

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

COMMODITY FUTURES
TRADING COMMISSION

Plaintiff,

v.

Case No. 3:17-cv-774-J-32MCR

JASON B. SCHARF, CIT
INVESTMENTS LLC,
BREVSPAND EOOD, CIT
INVESTMENTS LTD., A&J MEDIA
PARTNERS, INC., MICHAEL
SHAH, and ZILMIL, INC.,

Defendants.

ORDER

This case is before the Court on Receiver's Motion to Approve (A) Noticing and Claims Administration Process and (B) Plan of Distribution (Doc. 229); (2) Receiver's Seventh Interim Application for Approval and Authorization for Payment of Fees and Expenses of Receiver and his Professionals (Doc. 243); and (3) Receiver's Motion to Remove or Increase Court-Imposed Quarterly Limit for Fees and Costs of Receiver and his Professionals (Doc. 244). On December 13, 2019, the Court held a telephonic hearing on the motions, the record of which is incorporated herein.

For the reasons stated on the record, it is hereby

ORDERED:

1. The Receiver's Motion to Approve (A) Noticing and Claims Administration Process and (B) Plan of Distribution (Doc. 229), is **GRANTED in part**. The plan is approved, but the total expenses for the first phase are capped at \$75,000. The Receiver shall file a notice with the Court upon the earlier of: (a) the claims bar date; or (b) expending \$75,000. The Receiver shall also file a notice with the Court after each stage of the noticing and claims process providing claims data, incurred expenses, and projected expenses. If circumstances dictate that the Receiver needs to exceed the \$75,000 cap, he can file a motion requesting to do so.

2. The Receiver's Seventh Interim Application for Approval and Authorization for Payment of Fees and Expenses of Receiver and his Professionals (Doc. 243), is **GRANTED**.

a. The total amount of fees and costs that the Receiver and his Lead Counsel, Damian & Valori LLP, incurred during the Application Period in the amount of \$64,668 (comprised of \$59,843.50 in fees and \$4,824.50 in costs) is hereby **APPROVED**.

b. The Receiver is **AUTHORIZED** to pay the Receiver and his Lead Counsel, Damian & Valori LLP, for fees and costs incurred during the Application Period as follows:

- i. \$396.88 in fees and costs incurred for Citrades-related work to be paid immediately from the Receiver's Citrades fiduciary account;
 - ii. \$63,117.72 in fees and costs incurred for Zilmil-related work to be paid immediately from the Receiver's Zilmil fiduciary account; and
 - iii. \$1,153.40 in fees and costs for general receivership and administrative work, with \$205.37 to be paid from the Receiver's Citrades fiduciary account and \$948.03 to be paid from the Receiver's Zilmil fiduciary account;
- c. The total amount of all of the fees and costs that the Forensic Accountant, Kapila Mukamal LLP, incurred during the Application Period in the amount of \$4,325.63, comprised of \$4,272 in fees and \$53.63 in costs, is hereby **APPROVED**.
- d. The Receiver is **AUTHORIZED** to pay 100% of fees and costs that the Forensic Accountants, Kapila Mukamal LLP, incurred during the Application Period, to be paid immediately from the Receiver's Zilmil fiduciary account; and
- e. The Court reserves final approval of all fees approved herein until such time as the Receiver is discharged of his duties in this matter and/or final disbursement of funds held by the Estate.

3. The Receiver's Motion to Remove or Increase Court-Imposed Quarterly Limit for Fees and Costs of Receiver and his Professionals (Doc. 244), is **GRANTED in part**. Effective going forward, the limit imposed on the Receiver's quarterly expenditures is increased to \$75,000 without prior Court approval.

4. Not later than **January 31, 2020**, the Receiver shall file a notice with the Court stating whether it still wishes to pursue recovery of Citrades transfers on a contingency basis, and if not, whether the Citrades Receivership should be dissolved.

DONE AND ORDERED in Jacksonville, Florida this 20th day of December, 2019.



TIMOTHY J. CORRIGAN
United States District Judge

jb

Copies to:

Counsel of record