

MURPHY & MURPHY, PC
RECEIVED
DOCUMENT DEPOSITORY
2004 JAN 16 PM 4:34

1 **Guttilla & Murphy, PC**
Patrick M. Murphy (No. 002964)
2 4150 West Northern Ave.
Phoenix, Arizona 85051
3 (623) 937-2795
Attorneys for the Receiver

4
5 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
6 IN AND FOR MARICOPA COUNTY

7 In The Matter of:)
8 Proceeds from Bank of America Account)
#4672000476 in the name of Unite 1)
Investment Assistance, et al., as more)
9 particularly described in the Attached)
Appendix One)
10)
11)
12)
13)

Cause No. CV 2001-011252

PETITION NO. 1
PETITION TO SET RECEIVER'S FEES
AND APPROVE THE ENGAGEMENT
OF WARFIELD & COMPANY AND
GUTTILLA & MURPHY, P.C.
(Assigned to Judge Peter C. Reinstein)

14 Lawrence J. Warfield, as the court appointed Receiver, respectfully petitions the Court
15 as follows

- 16 1. On September 4, 2003, this Court entered its *Order Appointing Receiver*, which
17 appointed Lawrence J. Warfield as Receiver of funds forfeited under Order of Forfeiture
18 dated August 9, 2002 ("Receivership Order").
19 2. The Receivership Order did not set the Receiver's compensation rate.
20 3. The Receiver requests that the hourly compensation for the Receiver be set at
21 the rate of \$150.00 per hour.

Guttilla & Murphy, PC
4150 West Northern Ave
Phoenix, Arizona 85051
(623) 937-2795

1 4. The Receivership Order further authorized the Receiver to employ such
2 employees, accountants and attorneys as are necessary in the performance of the Receiver's
3 duties.

4 5. The Receiver requests that the Court approve the Receiver's use of the
5 Receiver's accounting firm, Warfield & Company, to provide accounting and other
6 professional support services to the Court for the benefit of the receivership estate. The
7 Receiver requests that Warfield & Company be reimbursed for all reasonable costs and
8 expenses incurred on behalf of the Receiver and that Warfield & Company be compensated
9 as provided in the Engagement Agreement, a copy of which is attached as Exhibit "A" to this
10 Petition.

11 6. The compensation rate requested above for the Receiver and the rates set forth
12 in Exhibit "A" for services provided by the staff of Warfield & Company are reasonable in
13 light of the substantial experience of the Receiver and his company. Warfield & Company is
14 a full service accounting firm which specializes in litigation support, trustee and receivership
15 services. Lawrence J. Warfield is a Certified Public Accountant licensed in the states of
16 Arizona, Alaska, Maryland and Texas and has served as the chief operating officer for three
17 insurance companies, and the chief financial officer for the finance subsidiary of First
18 Maryland Bancorp. Lawrence J. Warfield has also served as the federal trustee in over 2,500
19 Chapter 7 and Chapter 11 bankruptcy cases, and as the receiver or as the deputy receiver in
20 more than ten state and federal court supervised receiverships.

21

1 7. The Receiver has, subject to this Court’s approval, entered into an Engagement
2 Agreement with Guttilla & Murphy, P.C. (“Guttilla & Murphy”), a copy of which is attached
3 as Exhibit “B” to this Petition. The Receiver requests that Guttilla & Murphy, be appointed
4 as general counsel to the Receiver and that it be compensated as provided in Exhibit “B”.

5 8. Guttilla & Murphy is qualified to serve as counsel to the Receiver and the rates
6 set forth in Exhibit “B” are reasonable in light of the substantial experience of Guttilla &
7 Murphy in serving as legal counsel to court appointed receivers. Guttilla & Murphy has
8 served as legal counsel to the court appointed receivers in over 80 state and federal court
9 receiverships, in actions brought by the Securities and Exchange Commission, the Federal
10 Trade Commission, the Commodities Future Trading Commission, the Arizona Banking
11 Department, the Arizona Attorney General, and the Insurance Departments of Arizona,
12 California, Illinois, Indiana, Texas, and Vermont.

13 WHEREFORE, the Receiver respectfully requests that the Court enter an Order:

- 14 1. Setting the Receiver’s compensation at \$150.00 per hour.
- 15 2. Authorizing the Receiver to use the Receiver’s accounting firm, Warfield &
16 Company, to provide accounting and other support services to the Receiver, and approving
17 the Engagement Agreement attached as Exhibit “A”.

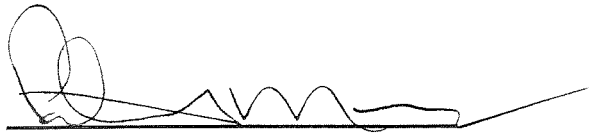
18 . . .
19 . . .
20 . . .
21 . . .

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

3. Appointing the law firm of Guttilla & Murphy, PC, as general counsel to the Receiver and approving the Engagement Agreement attached as Exhibit "B" to the Petition and the rates contained therein.

Respectfully submitted this 16th day of January, 2004.

GUTTILLA & MURPHY, PC



Patrick M. Murphy
4150 West Northern Avenue
Phoenix, Arizona 85051
Attorneys for Receiver

0813-001(18364)

ENGAGEMENT AGREEMENT

This Engagement Agreement, made and entered into effective, by and between Lawrence J. Warfield Receiver ("Receiver"), and Warfield & Company located in Scottsdale, Arizona (the "Company").

WITNESSETH

WHEREAS, the Receiver was appointed the receiver of funds forfeited under Order of Forfeiture dated August 9, 2002 ("Receivership Assets") by Order of the Superior Court of Arizona for Maricopa County, on, in Cause No. CV 2001-011252 ("Receivership Court"), and the Receivership Order, among other things, provides that the Receiver is authorized to engage and employ employees, accountants and attorneys as he deems necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets; and

WHEREAS, the Receiver is in need of the accounting services for the purpose of general receivership matters and to account for the funds received by the Receiver; and

WHEREAS, the Company is willing to provide accounting services to the Receiver.

WHEREAS, Lawrence J. Warfield is an officer, director and shareholder of the Company, is authorized to enter into this Agreement on behalf of the Company.

NOW, THEREFORE, it is mutually agreed as follows:

1. The Receiver does hereby engage the Company and the Company does hereby accept said engagement to provide accounting services to the Receiver and the Receivership Court.

EXHIBIT "A"

2. Consideration for services rendered by Lawrence J. Warfield as Receiver shall be paid to the Company at the rate of One Hundred Fifty and no/100 (\$150.00) dollars per hour, payable monthly together with all reasonable costs and expenses incurred by the Receiver.

3. The Company may provide the services of one or more of its employees as necessary to assist the Receiver in carrying out his duties and responsibilities as Receiver. In consideration of the services to be rendered hereunder, it is agreed that the Company shall be compensated as follows, to-wit:

<u>Professional staff</u>	<u>Maximum Hourly Rate</u>
Certified Public Accountants	\$125.00
Staff Accountants	\$ 80.00
Administrative Assistants	\$ 55.00
Computer Technician	\$ 80.00

4. Compensation to the Company under this Agreement, together with all reasonable costs and expenses incurred relating to these services, shall be payable out of Receivership Assets.

5. Reasonable and necessary expenses incurred by the Company in providing services under this Agreement will be compensated at the rate of \$.50 per page for outgoing facsimile copies and \$.20 per page for photocopies. Incoming facsimile copies will be compensated solely at the photocopy rate of \$.20 per page. In the case of travel and other expenses only the actual charges, costs and expenses incurred and paid by the Company will be reimbursed. All travel must be pre-approved by the Receiver. Overtime for support staff, word processing charges and administrative charges or other add-on expenses will not be paid.

6. The Company shall be solely responsible for any salaries, employment benefits, unemployment insurance, FICA, income tax withholding or other expenses associated with the services provided by the Receiver or the employees of the Company.

7. The Receiver shall be responsible for supervising all agents and employees engaged by the Receiver to perform services in connection with the Receivership, including all employees of the Company who provide services under this agreement.

8. This Engagement Agreement is subject to the approval of the Receivership Court and may be terminated by either party upon written notice.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

Lawrence J. Warfield
Receiver

Warfield & Company

By _____
Lawrence J. Warfield

By _____
Lawrence J. Warfield

ENGAGEMENT AGREEMENT

This Engagement Agreement, made and entered into effective, by and between Lawrence J. Warfield Receiver ("Receiver"), and the law firm of Guttilla & Murphy, a Professional Corporation located in Phoenix, Arizona ("Law Firm").

WITNESSETH

WHEREAS, the Receiver was appointed the receiver of funds forfeited under Order of Forfeiture dated August 9, 2002 ("Receivership Assets") by Order of the Superior Court of Arizona for Maricopa County, on, in Cause No. CV 2001-011252 ("Receivership Court"), and the Receivership Order, among other things, provides that the Receiver is authorized to engage and employ employees, accountants and attorneys as he deems necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets; and

WHEREAS, the Receiver is in need of the services of legal counsel for receivership matters and to represent the Receiver before the Receivership Court and other courts; and

WHEREAS, the Law Firm is willing to serve as legal counsel for the Receiver for the purposes stated above.

NOW, THEREFORE, it is mutually agreed that:

1. The Receiver does hereby engage of the Law Firm and the Law Firm does hereby accept said engagement to act as legal counsel for the purpose stated above.
2. In consideration of the services to be rendered hereunder, it is agreed that the Law Firm shall be compensated at rates not to exceed the following:

<u>Professional Staff:</u>	<u>Maximum Hourly Rate</u>
Shareholders/Sr. Assoc.	\$ 250.00 per hour
Associate	\$ 185.00 per hour
Law Clerk	\$ 75.00 per hour

Paralegal	\$ 85.00 per hour
Paralegal Assistant	\$ 50.00 per hour

3. Compensation to the Law Firm under this Agreement, together with all reasonable costs and expenses incurred relating to these services, shall be payable out of Receivership Assets.

4. Reasonable and necessary expenses incurred by the Law Firm in providing services under this Agreement will be compensated at the rate of \$.50 per page for outgoing facsimile copies and \$.20 per page for photocopies. Incoming facsimile copies will be compensated solely at the photocopy rate of \$.20 per page. In the case of travel and other expenses only the actual charges, costs and expenses incurred and paid by the Law Firm will be reimbursed. All travel must be pre-approved by the Receiver. Overtime for support staff, word processing charges and administrative charges or other add-on expenses will not be paid.

5. Payments under this Agreement are subject to review by the Receiver and then Petition to and approval by the Receivership Court. All billing statements shall be detailed and all expenses shall be itemized and supported by attached receipts and other documentation, and shall be submitted to the Receiver within three months of the date the service is provided. Failure to submit a timely billing statement shall be a basis for the Receiver to decline to submit the statement for approval by the Receivership Court or for the Receivership Court to deny payment for such services.

6. The Law Firm is retained by the Receiver for the purposes set forth in this Agreement. The Law Firm is free to dispose of such portion of its time, energy and skill, as is not required to be devoted to the Receiver, in such manner and to such persons as it deems appropriate.

7. This Engagement Agreement is subject to the approval of the Receivership Court and may be terminated by either party upon written notice.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

Lawrence J. Warfield
Receiver

GUTTILLA & MURPHY, P.C.

By _____
Lawrence J. Warfield

By _____
Patrick M. Murphy

18366