

1. On February 27, 2001, the United States Securities and Exchange Commission filed its *"Complaint for Permanent Injunction and Other Equitable Relief"* ("Complaint") against the Defendants and Relief Defendants herein. On that same date, this Court issued its *Order of Permanent Injunction and Other Equitable Relief* ("the Relief Order").

2. This Court entered its order authorizing the retention of Kroger, Gardis & Regas as counsel to the Examiner on March 5, 2001 (the "Appointment Order").

3. This *Second Interim Application of Examiner for Compensation and Reimbursement of Expenses* is for work on behalf of the Examiner, and all such work performed and services rendered were proper and necessary in order to assist the Examiner in the discharge of his duties as set forth in the Appointment Order.

4. All expenses for which reimbursement is sought were incurred in connection with this proceeding, and represent necessary and proper expenses of the Examiner's counsel.

5. Kroger, Gardis & Regas has performed various services, all of which are described in detail in the report of work in process, a copy of which is attached hereto and incorporated by reference herein and marked as Exhibit "A" to this application. The services performed by Kroger, Gardis & Regas for and on behalf of the Examiner include, but are not limited to, the following:

- a. The coordination of efforts with the United States Securities and Exchange Commission;
- b. The review of documents produced by the Defendants and Relief Defendants;
- c. Independent investigation of the financial affairs between and among the Defendants and Relief Defendants;
- d. Conferring with Birk, Gross, Bell & Coulter, the accounting firm whose retention was previously approved by this Court, in an effort to account for the funds received by the Defendants and Relief Defendants, the uses to which those funds were put, the amounts of any remaining funds and their location, and the amounts returned to

investors;

- e. Attempting to develop a comprehensive list of investors and creditors of the Defendants and initiating a mass mailing to determine the aggregate indebtedness of the Defendants, and the Relief Defendants.

6. Exhibit "B" to this Application provides a detail of the time and hourly billing rate for each representative of Kroger, Gardis & Regas who has performed services in this case. The total fee requested by Kroger, Gardis & Regas is the sum of \$6,309.00 plus expense reimbursement of \$1,114.82, a total of \$7,423.82. The average hourly rate requested is the sum of \$72.52.

7. A narrative summary of the activities of counsel on behalf of the Examiner can be found in the *Second Report of Examiner* which was filed on April 26, 2001.

8. No agreement or understanding exists between Kroger, Gardis & Regas and any other person for the sharing of compensation to be received for services rendered in connection with this case.

CONCLUSION AND REQUEST FOR RELIEF

The services summarized by this application were substantial, and were instrumental to the discharge of the Examiner's duties in this case. Kroger, Gardis & Regas therefore respectfully requests that the Court award an interim allowance of compensation for fees and expenses in the amount of \$7,423.82, and that the Court provide all other necessary relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP



Brett R. Fletiz, Counsel to Examiner,
James A. Knauer

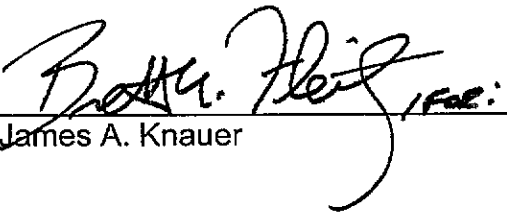
CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing has been served upon the following parties by placing a copy of the same in the United States Mail, first class postage pre-paid, on this 1st day of May, 2001.

Thomas J. Eme
United States Securities and Exchange Commission
500 West Madison Street
Suite 1400
Chicago, Illinois 60661-2511

John E. Brinker, Jr.
4287 Wellington Dr.
Cincinnati, OH 45245-1942

Gary J. Bentz
11961 Fallcreek Lane
Loveland, Ohio 45140-4809


James A. Knauer

Kroger, Gardis & Regas
111 Monument Circle, Suite 900
Indianapolis, Indiana 46204-5125

Wellington Bank and Trust, Ltd.

Page: 1
April 30, 2001
ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

DRAFT STATEMENT

	Rate	HOURS
04/10/01 BRF Telephone conference with Rick Rosenberger of Captain's Cove Marina re boat sale; prepare and dictate memo to James A. Knauer re same; telephone conference with investor Mark Misulich; conference with James A. Knauer re boat sale.	175.00	0.80
04/11/01 BRF Telephone conference with Erika Gaffin re 2nd report to court; telephone conference with investor Christie Tressler; who was advised by her pastor (refused to disclose name) not to cooperate with Examiner; review defendants' compliance with court orders concerning production.	175.00	0.80
04/12/01 BRF Telephone conference with Tom Eme re receivership over all		



Wellington Bank and Trust, Ltd.

Page: 2

April 30, 2001

ACCOUNT NO: 210180-50M

STATEMENT NO: 1

re: Examiner

	Rate	HOURS
defendants and relief defendants; letter to Hlavacek re First Bank; legal research re cause for establishment of receivership over all defendants and relief defendants.	175.00	2.30
04/13/01 BRF Letter to Erika Gaffin and Jeff Coulter re First Bank in Grenada; review detailed e-mail from Jackie Hobbs re Brinker's jewelry and home purchases; letter to Hlavacek re need to access computers; review document production re defendant accounts; outline banks' subpoena responses.	175.00	2.40
04/18/01 BRF Telephone conference with investor Tom Eckstein; telephone conference with Tom Eme re funds sent to Pensco; draft letter to Pensco; draft outline of 2nd report to court.	175.00	1.30
04/24/01 BRF Telephone conference with investor, Mr. Swartz; telephone conference with investor Susan		

Wellington Bank and Trust, Ltd.

Page: 3
April 30, 2001
ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

	Rate	HOURS
Craig; telephone conference with Paul Montoya re negotiations with defendants to establish Receivership over all entities; review Wellington Bank check stubs produced by McShane on 4/18/01; telephone conference with investor Terry Stenger; review accounts draft second report; e-mail to Erika Gaffin re same.	175.00	1.10
04/25/01 BRF Review order granting enlargement of time to file second status report, draft outline of examiner's second report; prepare second report; letter to Pete Shaeffer re surrender of office equipment and furnishings; review memorandum summarizing defendants' assets.	175.00	5.10
04/26/01 BRF Prepare for and attend conference with Jeff Coulter and Erika Gaffin; review, revise and edit Examiner's Second Report; finalize and file second report.	175.00	2.40

Wellington Bank and Trust, Ltd.

Page: 4
April 30, 2001
ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

	Rate	HOURS
04/27/01 BRF Follow-up letter to Pensco re subpoena compliance; telephone conference with investors; review offshore account statements; telephone conference with James A. Knauer re bank records produced to date; draft outline of defendants' production to date.	175.00	1.60
04/30/01 BRF Prepare monthly fee application and order for James A. Knauer as Examiner and Kroger, Gardis & Regas as counsel to Examiner; review orders approving first fee applications and retention of local counsel; letter to Boydston re same; review documents recovered from 1185's former offices; telephone conference with Phyllis Knueuen.	175.00	2.20
Brett R. Fleitz		<u>20.00</u>
04/23/01 JSM Phone call from Brett Fleitz regarding filing of fee application and second status report; reviewed file to		

Wellington Bank and Trust, Ltd.

Page: 5
April 30, 2001
ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

	Rate	HOURS
determine filing deadlines; discussed filing Motion for Extension of Time to file Second Status Report with Jim Knauer; phone call to Judge Hamilton's deputy to discuss Motion requesting 3 day extension of time; drafted Motion for Extension of Time and corresponding Order.	125.00	1.00
James S. Milligan		1.00
04/23/01		
L/C Filed Appearance of JSM, Motion for Extension and Order.	45.00	0.30
Law Clerk		0.30
04/02/01		
WNW Editing Wellington Companies spreadsheet for report.	45.00	0.60
WNW Inputting investor report form responses.	45.00	1.10
WNW Filing report at the federal courthouse.	45.00	0.40
WNW Returning and receiving phone calls of investors regarding		

Wellington Bank and Trust, Ltd.

Page: 6

April 30, 2001

ACCOUNT NO: 210180-50M

STATEMENT NO: 1

re: Examiner

	Rate	HOURS
report forms and other information.	45.00	0.90
04/03/01		
WNW Organizing binders and filing investor report form responses.	45.00	1.00
WNW Researching Wellington companies and people.	45.00	1.00
WNW Adding investor information from Wellington files to list of current investors.	45.00	2.00
WNW Inputting and filing investor report form responses.	45.00	0.50
WNW Establishing current addresses for returned mailings.	45.00	0.30
WNW Speaking with investors regarding report forms.	45.00	0.30
04/04/01		
WNW Adding investor information from Wellington files to list of current investors.	45.00	6.20
04/05/01		
WNW Adding investor information from Wellington files to list of		

Wellington Bank and Trust, Ltd.

Page: 7
April 30, 2001
ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

	Rate	HOURS
current investors.	45.00	3.80
WNW Returning and receiving phone calls of investors regarding report forms and other information.	45.00	0.40
WNW Inputting and filing investor report form responses.	45.00	3.30
WNW Preparing materials minimum foreclosure fee second investor report form request mailing.	45.00	1.50
04/06/01		
WNW Preparing materials for second investor report form request mailing.	45.00	1.90
WNW Assembling materials and posting letter for the second investor report form request.	45.00	3.30
WNW Inputting investor report form responses.	45.00	1.00
04/09/01		
WNW Inputting investor report form responses.	45.00	1.40
WNW Filing investor report form		

Wellington Bank and Trust, Ltd.

Page: 8

April 30, 2001

ACCOUNT NO: 210180-50M

STATEMENT NO: 1

re: Examiner

	Rate	HOURS
responses.	45.00	0.40
WNW Researching people who were receiving significant amounts of money from Castlerock Consulting, and the companies that may be associated.	45.00	1.20
WNW Establishing current addresses for returned investor mailings.	45.00	0.70
04/11/01		
WNW Organizing and evaluating new files produced by Wellington.	45.00	2.20
WNW Preparing and sending mailings to new investors.	45.00	0.70
04/12/01		
WNW Inputting investor report form responses.	45.00	1.80
WNW Calling and receiving calls of investors regarding report forms and other information.	45.00	1.40
WNW Preparing and sending report forms to newly added investors.	45.00	0.70
WNW Preparing and sending letter with investor list to FBI agent Walter		

Wellington Bank and Trust, Ltd.

Page: 9

April 30, 2001

ACCOUNT NO: 210180-50M
STATEMENT NO: 1

re: Examiner

	Rate	HOURS
Wright.	45.00	0.70
WNW Researching possible relationships between more people and companies and the Wellington Companies.	45.00	2.60
04/13/01		
WNW Inputting and filing investor report form responses.	45.00	5.00
WNW Researching people and companies related to Wellington Companies.	45.00	0.70
04/16/01		
WNW Searching for current addresses of returned investor mailings, preparing and sending new mailings to those investors and new investors.	45.00	2.10
WNW Inputting, organizing and filing investor report form responses.	45.00	4.60
04/17/01		
WNW Following up on complicated investor report form responses.	45.00	1.70
WNW Speaking with investor regarding report form request and other information.	45.00	1.00

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Wellington Bank and Trust, Ltd.

Page: 10

April 30, 2001

ACCOUNT NO: 210180-50M

STATEMENT NO: 1

re: Examiner

	Rate	HOURS	
WNW Meeting with JAK to discuss organization and information pertaining to investors.	45.00	0.30	
WNW Filing investor report form responses.	45.00	1.90	
WNW Preparing and sending new mailings to those which were returned.	45.00	1.10	
04/18/01			
WNW Organizing a comprehensive list of assets.	45.00	4.20	
WNW Inputting investor report form responses.	45.00	2.00	
Wendy N. Wools		67.90	
		<hr/>	
FOR CURRENT SERVICES RENDERED		89.20	6,694.00

Electronic research	10.00
Reproduction of documents	486.45
Telecommunication charges	171.20
Mailing expense	294.97
Supplies	84.91

Wellington Bank and Trust, Ltd.

Page: 11

April 30, 2001

ACCOUNT NO: 210180-50M

STATEMENT NO: 1

re: Examiner

TOTAL EXPENSES THRU 04/30/01

1,047.53

Deposition costs

0.25

200.00

Overnight mail

17.04

TOTAL ADVANCES THRU 04/30/01

217.29

Filing Fee (check voided)

-150.00

TOTAL CREDITS FOR ADVANCES

-150.00

TOTAL CURRENT WORK THIS STATEMENT

7,808.82

BALANCE DUE

\$7,808.82

Wellington Bank Fee Summary
30-Apr-01

<i>Person</i>	<i>Title</i>	<i>Rate</i>	<i>Hours</i>	<i>Amount</i>
Brett Fleitz	Attorney	175.00	17.80	3,115.00
James Milligan	Attorney	125.00	1.00	125.00
Wendy Wools	Paralegal	45.00	67.90	3,055.50
Law Clerk (L/C)	Clerk	<u>45.00</u>	<u>0.30</u>	<u>13.50</u>
TOTAL FEES			87.00	6,309.00
TOTAL EXPENSES				<u>1114.82</u>
TOTAL AMOUNT REQUESTED				<u>7,423.82</u>
AVERAGE HOURLY RATE		72.52		

