

**IN THE CIRCUIT COURT OF THE 17TH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA**

MATTHEW CARONE, et al.,

CASE NO. 12-24051 (07)

Plaintiffs,

COMPLEX LITIGATION UNIT

v.

MICHAEL D. SULLIVAN, individually,

Defendant.

**CONSERVATOR’S APPLICATION FOR ALLOWANCE AND PAYMENT OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
ROSENBAUM SOBEL, LLC, AS ACCOUNTANTS**

Philip J. von Kahle (the “**Conservator**”), as Conservator for P&S Associates, General Partnership (“**P&S**”) and S&P Associates, General Partnership (“**S&P**”) (together, the “**Partnerships**”), hereby files this *Conservator’s Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Rosenbaum Sobel, LLC as Accountants* (the “**Accountant Application**”) seeking allowance of compensation for professional services rendered as Conservator’s accountant by Rosenbaum Sobel, LLC (n/k/a Rosenbaum Sobel Weinrub LLC) (“**Accountant**” or “**Rosenbaum**”) for tax year 2020 (“**Accountant Application Period**”) and in support thereof states as follows:

BACKGROUND

1. This Court and the parties-in-interest well know the saga of this case. The Partnerships were forced to face the reality that their investments were embroiled in a fraud of epic proportions. These partners are victims of the notorious Bernard L. Madoff Investment Securities LLC (“**BLMIS**”) ¹ Ponzi scheme.

¹ BLMIS refers to that certain proceeding involving the dissolution and administration of Bernard L. Madoff Investment Securities LLC, one of the world’s worst known Ponzi schemes.

2. Throughout this case, Conservator has worked diligently and efficiently. As part of that efficiency, the Conservator and Counsel determined that periodic requests for payment would conserve judicial and Partnership resources. Now, the Conservator and Rosenbaum respectfully come before this Court and seek approval of fees and costs for the Accountant Application Period.

**SERVICES PROVIDED BY ROSENBAUM DURING
ACCOUNTANT APPLICATION PERIOD**

3. Conservator seeks approval of Rosenbaum's Fees for the Accountant Application Period. During the Accountant Application Period, Rosenbaum has assisted the Conservator in, among other things, accounting, and tax preparation support, including:

- a. Professional services rendered for the preparation of Form 1065, US Partnership Return of Income for the year ending 2020 including extensive number of Form K-1's, Partner's Share of Income, Deductions, Credits, etc.;
- b. Professional services rendered for the preparation of Form F-1065, Florida Partnership Information Return, for the year ending 2020;
- c. Preparation of Form 4810, Request for Prompt Assessment;
- d. Preparation of Disclosure Statement; correspondence and emails to client; preparation of letter to IRS;
- e. Professional services rendered for the preparation of Form 8804, Annual Return for Partnership Withholding and Form 8805, Foreign Partner's Information Statement;
- f. Correspondence & emails to client, telephone conversations with client; and
- g. Preparation of Disclosure Statement.

4. Attached hereto as **Exhibit "A"** is a copy of Rosenbaum's statements, detailing services performed and accumulation of fees in connection with same.

**CONSERVATOR’S ACCOUNTANT’S ENTITLEMENT TO
REASONABLE FEES AND REIMBURSEMENT OF EXPENSES**

5. On January 17, 2013, this Court entered its *Order Appointing Conservator* (the “**Conservator Order**”) appointing Philip von Kahle as conservator of the Partnerships. Among other things, the Conservator Order directed the Conservator to take possession of all property of the Partnerships (the “**Conservatorship Property**”) and to do any and all things necessary for the proper management, wind-down, preservation, maintenance, protection and administration of the Conservatorship Property.

6. On February 5, 2019, the Conservator filed his *Motion to Retain and Compensate Rosenbaum Sobel LLC as Accounting Professional* (the “**Motion to Retain**”) seeking to employ Rosenbaum, which was approved by this Court on February 27, 2019 pursuant to the *Order Granting Conservator’s Motion to Retain and Compensate Rosenbaum Sobel LLC as Accounting Professional* (the “**Order to Retain**”).

7. Pursuant to the Motion to Retain and consistent with the Order to Retain and Conservator Order, “Accountant shall file applications for compensation with the court every 60 days or later, as is deemed reasonable and necessary within the discretion of Accountant, and will provide notice to the partners and other parties-in-interest...” Motion to Retain, page 2, ¶ 8.

8. During and throughout the Accountant Application Period, Rosenbaum has provided statements to the Conservator for services performed and costs incurred in the amount of \$8,089.75 (the “**Fees and Costs**”).

9. During the Accountant Application Period, Rosenbaum dedicated **33.01** hours in relation to the tax year 2020. Rosenbaum now seeks approval and payment of his reasonable Fees and Costs of **\$8,089.75**.

10. Attached hereto and incorporated by reference herein as **Exhibit “B”** is an affidavit attesting to the reasonableness of the Accountant’s Fees and Costs.

WHEREFORE, with respect to the application for payment of Fees and Costs for Rosenbaum, Conservator and Rosenbaum respectfully request that this Court enter an order in substantially the form attached hereto as **Exhibit “C”**: (1) awarding the Rosenbaum’s Fees and Costs in the amount of **\$8,089.75** for services rendered incurred during the Accountant Application Period; (2) determining that the fees earned and costs incurred by Conservator during the Accountant Application Period are reasonable; (3) authorizing the Conservator to pay such Fees and Costs out of the Partnerships’ assets (allocated between P&S and S&P on a reasonable basis) immediately upon the entry of an order granting this Application; and (4) granting any further or additional relief this Court deems necessary or appropriate.

Respectfully submitted May 7, 2021.

MESSANA, P.A.
Attorneys for the Conservator
401 East Las Olas Boulevard, Suite 1400
Fort Lauderdale, FL 33303
Telephone: (954) 712-7400
Facsimile: (954) 712-7401
E-mail: tmessana@messana-law.com
By: /s/ Thomas M. Messana
Thomas M. Messana
Florida Bar No. 991422
Christopher M. Broussard
Florida Bar No. 0095894

By: /s/ Philip J. von Kahle
Philip J. von Kahle
Court Appointed Conservator

Exhibit "A"
Accountant's Time Records



Rosenbaum Sobel Weinrub LLC

certified public accountants · consultants

900 S. Pine Island Road, Suite 220
Plantation, FL 33324
Telephone: (954) 744-8440
www.theflacpa.com

S&P Associates, General Partnership
C/O Philip Von Kahle, Conservator
1883 Marina Mile Blvd, Suite 106
Ft Lauderdale, FL 33315

Date: 2/23/2021
Invoice Number: 6224
Client: 74105.

Professional services rendered for the preparation of Form 1065, US Partnership Return of Income for the year ending 2020 including extensive number of Form K-1's, Partner's Share of Income, Deductions, Credits, etc.

Professional services rendered for the preparation of Form F-1065, Florida Partnership Information Return, for the year ending 2020

Preparation of Form 4810, Request for Prompt Assessment

Preparation of Disclosure Statement; correspondence and emails to client; preparation of letter to IRS

Staff

Rosenbaum, Steven
Snook, Judy
Weston, Christina

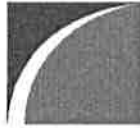
<u>Hours</u>	<u>Rate</u>
4.75	\$325.00
1.83	\$100.00
3.55	\$225.00

Invoice Total: \$2,525.50

Payment Due Upon Receipt

Make Your Check Payable To: *Rosenbaum Sobel Weinrub LLC*

Thank You For Your Business!



Rosenbaum Sobel Weinrub LLC

certified public accountants - consultants

900 S. Pine Island Road, Suite 220
Plantation, FL 33324
Telephone: (954) 744-8440
www.theflacpa.com

P & S Associates, General Partnership
C/O Philip Von Kahle, Conservator
1883 Marina Mile Blvd, Suite 106
Ft Lauderdale, FL 33315

Date: 2/23/2021
Invoice Number: 6225
Client: 74120.0

Professional services rendered for the preparation of Form 1065, US Partnership Return of Income for the year ending 2020 including extensive number of Form K-1's, Partner's Share of Income, Deductions, Credits, etc.

Professional services rendered for the preparation of Form F-1065, Florida Partnership Information Return, for the year ending 2020

Preparation of Form 4810, Request for Prompt Assessment

Professional services rendered for the preparation of Form 8804, Annual Return for Partnership Withholding and Form 8805, Foreign Partner's Information Statement

Preparation of Disclosure Statement; preparation of correspondence and emails to client; letter to IRS

Staff

	<u>Amount</u>	<u>Hours</u>	<u>Rate</u>
Rosenbaum, Steven	\$1,088.75	3.35	\$325.00
Snook, Judy	\$183.00	1.83	\$100.00
Weston, Christina	\$663.75	2.95	\$225.00

Invoice Total: \$1,935.50

Payment Due Upon Receipt

Make Your Check Payable To: *Rosenbaum Sobel Weinrub LLC*

Thank You For Your Business!



Rosenbaum Sobel Weinrub LLC

certified public accountants • consultants

900 S. Pine Island Road, Suite 220
Plantation, FL 33324
Telephone: (954) 744-8440
www.theflacpa.com

SPJ Investments, Ltd.
c/o Philip Von Kahle
1883 Marina Mile Blvd, Suite 106
Ft Lauderdale, FL 33315

Date: 2/23/2021
Invoice Number: 6227
Client: 74110.0

Professional services rendered for the preparation of Form 1065, US Partnership Return of Income for the year ending 2020 including Form K-1, Partner's Share of Income, Deductions, Credits, etc.

Correspondence & emails to client; telephone conversations with client

Staff

Rosenbaum, Steven
Snook, Judy
Weston, Christina

Hours Rate

3.55 \$325.00
1.25 \$100.00
2.60 \$225.00

Total of summarized items: \$1,863.75

Invoice Total: \$1,863.75

Payment Due Upon Receipt

Make Your Check Payable To: *Rosenbaum Sobel Weinrub LLC*

Thank You For Your Business!



Rosenbaum Sobel Weinrub LLC

certified public accountants • consultants

900 S. Pine Island Road, Suite 220

Plantation, FL 33324

Telephone: (954) 744-8440

www.theflacpa.com

Guardian Angel Trust, LLC
C/O Philip Von Kahle
1883 Marina Mile Blvd, Suite 106
Ft Lauderdale, FL 33315

Date: 2/23/2021
Invoice Number: 6226
Client: 74115.0

We have prepared your U.S. Partnership return of income along with the partner's share of income, credits, deductions, etc., Form K-1 and your State Partnership return for the year ended 2020.

Preparation of correspondence & emails to client

Preparation of Disclosure Statement

Staff

	<u>Hours</u>	<u>Rate</u>
Rosenbaum, Steven	3.30	\$325.00
Snook, Judy	1.75	\$100.00
Weston, Christina	2.30	\$225.00

Invoice Total: \$1,765.00

Payment Due Upon Receipt

Make Your Check Payable To: *Rosenbaum Sobel Weinrub LLC*

Thank You For Your Business!

Exhibit "B"
Affidavit for Accountant's Fees and Costs

**IN THE CIRCUIT COURT OF THE 17TH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA**

MATTHEW CARONE, et al.,

CASE NO. 12-24051 (07)

Plaintiffs,

COMPLEX LITIGATION UNIT

v.

MICHAEL D. SULLIVAN, individually,

Defendant.

**AFFIDAVIT IN SUPPORT OF CONSERVATOR'S APPLICATION FOR ALLOWANCE
AND PAYMENT OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR ROSENBAUM SOBEL, LLC, AS ACCOUNTANTS**

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

Before me, this date, personally appeared Steve Rosenbaum, who being first duly sworn, deposes and says:

1. My name is Steven R. Rosenbaum. I am over the age of 18 and competent to testify.

2. I am a Certified Public Accountant and Partner at the accounting firm of Rosenbaum Sobel LLC (n/k/a Rosenbaum Sobel Weinrub LLC) ("**Rosenbaum**") which maintains its offices at 900 South Pine Island Road, Suite 220, Plantation, Florida 33324. I have been a Certified Public Accountant in Florida since 1991. I am a member of the American and Florida Institutes of Certified Public Accountants.

3. I graduated *magna cum laude* from Fairleigh Dickinson University (Teaneck, NJ) with a Bachelor of Science degree in Accounting in 1978. In 2008, I was certified in Financial

Forensics, a designation issued by American Institute of Certified Public Accountants. I have been certified as a Fraud Examiner since 1995.

4. I am qualified in matters of tax accounting, including the preparation and filing of Internal Revenue Service Form 1065, entitled U.S. Partnership Return of Income.

4. I have reviewed the *Conservator's Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Rosenbaum Sobel, LLC as Accountants* (the "Accountant Application") specifically as to the Rosenbaum entitlement to reasonable fees and reimbursement of expenses.

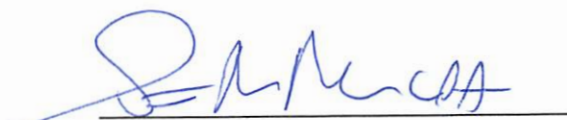
5. I have reviewed the detailed time records of Rosenbaum and the record and the pleadings in the above captioned case.

6. Based upon the forgoing, it is my opinion that the fees and costs totaling **\$8,089.75** sought through the Accountant Application are fair and reasonable considering each and every factor contemplated by *Florida Patient's Compensation Fund v. Rowe*, 472 So. 2d 1145 (Fla. 1985) and the principles of *Lewis v. Gramil Corp.*, 94 So. 2d 174, 177 (Fla. 1957).

7. I am the supervising professional for this matter and the **33.01** hours worked are reasonable. The hours in the detailed time records were recorded contemporaneously. The discounted hourly rates in the Accountant Application are reasonable and have been previously approved by this Court. Other courts have found Rosenbaum's non-discounted rates to be reasonable.

8. I base my opinion on, among other things, the significant skill and knowledge necessary to successfully advise Philip J. von Kahle (the “**Conservator**”), and a review of the records. The services rendered as accountant for the Conservator have substantially benefited the Conservator, the assets subject to Conservator oversight, the creditors, and the Court.

FURTHER AFFIANT SAYETH NAUGHT.

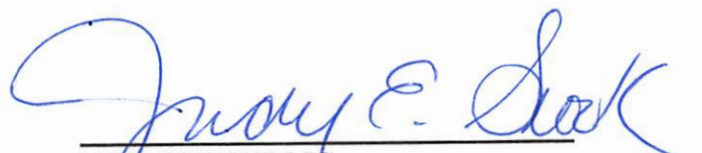


Steven R. Rosenbaum, CPA

SUBSCRIBED AND SWORN TO before me, a Notary Public, by means of physical presence this 5th day of April, 2021, by Steven R. Rosenbaum, personally known to me and who did take an oath.



Judy E. Snook
Commission # GG133505
Expires: August 10, 2021
Bonded thru Aaron Notary



NOTARY PUBLIC

Exhibit "C"
Proposed Order

**IN THE CIRCUIT COURT OF THE 17TH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA**

MATTHEW CARONE, as Trustee for the Carone Marital Trust #2 UTD 1/26/00, Carone Gallery, Inc. Pension Trust, Carone Family Trust, Carone Marital Trust #1 UTD 1/26/00 and Matthew D. Carone Revocable Trust, JAMES JORDAN, as Trustee for the James A. Jordan Living Trust, ELAINE ZIFFER, an individual, and FESTUS AND HELEN STACY FOUNDATION, INC., a Florida Corporation,

CASE NO. 12-24051 (07)
COMPLEX LITIGATION UNIT

Plaintiffs,

v.

MICHAEL D. SULLIVAN, individually,

Defendant.

**ORDER APPROVING COSTS AND FEES OF ROSENBAUM SOBEL LLC
AS CONSERVATOR'S ACCOUNTING AND TAX PROFESSIONAL**

THIS MATTER came before this Court for consideration of the *Conservator's Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Rosenbaum Sobel, LLC as Accountants* (the "**Application**")¹ filed by the Court-Appointed Conservator, Philip J. von Kahle (the "**Conservator**"). Through the Application, the Conservator seeks approval of fees and costs incurred by Rosenbaum Sobel, LLC (n/k/a Rosenbaum Sobel Weinrub LLC) ("**Rosenbaum**") in the amount of \$8,089.75 for tax year 2020 (the "**Accountant Application Period**"). The Court, having considered the entire record in this case, including, among other things, the Application, noting that due and adequate notice has been given to all parties-in-interest and no further or other notice is required, and after due deliberation and sufficient cause appearing for same, this Court finds it appropriate to approve the Application and relief requested therein. Accordingly, it is hereby **ORDERED** and **ADJUDGED** as follows:

¹ Capitalized terms not otherwise defined herein shall have meaning ascribed to them in the Application.

1. The Application is **APPROVED**.
2. Conservator is hereby authorized to pay Rosenbaum the sum of **\$8,089.75** in payment of reasonable fees accrued during the Accountant Application Period, out of the Partnerships' assets, allocated between the Partnerships on a reasonable basis.

Done and ordered in Chambers, Fort Lauderdale, Florida, this ____ day of May, 2021.

Honorable Jack Tuter
Circuit Court Judge