

EXHIBIT 16

ONDOVA LIMITED COMPANY

**POST-PETITION LAWSUITS
AGAINST JEFFREY BARON**

STYLE

Cause No. 366-04714-2010; *Robert J. Garrey v. Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, and Novo Point LLC*; in the 366th Judicial District Court of Collin County, Texas

Cause No. JC 100721N; *Jeffrey T. Hall v. Jeffrey Baron*, in the Justice Court, Precinct 3, Place, 3, Dallas County, Texas

Cause No. DC-10-05339-K; *Fee, Smith, Sharp & Vitullo, LLP v. Jeff Baron*, in the 192nd Judicial District Court of Dallas County, Texas

Cause No. DC-10-12100-B; *Friedman & Feiger, LLP v. Jeffrey Baron*, in the 44th Judicial District Court of Dallas County, Texas

Cause No. DC-10-06464; *David L. Pacione v. Jeffrey Baron*; in the 101st Judicial District Court of Dallas County, Texas

EXHIBIT 17

ONDOVA LIMITED COMPANY

SECTION 503(b)(9) SUBSTANTIAL CONTRIBUTION CLAIMS

FIRM

AMOUNT

Hohmann, Taube & Sanders, LLP

NOT STATED

Attn: Eric Taube
100 Congress Avenue, 18th Floor
Austin, TX 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248
E-mail: erict@hts-law.com

Powers Taylor LLP

\$78,058.50

Attn: Mark Taylor
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
Telephone: (214) 239-8900
Facsimile: (214) 239-8901
E-mail: mark@cptlawfirm.com

Pronske and Patel

\$241,172.70

Attn: Gerrit Pronske
2200 Ross Avenue, Suite 5350
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Telephone: (214) 658-6500
Facsimile: (214) 658-6509
E-mail: gpronske@pronskepatel.com

EXHIBIT 18

CAUSE NO. 10-12100-B

FILED

FRIEDMAN & FEIGER, L.L.P.,

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IN THE DISTRICT COURT

2010 FEB 11 1:01

Plaintiff,

GARY FITZGERALDS
DISTRICT CLERK
DALLAS CO., TEXAS

vs.

44th JUDICIAL DISTRICT DEPUTY

JEFFREY BARON and
THE VILLAGE TRUST,

Defendants.

DALLAS COUNTY, TEXAS

PLAINTIFF'S SECOND AMENDED ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Friedman & Feiger, L.L.P. ("Plaintiff" or "F&F") and files this its Plaintiff's Second Amended Original Petition complaining of and against Jeffrey Baron ("Baron") and The Village Trust ("Trust") (Baron and the Trust are collectively referred to as the "Defendants"), and for cause would respectfully show unto the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. This case is intended to be conducted under discovery level 2 in accordance with Texas Rule of Civil Procedure 194.3.

II.

PARTIES

2. Friedman & Feiger, L.L.P. is a Texas limited liability partnership doing business in Dallas County, Texas.

3. Jeffrey Baron is an individual who resides in Dallas County, Texas and may be served with process at his residence located at 2200 E. Trinity Mills Road, Carrollton, Texas 75006.

4. The Village Trust is a trust organized under the laws of the Cook Islands. The

Village Trust has entered an appearance in bankruptcy case no. 09-34784-SGJ-11, *In re Ondova Limited Company*; pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. Adrian Taylor is the trustee of the Asia Trust, Ltd., which is the trustee of The Village Trust. The Village Trust and Mr. Taylor have consented to the jurisdiction of Texas in proceedings before the bankruptcy court. Adrian Taylor may be served with process by serving him at his principal place of business, located at Asia Trust, Ltd, Level 2, BCI House, P.O. Box 822, Rarotonga, Cook Islands. Alternatively, The Village Trust has transacted business within the State of Texas and is amenable to service of process in accordance with the Texas Long Arm Statute through the Texas Secretary of State.

III.
JURISDICTION & VENUE

5. Jurisdiction is proper in this Court as the damages fall within the jurisdictional limits of this Court.

6. Venue is proper in Dallas County, Texas, because it is the county in which all or a substantial part of the events or omissions which give rise to the claims set forth below occurred. Tex. Civ. Prac. Rem. Code § 15.002. Further, venue is proper in Dallas County, Texas, because the contract, made the basis of this suit, was entered into in Dallas County, Texas and to be performed in Dallas County, Texas. Tex. Civ. Prac. Rem. Code § 15.035.

IV.
BASIS OF SUIT

7. This is a suit brought by F&F to collect the balance owed from Defendants for legal services provided to Baron at the specific request of Baron.

V.
FACTS

8. On or about June 23, 2009, Baron retained F&F in connection with a lawsuit

styled: Civil Action No. 3:09-CV-0988-M, *Netsphere, Inc., Manila Industries, Inc. and Munish Krishan v. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division (the "Lawsuit"). At that time, Baron signed a written fee agreement with F&F, memorializing a contract for legal services.

9. Baron represented that he was unable to personally pay for F&F's services, but that the Trust would pay and be responsible for paying F&F's fees for services rendered. In fact, the Trust wire transferred the initial retainer to F&F prior to it commencing any work on Baron's behalf. Based upon this representation, F&F agreed to provide legal services for Baron.

10. Shortly thereafter, on or about July 1, 2009, at a hearing in the Lawsuit, the Court, based upon its concern that Baron and Ondova Limited Company ("Ondova") had changed counsel as a tactic to delay proceedings, ordered that F&F was lead counsel for Baron and Ondova, that Baron and Ondova must first obtain approval from the Court to employ new or additional counsel, and that F&F would not be permitted to withdraw. The Court also ordered that monetization monies that were to be paid to Baron and Ondova be paid into F&F's trust account to secure the payment of F&F's fees for services rendered and to be rendered.

11. On July 27, 2009, Ondova filed a voluntary petition under Title 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas. As of that point in time, F&F no longer had authority to represent Ondova. While F&F did file an application to be employed as special counsel for Ondova, that application was subsequently withdrawn by agreement after the Bankruptcy Court appointed a Chapter 11 Trustee over Ondova. But, F&F continued to represent Baron in the Lawsuit.

12. Subsequently, an irreconcilable conflict of interest developed between F&F and Baron, which forced F&F to file a Motion to Withdraw from continuing to represent Baron in the Lawsuit.

13. At that time, Baron owed F&F approximately 40,000. Prior to F&F's withdrawal being approved by the Honorable Royal Furgeson, F&F and Baron reached a settlement regarding the outstanding balance owed to F&F. And on January 29, 2010, the Honorable Royal Furgeson entered an Order Granting Friedman & Feiger, L.L.P.'s Motion to Withdraw.

14. There were several terms of the settlement that were performed by both F&F and Baron at the hearing before the Honorable Royal Furgeson on January 29, 2010. In addition to the terms that have already been performed, F&F agreed to the \$40,000 outstanding balance down to \$25,000 in exchange for and conditioned on Baron's immediate payment thereof. Notwithstanding, F&F's full performance of the terms of the settlement, Baron breached his agreement to pay F&F the reduced amount of \$25,000 in full satisfaction of the outstanding fees owed to F&F immediately.

15. As a result of Baron's failure to honor the settlement agreement, he is not entitled to a reduction of the amount he owes F&F for services rendered. Accordingly, after applying all just and lawful payments, credits, and offsets, the total value of the services provided by F&F on Baron's behalf in the Lawsuit and still owing is approximately \$40,000.

16. Demand has been made on Baron on numerous occasions. Notwithstanding, Baron has failed and refused, and continues to fail and refuse, to pay F&F its outstanding fees and expenses owed for services rendered in the Lawsuit after July 27, 2009.

VI.
CLAIMS

Count One -- Breach of Contract

17. F&F incorporates and realleges the allegations set forth above.

18. At the request of Baron, F&F provided legal services to Baron. Baron agreed to pay F&F its usual and customary charges for the services rendered.

19. To date, notwithstanding F&F's demands, Baron has failed and refused, and continues to fail and refuse, to pay F&F for the services rendered.

20. As a result of Baron's breach of contract, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Two – Quantum Meruit

21. F&F incorporates and realleges the allegations set forth above.

22. Pleading in the alternative, if such be necessary, the legal services furnished to Baron were provided under such circumstances that Baron knew that F&F, in performing legal services, expected to be paid F&F's usual and customary charges for such services. The legal services provided to Baron were for the benefit of Baron. Baron would be unjustly enriched, and F&F unjustly penalized, if Baron was allowed to retain the benefits of such services without paying for them.

23. As a result of Baron's failure and refusal to pay for the legal services rendered, Baron has proximately caused actual damages to F&F in the approximate amount of \$49,000, plus consequential damages and pre and post judgment interest as allowed by law.

Count Three – Attorney's Fees

24. F&F incorporates and realleges the allegations set forth above.

25. In accordance with Tex. Civ. Prac. & Rem. Code §38.01 *et. seq.*, F&F is entitled to recover its reasonable attorney's fees incurred in prosecuting this action. F&F presented the above-described claim to Baron, but Baron has failed and refused to tender the just amount owed.

26. As a result of Baron's failure and refusal to pay the claims, F&F has been required to obtain legal counsel to bring this suit. F&F is, therefore, entitled to recover an

additional sum to compensate it for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

Count Four – Fraud

27. F&F incorporates and realleges the allegations set forth above.

28. Defendants made material misrepresentations of fact to Plaintiff. Defendants' representations were false and they knew the representations were false or acted with reckless disregard to the truth or falsity of the representations. Defendants intended that Plaintiff act upon the false representations when agreeing to perform legal services on behalf of Baron and Plaintiff did rely on the false misrepresentations to its detriment and damage. Furthermore, Plaintiff will show that Defendants' conduct, as described above, was willful and malicious and, as a result, Plaintiff is entitled to recover exemplary damages to deter such conduct by others in the future.

29. As a result of Defendants' fraud, Plaintiff has suffered actual, consequential, and incidental damages.

30. As a further result of Defendants' fraud, Plaintiff is entitled to recover punitive damages.

Count Five – Alter Ego

31. F&F incorporates and realleges the allegations set forth above.

32. Baron is the settlor and beneficiary of the Trust. Baron has used the Trust as a sham and to perpetuate actual fraud upon Plaintiff.

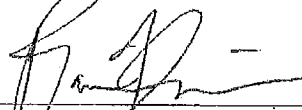
33. Plaintiff will show that the identity of the Trust and Baron are in substance one and the same; that the Trust is but the alter ego of Baron, acting solely as a conduit for the performance of Baron's personal and business endeavors, and a device to cause harm, defraud or prejudice to those dealing with them. As a consequence, the Trust should be held responsible for any and all liabilities found against Baron.

VII.
CONDITIONS PRECEDENT

31. All conditions precedent necessary for F&F to have and recover in this action have been performed, have occurred, or have been waived.

WHEREFORE, PREMISES CONSIDERED, Friedman & Feiger, L.L.P. respectfully requests that process issue and be served on Jeffrey Baron and The Village Trust; that, upon final hearing, F&F have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees incurred by F&F to prosecute this action, for costs and expenses of suit herein, for pre-judgment and post-judgment interest on all monetary relief sought herein at the highest rates allowed by law; for punitive damages; and, for such other and further relief, both general and special, at law and in equity, to which Friedman & Feiger, L.L.P. may be justly entitled.

Respectfully submitted,



Lawrence J. Friedman
Texas Bar No. 07469300
Ryan K. Lurich
Texas Bar No. 24013070

FRIEDMAN & FEIGER, L.L.P.
5301 Spring Valley Road, Suite 200
Dallas, Texas 75254
(972) 788-1400 (Telephone)
(972) 776-5313 (Telecopier)
lfriedman@fflawoffice.com
rlurich@fflawoffice.com

ATTORNEYS FOR PLAINTIFF
FRIEDMAN & FEIGER, L.L.P.

EXHIBIT 19

III.

FACTS

Hall is an attorney. Baron retained Hall to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Hall and Baron (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Alternatively, pursuant to an open account, Hall agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay Hall his designated fee, which is reasonable and customary fee for such services.

Thereafter, Baron's account became past due for services provided through the end of March 2010. Hall called and sent notice communications to Baron requesting payment for the Services requested and accepted by Baron. Despite the demands made by Hall, Defendant failed and refused, and continues to fail and refuse, to pay Hall for the outstanding amounts due on his account through the end of March 2010. After all just and lawful credits, payments and offsets have been allowed, Baron presently owes Hall \$5,000.00 for Services provided through the end of March 2010. The open account consists of the following open invoice:

Invoice No.	Date:	Amount Still Owing:
252	4/13/10	\$5,000.00

All conditions precedent to Hall's right to recover in this matter has been fulfilled, have occurred, or have been waived.

IV.

CAUSES OF ACTION

COUNT ONE: BREACH OF CONTRACT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

Hall provided and delivered Services to Baron pursuant to the contract between the parties. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. Baron has not paid and continues to refuse to pay Hall under the Contract. Hall has been damaged under the contract in the amount of \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT TWO: SWORN ACCOUNT

Each of the foregoing paragraphs is incorporated and reasserted herein by reference.

In the ordinary course of its business, Hall provided and delivered the Services to Baron. The Services were provided at the request of Baron. Baron accepted the Services and agreed to pay Hall the agreed fee, which is a reasonable, usual and customary fee for such services. A systematic record of the Services was kept. This account is evidenced and supported by the Affidavit of Hall and the invoice that is attached thereto, all of which are attached hereto as *Exhibit "A"* and incorporated herein by reference.

Despite demand by Hall for payment, Baron has defaulted in making payment on the account. The principal amount due Hall on the account, after all just and lawful offsets credits and payments have been allowed, is \$5,000.00.

Hall has demanded that Baron pay the amount due and has indicated that Hall would commence suit for collection of the full amount due, plus interest, court costs and attorneys' fees, if Baron failed to pay the amount due and owing.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

COUNT THREE: QUANTUM MERUIT

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

In the alternative, Hall, acting in the ordinary course of business, furnished Baron with the Services as detailed above. Baron received and accepted the Services thereby unjustly enriching Baron at Hall's expense. Baron knew, or should have known, that the Services were provided in anticipation of compensation and were not furnished gratuitously. After all offsets, payments and credits, the reasonable unpaid value of the Services delivered is \$5,000.00. Despite demand, Baron has wrongfully refused to pay the fair value of the Services retained, for which sum Hall sues.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

ATTORNEYS' FEES

Each of the foregoing paragraphs are incorporated and reasserted herein by reference.

Hall has previously presented Baron with written demand for his claims as stated herein. Despite demand, Baron has failed and refused to pay the balance due. As a result, Hall has been required to retain the law firm of Jeffrey T. Hall, Attorney, to enforce Hall's rights and has

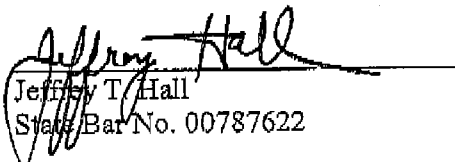
agreed to pay the firm a reasonable fee for its services. Hall has incurred, and will continue to incur, reasonable attorneys' fees, which he seeks to recover as damages from Baron pursuant to the Application, the Agreement, and Section 38.001(7) of the Texas Civil Practice and Remedies Code.

All conditions precedent to Hall's recovery have been fully performed, or have occurred or been waived.

WHEREFORE, PREMISES CONSIDERED, Hall requests that Baron be cited to appear and answer this Petition and that upon final hearing, Hall have judgment against Baron as follows:

1. for the full amount owed based on Count One, Count Two, and Count Three in the amount of \$5,000.00;
2. for reasonable and necessary attorneys' fees for pre-trial, trial and any subsequent appeal;
3. for pre-judgment interest at the highest rate permitted at law;
4. for post-judgment interest at the highest rate permitted at law;
5. for all costs of suit; and
6. for such other and further relief, at law and in equity, both general and special, to which Hall may be justly entitled to receive.

Respectfully submitted,


Jeffrey T. Hall
State Bar No. 00787622

7242 Main Street
Frisco, Texas 75034
(972) 335-8346 (Telephone)
(972) 335-9191 (Facsimile)

AFFIDAVIT OF JEFFREY T. HALL

STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, on this day personally appeared JEFFREY T. HALL, who being by me duly sworn on his oath deposed and said:

1. "My name is JEFFREY T. HALL. I am of sound mind and capable of making this Affidavit. I am over the age of 18 years and have never been convicted of a felony nor any crime of moral turpitude. I am competent to testify to the matters contained in this Affidavit. Every statement made in this Affidavit is made on my personal knowledge and is true and correct.

2. "I am an attorney, licensed by the State of Texas since 1993, the person who provided the Services complained of to the Defendant, and I am duly authorized to execute this affidavit.

3. "Jeffrey Baron ("Baron") retained me to represent Baron in several lawsuits to which Baron was a Defendant. Over the course of this representation, Baron and I (the "Parties") had a written fee agreement that was modified by agreement of the parties and ratified by the Parties' course of performance. Furthermore, pursuant to an open account, I agreed to provide Baron with legal services (the "Services") in return for Baron's promise to pay me for the same. The Services were provided at the special insistence of Baron and in the regular course of business. Baron accepted the Services and agreed to pay me my designated fee, which is reasonable and customary fee for such services. On or about April 13, 2010, I presented Baron with the attached Invoice, a true and correct copy of which is attached hereto as *Exhibit "1"* and incorporated herein by reference.

Exhibit "A"

4. "Baron defaulted in making payments on the account, despite my demand upon Baron for payment.

5. "As a result of Baron's default, I had to engage Jeffrey T. Hall, Attorney, to pursue collection. The Attorney is charging \$350.00 per hour for his efforts in collecting this debt from Baron.

6. "Through the end of March 2010, the total amount owed and unpaid by Baron on the account is \$5,000.00. The unpaid amount of the account is just, true, due and payable and all lawful offsets, payments, and credits have been applied toward the amount due.

7. "I have read Plaintiff's Original Petition in the above-styled and numbered cause and the facts contained therein are within my personal knowledge and are true and correct."

FURTHER AFFIANT SAYETH NAUGHT.

Jeffrey T. Hall

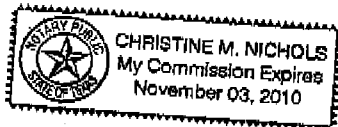
JEFFREY T. HALL

SUBSCRIBED AND SWORN TO BEFORE ME on this the 3 day of September,

2010, to certify which witness my hand and official seal.

Christine M. Nichols

Notary Public, in and for the
State of Texas



12/08/2010 09:50 9723359191

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Jeffrey T. Hall
 Attorney at Law
 7242 Main Street
 Frisco, Texas 75034

Invoice

Date	Invoice #
4/13/2010	252

Bill To
Mr. Jeff Baron 2200 E. Trinity Mills Road, #106 Carrollton, Texas 75006

			Billing Atty	Project		
			JTH			
Date	Description	Timekeeper	Hours	Rate	Amount	
3/24/2010	Legal representation for February 1-28, 2010 pursuant to flat fee representation agreement.			10,000.00	10,000.00	
4/7/2010	Legal representation for March 1-31, 2010 pursuant to flat fee representation agreement.			15,000.00	15,000.00	
			Total		\$25,000.00	
			Payments/Credits		\$0.00	
			Balance Due		\$25,000.00	
			Job Total Balance		\$25,000.00	

Phone #
(972) 335-8346

Exhibit "1"

EXHIBIT 20

CAUSE NO. 366-04714-2010

ROBERT J. GARREY,

IN THE DISTRICT COURT

Plaintiff

v.

COLLIN COUNTY, TEXAS

JEFFREY HARBIN, JEFFREY
BARON, THE VILLAGE TRUST,
QUANTEC LLC, AND NOVO
POINT LLC,

Defendants.

366 JUDICIAL DISTRICT

PLAINTIFF'S FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff files this lawsuit against Defendants Jeffrey Harbin, Jeffrey Baron, The Village Trust, Quantec LLC, Novo Point, LLC, as follows:

PARTIES

1. This lawsuit should be governed by Level II.
2. Plaintiff is a resident of Collin County Texas. Jurisdiction and venue are proper in the Court.
3. Defendant Harbin is a resident of Dallas County, Texas, and may be served where he is found or at his residence 6503 Camille Ave., Dallas, Texas 75252.
4. Defendant Baron is a resident of Dallas County, Texas, and may be served where he is found or at his residence 2200 E. Trinity Mills Road, Carrollton, Texas 75006.
5. Defendant The Village Trust, is a Cook Islands trust acting by and through its sole beneficiary, Baron. The "nominal" Trustee of the Trust is Mr. Brian Mason who is located at Asia Trust Ltd, Level 2, BCI House, P.O Box 822, Rarotonga, Cook Islands. Corporate

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 HANNAH KUNKLE
 DISTRICT CLERK
 COLLIN COUNTY, TEXAS
 BY *Kunkle*

formalities have been ignored such that service on Defendant Baron, the sole beneficiary of the trust and the person directing its activities, is sufficient to constitute service of citation on The Village Trust. In addition, the Trust has consented to jurisdiction of the State of Texas by participating in legal proceedings in Texas, maintaining an office in Texas, and allowing Baron to manipulate the form of the Trust as part of his scheme to defraud creditors of the bankruptcy of one of his companies, Ondova Limited.

6. Quantec LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Quantec LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Quantec by and through Harbin, such that service on Harbin, the "Managing Agent" of Quantec LLC is sufficient to constitute service of citation on Quantec LLC.

7. Novo Point LLC is one of the shell entities controlled by Baron and, upon information and belief, is used as a shell entity to hide assets from Baron's creditors and creditors of Baron's former company, Ondova Limited. Novo Point LLC is managed by Defendant Harbin. Corporate formalities have been disregarded and Baron directs and controls the activities of Novo Point LLC by and through Harbin, such that service on Harbin, the "Managing Agent" of Novo Point LLC is sufficient to constitute service of citation on Novo Point LLC.

FACTS

8. Defendant Baron is a liar, cheat and thief. For more than three years he has embarked upon a plan and scheme to use shell companies and The Village Trust to defraud creditors and to circumvent orders from federal District Court and Bankruptcy Court judges.

Specifically, Baron-through his shell companies Quantec LLC and Novo Point LLC and the Village Trust- and with the assistance of Harbin routinely hire attorneys to represent their illegal interests then promptly refuse to pay them for the services rendered. Baron has been noted as a vexatious litigant by more than one Court, he has been accused of seeking to defraud creditors in a pending bankruptcy and he has violated court orders restricting his further ability to hire more lawyers. At the present time more than 15 lawyers and law firms are seeking recovery of money, ordered to be set aside by court order, for legal services rendered to Baron and The Village Trust and other entities controlled by Baron.

9. Baron, acting on his own behalf and on behalf of the entities he controls, and Harbin as the "Managing Agent" for Quantec LLC, and Novo Point, LLC hired Plaintiff as General Counsel for a minimum 3 month engagement. Defendants made promises to Plaintiff that he would be paid, that sufficient cash resources existed for him to be paid and that the operation Baron was running was adequately funded and presented an ongoing, viable business opportunity. However, none of that was true. Moreover, Defendants concealed from Plaintiff the true objective of their enterprise which was to circumvent court orders, continue a pattern of theft of legal services, and seek to disregard and flaunt court orders from federal District Court and Bankruptcy Court Judges. Based upon the promises made and without the benefit of the information withheld from him, Plaintiff left his law firm position and began work for Defendants on November 1, 2010. Before doing so, Plaintiff negotiated and the parties agreed to an engagement agreement with a minimum three month term.

10. Immediately upon reporting to work on November 1, 2010, Defendants changed the scope of Plaintiff's assignments. Instead of performing services as General Counsel for Quantec and Novo Point, Plaintiff was instructed by Baron to violate court orders, engage in

numerous questionable, if not fraudulent, transactions, and specifically assist him as he sought to steal legal services from private attorneys working for him directly and for his shell companies. The primary objective of Baron's conspiracy was to leverage the stolen legal services from *current* attorneys to pay as little money as possible to *previous* attorneys who were making claims against him and his shell companies in related litigation.

11. The second, and perhaps more egregious objective of Baron's conspiracy was the fact that Baron, upon information and belief, operated his shell companies- with the assistance of Harbin- as a common enterprise; moving money from one entity to another and directing the activities of all of the entities solely for his personal best interests in an attempt to emerge with ample financial resources from the shell entities to reconstitute his bankrupt company, Ondova Limited.

12. Once Plaintiff started to work for Defendants, Harbin became unavailable to Plaintiff. Harbin refused to take Plaintiff's calls or respond to emails. Also, Harbin refused to formally sign the engagement agreement that had been negotiated and agreed to by all parties.

13. The first payment due Plaintiff was due on November 15, 2010, and Harbin refused to pay it. His refusal is without cause or justification. Defendants refused to pay Plaintiff because he was advocating for the payment of all attorneys rendering services to Defendants and he was not in favor of violating court orders and refused to do so. All conditions precedent to the payment obligation have been performed. Indeed, in hindsight it appears very clear that Baron and Harbin's actions were part of an overall plan and conspiracy to steal legal services, perpetrate a fraud on Plaintiff and on various courts, in addition to breaching the agreement with Plaintiff.

CAUSES OF ACTION

7. Defendants entered into an agreement with Plaintiff pursuant to which Plaintiff was to provide legal services as General Counsel for Defendants for a minimum 3 month period of time. Plaintiff started work on November 1, 2010. The first payment was due Plaintiff on or before November 15, 2010. Defendants failed to pay Plaintiff as required. Thus, Defendants have breached the engagement agreement by failing and refusing to pay Plaintiff the sums agreed upon despite Plaintiff's work for Defendant. In the alternative, Plaintiff has provided services to Defendants for which he has not been paid and recovery, via quantum meruit is appropriate.

8. Defendant Harbin, acting individually and on behalf of the entities he managed, and Baron, acting individually and on behalf of the entities he controlled: The Village Trust, Quantec LLC and Novo Point LLC, made numerous false and misleading statements intended to induce Plaintiff to leave his law firm position to take the position of General Counsel for Defendants' various companies. At the time Defendants made such representations, they knew or should have known such statements were false, that they had no intention of following through with any of them, including, but not limited to payment to Plaintiff for services provided. In fact, Defendants expressly concealed from Plaintiff their pattern and practice of regularly hiring attorneys, requiring them to perform a great deal of work in a short period of time, and refusing to pay for such services, or their plan to seek to circumvent federal court orders. *Defendants regularly lie, cheat and steal professional services!* Plaintiff has suffered actual and consequential damages as a result of Defendants' fraud.

9. Defendants' actions were carried out intentionally, with malice and a specific intent to deceive. As a result the imposition of punitive damages is warranted.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff respectfully requests that this Court, after final trial award: actual damages for breach of contract, attorneys fees and court costs, all actual damages resulting from Defendants' fraud, and an appropriate sum for punitive damages to punish and deter Defendants from continuing their fraudulent practices. Total damages sought will be no less than \$1,000,000.00.

Respectfully submitted,

By: Robert J. Garrey

Robert J. Garrey, P.C.
State Bar No. 07703420

114 Salsbury Cir.
Murphy, Texas 75094
(214) 478 9625 (Telephone)
bgarrey@gmail.com

EXHIBIT 21

EXHIBIT 21

Logout My Account Search Menu New Civil District Search Refine Search Back

Location : All District Civil Courts Help

REGISTER OF ACTIONS
CASE NO. DC-10-06464

DAVID PACIONE vs. JEFFREY BARON

§
§
§
§
§

Case Type: **CNTR CNSMR COM DEBT**
 Date Filed: **05/27/2010**
 Location: **101st District Court**

PARTY INFORMATION

DEFENDANT BARON, JEFFREY

Lead Attorneys
SIDNEY BENNETT
CHESNIN

Retained

214-404-9193(W)

PLAINTIFF PACIONE, DAVID L

KENT STARR

Retained

214-219-8440(W)

EVENTS & ORDERS OF THE COURT

- DISPOSITIONS**
- 11/15/2010 **DISMISSED FOR WANT OF PROSECUTION** (Judicial Officer: LOWY, MARTIN)
 Vol./Book 438E, Page 413, 1 pages
- OTHER EVENTS AND HEARINGS**
- 05/27/2010 **ORIGINAL PETITION (OCA)**
- 05/27/2010 **ISSUE CITATION**
- 05/27/2010 **CITATION**
 ATTY
 BARON, JEFFREY Served 06/27/2010
 Returned 06/29/2010
- 08/12/2010 **ISSUE CITATION**
- 08/12/2010 **AMENDED PETITION**
- 08/13/2010 **CITATION**
 (1ST AMD PET) - ATTY
 BARON, JEFFREY Served 09/28/2010
 Returned 10/01/2010
- 08/13/2010 **NOTE - CLERKS**
 - SENT E-MAIL NOTIFICATION TO ATTY, CITATION READY FOR PICK UP
- 09/10/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 ATTY SAYS D WILL BE SERVED 9/11 OR 9/12. ASKED FOR RESET
- 09/17/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 REQUESTED BY ATTORNEY/PRO SE
 P MAILING 106 9/16/10
- 09/17/2010 **MOTION - SUBSTITUTE SERVICE**
- 09/20/2010 **ORDER - SUBSTITUTE SERVICE**
 Vol./Book 437E, Page 777, 2 pages
- 09/22/2010 **NOTE - CLERKS**
 C-PLTF SUB SVC
- 10/08/2010 **ORIGINAL ANSWER - GENERAL DENIAL**
- 10/22/2010 **CANCELED Status Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 BY COURT ADMINISTRATOR
 D ANSWERED
- 11/05/2010 **Scheduling Conference** (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
- 11/15/2010 **NOTE - CLERKS**
 C-ALL DWOP
- 11/18/2010 **MOTION - SUBSTITUTION OF COUNSEL**
- 11/18/2010 **MOTION - REINSTATE**
- 11/22/2010 **RULE 11**
- 12/02/2010 **ORDER - SUBSTITUTION OF COUNSEL**
 Vol./Book 438E, Page 606, 1 pages
- 12/02/2010 **ORDER - REINSTATE (OCA and REOPEN CASE)**
 Vol./Book 438E, Page 607, 1 pages
- 12/03/2010 **SCHEDULING ORDER**

13-10696.2825
 12/9/2010

Vol./Book 438E, Page 680, 3 pages
 12/06/2010 MOTION-ABATEMENT
 12/08/2010 NOTE - CLERKS
 C-ALL SCHEDULING ORDER AND TRIAL NOTICE
 01/07/2011 CANCELED Scheduling Conference (9:00 AM) (Judicial Officers LOWY, MARTIN, LOWY, MARTIN)
 BY COURT ADMINISTRATOR
 SKED ORDER SUBMITTED W/ M/REINSTATE
 08/22/2011 TRIAL SETTING (NON JURY)
 08/22/2011 Non Jury Trial (9:00 AM) (Judicial Officer LOWY, MARTIN)

FINANCIAL INFORMATION

	D EFENDANT BARON, JEFFREY		
	To tal Financial Assessment		2.00
	To tal Payments and Credits		2.00
	B alance Due as of 12/09/2010		0.00
10/08/2010	Tr ansaction Assessment		2.00
10/13/2010	PAY MENT (CASE FEES) Receipt # 90536-2010-DCLK	PENNY ROGERS	(2.00)
	PL AINTIFF PACIONE, DAVID L		
	To tal Financial Assessment		327.00
	To tal Payments and Credits		303.00
	B alance Due as of 12/09/2010		24.00
05/27/2010	Tr ansaction Assessment		247.00
05/27/2010	Tr ansaction Assessment		8.00
05/27/2010	PAY MENT (CASE FEES) Receipt # 46005-2010-DCLK	STARR & ASSOCIATES	(255.00)
08/12/2010	Tr ansaction Assessment		48.00
08/16/2010	PAY MENT (CASE FEES) Receipt # 69803-2010-DCLK	STARR, KENT	(48.00)
11/18/2010	Tr ansaction Assessment		22.00
11/22/2010	Tr ansaction Assessment		2.00

5/27/10
WR

1-CIT-ATTY

CAUSE NO.: 10-06464

FILED

DAVID L. PACIONE,

Plaintiff

vs.

JEFFREY BARON,

Defendant

§
§
§
§
§
§
§
§
§
§

IN THE DISTRICT COURT

CLERK OF DISTRICT COURT
DALLAS CO., TEXAS
101st JUDICIAL DISTRICT
MIGUEL HERNANDEZ

DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE UNITED STATES DISTRICT JUDGE:

COMES NOW, David L. Pacione, ("Pacione"), and files this, his Original Petition and, for cause, would show the Court, as follows:

I.
Parties

1. David L. Pacione. is an individual residing and doing business in Dallas, County, Texas.
2. Jeffrey Baron ("Baron") is an individual who resides in Dallas County, Texas and may be served with process at his residence, Trinity Meadows Condominiums, 2200 E. Trinity Mills Road, Unit #106, Carrollton, Texas 75006.

1-CIT
ATTY

II.
Jurisdiction and Venue

3. This Court has jurisdiction and venue is correct for this lawsuit, pursuant to Tex. Civ. Prac. and Rem. Code § 15.002(a)(1), as the services rendered that make the basis of this lawsuit were performed in Dallas County, Texas.

III.
Discovery Control Plan

4. Plaintiff elects to conduct discovery under Texas Rule of Civil Procedure 190.2.

IV.
Basis of Suit

5. This verified suit is brought by Pacione to collect attorney's fees owed to him by Baron for legal services provided by Pacione to Baron at Baron's specific request.

V.
Facts

6. On or about January 20, 2010, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division, Baron retained Pacione, a Texas-licensed attorney, to assist Baron's lead counsel, Jeffrey T. Hall, Esq. ("Hall"), in his legal representation of Baron individually in the above-styled cause (the "Lawsuit").

7. On January 29, 2010, Pacione appeared before the United States District Court for the Northern District of Texas, Dallas Division and the Honorable Royal Ferguson during a Status Conference hearing for that case. Pacione announced his additional representation of Baron, along with Baron's lead counsel, Hall, in this Lawsuit. Noting Baron's prolific attorney representation throughout that litigation, Judge Ferguson, nonetheless, welcomed Pacione's announcement.

8. At the conclusion of February 2010, Pacione ceased his representation of Baron as an irreconcilable difference developed between Pacione and Baron. Specifically, Baron, despite his repeated promises, has failed to compensate Pacione for his earned legal services.

9. When Baron hired Pacione to assist Hall, Baron agreed to compensate Pacione for

his legal services on an \$8,000.00 per month flat-fee basis and reimburse any incurred legal expenses. For his work on Baron's behalf over the final week of January 2010, Baron agreed to pay Pacione a pro-rated fee of \$2,000.00. This agreement is memorialized by Pacione's billing invoice, which was sent to and received by Baron on February 9, 2010. The verified claim, attached hereto, is marked as Exhibit "A" and incorporated herein by reference.

10. For this time frame, Pacione worked well over 200 hours on myriad tasks for Baron related to the Lawsuit. In addition, Pacione also incurred legal expenses in the Lawsuit. These legal services were reasonably worth the sum of money charged to Baron.

11. Baron received and accepted the benefit of Pacione's efforts and expenditures. Throughout this same period, Pacione repeatedly inquired about his payment from Baron. In response, Baron consistently verified with Pacione that he would be paid. At no time before the end of February 2010 did Baron ever question Pacione's billing invoice or the parties' agreed to flat-fee agreement.

12. At the conclusion of February 2010, when Pacione, again, asked for payment of ^{attached} his earned attorney's fees and incurred legal expenses, Baron refused to pay same. Since then, Pacione has made numerous, unsuccessful attempts to secure payment of his attorney's fees.

VI. **Claims**

Count One – Breach of Contract

13. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

14. At Baron's express request, Pacione provided substantial contracted legal services to Baron between January 25, 2010 and February 28, 2010. After negotiation, Baron agreed to pay Pacione an \$8,000.00 per month flat-fee for general legal services rendered, as well as

reimbursement for any incurred legal expense. For the January 25 – January 31, 2010 time frame, Baron agreed to pay Pacione a pro-rated flat-fee of \$2,000.00.

15. In good faith, Pacione provided said legal services to Baron, totaling well over 200.00 hours.

16. To date, notwithstanding Pacione's repeated demands, Baron has utterly failed and refused, and continues to fail and refuse, to pay Pacione for services rendered and incurred legal expenses.

17. As a result of Baron's breach of contract, Baron has proximately caused actual damages to Pacione in the amount of \$10,023.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest, as allowed by law.

Count Two – Quantum Meruit

18. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

19. Pleading in the alternative, if same should be necessary, the legal services and incurred legal expenses were provided to Baron under such circumstances that Baron knew that Pacione, in performing legal services on Baron's behalf, expected to be paid.

20. The substantial legal services provided to and accepted by Baron between January 25, 2010 and February 28, 2010—approximately 238.70 hours worth of same—were for the benefit of Baron. Baron would be unjustly enriched, and Pacione severely penalized, if Baron was allowed to retain the benefits of such services without paying for them.

21. For such services, when handled on an hourly fee rate, Pacione charges \$200.00/hr. Such an hourly fee is usual, customary and reasonable within the Dallas legal

community.

22. As a result of Baron's failure and refusal to pay for legal services rendered, including expenses, Baron has proximately caused actual damages to Pacione in the amount of \$47,763.80, plus consequential damages, including attorney's fees, and pre- and post-judgment interest as allowed by law.

Count Three – Attorney's Fees

23. Pacione incorporates, by reference, each of the allegations as previously set forth hereinabove.

24. In accordance with Tex. Civ. Prac. & Rem. Code § 38.01, *et seq.*, Pacione is entitled to recover his reasonable attorney's fees incurred in prosecuting this action. Pacione presented the above-described claim to Baron, however, Baron has failed and refused to tender the just amount owed.

25. As a result of Baron's failure and refusal to pay Pacione his earned legal services fees, Pacione has been required to obtain legal counsel to bring this suit. Pacione is, therefore, entitled to recover an additional sum to compensate him for the reasonable attorney's fees incurred in bringing this suit, with further and subsequent awards of attorney's fees in the event of appeals from this Court.

VII.

Conditions Precedent

26. All conditions precedent necessary for Pacione to have and recover in this action have been performed, have occurred or have been waived.

WHEREFORE, PREMISES CONSIDERED, David L. Pacione prays that process issue and be served on Jeffrey Baron; that, upon final hearing, Pacione have and recover judgment from and against Baron in the amounts set forth above, for reasonable attorney's fees

incurred by Pacione to prosecute this action, for costs and expenses of suit herein, for pre- and post-judgment interest on all monetary relief sought herein at the highest lawful rate; and, for such other and further relief, both general and special, at law and in equity, to which he is justly entitled.

Respectfully submitted,

STARR & ASSOCIATES, P.C.

By: 

KENT W. STARR

State Bar Number: 00798527

777 E. 15TH Street

Suite 203

Plano, Texas 75074

(214) 219-8440 (telephone)

(214) 219-8441 (facsimile)

ATTORNEYS FOR PLAINTIFF DAVID L.
PACIONE

EXHIBIT

A

David L. Pacione, Esq.
 6602 Warm Breeze Lane
 Dallas, Texas 75248
 (214) 236-0593

Mr. Jeff Baron

Statement for period 1/25/10 - 2/28/10
 Tax ID No.: 214505794

Total Charges Incurred

Professional Fees (Flat Fee)	10,000.00
<u>Expenses</u>	<u>0.00</u>
GRAND TOTAL	10,000.00

Re: *Flat-Fee Legal Services*

Professional Fees:

<u>Date</u>	<u>Narrative</u>	<u>Rate</u>	<u>Amt</u>
1/25/10 - 1/31/10	Legal Services (Pro-rated)	Flat Fee	2,000.00
2/1/10 - 2/28/10	Legal Services	Flat Fee	8,000.00

Statement Summary

<u>Professional Name</u>	<u>Title</u>	<u>Dates</u>	<u>Rate</u>	<u>Extended Amount</u>
David L. Pacione	Attorney	1/25 - 1/31/10	Flat fee	2,000.00 (pro-rated)
		2/1 - 2/28/10	Flat fee	8,000.00
		<i>Total:</i>		<i>10,000.00</i>

Costs

<u>Date</u>	<u>Expense</u>	<u>Qty.</u>	<u>Price</u>	<u>Amount</u>
				Sub-total Costs: 0.00

Total Current Billing: \$10,000.00

Payable upon Receipt

AFFIDAVIT OF DAVID L. PACIONE

STATE OF TEXAS §
§
COUNTY OF DALLAS §

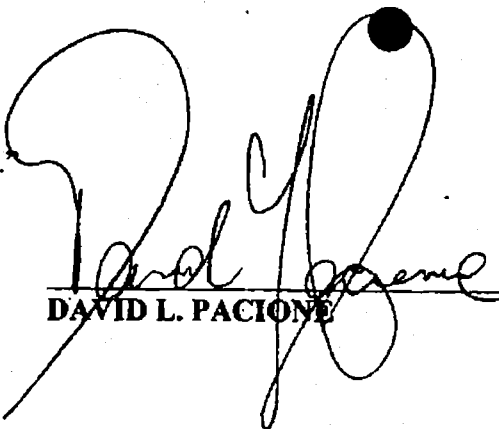
BEFORE ME, the undersigned authority, on this day personally appeared DAVID L. PACIONE, personally known to me, who being by me first duly sworn upon his oath, deposes and states the following:

“My name is David L. Pacione. I am over the age of eighteen (18) years, and I am of sound mind. I have never been convicted of any felony crime. I have personal knowledge of every statement made herein, and I am fully competent to testify to the matter stated herein. Every statement made herein is true and correct.

I am an individual and a Texas-licensed attorney, admitted to practice before the United States Courts for the Northern District of Texas, Dallas Division, doing business as the The Law Office of David L. Pacione. On January 20, 2010, I was retained by Jeffrey Baron to assist his lead counsel, Mr. Jeffrey T. Hall, in connection with the litigation styled, Cause No. 3:09-cv-0988-F; *Netsphere, Inc., et al. vs. Jeffrey Baron and Ondova Limited Company*; pending in the United States District Court for the Northern District of Texas, Dallas Division. For my representation, Jeffrey Baron agreed to compensate me, on a flat-fee basis, at a rate of \$8,000.00 per month. For the remaining portion of January 2010, Jeffrey Baron additionally agreed to pay me a pro-rated fee of \$2,000.00. On February 9, 2010, at Jeffrey Baron’s request and as part of my regular course of business, I submitted to him a billing invoice reflecting this agreement. The subject invoice, totals \$10,023.80, with all just and lawful offsets, payments and credits allowed, plus interest, is now due and owing from Jeffrey Baron.


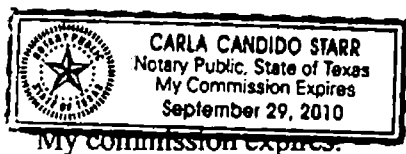
From late January through February 28, 2010 and consistent with the parties’ agreement, I performed various legal services on Jeffrey Baron’s behalf. Such legal services totaled approximately 238.70 hours. In my legal practice, for legal representation in such business matters, my usual and customary hourly rate to perform such work is \$200.00/hour. This rate is both reasonable and well within the acceptable range of rates being charged for such legal representation within the Dallas legal community.

Further Affiant sayeth not.



DAVID L. PACIONE

SWORN TO AND SUBSCRIBED before me, the undersigned authority, by the said DAVID L. PACIONE on this the 27 day of May, 2010.



Notary Public, State of Texas

EXHIBIT 22

Filed
10 May 3 P4:44
Gary Fitzsimmons
District Clerk
Dallas District

CAUSE NO. DC-10-05339-K

FEE, SMITH, SHARP & VITULLO, LLP	§	IN THE DISTRICT COURT
<i>Plaintiff,</i>	§	
v.	§	<u>192nd</u> JUDICIAL DISTRICT
	§	
JEFF BARON	§	
<i>Defendant.</i>	§	DALLAS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, FEE, SMITH, SHARP & VITULLO, LLP, Plaintiff, files this its Original Petition against JEFF BARON, Defendant, and would show the Court as follows:

I.

DISCOVERY CONTROL PLAN

1. In accordance with Tex. R. Civ. P. 190.2 the Plaintiff designates this case as a level 1 case.

II.

PARTIES

2. Plaintiff FEE, SMITH, SHARP & VITULLO, LLP is a Texas limited liability partnership organized and existing under the laws of the State of Texas, having its offices and principal place of business in Dallas County, Texas.
3. Defendant JEFF BARON is an individual residing in Carrollton, Texas and may be served with process at 2200 E. Trinity Mills Rd, Apt 106, Carrollton, TX 75006.

III.

VENUE AND JURISDICTION

4. The Court has jurisdiction over Defendant because the amount in controversy exceeds the minimum jurisdictional limits of this Court.
5. Venue is proper in this Court because the contract at issue in this matter was entered into in Dallas County, Texas, and because the events and transactions giving rise to the claims asserted herein arose in whole or in part in Dallas County, Texas. Venue is therefore proper in Dallas County pursuant to Tex. Civ. Prac. & Rem. Code §15.002.

IV.

Breach of Contract for Services
Performed for the Benefit of Defendant

6. On or about June 2, 2009, Plaintiff entered into an agreement with Defendant whereby Plaintiff agreed to provide services to Defendant. Pursuant to the terms of their agreement, Plaintiff invoiced Defendant for services performed. A true and correct copy of the invoices sent to Defendant is attached hereto as Exhibit "A" and incorporated herein by reference. As of the filing of this cause of action, the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) exclusive of interest, was due and owing from Defendant to Plaintiff. Defendant's failure to pay constitutes a breach of contract. Therefore, Plaintiff claims the sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) as damages incurred by reason of Defendant's breach of contract, plus interest at the rate of six percent (6.00%) per annum.

IV.

Suit on a Verified Account for
Services Furnished to Defendant

7. Pleading in the alternative, Plaintiff would show that on or about June 2, 2009, at the special instance and request of Defendant, Plaintiff provided services described in the invoices attached hereto. Defendant became bound to pay the reasonable value of the services furnished by Plaintiff. The reasonable value of the unpaid services furnished by Plaintiff at the request of Defendant, excluding interest, is twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). This sum is a liquidated money demand arising out of the business dealings between the parties upon which a systematic record has been kept, and all just and lawful offsets, payments, and credits have been allowed. Though often requested, Defendant has failed and refused and continues to fail and refuse to pay the sum of money for the services described in Exhibit "A" to the damage of Plaintiff in the amount of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60). See Affidavit of Jay Fry attached hereto as Exhibit "B" and incorporated herein by reference.

V.

Quantum Meruit

8. Pleading in the alternative, services were rendered to Defendant directly in that Defendant received the services. As a direct result of Plaintiff's provision of the services, a benefit was conferred on the Defendant in that the Defendant has had beneficial use and enjoyment of the services. The Defendant has accepted the benefit of Plaintiff's services. Specifically, the Defendant accepted the services. The reasonable value of the services that Plaintiff provided to Defendant was twenty-two thousand, nine hundred eighty-eight

dollars and sixty cents (\$22,988.60). Plaintiff reasonably expects payment for the services provided because the Plaintiff has provided similar services for others in the community for which Plaintiff has been paid, and Plaintiff does not know Defendant personally.

9. The Plaintiff has presented the claim as described above to Defendant for payment. Defendant will be unjustly enriched in the amount claimed by Plaintiff if allowed to retain the benefit conferred on it without payment for the reasonable value of the services provided by Plaintiff to Defendant described above.

V.

Attorney's Fees

10. Plaintiff has demanded payment from Defendant for the services provided by Plaintiff to Defendant. Because of Defendant's refusal to pay the invoice(s) due and owing to Plaintiff, it has become necessary for Plaintiff to place its claim in the hands of the undersigned attorney for collection, and Plaintiff has agreed to pay said attorney a reasonable attorney's fee. Therefore, upon judgment being entered herein, Plaintiff is entitled to collect and hereby sues to recover its reasonable attorney's fees pursuant to TEX. CIV. PRAC. & REM. CODE, § 38.001 at the trial court and on appeal.

VI.

DISCLOSURES

11. Pursuant to Rule 194, JEFF BARON is requested to disclose, within 50 days of service of this petition, the information or material described in TEX. R. CIV. P 194.2.

VIII.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff, FEE, SMITH, SHARP & VITULLO, LLP, prays that Defendant be cited to appear and answer herein, and that upon final hearing Plaintiff have judgment against Defendant for the following:

- a. The sum of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60) on its alternate theories of Breach of Contract, Sworn Account and Quantum Meruit;
- b. Pre-judgment interest of 6.00% per annum;
- c. Post-judgment interest at the rate per annum as published by the Texas Office of Consumer Credit Commission at the time of Judgment;
- d. Attorneys' fees in a reasonable amount pursuant to TEX. CIV. PRAC. & REM. CODE § 38.001 at the trial and on appeal;
- e. Costs of court;
- f. Costs of collection;
- g. Such other and further relief, at law or in equity, to which Plaintiff may show itself justly entitled.

Respectfully Submitted,

DARRELL W. COOK & ASSOCIATES,
A PROFESSIONAL CORPORATION



DARRELL W. COOK *By: swd*

State Bar No. 00787279

STEPHEN W. DAVIS

State Bar No. 24066792

One Meadows Building

5005 Greenville Ave., Suite 200

Dallas, TX 75206

(214) 368-4686

(214) 363-9979 Telecopy

ATTORNEYS FOR PLAINTIFF

EXHIBIT A



Fee, Smith, Sharp & Vitullo LLP

Three Galleria Tower 13155 Noel Road Suite 1000 Dallas, Texas 75240
 P 972-934-9100 F 972-934-9200 www.feesmith.com

Jeff Baron
 jeff@ondova.com

Page: 1
 June 16, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 24513

Ondova Limited Company and Jeff Baron v. Manila
 Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

			Rate	Hours	
06/03/2009	ALV	Conference with Elizabeth, James and Jeff regarding injunction hearing.	350.00	2.20	770.00
	ALV	Review file materials.	350.00	2.80	980.00
06/04/2009	ALV	Meeting with Razansky and review of Motion.	350.00	3.30	1,155.00
	ALV	Preparation for temporary injunction hearing.	350.00	10.60	3,710.00
	AKJ	Revise Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
	AKJ	Revise Agreed Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to all counsel regarding Notice of Temporary Restraining Order hearing.	75.00	0.30	22.50
	AKJ	Preparation of correspondence to Court regarding filing of Emergency Motion to Quash and/or			

Jeff Baron

Page: 2
 June 16, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 24513

		Rate	Hours	
	Motion to Substitute Counsel for Plaintiffs Jeff Baron and Ondova Limited Company.	75.00	0.30	22.50
AKJ	Multiple telephone call to and telephone call from Special Delivery regarding coordination of service of three subpoenas.	75.00	0.50	37.50
AKJ	Prepare notebooks for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Prepare exhibits and exhibit notebook for Temporary Restraining Order hearing.	75.00	1.60	120.00
AKJ	Multiple telephone call to Victory Document Service regarding preparation of trial board.	75.00	0.20	15.00
RCP	Researched requirements for temporary injunctions.	100.00	2.60	260.00
RCP	Revised Motion to Quash.	100.00	0.80	80.00
06/05/2009 ALV	Preparation for temporary injunction hearing.	350.00	5.40	1,890.00
ALV	Attendance at temporary injunction hearing and client conference.	350.00	4.80	1,680.00
AKJ	Continue to work on exhibits for Temporary Restraining Order hearing.	75.00	1.70	127.50
AKJ	Revise Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Court regarding filing of Second Emergency Motion to Quash and/or Motion for Protective Order by Plaintiff Jeffrey Baron.	75.00	0.30	22.50
AKJ	Preparation of additional Temporary Restraining Order hearing notebook.	75.00	0.80	60.00
AKJ	Multiple telephone call to and			

Jeff Baron

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 June 16, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 24513

		Rate	Hours	
	telephone call from Victory Document Service regarding preparation of trial board.	75.00	0.40	30.00
06/07/2009	ALV Telephone conference with Rasansky regarding MacPete contacting Charla Aldous.	350.00	0.20	70.00
	ALV Telephone conference with Baron regarding Ondova issues related to deregistering domain names in best interest of company.	350.00	0.50	175.00
	ALV Telephone conference with Baron, James Bell and Elizabeth Shuring regarding litigation strategy of filing Motion to Enforce Simple Solution Agreement, application of Temporary Restraining Order.	350.00	1.50	525.00
	ALV Telephone conference with Jeff Baron.	350.00	1.00	350.00
	ALV Telephone conference with James Bell and Baron.			n/c
	ALV Multiple/additional telephone conferences with Bell and Baron.			n/c
06/08/2009	ALV Preparation of correspondence to Frank Perry.	350.00	0.50	175.00
	ALV Preparation of multiple correspondence to Kantner MacPete.	350.00	1.00	350.00
	ALV Conference with Baron and James Bell.			n/c
	ALV Conference with Charla Aldous.			n/c
	ALV Receipt and review of correspondence to/from MacPete and Kantner.	350.00	0.20	70.00
	ALV Conference with Bob Kantner.	350.00	0.60	210.00
	ALV Receipt and review of correspondence to/from Frank Lloyd.	350.00	0.10	35.00

Jeff Baron

Page: 4
 June 16, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 24513

		Rate	Hours	
ALV	Telephone conference with Samantha Isner of ICANN.	350.00	0.10	35.00
ALV	Receipt of telephone call from Richard Wolfe regarding Simple Solutions.	350.00	0.30	105.00
ALV	Multiple telephone conferences with and preparation of correspondence to Baron, Elizabeth and James regarding litigation strategy and preparation of responses to e-mails and review MacPete, Lloyd and Wolfe e-mails.	350.00	3.20	1,120.00
AKJ	Draft Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.40	30.00
AKJ	Preparation of correspondence to all counsel regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.30	22.50
AKJ	Preparation of correspondence to Steve Gentry regarding Notice of Intention to Take Deposition of of Munish Krishan.	75.00	0.20	15.00
AKJ	Multiple telephone call to Steve Gentry regarding Deposition of of Munish Krishan.	75.00	0.20	15.00
RCP	Preparation of Motion to Compel compliance with Rule 11 Settlement Agreement.	100.00	2.90	290.00
RCP	Preparation of Motion to Compel oral deposition.	100.00	0.90	90.00
06/09/2009 ALV	Telephone conference with Baron, James and Elizabeth regarding Manassas.	350.00	1.50	525.00
ALV	Multiple telephone conferences with and e-mails regarding MacPete response, Dec Action and Temporary Restraining Order; conference with Baron, Elizabeth and James.	350.00	2.20	770.00
ALV	Telephone call to Jerry Mason			

Jeff Baron

Page: 5

June 16, 2009

FSSV File No.: ALV-3132M

Invoice Number: 24513

		Rate	Hours	
	regarding fee issue.	350.00	0.10	35.00
ALV	Preparation of correspondence regarding Motion to Enforce simple solutions Rule 11 Agreement and Motion for Application of Temporary Restraining Order.	350.00	0.50	175.00
ALV	Initial preparation of revisions to Temporary Restraining Order for Ondova.	350.00	0.60	210.00
06/10/2009 ALV	Telephone conference with Baron, Elizabeth regarding bringing in Asia Trust, Kantners statement to Interplead money, and liability exposure of 3rd party trademark.	350.00	1.10	385.00
ALV	Telephone call to Bob Kantner of Interplead.	350.00	0.50	175.00
ALV	Telephone conference with Richard Wolfe.	350.00	0.60	210.00
ALV	Edit seventh Amended Petition, Temporary Restraining Order, Motion to Enforce and Motion for Expedited Discovery.	350.00	3.50	1,225.00
ALV	Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
ALV	Conference with Bell, Baron, Elizabeth regarding strategy.	350.00	4.30	1,505.00
ALV	Preparation of edits to Motion to Compel, Amended Petition and Motion for Expedited Discovery.	350.00	2.40	840.00
06/11/2009 ALV	Multiple conversations with Co-Counsel regarding Client.			n/c
ALV	Multiple e-mails to/from Co-Counsel.			n/c
ALV	Additional preparation of Motion to Compel and Rule 11 Agreement for filing with Court.	350.00	1.50	525.00
ALV	Meeting with MacPete regarding			

13-10696.2849

Jeff Baron

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		Rate	Hours	
	MOU.	350.00	2.20	770.00
	ALV Conference with Elizabeth for status and conference with James Bell and joint conference with Elizabeth and Jeff Baron.	350.00	4.30	1,505.00
06/12/2009	JCR Attendance at meeting with ALV; teleconferencing with James Bell and Jeff Baron; attendance at three telephonic hearings with federal court Judge regarding case.	225.00	6.80	1,530.00
06/14/2009	JCR Preparation for upcoming hearing.	225.00	2.00	450.00
06/15/2009	JCR Additional preparation for hearing; travel to and from and attendance at hearing and meeting with counsel after hearing.	225.00	4.50	1,012.50
	JCR Attendance at teleconferences with new federal court judge and with counsel for Netsphere/the Krishans.	225.00	1.30	292.50
	JCR Conferences with ALV, James Bell and Jeff Baron regarding outcome of hearing and strategy for both cases involving clients.	225.00	3.00	675.00
	Total Legal Fees		99.70	28,200.00

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	65.10	\$350.00	\$22,785.00
J. CALEB RAWLS	17.60	225.00	3,960.00
ARTI K. JARIWALA	9.80	75.00	735.00
RACHEL C. PERKINS	7.20	100.00	720.00

Expenses

06/09/2009	Photocopying, 12 pp @ \$.10 each	1.20
06/11/2009	Photocopying, 34 pp @ \$.10 each	3.40
06/11/2009	Photocopying, 31 pp @ \$.10 each	3.10
06/11/2009	Photocopying, 15 pp @ \$.10 each	1.50
06/12/2009	Photocopying, 70 pp @ \$.10 each	7.00
06/12/2009	Photocopying, 50 pp @ \$.10 each	5.00
	Total Expenses	21.20

Jeff Baron

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Invoice Number: 24513

Advances

06/05/2009	Outside Copy Services - Victory Document Services, Inc.	107.82
	Total Advances	<u>107.82</u>
	Total For This Invoice	28,329.02

Payments

06/16/2009	Payment	-25,000.00
	Balance Due	<u>\$3,329.02</u>

Client Funds

06/05/2009	Initial Retainer Deposit	25,000.00
06/16/2009	Payment	-25,000.00
	Ending Client Funds Balance	<u>\$0.00</u>
	Please Remit	<u>\$3,329.02</u>

Thank you for your business!

13-10696.2851



Fee, Smith, Sharp & Vitello LLP

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Jeff Baron
 jeff@ondova.com

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 June 23, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 24550

Ondova Limited Company and Jeff Baron v. Manila
 Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

Fees

		Rate	Hours	
06/10/2009	RCP Revised Motion to Compel compliance with Rule 11 settlement agreement, added Motion to Seal.	100.00	4.90	490.00
	LER Research issue on federal jurisdiction of a pending state court action.	225.00	0.80	180.00
06/11/2009	AKJ Review and analysis of correspondence from Steve Gentry regarding deposition of Munish Krishan.	75.00	0.10	7.50
	AKJ Preparation of correspondence to Steve Gentry regarding cancellation/quashed deposition of Munish Krishan.	75.00	0.10	7.50
06/12/2009	ALV Review of Temporary Restraining Order and research irreparable harm issue.	350.00	1.40	490.00
	ALV Preparation for Temporary Restraining Order hearing.	350.00	1.50	525.00
	ALV Temporary Restraining Order hearing with Judge Lynn.	350.00	0.50	175.00

Jeff Baron

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June 23, 2009

FSSV File No.: ALV-3132M

Invoice Number: 24550

		Rate	Hours	
	ALV Conference with James Bell and Jeff Baron.	350.00	1.10	385.00
	ALV Receipt and review and preparation of 23 emails to and from Elizabeth, James, MacPete and Jeff.	350.00	1.80	630.00
06/13/2009	ALV Receipt and review of 20 e-mails and preparation of same to and from Elizabeth, James, Jeff and MacPete regarding litigation strategy.	350.00	1.50	525.00
	ALV Multiple telephone conferences with Elizabeth, James, Caleb and Jeff.	350.00	1.30	455.00
	ALV Additional revisions to Amended Petition.	350.00	0.80	280.00
06/14/2009	ALV Receipt and review and prepare 68 e-mails to and from Elizabeth, James, Jeff, Caleb regarding litigation strategy.	350.00	3.40	1,190.00
06/15/2009	ALV Assist with preparation for deposition.	350.00	1.20	420.00
	ALV Receipt and review of and preparation of 44 e-mails to and from Elizabeth, James, Caleb and Jeff regarding litigation strategy and depositions.	350.00	2.60	910.00
	ALV Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding deposition strategy and document production.	350.00	1.80	630.00
06/16/2009	MKS Review file for documents for attorney use at hearing, travel to and from Courthouse to deliver and review documents for use at hearing.	75.00	1.50	112.50
	ALV Receipt and review and preparation of 41 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition prep.	350.00	2.10	735.00

13-10696.2853

Jeff Baron

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		Rate	Hours	
ALV	Multiple telephone conferences with Caleb, Elizabeth, James and Jeff regarding litigation and deposition.	350.00	1.40	490.00
ALV	Conference with MacPete.	350.00	0.50	175.00
JCR	Discussions, telephone conference with and emails correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny Vitullo and John MacPete regarding pending depositions and document production as well as pending preliminary injunction hearing.	225.00	12.00	2,700.00
06/17/2009 ALV	Receipt and review and preparation of 58 e-mails to and from Elizabeth, James, Caleb and Jeff regarding deposition, protective order, Motion to Dismiss, Order, true up provision, stipulated order, conference calls regarding depositions with Elizabeth, James and Caleb.	350.00	3.40	1,190.00
JCR	Discussions and telephone conferences with and email correspondence to and from Jeff Baron, Elizabeth Schurig, James Bell, Lenny vitullo and John MacPete regarding pending depositions and document production as well as settlement negotiations and options.	225.00	11.60	2,610.00
JCR	Review of Baron's/Ondova's document production in preparation for deposition of Jeff Baron.	225.00	1.10	247.50
JCR	Preparation of draft objections to Plaintiff's subpoena duces tecum.	225.00	0.80	180.00
MKS	Email with Court Reporter to retain reporter and videographer for the deposition on June 18, 2009 of Munich.	75.00	0.10	7.50
MKS	Multiple telephone conferences			

Jeff Baron

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 June 23, 2009
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		Rate	Hours	
	with Caleb Rawls regarding preparation of documents for attorney use at deposition of Munich.	75.00	0.20	15.00
06/18/2009	ALV Receipt and review of multiple e-mails and conference calls with Elizabeth, Jeff, James and Caleb.			n/c
	JCR Continued preparation for deposition of Jeff Baron.	225.00	0.70	157.50
	JCR Preparation of Jeff Baron to testify.	225.00	2.70	607.50
	JCR Travel to and from Locke Lord's offices for deposition of Jeff Baron; discussions of document production and settlement possibilities with James Bell and Jeff Baron as well as with John MacPete and telephonic hearing with Judge Furgeson regarding discovery dispute.	225.00	11.60	2,610.00
06/19/2009	ALV Receipt and review of 10 e-mails regarding hearing on document production and conference with Elizabeth, James and Jeff regarding hearing.	350.00	2.60	910.00
	ALV Receipt of telephone call from Charla and Rasansky regarding fee issue and status.	350.00	0.50	175.00
	JCR Travel to and from and attendance at discovery hearing before Judge Furgeson.	225.00	4.70	1,057.50
	JCR Discussions with John MacPete and Lenny Vitullo regarding document production and depositions.	225.00	0.90	202.50
06/20/2009	ALV Meeting with Jeff Baron and conference with Bell and MacPete.	350.00	3.80	1,330.00
	ALV Preparation of e-mails to Jeff regarding status and decision to proceed under MOU.	350.00	0.20	70.00

Jeff Baron

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 June 23, 2009
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		Rate	Hours	
06/21/2009	ALV Preparation of e-mails to Jeff, Elizabeth and James.	350.00	0.80	280.00
	ALV Multiple conferences with Jeff, Elizabeth and James.	350.00	1.20	420.00
	ALV Conference call with Jeff, Elizabeth and James regarding meeting with Friedman.	350.00	0.50	175.00
	Total Legal Fees		89.70	23,757.50

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
ANTHONY L. VITULLO	35.90	\$350.00	\$12,565.00
J. CALEB RAWLS	46.10	225.00	10,372.50
MELINDA K. SPURGEON	1.80	75.00	135.00
LAURA E. RICHARDS	0.80	225.00	180.00
ARTI K. JARIWALA	0.20	75.00	15.00
RACHEL C. PERKINS	4.90	100.00	490.00

Expenses

06/16/2009	Photocopying, 110 pp @ \$.10 each	11.00
06/17/2009	Photocopying, 5 pp @ \$.10 each	0.50
06/18/2009	Photocopying, 404 pp @ \$.10 each	40.40
06/18/2009	Photocopying, 991 pp @ \$.10 each	99.10
06/18/2009	Photocopying, 107 pp @ \$.10 each	10.70
06/18/2009	Photocopying, 261 pp @ \$.10 each	26.10
06/19/2009	Photocopying, 1538 pp @ \$.10 each	153.80
06/19/2009	Photocopying, 57 pp @ \$.10 each	5.70
06/19/2009	Photocopying, 114 pp @ \$.10 each	11.40
	Total Expenses	358.70

Advances

06/04/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/04/2009	Courier fee - Special Delivery Service, Inc.	169.50
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/04/2009	Courier fee - Special Delivery Service, Inc.	45.00
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/05/2009	Courier fee - Special Delivery Service, Inc.	37.49
06/06/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/10/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24

Jeff Baron

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06/11/2009	Courier fee - Special Delivery Service, Inc.	31.24
06/12/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/15/2009	Parking - Spurgeon, Melinda	4.00
06/15/2009	Mileage to/from for - Spurgeon, Melinda (22 miles)	<u>12.10</u>
	Total Advances	644.22
06/22/2009	Fee reduction per agreement with Client.	<u>-6,684.50</u>
	Total Credits for Advances	-6,684.50
	Previous Balance	\$3,329.02
	Total For This Invoice	18,075.92
	Balance Due	<u>\$21,404.94</u>
	Please Remit	<u>\$21,404.94</u>

Thank you for your business!



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F I N A L B I L L !

Jeff Baron
 jeff@ondova.com

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 October 30, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 26001

Ondova Limited Company and Jeff Baron v. Manila
 Industries, Inc., et al

Tax ID Number: 68-0502076

Invoice For Legal Services Rendered

		<u>Fees</u>		
		Rate	Hours	
06/15/2009	LMJ Compose and transmit electronic correspondence to Court Reporter providing Notice of Intention to Take Deposition of Munish Krishan.	75.00	0.20	15.00
06/17/2009	LER Revise Motion to Disqualify for Federal Court.	225.00	0.60	135.00
06/18/2009	MKS Assist attorney with preparation of documents for use at deposition of Munish.	75.00	2.60	195.00
	TRG Research regarding conflict of interest; meeting with Client are same.	350.00	0.50	175.00
	WB Review and analyze Motion to Dismiss and report Motion to Dismiss.	225.00	1.80	<u>405.00</u>

Jeff Baron

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 October 30, 2009
 FSSV File No.: ALV-3132M
 Invoice Number: 26001

Total Legal Fees	Rate	Hours	925.00
		5.70	

Fee Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
MELINDA K. SPURGEON	2.60	\$75.00	\$195.00
WES BLACK	1.80	225.00	405.00
LAURA E. RICHARDS	0.60	225.00	135.00
LORNA M. JACKSON	0.20	75.00	15.00
TIMOTHY R. GEORGE	0.50	350.00	175.00

Expenses

06/24/2009	Photocopying, 22 pp @ \$.10 each	2.20
06/24/2009	Photocopying, 12 pp @ \$.10 each	1.20
07/08/2009	Photocopying, 2 pp @ \$.10 each	0.20
	Total Expenses	3.60

Advances

06/16/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/23/2009	Courier fee - Special Delivery Service, Inc.	19.22
06/23/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/23/2009	Courier fee - Special Delivery Service, Inc.	24.99
06/26/2009	Deposition Transcripts and related expenses - DEPOTEXAS	375.00
06/30/2009	Miscellaneous expense - LexisNexis research and connection charges	185.87
	Total Advances	655.06

Previous Balance \$21,404.94

Total For This Invoice 1,583.66

Balance Due \$22,988.60

Aged Due Amounts

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
1,583.66	0.00	0.00	0.00	21,404.94	0.00

Please Remit \$22,988.60

Thank you for your business!

EXHIBIT B

CAUSE NO. _____

FEE, SMITH, SHARP & VITULLO,
LLP
Plaintiff,

§
§
§
§
§
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§
§
§

IN THE DISTRICT COURT

v.

____ JUDICIAL DISTRICT

JEFF BARON
Defendant.


DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAY FRY

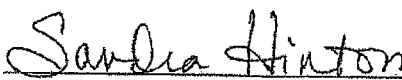
BEFORE ME, the undersigned authority, personally appeared, who, being duly sworn, deposed as follows:

1. "My name is Jay Fry.
2. I am employed by FEE, SMITH, SHARP & VITULLO, LLP, a Texas Limited Liability Partnership, Plaintiff; and I have or a person under my supervision has care, custody, and control of all records concerning the account of JEFF BARON, Defendant.
3. These records show that a principal balance of twenty-two thousand, nine hundred eighty-eight dollars and sixty cents (\$22,988.60), exclusive of interest, is due and payable by Defendant named herein to FEE, SMITH SHARP & VITULLO, LLP, Plaintiff.
4. A true and correct copy of Defendant's account is marked as 'Exhibit A,' and attached to Plaintiff's Original Petition. The true amount of the account is due Plaintiff by Defendant, and all just and lawful offsets, payments, and credits have been allowed.
5. Demand for payment of the just amount owing Plaintiff by Defendant has been made on Defendant more than thirty days prior hereto and payment for the just amount owing has not been tendered."

Fee, Smith, Sharp & Vitullo, LLP

BY: 
JAY FRY, Affiant

SIGNED AND SWORN to before me on the 23rd day of February 2010.


Notary Public, State of Texas

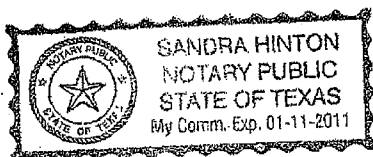


EXHIBIT 23

Patrick W. Powers
State Bar No. 24013351
Mark L. Taylor
State Bar No. 00792244
Powers Taylor LLP
8150 North Central Expressway
Suite 1575
Dallas, Texas 75206
(214) 239-8900 – Telephone
(214) 239-8901 – Facsimile
Email: patrick@powerstaylor.com
Email: mark@powerstaylor.com

**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
Chapter 11**

**FIRST AMENDED APPLICATION FOR PAYMENT OF FEES AND
EXPENSES AS AN ADMINISTRATIVE EXPENSE FOR A SUBSTANTIAL
CONTRIBUTION TO THE ESTATE**

First Application of:	Powers Taylor, LLP
For the time period of:	August 29, 2009 to September 30, 2010
Capacity:	Counsel for Jeffrey Baron
Unpaid Fees Sought:	\$78,058.50

TO THE HONORABLE STACEY G. JERNAGIN,
UNITED STATES CHIEF BANKRUPTCY JUDGE:

**NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A
WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES
BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING
WITHIN FIFTEEN (15) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT
SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO**

OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

Powers Taylor LLP (“Applicant”) hereby files this *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Applicant asks this Court to enter an order granting approval and payment of the fees and expenses incurred by Powers Taylor LLP during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. § 503(b)(4).

III. FACTUAL BACKGROUND

3. Beginning on August 29, 2009, the firm of Powers Taylor LLP (then known as Cash Powers Taylor LLP) assumed the role of counsel for Jeff Baron and his self-directed IRA account in litigation styled *Equity Trust, f/k/a Mid Ohio Securities, custodian FBO IRA 19471 and Jeffery Baron as Beneficiary of Equity Trust Company FBO IRA 19471 v. Rohit Krishan, Individually and d/b/a Callingcards.com, Munish Krishan and Manoj Krishan*, Cause No. DC-08-13925-C, 68th Judicial District of Dallas County, Texas (hereinafter referred to as the “PhoneCards.com Litigation”).

4. The PhoneCards.com Litigation encompassed a dispute over the ownership and revenues generated by the domain name “PhoneCards.com” during the duration of a “Domain Name Lease Agreement” negotiated by Jeff Baron and Munish Krishan. This Domain Name Lease Agreement was the first agreement ever reached between Mr. Baron and the Krishan brothers, and all subsequent relationships between Baron and the Krishans arose from or related to the relationship forged under the Domain Name Lease Agreement.

5. While Ondova Limited Company was not a direct party to this case, the case had a direct bearing on the Ondova bankruptcy because:

- (a) the case involved one of the more valuable domain names originally obtained through Ondova (or Ondova’s related entities), although Mr. Baron claimed to have transferred legal ownership of the PhoneCards.com domain name to his IRA account, a transfer that was disputed by the Krishans;
- (b) the dispute at issue involved the same principles – Mr. Baron, Rohit Krishan, Munish Krishan, and Manoj Krishan – that controlled Ondova and Netsphere; and
- (c) the parties to the Ondova / Netsphere dispute could not settle their differences and obtain the “clean break” they desired if the Domain Name Lease Agreement in the PhoneCards.com Litigation required them to continue to work together as partners.

6. The Applicant was not involved in the initiation of the PhoneCards.com Litigation, but instead came into the case after Baron had become embroiled in fee disputes with at least two previous lawyers in the case. As the fifth counsel of record in the case, the Applicant

entered the case at a time when the judge was ready to sanction Mr. Baron for repeatedly delaying the case by changing counsel, and for frustrating the defendants' efforts to understand the scope of the claims against them. Despite the fact that Mr. Baron (and his IRA) were the plaintiffs in the case, none of the previous lawyers had engaged in any meaningful discovery, or attempted to move the case forward.

7. Over the course of the next few months, the Applicant was able to make significant headway in the PhoneCards.com Litigation. Applicant defeated the Special Appearance filed by Munish Krishan, successfully compelled the depositions of all the Krishan brothers in Dallas, Texas, and retained an internet expert who developed the theories of liability on the claims. By getting this litigation back on track, Applicant contributed to the bankruptcy estate and assisted in the Baron/Ondova efforts to initiate global settlement talks.

8. In fact, those settlement talks began in earnest at the very time that the Applicant was conducting the depositions of the Krishans. Jeff Hall, who was serving as Baron's lead counsel in the global negotiations at the time, requested that the Applicant provide an analysis of the damage claims in the PhoneCards.com Litigation to assist in those settlement negotiations. On February 22, 2010, Applicant provided a detailed analysis of the potential damage calculations, together with a probability assessment of the success of various claims and affirmative defenses at issue in the case. Based on this analysis, Mr. Hall entered the negotiations targeting a settlement of \$802,000 on the claims in the PhoneCards.com Litigation.

9. Following the initial negotiations (which failed to produce an agreement), the Applicant then obtained an order compelling the production of the entire CallingCards.com customer database. This order, which had been fiercely opposed by the Krishan's counsel, was a key development, because Mr. Baron believed that the information in the database would

demonstrate that millions of dollars in sales had been diverted from PhoneCards.com to CallingCards.com, further enhancing the damage claims in this litigation. Following the Court's oral ruling on the motion to compel, the Defendants continued to resist and delay the entry of a written order, presumably to buy additional time to negotiate a global settlement before the Defendants were forced to comply with the order. The very existence of this order enhanced the negotiating position enjoyed by counsel for Baron/Ondova in the bankruptcy settlement talks.

10. When the Global Settlement Agreement was finally reached on July 27, 2010, the claims from the PhoneCards.com Litigation were netted against the myriad of claims asserted by the Krishans, Netsphere, and the other entities controlled by the Krishans. The Global Settlement Agreement also extinguished the valuable claims in the PhoneCards.com Litigation through a mutual release, and then awarded the Krishans with additional income from the PhoneCards.com website over the next two years. The inclusion of the PhoneCards.com Litigation in the Global Settlement Agreement was a key element in reaching an equitable settlement. As such, the work performed in the development and prosecution of those claims constituted a substantial contribution to the bankruptcy estate.

IV. AUTHORITY AND ARGUMENT

11. This Court has authority to award attorneys' fees where the work performed resulted in an actual and demonstrable benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988). Without the value of the potential claims developed by the Applicant, it is unlikely that the Global Settlement Agreement with the Netsphere parties could have yielded the cash sum of \$1,200,000. The entire value of the claims developed by the Applicant's services flowed to the debtor's estate, and were netted against

other potential claims against the estate by the Netsphere parties. As a result of this settlement, the creditors of Ondova are likely to receive 100% of the amount of their claims in this case.

12. The services performed by the Applicant were in addition to, and were not duplicative of the services performed by attorneys for the Bankruptcy Trustee. In most respects, the interests of Baron and Ondova were aligned against Netsphere (and the Krishan brothers, who controlled Netsphere). The work performed on Baron's behalf against the Krishans resulted in a more favorable settlement for Ondova, and Baron relinquished any separate right that he had to reap the benefits of a separate settlement in the PhoneCards.com Litigation, providing a direct benefit to the estate. The Bankruptcy Trustee had no involvement in the development and prosecution of the PhoneCards.com claims, yet the estate received the entire benefit of the settlement of those claims.

13. The efforts undertaken by the Applicant were also intended to benefit the bankruptcy estate. At the time the Applicant took over the PhoneCards.com Litigation, Mr. Baron had already placed Ondova in bankruptcy as a means of addressing the claims asserted by the Krishan brothers (through their company Netsphere and other entities). Mr. Baron repeatedly urged the Applicant to press forward with the litigation to create pressure on the Krishans, so that a global settlement could be reached that was beneficial to the bankruptcy estate.

14. The reimbursement for attorneys' fees sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Applicant will help to make a dividend to creditors much higher than it would otherwise have been.

15. The costs associated with bringing this Application are also compensable. As recognized by the 9th Circuit Court of Appeals, "[C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the

services meet the § 503(b)(4) requirements and the case ‘exemplifies a set of circumstances where litigation was necessary.’” *In re Wind N’ Wave*, 509 F.3d 938 (9th Cir. 2007); *see also* 11 U.S.C. § 503(b)(4).

16. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered, or what is commonly referred to as the “time spent” standard. *See In re First Colonial Corp. of Am.*, 544 F. 2d 1291, 1300 (5th Cir.), *cert denied*, 97 S. Ct. 1696 (1977). Exhibit A provides a detail of all time for which Applicant seeks compensation. These time records include daily detail of the time spent by each individual working on behalf of the Applicant.

17. In fixing the amount of reasonable compensation to be awarded to a law firm for worked performed in a case, the Court may consider subjective factors beyond the number of hours spent and the hourly rates normally charged. *See id.* at 1301; *see also Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714, 717 - 19 (5th Cir. 1974)(Providing a list of factors to be considered). These factors include the novelty and difficulty of the legal questions, the skill required to perform the legal services provided, the preclusion of other employment by the attorneys due to the acceptance of this case, the customary fees charged for such services, whether the fee is fixed or contingent, any time limitations imposed, the experience and ability of the attorneys, the “undesirability” of the case, the nature and length of the relationship with the client, and awards in similar cases. Each of these factors is discussed in the following paragraphs:

- Novelty and difficulty of the legal questions. The PhoneCards.com Litigation involved novel legal questions, because it required the application of standards of “reasonable performance” to the complex and

rapidly evolving field of “search engine optimization” for commercial websites. The Litigation also involved multiple issues of contract interpretation and the application of several potential affirmative defenses.

- The skill required to perform the legal services. The Applicant’s lead attorney is a skilled and experienced attorney with significant experience in complex commercial litigation over the past 16 years. Prior to entering private practice, Mr. Taylor served as a briefing attorney on the Texas Supreme Court.
- The preclusion of other employment. During the pendency of this case, Mr. Taylor was precluded from representing other clients of the Applicant.
- Customary fees charged for such services. The rates requested by the Applicant are customary and reasonable in commercial litigation. In fact, these rates are substantially less than the rates charged by at least one of the firms representing the Defendants in the PhoneCards.com Litigation. The Applicant customarily charges these rates for similar services provided to other clients.
- Whether the fee is fixed or contingent. As described in more detail later in this Application, the original fee agreement was a blended fee agreement, with a greatly reduced hourly rate and a limited contingency fee component. Because the value obtained from the claims in the PhoneCards.com Litigation was never separately negotiated in the Global Settlement Agreement, the contingency fee portion of the fee cannot be

determined. Accordingly, Applicant seeks compensation from this Court based on its customary hourly rates.

- Time limitations imposed. Because the Applicant was engaged long after the initial filing of the lawsuit, significant time limitations were present, requiring immediate attention to many matters that should have been handled by previous attorneys working on the case.
- Experience and ability of the attorneys. As detailed previously, Mr. Taylor is an experienced commercial litigator.
- The “undesirability” of the case. At the time the Applicant was engaged in this matter, Mr. Baron had switched attorneys several times, and accepting this engagement presented a substantial collection risk which had been rejected by several other firms. Furthermore, Mr. Baron had previously taken untenable positions with the court and ignored certain directives from the court. Accordingly, accepting this engagement placed the firm’s reputation at risk. In the initial hearing after the Applicant’s notice of appearance, the judge reaffirmed this risk, cautioning counsel that the court would hold counsel equally responsible for any failure to comply with the court’s directives.
- Nature and length of the relationship with the client. Applicant had no prior relationship with Mr. Baron prior to this engagement.
- Awards in similar cases. The compensation sought is reasonable in comparison to attorneys’ fees awarded in the prosecution of complex commercial litigation.

18. Applicant represents that the fees sought herein are fair and reasonable in connection with the services provided. The rates charged by Applicant are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

19. The work performed has been beneficial to the estate, as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into account the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Applicant believes the compensation sought is reasonable and just.

V. CALCULATION OF FEES SOUGHT

20. Applicant is seeking the payment of \$78,058.50 in attorneys' fees from the bankruptcy estate, which represents the fair value of the services rendered. This amount was calculated by taking the value of the time billed in the PhoneCards.com Litigation at the firm's normal hourly rates, less the amounts paid by Mr. Baron prior to this application.

21. Applicant's fee arrangement with Mr. Baron, which is contained in the fee agreement attached hereto as Exhibit B, was actually a "blended fee" agreement. Under the terms of the written agreement, Mr. Baron was to pay the Applicant on a monthly basis for the time spent on the case at rates that were discounted by approximately 55% from the firm's normal hourly rates. In addition, the firm was to obtain a contingency fee interest in any settlement obtained. The contingency fee percentage was scheduled to increase from 12.5% to 20%, depending upon the time required to reach a resolution of the case. At the time of the Global Settlement Agreement, Applicant was entitled to a contingency fee of 15%.

22. Do to Mr. Baron's decision not to negotiate a separate settlement of the claims in the PhoneCards.com Litigation, Applicant has been deprived of the value of the contingency fee portion of its fees under the written agreement. Accordingly, Applicant seeks recovery of its fees at the normal hourly rates that would have been applied in the absence of a contingency-fee element.

23. Applicant's normal hourly rates are \$350 for partners and \$240 for associates. Applicant's partners spent 229 hours and its associates spent 306 hours working on the PhoneCards.com Litigation. The total value of these services, at the firm's reasonable and necessary rates, is \$153,590.00. Mr. Baron (or his self-directed IRA) paid \$68,044.00 toward these services during the time Applicant represent him. Applicant also holds a retainer balance of \$7,487.50, which Applicant believes should be credited toward this amount. Applicant seeks the difference between the value of the services and the total payments made, which totals \$78,058.50.

24. Despite demand by the Applicant, Mr. Baron has refused to pay this amount, and in fact, has refused to pay any compensation to the Applicant above the payments made prior to September 30, 2010. In fact, Mr. Baron refuses to pay the final bill on the hourly portion of the blended fee arrangement.

25. The amount sought in this motion is substantially less than the Applicant would have received had a separate settlement been negotiated on the PhoneCards.com Litigation. Although no actual settlement agreement was ever reached on these claims alone, we know the following:

- (a) Had a settlement been reached in February 2010, based on the evaluation provided to Mr. Hall, the settlement would have been for \$802,000. The

15% contingency fee on a settlement of \$802,000 would have been \$120,300.

(b) Had a settlement been reached that netted only 25% of the last complete damages model – which did not include any valuation of diverted customers – the settlement would have been for \$94,927 (25% of \$2,531,397, times the 15% contingency fee).

(c) Had the settlement negotiations occurred after the order compelling production of the database, when PhoneCards.com was in a strong negotiating position, the values obtained might have been even higher.

26. These estimations of the potential contingency fees that might have been obtained in a separate settlement demonstrate that the amount sought through the use of hourly fees alone is fair and equitable to the estate.

27. These fees substantially increased the value of the bankruptcy estate, because the efforts of the applicant developed and preserved significant assets – the PhoneCards.com claims – that were subsumed in the Global Settlement Agreement.

VI. REQUEST FOR RELIEF

28. Accordingly, Applicant respectfully asks this Court to enter an order granting approval of fees incurred during the Application Period in the amount of \$78,058.50, plus fees in the amount of \$2,800 (representing 8 hours of time) for the filing and prosecution of this Motion, as a substantial contribution to the Debtor's bankruptcy estate, compensable as an administrative expense pursuant to 11 U.S.C § 503(b)(4). Applicant requests that such fees be allowed to be compensated and reimbursed as an administrative expense from the Debtor's bankruptcy estate, and that such fees be immediately paid as allowed by the bankruptcy estate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 6th day of December 2010, a true and correct copy of the above and foregoing *First Amended Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and Jeffrey Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing.

s/ Patrick W. Powers
Patrick W. Powers

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EXHIBIT 24

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

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

MOTION FOR ALLOWANCE OF ATTORNEYS FEES PURSUANT TO
SUPPLEMENTAL SETTLEMENT AGREEMENT

TO THE HONORABLE STACEY JERNIGAN, U.S. BANKRUPTCY JUDGE:

COMES NOW Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett (collectively "Movants") and file this their Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement and would respectfully show the Court as follows:

1. On or about August 12, 2010 this Honorable Court approved a Settlement Agreement between various parties in interest to this Bankruptcy Estate. In addition to the terms of the Settlement Agreement, Jeff Baron ("Baron"), Daniel J. Sherman, AsiaTrust, Ltd., Iguana Consulting, LLC, Novo Point, LLC, and Quantec LLC entered into a Supplemental Agreement to Mutual Settlement and Release Agreement.

2. Among the terms of the Supplemental Agreement was a provision which provided for a limitation on fees and expenses that would be payable to counsel for the months of June and July, and a prohibition on the payment of legal fees for legal representation incurred thereafter "...except as expressly provided in this Agreement or otherwise approved by Order of the Court."

3. As the Court is aware, since the approval of the Settlement Agreement by the Court, the parties have been involved in numerous activities in an attempt to close under the terms of the Settlement and Supplement. These activities were not contemplated at the time that the Supplemental Agreement was entered and could not have been reasonably predicted by AsiaTrust or any of Movants during the days prior to the execution of the Supplemental Agreement.

4. In addition to the fees and expenses which were permitted by the Settlement Agreement to be paid to Movants for the activities described, counsel for AsiaTrust has incurred over \$150,000.00 of fees and expenses which are not specifically delineated under the terms of the Supplemental Agreement. Such fees and expenses have been incurred as a result of the activities of Jeff Baron in connection with the consummation of the settlement, and have included but are not limited to, counsel having to appear at a Status and Show Cause hearing which have been instituted at the insists of this Court. The Supplement and Agreement (specifically Paragraph 3(a) and (c)) specifically contemplate the allowance of such additional fees. Movants request that appropriate provisions for payment of such fees be authorized.

WHEREFORE, PREMISES CONSIDERED Movants request that this Court authorize pursuant to the terms of the Supplemental Agreement to Mutual Settlement and Release Agreement the payment of additional fees and expenses as they may prove legal work and fiduciary activities

under the circumstances described herein. Movants further request such other and further relief as they may show themselves justly entitled.

Respectfully submitted,

HOHMANN, TAUBE & SUMMERS LLP

By: /s/ Eric J. Taube

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ON BEHALF OF HOHMANN, TAUBE &
SUMMERS, L.L.P., WEST & ASSOCIATES,
LLP, HITCHCOCK EVERETT, LLP AND
SCHURIG JETEL BECKETT TACKETT

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document has been served upon those parties receiving the Court's ECF e-mail notification on this 21st day of September, 2010 and upon the attached Service List by depositing same in the United States First Class Mail on the 22nd day of September, 2010.

/s/ Eric J. Taube
Eric J. Taube

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

In re: §
§
ONDOVA LIMITED COMPANY, § CASE NO. 09-34784-SGJ-11
§ (Chapter 11)
Debtor. §

ORDER GRANTING MOTION FOR ALLOWANCE OF ATTORNEYS FEES
PURSUANT TO SUPPLEMENTAL SETTLEMENT AGREEMENT

BE IT REMEMBERED that in this District came on for consideration the Motion for Allowance of Additional Attorneys Fees Pursuant to Supplemental Agreement filed by Hohmann, Taube & Summers, L.L.P., Hitchcock Everett, LLP, West & Associates, LLP and Schurig Jetel Beckett Tackett; and the Court, finding that the Supplemental Agreement to Mutual Settlement and Release Agreement attached to the Motion for Allowance provides for such fees and expenses to be paid upon Order of the Court; and further finding that under the circumstances Movants are entitled to additional fees as requested; it is therefore,

ORDERED, ADJUDGED and DECREED that AsiaTrust Ltd. may pay Hitchcock Everett, LLP the sum of \$ _____. AsiaTrust Ltd. may pay Hohmann, Taube & Summers, L.L.P. the additional sum of \$ _____. AsiaTrust Ltd. may pay West & Associates, LLP the additional sum of \$ _____. AsiaTrust Ltd. may pay Schurig Jetel Beckett Tackett the additional sum of \$ _____.

Signed on this ____ day of _____, 2010.

STACEY JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 25

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**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
 Chapter 11**

**APPLICATION OF PRONSKE & PATEL, P.C.,
 FOR PAYMENT OF FEES AS AN ADMINISTRATIVE
EXPENSE FOR A SUBSTANTIAL CONTRIBUTION TO THE ESTATE**

SUMMARY OF FEE APPLICATION

First Application of:	Pronske & Patel, P.C.
For the time period of:	February 1, 2010 through July 24, 2010
Capacity:	COUNSEL FOR JEFF BARON
Unpaid Fees and Expenses Sought:	\$241,172,70

TO THE HONORABLE STACEY G. JERNAGIN,
 UNITED STATES CHIEF BANKRUPTCY JUDGE:

Pronske & Patel, P.C. (“Pronske & Patel” or “Applicant”) hereby files this its *Application for Payment of Fees and Expenses as an Administrative Expense for a Substantial Contribution to the Estate* (the “Application”) pursuant to 11 U.S.C. § 503(b)(4).

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this Application pursuant to 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 11 U.S.C. § 157(b)(2)(A).

II. RELIEF REQUESTED

2. As more fully set forth herein, Pronske & Patel asks this Court to enter an order granting approval and payment of fees and expenses incurred by Pronske & Patel during the Application Period in this case as a substantial contribution to the Ondova bankruptcy estate pursuant to 11 U.S.C. §503(b)(4).

III. FACTUAL BACKGROUND RELATING TO SUBSTANTIAL CONTRIBUTION TO THE ESTATE

3. For a six month period beginning in February 2010, Pronske & Patel's representation of Baron¹ became focused almost exclusively on the settlement (the "Settlement Negotiations") of various litigation in the Federal District Court for the Northern District of Texas, Dallas Division, and various Texas State Courts involving Netsphere, Inc., Baron and Ondova (the "Netsphere Litigation"). The Settlement Negotiations were, during that 6 month period, extremely time-consuming, contentious, complex, difficult – and successful. The Settlement Negotiations involved almost daily participation and work on Pronske & Patel's part. Pronske & Patel became a lead negotiator in the Settlement Negotiations along with John McPete (representing Netsphere), Ray Urbanik (representing the bankruptcy estate), Eric Taube and Craig Capua (representing either the Village Trust or various entities owned and controlled by the Village Trust), and numerous other parties. These Settlement Negotiations generated a

¹ Baron is a Creditor of the Ondova bankruptcy case. He filed numerous pleadings in the Ondova bankruptcy case stating that he was filing such pleadings as "as creditor" of Ondova. This position taken by Baron granted him standing to be heard in the Ondova bankruptcy case. By virtue of the standing garnered by the claim of being a Creditor in the case, he cannot now say that he is not a creditor. Further, Baron is the ultimate equity owner of Ondova, as he is the sole beneficiary of the Daystar Trust, which is the 100% equity owner of Ondova. 11 U.S.C. §503(b)(3)(D) and (b)(4).

settlement document that was over 100 pages long – every sentence of which was the subject of substantial negotiation and discussion, often resulting in impasse. The time-consuming nature of these negotiations is shown, by example, in the month of June 2010, where nearly every day, including both days of every weekend, was spent in negotiations. Most of the lawyers involved in these negotiations were experienced lawyers who have handled numerous significant cases in their careers. Nevertheless, most if not all of these attorneys agreed that this negotiation was the most complex and difficult negotiation that any of them had ever handled. The difficulty of the case was exacerbated by the difficulty of the personalities of the clients, each of which was often relentless with various positions and slow to warm to the idea of compromise without significant amounts of time being spent on any given issue at hand. Almost every issue of the Settlement Negotiation was an extended battle, often turning into impasse numerous times before a compromise could emerge.

4. Despite the difficulties in the Settlement Negotiations, a final deal was struck, and the terms of the deal were approved by this Court.

5. In terms of success, the Settlement Negotiations yielded payments to the bankruptcy estate of Ondova that will provide funds that will likely pay unsecured creditors a healthy, if not complete dividend. The cash sum of \$1,250,000 provided in the Settlement Agreement resulting from the negotiations has already been funded to the bankruptcy trustee by Netsphere, due to the success of the Settlement Negotiations. Absent continuing litigation with Netsphere, for which Netsphere's counter-parties were running out of funds to continue, no money would likely have been realized by the Ondova bankruptcy estate from Netsphere.

6. In terms of substantial contribution, the work performed by Pronske & Patel clearly resulted an actual and demonstrable (or, as some courts say, a "direct and material") benefit to the debtor's estate and its creditors. *See, e.g., Lister v. United States*, 846 F.2d 55 (10th Cir. 1988).

7. Pronske & Patel submits that without the work that it did in connection with the settlement, the settlement would likely not have come to fruition, and the Ondova estate would not have benefited from the cash that has been paid (and will be paid in the future) under the Settlement Agreement that will result in creditors of Ondova likely receiving up to 100% of the amount of their claims in this case.

8. The benefit that the Ondova estate realized as a result of the settlement amount to far more than an incidental one arising from activities the applicant has pursued in protecting its own interests. The work performed by Pronske & Patel has operated to foster and enhance, rather than retard or interrupt the progress of reorganization in this case.

9. The services performed by Pronske & Patel were in addition to, and were not duplicative of services performed by attorneys for the Bankruptcy Trustee. In many respects, the interests of Ondova and Baron against Netsphere were aligned, making the work performed by Pronske & Patel directly beneficial to the Ondova estate in terms of realizing sums from Netsphere by the Ondova estate that will be utilized to pay creditor claims a substantial dividend.

10. The reimbursement for attorneys' fees and expenses sought herein will not result in the impairment of other creditors; to the contrary, the work performed by Pronske & Patel will help to make a dividend to creditors much higher than it would otherwise have been.

11. Costs associated with bringing this Application include numerous hours that Pronske & Patel attorneys have spent in Court dealing with the issue of compensation in connection with the settlement negotiations, together with the time spent in preparing this application. These costs are compensable under 11 U.S.C. §503(b)(4). *In re Wind N' Wave*, 509 F.3d 938 (9th Cir. 2007) (“...[C]reditors who receive compensation under 503(b)(4) should also be compensated for costs incurred in litigating a fee award, so long as the services meet the §

503(b)(4) requirements and the case “exemplifies a ‘set of circumstances’ where litigation was ‘necessary’” . . .”).

IV. SUMMARY OF SERVICES OF APPLICANT

12. Pronske & Patel hereby seeks this Court’s approval for compensation of professional services and reimbursement of expenses for the Application Period. Pronske & Patel has performed legal services in connection with this case, incurring unpaid fees in the sum of \$241,172.70 for attorney and paraprofessional time.

V. OBJECTIVE FACTORS AFFECTING LEGAL FEES

13. The fee setting process providing for the recovery of attorneys’ fees begins with an examination of the nature and extent of the services rendered or what is referred to as the “time spent” standard. In other words, a measure of the quantum of the services must precede the determination of the value of these services.² Exhibit A provides detail all of the time for which compensation is sought by Pronske & Patel, broken-down by month and day, and explains the hours by each attorney and paraprofessional who provided services in this case and the requested rate of compensation.

14. Pronske & Patel recognizes that this Court will allow lawyers to be compensated only for legal work performed and that the dollar value of a particular task is not enhanced simply because a lawyer performs it. Considerable care, therefore, has been taken to avoid the performance of purely ministerial tasks by using paraprofessionals where possible.

VI. SUBJECTIVE FACTORS AFFECTING COMPENSATION

15. In fixing the amount of reasonable compensation to be awarded a law firm for worked performed in a case, the Court may consider factors other than the numbers of hours

² See *In re First Colonial Corp. of America*, 544 F. 2d 1291 (5th Cir.) cert. denied, 97 S. Ct. 1696 (1977).

spent and the hourly rate normally charged.³ The standards established by Fifth Circuit have been further modified by the opinion of the Supreme Court in *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*.⁴ While *Delaware Valley* concerned the award of attorneys' fees under section 304(d) of the Clean Air Act, the language of the opinion makes it generally applicable to the award of attorneys' fees pursuant to federal statutes which require that the fee awarded be "reasonable."

16. In *Delaware Valley*, the Supreme Court, in considering the *Johnson* case, noted the practical difficulties encountered by courts in applying the sometimes-subjective *Johnson* factors. The Court in *Delaware Valley* also considered the "lodestar" approach of the Third Circuit Court of Appeals.⁵ The Court also revisited its prior opinions⁶ whereby it determined that the proper first step in determining a reasonable attorneys' fee is to multiply the number of hours reasonably expended on the litigation times a reasonable hourly rate, and that adjustment of this figure based on some of the *Johnson* factors might be appropriate,⁷ but that such modifications would be proper only in certain rare and exceptional cases and when supported by specific evidence and detailed findings of the lower court.⁸ In *Delaware Valley*, the Court took an even more restrictive approach to the relevance of the *Johnson* factors and concluded that the

³ See *In re First Colonial Corp. of America, supra*; and *Johnson v. Georgia Highway Express, Inc.*, 488 F. 2d 714 (5th Cir. 1974).

⁴ *Pennsylvania v. Delaware Valley Citizens Counsel for Clean Air*, 478 U.S. 546.

⁵ See e.g., *Lindy Brothers Builders, Inc. v. American Radiator and Standard Sanitary Corporation*, 487 F. 2d 161 (3d Cir. 1973) (Lindy I).

⁶ See *Hensley v. Eckerhart*, 461 U.S. 424 (1983); *Blum v. Stenson*, 465 U.S. 886 (1984).

⁷ See *Hensley*, 461 U.S. at 434, n. 9.

⁸ See *Blum*, 465 U.S. at 898-901.

“lodestar” figure includes most, if not all, of the relevant factors comprising a “reasonable attorneys’ fee.”⁹

17. Thus, under the *Delaware Valley* approach, this Court is guided to determine the number of hours reasonably spent in representing the Trustee, multiplied by a reasonable hourly rate for the services performed. The following discussion incorporates the *Johnson* factors only insofar as they might add the Court in its determination of the “lodestar” figure.

18. The following subjective *Johnson* factors are offered for consideration:

- Time and the labor required. Pronske & Patel attorneys and paraprofessionals have expended a significant number of hours providing necessary and reasonable services incident to its representation of the Baron for the Application Period, as detailed in the attached **Exhibit A**. The total value of this time is **\$241,172.70**.
- The novelty and difficulty of the questions. This case presented several novel and/or difficult issues in varying degrees. It was necessary for Pronske & Patel to analyze these complex problems in the light of applicable laws and seek resolution based on such laws with the objective of achieving a result which would benefit the Estate.
- The skill requisite to perform the legal services properly. Mr. Gerrit Pronske is a skilled and highly experienced attorney who has specialized in commercial bankruptcy law for 28 years. Mr. Pronske is a shareholder in the firm of Pronske & Patel. He was a law clerk to the now retired Honorable Robert C. McGuire, Chief Bankruptcy Judge of the Northern District of Texas. He is a regular presenter at legal seminars on

⁹ See *In Delaware Valley*, 106 S. Ct. at 309.

commercial and consumer bankruptcy, commercial transactions and other related topics. Mr. Pronske is the author of PRONSKE'S TEXAS BANKRUPTCY ANNOTATED, which is published by Texas Lawyer, and currently in its 10th Edition. Additionally, Mr. Pronske is the editor of 2010 PRONSKE'S TEXAS BANKRUPTCY MINI-CODE, also published by Texas Lawyer. Ms. Rakhee V. Patel, a partner with Pronske & Patel, was a bankruptcy law clerk for Judge Harlin D. Hale and a bankruptcy law clerk for Retired Judge Robert C. McGuire. Ms. Patel is a regular speaker at legal seminars on commercial bankruptcy and author of various bankruptcy related articles. Ms. Christina W. Stephenson, an associate, has practiced bankruptcy law for two years and is a former extern for the Honorable Harlin D. Hale. Ms. Sandra Meiners and Mr. Louis Whatley, legal assistants, provided assistance in this case. Both are proficient legal assistants with a total of over 30 years experience in bankruptcy law.

- The preclusion of other employment by attorneys due to acceptance of this case. This factor was present because Mr. Pronske spent a significant amount of time on this case, thereby precluding other representation.
- The customary fee. Exhibit A to this Application sets forth the hourly rate at which compensation is requested. These rates are no greater, and in many cases considerably less, than those being charged by attorneys for other major parties-in-interest in this or other bankruptcy cases in this district. Pronske & Patel and other similar firms customarily charge these

rates for equivalent services. These rates compare favorably to the cost of legal services to ordinary corporate legal consumers.

- Whether the fee is fixed or contingent. The fee in this case is not contingent upon the outcome of any particular issue or adversary proceeding.
- Time limitations imposed by the client or other circumstances. Time constraints have been substantial in this case as shown by the time records attached hereto as **Exhibit A**.
- The experience, reputation and ability of the attorneys. Applicant submits that Ms. Patel and Mr. Pronske have established themselves as able and conscientious practitioners in the Northern and other districts of Texas. Ms. Stephenson is an experienced bankruptcy associate. Ms. Meiners and Mr. Whatley are proficient legal assistants with substantial experience in bankruptcy law.
- The “undesirability” of the case. This factor is not relevant in this case.
- The nature and length of the professional relationship with the client. Applicant had no professional relationship with the Baron prior to their retention by the Baron as counsel.
- Awards in similar cases. Pronske & Patel represents and would demonstrate that the compensation for the services rendered and expenses incurred in connection with this case is not excessive and is commensurate with, or below the compensation sought or ordered in similar cases under the Bankruptcy Code. Pronske & Patel’s fee request is based upon normal hourly charges that Pronske & Patel charges private clients of the firm.

Taking into consideration the time and labor spent, the nature and extent of the representation, Pronske & Patel believes the allowance prayed for herein is reasonable.

- Additional consideration. The Court in *First Colonial Corp. of America, supra*, stated that two additional considerations should be considered by the Court:

- The policy of the Bankruptcy Code that estates be administered as efficiently as possible. It is the policy of Pronske & Patel to assign work to attorneys who have the degree of expertise and specialization to perform efficiently and properly the services required and to utilize law clerks and legal assistants whenever appropriate. This practice has been followed to date in this case and will be followed in the future.

- The Bankruptcy Code does not permit the award of duplicate fees or compensation for non-legal services. There has been no unnecessary or unavoidable duplication of legal services and there have been no non-legal services performed by this firm for which legal fees have been charged.

VII. REASONABLENESS OF PRONSKE & PATEL'S FEES

19. Pronske & Patel's representation of the Baron were time intensive during the Application Period. Pronske & Patel accepted this engagement without certainty that all of its fees and expenses would be paid and is charging a fixed hourly rate for services performed.

20. Pronske & Patel represents that the fees and expenses requested herein are fair and reasonable in connection with the services provided. The rates charged by Pronske & Patel are competitive and customary for the degree of skill and expertise necessary for cases of this type and are consistent with, or below, rates charged by other counsel with similar experience in the Northern District of Texas.

21. The work Pronske & Patel performed during its representation herein has been beneficial to the estate as set forth above, and has made a substantial contribution to the estate and its creditors. Taking into consideration the time and labor spent, the nature and extent of the representation, and the results obtained in this proceeding, Pronske & Patel believes the allowance prayed for herein is reasonable and just.

VIII. SUMMARY

22. Applicant seeks an award of compensation as set forth in **Exhibit "A"**, for attorneys' time and paraprofessionals' time for services furnished to the Baron during the Application Period in the unpaid amount of **\$241,172.70**. Pronske & Patel additionally requests this Court to award the fees and expenses associated with the filing and prosecution of this Motion.

23. **Exhibit "A"** to this Application details how time was spent as well as how the requested compensation has been calculated. The amounts sought are fair and reasonable compensation in light of all the circumstances.

IX. REQUEST FOR RELIEF

For these reasons, Pronske & Patel respectfully asks this Court to enter an order: (i) granting approval of all fees and expenses incurred by Pronske & Patel in this case during the Application Period in the amount of **\$241,172.70** (plus the fees and expenses associated with the filing and prosecution of this Motion) as a substantial contribution to the Debtor's bankruptcy

estate, compensable as an administrative expense pursuant to 11 U.S.C. §503(b)(4) (ii) allowing compensation and reimbursement of all sums requested as an administrative expense from the Debtor's bankruptcy estate, pursuant to the fee statements attached as **Exhibit A** for the Application Period; and (iii) authorizing the allowed fees and expenses to be immediately paid as allowed by the bankruptcy estate as an administrative expense.

Dated: October 20, 2010
Dallas, Texas

Respectfully submitted,

s/ Gerrit M. Pronske
Gerrit M. Pronske
State Bar No. 16351640
Rakhee V. Patel
State Bar No. 00797213
PRONSKE & PATEL, P.C.
2200 Ross Avenue, Suite 5350
Dallas, TX 75201
214-658-6500 – Telephone
214-658-6509 – Telecopier

CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this 20th day of October 2010, a true and correct copy of the above and foregoing *Fee Application of Pronske & Patel, P.C.*, was served upon the twenty largest unsecured creditors, all parties who have filed a notice of appearance, the United States Trustee and the Baron, as more fully illustrated on the attached Master Service List, via First Class United States mail and/or electronic filing, if available.

/s/ Gerrit M. Pronske
Gerrit M. Pronske

EXHIBIT 26

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

NETSPHERE, INC., ET AL. (Number 3: 09-CV-0988-F
Plaintiff, ()
vs. ()
JEFFREY BARON, ET AL. ()
Defendant. (June 19, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S :

For the Plaintiff: JOHN W. MACPETE
LOCKE LORD BISSELL & LIDDELL LLP
2200 Ross, Suite 2200
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Phone: 214/740-8662
Email: jmacpete@lockelord.com

For the Defendant: Caleb Rawls
Godwin Pappas & Ronquillo PC
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Dallas, Texas 75270-2041
Phone: 214/939-8697

James Bell
Bell & Weinstein
6440 N. Central Expwy, Suite 615
Dallas, TX 75206
Phone: 214/293-2263

Reported by: Cassidi L. Casey
1100 Commerce Street, Rm 15D6L
Dallas, Texas 75242
Phone: 214-354-3139

08:19 1 THE COURT: I like California. Wish they had a
2 better system of governance, but I like California.

3 MR. BELL: We're in a little bit of a quagmire,
4 and I think the best thing to do would be to order us
5 right now -- It sounded like I was quasi-joking, but we
6 need to get into a room and get this knocked out, and
7 we're ready, willing and able to perform in contravention
8 of Mr. MacPete's representation, and I'm not saying he
9 misrepresented. We're ready willing and able to perform.
10 We want the case off the docket. There is a state court
11 motion pending. A motion to enforce in that court and I
12 don't believe, with all due respect to the Court, the
13 state court has jurisdiction on this.

14 THE COURT: They do and I have jurisdiction,
08:20 15 too. So I'll tell you what. I am going to stay in this
16 case through the preliminary injunction, and there is an
17 order entered. Nobody can violate it. Anybody violates
18 it, you are all paying big dollars. Not only corporately
19 but personally also. You want to challenge the court
20 order, I have the marshals behind me. I can come to your
21 house, pick you up, put you in jail. I can seize your
22 property, do anything I need to do to enforce my orders.
23 I'm telling you don't screw with me. You are a fool, a
24 fool, a fool, a fool to screw with a federal judge, and if
25 you don't understand that, I can make you understand it.

08:21 1 I have the force of the Navy, Army, Marines and Navy
2 behind me. There is a lot of playing games. Both sides
3 are probably completely complicit. But it's time to
4 resolve this. If you don't want to resolve it, I can put
5 you in jail. I can hold you six months, twelve months,
6 eighteen months, and I can do that, and if you want me to
7 do it, I will be glad to do it, but you need to be serious
8 about this. There is a problem here that I do not
9 understand. It's really beyond my comprehension, and I
10 actually am not a completely dumb person. So you need to
11 get this resolved.

12 MR. BELL: I have been on the case eight days.
13 So I'm not entirely complicit.

14 THE COURT: Everybody is to blame. When you get
08:22 15 up in the morning look in the mirror. Everybody is to
16 blame here. I'm going to hear you on the 1st, if I have
17 to, but in the meantime, there needs to be two adults, one
18 on each side, that figures this out.

19 MR. BELL: Do you think, your Honor -- I mean I
20 would make an oral motion before the honorable court maybe
21 to order a mediation and get this thing out and off your
22 docket.

23 THE COURT: There is no question that's what
24 needs to be done. Apparently, there is a lot of money to
25 be had here. Let's not be greedy. Let's get this done

08:22 1 and figure it out. I'm not going to order you to do
2 anything. You can do absolutely nothing until you show up
3 on the first. But on the 1st, the door is shut, and
4 everything ends, and I am going to enter orders that
5 nobody may like. It may not be good for anybody. I may
6 actually appoint a receiver and ask the receiver at the
7 expense of all the parties to find a new registrar. I'll
8 order Ondova and Mr. Baron to put every domain he's got in
9 with the new registrar. I'll have the new registrar
10 protect these names, and then we'll just wait for a trial
11 in five or six years and go from there. So you know,
12 there is things I can do. I'm sure the receiver won't
13 cost more than two or three hundred thousand dollars,
14 maybe half a million. But I know you have the money
08:23 15 because these things are valuable.

16 MR. BELL: I think that's the low end.

17 THE COURT: A million dollars. I'm sure there
18 is a good receiver out there that would love to have this.
19 So at any rate, you know -- You know, don't give us what
20 you think is your rightful interests. But I'm telling
21 you, the Court's are going to resolve this. You are not
22 going to resolve ex parte or at a whim. The courts are
23 going to resolve it, and if you don't like what the courts
24 do, we can pick you up on the street and put you in jail.
25 That's the way it works. So it's time to get serious here

08:24 1 and time to understand that once the Court steps in,
2 that's it, and I've got this case, and I'm keeping it. So
3 you want to screw with me, have at it. But I can put you
4 in jail, and I will do it, and I can also take all of your
5 money away from you. I can look at all of your financial
6 statements. I can take every penny you've got if I think
7 you are doing stuff that's unlawful, illegal, fraudulent
8 and whatever. So let's don't test me here. And at the
9 same time if you think you are right, litigate it.
10 Litigate it to the cows come in, but don't screw with the
11 courts.

12 That's where we are, Mr. Bell. You don't have
13 to do anything this weekend. You can play all next week,
14 but on the 1st something is going to happen.

08:25 15 MR. BELL: If I may.

16 THE COURT: Sure.

17 MR. BELL: How much time do we have for the
18 preliminary injunction hearing?

19 THE COURT: A day.

20 MR. BELL: Right now, unless we can get this
21 thing resolved which is my intention, I think Mr. MacPete
22 would agree we can bang it out over the weekend. I have
23 just gotten on the case. My client is going to appear. I
24 would ask that you order the plaintiff, especially Mr.
25 Munish, to appear as well.

EXHIBIT 27

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSHPERE, INC., MANILA
INDUTRIES, INCS.; AND MUNISH
KRISHAN**

Plaintiffs,

v.

**JEFFREY BARON AND ONDOVA
LIMITED COMPANY**

Defendants,

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CIVIL ACTION NO. 3-09:CV0988-M

MOTION TO WITHDRAW AS COUNSELS OF RECORD

TO THE HONORABLE UNITED STATES DISTRICT JUDGE FURGESON:

COMES NOW, Anthony Vitullo, Fee Smith Sharp & Vitullo LLP, James Bell, Bell & Weinstein, Caleb Rawls, and the Law Offices of Caleb Rawls (hereinafter collectively referred to as the "Movants"), counsels for Defendants Jeffrey Baron and Ondova Limited Company, (collectively referred to as "Defendants") and files this, their Motion to Withdraw as Counsels of Record (the "Motion"), and respectfully show this Honorable Court the following:

SUMMARY AND SUBSTANCE OF THE MOTION

The Movants respectfully request that this Honorable Court grant their request to withdraw as counsels of record for the Defendants. There is good cause for this Honorable Court to grant this Motion. Further, no injury will result to the Defendants by the Movants withdrawal as attorneys for the Defendants or to any other party interested in the action.

It is in the Movants best interest as well as the best interests of the Defendants that the attorney-client relationship be terminated in this case. Further, the clients; namely, Defendants

Jeffrey Baron and Ondova Limited Company, will experience no prejudice since the Defendants have the financial ability to retain new counsel and have contemplated hiring other very competent attorneys to handle this case. Further, the Defendants have been advised as to all deadlines and procedural aspects with respect to the above-captioned case.

The Defendants have been advised of the Movants desire to withdraw as their counsels of record. The Defendants have been provided with a copy of this Motion. The last known address for Defendants is 2828 Trinity Mills Road, Suite 225, Carrollton, Texas 75006.

FACTUAL BACKGROUND

The Defendants currently have three counsels of record in the above-captioned civil action; namely, Anthony Vitullo, James Bell, and Caleb Rawls. There is a Preliminary Injunction hearing on this case on July 1, 2009 and a temporary restraining order restraining Defendants ability from deleting domain names. The Court has ordered Defendant to produce documents to Plaintiff by 4:00 p.m. on June 22, 2009. Defendant's deposition is set for June 23, 2009 at 9:00 a.m. Plaintiffs Munish deposition is set for June 24, 2009 at 9:00 a.m. The Plaintiffs and Defendants are currently under an Order for Expedited Discovery.

ARGUMENTS AND AUTHORITIES

The Movants respectfully request that this Honorable Court allow them to withdraw as counsels for the Defendants because good cause exists for the withdrawal. *See* Tex. R. Prof. Conduct, Rule 1.15. It is well established Texas law that law firms may withdraw as counsel for a client if there is no prejudice to the client and good cause exists for the withdrawal. *Id.* On the facts present in this case, the Movants have un-resolvable conflicts with the Defendants. *Id.* The Defendants will not be prejudiced by the Movants withdrawal as counsels because the Defendants have the financial ability to retain new counsel and have been contemplating hiring new counsel for several weeks.

It is in the Movants best interest as well as the best interest of the Defendants that the attorney-client relationship be terminated in this case. The Movants withdrawal will be accomplished without material adverse effects on the interests of the Defendants. *Id.*

Accordingly, the Movants respectfully request that this Honorable Court allow the Movants to withdraw as counsels for the Defendants. This Motion is not sought for delay, but so that justice is served.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Movants respectfully move this Honorable Court for an Order permitting and granting the withdrawal of the Movants and all their associated attorneys as counsels of record for the Defendants, and providing that the Movants are relieved of any further responsibility associated with the representation of the Defendants in this case. The Movants respectfully request such further general or specific relief to which they may be entitled.

/s/ Anthony L. Vitullo
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State Bar No. 20595500
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Telephone: 972/934-9100; facsimile: 972/934-9200

/s/ Caleb Rawls
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(972) 804-9068

/s/ James Bell
James Bell
State Bar No.24049314
P.O. Box 1424

Pacific Palisades, CA 90272
214-293-2263 phone; 866-750-4141 facsimile

CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2009, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court for the Northern District of Texas Dallas Division, using the electronic case filing system of the Court. The electronic filing system sent a "Notice of Electronic Filing" to all attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

John MacPete
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

CERTIFICATE OF CONFERENCE

The Movants hereby certify that they contacted Plaintiff's lead counsel and that he does not oppose this Motion. The Movants also certify that they informed the Defendants of this Motion to Withdraw and he consents to the Motion to Withdraw. To the extent this Honorable Court requires an in-camera or telephonic hearing regarding the specifics of this Motion, the Movants are available for such a hearing.

/s/ Anthony L. Vitullo
ANTHONY L. VITULLO

EXHIBIT 28

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**NETSPHERE, INC.
MANILA INDUSTRIES, INC.; and
MUNISH KRISHAN**

Plaintiffs,

vs.

**JEFFREY BARON and
ONDOVA LIMITED COMPANY,**

Defendants.

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CIVIL ACTION NO. 3-09CV0988-F

NOTICE OF APPEARANCE

PLEASE TAKE NOTICE that Jeffrey Baron ("Baron") and Ondova Limited Company ("Ondova") (Baron and Ondova are collectively referred to as "Defendants"), by and through the undersigned counsel, file this Notice of Appearance and request that copies of all correspondence, notices and pleadings hereafter given or filed in this case be given and served on Defendants by serving:

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Dated: June 23, 2009

Respectfully submitted,



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**COUNSEL FOR DEFENDANTS
JEFFREY BARON AND
ONDOVA LIMITED COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2009, I electronically filed the foregoing document with the Clerk of Court for the U.S. District Court for the Northern District of Texas, Dallas Division, using the electronic case filing system of the Court. The electronic case filing system will send a "Notice of Electronic Filing" to the following attorneys of record who have consented in writing to accept the Notice as service of this document by electronic means:

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Ryan K. Lurich

EXHIBIT 29

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

NETSPHERE, INC., ET AL.	(Number 3: 09-CV-0988-F
Plaintiff,	(
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vs.	(
	(
	(
JEFFREY BARON, ET AL.	(
	(
Defendant.	(July 1, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

For the Plaintiff:	JOHN W. MACPETE LOCKE LORD BISSELL & LIDDELL LLP 2200 Ross, Suite 2200 Dallas, Texas 75201 Phone: 214/740-8662 Email: jmacpete@lockelord.com
For the Defendant:	JAMES KRAUSE RYAN LURICH FRIEDMAN & FIGER 5301 Spring Valley Rd., Suite 200 Dallas, Texas 75254 Phone: 972/788-1400 Fax: 972/788-2667 FAX Email: jkrause@fllawoffice.com
Reported by:	Cassidi L. Casey 1100 Commerce Street, Rm 15D6L Dallas, Texas 75242 Phone: 214-354-3139

09:51 1 to get our business back from under the finger on the
2 nuclear button.

3 THE COURT: How do you think that's best done?

4 MR. MACPETE: I have heard from Mr. Krause that
5 he's going to insure that those portions of the
6 preliminary injunction get complied with, and maybe, as I
7 naively told the court two Fridays ago, that I thought he
8 would obey a federal court order -- I guess I still have
9 some belief he's going to do what he needs to do. I
10 suppose if he doesn't, we'll be back dealing with that.
11 I'm hopeful that your Honor is going to take up the
12 process issue today and do something about the willful
13 violations of your order that maybe in the future we could
14 have more confidence he's going to obey.

09:52 15 THE COURT: Well, as far as the willful
16 violations of my order, I need a motion, and I don't have
17 a motion on that. But I am terribly concerned. That's
18 the reason I didn't continue the hearing. I'm very
19 concerned that no matter what I do, Mr. Baron is not going
20 to pay attention.

21 MR. KRAUSE: Can I address the Court on two
22 points?

23 THE COURT: Yes.

24 MR. KRAUSE: We do need a motion. I think we
25 could have been better prepared today if we had a motion.

09:52 1 I have to address one point because I think it's impugning
2 my integrity. There was a discussion about extensions
3 yesterday. The price for that extension was almost
4 \$30,000. My client would not do that. I'd like to know
5 these Funnynames -- We have had testimony about this. Is
6 this a deleted name, one of the names you need to evaluate
7 to determine whether or not you want to restore it?

8 MR. MACPETE: No. The Funnyvideos and games are
9 not names which were deleted. We're using them to
10 exemplify for the Court that he has log-ins and pass codes
11 for names at his registrar which he has not turned over.

12 MR. KRAUSE: Those issues have passed with the
13 entry of the preliminary injunction. We split the names.
14 Friday in an e-mail -- I don't have it with me. I'll
09:53 15 provide it to the Court today. I said, "John, why do we
16 have to have this hearing? We'll get you whatever
17 discovery you need. But give us until after we comply
18 with the order. What do you need now?" That's what I
19 said and "We will work to make sure this order is complied
20 with." I can't do it myself.

21 THE COURT: I actually feel that you will if you
22 are here at the next hearing.

23 MR. KRAUSE: Yes.

24 THE COURT: And the problem is --

25 MR. KRAUSE: Sort of a receiver, why don't we

09:54 1 set up a conference call with the Court every day and head
2 these issues off. I want to head these issues off. I
3 still feel like I'm in ambush mode.

4 THE COURT: What I think you are in is you're in
5 catch-up mode, and I do appreciate that problem. You may
6 step down, Mr. Baron, for right now.

7 MR. MACPETE: Your Honor, I have his e-mail if
8 you would like to look at it.

9 THE COURT: Let me tell you what I think we need
10 to do. The reason I had this hearing is that I am very
11 uncertain that I am going to get done what needs to get
12 done in this case, and I think there have been too many
13 judges that have said somebody else has jurisdiction or
14 control. I have the jurisdiction of the parties. They
09:55 15 are in my court.

16 First of all, I need to make sure that you stay
17 in the case. I don't want a ninth set of lawyers in the
18 case. I need money put in your trust account by
19 Mr. Baron. And I'll tell you how much money I need in
20 your trust account. I need \$50,000 in your trust account,
21 and that is nonrefundable. That's nonrefundable. When
22 that runs out, I need another \$50,000 in your trust
23 account, and again that's nonrefundable. And I need that
24 done, and I need an order, and Mr. Krause, you prepare a
25 very short order for me that it is ordered that the

09:56 1 defendant put \$50,000 into the trust account -- Give me
2 your name again.

3 MR. KRAUSE: Friedman and Figer.

4 THE COURT: Friedman and Figer. And it's
5 nonrefundable, and of course, your hourly rates are to be
6 applied against that fund, and when that account is
7 diminished by your rate, another \$50,000 is to go in, and
8 when that is diminished, another fifty thousand must go in
9 until the matter is resolved. I don't want anymore
10 lawyers in this case, and I do think it's instructive that
11 you worked out the preliminary injunction. I do feel that
12 shows I've got lawyers who at least understand the
13 problems. But that \$50,000 needs to go into your account
14 on July 6th. It needs to be replenished and always
09:57 15 nonrefundable.

16 By the way, you are not getting out of this
17 case. So I don't want to see any motion to withdraw. And
18 I am going to keep that trust account of yours replenished
19 until we get this done. So I need that order. You can
20 just put it on -- put that motion and order on CM/ECF, and
21 I'll sign it. It ought to be done this afternoon or in
22 the morning.

23 Also, I need the preliminary injunction to be
24 amended to give more time -- And by the way, you are
25 reaching the end of my patience here. Because I may put a

EXHIBIT 30

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

NETSPHERE, INC., ET AL.	(Number 3: 09-CV-0988-F
Plaintiff,	(
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vs.	(
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	(
JEFFREY BARON, ET AL.	(
	(
Defendant.	(July 9, 2009

Status Conference
Before the Honorable Royal Furgeson

A P P E A R A N C E S:

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Reported by:	Cassidi L. Casey 1100 Commerce Street, Rm 15D6L Dallas, Texas 75242 Phone: 214-354-3139
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09:14 1 up to?

2 MR. LURICH: Candidly, your Honor, I don't know
3 the aspects of everything. I have some e-mail
4 communications with him.

5 MR. KRAUSE: I do think -- and I reported on the
6 call Monday -- he has been hired by Mr. Baron as a general
7 counsel. I think he primarily is involved in helping Mr.
8 Baron on business aspects, and I did not know that he
9 apparently helped Jeff send out these e-mails last night.
10 I don't believe there was a five o'clock deadline
11 yesterday, by the way. I believe they were sent pursuant
12 to the order.

13 THE COURT: Why did Mr. Kline take it upon
14 himself to send an e-mail that was different from the one
09:15 15 agreed to?

16 MR. KRAUSE: I don't know the answer to that,
17 but I think the differences are minor. I think what they
18 sent -- When I woke up this morning, I had twenty-five
19 e-mails on my Blackberry. I can't read those on the
20 Blackberry. Earlier in the day when I sent Mr. MacPete
21 the first e-mail draft, I think that's what they used.
22 But any differences can be resolved. John and I knew that
23 we were going to get feedback from these people and have
24 to talk to them. If there is any concerns that need to be
25 addressed, we can do that.

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THE COURT: Do you have his number?

MR. KRAUSE: I don't.

THE COURT: What is Mr. Kline's name.

MR. KRAUSE: Jay Kline, Jr.

MR. LURICH: I believe he practices with Kline and Kline. His father is a lawyer as well.

MR. MACPETE: Your Honor, the key factor in that --

THE COURT: I've got one in larger print. Is that the one agreed to.

MR. MACPETE: That's the one agreed to, your Honor.

THE COURT: Okay.

MR. MACPETE: The one in smaller print, the way the letter was sent out, the PDF was unable to respond. So I was unable to print it. So I had to do the print-screen thing. So I apologize for it being so small. That's the only way I could print it out.

The first letter basically says, We have a contract with you, and any names under that contract, any money you get for names under that contract, you need to pay in this way. So it essentially eliminates the wiggling, if you will, that Mr. Baron has been doing about what he thinks is at issue versus what the lawyers think is at issue.

09:23 1 The first one, by Mr. Kline deletes the sentence
2 we have about the contract, and then it says just monies
3 related to the Simple Solutions and Manassas portfolios,
4 and I have no idea what those are, and I don't know
5 whether that's Mr. Baron again, his personal opinion about
6 the names which are at issue in this lawsuit versus what's
7 actually at issue, and that's the problem I'm having
8 between the two letters, aside from the fact that he sent
9 out a letter I didn't agree to, I hadn't even seen.

10 MR. KRAUSE: Your Honor, I think this is easily
11 fixed. What we heard from one of these folks that wants
12 to see the order -- That's one of the things we need to
13 talk about. I don't think any of these people are going
14 to comply with that request without seeing the order, and
09:24 15 we now have the e-mail addresses we can send from the
16 lawyers -- send a clarification e-mail today to resolve
17 this.

18 MR. MACPETE: That issue did come up last night.
19 Unfortunately, I happened to be sitting in front of my
20 computer when this all came out, and I don't know if Mr.
21 Kline is aware the preliminary injunction is sealed. So I
22 immediately responded to the third-party company that said
23 we'd like to see a copy of the order and said You can't,
24 but you are getting the direction from your client. You
25 don't need to see the order. Your client is telling you

09:25 1 this is how they want the money paid out. The fact that
2 he's been told to do that by the Court is not really
3 relevant for your purposes. So I disagree with Mr. Krause
4 that we need to be showing the order around. That was the
5 whole idea behind Mr. Baron would be the one sending out
6 the notices, coming from the customer.

7 THE COURT: Do we have Mr. Kline's phone number

8 MR. LURICH: The third-party imaging companies
9 are not our clients. We're trying to assist in that
10 process with the remote servers. They wanted to see the
11 orders.

12 MR. MACPETE: We're talking about the
13 monetization company.

14 MR. LURICH: The order we want to send is to the
09:25 15 servers.

16 MR. MACPETE: No, you have mixed it up.

17 MR. KRAUSE: Different issues. I think one
18 problem is that not all of these monetization companies
19 have contracts with my client, and we're going to have to
20 show something to them. The order I think is the only
21 thing that can do that to get them to comply with the
22 order.

23 THE COURT: Well, we can work on this a minute.

24 Ms. Casey has the number. What is his number?

25 9-7-2-2-1-7-2-3-9-4.

09:27 1 THE COURT: Mr. Kline, this is Judge Furgeson
2 from federal court. I'm calling you to tell you you may
3 be under some confusion representing Ondova and Mr. Baron,
4 but anything that involves litigation in my Court should
5 be coordinated through Mr. Lurich and Mr. Krause. An
6 e-mail was sent out this last night to we think
7 monetization firms that was not agreed to by the parties,
8 and so I've got to put you in touch with Mr. Lurich and
9 Mr. Krause as soon as possible. If you have any questions
10 about how this is to be arranged or done, we can have a
11 hearing in my court this afternoon or in the next several
12 days so that I can give you clear instructions about what
13 you are supposed to do. But you are not to do anything in
14 regard to the pending litigation.

09:28 15 I tell you --

16 MR. KRAUSE: I think he got the point.

17 THE COURT: Why don't you guys try to call? I
18 may have to enter an order on Mr. Kline or advisory.

19 MR. MACPETE: Your Honor, I don't have any
20 problem with Mr. Kline. I think what's happened here is
21 there is a demonstrated track record of playing games with
22 lawyers, and I think this is a situation where Mr. Kline
23 got bamboozled by Mr. Baron who knew very well he was not
24 supposed to send out the letter he wrote and knew it was
25 not supposed to go to Google and Oversee, and he worked a

09:30 1 lawyer unfamiliar with the facts. That's what I'm
2 complaining about. I think Mr. Kline in this case was
3 probable an innocent dupe.

4 THE COURT: Well, I'm not going to make any
5 judgments.

6 MR. LURICH: Voice mail, your Honor.

7 MR. KRAUSE: I would add from my knowledge of
8 what happened is he was providing help to Mr. Baron
9 sending out the e-mails, and I do doubt that he understood
10 that there were two versions of the e-mail. I don't have
11 any doubts about that.

12 THE COURT: Well, I don't need a lot of chefs in
13 the kitchen. That's my goal. I want to keep you guys as
14 the chefs. I want you guys to keep trying to talk to Mr.
09:30 15 Kline. If he has any questions, I will be glad to meet
16 him in court and clarify his instructions. But he may be
17 certainly innocent. He may be being helpful. We just
18 have got to get this straightened right away.

19 Now, Mr. Lurich, what do you have to tell me?

20 MR. LURICH: I'd like to address some of the
21 things counsel informed the Court with respect to the
22 progress of the preliminary injunction. We certainly
23 dispute that there was any noncompliance with respect to
24 the passwords and log-ins. That information was provided
25 by 5:00 p.m. on Friday, July 3rd. As the order says, if

EXHIBIT 31

18:00

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION
4

5 NETSPHERE, ET AL. (Number 3: 09-CV-0988-F
6 Plaintiff, (vs. ()
7 ONDOVOA, ET AL. ()
8 Defendant. (July 28, 2009

18:00

9
10
11 Status Conference
12 Before the Honorable Royal Furgeson
13

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CASSIDI L. CASEY, CSR, 214-354-3139
UNITED STATES DISTRICT COURT

13-10696.2930

08:20 1 in Judge Hoffman's court?

2 MR. LURICH: No, but he did enter a stay. So
3 all matters in Judge Hoffman's court have been put on hold
4 depending on this Court and obviously the bankruptcy.

5 THE COURT: Did your firm file the bankruptcy or
6 did another firm?

7 MR. FRIEDMAN: Can I address that, your Honor?

8 THE COURT: Sure.

9 MR. FRIEDMAN: For the record, Larry Friedman.
10 I didn't find out about the bankruptcy until about ten
11 o'clock last night when I checked my e-mails and saw an
12 e-mail that indicated that this bankruptcy had been filed.
13 So we had no knowledge. My firm didn't file it. I notice
14 today in the court there is an attorney, J. Kline, who was
08:21 15 working as an assistant to Mr. Baron at the office doing
16 some transactional work, and I understand it was either
17 Mr. Kline's decision or it was Mr. Kline motivated the
18 filing of this bankruptcy.

19 Now, this is the second time Mr. Kline has
20 interfered with my stewardship of this case. The first
21 time he called Mr. Giovanni (phonetic), who called Mr.
22 MacPete, and Mr. MacPete reported that to the Court. I
23 had a conversation with Mr. Kline, and I reported to Mr.
24 Kline this Court's order that no lawyer would participate
25 in this case on behalf of this side without this Court's

08:22 1 permission. And I not only reported that order to Mr.
2 Kline, I got Mr. Kline's commitment as an attorney that he
3 wouldn't meddle in this case. Obviously, that didn't
4 happen because apparently he went to his buddy last night,
5 Paul Keiffer, and behind my back put Ondova into
6 bankruptcy. Not only do I think that's a bad idea for my
7 clients, but it's discourteous to me, Mr. Lurich, Mr.
8 Krause, who have been working diligently on this case, and
9 discourteous to the Court as to how it happened. And
10 since Mr. Kline is here maybe he has an explanation for
11 all of this.

12 THE COURT: Okay. Thank you, Mr. Friedman. In
13 just a minute I will ask Mr. Kline to bring us up to date.

14 MR. FRIEDMAN: As to Mr. Baron, I will say this.
08:23 15 Since I have met Mr. Baron, I have kind of grown to like
16 Mr. Baron. He's an unusual type of person. Kind, shy,
17 kind of sheepish. But I do think since Mr. Lurich took
18 over and Mr. Krause took over, they have Mr. Baron pretty
19 much on the right track. He works by himself. He doesn't
20 have any staff. He's overwhelmed with the work that's
21 required of him. He's working seven days a week, working
22 eighteen hours a day. I don't know that what is occurring
23 is perfect, but I do think that he's doing the best he
24 can. I do think he's doing the best he can to comply with
25 the Court order, and I do think we're materially in line

08:23 1 with the Court's order and making substantial progress.
2 And I thought up until last night that we were headed
3 towards full compliance with the Court's order.

4 The only issue that we really had was the cost
5 and expense of going forward. And as I know the big
6 picture, what the purpose is -- Because as I look at the
7 big picture as a businessman, these people need to part
8 ways. It's either these people buy the Baron side out or
9 the Baron side buys those people out. But in either case
10 one side or the other winds up with everything. So my
11 suggestion to the Court this morning -- And of course, we
12 defer to your good judgment -- is to at the right time
13 appoint us to a mediator or mediation, and maybe we can
14 expedite the process of one side or the other winding up
08:24 15 with the whole thing.

16 THE COURT: Well, I do believe your firm, Mr.
17 Friedman, has been very constructive in the way you have
18 handled this matter from the absolute outset, and I do
19 appreciate how your firm has come up to speed and how
20 diligent you have been. And I think it's good judgment
21 you have used in directing your client to try to work his
22 way out of this matter. One way or the other, these
23 parties do need to be separated and go on their way, and
24 certainly that's a worthy goal. I am concerned that we're
25 talking about what appears to be in the range of \$150,000

08:25 1 to \$175,000 to finish up with this imaging company. And
2 at some point, you know, we need to consider what the
3 overall expense of this project is going to be. Because
4 my goal also is that the parties are able to enjoy the
5 fruits of their labor and that we not spend the money
6 unproductively. So I'm concerned about that. There may
7 be no other way to do this, and I'm not making a comment,
8 and that's why Mr. Vogel is here because I do seek some
9 assistance from him. But I do think your firm from the
10 outset has taken a very constructive approach to your
11 counsel to Mr. Baron and his companies. I do know he's
12 under -- I'm sure -- a lot of stress. But the goal here
13 is to end this matter in a way that's fair to both sides
14 so that they can go on about their business. So I do want
08:27 15 the record to reflect that I have been impressed by your
16 firm's efforts in this matter.

17 MR. FRIEDMAN: Thank you.

18 THE COURT: I think that's all I have, Mr.
19 Friedman, for you and Mr. Lurich. Maybe we can hear from
20 Mr. Kline, and then I'd like Mr. Vogel to give me some
21 input as well.

22 Mr. Kline.

23 MR. KRAUSE: Jay Kline. I'm an attorney working
24 with Ondova. I'm sorry Mr. Friedman characterized my
25 participation in this case the way he did. My

08:27 1 participation has been helpful, and to my understanding we
2 were working well with counsel. Towards the beginning of
3 last week, I took a look at his financial situation, and
4 it was clear it wasn't going to be able to pay its debts.
5 So the company engaged bankruptcy counsel to examine the
6 situation and to give it advice, and I wasn't that
7 counsel. But my participation in this has been to aid the
8 company in whatever way possible. I stepped into this
9 case, your Honor, the day the imaging started, and I have
10 been working with Mr. Baron 16, 20 hours a day
11 approximately to comply with this Court's orders, and I
12 can tell you from my prospective, your Honor, we have
13 worked as hard as we can possibly do to comply. The
14 bankruptcy is not a subterfuge of this Court in any
08:28 15 manner. It's for the company to survive. At least from
16 my prospective, your Honor, the company needed this
17 rehabilitation. It's in Judge Jernigan's court here, and
18 we anticipate to comply with everything the Court orders.
19 And does your Honor have any questions of me?

20 THE COURT: Well, Mr. Baron -- perhaps because
21 of his lack of sophistication or his lack of understanding
22 of legal processes or the way lawyers work or whatever --
23 has gone through enormous numbers of lawyers at great
24 expense to himself and a lack of continuity to his
25 representation and I think to his detriment. So my goal

08:29 1 after this case was filed and people began appearing in my
2 Court -- In fact, Mr. Friedman and Mr. Lurich and Mr.
3 Krause were -- came into my court as the second lawyers in
4 my Court. And then I guess Ms. Aldous and Mr. Rasansky
5 came in, and they had been lawyers for Mr. Baron. And I
6 had understood from the proceedings that there had been
7 four or five other lawyers. It was like serial
8 representations where no lawyer could ever get into the
9 case in a sufficient way to figure out what was going on.
10 So my goal was to stop the musical chairs. I was very
11 impressed, as I said, by Mr. Krause, Mr. Lurich and
12 Mr. Friedman and their good judgment in representing Mr.
13 Baron, and I wanted them to be lead counsel, as they have
14 been designated, and continue as lead counsel so that we
08:30 15 can prevent this musical chairs and prevent what I
16 consider to be a great detriment to Mr. Baron. So I have
17 been unable to reach you. I think I left a message on
18 your cell phone, but my goal was that if you were going to
19 have any role to play with Mr. Baron that you coordinate
20 everything with Mr. Friedman, Mr. Lurich and Mr. Krause so
21 again that there could be a unity of representation and a
22 thoughtfulness of representation. I will tell you I am
23 disappointed apparently that this bankruptcy was filed
24 without notice or input from Mr. Friedman, Mr. Lurich, Mr.
25 Krause, who are here in this Court representing Ondova and

08:32 1 Mr. Baron. And so you know they wake up one night and
2 there is a bankruptcy pending and they don't know anything
3 about it. They don't know why it was done. No one
4 consulted with them. And my concern is that again rather
5 than trying to resolve issues that face Ondova and Mr.
6 Baron, this is going to delay the matter. I can't see
7 that it's going to create any added value to the case, and
8 if there were concerns about the financial liability of
9 Ondova, it seems to me that was a matter that Mr. Friedman
10 and Mr. Lurich and Mr. Krause could have worked on,
11 consulted with you and considered it and figured out the
12 best way to go. We're creating a second and third layer
13 of expense, costs, and as I said, I don't know what value
14 is going to be added to this. Mr. Baron's problem is he's
08:33 15 way over litigious with way too many lawyers. From all
16 appearances in my Court, he happened on three very good
17 lawyers in Mr. Krause, Mr. Lurich and Mr. Friedman whose
18 performance in this Court has been I think of the highest
19 order and whose performance has shown not only legal skill
20 but good judgment and good common sense, and now I'm
21 sitting here with a bankruptcy stay that's occurred
22 without any input at all.

23 MR. KLINE: Your Honor, I was informed that Mr.
24 Friedman was informed on Thursday of last week.

25 THE COURT: Informed? Did anybody sit down and

08:34 1 say this is where Ondova is? Let's have a meeting? Let's
2 talk about this and see if this is the best way to
3 proceed? You are telling me that occurred with Mr.
4 Friedman? This is what Ondova's situation is, this is the
5 best route to follow, and he gave his full blessing to
6 this? Is that what happened?

7 MR. KLINE: That's not what happened. I don't
8 believe that occurred.

9 THE COURT: Why wouldn't that have been a good
10 idea?

11 MR. KLINE: I guess I'm not prepared to answer
12 that question. I wanted to be here this morning to be
13 sure that somebody was here to answer. I was afraid I was
14 going to be attacked again, and I think if we had an
08:35 15 evidentiary hearing the doubt that's been cast on my role
16 and the compliance of Mr. Baron, we would hear
17 differently, and I was not at liberty to discuss with Mr.
18 Friedman what was occurring last week, your Honor. I'm
19 not sure what you would like me to say. I understand the
20 Court's concerns, and I have read the transcripts. I have
21 tried in every manner to comply with it. I'm not trying
22 to replace Mr. Friedman. It's not my intent to do
23 anything like that. I thought we had a good relationship.
24 The focus is easy to put on me here. That's what I'm
25 saying, and if the Court could allow us to present our

08:36 1 case at the proper time, I think you may have a different
2 viewpoint on this.

3 THE COURT: Well, I will certainly allow you to
4 do that. I'm just expressing my concerns to you. It's
5 also unclear to me why you were the person who was helping
6 Mr. Baron comply with the orders that had been issued from
7 this Court when I actually thought that was the job of Mr.
8 Krause, Mr. Lurich and Mr. Friedman, and I tried to make
9 it clear that everything in this Court should be handled
10 by these lawyers. So probably at the end we're going to
11 have to come down and figure out why all of this has
12 happened the way it has. I think if we can get the
13 bankruptcy matter clear and resolved, I am going to issue
14 an order that you and bankruptcy counsel appear before me,
08:37 15 and we make sure that everybody understands who's in
16 charge in this Court for Mr. Baron and for Ondova. I'm
17 certainly going to let you have your say on that, but I
18 want it to be real clear while we're here together today
19 that any compliance of any order that has been issued by
20 this Court for the defendants is going to be the sole
21 responsibility and of Mr. Friedman and Mr. Lurich. And I
22 don't want anyone else that would come into this Court and
23 ask to be involved through leave of Court. I don't want
24 anyone else doing anything to help the defendants meet the
25 requirements of the Court orders. So I want to be real

08:38 1 clear about that. I don't know what your role is.

2 MR. KLINE: May I address that, your Honor?

3 THE COURT: Yes, sir.

4 MR. KLINE: I was there physically with Mr.
5 Baron. They were in their office. I was helping him
6 work, collecting things. Tremendous amount of information
7 to cipher through, and that's what I was doing. I was
8 physically with Mr. Baron.

9 THE COURT: I would have thought -- And again,
10 I'm not clear where everything has happened here, but I
11 would have thought that working with Mr. Baron for
12 compliance, working with him to make sure he complied
13 would be the job of Mr. Krause or Mr. Lurich or Mr.
14 Friedman. And if there is some confusion about that
08:39 15 today, I don't want there to be any confusion about it
16 tomorrow. Anything that Mr. Baron or Ondova or anyone
17 else has to do in complying with the Court orders, I want
18 them to direct him, not you.

19 MR. KLINE: Yes, sir.

20 THE COURT: And that's a directive of the Court.
21 And I know you will follow that directive without any
22 question.

23 MR. KLINE: Yes, sir.

24 THE COURT: So anything to do with this case is
25 in the hands of these lawyers, and no one is to be

08:40 1 involved in anything to do with this Court unless I give
2 leave, and the only people I give leave to is Mr. Krause
3 and Mr. Lurich and Mr. Friedman. So you are clear about
4 that, right?

5 MR. KLINE: Yes, sir.

6 THE COURT: Now, it will be necessary that at
7 some point in these proceedings I am going to have to have
8 you and bankruptcy counsel here. Of course, I'm deferring
9 to the bankruptcy court, and I know I'm not in any way
10 going to do anything that interferes with the stay that's
11 entered in the bankruptcy court. I'm not going to do that
12 at all. But I do know that I'm sure Mr. MacPete for the
13 plaintiffs and Mr. Friedman, Lurich and Krause for the
14 defendants will be seeking guidance from the bankruptcy
08:41 15 court, and hopefully that will be received very shortly.

16 As I say, my concern is that Mr. Baron -- and I
17 don't know why -- continues to complicate his legal
18 problems by just layering lawyer upon lawyer upon lawyer
19 into his activities. And I'm not for sure what benefit
20 anybody is getting from that. I do agree -- I don't know
21 if I agree with Mr. Friedman's solution. But I do agree
22 with Mr. Friedman's ultimate view that Mr. Baron and his
23 companies and Netsphere and their operations need to be
24 separated in a fair and thoughtful way. And that's my
25 goal.

EXHIBIT 32

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

NETSPHERE, ET AL (Number 3: 09-CV-0988-F
(
Plaintiffs, ()
(
vs. ()
()
JEFFREY BARON, ET AL. ()
()
Defendants. (August 18, 2009

Status Conference
Before the Honorable Royal Furgeson

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18:00

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Reported by:

Cassidi L. Casey
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CASSIDI L. CASEY, CSR, 214-354-3139
UNITED STATES DISTRICT COURT

15:19 1 entire bankruptcy case was the result of forum shopping
2 and litigation tactics by Mr. Ondova. The purpose of
3 bankruptcy is to afford the honest debtor a fresh start.
4 I don't think we have that. Here, we have Mr. Baron's
5 attempt to evade this Court's orders and find himself a
6 new forum in which he can pursue this lawsuit for all
7 intents and purposes and try to undue the settlement
8 agreement or whatever he intends to do in the bankruptcy
9 case.

10 THE COURT: As I look at Mr. Baron, I think he's
11 a desperate man. I think he's a nice man, but a desperate
12 man, and he keeps looking for the pot at the end of the
13 rainbow. I think this is a litigation tactic. There is
14 no one in this courtroom that can look at this and think
15:20 15 it's anything other than an effort to get out from under
16 my jurisdiction. That's what it is.

17 MS. HAYWARD: That's my point. And Judge
18 Jernigan recognized that in an hour and a half of the
19 motion to lift the stay and said so on the record.

20 So back to the withdrawal of reference and the
21 reference itself, there is two provisions under which this
22 Court could withdraw the reference to the extent it refers
23 it to the bankruptcy court, the mandatory one we discussed
24 that has trademark law being law that affects interstate
25 commerce, and permissively this court may withdraw the

EXHIBIT 33

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

NETSPHERE, ET AL (Number 3: 09-CV-0988-F
(
Plaintiffs, ()
(
vs. ()
(
JEFFREY BARON, ET AL. ()
()
Defendants. (September 10, 2009

Status Conference
Before the Honorable Royal Furgeson

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22 Dallas, Texas 75242
23 214-354-3139

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13:02 1

MR. LURICH: Your Honor.

2

MR. MACPETE: May I finish?

3

MR. LURICH: This is highly disputed evidence.

4

I have e-mails. What Mr. MacPete is going to say is he

5

was unaware of certain companies having an employee. I

6

have e-mails prior to the lawsuit where Mr. MacPete was

7

notified by --

8

THE COURT: Let me cut you have off. I think

9

we're going to hire criminal counsel for Mr. Baron. I

10

think Mr. Baron is very close to sustaining criminal

11

liability. He's in a bankruptcy court under the most

12

unusual of circumstances that could create liability. He

13

has obligations to not obstruct justice in this Court.

14

And so I will tell you, Mr. Lurich, I want you to go get

13:03 15

him a criminal lawyer. He needs criminal counsel, and

16

that needs to be done, and it will be paid out of your

17

trust funds. But I want Mr. Baron to receive counsel from

18

a reputable criminal lawyer. I'm understanding that you

19

have the ability to do that. Before you do that, I want

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you to coordinate with the special master, just to let him

21

know who it is. I want him informed. I have thought

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about this for some time now, and I think Mr. Baron really

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cannot go forward any longer without criminal

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representation, and so you need to get him a good criminal

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defense lawyer.

EXHIBIT 34

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

In Re:)	Case No. 09-34784-sgj-11
)	
ONDOVA LIMITED COMPANY,)	
)	Dallas, Texas
Debtor.)	Wednesday, August 5, 2009
)	2:00 p.m. Calendar
)	
)	EMERGENCY MOTION FOR RELIEF
)	FROM STAY [Docket #21]
)	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE STACEY G.C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE.

APPEARANCES:

For the Debtor:	Edwin Paul Keiffer WRIGHT GINSBERG BRUSILOW, PC 1401 Elm Street, Suite 4750 Dallas, TX 75202 (214) 651-6517
For Manila Industries, Inc. and Netsphere, Inc.:	Melissa S. Hayward FRANKLIN SKIERSKI LOVALL HAYWARD LLP 10501 N. Central Expressway, Suite 106 Dallas, TX 75231 (214) 789-9977
For Manila Industries, Inc. and Netsphere, Inc.:	John MacPete LOCKE LORD BISSELL & LIDDELL LLP 2200 Ross Avenue, Suite 2200 Dallas, TX 75201 (214) 740-8662
Court Recorder:	Dawn E. Harden UNITED STATES BANKRUPTCY COURT 1100 Commerce Street, 12th Floor Dallas, TX 75242 (214) 753-2046

1 Court finds cause under Section 362 of the Bankruptcy Code
2 and rules this way for several reasons.

3 First, while this Court has exclusive jurisdiction over
4 property of the bankruptcy estate, the property of the estate
5 allegedly implicated here is certainly remote. The record
6 and positions of the parties indicate that the Debtor had no
7 ownership of domain names, ever, but only some right while it
8 had them registered to some future income stream, but that
9 property right has been limited or diminished prepetition.
10 The domain names had been deleted, and then it was agreed to
11 by the Debtor and ordered by the federal District Court that
12 the names would be restored and transferred.

13 As far as this Court is concerned, what was left to be
14 accomplished with regard to restoration and transfer of the
15 domain names was ministerial. To hold that the Debtor had a
16 meaningful property right at this point because it had some
17 right of redemption, allegedly, before it agreed to the
18 injunction is disingenuous to the Court. The point is the
19 Debtor agreed to the injunction, and the injunction was
20 issued.

21 Moreover, it appears to this Court to be an affront to
22 what has already transpired after many weeks or months before
23 the District Court, of much wrangling, analysis and
24 litigation. If the Debtor wants out of the preliminary
25 injunction, it can ask Judge Furgeson to set it aside, or

1 appeal Judge Furgeson to the Fifth Circuit.

2 In fact, the Court is lifting the stay for all of these
3 purposes in that litigation. The Debtor is free to do that.
4 But this Court will not allow, essentially, a re-do in this
5 Court or attempt to preempt Judge Furgeson. The Court
6 believes, with all due respect to the Debtor's fine
7 bankruptcy counsel here, that there was some forum-shopping
8 going on, and this was mostly a litigation tactic.

9 This Debtor can certainly attempt to reorganize in this
10 Court. The Bankruptcy Courts are here for the honest but
11 unfortunate debtor who is wanting to get a respite from
12 creditors, streamline litigation, have an orderly claims
13 allowance process, preserve value for creditors, preserve
14 jobs, preserve contributing corporate citizens. But be that
15 as it may, the Court would view it to be a preemption of
16 Judge Furgeson's hard work and role in this already to
17 essentially transfer litigation disputes with Netsphere to
18 this Court at this juncture.

19 So, the Court does not believe it would be in the
20 interests of justice or judicial economy or anything else
21 worthwhile to step in the middle of all this.

22 The Court notes that Judge Furgeson has had a special
23 master to help him understand the technical issues. Again,
24 the testimony or record is that there were almost-weekly
25 hearings for several weeks.

EXHIBIT 35

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

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

(Redacted Transcript)

BE IT REMEMBERED, that on the 1st day of September,
2009, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 If I may approach the Court with that filing in the
2 U.S. District Court?

3 THE COURT: You may.

4 MR. MacPETE: May I have a copy of that?

5 Thank you very much.

6 MR. KEIFFER: In particular, Your Honor, in
7 this first paragraph it states, Unbeknownst to Friedman &
8 Feiger, L.P., Jay, our client, hired E.P. Keiffer with a law
9 firm who put Ondova into bankruptcy.

10 The voluntary petition contains Mr. Baron's signature,
11 as does his engagement letter with the firm. Now, I don't
12 know what's happening here. I'm not sure. I don't know what
13 more I can say, other than refute that specific point. We
14 were hired. Mr. Baron signed the voluntary petition and he
15 signed the engagement, Mr. Klein did not. Mr. Klein is not a
16 representative of the debtor. I wouldn't start a case based
17 upon somebody else's statement that I'm hired.

18 So I'm -- if the Court requires me to go forward, I will
19 go forward and press the case. I'm ready on the case. But I
20 would prefer the debtor have his choice. The debtor gets
21 what he asks for.

22 THE COURT: Well, let me just say at the
23 outset, I am not going to tolerate a game of musical lawyers
24 in this case. I have heard at prior hearings what has
25 happened in the district court, a little bit of what's

1 happened in the district court. Part of what I heard was
2 that Mr. Baron and/or Ondova changed counsel, what, seven or
3 eight times?

4 MR. KEIFFER: I don't know that it was
5 particularly in the district court, but matters leading up to
6 and were ultimately involved in the same point, there had
7 been. I think there was only one change, maybe two at the
8 district court level. The 68th Judicial District there had
9 been many others that had been changed, but not at the U.S.
10 District Court. But the history in the dispute --

11 THE COURT: Mr. MacPete, how many lawyers has
12 Ondova had in the litigation upstairs?

13 MR. MacPETE: There are eight total, if you
14 include Mr. Keiffer, seven if you do not include Mr. Keiffer.

15 MR. KEIFFER: But those weren't all at the
16 U.S. District Court level.

17 MR. MacPETE: No. There were two at the U.S.
18 District Court level and five at the -- five or six at the
19 state court level.

20 MR. KEIFFER: That's what I was saying.

21 MR. MacPETE: The state court case and the
22 district court case overlapped. So there's a total -- if
23 Mr. Pronske were approved, there would now be a total of nine
24 counsel on behalf of Ondova. And, frankly, Your Honor, this
25 is the third Court in which this tactic has been employed. I

1 can't put my hands on the transcript right now, but Judge
2 Hoffman in the 68th State District Court has said some very
3 harsh things from the bench about Mr. Baron's proclivity to
4 change counsel on the eve of a hearing in order to get a
5 continuance. And that he's not tolerating it in his court.

6 THE COURT: Well, I'm surely not going to
7 tolerate it where I have a debtor in possession. You know,
8 it shouldn't be tolerated by any litigant as a tactic or
9 strategy. But when you are in this Court as a Chapter 11
10 debtor, you have fiduciary duties and suddenly it becomes a
11 more serious issue.

12 MR. KEIFFER: Your Honor, as you could
13 understand, I received this letter this morning. And in many
14 respects to disobey the request of the letter would be, in a
15 sense, a breach of attorney/client obligations. I realize as
16 counsel for the debtor that I'm something more. That's why I
17 wrote it in the manner that I wrote it so that the Court
18 would understand what was happening. I am obliging my client
19 the request. There is -- I have my own personal views on
20 this which I don't now if it would necessarily matter at this
21 juncture.

22 I have views that are bound by attorney/client
23 privilege that unless and until or if circumstances warrant
24 that the Court says, You are free from that, or other
25 circumstances warrant, I will discuss those. But right now I

1 am at, in a sense, the mercy of the direction of the client.
2 I can basically -- didn't even have time to file a motion to
3 withdraw indicating functionally my concerns with this. All
4 I did was comply with the request of the party.

5 To the extent that a motion to withdraw would make it
6 more clear as to somewhat the nature of the conflict and the
7 issues that this Court may draw whatever inferences it wants
8 to from it. I will follow it. But I'm not here to -- I'm
9 ready to proceed and defeat -- not defeat, but to show that
10 the other parties can't meet their burden under 363(p)(2)
11 today. If the Court wishes us to proceed, then I will
12 proceed. I understand my duties as counsel for the debtor.

13 THE COURT: Okay. Well, your motion mentioned
14 Pronske & Patel.

15 MR. KEIFFER: Yes, Your Honor, that is
16 correct.

17 THE COURT: And I happen to see Mr. Pronske
18 sitting out there. Mr. Pronske, can you speak to what is
19 going on here?

20 MR. PRONSKE: Good morning, Your Honor.

21 THE COURT: Good morning.

22 MR. PRONSKE: I'm Gerrit Pronske and have been
23 proposed as counsel for the debtor.

24 Your Honor, I was contacted by voicemail for the first
25 time on Saturday. I was not able to speak to anybody until

1 late Sunday evening, very little, and some yesterday. So I'm
2 very new to the situation. We were -- our firm was
3 interviewed, I guess you would say, or we discussed the
4 filing of the case prior to I think Mr. Keiffer being
5 involved and had maybe a couple of meetings. But I don't
6 really know much about the case.

7 My understanding is that there are significant
8 differences between counsel and the client that would require
9 seeking a termination of the counsel and we've been asked to
10 take over. What we have proposed is an arrangement and we're
11 not -- we intend to file an application, if the Court allows
12 us to do so, we intend to file an application to be employed.
13 We have to make determinations of various things such as
14 conflicts and we've done our own conflict's check and we
15 don't have a conflict, but to make sure that there's no
16 issues or problems with sources of retainers and things that
17 would obviously require disclosure to this Court and approval
18 of this Court.

19 But subject to those things and subject to actually
20 getting involved in the case and meeting with the client and
21 understanding what's going on, we're prepared to move
22 forward. The -- it is my understanding that the client is
23 requesting the continuance is because they don't want this to
24 go forward with -- at an important juncture in the case, the
25 use of cash collateral, with Mr. Keiffer moving forward this

1 morning. For whatever reason that conflict between the
2 client and Mr. Keiffer has risen. It is, as the Court knows,
3 the debtor's motion for -- to use cash collateral. And I
4 understand it's a great inconvenience to this Court, which
5 has set aside a substantial amount of time today for that
6 hearing. But the request is that there be a continuance and
7 we be able to get up to speed. And I don't think it would
8 take us too long. I think probably three or four days is all
9 we would need to get up to speed enough, at least initially,
10 to go forward with an application to employ and before moving
11 forward with the cash collateral.

12 I, too, am aware of issues relating to changing of
13 counsel before and I have inquired about that. That's always
14 a red flag, as the Court knows when counsel have been
15 changed. I have -- I can't tell you that I've done all of
16 the due diligence that I need to do, but I can tell you that there
17 are two sides to the story. And although the number of
18 counsel that have been involved in the case is unusual, there
19 appear to be some facts that warranted those changes of
20 counsel.

21 I can't tell you I know, you know, definitively what
22 happened from -- but I can tell you that there are two sides
23 to that story. And we've convinced ourselves enough to move
24 forward with the application to employ.

25 I'm not sure I'm in a position to ask for a continuance

1 since I'm not involved in the cas yet. but I think that the
2 request, if we were to get involved in the case, the request
3 would be appropriate and we could be up to speed very
4 quickly.

5 MR. KEIFFER: Your Honor, could I make one
6 continued response?

7 The indication of conflicts with Mr. Baron is new.
8 We've basically not filed anything without Mr. Baron's
9 approval. We've had some disagreement as to tactics and to
10 how things should or shouldn't be done and in what regard
11 they haven't been done. But this was the first by the letter
12 that was delivered from -- well, counsel at the district
13 court level delivered the letter to us electronically this
14 morning. That was the first time that I've heard of a
15 conflict between myself and the representative of the debtor.
16 But there's a conflict with regard to how or what should be
17 done in the case. There have been, again, some difficult or
18 some harsh words there in the middle of the representation,
19 but ultimately nothing is done unless the client specifically
20 agreed to it.

21 If the client had required me to do something that I
22 felt was inappropriate, I would have withdrawn. So the
23 statement that there's a conflict here is I think a bit
24 disingenuous. I think I know the source of the conflict and
25 I don't know that it's Mr. Baron, but there is a source of

1 conflict there.

2 And I don't know what -- I don't envy your position
3 here, Your Honor. I'm ready to go. Whatever you tell me I
4 need to do.

5 THE COURT: Mr. MacPete.

6 MR. MacPETE: Thank you, Your Honor.

7 I think the one piece of this picture maybe that you're
8 missing is on Saturday -- the reason I had the call with
9 Mr. Keiffer yesterday in which I told him that there was
10 discussion about firing him was a courtesy to counsel. It
11 wasn't a tactic. And I knew about that because I received a
12 call at about 9:30 in the morning on Saturday morning from
13 Mr. Friedman, who is the counsel in the district court
14 litigation, who indicated that he was going to be meeting
15 with Mr. Baron and he was going to be attempting to convince
16 Mr. Baron to fire Mr. Keiffer. And then he asked me what I
17 wanted in order to agree to a continuance of this hearing.

18 I told him at that time I didn't think that I could
19 agree to continue this hearing because it was my
20 understanding that the Court wanted to have this hearing and
21 wanted to hear the testimony of the debtor. I also indicated
22 that even to the extent he and I could reach an agreement
23 that there was another objector, Mr. Rasansky and wasn't sure
24 that he could get agreement from Mr. Rasansky. And, of
25 course, all of that assumed that the Court would even go

1 along with that. That was the extent of my discussion with
2 Mr. Friedman on Saturday. Then again last night I received a
3 call from Mr. Friedman's office and I talked to a lawyer from
4 his office again about please tell us what you would like in
5 order to avoid this hearing tomorrow because we don't want
6 our client to testify.

7 So what this is about is absolutely for delay. It is
8 because their client does not want to testify under oath.
9 And he has continually dodged the ability to get his
10 deposition or other testimony under oath in the life of this
11 case. And that's what this is about. It's not about that
12 there's a Keiffer, a dispute with Mr. Keiffer. It's not
13 about whether Mr. Pronske is an excellent bankruptcy
14 attorney. This is about we don't want Jeff Baron on the
15 stand being cross-examined by Mr. MacPete. That's what this
16 is about. And it is clearly a delay tactic and we would urge
17 the Court not to fall for it.

18 And in addition, I would let you know, Your Honor, that
19 my clients are located in California and I have flown a
20 possible rebuttal witness out here at thousands of dollars of
21 expense based on this hearing being set for today. And now
22 if this gets continued, essentially that's money wasted. And
23 it's money that's continually wasted because we've had all
24 kinds of situations in the district court with discovery
25 before the preliminary injunction where Mr. Baron's

1 deposition was scheduled and then he wouldn't sit for his
2 deposition. My clients flew out for that. They flew out to
3 give their own depositions. All of that was, again,
4 continued by changes in counsel and other attempts at
5 reaching agreements. So this is a constant theme in this
6 case and costs my clients a lot of money and it's not fair.
7 So we would just ask the Court to hold the hearing today.
8 Mr. Keiffer has indicated he's prepared to go forward. And
9 Mr. Baron should give his testimony under oath.

10 Thank you, Your Honor.

11 THE COURT: Here's what we're going to do.
12 It's 5 until 10. The Court is going to take a 5 minute
13 break. And during that 5 minutes I hope that Mr. Baron will
14 talk to his and Ondova's various counsel about the two
15 choices I am laying out there right now. The two choices
16 are, that we either go forward in five minutes with this
17 continued cash collateral hearing, or the Court is going to
18 exercise its sua sponte power under Section 105 of the
19 Bankruptcy Code which the lawyers in the room can explain to
20 Mr. Baron, and who is it, Mr. Nelson, is he the -- the Court
21 will exercise its sua sponte powers to appoint a Chapter 11
22 Trustee for cause. And I will issue the specific findings
23 that I think constitute cause when we come back out here.
24 And that will mean that a Chapter 11 Trustee will be
25 essentially the executive in charge of Ondova, will get its

1 cash, and will handle the Ondova bankruptcy and company
2 strategy going forward in this Chapter 11 case. So we have
3 at least two good bankruptcy lawyers on this side of the
4 room. I don't know if there are other lawyers in the room.
5 But between Mr. Keiffer and Mr. Pronske and anyone else here
6 that might be here on Mr. Baron or Ondova's behalf, they can
7 explain the choice I have set forth here. Again, we either
8 go forward in five minutes, or I'm going to sua sponte
9 appoint a Chapter 11 Trustee.

10 All right. We'll take a five minute break.

11 (Brief recess ensued.)

12 THE COURT: All right. Please be seated.

13 We are going back on the record in Ondova Limited, case
14 number 09-34784.

15 Mr. Keiffer, it would appear as though you all are
16 ready to go forward with the cash collateral motion?

17 MR. KEIFFER: Yes, Your Honor, it appears as
18 such.

19 THE COURT: All right. Mr. Baron, we're going
20 to go ahead and re-swear you in. So if you could stand up,
21 raise your right hand, and face the court reporter.

22 (The witness was sworn by the courtroom deputy.)

23 MS. HAYWARD: Your Honor, I'm sorry. Before
24 we proceed, there are a lot of people in this courtroom. And
25 I believe at some point we're going to be discussing the

1 business is so therefore we can assess the reasonable
2 business needs for the cash, and then hear a little bit about
3 do other people have a potential interest that might be found
4 valid in an adversary proceeding later on down the road so
5 that, therefore, they get some adequate protection if I let
6 you use the cash. Okay?

7 So is everyone clear? Is everyone clear? And just to
8 make the lawyers clear, I will not be whipsawed. Judge
9 Ferguson will not be whipsawed. I think he made it clear
10 with his order the way he envisions this going forward. And
11 Mr. Lurich, I'm going to give you the benefit of the doubt
12 that your conversation with Mr. MacPete was not aimed at
13 something more sinister than what can we offer you as far as
14 adequate protection in exchange for using the cash. But I'm
15 a little bit worried. Okay? So you all need to work hard to
16 get me unworried about things like that I hear in the future.
17 And I'm going to give you the benefit of the doubt on your
18 motion you filed before Judge Ferguson this morning that you
19 weren't, once, again, whipsawing us. And it was concern
20 about his prior statements and his prior order, you felt like
21 you needed to kind of go through the traps with him, as well
22 as filing the 327 application before me. But I still remain
23 confused, because I think his order of August 28th is pretty
24 clear about how he envisions this all playing. He keeps the
25 action and, you know, unless things develop at that status

1 Q. And if I want to get to judgejernigan.com, that is
2 a name which is registered at Ondova, and the way I'm going
3 to get there is through the name server information which
4 Ondova provides, correct?

5 A. That is, I think, a simplistic way of saying a
6 bunch of more things that actually happened. There's, I
7 think, a lot more than happens than what you're saying.

8 Q. And, in effect, since Ondova is the one who has the
9 computers and the information to change the name server
10 information, Ondova can control where a query for
11 judgejernigan.com goes; isn't that right?

12 A. It has participation in that, but it wouldn't be --
13 you've stated it as an absolute. It would have an influence
14 on it, but I don't quite agree with the way you said it.

15 Q. Well, I'm not talking about authority now. I'm
16 talking about the physical ability. The physical ability to
17 direct where judgejernigan.com is going to land when somebody
18 queries it on the internet. Is it strictly within the
19 control of Ondova based on the information that you provide
20 in your Who Is and to Verisign; isn't that right?

21 A. I think you've added some things in there that make
22 what you said not right.

23 THE COURT: Mr. Baron, we are not going to be
24 here -- well, we're probably going to be here all day. But
25 we're not going to be here beyond today. We're going to

1 finish today one way or another. And in order to finish,
2 you're going to have to give more direct and complete
3 answers. Okay? I know this stuff is complicated, but I
4 think you can do a much better job explaining it than you
5 are. Okay?

6 Remember my little speech about transparency and
7 fishbowl and open in bankruptcy?

8 THE WITNESS: Yes, I do.

9 THE COURT: You're going to have to help us
10 with that. Okay?

11 THE WITNESS: Okay.

12 THE COURT: You're the guy in charge of the
13 debtor. And if we can't get a picture of how your business
14 works, we're going to have to put someone else in charge.
15 That's the idea of the Chapter 11 Trustee this morning. You
16 know, I just -- I will have no choice if I don't have someone
17 speaking for the debtor that I can understand and parties in
18 interest can understand. Okay?

19 THE WITNESS: Sure. Yes, Your Honor. I'd
20 just like to say that I have some programming background, but
21 I don't do the programming. And a lot of these things are
22 extremely technical that do have to deal with issues that I
23 may in general know, but I'm not someone on a day-to-day
24 basis does all of the engineering. So I -- some of the
25 things that he's asking is a lot more technical than I can

1 get it.

2 THE COURT: That doesn't mean you're going to
3 get it. Just so your client understands, I have 5,000
4 bankruptcy cases and I can't afford to spend this much time
5 on all of them. So there are other people -- there have been
6 emergency requests going on like crazy back there today that
7 I'm going to spend the next few hours looking at. Okay.

8 MR. KEIFFER: I understand.

9 THE COURT: That's why I can't guarantee you
10 I'm going to say, yes.

11 MR. KEIFFER: Understood, Your Honor.

12 THE COURT: Any way --

13 MR. KEIFFER: I had to discharge my
14 obligation.

15 THE COURT: All right. Thank you.

16 Now for the other housekeeping matters. So we have the
17 hearing on the 11th at 9:30 to finish this once and for all.
18 I'm expecting an agreed order to allow emergency cash
19 expenditures between now and the 11th. Other than that, the
20 debtor has no permission to use its cash.

21 But here is what I'm also going to do. I am going to
22 issue an show cause order in this case as to why a Chapter 11
23 Trustee should not be appointed and we're going to set that
24 for hearing, also on September 11th at 9:30. And here is why
25 I feel the need to do that.

1 I've given a couple of lectures already in hearings in
2 this case about how Chapter 11 is supposed to work, but I
3 guess I feel the need to do it one more time. The goal of
4 Chapter 11 is -- I think the way I typically phrase it is to
5 give the honest but unfortunate debtor a respite from his
6 creditor collection problems and other problems causing
7 financial distress and use that respite to come up with a
8 strategy to either reorganize, and that would be in the case
9 of a viable worthwhile business, or if we don't have a viable
10 worthwhile business, give the debtor a respite, again, the
11 honest but unfortunate debtor with creditor problems and
12 financial distress problems a chance to have a soft landing
13 of his business and do an orderly liquidation.

14 So, again, Chapter 11, it might be about reorganizing a
15 viable business, or it might be about getting a debtor a
16 chance to have a, what we call soft landing, an orderly
17 liquidation, whichever is going to make sense.

18 Whichever of those strategies ends up making sense,
19 reorganization or liquidation, the paramount goal is to
20 preserve value for creditors and ultimately equity holders if
21 you get all of your creditors paid off in full. And -- so
22 that is what Chapter 11 is about.

23 I have concerns, as I've said before, is that what the
24 end goal of this Chapter 11 is really about, preserving a
25 viable business, or giving a soft landing to a business in

1 liquidation, to preserve value for creditors, or is this
2 really about just yet another forum to re-litigate issues
3 with Netsphere? And I also have concern are we focused on
4 preserving the entity, Ondova, and value in that entity, or
5 protecting Jeff Baron?

6 So that's one thing I'm very concerned about and why I
7 feel the need to do a show cause order to consider whether we
8 need to have a Chapter 11 Trustee. I need to perhaps have an
9 independent third party tell me, do we have a viable business
10 here, or do we have a company that we need to orderly wind
11 down and the Chapter 11 forum is what really makes sense.

12 The other reason I'm thinking about a Chapter 11
13 Trustee is we do sort of have the classic situation, as I
14 know Mr. Keiffer will tell his client, where we sometimes
15 appoint a Trustee. And what I mean is we have, for lack of a
16 better term, quite a mess to sort through. We have
17 pre-petition transactions that perhaps an independent
18 fiduciary needs to look at. Perhaps there are assets in
19 other entities that have been wrongfully conveyed out of
20 Ondova. I don't know.

21 But then we also -- besides having that classic
22 situation that we like to have an independent fiduciary look
23 into and examine, we have an officer here, Mr. Baron, a
24 principal here who I'm concerned just doesn't appreciate the
25 role he is supposed to play as a principal of a Chapter 11

1 debtor. Again, I've lectured about this a lot and I suspect
2 Mr. Keiffer has too. But, again, the fishbowl analogy, the
3 open kimono analogy, life is different. Chapter 11 is
4 serious business. It's being forthcoming. And we don't play
5 hide the ball. And Mr. Baron has a tendency to give answers
6 on the witness stand while under oath that seem a little
7 cagey and less than forthcoming. And I understand he has
8 medical issues. And I understand he's not a lawyer and
9 doesn't communicate exactly the way some of us in the room
10 do. He's a technical type. But we can't spend hours and
11 hours and hours in every Chapter 11 hearing in this case.

12 And part of the reason this is going on so long is
13 because of the way Mr. Baron answers questions. It's not
14 what we are used to in this Court. We are used to officers
15 who come clean. This is the first day of the rest of their
16 life. Things have gotten very messed up before the
17 bankruptcy filing either because of financial crisis or
18 litigation or other business disruptions. But, guess what,
19 now we come clean. We get to business. And we're just not
20 getting to business in this court the way we need to in a
21 Chapter 11 case.

22 I'm also worried about his medical condition he's
23 talked about. Maybe that's hampering him from playing the
24 role he needs to play as the principal of a Chapter 11
25 debtor. If it is, again, maybe we need a Chapter 11 Trustee.

1 Last but not least, the attorney/client privilege
2 issue. Remember, Mr. MacPete, I said I was going to come
3 back to this. That's another classic issue that arises
4 sometimes in Chapter 11 that ultimately begs for a Trustee.
5 A Trustee can decide to waive that the attorney/client
6 privilege. And we trust him as an independent fiduciary to
7 make those judgment calls. You know, it's about the
8 creditors now. I ain't hiding anything. I'll just waive the
9 privilege. And when we have a Chapter 11 officer who wants
10 to assert the attorney/client privilege or does not want to
11 free up his lawyers from speaking candidly, it just invites
12 the prospect of a Trustee who will frankly waive it in a
13 heartbeat to protect the interest of the economic
14 stakeholders.

15 So the Court is going to issue a show cause order on
16 whether a Chapter 11 Trustee should be appointed. Just so
17 Mr. Baron understands, if that happens, it will be the new he
18 or she, the new Chapter 11 Trustee would be the new officer
19 in charge of Ondova. Would get control of whatever assets
20 Ondova has an interest in. Would get the cash. Would get
21 the contracts. Would get control of the litigation. And I'm
22 telling you, that seems like it might be the right solution
23 here. But, again, I'm going to give you some due process.

24 I think I have the authority under the second sentence
25 of Section 105 of the Bankruptcy Code to do it sua sponte

EXHIBIT 36

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 H. C. Gammie
United States Bankruptcy Judge

Signed September 2, 2009

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. §

ORDER FOR DEBTOR TO APPEAR
AND SHOW CAUSE WHY: (A) A CHAPTER 11 TRUSTEE SHOULD NOT BE
APPOINTED, OR ALTERNATIVELY, (B) THE CASE SHOULD NOT BE CONVERTED
TO A CASE UNDER CHAPTER 7 AND A CHAPTER 7 TRUSTEE APPOINTED

On August 26, 2009, and again on September 1, 2009, this court held hearings on the Debtor's Emergency Motion Asserting: (i) No Perfected Lien on Debtor's Cash or Accounts; and (ii) Ability to Utilize Such Property of the Estate [DE # 10] (hereinafter, the "Section 363 Cash Usage Motion"). It soon became apparent to the court that Ondova Limited Company ("Ondova" or the "Debtor") was seeking (through a motion, rather

than through an *adversary proceeding*) a ruling that: (a) the cash held by the Debtor in a debtor-in-possession bank account (over \$461,000), (b) any cash that the Debtor might receive henceforth during the case (from revenue from the registration and/or renewal of domain names, and/or from monetization companies, and/or from other sources), and (c) possibly other cash that may have been transferred prepetition by the Debtor to certain of its attorneys was all "property of the bankruptcy estate" (11 U.S.C. § 541), unencumbered by any lien, claim or interests of third parties. Noting the procedural problem with this (*i.e.*, the court's inability to make a declaratory judgment without an adversary proceeding, where all parties-in-interest have been named as defendants and served with a complaint, summons, and given a chance to answer, take discovery and have an evidentiary trial on reasonable notice; see Bankr. Rule 7001)—and at the same time recognizing that the Debtor may have a genuine and urgent need to use cash—the court indicated that it would treat the Section 363 Cash Usage Motion as, essentially, a "typical cash collateral motion," pursuant to which the Debtor could put on evidence of such relevant things as: (a) what cash the Debtor had on hand now and expected to receive in the near-term; (b) how such cash was and would be derived; (c) what the

Debtor's budgeted expenses and other cash needs were expected to be during the next few weeks of the Chapter 11 case; (d) the reasonableness and necessity of the Debtor's budgeted expenses (which would entail evidence regarding what the Debtor was doing; what the Debtor's business model was at this juncture; how many employees and how much overhead the Debtor has); and (e) what the Debtor would offer as "adequate protection" (11 U.S.C. §§ 361 & 363) to parties who might have an interest in the cash. The court would also let objecting parties who claim an interest in the Debtor's cash (NetSphere, Inc. and lawyers Mr. Rasansky and Ms. Aldous) put on evidence concerning their alleged interests in the cash that might be entitled to "adequate protection." See 11 U.S.C. § 363(p).

During the hearings on the Section 363 Cash Usage Motion, which still have not concluded (the court setting the next hearing on the Section 363 Cash Usage Motion for September 11, 2009 at 9:30 a.m.), the court became concerned about whether it is appropriate to allow Ondova to remain on as a debtor-in-possession in this bankruptcy case. Among the things driving this concern are the following. First, the hearing on September 1, 2009 began with an attempt by the Debtor to terminate its bankruptcy counsel and seek a continuance of the hearing on the

Section 363 Cash Usage Motion (in light of a desire to retain new bankruptcy counsel). The court noted that it was especially troubled with this development—given that the Debtor has a long prepetition history of playing “musical lawyers” in litigation with NetSphere, Inc. Second, the court has been troubled at both the August 26, 2009 and September 1, 2009 hearings, with: (a) an apparent lack of forthcomingness on the part of the Debtor’s principal, Mr. Barron; (b) an inability on Mr. Barron’s part to concisely answer straightforward questions about the Debtor’s business; and (c) the assertion of the attorney-client privilege by the Debtor in situations where such an assertion may not be consistent with the fiduciary duties of a debtor-in-possession (*i.e.*, in situations where, surely, a Bankruptcy Trustee would see fit to waive the privilege in the interests of creditors and in the interests of the efficient administration of the bankruptcy estate). The court also perceives that the goal of Ondova in this Chapter 11 case (while under the direction of Mr. Barron and the current management team) may not be centered around reorganizing a viable company (or providing a soft landing to a financially-stressed company), for the benefit of creditors and other parties-in-interest, but more geared toward protecting the personal interests of Mr. Barron and his affiliates, and/or

attempting to relitigate issues already decided or settled in other fora. Finally, the court is concerned about complex, prepetition transactions among various companies in which Mr. Barron has some interest or control, which transactions may affect the Debtor (and the value available/reachable for creditors), that need investigating by an independent fiduciary.

The court, therefore, has decided to issue this show cause order, pursuant to 11 U.S.C. § 105, setting a hearing to hear evidence and argument on whether Ondova should continue on as a debtor-in-possession. Accordingly, based upon the foregoing, it is hereby

ORDERED that **Ondova and Jeff Barron (and their counsel)** shall appear before this court on **Friday, September 11, 2009, at 9:30 a.m., for a hearing, and show cause at such hearing why a Chapter 11 Trustee should not be appointed in Ondova's case or, alternatively, the case should not be converted to a case under Chapter 7 and a Chapter 7 Trustee appointed.** Other parties-in-interest may attend and present evidence and argument.

###END OF ORDER###

EXHIBIT 37

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

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

* * * * *

TRANSCRIPT OF PROCEEDINGS

* * * * *

BE IT REMEMBERED, that on the 11th day of
September, 2009, before the HONORABLE STACEY G. JERNIGAN,
United States Bankruptcy Judge at Dallas, Texas, the above
styled and numbered cause came on for hearing, and the
following constitutes the transcript of such proceedings as
hereinafter set forth:

1 appoint a specific Chapter 11 Trustee over this case. That
2 Chapter 11 Trustee can decide if conversion to Chapter 7
3 makes sense and maybe he will if, in fact, there is not much
4 of an operating company at this juncture. But the Court
5 believes that for now we should keep it in Chapter 11, to the
6 extent a Trustee would need authority to take certain actions
7 to maintain business operations and contracts for now to
8 preserve value in the entity.

9 The Court believes there is cause under Section 1104,
10 the applicable statute, for appointment of a Chapter 11
11 Trustee; including the mismanagement of the affairs of this
12 estate by the debtor in possession while under the direction
13 of Mr. Baron. And, also, cause being the lack of candor and
14 cooperation of Mr. Baron as a representative of the debtor in
15 possession.

16 The Court also finds that a Chapter 11 Trustee is in
17 the best interest of all creditors and parties in interest as
18 it brings to one central forum, under one captain, the
19 Chapter 11 Trustee, all issues as to what is property of the
20 estate, what are claims against the estate, and what causes
21 of action or possible avoidance actions might be pursued to
22 benefit people with claims against Ondova. As Mr. Keiffer
23 has alluded to, the Bankruptcy Code gives very powerful tools
24 to a Chapter 11 Trustee or a Chapter 7 Trustee, for that
25 matter, to herd into the estate any assets that rightfully

EXHIBIT 38

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:) Case No. 09-34784-sgj11
) Chapter 11
)
ONDOVA LIMITED COMPANY,)
) Courtroom 1
) 1100 Commerce Street
Debtor.) Dallas, Texas 75242-1496
)
) April 7, 2010
) 10:00 A.M.

TRANSCRIPT OF APPLICATION TO EMPLOY
LAIN FAULKNER & CO., P.C. (DOCKET 245).
MOTION FOR 2004 EXAMINATIONS (DOCKETS 272, 273, 274, 275).
BEFORE HONORABLE JUDGE STACEY G. C. JERNIGAN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For Daniel J. Sherman, Munsch, Hardt Kopf & Harr PC
Chapter 11 Trustee: By: RAYMOND J. URBANIK, ESQ.
500 North Akard Street, Suite 3800
Dallas, TX 75201-6659

For Netsphere: Franklin Skierski Lovall Hayward, LLP
By: MELISSA HAYWARD, ESQ.
10501 N. Central Express, Suite 106
Dallas, Texas 75231

Locke Lord Bissell Liddell
By: JOHN MacPETE, ESQ.
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201

ECRO: **Jennifer A. Womack**

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produced by transcription service..

1 to go forward. And then maybe we can pick up settlement some
2 other time when he's more serious about actually reaching an
3 agreement.

4 THE COURT: All right. Here's how the Court is going
5 to rule. The Court is going to grant all of these motions to
6 take 2004 examinations. But the Court is going to order that
7 the examinations not occur before April 30th, and shall occur
8 no later than May 15th.

9 First, under Rule 2004, I think these examinations
10 are warranted. There's good cause. This clearly relates to
11 the administration of the estate, and potentially money or
12 property that could be acquired by the debtor in the case, or
13 for formulation of a plan.

14 The Court is going to call you back for a status
15 conference regarding all of the 2004 motions, these and the
16 others that are out there that have not taken place. And we're
17 going to have a specific -- if there's not a settlement, and
18 2004 exams have not otherwise occurred by mutual agreement by
19 April 30th, we're going to set up a very vigorous schedule
20 between April 30th and May 15th to get it all done.

21 If I have to make space available here at the
22 courthouse in a conference room with a U.S. Marshal babysitting
23 the process, I will. And I say that mostly for Mr. Baron's
24 sake. That's what I'm inclined to do at that point. If on
25 April 30th, we don't have a settlement, and we haven't

1 otherwise had examinations of Mr. Baron and material progress,
2 I'm inclined to set up his deposition, or order it to occur
3 here in a conference room with a U.S. Marshal standing by ready
4 to intervene as necessary.

5 This is very, very frustrating. And I know that
6 everyone pretty much shares my frustration. But I'm frustrated
7 that Mr. Baron is an obstacle here, and maybe nothing short of
8 testifying and facing a holding cell if he doesn't cooperate
9 and testify is going to get him to budge in this.

10 I'm also concerned about lawyers and -- nondebtor
11 parties and lawyers worried more about their own personal
12 exposure and liability in this. And this estate just doesn't
13 have time for that anymore.

14 So, again, if we don't have resolution by the 30th,
15 maybe it's time to just, one-by-one, have these depositions.
16 Let everyone start airing their dirty laundry. And if we have
17 to go to DEFCON 3, or whatever that expression is, at that
18 point, we will.

19 But, again, agreed orders are fine with regard to
20 going ahead and doing a deposition on April 21st, or 16th, or
21 whatever. But if we show up here at the status conference on
22 the 30th, and we don't have a settlement, and we don't have any
23 2004 exams having taken place by then by agreement, we're going
24 to set them all up the first two weeks of May. Everybody's.
25 Not just these Diamond Key, Manassas, Taylor, and Sheridan.

EXHIBIT 39

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

IN RE:) BK. NO: 09-34784-SGJ-11
)
ONDOVA LIMITED COMPANY)
D E B T O R)

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TRANSCRIPT OF PROCEEDINGS

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BE IT REMEMBERED, that on the 12th day of July,
2010, before the HONORABLE STACEY G. JERNIGAN, United States
Bankruptcy Judge at Dallas, Texas, the above styled and
numbered cause came on for hearing, and the following
constitutes the transcript of such proceedings as hereinafter
set forth:

1 have him in place. The issue of Taube's firm's attorney's
2 fees, or the Village Trust attorney's fees for June and July,
3 whether they are or are not capped at \$100,000. And the
4 issue of the 10 to 12,000 domain names that have trademark
5 issues that we may or may not be able to find a privacy
6 service for. Plus the wordsmithing of paragraph (6)(c).

7 Are you agreeing to be bound by this settlement
8 agreement?

9 MR. BARON: As long as the version we're
10 talking about is the version that we all agree to, plus these
11 changes, yes. I just want to make sure there haven't been
12 other things snuck in, if you will. But if nothing has been
13 snuck in, then there's not a problem.

14 THE COURT: Wait. What do you mean by that,
15 Snuck in? To the version on June 22nd?

16 MR. BARON: Right.

17 THE COURT: But you have had ten days to read
18 that and you have two attorneys involved.

19 MR. BARON: There was one -- I'm just trying
20 to think about it as you're asking me.

21 THE COURT: Okay. I -- I'm beyond frustrated.
22 And I'm thinking about my contempt powers right now. That's
23 how frustrated I am. And ask your attorney during the break
24 what I mean by that, if you don't understand.

25 When did the topic of resignation of the Trustee and

1 Mr. Baron is receiving about a \$75,000 gift because the fees
2 are actually \$250,000 that we are reducing to \$175,000. So
3 the Court would not have to hear all of the testimony --

4 THE COURT: Okay. We're done. We're done. I
5 told you what I was prepared to do before lunch. That I
6 thought you had more or less capped yourself at \$100,000,
7 subject to some fudge room. Okay. You are wasting this
8 Court's time. You're wasting everybody's time. So are you,
9 Mr. Baron.

10 All right. We're done here. Here's what we're going
11 to do.

12 MR. PRONSKE: Your Honor, may I have just 30
13 seconds with Mr. Baron? May I approach?

14 THE COURT: You may.

15 MR. PRONSKE: Your Honor, I'm going to reduce
16 my fee to Mr. Baron by \$12,000, which is the amount of that,
17 so we'll agree to pay it.

18 THE COURT: All right. So what does that
19 mean?

20 MR. PRONSKE: It means we have an agreement to
21 pay it.

22 THE COURT: You know what, I am tired of these
23 short explanations that end up getting bogged down and then
24 we don't have a deal in three days. Let's be explicit on the
25 record of what the deal is.

EXHIBIT 40

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: : CASE NO. 09-34784
ONDOVA LIMITED COMPANY : Chapter 11
:
:

.....

Transcript of proceeding regarding
Status Conference, Motion to Withdraw as Attorney
Before the Honorable Stacey G. C. Jernigan
United States Bankruptcy Judge

15 SEPTEMBER 2010

Transcribed by: Richard Simpson
1120 Hallmark Dr.
Shreveport, LA 71118
318-688-1860

Proceedings recorded by electronic sound recording FTR;
transcript produced by transcription service.

1 we'll go into these attorney issues.

2 But I'll just give you a little preview. I am more than a
3 little concerned about the "musical attorneys." And if anyone
4 thinks that anything is going to happen to this settlement
5 agreement at this point, think again. I'll hear what you say,
6 Mr. Urbanik, but no one is going to get out of this settlement
7 agreement. And I cannot figure out why, for the life of me, we
8 have the "musical lawyers" going on, but it's going to stop
9 today. And we will discuss details of how and why it's going
10 to stop.

11 All right. Mr. Urbanik?

12 MR. URBANIK: Thank you, Your Honor. We appreciate
13 your remarks because that is the trustee's concern. The
14 settlement agreement has been progressing well until, I'd say a
15 few days ago, maybe a week ago when some issues became more --
16 issues became -- we became aware of.

17 Settlement agreement is at a very delicate place right
18 now. And our goal is to get this settlement consummated. And
19 whatever it takes, we are going to try to get this settlement
20 consummated.

21 THE COURT: It's going to be. It's going to be.

22 MR. URBANIK: The Court approved this settlement on
23 July 28. And right after that date, we began working with
24 parties. And for the most part, Your Honor, there was
25 cooperation among the parties, including the Manila, Netsphere

1 These three item -- the two items that need addressed need
2 to be addressed very, very promptly. Mr. Baron has a history
3 of changing lawyers to delay and disrupt. It's un-, un-, you
4 know, -contested. It's a demonstrated history. We can go
5 through the names, we can talk to Judge Furgeson, Judge
6 Hoffman, all the lawyers in this room --

7 THE COURT: I know. There are no more lawyers going
8 to be allowed. The question is: Whether any are going to be
9 released; is he going to be pro se; or is he going to have
10 lawyers? Or, you know, I am even noodling 28 U.S.C. Section
11 754 and 1692.

12 MR. URBANIK: Well, Your Honor, this demonstrated --

13 THE COURT: You know what I am talking about?

14 MR. URBANIK: I would need to get the Code.

15 THE COURT: No. Does anyone know what I'm talking
16 about?

17 UNIDENTIFIED SPEAKER: No.

18 THE COURT: That's the federal receiver statute.

19 MR. URBANIK: I understand.

20 THE COURT: I'm thinking of making a Report &
21 Recommendation to Judge Furgeson, maybe he just appoints a
22 receiver over Mr. Baron and his assets and let that receiver
23 implement the settlement agreement.

24 MR. URBANIK: Well, Your Honor, we --

25 THE COURT: Less extraordinary situations have

1 trying to delay getting that resolved. And that was the
2 impetus for filing the lawsuit today. Mr. Pronske said he
3 wanted to go to state court. We took it to state court.
4 Within about two hours, it was back in this court.

5 We're happy to let anyone -- Mr. Baron is happy to let
6 anybody reasonably consider that as long as his rights on that
7 issue are preserved.

8 And I'm a little surprised at the removal. But we're
9 happy to talk about all those issues. And there's plenty of
10 mechanisms here I believe that Mr. Baron will agree to, to
11 protect Mr. Pronske and others and to see that this settlement
12 is implemented. That was the -- when it started developing
13 further, then he started turning to me on the settlement issue.
14 And I'm not, I'm not familiar with that, although in all
15 honesty, I don't hear a lot of major issues still out there to
16 be done, so I don't know why a new lawyer can't resolve that.
17 I certainly understand the Court's concern that there be no
18 delay. And Mr. Baron will agree that any new counsel will not
19 be for the purpose of delay and there will be no delay related
20 to it.

21 And I say, Your Honor, I am not a disruptive lawyer. If
22 he were coming to hire a disruptive lawyer, it wouldn't have
23 been me. I think you know that.

24 THE COURT: I know you're not, Mr. Thomas. And I
25 don't mean any disrespect to you. But there is zero chance Mr.

1 Baron is getting a new lawyer. Zero. Zero. Okay?

2 40-something lawyers. 40-something lawyers.

3 MR. THOMAS: Even, Your Honor, for the end game, the
4 plan, et cetera, he needs representation. Mr. Pronske is gone.

5 THE COURT: He's had very able representation.

6 MR. THOMAS: I don't disagree with that.

7 THE COURT: Like I said, right now --

8 MR. THOMAS: I understand that.

9 THE COURT: -- he either keeps who he's got, he goes
10 it pro se, or maybe I recommend that a receiver be appointed if
11 I don't have confidence that he can do what he is required to
12 do pro se.

13 MR. THOMAS: Again, I just urge one more time that
14 you allow him to retain me for that purpose and to assist any
15 other lawyers that are on the case already.

16 THE COURT: Okay.

17 MR. THOMAS: Thank you, Your Honor.

18 THE COURT: All right. Mr. Broome, how much have you
19 been paid?

20 MR. BROOME: Your Honor, I have been retained on an
21 hourly rate, and there has been a retainer placed with my firm
22 in the amount of \$4,000.

23 If I could just very quickly address a couple of the
24 things that Mr. Pronske said. And that's my role here as a
25 very limited --

1 Trust. Curan Wagstaff. Kevin Demoore. Lackey Hershman. Law
2 offices of Dennitt West & LeJune. Law Offices of Graham
3 Taylor. Law Offices of Rajiv Jain. Mateer & Shaffer. Ness
4 Motly. Newman & Newman. Owens, Clary, Akin. Reed Smith, L.P.
5 Ronnie Palter. Rowe, Gotham & Associates. Thompson & Knight.
6 And apparently I've left off some, because that's 30-something.

7 You know, is it Rule 11 sanctionable? Is it gamesmanship?
8 Is it obvious improper purpose to delay? Or is it Texas Penal
9 Code theft of services?

10 You know, I am just so troubled for so many reasons. But
11 these are the things that are going through my mind during this
12 5-minute break. Baron can go forward with who he has with us
13 putting mechanisms in place to make sure those attorneys get
14 paid. He can go forward pro se, in which case I'm likely to
15 suggest Judge Furgeson appoint a receiver. I may order that a
16 big chunk of money be put in the registry of the court. But I
17 am going to do what I feel needs to be done to get this
18 settlement agreement implemented.

19 And so, Mr. Lyons, I'll let you kind of talk that over
20 with Mr. Baron during a 5-minute break. And then we'll come
21 back and hear testimony --

22 MR. TAUBE: Your Honor, I apologize for interrupting
23 the Court. I just wanted to make sure that I clarified. I may
24 have misled the Court. In terms of the actual assets that Bill
25 through up to The Village Trust, it is my understanding it

EXHIBIT 41

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS
ON THE COURTS DOCKET
TAWANA C. MARSHALL, CLERK

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

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) **since** the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (*i.e.*, it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shririg Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

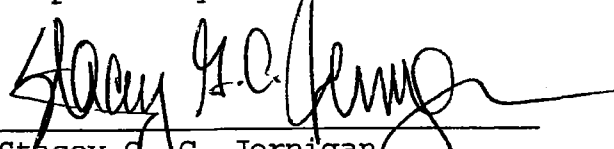
The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

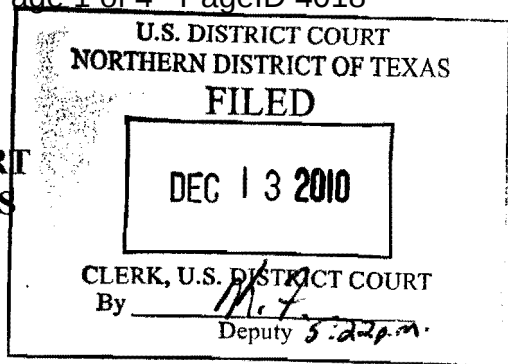
Dated: October 12, 2010

Respectfully submitted,



Stacey G. C. Jernigan
United States Bankruptcy Judge

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. §

Case No. 3:09-CV-988-F

ORDER DENYING MOTION FOR EMERGENCY RULING ON MOTION TO STAY PENDING APPEAL

BEFORE THE COURT is Defendant Jeffrey Baron’s Motion for Emergency Ruling on Motion to Stay Pending Appeal (Docket No. 157). After reviewing what is Mr. Baron’s fourth Motion for Expedited Consideration of his Motion, the Court DENIES his Motion for Emergency Ruling on Motion to Stay Pending Appeal (Docket No. 157).

On November 24, 2010, the Court entered an Order Appointing Receiver in the above captioned case. *See* Docket No. 130. On December 3, 2010, Mr. Baron filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal. *See* Docket No. 137. Mr. Baron also filed a Motion for Emergency Consideration on Shortened Notice with Respect to Emergency Motion to Stay Pending Appeal the Court’s November 24, 2010 Order Appointing Receiver and a Second Motion for Emergency Consideration. *See* Docket Nos. 138 and 141. The Court granted these Motions

for Emergency Consideration, accelerated the briefing schedule and setting the Motion to Vacate Order Appointing Receiver or in the Alternative Motion to Stay Pending Appeal for hearing on Friday, December 17, 2010 at 10:00 a.m.

On December 10, 2010, Mr. Baron filed his Waiver of Reply and Third Motion for Immediate Ruling on Motion to Vacate Receivership and Alternative Motion to Stay Pending Appeal. *See* Docket No. 144. The Court denied Mr. Baron's Third Motion to Expedite a Ruling on his Motion to Vacate or Stay on the grounds that in the Court's opinion full briefing and oral argument was necessary to decide the Emergency Motion. *See* Docket No. 149.

On December 13, 2010, Mr. Baron again filed a Motion for Emergency Ruling on Motion to Stay Pending Appeal. *See* Docket No. 157. Mr. Baron requests that in light of the Trustee's response to his Motion to Vacate the Order Appointing Receiver, Docket No. 151, which Mr. Baron refers to as "Mr. Urbanik's motion," the Court rule today on Mr. Baron's Motion to Stay. In this most recent Motion for Emergency Consideration, Mr. Baron argues that he "is in need of an attorney to file proper legal objections to the timing and form of the relief requested by Mr. Urbanik, to object to the standing of Mr. Urbanik to request such relief, as well as seek a more definite statement of the relief sought." Docket No. 157 at 1. The attorney currently representing Mr. Baron, Mr. Gary Schepps, who filed the instant motion, argues that "Mr. Baron needs experienced and specialized counsel to conduct discovery and prepare to defend the very serious new charges Mr. Urbanik brings in his

motion.” *Id.* at 2. Mr. Baron’s current counsel asserts that his representation of Mr. Baron is “limited to matters of appeal and does not cover defense of Mr. Urbanik’s newly raised claims, nor any other matter in the district court beyond staying the order appointing receiver pending appeal, or declaring that order void.” *Id.* Mr. Baron’s Motion for Emergency Ruling goes on to list matters that Mr. Urbanik’s “motion” seeks to determine. *Id.*

However, after reviewing Docket No. 151, the Trustee’s Response to Motion to Vacate or Stay Appointment of Receiver, it is clear that the only relief requested in the Trustee’s response is for the Court to deny Mr. Baron’s Motion to Vacate or Stay. The Trustee’s response does include a recitation of the facts that lead to the Court’s appointment of a Receiver in this case, but the Court does not view the Trustee’s response as a Motion seeking adjudication on anything other than the pending Motion to Stay or Vacate the Order Appointing a Receiver. Accordingly, this matter would fall within the scope of representation of Mr. Baron’s appellate counsel, Mr. Schepps, who states in the instant motion that his representation is limited to the appeal of the Order Appointing Receiver.¹


Therefore, because it is unnecessary for the Court to immediately stay the Order Appointing Receiver so that Mr. Baron can obtain another attorney to represent him in this

¹ The Fifth Circuit denied without prejudice Mr. Baron’s Motion for Stay of District Court’s November 24, 2010 Order Appointing Receiver filed by Mr. Schepps because this Court “is in the process of addressing this matter on an expedited basis.” *See Baron v. Ondova Limited Company*, No. 10-11202 (5th Cir. Dec. 8, 2010) (Docket No. 143 at 2). If appellate counsel is capable of representing Mr. Baron’s appeal to the Fifth Circuit on the same issue that is currently pending before this Court it stands to reason that he is qualified to represent Mr. Baron in this Court in the instant motion.

matter, Mr. Baron's Motion for Emergency Ruling on Motion to Stay Pending Appeal is DENIED. The Court will consider Mr. Baron's pending Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal on **Friday, December 17, 2010 at 10:00 a.m.**

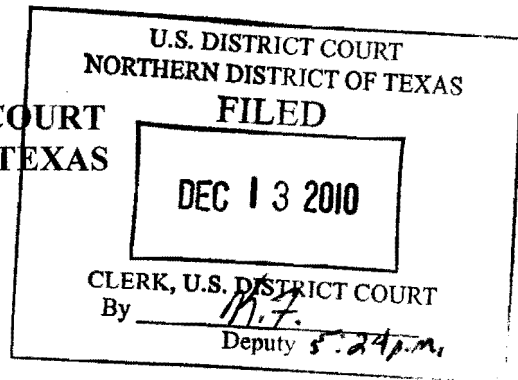
It is so Ordered.

Signed this 13th day of December, 2010.



Royal Ferguson
Senior 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. §

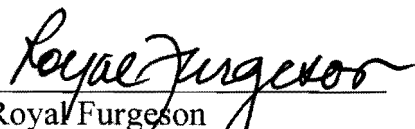
**ORDER GRANTING THE RECEIVER'S MOTION TO TERMINATE
AMENDED ORDER TO MEDIATE DISPUTES REGARDING
ATTORNEYS' FEES**

The Receiver Peter S. Vogel filed a Motion to Terminate Amended Order to Mediate Disputes Regarding Attorneys' Fees (Docket No. 148) and the Court hereby GRANTS that Motion.

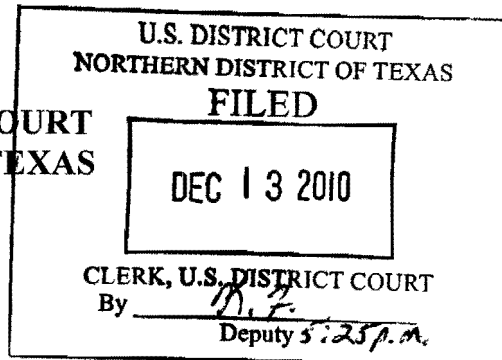
The Court's October 25, 2010 Amended Order to Mediate Disputes Regarding Attorneys Fees (Docket #122) is terminated and Peter S. Vogel is no longer authorized or directed to mediate, on behalf of the Court, claims against Jeffrey Baron for legal fees and related expenses.

It is so Ordered.

Signed this 10th day of December, 2010.


Royal Furgerson
Senior 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. §

**ORDER GRANTING THE RECEIVER'S MOTION TO TERMINATE
ORDER APPOINTING SPECIAL MASTER**

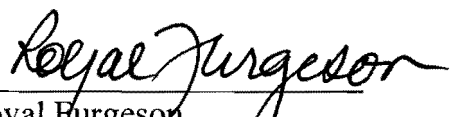
CAME ON TO BE HEARD, the Receiver Peter S. Vogel's Motion to Terminate Order Appointing Special Master (Docket No. 147).

The Court, having considered the Motion and the pleadings on file, is of the opinion the Motion is well-taken and should in all ways be GRANTED.

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that the Motion is GRANTED and that the Court's July 9, 2009 Order Appointing Master (Docket No. 37) is terminated and Peter S. Vogel is no longer Special Master in this case.

It is so Ordered.

Signed this 13th day of December, 2010.



Royal Hurgeson
Senior United States District Judge

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

FILED

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CLERK, U.S. DISTRICT COURT

By H.F.
Deputy S. J. M.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

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

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Case No. 3:09-CV-988-F

v.

JEFFREY BARON AND ONDOVA
LIMITED COMPANY,
Defendants.

ORDER GRANTING MOTION TO QUASH SUBPOENA

BEFORE THE COURT is QUANTEC, L.L.C. and NOVO POINT, L.L.C. Objection to Subpoena & Motion to Quash Subpoena (Docket No. 155). The Court, having considered the Motion, is of the opinion the Motion should be GRANTED.

Accordingly, the subpoena is QUASHED pending further order of the Court; the accounts at issue shall be frozen as proposed by the Movants; and for purposes of information only counsel for the Movants are Ordered to be present at the hearing set for Friday, December 17, 2010 at 10:00 a.m.

It is so Ordered.

Signed this 13th day of December, 2010.

Royal Furgeson
Royal Furgeson
Senior 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.

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Civil Action No. 3-09CV0988-F

v.

EXPEDITED RELIEF REQUIRED

JEFFREY BARON, and
ONDOVA LIMITED COMPANY,
Defendants.

EMERGENCY MOTION FOR CLARIFICATION OF COURT’S RULING
[DOC#161]

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT COURT JUDGE:

COMES NOW, Jeffrey Baron, Appellant, and respectfully requests clarification of this Court’s Ruling with respect to the hearing set December 17, 2010, as to whether the hearing will be an evidentiary or non-evidentiary hearing.

In paragraph 4 of the response/motion filed by Mr. Urbanik last Friday [Doc. 151], and supported by the affidavit of Mr. Urbanik, this Court was requested to enter an order. The contents of that order, and accordingly, the relief requested, was not filed via PACER but was emailed by Mr. Urbanik separately. Key parts of the order prayed for were listed in Mr. Baron’s motion for emergency stay [Doc. 157].

If the hearing set on December 17th is an evidentiary hearing at which the facts, claims, legal rights, and other matters Mr. Urbanik has requested this Court

rule on will be decided, counsel for Mr. Baron will need to immediately conduct discovery in order to prepare for such a hearing.

In light of the fact that Mr. Baron has been deprived of both the funds to conduct such discovery, and the documents necessary to properly prepare for such a hearing (the receiver seized litigation and attorney-client documents from both Mr. Baron and the attorneys who had represented him), further action will be immediately required of appellate counsel.

If the hearing set for Friday, December 17, 2010 is a non-evidentiary hearing in which this Court desires to hear the argument of counsel relating to Mr. Baron's motion to stay pending appeal, there would be no need for discovery.

Accordingly, Mr. Baron respectfully requests this Court to clarify whether the hearing set for Friday, December 17, 2010 will be an evidentiary or non-evidentiary hearing. In order that counsel may proceed accordingly, a ruling today is requested.

Respectfully submitted,

/s/ Gary N. Schepps

Gary N. Schepps

State Bar No. 00791608

Drawer 670804

Dallas, Texas 75367

(214) 210-5940

(214) 347-4031 Facsimile

**APPELLATE COUNSEL FOR
JEFFREY BARON**

CERTIFICATE OF SERVICE

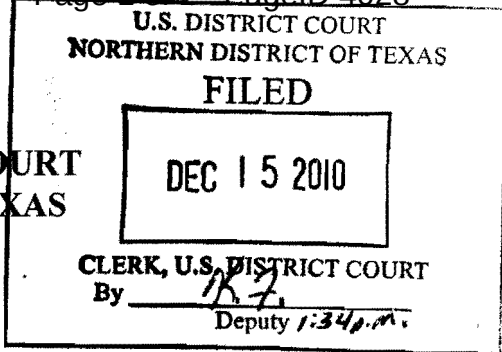
This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps
Gary N. Schepps

CERTIFICATE OF CONFERENCE

This is to certify that the undersigned conferred with Mr. Raymond J. Urbanik, attorney for DANIEL J. SHERMAN, Trustee for ONDOVA LIMITED COMPANY, and they opposed the motion.

/s/ Gary N. Schepps
Gary N. Schepps



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. §

Case No. 3:09-CV-988-F

ORDER GRANTING EMERGENCY MOTION FOR CLARIFICATION

BEFORE THE COURT is Defendant Jeffrey Baron's Emergency Motion for Clarification (Docket No. 165). In his Emergency Motion Mr. Baron requests clarification of the Court's December 13, 2010 Order Denying his Motion for Emergency Ruling on Motion to Stay Pending Appeal the Court's Order Appointing a Receiver. Specifically, Mr. Baron seeks clarification as to whether the hearing set for December 17, 2010 will be an evidentiary hearing.

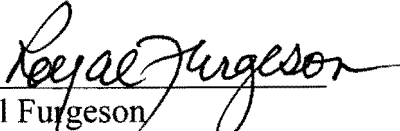
In order to fully consider Mr. Baron's pending Emergency Motion to Vacate Order Appointing Receiver and in the Alternative Motion for Stay Pending Appeal, the Court finds that an evidentiary hearing is necessary. Accordingly, the Court has reserved December 17, 2010 for hearing the arguments of the parties as well as any evidence the parties wish to present on the pending Emergency Motion. In the Court's view, there is not

enough time for discovery and none will be required. Trial lawyers regularly attend evidentiary hearings without the benefit of discovery and have been doing so since the dawn of time.

The hearing will convene at 10:00 a.m. on Friday, December 17, 2010. The Court will break at 11:30 a.m. for lunch and reconvene at 2:00 p.m. The parties should be prepared to conclude the hearing by 3:30 p.m. Mr. Baron is ordered to appear in person at the hearing.

It is so Ordered.

Signed this 15th day of December, 2010.



Royal Furgeson
Senior 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.

JEFFREY BARON AND
ONDOVA LIMITED COMPANY,

DEFENDANTS.

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

**THE RECEIVER'S REPORT CONCERNING MR. BARON'S INTERFERENCE AND
REPLY IN SUPPORT OF MOTION TO CLARIFY RECEIVER ORDER**

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

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

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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.

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

**THE RECEIVER'S REPORT CONCERNING MR. BARON'S INTERFERENCE AND
REPLY IN SUPPORT OF MOTION TO CLARIFY RECEIVER ORDER**

1. Preliminary Statement

Jeff Baron is completely obstructing the Receiver from doing his job.

Despite instructions by two federal courts for Mr. Baron to quit hiring lawyers, Mr. Baron, nonetheless, keeps on hiring lawyers. And these lawyers—at least four in total, including three that he hired in the past two weeks—have done everything possible to interfere with the Receiver. They have, for example, blocked the Receiver's access to any money—thereby making it impossible for the Receiver to renew thousands of expiring domain names. Mr. Baron and his lawyers have also attempted to intimidate the Receiver and his counsel—demanding that the Receiver serve not at the will of this Court, but rather, at the whims of Mr. Baron. In an attempt to control every act of the Receiver, the Baron lawyers have repeatedly threatened the Receiver (and his counsel) with both bar violations and civil liability.

How have they been able to get away with this? Mr. Baron perceives a loophole in the Receiver Order. The Receiver Order does not specifically identify Quantec, LLC and Novo

Point, LLC—the two entities that apparently hold most of the Receiver Assets. Although this Court has already announced at the previous hearing that these entities are bound by the Receiver Order, Mr. Baron views the Receiver Order as meaningless and unenforceable. Unless the Court explicitly clarifies the Receiver Order through another written order, Mr. Baron and his ever-growing legal team will continue to exploit the perceived ambiguity, ignore the Receiver Order, and prevent the Receiver from doing his job.

2. Background Facts

a. Mr. Baron's Lawyers Are Interfering with the Receiver's Efforts.

On October 13, 2010, the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Case”) entered its *Report and Recommendation to District Court (Judge Royal Furgeson): That Peter Vogel, Special Master, Be Authorized and Directed to Mediate Attorneys Fees Issues* [Docket No. 484] (the “Bankruptcy Court’s Report and Recommendation”) in the bankruptcy case of Ondova, styled in *In re Ondova Limited Company*, Case No. 09-34784 (the “Bankruptcy Case”). (A true and correct copy of the Bankruptcy Court’s Report and Recommendation is attached hereto as exhibit A, Appx. 1-11.) The Bankruptcy Court’s Report and Recommendation describes “the bankruptcy court’s concerns . . . by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities . . .” (Ex. A at Appx. 4.) The Bankruptcy Court’s Report and Recommendation states that “[t]he bankruptcy court has a growing concern that Jeffrey Baron’s actions may be exposing the Ondova bankruptcy estate to possible administrative expense claims for amounts owed to attorneys that Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay.” (Ex. A at Appx. 5.) (Emphasis in original.) The Bankruptcy Court’s Report and Recommendation further notes as follows:

The Bankruptcy Court's Report and Recommendation addressed Mr. Jeffrey Baron's continuing and disturbing pattern of hiring and firing attorneys. In the Bankruptcy Court's Report and Recommendation, the Bankruptcy Court stated that it would no longer tolerate such behavior and that it would not allow Mr. Jeffrey Baron ("Baron") to hire any additional lawyers. In fact, the Bankruptcy Court gave Baron two options: (1) retain Gary Lyons and Martin Thomas through the end of the Bankruptcy Case, or (2) proceed pro se. If Baron chose the latter opinion, the Bankruptcy Court advised Baron that it would recommend to this Court that it appoint a receiver over Mr. Baron and all of his assets.

(Ex. A. at Appx. 3.) Notwithstanding all of this, Mr. Baron keeps hiring lawyer after lawyer. The Receiver Peter Vogel (the "Receiver") has had to deal with and respond to the repeated accusations, questions, pleadings, misrepresentations, and contradictory instructions of four different lawyers in the three weeks since the issuance of the Order Appointing Receiver (the "Receiver Order").

i. Lawyer #1—Sid Chesnin.

1) Accusations.

Mr. Chesnin was Mr. Baron's attorney for about a week at the time of entry of the Receiver Order. In a simple exchange about attorneys' fees for his work to date, he accused the Receiver (or, possibly, the Court) of "negligence" by not specifically identifying Quantec, LLC ("Quantec") and Novo Point, LLC ("Novo Point") in the Receiver Order. (A true and correct copy of e-mail correspondence dated November 30, 2010, is attached hereto as exhibit B, Appx. 13 - 14.)

2) Questions.

Soon after entry of the Receiver Order on November 30 and December 1, 2010, Mr. Chesnin began peppering the Receiver with questions and requests about Mr. Baron's living expenses, attorneys' fees claims from other Baron attorneys, confidentiality of records produced

to the Receiver, the Receiver paying for a “helper” to assist Mr. Baron in gathering records, and when the Receiver was going to pay him for his time. (True and correct copies of the e-mail correspondence dated November 30 and December 1, 2010, is attached hereto as exhibits C and D, Appx. 15-19.) On December 3, 2010, Mr. Chesnin asked a hypothetical question about whether the Receiver Order permitted Mr. Baron’s friends’ to hire an attorney for Mr. Baron. (A true and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit E, Appx. 20-21) The Receiver made attempts to respond to Mr. Chesnin’s numerous inquiries. (True and correct copies of e-mail correspondence dated November 30 and December 3, 2010 is attached hereto as exhibits C, Appx. 15-17, and E, Appx. 20-21.) But Mr. Chesnin followed every answer with a more distracting question.

ii. Lawyer #2—Gary Schepps.

1) Accusations.

In a December 5, 2010, letter, Mr. Schepps—Mr. Baron’s first of three new lawyers since issuance of the Receiver Order—charged that the Receiver and his counsel violated Mr. Baron’s constitutional rights:

You and I both swore an oath to uphold the U.S. [C]onstitution. Am [sic] when the time comes, you will have the opportunity to explain how you participated in such a gross deprivation of an individual’s constitutional rights under color of federal law.

(A true and correct copy of correspondence dated December 5, 2010, is attached hereto as exhibit F, Appx. 22-24.) Throughout the week of December 6, 2010, Mr. Schepps continued to harass and threaten the Receiver—and one point, apparently analogizing the Receiver Order to an order given from a Nazi Officer, commenting that “[t]he ‘I am only following orders’ routine hasn’t played well in 60 years.” (A true and correct copy of the December 6 – 8, 2010 correspondence

is attached hereto as exhibit G, Appx. 25-34.) All the while, Mr. Schepps continued demanding attorneys' fees—including as much as \$100,000. (*Id.* at Appx. 31.)

2) Questions.

Mr. Schepps also had his own questions for the Receiver. On December 6, 2010, Mr. Schepps asked the Receiver what his “purpose” was, for an accounting of the Receiver’s fees, and a list of assets the Receiver had seized. (Ex. G at Appx. 31.) When the Receiver suggested that Mr. Schepps make a formal inquiry per the Receiver Order, Mr. Schepps became hostile. (“[A]ll persons and entities in need of documentation from the Receiver shall in all instances first attempt to secure such information by submitting a formal written request.” Receiver Order at p. 13.)

3) Pleadings.

On December 3, 2010, Mr. Schepps filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion for Stay Pending Appeal, and Brief in Support (“Motion to Vacate”). (Docket #137.) This would be the first of **seven** motions Mr. Schepps has filed on Mr. Baron’s behalf with either this Court or Court of Appeals in the past 12 days. (Docket #'s 137, 138, 141, 144, 157, and 165.) In his December 3, 2010, Motion to Vacate, Mr. Baron complains about emotional suffering, helplessness, dizziness, shortness of breath, depression, sleeplessness, abnormally high blood glucose levels, nausea, loss of balance, inability to stand upright, and “general ill health.” (Docket #137 at p. 6.) Mr. Baron supported these contentions with a sworn declaration. (*Id.* at pp.10-13.) In his December 6, 2010, Second Motion for Emergency Consideration on Shortened Notice with Respect to Emergency Motion to Stay Pending Appeal of the Court’s November 24, 2010 Order Appointing Receiver, Mr. Baron again alleged that the Receiver Order violated his constitutional rights and that it prevented him

from seeking medical care. (Docket #141.) Despite putting these allegations into pleadings, Mr. Schepps has been wholly uncooperative in the Receiver's efforts to obtain medical care for Mr. Baron. (Exs. F and G, Appx. 22-34.) (The Receiver's repeated attempts to assist Mr. Baron with his medical care are detailed in § II.D below.)

iii. Lawyer #3—Joshua Cox.

1) Misrepresentations.

Upon the issuance of the Receiver Order, Mr. Cox represented himself to be counsel for Novo Point and someone who would be aiding the Receiver. On November 29, 2010, Mr. Cox checked in with the Receiver to make sure he had received all the documents he needed. (A true and correct copy of e-mail correspondence dated November 29, 2010, is attached hereto as exhibit H, Appx. 35-41.) Understandably, counsel for the Receiver expressed his appreciation. (*Id.*) On December 1, 2010, Mr. Cox forwarded a fees invoice to the Receiver for post-Receiver Order work suggesting that the Receiver should view him as one of his own attorneys. Indeed, Mr. Cox wrote: “[t]hanks for the opportunity to assist” implying his willingness to abide by the Receiver Order. (A true and correct copy of e-mail correspondence dated December 1, 2010, is attached hereto as exhibit I, Appx. 42-45.) On December 6, 2010, Mr. Cox helped the Receiver with pre-receivership litigation involving the Receivership Parties. (A true and correct copy of e-mail correspondence dated December 6, 2010, is attached hereto as exhibit J, Appx. 46-48.)

Mr. Cox stated:

I represent the owner of the names at issue [Novo Point]. A Receiver was appointed over all the Receivership Assets, **including these names**, on November 24. The Order enjoins any transfer or sale of names without express **approval** from the Receiver.

[Emphasis added.] (*Id.* at Appx. 47.) Mr. Cox was copied on numerous confidential communications among the Receiver's counsel and representatives discussing strategy for managing Receivership Assets. (True and correct **redacted** copies of e-mail correspondence dated December 7 and 8, 2010, are attached and incorporated herein as exhibits K-N, Appx. 49-80. The Receiver will provide un-redacted copies for the Court's review in camera or upon filing under seal.)

Then, inexplicably, Mr. Cox switch sides and started to work **against** the Receiver. As will be explained in more detail below, the Receiver has been trying to obtain access to two BBVA Compass Bank accounts in the name of Novo Point and Quantec which hold significant Receivership Assets (the "Compass Accounts"). When Jeff Harbin, Novo Point and Quantec's manager, ignored informal requests for help accessing the Compass Accounts, the Receiver issued a subpoena (the "Harbin Subpoena"). Mr. Cox, instead of helping the Receiver get access to the Compass Accounts, interceded on Mr. Harbin's behalf and demanded that the Receiver withdraw the Harbin Subpoena. (A true and correct copy of e-mail correspondence dated December 10, 2010 is attached hereto as exhibit O, Appx. 81-83.)

Counsel for the Receiver asked Mr. Cox for an explanation:

The Receiver is unsure what your role is here and whom you now claim to represent. The Receiver understood that you were an attorney for Quantec, LLC and Novo Point, LLC, and as such, you would report to the Receiver. In other words, the Receiver thought you were his attorney. Indeed, you sent the Receiver an invoice the other day for work, including work performed after the issuance of the Receiver Order. So, are you also claiming to represent Jeffrey Harbin with relation to opposing the Receiver's subpoena? Are you, the Receiver's attorney, also aiding Mr. Harbin in not complying with the Receiver's requests? Because if you are, that sounds like a pretty obvious conflict to me.

(Ex. O, at Appx. 83.) All of a sudden, Mr. Cox stated that Novo Point was “object[ing] . . . to the appointment of a Receiver over its affairs.” (*Id.* at Appx. 82.) This statement was confounding to say the least in light of Mr. Cox’s written statement on December 6, 2010, that Novo Point was, indeed subject to the Receiver Order. (Ex. J, at Appx. 47.)

2) Pleadings.

Mr. Cox’s machinations continued in the pleadings he filed. On December 10, 2010, Mr. Cox filed an appearance on behalf of Quantec, LLC and Novo Point, LLC. (Docket #153.) Mr. Cox also filed a Response and Objection of Quantec, LLC and Novo Point, LLC to Receiver’s Motion to Clarify the Receiver Order (the “Response to Motion to Clarify”) . (Docket #154.) The Response to the Motion to Clarify argues flatly that Novo Point and Quantec should not be involved in the Receivership. Again, Mr. Cox, in correspondence a mere four days earlier on December 6, 2010, undermined the entire basis for this argument when he stated just the exact opposite position, i.e. Novo Point and its domain names were part of the Receivership estate. (Ex. J, at Appx. 47.)

3) Questions.

Recently, Mr. Cox has also decided to question the Receiver about his management of the Receivership Assets. Specifically, Mr. Cox has inquired about the deletion of domain names Novo Point and Quantec own. (A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit P, Appx. 84-87.) Interestingly, Mr. Cox again obtained the information for his interrogation by virtue of being copied on confidential e-mails involving the Receiver corresponding with third parties about management of the domain names. (Exs. K-N, at Appx. 49-80.) The Receiver, of course, copied Mr. Cox because Mr. Cox had given him the impression he was working for the Receiver!

iv. Lawyer #4—Thomas Jackson.

1) Accusations.

Like Mr. Chesnin and Mr. Schepps, Mr. Jackson has taken swipes at the Receiver. In an e-mail on December 14, 2010, Mr. Jackson charged that the Receiver was possibly liable for “gross mismanagement.” (A true and correct copy of the correspondence dated December 14, 2010, is attached hereto as exhibit Q, Appx. 93.) He also discredited the Receiver Order itself: “[C]ooperation does not include blindly following orders.” (*Id.*)

2) Pleadings.

When Mr. Cox’s informal attempts to get Mr. Harbin out of the Harbin Subpoena failed, Mr. Jackson on December 10, 2010, appeared on behalf of Novo Point and Quantec and filed an Objection to Subpoena and Response to Motion to Quash. (Docket #155.)

3) Questions.

On December 14, 2010, Mr. Jackson also began interrogating the Receiver. Mr. Jackson asked multiple questions about the operation of the Receivership Parties, his decisions regarding personnel, and his management of the finances for the Receivership Parties. Mr. Jackson also implied the Receiver was not qualified:

Also, the Receiver has instructed the registrar not to follow, act on or otherwise perform any requests made by Mr. Harbin on behalf of Quantec, LLC and/or Novo Point LLC. Does Mr. Vogel believe he has the technical expertise or ability to properly manage these domain names? Does he plan to hire someone who does? If not, why has he not reached out to Mr. Harbin, a contract employee, in order to maximize value, or at least maintain value, until the due process questions are sorted out? Mr. Harbin was devoting 3 to 4 hours per day to my clients. Does Mr. Vogel believe he can do it more efficiently without using Mr. Harbin?

(Ex. Q, at Appx. 93.) Counsel for the Receiver offered a detailed point by point response, asked his own questions of Mr. Jackson, and then offered to have a face to face meeting to work out the

issues. (*Id.* at Appx. 89-92) Not surprisingly, Mr. Jackson refuses to answer very simple questions counsel for the Receiver poses. (A true and correct copy of e-mail correspondence dated December 10, 2010, is attached hereto as exhibit Q1, Appx. 134-137.)

The Receiver also tried to respond to the numerous inquiries from the other Baron lawyers. (True and correct copies of e-mail correspondence dated November 30, December 1, December 3, and December 8, and December 14, 2010 attached hereto as exhibits C, at Appx. 16-17, E, at Appx. 21, G, at Appx. 26-34, and Q, at Appx. 89-133.) Eventually, the Receiver requested a joint meeting with all the Baron attorneys so he could answer their questions and get his own answered as well. (A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit R, Appx. 139-40.) This meeting, unfortunately, has not occurred (and will likely not occur unless the Court clarifies the Receiver Order.)

v. *The Baron lawyers contradict one another.*

Mr. Schepps, Mr. Cox, and Mr. Jackson have all offered vastly different positions of how the Receiver should be managing the internet domain names Novo Point and Quantec own. On December 10, 2010, Mr. Schepps filed a Waiver of Reply and Motion for Immediate Ruling on Motion to Vacate Receivership and Alternative Motion to Stay Pending Appeal (the “Motion for Immediate Ruling”). (Docket #144.) The Motion for Immediate Ruling attaches a declaration from Mr. Baron stating that the Receiver should renew all the domain name including those whose maintenance fees exceeded their revenue. (*Id.* at p. 8.) According to Mr. Baron, each internet domain name “presents a unique business opportunity” and should not be “liquidate[d].” (*Id.*) Mr. Baron further declared that “the Receiver has already seized more than sufficient assets to cover whatever its needs are.” (*Id.*) This statement is patently false because Mr. Baron, Mr. Harbin, and the Baron attorneys have all participated in thwarting the Receiver’s access to the

Receivership assets necessary to maintain the internet domain names. The Receiver will explain why in further detail below in section II.B.

On December 14, 2010, Mr. Jackson contradicted Mr. Baron and said that not every domain name should be renewed, but “7,000 names . . . need . . . to be jettisoned in order to preserve what cash remains.” (Ex. Q, at Appx. 93.) The same day, however, Mr. Cox contradicted Mr. Baron and Mr. Jackson and advocated for the deletion of 40,000 domain names—based on the confidential communications the Receiver copied him on while he was posing as the Receiver’s attorney. (Ex. P, at Appx. 85.) This is the game Mr. Baron is playing. Knowing that the Receiver must spend Receivership Assets to renew domain names, Mr. Baron claims that any decision the Receiver makes—renewal of all domain names, renewal of most domain names, or renewal of some domain names—will be Mr. Baron’s *ipso facto* evidence of the Receiver’s “gross misconduct.”

b. The Receiver has not been able to gain control of all of the Receivership Assets.

i. The Compass Accounts.

As mentioned above, the Receiver has been unable to gain control over the Compass Accounts. On December 6, 2010, counsel for the Receiver met with Mr. Harbin in his office in North Dallas. (Declaration of Counsel for the Receiver is attached as exhibit S at Appx. 142, 3.) Counsel for the Receiver and Mr. Harbin discussed a variety of issues concerning the Receivership Parties and the Receivership Assets as defined in the Receiver Order. In particular, counsel for the Receiver discussed the Compass Accounts with Mr. Harbin. (*Id.*) After the meeting, counsel for the Receiver called Mr. Harbin on the phone, and they arranged to meet the next day at a Compass Bank location convenient for Mr. Harbin so that counsel for the Receiver could be added as a signatory to the Compass Accounts. (*Id.* at Appx. 142-43, ¶ 5.)

Counsel for the Receiver sent a confirmatory e-mail to Mr. Harbin later that evening. (A true and correct copy of the e-mail dated December 7, 2010, is attached hereto as exhibit T, Appx. 145-46.) When counsel for the Receiver did not receive a response from Mr. Harbin, he e-mailed him again. (A true and correct copy of the e-mail dated December 7, 2010, is attached hereto as exhibit U, Appx. 148-49.) This time, Mr. Harbin stated “No, I cannot meet you tomorrow. I will be in touch soon.” (*Id.* at Appx. 148.)

The next day on December 8, 2010, counsel for the Receiver notified Mr. Harbin of his obligation pursuant to the Receiver Order to cooperate with the Receiver’s efforts on behalf of the Receivership estate. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit V, at Appx. 151.) Accordingly, counsel for the Receiver instructed Mr. Harbin to meet him at a BBVA Compass Bank branch on Preston Road in Dallas the next day, December 9, 2010, at 10 a.m. (*Id.*) Mr. Harbin did not respond. The morning of December 9, 2010, counsel for the Receiver called Mr. Harbin’s office and cell phones before 10 a.m. to confirm the meeting. Counsel for the Receiver also sent an e-mail to Mr. Harbin and received no response. (A true and correct copy of e-mail correspondence dated December 9, 2010, is attached hereto as exhibit W, at Appx. 155.)

In order to compel Mr. Harbin’s cooperation, the Receiver issued the Harbin Subpoena requiring his appearance at a Compass Bank branch on Cedar Springs Road in Dallas on December 13, 2010.¹ (Docket #158.) On December 13, 2010 at approximately 8:55 a.m., counsel for the Receiver arrived at the Compass Bank branch designated in the Harbin Subpoena. (Ex. S, at Appx. 143, ¶ 7.) Counsel for the Receiver waited inside the branch for Mr. Harbin

¹ Prior to the scheduled December 13, 2010, meeting, Mr. Jackson, on Mr. Harbin’s behalf filed an Objection to Subpoena and Response to Subpoena. (Docket #155.) Without the benefit of all the facts and circumstances before it, the Court granted the relief requested. (Docket #150.)

until 9:30 a.m. (*Id.* at Appx. 143, ¶ 8.) Counsel for the Receiver also called Mr. Harbin's office and cell phones to inquire as to his arrival. (*Id.*) Mr. Harbin did not answer either call, and counsel for the Receiver left voice-mail messages. (*Id.*) Mr. Harbin did not appear at the Compass Bank branch while counsel for the Receiver was there. (*Id.* at Appx. 143, ¶ 9.)

ii. *Hitfarm.com.*

1) What is Hitfarm.com?

Internet domain name "monetizers" provide compensation based on the amount of internet traffic a particular domain name experiences. One such monetizer is Hitfarm.com which contributes a significant amount of revenue to the Compass Accounts. The following chart illustrates the payments from Hitfarm.com the Compass Accounts have received in 2010:

Month	Novo Point Compass Bank Account	Quantec Compass Bank Account
January 2010	n/a	n/a
February 2010	n/a	n/a
March 2010	\$48,633.06	n/a
April 2010	\$56,082.23	n/a
May 2010	\$48,967.72	\$180,638.28
June 2010	\$44,921.47	\$177,327.40
July 2010	n/a	\$162,734.29
August 2010	n/a	n/a
September 2010	\$87,984.47	\$295,497.00
October 2010	\$41,504.52	\$144,281.72
November 2010	\$36,613.48	\$134,494.34

Month	Novo Point Compass Bank Account	Quantec Compass Bank Account
SUB-TOTALS	\$364,706.95	\$1,094,973.00

GRAND TOTAL: \$1,459,679.95

2) Hitfarm.com will not grant the Receiver access to revenues.

However, without express authorization from Mr. Baron or one of his representatives, Hitfarm.com refuses to direct future payments to a bank account the Receiver has established for the receipt and preservation of Receivership assets.² In e-mail correspondence on December 10, 2010, Hitfarm.com made its intentions clear:

Hitfarm will not divert any money earned without consent of BOTH Mr. Baron or one of his attorneys/representatives AND the Receiver, we will continue to make regular payments to current payments details [i.e., the Compass Accounts].

(A true and correct copy of the e-mail correspondence dated December 10, 2010, is attached hereto as exhibit X, Appx. 160.) Upon information and belief, Hitfarm.com is refusing to divert the revenue based upon Mr. Baron's instructions.

Notably, when the Receiver asked for clarification on the issue of written authorization, Hitfarm.com responded that "legal documentation that clarifies that the Receiver has control of Quantec LLC and Novo Point LLC" would be sufficient for Hitfarm.com to grant the Receiver access to and control over the revenue generated from Quantec and Novo Point's domain names. (*Id.* at Appx. 159.) (Emphasis added.) Specifically, Hitfarm confirmed its position as the following:

² The alternative would be for Mr. Baron to grant access to the Compass Accounts and to continue to allow the Hitfarm.com revenue to be deposited there. As described in detail above, the Receiver has been unable to gain access to the Compass Accounts.

Before Hitfarm will divert funds to the Receiver, the Receiver must first provide Hitfarm with an Order from the Court clarifying that the Receiver controls Quantec LLC and Novo Point LLC.

(A true and correct copy of the e-mail correspondence dated December 14, 2010, is attached hereto as exhibit Y, Appx. 196-233.)

Importantly, the Receiver needs access to these revenue streams in order to meet Novo Point and Quantec's obligations—namely renewal fees for the internet domain names. If the Receiver is unable to obtain access to these funds in time to pay the next renewal fees in the amount of \$273,981.82 due December 20, 2010, Novo Point and Quantec's ownership of 36,000 domain names—a key asset in the Receivership estate—will be lost.

3) Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson are aware of the cash-crunch.

The Receiver has made Mr. Baron, Mr. Harbin, and their putative attorneys aware of this cash-crunch. On December 13, 2010, counsel for the Receiver wrote a detailed e-mail explaining the urgency of the situation. (A true and correct copy of the e-mail dated December 13, 2010, is attached as exhibit Z, Appx. 233-36.) Counsel for the Receiver warned that 36,000 domain names were in jeopardy unless Fabulous.com, the domain names' registrar, received the needed funds on December 20, 2010. (*Id.*) Counsel for the Receiver asked for access to Mr. Baron's bank accounts (two of which are the Compass Accounts) and/or the revenue streams from hitfarm.com and the other internet domain name monetizers. (*Id.*) Counsel for the Receiver received no response.

On December 14, 2010, counsel for the Receiver again notified Mr. Baron, Mr. Harbin, and their putative attorneys of the seriousness of the situation. (Ex. Y, at Appx. 197.) He once again asked for written authorization to Hitfarm.com for diversion of the revenue to pay renewal fees. Counsel for the Receiver was explicit in what the consequences were for a refusal to

**THE RECEIVER'S REPLY IN SUPPORT OF MOTION
TO CLARIFY AND REPORT TO THE COURT**

cooperate: “Your failure to comply with this instruction will be a violation of the Receiver Order and will also be the reason why the 36,000 domain names will expire.” (*Id.*) Instead of offering constructive advice on how to proceed, i.e. cooperating with the Receiver to get access to the Hitfarm.com revenue, the Compass Accounts, or other Receivership Assets, Mr. Cox and Mr. Jackson offered nothing but more questions. (Ex. Q, at Appx. 89-133)

iii. SouthPac.

On November 24, 2010, the Receiver contacted all of the Receivership Parties to give them notice of issuance of the Receiver Order. (A true and correct copy of an email dated November 24, 2010, is attached hereto as exhibit AA, Appx. 240-242.) One such party is SouthPac Trust Limited in the Cook Islands (“SouthPac”). SouthPac possesses Receivership Assets as defined in the Receiver Order. (Receiver Order at pp. 2-3.) SouthPac responded the same day claiming it was not subject to the Receiver Order. (Ex. AA, at Appx. 238-40.) In other words, unless the Court instructs Mr. Baron to give the Receiver access to these funds, assets will be lost. *U.S. v. Ross*, 302 F.2d 831 (2d Cir. 1962) (holding that a court can compel an individual in receivership to turn over property located outside the jurisdiction of the U.S.); *Citronelle-Mobile Gathering, Inc. v. Watkins*, 934 F.2d 1180 (11th Cir. 1991) (holding that a receiver has the authority to take possession of assets of the entity in receivership which may be located abroad.)

c. The Receiver has experienced interference with his management of the Receivership Parties.

i. James Eckels.

Unlike Mr. Baron’s other lawyers who have all worked to obstruct the Receiver, one former Baron attorney, James Eckels, has assisted the Receiver. When Mr. Baron learned of Mr. Eckels’ cooperation with the Receiver, he had Mr. Harbin fire him. (A true and correct copy of

e-mail correspondence dated December 7, 2010, is attached hereto as exhibit BB, Appx. 244-46.) Counsel for the Receiver immediately objected to Mr. Harbin's actions stating that "Jeff Harbin is not acting under any instruction of the Receiver or his counsel." (*Id.* at Appx. 244.) Counsel for the Receiver asked Mr. Harbin to call him to discuss the matter, but he never responded. (*Id.*)

ii. Fabulous.com.

Fabulous.com is the "registrar" which maintains Novo Point and Quantec's internet domain names. It is also the company which charges the renewal fees which are next due on December 20, 2010, in the amount of \$273,981.82 discussed in more detail above. On December 10, 2010, Mr. Harbin secretly tried to obtain access to Novo Point and Quantec's account login information at Fabulous.com. (A true and correct copy of the e-mail correspondence dated December 10, 2010, is attached hereto as exhibit CC, Appx. 248-52.) Luckily, Fabulous.com copied the Receiver on its response to Mr. Harbin. (*Id.* at Appx. 248-49.) The Receiver quickly alerted Fabulous.com to not make any changes to Novo Point or Quantec's accounts without the Receiver's permission. (*Id.* at Appx. 248.)

d. Mr. Baron has resisted the Receiver's attempts to help Mr. Baron himself.

i. The Receiver sent Mr. Baron \$1,000.

On November 29, 2010, the Receiver received an e-mail from Sid Chesnin, one of Mr. Baron's purported attorneys, asking for a \$3,600/month stipend for living expenses. (Ex. B, at Appx. 14.) On December 1, 2010, the Receiver informed Mr. Baron of his intention to issue him a check for daily living expenses. (A true and correct copy of the e-mail correspondence dated December 1, 2010, is attached hereto as exhibit DD, Appx. 254-55.) The next day on December 2, 2010, the Receiver asked Mr. Baron for information so he could open a bank account in his name with funds for living expenses. (A true and correct copy of the e-mail correspondence

dated December 2, 2010, is attached as exhibit EE, Appx. 257-58.) The Receiver notified Mr. Baron he was literally at the bank waiting on Mr. Baron to send the information. (*Id.* at Appx. 258.) Rather than cooperate, Mr. Baron ignored the request for information and asked for a lawyer. (*Id.* at Appx. 257-58.)

On December 2, 2010, despite Mr. Baron's refusal to cooperate, the Receiver, nevertheless, issued a check in the amount of \$1,000 out of his own personal funds and sent it via hand delivery. (A true and correct copy of the correspondence dated December 2, 2010, and check in the amount of \$1,000 is attached hereto as exhibit FF, Appx. 261-63.)

Clearly, sending large checks to Mr. Baron is not the ideal way in which to handle his daily living expenses. So, as described above, the Receiver would like to open a joint bank account from which Mr. Baron could draw funds. On December 3, 2010, the Receiver sent via hand delivery a bank account signature card for Mr. Baron to sign so he could be a signatory on such an account. (True and correct copies of the letter dated December 3, 2010, and signature card are attached hereto as exhibit GG, Appx. 265-68.) The Receiver has hired a courier to make 3 attempts at delivery of the bank signature card. (True and correct copies of the affidavits of Special Delivery courier service are attached hereto as exhibit HH, Appx. 270-72.) Mr. Baron has either not answered the door or not been home when the courier has arrived.

On December 3, 2010, Mr. Baron—through attorney Gary Schepps—filed an Emergency Motion to Vacate Order Appointing Receiver and in the Alternative, Motion to Stay Pending Appeal, and Brief in Support. (Docket #137.) Mr. Baron alleged in the motion he could not go “to an independent doctor because the [R]eceiver has his money.” (*Id.* at p. 6.) The Receiver inquired with Mr. Baron as to this statement and asked him to notify the Receiver of any need for “additional and immediate funds for an independent doctor or any other medical care.” (A true

and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit II, at Appx. 274.) The Receiver received no response.

ii. The Receiver corresponded with Gary Schepps about Mr. Baron's well-being.

After Mr. Schepps filed the motion to stay on Mr. Baron's behalf, the Receiver attempted to initiate a dialogue with him concerning Mr. Baron's daily needs. On December 3, 2010, counsel for the Receiver talked with Mr. Schepps on the phone and then followed up with an e-mail. (A true and correct copy of the e-mail correspondence dated December 3, 2010, is attached hereto as exhibit JJ, Appx. 276-77.) Counsel for the Receiver requested face-to-face meeting with Mr. Schepps and/or Mr. Baron to discuss Mr. Baron's "financial needs for daily living and the best ways to get money to him." (*Id.*) Rather than accept the Receiver's offer to discuss Mr. Baron's needs, Mr. Schepps wrote back and demanded a \$50,000 retainer for his services and accused the Receiver and his counsel of violating Mr. Baron's constitutional rights. (Ex. F, at Appx. 23-24.) In another e-mail, Mr. Schepps asked for "50,000 or 100,000" dollars. (Ex. G, at Appx. 31.)

On December 6, 2010, counsel for the Receiver again asked Mr. Schepps whether he wished to speak about Mr. Baron's living expenses. (*Id.* at Appx. 32.) Mr. Schepps ignored the Receiver's offer but, nevertheless, alleged that Mr. Baron was unable "to control his blood sugar level and needs to be able to go to the doctor." (*Id.* at Appx. 31.) He, then, reversed course again and said the "scope of my representation is limited to the appeal [of the Receiver Order]." (*Id.*) On December 8, 2010, counsel for the Receiver followed up on Mr. Schepps' comment about Mr. Baron's blood sugar and again asked how the Receiver could help. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit KK, at Appx. 279.) Mr. Schepps never responded to the inquiry.

iii. Mr. Baron ignored the Receiver's inquiries about his insurance needs.

On December 8, 2010, counsel for the Receiver asked Mr. Baron what insurance needs he had. (A true and correct copy of the e-mail dated December 8, 2010, is attached hereto as exhibit LL, Appx. 281.) Instead of answering the question or offering information about his supposedly urgent health concerns, Mr. Baron asked the Receiver to send Mr. Schepps \$50,000 and allow him to sign a retainer agreement with Mr. Schepps. (*Id.*) On December 10, 2010, counsel for the Receiver wrote in an e-mail to Mr. Baron that the Receiver was not permitted per the Receiver Order to forward \$50,000 to Mr. Schepps. (A true and correct copy of the e-mail dated December 10, 2010 is attached hereto as exhibit MM, Appx. 284.) Counsel for the Receiver again asked Mr. Baron about his insurance needs. (*Id.*) Mr. Baron never responded.

iv. The Receiver sent Mr. Baron \$2,600.

On December 8, 2010, the Receiver sent Mr. Baron via hand delivery a check for \$2,600 out of an account established to preserve Receivership Assets. (True and correct copies of the letter dated December 8, 2010, and the check in the amount of \$2,600 are attached hereto as exhibit NN, Appx. 287-88.) The Receiver sent Mr. Baron \$2,600 because that amount plus the \$1,000 originally sent equals \$3,600, *i.e.* the amount Mr. Chesnin said Mr. Baron needed each month.

3. Argument and Authorities

a. Failure to Clarify the Receiver Order's Inclusion of Novo Point and Quantec Will Allow Mr. Baron to Keep Hiring Lawyers.

The Receiver Order grants the Receiver the authority “[t]o choose, engage, and employ attorneys . . . as [the] Receiver deems advisable or necessary.” (Docket #124 at p. 8.) The Court later clarified the Receiver Order and declared that the “Receiver Order does not authorize or

direct the Receiver to employ a new lawyer for Defendant Jeffrey Baron or release funds to allow Baron to hire or pay for a new lawyer.” (Docket #150.)

Nonetheless, two additional lawyers, Joshua Cox and Thomas Jackson, have appeared in this matter supposedly representing Novo Point and Quantec. (Docket #'s 153 and 155.) Mr. Schepps has appeared on behalf of Mr. Baron personally. (Docket #137.) The Receiver did not hire either Mr. Cox or Mr. Jackson—or Sid Chesnin or Gary Schepps for that matter. Instead, Mr. Cox and Mr. Jackson maintain that Novo Point and Quantec—but technically, not Baron—hired them. (Exhibits O, Appx. 82-83, and OO, Appx. 290-91.) In reality, Mr. Baron hired Mr. Cox and Mr. Jackson because he controls Novo Point and Quantec. So, unless the Court grants the Receiver’s Motion to Clarify and declare that Novo Point and Quantec were always subject to the Receiver Order, Mr. Baron’s parade of lawyers appearing in this matter will continue.

Accordingly, the Receiver seeks an order:

- Forbidding Jeff Baron, Jeff Harbin, or any of their representatives or agents from attempting to retain or terminate any of the Receiver’s Professionals on behalf of Jeff Baron or any of the Receivership Parties;
- Compelling purported Baron attorneys Sid Chesnin, Gary Schepps, Thomas Jackson, and Joshua Cox to each file a sworn statement detailing the nature and circumstances of their involvement in this matter no later than December 20, 2010, at 9 a.m.; and
- Compelling Sid Chesnin, Gary Lyon, Gary Schepps, Thomas Jackson, Thomas Martin, Joshua Cox, James Eckels, and Jeff Harbin to each file a sworn statement detailing any and amounts received from any of the Receivership Parties since the date of the Receiver Order, who provided the payments, and the accounts from which the payments were drawn no later than December 20, 2010, at 9 a.m.

b. Failure to Clarify the Receiver Order to Include Novo Point and Quantec Will Allow Mr. Baron to Impede the Receiver’s Efforts to Access Receivership Assets.

The Receiver Order grants the Receiver the authority to “take exclusive custody, control, and possession of all assets and documents in the possession, custody or under the control of, the Receivership Party wherever situated . . .” (Docket # 124 at pp.6-7.) The Receiver Order further grants the Receiver the authority to “investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss . . .” (*Id.* at p. 7.)

Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson are actively attempting to thwart the Receiver’s efforts to conserve and manage the Receivership Assets. Mr. Harbin ignored the Receiver’s informal requests to meet his counsel at a BBVA Compass bank branch to arrange for the Receiver to become a signatory on the Compass Accounts. Then, Mr. Harbin ignored the Harbin Subpoena compelling him to do the same. Mr. Cox and Mr. Jackson also interceded through a request to the Receiver to withdraw the Harbin Subpoena and the filing of a motion to quash it. Presumably, Mr. Baron approved of these tactics.

Next, the Receiver requested that Mr. Baron, Mr. Harbin, Mr. Cox, and Mr. Jackson cooperate in getting the Receiver access to the revenues owed to Novo Point and Quantec from Hitfarm.com. They have also refused these requests. In sum, the Receiver has been unable to gain access to the Compass Accounts or the revenue from Hitfarm.com in spite of his warnings that failure to pay Fabulous.com \$273,981.82 in renewal fees by December 20, 2010, will result in the expiration and loss of approximately 36,000 internet domain names belonging to Novo Point and Quantec.

Further, the Receiver has learned of hundreds of thousands (or perhaps millions) of dollars in **additional** Receivership Assets being held at the following financial institutions in the name of Jeff Baron:

- Dreyfus Investments;
- Bank of New York;
- Delaware Charter Guarantee & Trust;
- Sterling Trust Company;
- Las Colinas Federal Credit Union;
- Equity Trust Company;
- Mid-Ohio Securities Corporation;
- TD Ameritrade;
- American Century Investments;
- Capital One Bank;
- Evergreen Investments;
- Hibernia National Bank;
- The Vanguard Group;
- Woodforest National Bank; and
- NetBank (collectively, the “Baron Personal Accounts”).

Moreover, the Receiver has learned of Receivership Assets being held at the following financial institutions in the name of Receivership Parties:

- NetBank (in the name of Compana LLC);
- Bank of America (in the names of Diamond Key, LLC and Manassas, LLC);
- Park Cities Bank (in the name of Novo Point, LLC and Quantec, LLC); and
- Las Colinas Federal Credit Union (in the name of Ondova Limited Company) (collectively, the “Baron Entities Accounts”).

The Receiver also has reason to believe that the following entities in the Cook Islands are holding Receivership Assets:

- SouthPac Trust Limited;
- The Village Trust;
- Quantec, LLC;
- Iguana Consulting, LLC;
- Novo Point, LLC;
- Quantec, Inc.; and
- Iguana Consulting, Inc. (collectively, the “Cook Islands Accounts”).

Finally, the Receiver has learned that the following internet domain name monetizers—in addition to Hitfarm.com—have relationships with Novo Point, Quantec, or other Receivership Parties:

- Netsphere;
- Namedrive;
- Firstlook;
- Parked;
- DDC.com;
- Domainsponsor.com;
- SEDO;
- Trellian; and
- Above (collectively, the “Revenue Sources”).

The Receiver expects Mr. Baron, Mr. Harbin, and Mr. Baron's lawyers (current and future) to continue to refuse to cooperate in the Receiver's efforts to access Receivership Assets.

So, the Receiver seeks the following relief from the Court:

- a clarification of the Receiver Order stating that Novo Point and Quantec were always subject to the Receiver Order and ordering that the Receiver be granted immediate access to the Compass Accounts and the revenue owed to Novo Point and Quantec from Hitfarm.com;
- an order giving him immediate, sole access to the Baron Personal Accounts, Baron Entities Accounts, and the Cook Islands Accounts;
- an order giving him immediate access and the right to divert funds derived from the Revenue Sources to a bank account of his choosing including an immediate, written instruction from Mr. Baron to Mr. Don Ham of Hitfarm.com instructing him to immediately divert all funds owed to Novo Point and Quantec to a bank account of the Receiver's choosing;
- an order compelling Mr. Baron to provide a sworn statement to the Receiver by 9 a.m. December 23, 2010, setting forth *inter alia* the 1) identification number and balance of any account owned by a Receivership Party, and 2) the location of any safety deposit box, mail box, or storage facility owned or controlled by a Receivership Party; and
- an order compelling Mr. Baron to provide his full tax returns for the years 2007-2010 to the Receiver by December 23, 2010, at 9 a.m.

c. The Court Should Clarify the Receiver Order to Allow for the Receiver to Attend to Mr. Baron's Medical Needs.

The Receiver Order grants the Receiver "full power" over Jeff Baron individually and to "make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order." At least one attorney, Mr. Schepps, for Mr. Baron has alleged in correspondence with the Receiver and in pleadings that Mr. Baron is in poor medical condition. Despite the Receiver's repeated inquiries of Mr. Baron and Mr. Schepps concerning Mr. Baron's medical needs, there is still no resolution

to this issue. Therefore, the Receiver seeks a clarification of the Receiver Order and an order requiring Mr. Baron to meet with the Receiver for the purposes of determining Mr. Baron's medical needs and establishing a joint bank account to allow for Mr. Baron to have access to funds to pay for medical expenses.

WHEREFORE, PREMISES CONSIDERED, the Receiver Peter S. Vogel respectfully requests that the Court clarify the Order Appointing Receiver and enter an order granting the Receiver all of the relief described above.

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

Peter L. Loh

Texas Bar Card No. 24036982

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**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 December 15, 2010.

/s/ Peter L. Loh
Peter L. Loh

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.

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

**APPENDIX IN SUPPORT OF THE RECEIVER’S REPORT CONCERNING MR.
BARON’S INTERFERENCE AND REPLY IN SUPPORT OF
MOTION TO CLARIFY RECEIVER ORDER**

Respectfully submitted,

/s/ Barry M. Golden

Barry M. Golden

Texas State Bar No. 24002149

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

EXHIBIT A

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

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

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

IN RE:

ONDOVA LIMITED COMPANY,
DEBTOR.

Case No. 09-34784-SGJ-11

NETSPHERE, INC., ET AL.,
PLAINTIFFS,

VS.

Civil Action No. 3-09CV0988-F

JEFFREY BARON, ET AL.,
DEFENDANTS.

REPORT AND RECOMMENDATION TO DISTRICT COURT

(JUDGE ROYAL FURGESON):

THAT PETER VOGEL, SPECIAL MASTER, BE
AUTHORIZED AND DIRECTED TO MEDIATE ATTORNEYS FEES ISSUES

The undersigned bankruptcy judge makes this Report and Recommendation to the Honorable Royal Furgeson, who presides over litigation related to the above-referenced bankruptcy case styled *Netsphere v. Baron*, Case # 3-09CV0988-F (the "District Court Litigation"). The purpose of this submission is: (a) to report the status of certain matters pending before the bankruptcy court, that are related to the District Court Litigation; and (b)

to recommend that His Honor appoint Peter Vogel, Special Master in the District Court Litigation, to mediate issues relative to attorneys fees that are further described below.

I. BACKGROUND.

The bankruptcy court has held four status conferences in recent weeks in connection with the above-referenced bankruptcy case (on September 15, 22, and 30, 2010 and October 8, 2010). The bankruptcy court has heard reports and evidence at each status conference regarding the extent to which the so-called "Global Settlement Agreement" has been consummated. The "Global Settlement Agreement" refers to the Mutual Settlement and Release Agreement approved by the bankruptcy court on July 28, 2010 [see Order at Docket No. 394]¹, involving, among other things: (a) dozens of parties, but primarily the Ondova bankruptcy estate (through Chapter 11 Trustee, Daniel Sherman), Jeffrey Baron, the Manilla/NetSphere parties, the Village Trust, the MMSK Trust, and various United States Virgin Island entities; (b) a split of a portfolio of internet domain names; (c) certain payments to the Ondova bankruptcy estate by Manilla/NetSphere and the Village Trust; (d) the settlement of more than a half-dozen lawsuits involving Ondova and/or Jeffrey Baron; and (e) a broad release of claims. While the bankruptcy court has heard positive statements

¹ All docket number references herein refer to the docket entry numbers on the PACER/ECF docket maintained in the *In re Ondova Limited Company* ("Ondova") bankruptcy case (Case No. 09-34784-sgj-11).

from the Chapter 11 Trustee indicating that there has been substantial consummation of the Global Settlement Agreement (i.e., payment of more than one million dollars of settlement funds to the Ondova bankruptcy estate by Manilla/NetSphere; payment of certain additional settlement funds to the Ondova bankruptcy estate from the Village Trust; dismissals of all lawsuits except for the District Court Litigation;² appointment of a successor Trustee and Protector over the Village Trust; steps toward transferring the so-called "Odd Names Portfolio" portion of the internet domain names to a new Registrar away from Ondova), the bankruptcy court has had lingering concerns at each of the status conferences regarding Jeffrey Baron's commitment to completing his obligations under the Global Settlement Agreement, and possibly taking actions to frustrate the Global Settlement Agreement. Part of the bankruptcy court's concerns in this regard have been fueled by the fact that Jeffrey Baron has continued to hire and fire lawyers for himself and certain entities that are parties to the Global Settlement Agreement (e.g., Quantec), and has instructed such lawyers to file pleadings—even after entry into the Global Settlement Agreement—

² The District Court Litigation, as well as the bankruptcy case of Ondova, remain open, so that there will be fora in which the parties can seek relief to enforce or interpret the Global Settlement Agreement. Additionally, there is remaining case administration needed in the Ondova bankruptcy case (namely, resolution and payment of claims—now that there are funds to pay creditors).

as though the matters resolved in the Global Settlement Agreement are far from over.

But the concern over the hiring-and-firing of lawyers is even more problematic than what the bankruptcy court mentions above. The bankruptcy court has had a growing concern that Jeffrey Baron's actions *may be exposing the Ondova bankruptcy estate to possible administrative expense claims* for amounts owed to attorneys that *Jeffrey Baron should pay or entities with which he is connected (Quantec, Village Trust, etc.) should rightfully pay*. To further explain, the court summarizes below some of what has occurred before and after the Global Settlement Agreement was reached.

II. THE CAVALCADE OF ATTORNEYS.

When Jeffrey Baron started hiring and firing lawyers shortly after the Global Settlement Agreement was reached, the bankruptcy court took judicial notice (at a September 15, 2010 status conference) that Jeffrey Baron and Ondova have had *dozens of sets of lawyers* in the past four years, since the litigation with Manilla/NetSphere and other parties commenced. At least the following lawyers have served as former counsel to Ondova and/or Jeffrey Baron in the litigation with Manilla/NetSphere that started in the state district court in Dallas County (before the next phase of litigation between the parties started in the District Court Litigation): (i) Mateer & Schaffer; (ii)

Carrington Coleman Sloman & Blumenthal; (iii) Bickel & Brewer; (iv) The Beckham Group; (v) The Aldous Law Firm; (vi) The Rasansky Law Firm; (vii) Fee Smith Sharp & Vitullo; and (viii) Friedman & Feiger.

Additionally, far more than a dozen attorneys' names were listed in Ondova's Bankruptcy Schedules (Schedule F—the list of pre-bankruptcy unsecured creditors of Ondova) as being owed significant sums of money by Ondova (not the least of which was the Carrington Coleman law firm, that filed a claim for \$224,233.27, and Bickel & Brewer which is scheduled as being owed \$42,500).

Fast forwarding to the post-bankruptcy time period, at least the following lawyers have become engaged by Jeff Baron or entities he directs (or is the ultimate owner/beneficiary of) *since* the Ondova bankruptcy case was filed: (i) Paul Keiffer (Wright, Ginsburg & Brusilow) for Ondova;³ (ii) Gerrit Pronske (Pronske & Patel) for Jeffrey Baron individually;⁴ (iii) Steven

³ Mr. Keiffer and his firm filed an application to be employed by Ondova on July 29, 2009 [Doc. No. 5], which application was granted by this court [Doc. No. 57]. Then, Mr. Keiffer moved to withdraw just a month-and-a-half later, on September 11, 2009 [Doc. No. 83], which the court granted on October 1, 2009 [Doc. No. 108].

⁴ Pronske & Patel moved to withdraw from representing Jeffrey Baron on September 7, 2010, after representing Mr. Baron for many months in the bankruptcy case [Doc. No. 419], citing nonpayment of more than \$200,000 of fees during the Ondova bankruptcy case, conflicts of interest—as Jeffrey Baron has now sued them—and also a concern that Jeffrey Baron may be engaging in fraudulent transfers. This request to withdraw was granted by the bankruptcy court [Doc. No. 449].

Jones for Jeffrey Baron individually;⁵ (iv) Gary Lyon for Jeffrey Baron individually;⁶ (v) Dean Ferguson for Jeffrey Baron individually;⁷ (vi) Martin Thomas for Jeffrey Baron individually;⁸ (vii) Stanley Broome for Jeffrey Baron individually;⁹ and (viii) James Eckles for Quantec.¹⁰ Several

⁵ Mr. Jones made a brief cameo appearance as criminal counsel to Mr. Baron during the Ondova bankruptcy case on September 11 and 28, 2009.

⁶ Attorney Gary Lyon, who has been representing Jeffrey Baron individually for many months in the bankruptcy court and District Court, recently requested to have attorney Martin Thomas substituted in his place or approved as co-counsel with him [see, e.g., Doc. No. 458]. For the first time, Mr. Lyon announced in September 2010 that he is only admitted to practice law in the State of Oklahoma, although admitted in the courts in the Northern District of Texas, and Mr. Lyon felt this was an ethical problem unless he associated with co-counsel (here, suggesting Martin Thomas).

⁷ Dean Ferguson appeared for Jeffrey Baron individually at one hearing in the Ondova bankruptcy case (on September 15, 2010) and said he had been representing Jeffrey Baron for some time in connection with out-of-court negotiations relating to the Ondova bankruptcy case, but he would not be seeking to go forward because of non-payment of fees.

⁸ Attorney Martin Thomas (who has newly filed a notice of appearance in the bankruptcy case) [Doc. No. 37, filed on September 14, 2010] seeks to be primary counsel now to Jeffrey Baron individually. The court signed an order on October 12, 2010 allowing Martin Thomas to represent Mr. Baron (with Gary Lyon) in the bankruptcy case.

⁹ Attorney Stanley Broome (who has newly sued Pronske & Patel for Jeffrey Baron in September 2010) has filed a notice of appearance for Jeffrey Baron in the bankruptcy case [Doc. No. 438, filed September 15, 2010].

¹⁰ Attorney James Eckles filed a notice of appearance for Quantec, LLC on September 21, 2010 [Doc. No. 450]. He has already filed a request that the court interpret part of the Global Settlement Agreement in a way that the court found unsupportable. His request was stricken. It appears to the bankruptcy court that Mr. Eckles is acting primarily for Mr. Baron, individually. He admitted that he had

lawyers have appeared for the Virgin Island entities of which Jeffrey Baron is the beneficiary including (i) Eric Taube (Hohmann, Taube & Summers), (ii) Hitchcock Everitt LLP, (iii) Craig Capua (West & Associates, LLP), and (iv) Shririg Jete Becket Tackett.

Jeffrey Baron's habit of hiring and then firing lawyers, in many cases after they have incurred significant fees on his or Ondova's behalf (or on behalf of other entities he controls or is beneficiary of), has grown to a level that is more than a little disturbing. As the court noted in court on September 15, 2010, at the very least, it smacks of the possibility of violating Rule 11 (i.e., it suggests a pattern of perhaps being motivated by an improper purpose, such as to harass, cause delay, or needlessly increase the cost of litigation for other parties). Still more troubling is the possibility to the court that Jeffrey Baron may be engaging in the crime of theft of services. See Texas Penal Code §§ 31.01(6) & 31.04 ("A person commits theft of service if, with intent to avoid payment for service that he knows is provided only for compensation: (1) he intentionally or knowingly secures performance of the service by deception, threat, or false token"; "services" includes "professional services"). This crime can be a misdemeanor or a felony—depending on the amount involved. If Jeffrey Baron is constantly engaging lawyers

represented Mr. Baron individually in another matter.

REPORT AND RECOMMENDATION

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13-10696.3063

without ever intending to pay them the full amounts that they charge, and then terminating them when they demand payment, this court is troubled that there are possibly criminal implications for Jeffrey Baron.

The bankruptcy court has announced that it will not allow this pattern to occur any further in these proceedings, and Jeffrey Baron will not be allowed to hire any additional attorneys. Mr. Baron has been told that he can either retain Gary Lyon and Martin Thomas through the end of the bankruptcy case (which this court does not expect to last much longer) or he can proceed *pro se*. The bankruptcy court has further warned Mr. Baron that if he chooses to proceed *pro se* and does not cooperate in connection with final consummation of the Global Settlement Agreement, he can expect this court to recommend to His Honor that he appoint a receiver over Mr. Baron, pursuant to 28 U.S.C. §§ 754 & 1692, to seize Mr. Baron's assets and perform the obligations of Jeffrey Baron under the Global Settlement Agreement.¹¹

III. RECOMMENDATION.

As alluded to above, the bankruptcy court's concerns over the above hiring and firing of lawyers by Mr. Baron is multi-faceted (e.g., Rule 11 implications; frustration of the Global

¹¹ The bankruptcy court is concerned that it would not have the power to appoint a receiver over Mr. Baron, due to language in section 105(b) of the Bankruptcy Code.

Settlement Agreement; possible criminal theft of services, etc.). But, at this juncture, the bankruptcy court is perhaps most concerned about the risk that the bankruptcy estate has and will be exposed to administrative expense claims as a result of Mr. Baron's behavior (e.g., claims occurring during the post-bankruptcy time period, with regard to which payment may be sought from the Ondova bankruptcy estate, and which claims would "prime" pre-bankruptcy unsecured claims). For example, the Pronske & Patel law firm has taken the position that they are owed and have not been paid approximately \$200,000 incurred representing Mr. Baron. Pronske & Patel may seek a "substantial contribution" administrative expense claim against the Ondova bankruptcy estate (see 11 U.S.C. §503(b)(3)(D) & (4), which contemplate that an administrative expense claim may be allowed for a creditor or professional for a creditor who makes a "substantial contribution" in a case under chapter 9 or 11 of this title). Pronske & Patel have already filed a counterclaim against Mr. Baron in an adversary proceeding Mr. Baron has filed against them. Similarly, certain law firms who have represented the Virgin Island entities of which Jeffrey Baron is the beneficiary (specifically, Hohmann, Taube & Summers, Hitchcock Everitt LLP, West & Associates, LLP, and Shrurig Jete Becket Tackett) have filed a Motion for Allowance of Attorneys Fees Pursuant to the Supplemental Settlement Agreement in the Ondova

bankruptcy case [Doc. No. 452, on September 21, 2010], which represents that they have incurred approximately \$150,000 in fees, after the execution of the Global Settlement Agreement, as a result of status conferences and Show Cause hearings involving Mr. Baron and his entities and that there are specific provisions of certain settlement documents that may permit them to seek a court order allowing these to be paid. If the Ondova bankruptcy estate is imposed with administrative expense claims from these or other attorneys (the risk of which appears to be genuine), then it should be entitled to a claim for reimbursement against Mr. Baron or the entity that incurred the fees. It was because of this risk—and also because of the risk that the bankruptcy court believed it might ultimately find Jeffrey Baron in contempt of the bankruptcy court's order approving the Global Settlement Agreement—that the court ordered on September 16, 2010 [Doc. No. 441] that the Village Trust be instructed by Jeffrey Baron to immediately remit \$330,000 to the Ondova Bankruptcy Trustee as a "security deposit" against these risks. Bankruptcy Trustee Daniel Sherman currently holds this \$330,000 of funds, pending further orders of the court.

The bankruptcy court now recommends that His Honor appoint his Special Master, Peter Vogel, to conduct a global mediation among Daniel Sherman, Jeffrey Baron, and the various attorneys who may make a claim to this \$330,000 of funds or otherwise may

assert an administrative expense claim against the Ondova bankruptcy estate, in respect of attorneys fees they incurred postpetition for services provided to Jeffrey Baron or entities he controls or is the beneficiary of, and which services may have provided a substantial contribution to the estate. This court has subject matter jurisdiction to make this recommendation, as there could conceivably be an impact on the Ondova bankruptcy estate, if attorneys who represented Jeffrey Baron and his related entities go unpaid and make "substantial contribution" claims against the bankruptcy estate. The bankruptcy court believes that some of these "substantial contribution" claims could be meritorious.

The bankruptcy court has been informed that Mr. Vogel agrees to perform a mediation and that he and Bankruptcy Trustee Sherman are prepared to recommend a format and structure for the mediation and for the participants. The bankruptcy court would defer to Mr. Vogel, Mr. Sherman, and His Honor with regard to the details of the mediation.

Dated: October 12, 2010

Respectfully submitted,


Stacey G. C. Jernigan
United States Bankruptcy Judge

EXHIBIT B

LOH, PETER

Sent from my iPad

Begin forwarded message:

From: Sid Chesnin <schesnin@hotmail.com>
Date: November 29, 2010 11:32:06 AM CST
To: "GOLDEN, BARRY" <bgolden@gardere.com>
Cc: Jeff Baron <jeffbaron1@gmail.com>
Subject: Jeff Baron's bare bones budget

Automobile/transportation: \$600 / month

Meals \$700 / month

Home utilities/maintenance/Dues \$500 /month

Medical: \$1200 / month

Insurance: (is corky continuing to pay this?)

Misc: \$400 month

Office supplies/equipment: \$200

Total \$3600/month

How about an Agreed Motion and Order to pay Baron \$3600 monthly on an agreed date? Or would a side letter work?

EXHIBIT C

LOH, PETER

From: Sid Chesnin [schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 8:24 PM
To: GOLDEN, BARRY
Subject: FW: My payments. Jeff Baron Receivership

You did not "clarify the order to include Quantec LLC and Novo Point LLC until November 30. I worked 6 more days for Quantec LLC and Novo Point LLC because of your negligence: Therefore my amended invoice is as follows:

Nov. 16-Nov. 30.

Quantec LLC=\$3900

Novo Point LLC=\$1000

Jeff Baron = \$52.60

Total=\$4952.60

If you choose not to pay this, I'll file a fee application with the Court.

From: schesnin@hotmail.com
To: bgolden@gardere.com
Subject: RE: My payments. Jeff Baron Receivership
Date: Tue, 30 Nov 2010 23:43:34 +0000

Sidney B. Chesnin
Attorney at Law
4841 Tremont, Suite 9
Dallas, Texas 75246
(214) 404-9193
(214) 827-0272
Tax I.D. 507-52-5076

INVOICE

For the Period Nov. 16 to Nov. 24, 2010

To Quantec LLC \$2080
To Novo Point LLC \$532
To Jeff Baron \$52.60
Total=\$2664

From: bgolden@gardere.com
To: schesnin@hotmail.com
CC: pvogel@gardere.com
Date: Tue, 30 Nov 2010 17:00:42 -0600
Subject: FW: My payments. Jeff Baron Receivership

Mr. Chesnin,

Please provide us with any invoices of work performed prior to the entry of the Order Appointing Receiver ("Receiver Order"). Once we resolve certain time-sensitive issues, we will review them.

The Order provides that "the Receiver shall immediately have the following express powers and duties: [t]o choose, engage, and employ attorneys." The Receiver has not chosen, engaged, or employed you as an attorney for the Receiver, Mr. Baron or for any of the other Receiver Parties. Thus, the Receiver will not approve any invoices for work performed after the time of the Receiver Order.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 4:19 PM
To: GOLDEN, BARRY
Subject: My payments. Jeff Baron Receivership

I have three attorneys fees contracts, copies attached. I began on November 26, 2010. Quantec and Novopoint were drawn formally into the receivership on November 30.

I am to be paid \$200 a month by Jeff Baron, \$7800 a month by Quantec LLC and \$2000 a month by Novo Point LLC.

My invoice for half a month of November is \$100 to Jeff Baron, \$3900 to Quantec LLC and \$1000 to Novo Point LLC.

My Tax I.D. is 507-52-5076
Sidney B. Chesnin
4841 Tremont, Suite 9
Dallas, Texas 75246
214-404-9193
214-827-0272 FAX

How do I go about getting paid for November and future months?

EXHIBIT D

LOH, PETER

From: Sid Chesnin [schesnin@hotmail.com]
Sent: Wednesday, December 01, 2010 7:01 AM
To: GOLDEN, BARRY
Cc: Jeff Baron
Subject: Jeff Baron Receivership

(1) What are you going to do about Mr. Baron's request for \$3600 living expenses per month? He can't use his credit cards, can't get money from his banks? You have refused to continue my engagement, leaving me to work pro bono and not for long. We need an answer today.

(2) Mr. Baron has been up all night gathering documents to produce. We are going to take the boxes to Mr. Baron's office at 2828 Trinity Mill Road, Suite 130, Carrollton Texas in my pickup truck. I would request that you send a courier upon my request to pick up the boxes and take them to you. Mr. Baron does not have the ability to pay a courier service because of your freeze. Please let me know at your earliest convenience if you will extend us the courtesy.

EXHIBIT E

LOH, PETER

From: GOLDEN, BARRY
Sent: Friday, December 03, 2010 12:14 PM
To: 'Sid Chesnin'
Cc: VOGEL, PETER; LOH, PETER; Jeff Baron
Subject: RE: hypothetical question re: Jeff Baron receivership

Mr. Chesnin,

As you know, the Receiver has not authorized the expenditure of Receiver Assets for any sort of "personal counsel" for Mr. Baron.

To respond to your question about "personal counsel" that is "funded by his friends," one of the Receiver's primary concerns about Mr. Baron retaining such counsel is that, in order to pay the "personal counsel," Mr. Baron would be unlawfully utilizing Receiver Assets not yet discovered by the Receiver.

I'm not sure who the hypothetical friends would be that would be providing the funds, and how the Receiver could be assured that the hypothetical friends were not utilizing Receiver Assets not yet discovered by the Receiver, but if you have some specific sources in mind, please let me know, and the Receiver will consider them (as well as the threshold issue of whether the Receiver Order even permits the possibility of independently-funded "personal counsel").

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Wednesday, December 01, 2010 7:32 AM
To: GOLDEN, BARRY
Subject: hypothetical question re: Jeff Baron receivership

If I were retained by a company with no connection to Jeff Baron, funded by his friends, to act as personal counsel to Jeff Baron, would that be permissible under the terms of the receivership order?

EXHIBIT F

GARY N. SCHEPPS

ATTORNEY & COUNSELOR

DRAWER 670804
DALLAS, TEXAS 75367

TELEPHONE 214-210-5940
FACSIMILE 214-347-4031

December 5, 2010

VIA FAX TO: 214-999-3391 and VIA EMAIL TO: bgolden@gardere.com

Mr. Barry M. Golden
Counsel for the Receiver
Gardere Wynne Sewell LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201

Re APPEAL IN: 3-09CV0988-F; *Netsphere, Inc., et al v. Jeffrey Baron, et al*

Barry,

Thank you for your kind letter. Your newfound concern for the comfort of Mr. Baron now that his treatment is being raised by an attorney—that he was warned by you he could be put in jail if he hired, is heartwarming. With respect to:

At the meeting, I'd like to discuss each and every one of the issues Mr. Baron raises in his affidavit. At the same time, I'd like us to begin working in conjunction so that we can (a) achieve the goals set forth in the Receiver Order, and at the same time, (b) provide Mr. Baron with a much higher level of comfort than he is obviously experiencing right now. As an example of the latter, I'd like to work with Mr. Baron to determine his financial needs for daily living and the best ways to get money to him.

I do not represent Mr. Baron with respect to those issues. I agreed to take on this case on a very limited basis, strictly relating to the appeal. I am willing to represent Mr. Baron with respect to dealing with the receiver, but, I have requested a \$50,000.00 up front, non-refundable retainer with a \$20,000.00 evergreen. In light of the global issues involved, I am sure you can understand.

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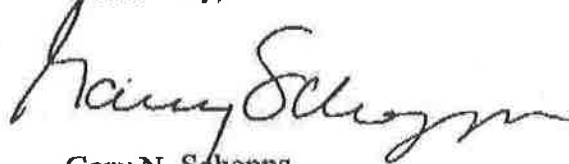
Mr. Barry M. Golden
December 5, 2010
Page 2

Aside from that, I respectfully point out to you that the order is void *ab initio* for lack of subject matter jurisdiction, lack of due process, and as an unlawful order in violation of the US constitution. You and I both swore an oath to uphold the U.S. Constitution. Am sure when the time comes, you will have the opportunity to explain how you participated in such a gross deprivation of an individual's constitutional rights under color of Federal law. The Federal law is very clear. The receivership is unlawful. You and your firm are squarely on notice of the law, and the harm you are doing to Mr. Baron. Beyond that, obviously you all will choose how you proceed. Informing the judge that the receivership is unlawful or unconstitutional would seem a primary duty of a receiver, but then again, I have not researched your duties in that respect.

I am not retained to handle it, and I mention it only to encourage you to act very swiftly. In handling of the affairs of the companies, freezing their bank accounts, you all have caused already the loss of their ability to pay the maintenance costs on thousands of their assets, representing present losses in the millions. I do not understand your actions, but again, that is well beyond the scope of my retention.

My hope is the District Court will vacate the order on Monday. I think that would be the best for *everyone* involved.

Yours truly,



Gary N. Schepps

EXHIBIT G

LOH, PETER

From: GOLDEN, BARRY
Sent: Wednesday, December 08, 2010 10:56 AM
To: 'Gary Schepps'
Subject: RE: Re[10]: Baron appeal - Response to your email

Gary,

Like I said, I'll provide you whatever information you need. Everything we do is transparent. Your questions, however, are pretty general—which is why I keep suggesting that we talk about this in person or over the phone first, and figure out exactly what you need to know, so I can help you get the information you request.

That being said, here is my attempt at answering your questions.

1. With respect to your first question of “your understand as to the purpose of the receivership,” are you directing the question to Peter Vogel or me, personally? Either way, I'd probably need to refer you to pages 6 – 8 of the Receiver Order, and specifically, paragraphs A – O. As you will see, there are a number of purposes of the receivership. To pick one as an example, one of the purposes of the receivership is “[t]o investigate, conserve, hold, and manage all Receivership Assets, and perform all acts necessary or advisable to preserve the value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers or to creditors of the relevant Receivership Party including, but not limited to, obtaining an accounting of the assets, and prevent transfer, withdrawal or misapplication of the assets.” There are, of course, many other purposes set forth in paragraphs A – O.
2. With respect to the list of Mr. Baron's assets “that you have seized,” I again don't know if you are directing the question to Peter Vogel or me. And I don't necessarily believe that we have “seized” anything. I understand that the Receiver acted in accordance with the second paragraph on page 12 of the Receiver Order, including providing instructions to certain banks to freeze certain accounts temporarily. We are working on preparing a full list of accounts (as is one of the purposes of the receivership, which I described above), and once completed, we will be happy to share that list with you. If there is anything more specific you are looking for than what I've told you, please let me know.

3. With respect to the accounting of receivership fees to date, we intend to file a statement with the Court and serve you with a copy. The statement will include, for example, payments to Mr. Baron for daily-living expenses, rent, and any other expenses that the Receiver has authorized. But I might be misinterpreting what you mean by “receivership fees,” so you might need to clarify, and then I can see if there is a precise number I can get you.

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 5:33 PM
To: GOLDEN, BARRY
Subject: Re[10]: Baron appeal - Response to your email

Barry,

I was not aware of, nor were my comments directed to anyone's religion. Since you mentioned you are Jewish, let me invite you to come with me to Torah study next Monday evening. There is a good size group at 8:15, and I'll introduce you to Rabbi Abrams, my study partner. There is nothing like learning Torah together that can't cut through any perceptions of animosity.

As for the information I requested, how about just e-mailing it to me.

Yours truly,

Gary Schepps

Tuesday, December 7, 2010, 2:32:13 PM, you wrote:

Gary,

I am a bit stunned by your comment that “[t]he ‘i am only following orders’ routine hasn't played well in 60 years.” I assume your reference is to the Nuremberg Tribunal.

It appears that you are accusing me—someone of the Jewish faith, in case you couldn't tell from my last name—of acting like a Nazi because I am complying with the Receiver Order issued by Judge Furgeson. And to extend your metaphor, if I am doing the 60-year-old-Nazi routine by following Judge Furgeson's Order, who, from the Nazi era of 60 years ago, are you analogizing Judge Furgeson to be?

I'll just write off your comment to the notion that the medium of e-mail all too often leads to hastily- or careless-crafted messages. Indeed, e-mailing with you is certainly not a productive way for us to proceed.

So, let's you and I meet in person right now. You can call me all the names you want to my face and vent all of your frustrations. And if Mr. Baron wants to come, he can yell at me as well and make all the comments he wants about my ethics and duties. And then, not taking your conduct (or Mr. Baron's conduct) personally, and recognizing the stress that both Mr. Baron and you are obviously under, **I will provide you both with all of the information you need.**

My office is at 1600 Thanksgiving Tower, Suite 2900. When you arrive, ask for me, and I'll meet you in the reception area (and I'll even pay out of my own pocket to validate your parking). How does 3:00 p.m. sound?

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 2:01 PM
To: GOLDEN, BARRY
Subject: Re[8]: Baron appeal - Response to your email

BARRY,

Unprofessional, abusive, acrimony, harassment ?

You took an oath to uphold the Constitution, and you think it is acceptable to threaten somebody that if they dare to hire an attorney to seek relief from your unlawful seizure of their property that you will have them found in contempt and thrown in jail ?

Then, when an attorney does represent them, even in the most limited capacity, you insist in making personally directed accusations-- accusations of *harassment, abuse*.

You've made very clear that Mr. Baron's access to information from you about his own affairs is dependent upon your personal whims, or upon legal counsel to file papers to compel your response. Since your firm grabbed his money to prevent him from hiring counsel to do that, that pretty much leaves it to your whims.

I again ask that you provide the information requested. The 'i am only following orders' routine hasn't played well in 60 years. As attorneys we have an ethical and

legal duty with respect to unlawful and unconstitutional orders issued without due process of law. If you find these duties a harassment, you should never have taken the oath to uphold the Constitution.

You seem like a very nice person on a personal level, and my deep concerns with what has occurred are strictly on a professional level. If you have some theory of how the District Court had subject matter jurisdiction to enter the order, or how in light of a century of Supreme Court precedent on the issue, the order could be issued without prior opportunity to be heard, please tell me. I am certainly open to your thoughts on those issues.

Yours truly,

Gary Schepps

Tuesday, December 7, 2010, 8:52:15 AM, you wrote:

Gary,

Since Sunday, you have sent me repeated correspondence ranging from unprofessional to downright abusive.

I'm not sure why I have become the target of your acrimony. I assume (and hope) you are not likewise harassing the Trustee—the party that moved for the Receiver Order. I assume (and *really* hope) you are not likewise harassing the Honorable Royal Furgeson—the Judge who entered the Receiver Order. Rather, you have been constantly spewing vitriol at me—an attorney whom the Receiver retained to assist him in complying with Judge Furgeson's order. Why? Was it because I asked to meet with you about the best way to get daily-living expenses to Mr. Baron, since I was concerned about the statements you told the Court about his need for urgent medical care?

I'm not sure why you need answers to your questions below, especially given what you've characterized as your extremely limited role relating solely to appellate-legal issues.

Notwithstanding, I remain ready and willing to meet with you and/or Mr. Baron, and provide the best answers I can give him. I will make myself available for such a meeting whenever you want and wherever you want.

Perhaps if you will meet with me face to face, you (and Mr. Baron) will stop demonizing me, and we can move to the next step of exchanging information and hopefully helping Mr. Baron's level of comfort. If you want to meet with me, please call me at 214.999.4746 (office) or 214.893.9034 (mobile). If you want to talk to me on the phone, that is fine too. I

will not, however, engage in any further unproductive e-mail exchanges with you—where you will continue to hurl personal insults at me through the veil of your computer.

If you need what appear to be responses to interrogatories, to the extent that I am under an obligation to respond, I will do that formally through whatever discovery process is appropriate under the Rules and the Receiver Order.

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Tuesday, December 07, 2010 8:03 AM
To: GOLDEN, BARRY
Subject: Re[6]: Baron appeal - Response to your email

Barry,

This is to confirm that the receiver is refusing to provide the following information:

1. Your understanding as to the purpose of the receivership.
2. A list of Mr. Baron's assets that you have seized.
3. An accounting of the receivership fees to date.

Yours truly,

Gary Schepps

Monday, December 6, 2010, 4:47:54 PM, you wrote:

Gary,

Thanks for your correspondence. I disagree with the numerous accusations you continue to make on me personally.

I understand that you are not the right person with whom I should be communicating about getting money to Mr. Baron for daily-living expenses.

Best regards,

Barry Golden
Counsel for the Receiver

From: 'Gary Schepps' [mailto:legal@schepps.net]
Sent: Monday, December 06, 2010 2:25 PM
To: GOLDEN, BARRY
Subject: Re[4]: Baron appeal - Response to your email

Barry,

Angry ?

My concern has been getting money to Mr. Baron to relief some degree of his stress level and allow him to feel some degree of control over his life. He is unable to control his blood sugar level and needs to be able to go to the doctor, and he wants to have a nurse come and help him deal with his situation.

However, the scope of my representation is limited to the appeal. I have not researched Mr. Baron's rights with respect to you and the asserted receivership. If the District Court lacks subject matter juris., as appears to be the case, the order is void ab initio.

If that is the case, and you are attempting to exercise control over Mr. Baron's property with no legal authority or right to do so, the situation is obviously quite serious. There are so many irregularities with respect to the purported receivership, that many issues are raised.

Somebody needs to be working on Mr. Baron's behalf to research the issues and give him good legal advice. I would be happy to do that, but again, I need to be retained for that. At this point Mr. Baron is 'prohibited' from hiring counsel and you've seized his money.

Mr. Baron has a right to privacy with respect to his medical care. He has a right to spend his money as he chooses. You can't even articulate the purpose of the "receivership". What exactly is your purpose ? Why not just release 50,000 or 100,000 of Mr. Baron's own money to him ?

Also, would you provide me with a list of the assets that you all have seized ? Is it also possible to see an accounting of what the receivership fees are so far ?

Yours truly,

Gary Schepps

Monday, December 6, 2010, 9:18:24 AM, you wrote:

Gary,

Each piece of correspondence you send me is angrier than the last and riddled with unprovoked *ad hominem* attacks. What happened since we talked on Friday?

My concern since Friday has been getting money to Mr. Baron for his daily-living expenses, including what I understood from the affidavit to be urgent medical care. The reason I reached out to you was because *you* are the person who submitted the affidavit to the Court and thus, *you* presumably have some knowledge about those topics. Your correspondence, however, makes it clear that you don't want to speak with me about getting money to Mr. Baron for daily-living expenses, including what you told the Court was the need for urgent medical care.

If you change your mind and do wish to speak with me about Mr. Baron's daily living expenses, I again remind you that I am more than willing to come to your offices and speak with you and/or Mr. Baron—and whenever you want. I also gave you my office number (214.999.4746) and cell number (214.893.9034) in case you would prefer to speak solely by telephone.

By copy to Mr. Baron, please let me know if you will speak with me about the best way to get you money for daily-living expenses, as well as the issues you raise in your affidavit.

Regards,

Barry Golden
Counsel for the Receiver

From: Gary Schepps [mailto:legal@schepps.net]
Sent: Monday, December 06, 2010 8:49 AM
To: GOLDEN, BARRY
Subject: Re[2]: Baron appeal - Response to your email

Barry,

I note that it was you who requested to meet, not the reverse.

As I have explained to you, I do not represent Mr. Baron for anything beyond the appeal of the receivership. I have not researched his personal rights and obligations with respect to a legally void receivership order and accordingly am not in any position to give him advise regarding those issues.

Mr. Baron wants to be represented by legal counsel. I would be more than happy to represent him and invest the time necessary to determine his rights and obligations with respect to the asserted receivership so that I can give him competent legal advice and protect his interests. I need to be retained to do that. You have taken Mr. Baron's money and are preventing him from receiving legal counsel.

You seem to be playing games, and maybe this is all just funny to you. It is not funny to me, and not to Mr. Baron. He is ill. The stress of what you are doing is causing physical damage to his body. You have effectively incarcerated him in Dallas.

If you want to relax some of Mr. Baron's stress level, get him some cash. Get him \$20,000.00 or \$50,000.00 of his own money so he can have some independence and can start to hire lawyers that he is going to need to protect his interests and enforce his rights.

If you want to talk about an agreement to stay the receivership order and return Mr. Baron's property and civil rights to him until the Fifth Circuit can rule on the legality and constitutionality of the receivership order, I am very happy to do that.

Yours truly,

Gary Schepps

Sunday, December 5, 2010, 4:33:35 PM, you wrote:

GB> Gary,

GB> Not sure why you sent me a letter laced with such sarcasm and

GB> hostility. Â I thought we had a pleasant conversation on Friday.

GB> You thanked me and suggested we meet on Monday. Â What happened?

GB> Do you not want to meet with me on Monday to attempt to resolve

GB> the issues contained in Mr. Baron's affidavit? Â Does Mr. Baron? Â

GB> Barry Golden

GB> Sent from my iPad

GB> On Dec 5, 2010, at 4:27 PM, "Gary Schepps" <legal@schepps.net> wrote:

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>> <JEBAJB } CORRESPONDENCE } ATTORNEY } To Barry Golden response
>> } 2010_12_05_16_19_29.pdf>

EXHIBIT H

LOH, PETER

From: GOLDEN, BARRY
Sent: Monday, November 29, 2010 5:26 PM
To: 'Joshua Cox'
Cc: VOGEL, PETER; 'Urbanik, Raymond'; corky@syllp.com; 'james eckels'; 'Jeff Harbin'
Subject: RE: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Cox,

You are correct that earlier today, we met with Mr. Eckels, and Mr. Eckels provided us with information and documents. Mr. Eckels is also continuing to provide us with additional information. Whether what we've received or are going to receive from Mr. Eckels constitutes or will constitute "all documents and information requested," we don't know yet. But we can say that Mr. Eckels was extremely cooperative and responsive, and we definitely appreciated his assistance today.

Regarding the transfer of domain names to Fabulous.com, we are still in the process of making determinations as to how we will proceed. But we understand the time sensitivity of the matter.

Barry Golden

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Monday, November 29, 2010 3:56 PM
To: GOLDEN, BARRY
Cc: VOGEL, PETER; 'Urbanik, Raymond'; corky@syllp.com; 'james eckels'; 'Jeff Harbin'
Subject: RE: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Golden,

As you know I represent Novo Point LLC. I would like to confirm that you have received all documents and information requested. I understand you have already met with my colleague, James Eckels, counsel for Quantec LLC, who provided you with them.

Further, I would like to know as soon as possible whether you are going to approve the transfer of domain names to Fabulous.com which is currently scheduled to be effectuated tomorrow, November 30, 2010 by ICANN and VeriSign. I think as James communicated that allowing the transfer to be completed is in the best interests of all interested parties.

If there is anything further I can do to assist, please let me know.

Regards,

Joshua Cox
682.583.5918

From: GOLDEN, BARRY [mailto:bgolden@gardere.com]
Sent: Sunday, November 28, 2010 1:18 PM
To: 'j.cox.email@gmail.com'
Cc: VOGEL, PETER; 'Urbanik, Raymond'; 'corky@syllp.com'
Subject: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Dear Mr. Cox,

As you are aware, on November 24, 2010, the Court issued an *Order Appointing Receiver* in the matter *In re: Ondova Limited Com, Case No. 3:09-cv-0988, in the United States District Court for the Northern District of Texas, Dallas Division* (the "Order") (and for your convenience, I am reattaching a copy of the Order to this e-mail). In the Order, the Court appointed Peter Vogel as Receiver. I am counsel for the Receiver.

The Order provides, among other things, that you, as someone whom the Receiver believes has information and documents related to one or more of the Receivership Parties, Receivership Assets, and Receivership Documents [terms that are all defined in the Order] shall ***immediately*** provide the Receiver with a statement including the following:

1. *The identification number of each account or asset titled in the name, individually or jointly, of any Receivership Party, or held on behalf thereof, or for the benefit thereof, including all trust accounts managed on behalf of any Receivership Party or subject to any Receivership Party's control;*
2. *The balance of each such account, or a description of the nature and value of such asset;*
3. *The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Receivership Party, whether in whole or in part; and*
4. *If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance of said date.*

(collectively, the "Account Information"). The Order further provides, among other things, that you shall ***immediately*** provide the Receiver with the following:

Copies of all records or other documentation pertaining to each such account or asset, including, but not limited to originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit

tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs[.]

(collectively, the "Account Documents"). The Receiver has an ***urgent*** need for this Account Information and Account Documents (collectively, the "Requested Materials"). Thus, the Receiver hereby instructs you to provide the Requested Materials to me (at the address identified at the bottom of this e-mail) ***no later than 11:00 a.m. (Central) on November 29, 2010*** (the "Receiver Request").

FAILURE TO COMPLY FULLY AND TIMELY WITH THE RECEIVER REQUEST SHALL BE GROUNDS FOR A MOTION FOR CONTEMPT OF THE RECEIVER ORDER.

Separately, I will be in contact with you at a later time about further information or documents that the Receiver also requires (*i.e.*, aside from and in addition to the Requested Materials).

If you have any questions, please e-mail or call me.

Barry M. Golden | Counsel for the Receiver
Gardere Wynne Sewell LLP

1601 Elm Street, Suite 3000 | Dallas, TX 75201
214.999.4746 direct
214.999.3446 fax

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:04 PM
To: 'Sid Chesnin'
Cc: 'Jeff Baron'; VOGEL, PETER
Subject: RE: List of claimants and amounts: amount seized from Jeff Baron's accounts

Mr. Chesnin,

Following up my prior e-mail to you (attached), the Receiver is under no obligation to provide you materials.

You, on the other hand, are under an obligation to provide the Receiver with materials—and what you have provided the Receiver to date has been greatly deficient. By separate correspondence, we will address those deficiencies.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 4:47 PM
To: GOLDEN, BARRY
Cc: Jeff Baron
Subject: List of claimants and amounts: amount seized from Jeff Baron's accounts

If as I suspect, taken with the \$343,000 from Village Trust in escrow in the bankruptcy court, the amount of claimants' claims is far below the amount seized from Jeff's accounts, we should consider placing a satisfactory amount in Court escrow to cover all of the claims including attorney's fees, and the Receiver's fees and Receiver's attorneys fees, dissolve the receivership and go back to the mass mediation that was about to start.

Please provide me with a complete list of claimants and amounts and the amount seized from Jeff's accounts. Thank you.

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:12 PM
To: 'Sid Chesnin'
Cc: VOGEL, PETER
Subject: RE: Jeff Baron's financil material

Mr. Chesnin,

We will comply with the Order Appointing Receiver. And we will expect full and immediate compliance with our requests for information and documentation.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 5:00 PM
To: GOLDEN, BARRY
Subject: Jeff Baron's financil material

Will you agree to treat them as confidential? We can work out a stipulation or agreed protective order.

LOH, PETER

From: GOLDEN, BARRY
Sent: Tuesday, November 30, 2010 5:17 PM
To: 'Sid Chesnin'; 'Jeff Baron'
Cc: VOGEL, PETER
Subject: RE: An administrative assistant to help Jeff Baron sort out his documents
Attachments: URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10; URGENT RECEIVER REQUEST - Information and Documents due by 11:00 a.m. on 11/29/10

Mr. Chesnin and Mr. Baron,

These are materials that should have been provided to the Receiver by 11:00 a.m. on November 29, 2010. If you do not immediately provide these materials to us, we will have no choice but to move for contempt of the Receiver Order.

The Receiver declines Mr. Baron's request for an administrative assistant.

Barry Golden

From: Sid Chesnin [mailto:schesnin@hotmail.com]
Sent: Tuesday, November 30, 2010 3:02 PM
To: GOLDEN, BARRY; Jeff Baron
Subject: An administrative assistant to help Jeff Baron sort out his documents

Jeff Baron is concerned that his condominium full of opened and unopened bank statements going back years and years need to be copied and turned over ASAP and any additional assets, if located, identified. (A) do you really want them, since this is not a fraud investigation, just a pre-judgment garnishment, and (B) if you do, Jeff needs a helper at \$20 per hour for 40 hours=\$800, If you approve, we'll get an I-9 from the helper, and you can pay her direct.

EXHIBIT I

LOH, PETER

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Wednesday, December 01, 2010 11:57 AM
To: GOLDEN, BARRY
Cc: 'Jeff Harbin'
Subject: invoice--Novo Point LLC

Mr. Golden, Mr. Harbin,

Attached is the invoice for the latter half of November. Thanks for the opportunity to assist!

Please make checks payable to:
Joshua E. Cox
PO BOX 2072
Keller TX 76244

Wire Instructions:
Routing info
JPMorgan Chase
Dallas 75201
Routing—111000614
Acct.—793904194
Joshua E. Cox

Regards,

Joshua Cox
682.583.5918

Joshua E. Cox
Attorney at Law

Invoice 0030003NP

DATE	TIME	DETAIL
11/16/10	1.50	Receive and review email from C. Libbey re potential domain purchase. Receive and review multiple emails from J. Eckels re portfolio transfer, programmer issues, related matters. Review ICANN policy on inter-registrar transfers.
11/17/10	0.50	Review trustee's Motion to Terminate ICANN Accreditation. Receive and review update email from J. Eckels re hearing on same. Receive and review multiple emails from D. Nelson re recent UDRP decisions.
11/18/10	0.75	Receive and review email from J. Eckels re Ondova de-accreditation, related matters. Receive and review multiple emails from D. Nelson re potential domain name disputes.
11/19/10	0.75	Receive and review email from P. Wall re NameMedia data. Receive and review multiple emails from J. Eckels re status of de-accreditation. Review Ondova letter to ICANN re de-accreditation.
11/22/10	1.50	Receive and review email from D. Nelson re domain dispute. Research files re domain. Internet research re trademark owner. Draft email to J. Harbin, J. Eckels re same.
11/24/10	3.50	Telephone conference with J. Eckels re portfolio transition, related matters. Receive and review email from D. Nelson re domain dispute. Begin review WIPO complaint re <i>korresproducts.com</i> . Receive and review emails from P. Vogel, J. Eckels, T. Ponia re receivership. Review order appointing receiver. Review research materials re receivership, related matters.
11/28/10	0.25	Receive and review email from B. Golden re receivership requests, related matters.
11/29/10	6.25	Email to J. Harbin, J. Eckels re receivership requests, order appointing receiver, related matters. Research PACER docket re Ondova v. Netsphere litigation, Ondova bankruptcy. Review multiple motions and filings in Netsphere litigation. Telephone call to J. Harbin. Telephone call to B. Golden. Telephone conference with J. Eckels re receivership, scheduled portfolio transfer, Garrey lawsuit, related issues. Email to B. Golden re receivership documents. Email to J. Harbin, J. Eckels re Garrey lawsuit. Continued review documents and filings in Netsphere litigation. Begin research causes of action alleged in B. Garrey lawsuit.

Joshua E. Cox
Attorney at Law

Invoice 0030003NP

11/30/10	6.75	Receive and review email from J. Harbin re VeriSign emergency motion, hearing on same. Telephone conference with J. Eckels re VeriSign emergency motion, hearing on same, related matters. Telephone conference with J. Eckels, J. Harbin re VeriSign emergency motion, hearing on same, related matters. Attendance at telephone hearing on VeriSign emergency motion. Telephone conference with J. Eckels re hearing on VeriSign motion, bulk transfer, related matters. Email to J. Eckels and J. Harbin re receivership, related matters. Continued review documents and filings in Netsphere litigation.
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Total: 21.75

Amount

Due: \$2,718.75

Thank you!

/s/

Joshua E. Cox

EXHIBIT J

LOH, PETER

From: Joshua Cox [mailto:j.cox.email@gmail.com]
Sent: Monday, December 06, 2010 9:29 AM
To: Salomon.Amy@ARENTFOX.COM
Cc: GOLDEN, BARRY
Subject: RE: (CHI) - Unauthorized use of Intellectual Property (026861.02518)

Mr. Salomon,

I represent the owner of the names at issue. A Receiver was appointed over all of the Receivership Assets, including these names, on November 24. The Order enjoins any transfer or sale of names without express approval from the Receiver; I have attached a copy of the Order for your review.

By copy of this email I am notifying the Receiver's attorney, Barry Golden, of this matter. If you could be so kind as to forward us a copy of the settlement agreement it might facilitate resolution.

Regards,

Joshua Cox
682.583.5918

From: Salomon, Amy [mailto:Salomon.Amy@ARENTFOX.COM]
Sent: Friday, 3 December 2010 12:30 p.m.
To: Tine Faasili Ponia
Subject: (CHI) - Unauthorized use of Intellectual Property (026861.02518)

Dear Ms. Ponia,

My firm represents Choice Hotels International, Inc. ("Choice") in matters pertaining to intellectual property. Our client owns federal registrations for the well-know trademarks COMFORT INN, COMFORT SUITES, CLARION, CHOICE PRIVILEGES, ECONO LODGE, MAINSTAY SUITES, RODEWAY INN, SLEEP INN, SUBURBAN EXTENDED STAY, and QUALITY INN, among others (collectively, the "Choice Marks").

We previously worked with John Morant Cone of Hitchcock Evert LLP to facilitate the transfer of the following infringing domains to Choice: comfortcuites.com, comforttinn.com, clarianhotels.com, choicemyrewards.com, choiceprevilages.com, choiceprivilliege.com, economotel.com, mainstaypiegeonforge.com, qualityhinn.com, roadwayinnpensacola.com, roadway-inn.com, roadwayinnhotels.com, roadwayinnordlando.com, fayetteville-sleep-inn.com, suburbanlodging.com, suburbansuites.com, suburbanpinesmotel.com, and grandcanyonqualitysuites.com. We signed a settlement agreement with Mr. Cone on June 22, 2010 in which Mr. Cone agreed to transfer the listed domains to Choice. Mr. Cone subsequently informed us that the domains could not be transferred until resolution of a Bankruptcy Court proceeding involving Ondova Limited Company.

We understand from Mr. Cone that you have taken over this matter. Our client is eager to resolve this matter quickly and amicably. Please unlock the listed domains, and any other domains controlled by your client that infringe the Choice Marks, and provide the transfer authorization codes. If transfer of the domains is currently prohibited by court order, please include a copy of the court order and explain whether a receiver has been appointed to handle third-party trademark claims and when you expect the domains to be available for transfer.

We look forward to your response so we can bring this matter to a prompt and amicably resolution.

Regards,
Amy Salomon

Amy Salomon
Attorney

Arent Fox LLP | Attorneys at Law
1050 Connecticut Avenue, NW
Washington, DC 20036-5339
202.857.6015 DIRECT | 202.857.6395 FAX
salomon.amy@arentfox.com | www.arentfox.com

Admitted only in Maryland.

Supervised by principals of the firm.

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EXHIBIT K

LOH, PETER

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Tuesday, December 07, 2010 12:04 PM
To: GOLDEN, BARRY
Cc: system.quasar; Mike Robertson; Joshua Cox; Jeff Harbin; LOH, PETER
Subject: Request for Approval - TIME SENSITIVE

Barry:

Following up with my message of yesterday. Please obtain approval to NOT renew the attached list of names, which will save approximately _____ in registration renewal fees. The attached list is comprised of names that earn less than _____ - they don't pay for they're registration fee and are a drain on the portfolio. Quantec LLC strongly recommends the Receiver's approval to this request and we are running out of time to make sure they are deleted and that the other names are renewed, as indicated in Fabulous.com's various e-mails regarding "grace" and "redemption grace" periods.

Thanks,

James

----- Forwarded message -----

From: system.quasar <system.quasar@gmail.com>
Date: Tue, Dec 7, 2010 at 11:48 AM
Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?
To: Mike Robertson <m.robertson@fabulous.com>
Cc: james eckels <jamesmeckels@gmail.com>, Jeff Harbin <jeff@jeffharbin.com>, Joshua Cox <j.cox.email@gmail.com>, "GOLDEN, BARRY" <bgolden@gardere.com>

Mike,

Attached is a list of domains we would like to be deleted. These domains have expiration dates between November 1-10. Once this deletion is approved by the Receiver, you may proceed with the operation.

Thank you.

-Peter

On 10-12-07 6:38 AM, james eckels wrote:
Thanks, Mike. Yes, please start copying Barry Golden, counsel for the Receiver.

James

On Tue, Dec 7, 2010 at 12:12 AM, Mike Robertson <m.robertson@fabulous.com> wrote:

Hi all,

I've just talked to our Tech team and they have told me the following:

If a quasar domain is marked to be autorenewed, then it will be autorenewed as normal if funds are available.

quasar timeline:

On day of expire nothing happens, domain remains active. Between the 40th and 44th day after expiring, domain will be deleted only if marked to be deleted. After 45 days, domain is automatically renewed.

So basically this will prevent any of your domains from going into Redemption. HOWEVER, it means you need to send us a list of domains that you want to DROP prior to day 40, so we can have them marked for deletion.

If I should be including the Receiver on these emails, please let me know and I will add them to the cc list.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: mikefabulous (Skype)
m.robertson@fabulous.com (Windows)

 [LinkedIn profile](#)

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From: Mike Robertson [mailto:m.robertson@fabulous.com]

Sent: Monday, 6 December 2010 9:15 AM

To: 'system.quasar'

Cc: 'james eckels'; 'Jeff Harbin'; 'Joshua Cox'

Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?

Importance: High

Hi Peter,

Thanks for the email, hope you had a good weekend.

So just to confirm, the attached list of domains are those you DO NOT wish to have renewed. And all other domains expiring in November you want us to renew on your behalf?

Upon receipt of your confirmation, I will have the Tech guys process these renewals in bulk for you.

Just so you know, those that aren't renewed, will follow the normal drop cycle, going to Redemption, Pending Delete and then back to the available pool of domains.

In response to your other questions/concerns:

- The Tech team are running a script to allocate the domains to your "quasar" account. When Verisign performed the bulk push, the domains just ended up in out registrar, so they had to create a script to push them to your account. As you can imagine, with the size of the portfolio, it's going to take some time. As it is now, there are 193,686 in the account. I would imagine the full list will be in by the end of the day (Brisbane time).
- I have requested that the Tech team put the registrar lock on those domains that have a status of "Ok". I've marked this as a high priority job and expect them to complete it ASAP.

- Verisign mentioned that [redacted] was not included in the bulk transfer as it already had a status of "Pending Transfer". See email from Verisign attached. It might be best to just perform a manual transfer of this domain. Let me know if you need assistance with this.
- There is work being done on the API. I'll have to chase up the Tech team for an update.

Let me know about the November domains and I'll get this actioned ASAP.

Cheers,

Mike

Mike Robertson
Business Development Manager

Fabulous.com
Dark Blue Sea
Suite 2, 47 Warner St
Fortitude Valley, QLD 4006
AUSTRALIA

Phone: +61 7 3007 0042
Fax: +61 7 3007 0075
Email: mike@fabulous.com
IM: mikefabulous (Skype)
m.robertson@fabulous.com (Windows)



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From: system.quasar [<mailto:system.quasar@gmail.com>]

Sent: Monday, 6 December 2010 12:25 AM

To: Mike Robertson

Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

Mike, the attachment was rejected by your server - resending it.

-Peter

On 10-12-05 6:23 AM, system.quasar wrote:

Hi Mike,

Attached is a list of 'November' domains for which we do not want the registration to be extended (for your reference). They were renewed throughout November (auto-renewed by Verisign) and we would like to have them deleted in portions (and have renewal fees refunded) - as soon as their renewal date is past 35-40 days. I am preparing the first list of domains to be deleted and will send it on Monday as soon as these domains will be removed from a third party sales program.

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**Mike Robertson
Business Development Manager**

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Fax: +61 7 3007 0075
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Sent: Friday, 3 December 2010 9:30 PM
To: james eckels
Cc: Mike Robertson; schnabel.eric@dorsey.com; Joshua Cox; Jeff Harbin
Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

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Please let me know what is going on asap.

Thanks,

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EXHIBIT L

LOH, PETER

From: james eckels [mailto:jamesmeckels@gmail.com]
Sent: Tuesday, December 07, 2010 2:54 PM
To: Damon Nelson
Cc: LOH, PETER; VOGEL, PETER; GOLDEN, BARRY; Jeff Harbin; Joshua Cox
Subject: November Names to NOT Renew Issue

Damon:

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Date: Tue, Dec 7, 2010 at 12:12 AM
Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?
To: "system.quasar" <system.quasar@gmail.com>
Cc: james eckels <jamesmeckels@gmail.com>, Jeff Harbin <jeff@jeffharbin.com>, Joshua Cox <j.cox.email@gmail.com>

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From: Mike Robertson [mailto:m.robertson@fabulous.com]

Sent: Monday, 6 December 2010 9:15 AM

To: 'system.quasar'

Cc: 'james eckels'; 'Jeff Harbin'; 'Joshua Cox'

Subject: RE: Some November Names Showing as "Account Suspended" - Will this be rectified?

Importance: High

Hi Peter,

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Upon receipt of your confirmation, I will have the Tech guys process these renewals in bulk for you.

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In response to your other questions/concerns:

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Let me know about the November domains and I'll get this actioned ASAP.

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From: system.quasar [<mailto:system.quasar@gmail.com>]

Sent: Monday, 6 December 2010 12:25 AM

To: Mike Robertson

Subject: Re: Some November Names Showing as "Account Suspended" - Will this be rectified?

Mike, the attachment was rejected by your server - resending it.

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EXHIBIT M

LOH, PETER

From: Damon Nelson [mailto:ondovalimited@gmail.com]
Sent: Tuesday, December 07, 2010 5:40 PM
To: james eckels
Cc: LOH, PETER; VOGEL, PETER; GOLDEN, BARRY; Jeff Harbin; Joshua Cox
Subject: Re: November Names to NOT Renew Issue

James,

I agree that culling needs to be done each month. This should have been done long ago.

The only issues that I would ask would be:

- High traffic - Low EPC (Earnings Per Click) domain names sometimes get lumped into the group of low revenue performers for single month comparison filters. Were the revenue stats averaged over several months in a row, before applying the "under-performing" filter ? (A single month earnings could be an anomaly, Yet 3 months of more of revenue stats gives a lot better idea on what a single domain makes monthly)
- Were high traffic domains (over 100 visits per day) filtered out of this list of culled names? This would be the only other database filter that I would suggest. Might not be any of these names. These higher traffic names may not be making money because they are with the wrong monetizer (ie. above makes less than hitfarm on high traffic domains)

As far as a manual review, I'm sure that someone did a word length and spell check to identify domains that might have name value or keyword relevance for a full site development or affiliate link pass through. At first glance through this sorted list, I didn't see any that jumped out as catchy or high value keyword names. Looks like someone has already "eyeballed" all those names for keyword significance. (attached is that sorted list if needed)

I know the trust is playing catchup on getting this portfolio cleaned of under-performing junk names, misspellings and T/M names. Once they get past the initial culling process of Nov, Dec and Jan list of domain names, I would recommend using the Fabulous admin panel to tag underperforming domain names with the for sale tag and move them to Fabulous for parking revenue comparisons with Hitfarm/above. If you are planning on deleting the underperforming domain names, might as well try to sell them a few months ahead of the deletion date, as well as try a different monetizer to test monthly revenue.

Lastly, is Fabulous going to apply any Nov. deletion credits against the January Invoice, even though they may not be credited by Verisign until the end of December?

Damon

On Tue, Dec 7, 2010 at 2:54 PM, james eckels <jamesmeckels@gmail.com> wrote:

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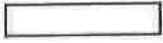
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