procedures to be undertaken by the Receiver and Chapter 11 Trustee to attempt to market and sell the Domain Names. Motions to start the sale process were filed on September 14, 2012 and ultimately vetted and approved in hearings in the District Court and bankruptcy court on September 27, 2012 and September 28, 2012, respectively. The marketing and auction procedures approved contemplated use by the Receiver and Chapter 11 Trustee of a \$4.1 million stalking horse bid that had been received by what-is-now the Back-Up Bidder and exposing that bid to the market place and soliciting higher or better bids. The stalking horse bid was accompanied by a \$500,000 cash deposit (which was placed with the Receiver's law firm in an escrow) and

competing bidders were required to put up a \$500,000 deposit as well. A minimum overbid was required of \$4.3 million, and subsequent overbids would be required to be in \$100,000 increments. The Receiver and Chapter 11 Trustee asked for and were granted permission to engage in certain advertising and other marketing efforts to attempt to find interested bidders for the Domain Names. The marketing procedures proposed and approved have been referred to as too-fast by Baron, but timing-wise and procedure-wise, they were typical of what is frequently approved in complex Chapter 11 bankruptcy cases. Among other things, interested bidders were required to sign confidentiality agreements before they could receive data regarding the Domain Names.

12. For the record, the court will define more specifically the Domain Names. The Domain Names are approximately 153,000 ".com" and ".net" internet domain names (approximately 3,300 of which are held in Novo Point and the remainder of which are held in Quantec). The Domain Names have been submitted to the bankruptcy court for review⁵ and were somewhat described in various witness testimony. The Domain Names can be described and categorized as follows: (a) a relatively small percentage of the 153,000 Domain Names are what the court would refer to as generic names (e.g., "eyedoctors.com")

⁵ Exh. 42.

or "dinnerware.com") that do not appear to be obviously trademark-infringing in any way (hereinafter, the "Generic Names");⁶ (b) an extremely large percentage of the Domain Names are what the court would refer to as intentionally misspelled names (hereinafter, the "Typosquatting Names")—in other words, names that any reasonable person would consider strikingly similar to some commercial entity that likely owns a trademark in connection with its business (such as a banking institution or movie company), but certain letters have been transposed or added to the Domain Name such that the Domain Name is not exactly the same as the commercial business's name (e.g., "wellsfagro.com"); (c) another portion of the Domain Names are names of schools, cities, municipalities that may not be trademarked ("Institutional Names"); (d) another portion of the names are in the nature of gaming ("Gaming Names"); and (e) a very large percentage of the Domain Names are clearly, under the "know-it-when-you-see-it" definition of former Justice Potter Stewart,⁷ pornography-oriented ("Pornography Names"). Within the category of Pornography Names, is a very disturbing subset of Domain Names that no reasonable person could deny are descriptive of child

⁶ It appears that the roughly 3,300 names in the Novo Point portfolio are largely Generic Names but in the much larger Quantec portfolio the Generic Names seem to be a small percentage of the names.

⁷ *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (concurring opinion of J. Stewart).

pornography (e.g., "childsexporn.com," pedophilesex.com," "naked13yearolds.com"-with there being many, many names that are far more course than these three examples ("Child Pornography Names"). There are also a small percentage of very disturbing racial/hate crime oriented names ("Race/Hate Names"). As part of the sale process, the Winning Bidder and Back-Up Bidder have agreed to carve out from the sale the Child Pornography Names and Race/Hate Names, and the Chapter 11 Trustee and Receiver have agreed not only to deactivate these Domain Names but report them to appropriate law enforcement officials for such officials to presumably take appropriate action as they may deem fit.

13. This court describes herein the categories or types of Domain Names for a variety of reason. First, the question of value of these names has been hotly disputed at the Confirmation Hearing. Mr. Baron has objected vehemently to the sale of the Domain Names. He believes they are worth \$60+ million, which is far less than the \$5.2 million Winning Bid for the Domain Names. But the credible evidence from the Confirmation Hearing (from the Receiver; the Chapter 11 Trustee; Mr. Baron; Matthew Morris (the Receiver's expert); Thies Lindenthal (Mr. Baron's expert); and Steve Lieberman, a lawyer representative for the Winning Bidder, by telephone) **just does not support such a conclusion.** As pointed out, a great many of the Domain Names are Typo-Squatting Names (subject to challenge as trademark infringing and likely to

be culled out, as further described below) or are Pornography Names (many of which will be culled out because of their Child Pornography nature). The Generic Names are the names that mostly have potential interest and value and some history of earning revenue. The court also points out the nature of the Domain Names for another reason. Mr. Baron has represented himself as being a "grandfather" of the internet and a business entrepreneur being deprived of his livelihood. Mr. Baron has spent enormous time in the court system, purportedly to protect his business interests. The Confirmation Hearing was the first time this bankruptcy court (and perhaps any court) has been given a full flavor for the nature of the Domain Names. As set forth above, a great majority of the names are centered around what is commonly referred to as typo-squatting or cyber-squatting and, essentially, involves leasing a name that is arguably subject to another person's trademark. And, while this court does not pass judgment on the societal value of the Pornography Names, certainly, it does not pass the "smell-test" (or good faith notions) to ask this court or any other court to value or protect Mr. Baron's right to Child Pornography Names such as "naked13yearolds.com."⁸

14. In any event, on further analyzing the proposed sale for \$5.2 million of the Domain Names, the court further reviews

⁸ Ex. 42 (page 395 of 945).

the evidence concerning the steps leading up to this now-proposed sale. The credible evidence was that both District Judge Ferguson and this bankruptcy judge, as well as the United States Trustee, had expressed the view by Spring-Summer 2012 at various hearings that the Receivership and Chapter 11 case had gone on too long and needed to be brought to a conclusion. Since there is less cash on hand than there are administrative claims and creditor claims, it appeared that monetization of certain of the non-liquid assets of Ondova's estate or the Receivership (i.e., the Domain Names) would be necessary in order to resolve all creditor claims and conclude the Receivership and Chapter 11 case. There seemed to be no other viable option other than a sale of the Domain Names. At one time, Mr. Baron's lawyer had suggested the possibility to the Receiver of perhaps trying to obtain a new lender loan, collateralized by the Domain Names, and using the new loan to pay off the Receivership and bankruptcy estate debt and then end the Receivership/bankruptcy case that way. Only one lender was recommended by Mr. Baron's lawyer and such lender proposed an approximately \$1 million loan at a 32% interest rate and the lender seemed to lack credibility (the Receiver actually credibly testified that he feared the lender was proposing something criminal in nature). The Receiver contacted various banks himself, but they did not have much interest and did not consider the Domain Names to be acceptable collateral. Thus, the Receiver began investigating the

possibility of selling the Domain Names in a bundle. In the past, certain persons have randomly contacted Receiver with an interest in buying certain names. Certain Domain Names were sold earlier during the Receivership on a one-off basis or in small groups. Also, the Receiver frequently is contacted by persons who believe certain Domain Names are trademark-infringing and these people have asked the Receiver to release such Domain Names. In any event, the Receiver credibly testified that he believes that there have become fewer and fewer Domain Names in the Novo Point and Quantec portfolios that seem to have value on a standalone basis. At this time, the Receiver does not believe there are any remaining Domain Names that "light up the market place," to use the Receiver's words.

15. An individual named Damon Nelson, a former Ondova employee whom District Judge Furgeson allowed the Receiver to appoint as a temporary manager of the Domain Names portfolios, had begun investigating values and marketing possibilities for the Domain Names back in early 2011. Damon Nelson marketed or at least submitted the Domain Names portfolios to 24 of the top brokers in the domain name industry. The Receiver believed in 2011, based on those investigations, that the Domain Names as a whole might have a value of \$3.5 million. The Receiver received in September 2012 an unsolicited offer of \$3.5 million from the entity known as Special Jewel Ltd. and the Receiver eventually negotiated this offer up to \$4.1 million and obtained the

agreement of this bidder to be a stalking horse bidder, whose bid would be subject to higher or better offers. In October 2012, both District Judge Furgeson and the bankruptcy judge authorized a bid process for the Domain Names. The Receiver subsequently bought so-called banner advertisements notifying the marketplace that the Domain Names were for sale. A website was built that promoted the sale. The portfolios were identified and historical revenue information for the Domain Names was made available. Advertisements were placed in the Wall Street Journal (United States, China, and European versions). Persons were allowed to participate in an auction on November 9, 2012 if they provided evidence of financial wherewithal to fund their purchase price (e.g., bank letter), if they put up a \$500,000 deposit, and if they signed a letter of intent and form of Asset Purchase Agreement.

16. The Receiver initially received bids from three parties, but one of the parties backed out before the November 9, 2012 auction. Eventually, a bidder named Trans Ltd. submitted the highest bid at the November 9, 2012 auction in the amount of \$5.2 million ("Winning Bidder") and Special Jewel remained in as a possible "backup bidder" at \$5.1 million (Back-Up Bidder").

17. The Receiver credibly testified that Domain Names are not cost-free to hold indefinitely-which is one reason why selling them sooner rather than later seemed to be prudent to

him. For example, the costs associated with these Domain Names include an annual cost to register the names of \$7.58 per name for "dot com" names and slightly less for "dot net" names. The Receiver also credibly testified that there has been about another \$30,000 per month of overhead associated with keeping up the Domain Names through services of Damon Nelson and certain lawyers. Among other things, these individuals have assisted with the analysis (early on) of determining what non-performing Domain Names could or should be deleted. The Receivership Entities formerly registered a larger number of Domain Names than the current 153,000.

18. The credible testimony from multiple witnesses was that there are three main ways to yield value from internet domain names: (a) "the parking method" (which is the main way Baron utilized the names)—this refers to simply creating a website using a name and placing advertisements or other links at the website and earning revenue from the advertisements placed on the website or click revenue when users click on links; (b) "building out" a website utilizing a domain name—which is more sophisticated than the parking method, in that you come up with ways to draw people to the website through search engine optimization and other techniques; or (c) selling a name.

19. Mr. Baron testified that one can also enter into partnerships to lease domain names to parties who want to use them. Mr. Baron has ended up in litigation the few times he has

attempted that in the past.

20. Mr. Baron has never sold a domain name himself. But he has numerous criticisms of the Receiver's marketing/sale procedures in this case. Mr. Baron believes that Domain Names should be sold in small groups (not in a huge bundle of 153,000 names like is proposed by the Receiver). Mr. Baron believes the Receiver should have advertised longer than was done here, and marketed to people that are reputable. Mr. Baron said he would remove names that are not good ones. Mr. Baron said that the \$500,000 deposit requirement chilled bidding.

21. The Receiver's expert (Matthew Morris) credibly testified that he believed the Domain Names were worth from \$3-5 million. He used a methodology for valuing the names that was a hybrid between an income (or discounted cash flow approach) and a market value approach. A large number of the Domain Names in the portfolio do not generate income. Mr. Morris admitted that there is a dilemma in valuing domain names whether to use a traditional income approach (deriving value through utilizing some appropriate multiple of income) or, alternatively, whether some sort of intrinsic or inherent value is more appropriate. The problem with using some sort of intrinsic value is that many domain names have value because of an organization that spent millions of dollars building a concept (*i.e.*, google.com or amazon.com) as opposed to the name itself having some inherent

cache. It is much like gazing into a crystal ball, trying to predict whether a particular name might someday have some sort of appeal. Matthew Morris credibly testified that between 27-30% of domain names are typically not renewed by a registrant. The court found Mr. Morris to be credible. Mr. Morris believes that past income is the most reliable of all factors that might point to value.

22. Mr. Morris also credibly testified that he thought an auction process is a preferred method for maximizing value with domain names at this point in time. Domain names are inherently unique. For unique assets (for example art work would be unique; gold would not be unique), an auction is a preferred method of sale because it allows for price discovery; there could be a wide range of value that different, widespread people ascribe to the assets.

23. Mr. Morris also credibly testified that the fact that these Domain Names have been held by an individual who has been involved in so much litigation is a negative factor. The evidence has shown that Mr. Baron is a litigious individual. This fact can deter interested bidders-although a Section 363 bankruptcy sale increases confidence that a buyer will get assets free and clear of the past litigation.

24. Mr. Morris also credibly testified that selling these assets in a big bundle is superior ("diversification is good") because it spreads out overhead associated with these names.

25. Mr. Morris also credibly testified about the so-called "UDRP" process or mechanism, pursuant to which domain names with trademark infringement allegations can be arbitrated; in other words, claimants can assert claims against domain name holders who hold names that allegedly infringe on a claimant's trademark. 82% of such claimants end up obtaining the allegedly infringing domain name. Mr. Morris testified that the more UDRP problems a portfolio of domain names has, the more it diminishes the value of the names. If one markets a portfolio with a lot of "typo squatting" names in the public, it highlights it to trademark owners and can cause problems. Novo Point and Quantec have a lot of "typo squatting" names; thus, the more one might carve up the Novo Point and Quantec portfolios and prolong the sale process, the more this might become a negative factor. Additionally, on the topic of typo-squatting names, there is more search engine sophistication now that diminishes the value of typo-squatting names. In the past, if one misspelled a domain name, one likely ended up at the site of the misspelled name (assuming there was such a site). Now, search engines typically have a typo-adjusting mechanism asking the typist if he meant to spell the more commonly recognized term (e.g., "did you mean wells fargo?").

26. Mr. Morris also credibly testified that it is more advantageous to sell the Domain Names now versus later. There

are changes on the horizon in this industry. Specifically, there are new TDL names (*i.e.*, Top Level Domain names) launching in coming months, so that there will not be just “.com” and “.net” domain names that are prevalent in the future. There will be “dot” followed by other letters. This will create a greatly expanded universe of domain names and a “noisier” internet. This has the potential to diminish the value of “.com” and “.net” domain names. Also, the advent of “apps” (that is, applications used by iPhones and iPads) has some negative impact on internet searching. **Mr. Morris credibly testified that the income stream is likely downward slopping for the Domain Names.** Time value of money is also a factor.

27. Mr. Morris credibly testified that he looked at the list of Domain Names; statistics with some of them; income characteristics of the names from the reports from monetizers (an entity known as Domain Holdings has been the most recent monetizer for the Domain Names).

28. Mr. Morris also credibly testified that Mr. Baron is a factor with regard to the marketability of these names. The Receiver credibly testified that people are afraid of being sued by him, given a reputation he has developed for being a vexatious litigator.

29. Mr. Baron testified that either names owned by Ondova or the Receivership Parties (unclear which) at one time earned

\$1.5 million per month through monetization efforts. There is no evidence of this other than Mr. Baron's word. Mr. Morris testified that his research showed the portfolio of Domain Names had never earned anywhere close to this amount of revenue. The court cannot and does not find it to be true, by a preponderance of the evidence.

30. As mentioned earlier, Mr. Baron referred to himself in testimony as a "grandfather of the domain name industry." The court finds this to be somewhat of an exaggeration of Mr. Baron's business model or stature in the internet industry.

31. Mr. Baron's expert, Dr. Lindenthal, was less experienced overall than Mr. Morris (age wise and in the overall field of valuation), but happened to have approximately one year's experience working as a product manager for Sedo, LLC—which is a large, well known broker of internet domain names. Dr. Lindenthal described himself as having worked in the internet industry for more than a decade and has a fair amount of experience studying price trends in the secondary market of domain names. Dr. Lindenthal obtained his PhD in Real Estate Finance just over one year ago. After a *Daubert*-objection⁹ was lodged by the Receiver's counsel, the court did not let Dr. Lindenthal testify as to his opinion on the value of the Domain

⁹ *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993).

Names, because he could not share the methodology he used—it is proprietary information of Sedo, LLC. See Fed .R. Ev. 702 (court must have the ability to ascertain whether an expert witness’s testimony is the product of reliable principles and methods and that the witness has applied the principles and methods reliably to the facts of the case). However, the court did allow Dr. Lindenthal to testify that he thought there were about 3,300 Domain Names that potentially had value (and further testified that Sedo, LLC will typically not be involved with selling domain names that have UDRP problems, child porn, hate crimes—and this was a large portion of the Quantec/Novo Point portfolio). Dr. Lindenthal testified that there were different factors to consider in evaluating a domain name: how often is it looked for; is it in the finance, insurance or science industries (these tend to be the most valuable); how long is the name (shorter is better); names with hyphens or numbers are less attractive; certain languages (English) and Arabic characters tend to be more valuable. Once looking at these factors, one might look at similar comparables and for what price those similar comparable names might have sold. ***Dr. Lindenthal thought that it could take a very long time to manually appraise the whole portfolio of Domain Names here (and it could cost several hundreds of thousands of dollars), but it looked like there were some “great names.”*** Dr. Lindenthal did not think new TDLs and iPhone apps

were as negative for domain names going forward as Mr. Morris.

32. Dr. Lindenthal further testified that a broker such as his company, Sedo, LLC, typically charges about a 15% commission on domain name sales. The court notes that Sedo, LLC was hired approximately one year ago to attempt to sell one domain name owned by Ondova that all parties thought had substantial value (servers.com), but Sedo, LLC has not obtained a bid yet that parties consider favorable.

33. On balance, the court finds that Mr. Morris provided the most credible overall testimony regarding the Domain Names (although Dr. Lindenthal provided some helpful testimony as well) and, based on the credible evidence, this court finds and concludes that the marketing, auction and sale process were fair and reasonable and the product of reasonable business judgment, an arms length, good faith and fair process, there was a business justification therefore, and the result was a fair price and winning bid and back up bid that are reasonably equivalent to the best evidence of market value of the Domain Names.

34. The court also finds that the Winning Bidder and Back-up Bidder (if the latter is ultimately the purchaser), were good faith purchasers for value. This finding is based on the overall evidence from the Receiver and Chapter 11 Trustee regarding the sale process. But it is also based on the limited testimony that the court heard from the representative of the Winning Bidder. The Winning Bidder originally did not want to reveal the identity

of the human beings behind Trans Ltd. Ultimately, the human beings' identity was revealed (first in camera to the bankruptcy judge and United States Trustee, and then in open court on the record—with Mr. Baron's counsel being allowed to ask specific questions regarding the human beings). The representative for Trans Ltd. credibly testified that the human beings behind Trans Ltd. are afraid of being sued by Mr. Baron, based on Mr. Baron's reputation. The court believes that—while these individuals may have privacy concerns that may or may not be rational—the individuals are not in any way "insiders" (11 U.S.C. § 101(31)) and have not colluded or engaged in any other improper means in connection with the Domain Names sale. They should take the Domain Names assets with the protections contemplated by Section 363(f) of the Bankruptcy Code.

35. The court makes one last point with regard to the Domain Names sale. It has been argued that this court does not have authority to approve the sale of assets that are owned by the Receivership. First, the court notes that the Plan Settlement (which this court has ruled is fair and equitable and in the best interest of all parties including Baron) essentially contemplates the transfer of the Receivership Assets to the Ondova Liquidating Trust, for reasons already described. But even if the Plan Settlement were not alone grounds, the court notes that at least the following cases provide support for this court approving the sale of the Receivership Domain Names. *In re*

Indian Motorcycle Co., Inc., 261 B.R. 800, 803 (B.A.P. 1st Cir. 2001) (wherein, after negotiation, a Chapter 7 trustee in certain Massachusetts bankruptcy cases and a Receiver entered an agreement for the joint sale of the assets of the bankruptcy estates and the receivership estate which would allocate sufficient funds from the sale to the bankruptcy estates to pay all claims, with the remainder going to the Receiver as owner of the equity; the agreement was approved by the bankruptcy court on January 19, 1996 and the district court on January 29, 1996; ultimately, in late 1998 and early 1999, both courts approved the joint sale of the assets; as part of the sale, the parties agreed that \$3.5 million would be allocated to the Debtors and held in escrow in order to satisfy any claims against the Debtors' estates.); *In re Stone & Webster, Inc.*, 286 B.R. 532, 539 (Bankr. D. Del. 2002) (holding that consolidation of the estates of separate debtors may sometimes be appropriate, as when the affairs of an individual and a corporation owned or controlled by that individual are so intermingled that the court cannot separate their assets and liabilities).

IV. Conclusions of Law

36. The Plan Settlement is fair, equitable and in the best interests of the bankruptcy estate, the Receivership and Mr. Baron. Fed. R. Bankr. Pro. 9019. *Protective Committee for Independent Stockholders of TMT Trailer Ferry v. Anderson*, 88 S.

Ct. 1157 (1968); *United States v. AWECO, Inc. (In re AWECO), Inc.*, 725 F.2d 293 (5th Cir. 1984), *cert denied*, 105 S. Ct. 244 (1984); and *Connecticut Gen. Life Ins. Co. v. United Companies Fin. Corp. (In re Foster Mortgage Co.)*, 68 F.3d 914 (5th Cir. 1995).

37. The auction and sale process was fair, reasonable, there was a sound business justification for same, and the Chapter 11 Trustee and Receiver exercised reasonable business judgment. The Domain Names are entitled to be sold free and clear of interests, pursuant to Sections 105 and 363(f) of the Bankruptcy Code.

38. Finally, with regard to the Joint Plan overall and its confirmability, the court finds and concludes that notice of the Joint Plan has been in compliance with Bankruptcy Code Section 1125 and 1126 and Bankruptcy Rules 3017 and 3018 and other applicable authority. It appears from the record that all creditors and other parties in interest have been given the requisite notice and copies of the Joint Plan solicitation materials and ballots. It appears that solicitation was in compliance with applicable law. And the court finds and concludes that the Joint Plan has been accepted by a requisite number of holders of impaired claims and interests. The court accepts as credible evidence the Ballot Certification filed with the court. The court finds and concludes that all pending objections to the Joint Plan should be overruled.

39. The Joint Plan, as modified, meets the requirements of Section 1122, 1123 and 1129 of the Code. Specifically, the classification of claims and interests in the Joint Plan is proper and consistent with Section 1122; the means for the Joint Plan's implementation appears to be proper and within the guidelines of Section 1123; the Joint Plan complies with the applicable provisions of Title 11; the plan proponents have complied with the applicable provisions of Title 11; the Joint Plan has been proposed in good faith and not by any means forbidden by law; any payment made or to be made by the proponents, or by the Debtor, or by a person issuing securities or acquiring property under the plan, for services or costs and expenses in connection with the case, or in connection with the Plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable; the proponents of the Joint Plan have disclosed the identity and affiliations of any individual proposed to serve after confirmation as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor that is a joint plan proponent with the Debtor, or a successor to the Debtor; the Joint Plan meets the so called "best interests" test of Section 1129(a)(7) of the Bankruptcy Code; the Joint Plan is feasible; with respect to each class in the plan, all classes have either accepted the plan or such class is not impaired under the Plan, or, with respect to any nonaccepting class, the Joint Plan may be cram

downed on the members of the class, in that the Joint Plan is fair and equitable does not discriminate as contemplated by Section 1129(b) of the Bankruptcy Code.

40. The court also finds and concludes that all transfers of property under the Joint Plan are made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property.

41. With regard to plan modifications that have been announced in court, the court specifically finds that they meet the requirements of Section 1122, 1123 and 1129 and so the plan, as modified, will be the plan that the court now confirms. Acceptances of the plan will be deemed to apply to the plan as modified without further notice, solicitation or hearing being required, since any described proposed plan modifications do not adversely change the treatment of the claim of any creditor or the interest of an equity security holder who has not accepted in writing the modification.

42. The court specifically finds and concludes that the Joint Plan provides intrinsic benefits in that it ends pre-bankruptcy and pre-Receivership litigation except for claims that Manilla/NetSphere intends to pursue against Mr. Baron for Mr. Baron's alleged breach of the 2010 Global Settlement. With this one exception, Mr. Baron will be litigation-free and is estimated to receive residual cash of a few million dollars. All claims other than NetSphere/Manilla's alleged breach-of-the 2010-Global

Settlement claims can be paid pursuant to the terms of this Joint Plan. As mentioned earlier, this bankruptcy case and Receivership have been about more than simply claims of former lawyers and claims of Manilla/NetSphere. The University of Texas asserted a \$4 million claim against the Ondova bankruptcy estate relating to trademark infringement which the Chapter 11 Trustee eventually settled at \$250,000 (which has not been paid yet) and the Chapter 11 Trustee also settled large claims asserted against Ondova by such entities as Grupo Andrea and Liberty Media. In addition to ending litigation, this court finds and concludes that the Joint Plan effectuates a responsible wind-down of a questionable business model that was partly centered around cyber-squatting.

43. Finally, the court will specifically address the so-called releases, exculpations, and injunctions in the Joint Plan. The court determines that these are not the type of impermissible plan releases or exculpation described by the Fifth Circuit in *Bank of N.Y Trust Co. v. Off. Unsec. Creds. Comm. (In re Pacific Lumber Co.)*, 584 F.3d 229 (5th Cir. 2009). First, the court finds many of them to be more in the nature of compromises and settlements that may occur in a plan pursuant to Section 1123(b) (3) (A)—which says that a plan may “provide for the settlement or adjustment of any claim or interest belong to the debtor or the estate.” Moreover, other of the releases seem

supportable under such cases as *Feld v. Zale Corp. (In re Zale Corp.)*, 62 F.3d 746 (5th Cir. 1995) given that this is a case with extremely unusual circumstances and broad and complex compromises. But even if such releases are not supportable under that authority, this court determines that the releases and injunctions should be construed as temporary, and only approved on a temporary basis, for so long as the Joint Plan is being performed. See *In re Seatco*, 257 B.R. 469 (Bankr. N.D. Tex. 2001).

44. This court reserves the right to supplement and amend these Findings of Fact and Conclusions of Law. Any objection to the Joint Plan or plan process that is not otherwise herein addressed is overruled and denied. All pending motions relating to confirmation, including motions to continue, to reopen discovery, or recuse the judge, are hereby denied as having no merit. A separate order shall be entered forthwith confirming the Joint Plan. A separate Report and Recommendation will be presented to District Judge Furgeson.

###END OF FINDINGS OF FACT AND CONCLUSIONS OF LAW###

Exhibit B



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Henry G. C. George
United States Bankruptcy Judge

Signed November 21, 2012

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re: §
ONDOVA LIMITED COMPANY, §
Debtor. § Case No. 09-34784-SGJ
(Chapter 11) §

**ORDER CONFIRMING THIRD AMENDED JOINT PLAN
OF LIQUIDATION FOR DEBTOR'S ESTATE UNDER
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

During hearings on the 13th, 14th, 16th and 19th day of November, 2012, this Court considered the confirmation of the *Third Amended Joint Plan of Liquidation for Debtor's Estate Under Chapter 11 of the United States Bankruptcy Code* (as may be further amended or modified, the "Plan") [Docket No. 924] (the "Plan")¹, filed by Daniel J. Sherman, the Chapter 11 Trustee (the "Trustee") appointed in the above-captioned and numbered bankruptcy case ("Bankruptcy Case") of Ondova Limited Company ("Ondova" or "Debtor"), jointly with Peter S. Vogel, as the Receiver (the "Receiver" and collectively with the Trustee, the "Plan Proponents") over Jeffrey Baron ("Baron") and his related entities appointed by the District Court in that certain civil action, styled and captioned *Netsphere Inc. et al v. Baron et*

¹ The Plan was preceded by two prior filed Plans of Liquidation. The Joint Plan of Liquidation [Docket No. 823] was filed on September 10, 2012, and the Second Amended Plan of Liquidation [Docket No. 831] was filed on September 28, 2012.

al., Case No. 3:09-cv-00988-F (N.D. Tex.) (“Receivership”).² The Plan approved by this Court includes a Plan Settlement between the Trustee and the Receiver which provides significant benefits to all parties including the resolution of certain claims between the two estates, pays claims of creditors who hold claims against both estates³, provides the sale of certain assets at a materially greater price due to the finality and other protections of sales conducted under Bankruptcy Code Section 363, eliminates the possible undoing of claims settled by the Trustee which result in a savings of literally millions of dollars of claims against Mr. Baron and returns all residual funds to Mr. Jeffrey Baron (“Baron”).

On November 21, 2012, this Court entered *Findings of Fact and Conclusions of Law In Support of Order Confirming Third Amended Joint Plan of Liquidation for Debtor’s Estate Under Chapter 11 of the United States Bankruptcy Code [DE #924, Filed November 12, 2012]*⁴ (the “Findings” at DE #944, filed November 21, 2012). The Findings constitute this Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014, and are incorporated and adopted herein to the fullest extent possible.

OBJECTIONS TO THE PLAN

The Plan encompasses certain modifications to the Plan Proponents’ *Second Amended Joint Plan of Liquidation for the Debtor’s Estate Under Chapter 11 of the United States Bankruptcy Code* [Docket No. 831]. To the extent necessary, the Court approves each of said modifications as having been timely and appropriately filed and the Court finds that none of said modifications require any new solicitation of, or voting on, the Plan.

² Capitalized terms used and not otherwise defined herein have those same meanings as set forth in the Plan, and if none, then the Bankruptcy Code. In the event of any inconsistency or conflict between the terms of the Plan and this Order, the terms of this Order shall control.

³ The objections filed by Carrington Coleman and Pronske and Patel demonstrate common claims against both estates.

⁴ “DE # _” as used herein refers to the Docket Entry number at which a pleading is filed in the docket maintained by the Bankruptcy Clerk in the bankruptcy case of *In re Ondova Limited Company*, Case No.09-34784-SGJ-11 .

Several objections to the confirmation of predecessor versions of the Plan were filed. Carrington, Coleman, Sloman & Blumenthal, L.L.P. ("CCSB") filed a "provisional objection" to the Plan [Docket No. 899] asserting that, "the Plan contains no mechanism to ensure that CCSB will be paid if the Plan fails, or that CCSB and other creditors will be relieved of the provisions of the Plan if it fails." Docket No. 899, at ¶ 12. CCSB can assert only its own rights and interests. In any event, the Plan provides for vacatur of this Court's Confirmation Order in the event that the Plan does not become effective, and there is no requirement that a chapter 11 plan must contain provisions to ensure payment of any party outside of its own effectiveness. Accordingly, this provisional objection is overruled.

Comerica Incorporated ("Comerica") filed an objection to the Plan [Docket No. 893] asserting that the Sale Assets or other assets to be sold under the Plan include an internet domain name that Comerica contends infringes upon its legal rights, and Comerica asserts that the sale of any such asset, notwithstanding that such sale may be free and clear of all liens claims and encumbrances, cannot impair Comerica from protecting its intellectual property rights. In connection with the objection, the Plan Proponents have agreed to a finding in this Order as set forth herein. Accordingly, per the agreement, the Court finds that the Sale of the Sale Assets does not impair Comerica's claim to infringement relating to any use, ownership, registration or possession of the Extra Letter Domain Name from and after the date of Closing of the Sale, and that such finding resolves Comerica's objection to the Plan.

Manila Industries Inc., and Netsphere, Inc. (collectively, the "Netsphere Parties") objected to the Plan [Docket No. 890], asserting the alleged interests of other creditors. However, the Netsphere Parties are not creditors and the Court has found that the Netsphere Parties have limited standing to object to the Plan. First, the Netsphere Parties requested that their claim be adjudicated in the District Court. Accordingly, by order of Judge

Ferguson and this Court, the Netsphere claims shall be adjudicated by the District Court. The Plan specifically provides for the claim of the Netsphere Parties to be adjudicated by the District Court. Additionally, the objection to the Plan Settlement raised by the Netsphere Parties is overruled by this Court as set forth in greater detail in this Order and the Findings because it wholly fails to take into account the findings and requirement of Rule 9019, Federal Rules of Bankruptcy Procedure and other applicable law of the Circuit. To the extent that the Netsphere Parties object to the release and exculpation provisions included in the Plan, on the basis that such provisions allegedly, improperly impair their rights against third parties, those objections are addressed further herein and in the Findings, and for the reasons stated by the Court on the record of the Confirmation Hearing, are overruled in their entirety.

Pronske & Patel, P.C. ("Pronske & Patel") filed a limited objection to the Plan asserting that the Plan fails to specify the proposed allowed amount of Pronske & Patel's claim against the estate, and also requesting clarification that the distributions received under the Plan do not eliminate through release any counterclaims that Pronske & Patel may have against Baron that are preserved in paragraph 36 of the Fee Claim Order. The Plan Proponents have amended and modified the Plan to provide such clarifications and the Court finds that *Pronske & Patel's* objections to the Plan have been withdrawn, and to the extent not withdrawn, are hereby overruled for the reasons stated by the Court on the record of the Confirmation Hearing.

Finally, Jeff Baron ("Baron") has objected to the Plan, asserting several objections. For the reasons stated by the Court on the record of the Confirmation Hearing as well as in the Findings, all objections asserted by Baron are hereby overruled as meritless.

BALLOT SUMMARY

The Trustee's Balloting Summary filed on November 12, 2012 [Docket No. 919],

demonstrates that Classes 2, 3 and 4 have voted in favor of the Plan. Only one Class comprised of non-insider claims or interests (Class 5 - Mr. Emke) failed to vote for the Plan. Insider Classes 6, 7, comprised of disallowed claims on appeal, and Class 8 (Equity Interests), voted to reject the Plan. Accordingly, this Court confirms the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

Based upon the Findings, it is accordingly, hereby:

ORDERED that the Plan is CONFIRMED, and all objections to the Plan and all reservations of rights asserted by parties objecting to the Plan, to the extent not otherwise expressly resolved herein are, for the reasons stated by the Court on the record or in the Findings, OVERRULED; it is further

ORDERED that the Liquidating Trust Agreement is APPROVED, and Daniel J. Sherman is hereby approved as the Liquidating Trustee; it is further

ORDERED that the APA and the Sale of the Sale Assets to the Purchaser, Trans, Ltd., (and to Special Jewel, Ltd. In regard to the Back-Up Bid should Trans, Ltd. fail to close) are hereby approved in all respects, provided however that the Plan Proponents shall not seek to close the Sale prior to November 30, 2012 without leave of the Fifth Circuit Court of Appeals. Subject thereto, pursuant to 11 U.S.C. § 363(b), the Debtor, the Receiver and all other parties are hereby authorized, without further order of the Court, to take any and all actions necessary or appropriate to: (i) consummate the Sale of the Sale Assets to the Purchaser, Trans, Ltd., (or to the Back-Up Bidder) pursuant to the terms of the APA; (ii) close the Sale as contemplated by the APA and this Order; (iii) execute and deliver, perform under, consummate, implement, and close fully the APA, together with all additional instruments and documents that may reasonably be necessary or desirable to implement the APA and Sale; (iv) assume and assign to the Purchaser any executory contract or unexpired lease as required under the APA, and (v) take all other and further actions as may be reasonably

necessary or appropriate to implement the transactions contemplated by the APA; it is further

ORDERED that the Plan Proponents and Liquidating Trustee are hereby authorized to consummate the Plan and any transaction contemplated thereunder at any time following entry of this Confirmation Order, provided however that the Plan Proponents shall not seek to close the Sale prior to November 30, 2012 without leave of the Fifth Circuit Court of Appeals. Subject thereto, notwithstanding the stay contemplated by Bankruptcy Rule 3020(e) and except as otherwise provided in section 1141(d) of the Bankruptcy Code, immediately after entry of this Confirmation Order, the provisions of the Plan (as of the Effective Date) and this Confirmation Order shall be deemed binding. Accordingly, as permitted by Bankruptcy Rule 3020(e), the fourteen (14) day period provided by such Rule is hereby waived in its entirety. Upon the first date on which the Sale shall have closed and the Effective Date shall have occurred, the Plan shall be deemed to be substantially consummated under section 1101 of the Bankruptcy Code; it is further

ORDERED that the sale of the domain name "comamerica.com" under this Confirmation Order or under the Sale approved as the means for implementation of the confirmed Plan is not intended to, and shall not, authorize the use of that domain name in any manner which constitutes cybersquatting or infringes the rights of Comerica Incorporated, and that Comerica Incorporated is not impaired in any manner from protecting its intellectual property rights; it is further

ORDERED that unless specifically provided otherwise in the Plan or this Order, the Sale of the Sale Assets to the Purchaser (whether Trans, Ltd. or Back-Up Bidder Special Jewel, Ltd.) shall be free and clear of all claims, liens, interests, and encumbrances, except for those claims, liens, interests, and encumbrances specifically retained under, preserved by, or provided for, in the Plan or this Order, including, without limitation, all claims of

Comerica attached to the Extra Letter Domain Name, notwithstanding any sale thereof by the Estate. All such liens, claims and encumbrances upon the Sale Assets shall continue to attach to the proceeds of the Sale Assets, with the same extent validity and priority. No transfer or stamp tax shall be payable by the Debtor, Trustee, Receiver or Purchaser on account of the Sale regardless of, and in preemption of, any law to the contrary. Upon the closing of the Sale, the Purchaser shall take title to and possession of the Sale Assets; it is further

ORDERED that as of the date of closing of the Sale, the transactions contemplated by the APA effect a legal, valid, enforceable and effective sale and transfer of the Sale Assets to the Purchaser, and shall vest the Purchaser with title to such Sale Assets free and clear of any Liens, Claims, and Interests of any kind whatsoever, other than as expressly provided in this Order. The APA and the transactions and instruments contemplated thereby shall be specifically performable and enforceable against and binding upon the Debtor, Trustee, the Receiver Parties and Receiver in this Bankruptcy Case or any successor or successor case; it is further

ORDERED that the transactions contemplated by the APA are undertaken by the Purchaser without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale with the Purchaser if such closing shall have occurred. The Purchaser (whether Trans, Ltd. or Back-Up Bidder Special Jewel, Ltd.) is a good faith purchaser of the Sale Assets, and shall have all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code; it is further

ORDERED that the consideration provided by the Purchaser (whether Trans, Ltd. or Back-Up Bidder Special Jewel, Ltd.) for the Sale Assets under the APA is fair and

reasonable and may not be avoided under section 363(n) of the Bankruptcy Code; it is further;

ORDERED that except as expressly permitted by this Order, all persons and entities (including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade creditors, litigation claimants and other creditors) holding Liens, Claims, and Interests in or against all or any portion of the Sale Assets arising under, out of, or in connection with, or in any way relating to the Debtor, the Receiver and Receivership, the Sale Assets, the operation of the Debtor's business prior to the date of closing of the Sale, or the transfer of the Sale Assets to the Buyer, hereby are forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing such person's or entity's Liens, Claims, and/or Interests against the Purchaser (whether Trans, Ltd. or Back-Up Bidder Special Jewel, Ltd.), any of its affiliates, successors or assigns, any property of any of the foregoing, or any of the Sale Assets. On and after the closing of the Sale, no holder of any Lien, Claims, and/or Interest against the Debtor, the Receiver and Receivership, shall interfere with Purchaser's title to or use and enjoyment of the Sale Assets based on or related to such Liens, Claims, and/or Interests, and all such Liens, Claims, and/or Interests, if any, shall attach to the Debtor's, the Receiver and Receivership, interests in the Sale proceeds as provided in this Order and the Plan in the order of their priority, with the same validity, force and effect which they have against such Sale Assets immediately before the Closing, subject to any rights, claims and defenses that the Debtor or its estate, the Receiver and Receivership, as applicable, may possess with respect thereto.

ORDERED that, upon the Effective Date, except as otherwise provided in the Plan, all Causes of Action and Claims and liabilities held by or against the Debtor's estate, the Receiver and Receivership, as well as all remaining property of the Estate, are hereby

vested in and transferred to the Ondova Liquidating Trust. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Liquidating Trust may not or will not pursue any and all available Causes of Action against them; it is further

ORDERED that the Debtor is hereby DISCHARGED pursuant to section 1141(d)(1)(A) of the Bankruptcy Code, including with respect to any claim arising at any time prior to the Effective Date of the Plan, and all persons, creditors, parties-in-interest, and governmental units are COMMANDED and ENJOINED to comply with said discharge and are PROHIBITED from seeking to enforce, collect, or recover from the Debtor, its property, its predecessors, successors or managers, any claim, lien, security interest, or right that is discharged by the Bankruptcy Code and the Plan, other than from the Liquidating Trust as provided for in the Plan or this Order; it is further

ORDERED that, in accordance with Section 1141(a) of the Bankruptcy Code and the provisions of the Plan, each provision of the Plan shall be and is binding on the Debtor, all creditors of the Debtors, all parties-in-interest in the Bankruptcy Case, and all persons with an interest in any property of the Debtor, the Receiver and Receivership, or the Estate, whether or not they voted to accept the Plan, whether or not they had a right to vote on the Plan, whether or not they are impaired under the Plan, and whether or not they receive or retain anything under the Plan; it is further

ORDERED that the Plan Settlement is hereby APPROVED in all respects; it is further

ORDERED that each and every release and compromise provided for in the Plan, including as further clarified by this Order, is approved and shall be binding on all applicable persons; it is further

ORDERED that all of the Estate's executory contracts and unexpired leases, to the extent not previously assumed or rejected, or simultaneously assumed and assigned to the

Purchaser as part of the Sale, are hereby rejected by the Trustee pursuant to section 365 of the Bankruptcy Code; it is further

ORDERED that except as provided in the Plan or this Confirmation Order and to the fullest extent authorized or provided by the Bankruptcy Code, including sections 524 and 1141 of the Bankruptcy Code, as of the Confirmation Date, subject to the occurrence of the Effective Date, all Persons that have held, currently hold or may hold a Claim, Interest, or other debt or liability that is discharged, released or subject to exculpation pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtor, the Receiver and Receivership, the Liquidating Trust, or their property on account of any such discharged Claims, Interests, debts or liabilities or terminated rights: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (ii) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against such persons on account of or in connection with or with respect to any such claims or interests; (iii) creating, perfecting or enforcing any encumbrance of any kind against such persons or the property or estate of such persons on account of or in connection with or with respect to any such claims or interests; and (iv) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released, settled or discharged pursuant to the Plan. By voting for or accepting distributions pursuant to the Plan, each holder of an Allowed Claim or Interest receiving distributions pursuant to the Plan shall be deemed to have specifically consented to the releases, injunctions and exculpations set forth in the Plan; it is further

ORDERED that no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim exculpated under the Plan, any

obligation, cause of action or liability for any such claim, except for gross negligence or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Trustee, Liquidating Trustee, Receiver (and each of their respective Affiliates, agents, directors, officers, employees, advisors and attorneys) have, and are deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation of the Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan; it is further,

ORDERED that the Plan, this Order, and all documents and instruments the subject thereof, shall be binding on any and all successors and assigns of the Debtor, Trustee, Receiver, Liquidating Trustee, and any other creditor or party; it is further,

ORDERED that the Plan, this Order, and all documents and instruments executed by the Plan Proponents or Liquidating Trustee pursuant to or in furtherance of the Plan are lawful, appropriate, supported by sufficient consideration, and are not avoidable for any reason, and all parties and persons may absolutely rely on the validity and enforceability of the same; it is further,

ORDERED that the Plan proponents and Liquidating Trustee are authorized and directed to execute all such documents and instruments as may be required by the Plan, or may be necessary or appropriate to effectuate the Plan and its provisions and purposes; it is further,

ORDERED that, to the extent the Plan requires the release of any lien, security interest, or other interest, the holder thereof shall release the same as provided for in the

Plan, and the Plan and this Order may be filed with any appropriate governmental or other authority to evidence the same; it is further,

ORDERED that the Trustee or Liquidating Trustee shall file and serve a notice of the Effective Date of the Plan as required by the Plan as a condition precedent to the Plan's effectiveness, and only upon the occurrence of any condition precedent thereto as specified by the Plan; it is further

ORDERED that all deadlines provided for in the Plan are approved and shall constitute deadlines imposed by this Court, including, without limitation, the Administrative Claims Bar Date specified by the Plan and the Claims Objection Deadline as specified by the Plan, provided however that the Plan Proponents shall not seek to close the Sale prior to November 30, 2012 without leave of the Fifth Circuit Court of Appeals; it is further

ORDERED that the automatic stay under Section 362(a) of the Bankruptcy Code shall remain in full force and effect with respect to the Debtor, the Estate, and their property, until the occurrence of the Effective Date, unless the Court has, by separate order, granted any relief from the automatic stay; it is further

ORDERED that the Court's specific approval or incorporation of a specific provision of the Plan shall not be construed as a disapproval or lack of effectiveness of any provision of the Plan not specifically referenced in this Order; it is further

ORDERED that if any or all of the provisions of this Confirmation Order are hereafter reversed, modified or vacated by subsequent order of this Court or any other court, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Liquidating Trustee's receipt of written notice of any such order. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such

reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan; it is further,

ORDERED that the Court shall retain jurisdiction to the maximum extent possible to interpret, apply, and enforce the Plan and this Order, over all matters specified in section 13.1 of the Plan, and over all matters concerning the administration of the Liquidating Trust, including, without limitation, to issue such additional or further orders clarifying, correcting, or implementing this Order, which any party may request that the Court issue as is otherwise appropriate.

SO ORDERED.

#####

Respectfully Submitted By:

Raymond J. Urbanik
Texas Bar No. 20414050
Jay H. Ong
Texas Bar No. 24028756
MUNSCH HARDT KOPF & HARR, P.C.
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201-6659
Telephone: (214) 855-7500
Facsimile: (214) 855-7584

**Attorneys for Daniel J. Sherman, Chapter 11
Trustee**

And

Jeffrey R. Fine
Texas Bar No. 07008410
DYKEMA GOSSETT, PLLC
1717 Main Street
Suite 4000
Dallas, Texas 75201
Telephone:(214) 464-6400
Facsimile: (214) 464-6401
Attorneys for Peter S. Vogel, Receiver

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET



The following constitutes the ruling of the court and has the force and effect therein described.

United States Bankruptcy Judge

Signed November 28, 2012

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

ONDOVA LIMITED COMPANY

Debtor.

§
§
§
§
§

CASE NO. 09-34784-sgj-11

**ORDER SETTING DECEMBER 3, 2012 AT 9:30 A.M. HEARING ON
JEFFREY BARON'S EMERGENCY MOTION FOR STAY PENDING APPEAL
[DE # 956]**

On November 27, 2012, at 6:17 p.m., Jeffrey Baron ("Mr. Baron") filed an Emergency Motion for Stay Pending Appeal (the "Emergency Stay Motion") [DE # 956] in the above-referenced bankruptcy case (the "Bankruptcy Case"). The Emergency Stay Motion seeks a stay pending an appeal by Mr. Baron of the bankruptcy court's: (a) Order Approving Chapter 11 Plan [DE # 948] ("Confirmation Order" and, when referring to the chapter 11 plan approved therein, the "Joint Plan"); and (b) the Findings and Conclusions entered in connection with the Confirmation Order

[DE # 944]. The Confirmation Order and Findings and Conclusions were both entered on November 21, 2012. Mr. Baron seeks a ruling on the Emergency Stay Motion by 1:30 p.m. on November 28, 2012.

It is not clear why Mr. Baron seeks a ruling by 1:30 p.m. on November 28, 2012. It would appear to the bankruptcy court that any implementation of the Confirmation Order (or a sale of assets pursuant thereto) is not imminent (or at least cannot, under any scenario, happen in the next few days) since: (1) first, the Report and Recommendation to the District Court Regarding the Third Amended Joint Plan of Liquidation for Debtor's [Ondova Limited Company's] Estate Under Chapter 11 of the United States Bankruptcy Code (the "Report and Recommendation") [DE # 945] which was sent to Judge Ferguson by the bankruptcy on November 21, 2012 has not yet been ruled upon and, thus, a sale of assets and implementation of the Joint Plan cannot occur prior to any ruling by Judge Furgeson that may approve the Joint Plan as to the Receivership; (2) second, even if Judge Ferguson should rule on the Report and Recommendation before Monday December 3, 2012 and accept it and approve the Joint Plan as to the Receivership and approve the sale of assets, the Confirmation Order was only entered on November 21, 2012 and, thus, cannot even be acted upon until fourteen days have passed (*i.e.*, no sooner than December 6, 2012); and (3) third, the Fifth Circuit has already put a stay in place on any closing on a sale of assets in the Bankruptcy Case

prior to November 30, 2012. Thus, the court believes that there is no need for an immediate ruling on the Emergency Stay Motion. Moreover, the bankruptcy court also believes it would be beneficial to see if there are rulings at either the Fifth Circuit or District Court in the next few days that may be relevant to the Confirmation Order or Emergency Stay Motion. In any event, the bankruptcy court will set a hearing on this matter for Monday December 3, 2012 at 9:30 am, and will deny Mr. Baron's request for a ruling by 1:30 p.m. today. Accordingly, it is

ORDERED that the Emergency Stay Motion is set for hearing in the bankruptcy court on December 3, 2012 at 9:30 a.m.

###END OF ORDER###