

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

NETSPHERE, INC.,	§
MANILA INDUSTRIES, INC., and	§
MUNISH KRISHAN,	§
Plaintiffs.	§
	§ Civil Action No. 3-09CV0988-F
v.	§
	§
JEFFREY BARON, and	§
ONDOVA LIMITED COMPANY,	§
Defendants.	§

**APPELLANT’S RESPONSE TO RECEIVER’S OMNIBUS MOTION TO
PERMIT CASHING OUT OF STOCKS AND IRAS [DOC#309]**

Jeffrey Baron makes this objection and response and shows:

1. The receiver is seeking an order from this Court allowing accessing Jeff’s Roth IRA accounts to pay disputed attorneys’ fees. The receiver’s request should be denied.
2. Pursuant to Texas Law, the Roth IRA accounts are exempt from execution. Tex.Prop.Code §42.0021; *E.g., In re Youngblood*, 29 F.3d 225 (5th Cir. 1994).
3. Jeff claims this exemption in his IRAs, and objects to their liquidation.
4. It is also a longstanding principle of law that a receiver may take into his possession only “property which may be taken in execution”. *Booth v. Clark*, 58 U.S. 322, 331 (1855).

5. The business which has ended in the ‘business divorce’ before this Court, was generating millions of dollars in profit. Approximately \$8,000,000.00 was ‘borrowed’ by the Plaintiff in this lawsuit, Krishan, and the money was not returned. That fact may be more understandable to the Court in the context of the background that the Plaintiff has a string of Felony indictments: Theft and Forgery (multiple indictments); and has a criminal conviction record. Half of the money the Plaintiff has ‘borrowed’, pursuant to the agreement Plaintiff sued to enforce in this Court, belongs to Jeff and the Village Trust, etc. The receiver can access the money being held by Krishan, on behalf of Jeff and the disputed fees.

6. A remaining \$2,000,000.00 was delivered to the AsiaTrust Trustees and/or their attorneys. When it came time to transfer the funds to the new trustee, the money was reported ‘gone’. The AsiaTrust trustee claims that the money was spent in attorney’s fees in arriving at the global settlement agreement in this case.

7. This Court may take note that Mr. Pronske’s formal counterclaim clearly states that Jeff stated he would not personally be paying Mr. Pronske’s fees, but that the fees would be paid by AsiaTrust, the trustee. Similarly, Mr. Shaver’s paperwork tells the same story, he was to be paid from the AsiaTrust – per Mr. Shaver’s paperwork, Jeff repeatedly requested that Mr. Shaver’s fee be paid (there is/was \$2,000,000.00 to pay the fees), but AsiaTrust, and/or their attorneys refused

to release the funds. **The receiver can access that money being held by AsiaTrust and/or their attorneys, to pay the disputed fees.**¹

8. If equitable factors figure in the Court's consideration of this response, the court's attention is directed to the pattern that can be seen in the Pronske and Shaver and other's fee disputes. From Jeff's side, the money was paid out—\$2,000,000.00 went into AsiaTrust and/or their attorneys. The attorneys— per Pronske's written counterclaim— agreed to look to AsiaTrust for payment. Per Shaver's paperwork, Jeff repeatedly requested that the fees be paid, but AsiaTrust (which received the \$2,000,000.00), refused to pay the fees.

9. For further cause should same be necessary, Jeff Baron adopts and incorporate by reference the argument and authority raised in Appellants' Limited Objection To The Receiver's First Application For Reimbursement Of Fees Incurred By Receivership Professional Joshua Cox [Doc#190] and in Appellants' Joint Objection And Response To (1) The Receiver's First Application For Reimbursement Of Fees And Expenses Incurred By The Receiver [Doc#192] and (2) The Receiver's First Application For Reimbursement Of Fees And Expenses Incurred By Gardere Wynne Sewell LLP [Doc#193] and Appellants' Joint Response and Motion to Strike the Receiver's Motion For Order Confirming Propriety of Fund Management [Doc#245].

¹ The receiver correctly assumes that there was millions of dollars held by AsiaTrust. It has not been moved by Jeff to some offshore account. AsiaTrust had kept the money. Notably, this court has ordered AsiaTrust is a receivership party.

Respectfully submitted,

/s/ Gary N. Schepps

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**APPELLATE COUNSEL FOR
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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